

## Philippine Stock Exchange index (PSEi)

6,498.88

▼55.16 PTS.

▼0.84%

WEDNESDAY, JANUARY 3, 2024

BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P706.00 -P9.00 -1.26%	<b>ACEN</b> ACEN Corp. P4.35 +P0.05 +1.16%	<b>AEV</b> Aboltiz Equity Ventures, Inc. P49.00 -P0.90 -1.8%	<b>AGI</b> Alliance Global Group, Inc. P11.32 +P0.12 +1.07%	<b>ALI</b> Ayala Land, Inc. P34.25 -P0.30 -0.87%	<b>BDO</b> BDO Unibank, Inc. P126.20 -P1.60 -1.25%	<b>BLOOM</b> Bloomerry Resorts Corp. P10.06 ---	<b>BPI</b> Bank of the Philippine Islands P103.50 -P2.30 -2.17%	<b>CNPF</b> Century Pacific Food, Inc. P31.00 ---	<b>CNVRG</b> Converge ICT Solutions, Inc. P8.51 +P0.01 +0.12%
<b>DMC</b> DMCI Holdings, Inc. P9.92 +P0.07 +0.71%	<b>EMI</b> Emperador, Inc. P20.70 -P0.15 -0.72%	<b>GLO</b> Globe Telecom, Inc. P1,723.00 -P12.00 -0.69%	<b>GTCAP</b> GT Capital Holdings, Inc. P597.50 -P2.50 -0.42%	<b>ICT</b> International Container Terminal Services, Inc. P249.80 -P6.20 -2.42%	<b>JFC</b> Jollibee Foods Corp. P254.60 -P0.40 -0.16%	<b>JGS</b> JG Summit Holdings, Inc. P40.00 ---	<b>LTG</b> LT Group, Inc. P9.08 -P0.02 -0.22%	<b>MBT</b> Metropolitan Bank & Trust Co. P53.05 -P0.10 -0.19%	<b>MER</b> Manila Electric Co. P394.00 -P5.00 -1.25%
<b>MONDE</b> Monde Nissin Corp. P8.55 +P0.10 +1.18%	<b>NIKL</b> Nickel Asia Corp. P5.25 -P0.02 -0.38%	<b>PGOLD</b> Puregold Price Club, Inc. P27.20 +P0.10 +0.37%	<b>SCC</b> Semirara Mining and Power Corp. P30.30 -P0.10 -0.33%	<b>SM</b> SM Investments Corp. P879.00 -P3.00 -0.34%	<b>SMC</b> San Miguel Corp. P110.00 ---	<b>SMPH</b> SM Prime Holdings, Inc. P32.25 -P0.05 -0.15%	<b>TEL</b> PLDT Inc. P1,272.00 -P3.00 -0.24%	<b>URC</b> Universal Robina Corp. P119.90 -P4.10 -3.31%	<b>WLCON</b> Wilcon Depot, Inc. P22.60 +P0.60 +2.73%

## Airlines may sustain growth amid travel pickup

By Ashley Erika O. Jose  
Reporter

AIRLINE companies in the Philippines are expected to sustain their gains this year as airport investments including the rehabilitation of the country's major gateway drive investor sentiment, analysts said.

"It is a positive sign that major airlines are investing in fleet and network buildup," Juan Paolo E. Colet, managing director at China Bank Capital Corp., said in a Viber message on Wednesday. "In addition, airport investments and efficiencies, such as through the privatization and rehabilitation

of the Ninoy Aquino International Airport (NAIA), will help create more favorable conditions for the airline industry."

The Department of Transportation has set the signing of the concession agreement for the rehabilitation, operation and maintenance of NAIA by March after attracting four bidders for the upgrade project.

Easing inflation and growing travel demand are also expected to drive the profitability of local airlines this year, Mr. Colet said.

The Philippines recorded 5.45-million international visitors in 2023, surpassing its 4.8-million target, the Tourism department said. This year, the agency is targeting 7.7 million visitors.

"Airlines saw a recovery last year given normalizing travel conditions and revenge travel," Rastine Mackie D. Mercado, research director at China Bank Securities, said in an e-mail. "We expect continued improvements this year, with the International Air Transport Association expecting Asia-Pacific international passenger volumes to surpass 2019 levels."

The attributable net income of PAL Holdings, Inc., the listed operator of flag carrier Philippine Airlines (PAL), climbed by 33.3% to P4.28 billion in the third quarter from a year earlier. Consolidated revenue rose by 16.7% to P47.13 billion.

Its nine-month attributable net income more than doubled to P15.16 billion.

Cebu Air, Inc., had P1.28 billion in attributable net income in the third quarter, reversing a net loss of P2.54 billion a year earlier. Revenue rose by 38.5% to P23.34 billion.

For the nine months to September, Cebu Air posted an attributable net income of P5.03 billion, reversing a net loss of P12.05 billion a year ago.

