

Philippine Stock Exchange index (PSEi)

6,679.96 ▲ 58.08 PTS. ▲ 0.87%

WEDNESDAY, JANUARY 24, 2024
BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P693.00 +P9.50 +1.39%	ACEN ACEN Corp. P4.18 +P0.04 +0.97%	AEV Aboitiz Equity Ventures, Inc. P49.15 +P0.40 +0.82%	AGI Alliance Global Group, Inc. P11.50 -P0.10 -0.86%	ALI Ayala Land, Inc. P34.50 +P0.20 +0.58%	BDO BDO Unibank, Inc. P144.80 +P2.80 +1.97%	BLOOM Blossom Resorts Corp. P10.76 +P0.32 +3.07%	BPI Bank of the Philippine Islands P109.60 +P2.00 +1.86%	CNPF Century Pacific Food, Inc. P32.70 -P1.55 -4.53%	CNVRG Converge ICT Solutions, Inc. P8.91 +P0.23 +2.65%
DMC DMCI Holdings, Inc. P10.52 +P0.02 +0.19%	EMI Emperador, Inc. P20.90 -P0.05 -0.24%	GLO Globe Telecom, Inc. P1,741.00 -P9.00 -0.51%	GTCAP GT Capital Holdings, Inc. P660.00 +P19.00 +2.96%	ICT International Container Terminal Services, Inc. P246.00 +P2.60 +1.07%	JFC Jollibee Foods Corp. P270.00 +P7.00 +2.66%	JGS JG Summit Holdings, Inc. P38.70 -P0.40 -1.02%	LTG LT Group, Inc. P9.19 +P0.09 +0.99%	MBT Metropolitan Bank & Trust Co. P58.00 ---	MER Manila Electric Co. P383.00 -P0.40 -0.1%
MONDE Monde Nissin Corp. P8.58 +P0.03 +0.35%	NIKL Nickel Asia Corp. P4.84 -P0.03 -0.62%	PGOLD Puregold Price Club, Inc. P28.70 -P0.05 -0.17%	SCC Semirara Mining and Power Corp. P32.00 +P0.20 +0.63%	SM SM Investments Corp. P900.00 +P10.00 +1.12%	SMC San Miguel Corp. P113.00 -P3.50 -3%	SMPH SM Prime Holdings, Inc. P33.50 +P0.45 +1.36%	TEL PLDT Inc. P1,282.00 -P8.00 -0.62%	URC Universal Robina Corp. P112.40 ---	WLCON Wilcon Depot, Inc. P21.80 -P0.20 -0.91%

SMC unit advances in 1,200-MW bid for Meralco

SAN MIGUEL group's South Premiere Power Corp. (SPPC) is advancing to the post-qualification stage after the Manila Electric Company (Meralco) declared its bid to supply 1,200 megawatts (MW) as the most favorable.

"The bids and awards committee for power supply agreements named South Premiere Power Corp. as the best bidder after submitting the lowest offer for Meralco's baseload requirement," the listed power distributor said in a statement on Wednesday.

"SPPC offered a total leveled cost of electricity rate at P7.0718 per kilowatt-hour (kWh) for the

entire 1,200-MW requirement," Meralco added.

SPPC is the administrator of the natural gas-fired power plant in Ilijan, Batangas.

Meanwhile, the unincorporated joint venture of Limay Power, Inc. (LPI) and San Roque Hydropower, Inc. (SRHI), one of the three bidders, put forward the second most competitive proposal, offering a rate of P7.1006 per kWh for a capacity of 150 MW, Meralco also said.

First NatGas Power Corp. (FNPC), led by the Lopez Group, offered a rate of P8.4489 per kWh.

"Except for the offer of FNPC, all other offers received were below the P7.1538 per kWh reserve price

set for this competitive selection process (CSP)," Meralco said, citing the bids and awards committee.

The committee is "set to conduct a post-qualification evaluation and submit its recommendation and report to Meralco's Board of Directors for approval of the best bid as the winning power supplier prior to the issuance of a notice of award," the power distributor also said.

SPPC, LPI, and SRHI are subsidiaries of San Miguel Global Power Holdings Corp., the power arm of listed conglomerate San Miguel Corp. (SMC).

"All contracts resulting from this CSP will be subject to the reg-



ulatory proceedings of the Energy Regulatory Commission," said Lawrence S. Fernandez, Meralco bids and awards committee chair.

The CSP, a government-mandated transparent bidding pro-

cess, aims to select the least-cost of electricity supply.

Meralco said that the resulting 15-year power supply agreement (PSA) from this CSP will cover its future capacity

requirements, "including the 1,000 MW (net) supply that was covered by its PSAs with change in circumstance cases that are pending resolution." — **S.J. Talavera**

ACEN completes acquisition of US wind project

ACEN Corp.'s joint venture company UPC Power Solutions LLC has concluded the acquisition of the 38-megawatt (MW) Chestnut Flats wind project in Altoona, Pennsylvania, the renewable energy company announced on Wednesday.

In a stock exchange filing, the Ayala-led energy company said that UPC Power Solutions has successfully bought the leasing rights for the wind project from EDF Renewables North America.

"EDF Renewables will continue to provide asset management and operations and maintenance services," ACEN said.

UPC Power Solutions is a joint venture involving ACEN, Pivot Power Management, and UPC Solar & Wind Investments LLC. It was established in April 2022, focusing on acquiring operating wind projects in the United States.



"The addition of this high-quality renewable asset will support our long