Airlines are expected to post modest gains due to the challenging economic environment, Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc. said.

"At the global level, net profitability is anticipated to remain well

below the cost of capital in both years," he said in a Viber message. "While the airline industry's profits in 2024 are expected to show a slight improvement over 2023, the return on invested capital is projected to lag behind the cost of capital in both 2023 and 2024."

Airline revenues are expected to outpace expenses, Mr. Arce said, adding that while operating expenses would increase, profits might rise slowly as further interest rate cuts seem unlikely.

Meanwhile, some operational challenges might continue this year, pulling down optimism on the demand side, Mr. Mercado said.

"Some operational challenges are seen to persist into 2024 as the

backlog in aircraft maintenance for some widely used aircraft may weigh on capacity," he said.

Cebu Air earlier said it would cut fleet growth this year as engine maker Pratt & Whitney (P&W) inspects A320/321 NEO aircraft engines worldwide after suspected issues.

The company said it expects a number of its aircraft to be affected in 2024, adding that inspections would ensure the safe operation of its P&W-powered fleet.

"The major issues for airlines, as they look to ramp up capacity, have been the supply chain slowdown, delivery delays and engine problems that have caused aircraft to be grounded," Mr. Arce said.

## Maynilad to build P2.8-B reservoirs in 3 cities

By Sheldeen Joy Talavera  
Reporter

MAYNILAD Water Services, Inc. on Wednesday said it would build four reservoirs worth P2.8 billion that will add 211 million liters (ML) of water to its storage capacity by 2026.

The four reservoirs will be built in Quezon City, Valenzuela, and Muntinlupa, it said in a statement.

"Households in elevated areas are typically affected by low water pressure whenever the demand goes up," Maynilad Chief Operating Officer Randolph T. Estrellado said. "Having more reservoirs will help to maintain supply availability despite strong water withdrawals from households in low-lying areas, so we're building more of these storage facilities in strategic locations."

The projects form part of Maynilad's P220-billion service enhancement program for 2023 to 2027.

Some Maynilad customers have had to endure low water pressure to no water due to the company's repair and maintenance activities, including two scheduled shutdowns last year at its Putatan treatment plant in Muntinlupa City.

In January 2023, the Metropolitan Waterworks and Sewerage System ordered Maynilad to rebate P27.48 million to customers in areas served by its Putatan facility.

The company has 37 operational reservoirs that can store 751 ML of treated water supply. This increased from 10 reservoirs with 400 ML storage capacity after it rehabilitated 13 reservoirs and built 14 new ones since 2007.

"With the construction of four new reservoirs until 2026, the company's total combined water-storage capacity will reach 962 ML," Maynilad said.

Maynilad is seeking a 10-year extension of its concession deal with MWSS to Jan. 21, 2047, to coincide with its 25-year legislative franchise.

Maynilad serves Manila, except portions of San Andres and Sta. Ana. It also supplies water in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon.

The utility also supplies water to the cities of Cavite, Bacoor, and Imus, and the towns of Kawit, Noveleta, and Rosario, all in Cavite province.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls.

Meanwhile, Manila Water Co., Inc. said it had ended a 25-year bulk water supply deal with Pangasinan.

In a stock exchange filing, the east zone concessionaire said unit Manila Water Philippine Ventures, Inc. (MWPV) ended the deal effective Dec. 31 after the province failed to fulfill some conditions, which it did not detail.

Jeric T. Sevilla, head of Manila Water's corporate strategic affairs group, and corporate communications head Dittie L. Galang did not immediately reply to separate Viber messages seeking comment.

In January 2022, the parties signed a concession agreement for the project with a capital expenditure of about P8 billion. It was supposed to give Pangasinan 200 million liters per day (MLD) more of water.

Last month, Manila Water said unit Cebu Manila Water Development, Inc. had terminated its water supply contract with the Metropolitan Cebu Water District after more than a decade.

Cebu Manila Water is a joint venture of Manila Water Consortium, Inc., which is owned by MWPV, and the provincial government of Cebu.

The parties entered into a joint investment agreement in 2012 for the development, operation and maintenance of a bulk water system that will supply at least 35 MLD of potable water.

Shares of Manila Water gained 1.97% or 36 centavos to close at P18.64 each.

## PLDT unit expands digital services for Pinoys abroad

PLDT, Inc. on Wednesday said its international retail arm is expanding its digital services through a one-stop shop platform that offers online shopping and e-gift vouchers to Filipinos overseas.

"This is another way for us at PLDT Global and TINBO (Tindahan ni Bossing) to engage with our Filipino communities overseas by providing them with more options to care for their loved ones back home," President and Chief Executive Officer Albert V. Villa-Real said in a statement.

Overseas Filipino workers can now buy Lazada and Shopee e-gift vouchers for their families in the Philippines via TINBO. They can buy and send Lazada or Shopee vouchers to their loved ones as gifts — a convenient and more practical alternative than the traditional *balikbayan* boxes, PLDT said.

"Plus, the e-gift vouchers allow their family members or recipients the opportunity to buy the items that they like from the

online shopping apps," it added.

Powered by PLDT Global, TINBO is a marketplace that allows Filipinos around the world to buy load, send food vouchers, e-gifts, healthcare PINs from mWell, and even gaming PINs for their families in the Philippines.

They can buy a Smart virtual number through TINBO, letting them receive one-time passwords from their e-wallets and e-banks in the Philippines like Maya.

TINBO also gives overseas Filipinos access to a convenient and secured online bill payment platform for their Philippine utilities and other digital services while outside the Philippines.

PLDT's share price lost 0.24% or P3 to P1,272 each at the close of trading in Manila.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **A.E.O. Jose**

## ACEN completes purchase of Indonesia wind projects

AYALA-LED ACEN Corp. said its unit has completed the acquisition of three late-stage wind projects from Indonesia-based Barito Renewables, Inc.

In a stock exchange disclosure on Wednesday, the listed energy company said ACEN Renewables International Pte. Ltd. through unit ACEN Investments HK Ltd. completed the purchase of shares from UPC Renewables Asia Pacific Holdings Pte. Ltd. for the three wind development assets.

The projects have a combined potential capacity of 320 megawatts (MW) and are in South Sulawesi, Sukabumi, and Lombok provinces in Indonesia.

ACEN acquired the shares at a price that is "less than 10%" of its book value.

On Dec. 15, ACEN HK and Barito Renewables unit PT Barito Wind Energy signed the purchase deal with UPC Renewables.

"Following the signing of the respective share transfer deeds, Barito Wind owns 51% of the three development assets, while ACEN HK owns the remaining 49%," ACEN said.

In February 2022, ACEN said it had completed the acquisition of UPC Renewables' shares in ACEN Australia, making it its wholly owned unit.

ACEN Australia is the joint venture holding company of unit ACEN Renewables International and UPC Renewables for ACEN's energy projects and investments in Australia.

To date, ACEN has about 4,430 MW of attributable capacity spanning the Philippines, Vietnam, Indonesia, India, and Australia.

ACEN's share price gained 1.16% or 5 centavos to close at P4.35 each. — **Sheldeen Joy Talavera**

## Axelum opens hospital in Northern Mindanao

LISTED coconut product maker Axelum Resources Corp. has branched out into healthcare by opening its first hospital in Misamis Oriental.

The listed Philippine company launched through civic affiliate AMDG Foundation the 100-bed San Isidro Poly-medical General Hospital in Gingoog City, Misamis Oriental, it said in a stock exchange filing on Wednesday.

The medical center offers a suite of services including hemodialysis, emergency room, intensive care, extended laboratory and diagnostics, radiology, surgery, delivery room, neonatal, outpatient clinics, pharmacy and other essential amenities, Axelum said.

"At Axelum, our overarching goal is to combat poverty through livelihood, education and now through healthcare," Axelum President and Chief Executive Officer Romeo I. Chan said in the statement. "We believe that every Filipino deserves access to

quality medical services and modern facilities."

The company aims to provide professional healthcare to the local community and indigenous people of Northern Mindanao.

The company said the project was launched through AMDG Foundation and in partnership with the Cagayan de Oro Poly-medical Medical Group.

Axelum said the hospital seeks to serve more than 350,000 residents and has a long-term aspiration to become a premier end-referral hospital in the region. It also aims to expand into highly specialized treatments and services.

Axelum had a net loss of P428 million in the nine months ended September, a reversal of its P717.28-million net income a year earlier. Revenues fell by 19% to 4.28 billion.

Shares of the company inched up by 0.88% to close at P2.30 each. — **Adrian H. Halili**

## House of Investments unit buys Tarlac property for P2.7B

A UNIT of Yuchengco-led House of Investments (HI) has bought a 184-hectare property in Tarlac province in northern Philippines as part of efforts to improve its property portfolio and diversify revenue sources.

In a regulatory filing on Wednesday, the company said Tarlac Terra Ventures, Inc., on Dec. 29 bought land from Rizal Commercial Banking Corp. (RCBC) for P2.7 billion. The lot is at the Central Techno Park in Luisita Industrial Park.

House of Investments said the property was bought through a deed of conditional sale. It added that Tarlac Terra Ventures has three years to pay for the lot.

The listed firm said the transaction allows Tarlac Terra Ventures to "own an asset that appreciates over time."

"The property is located in a prime area in Tarlac that has potential for value appreciation," it said. "The prospect of the property for future development is viewed to provide future revenues for HI."

House of Investments' core businesses are in car dealership, construction, education, and property management services. It also has portfolio investments in pharmaceuticals, energy, and death care.

House of Investments shares rose by 7.03% or 23 centavos to close at P3.50 each. — **Revin Mikhael D. Ochave**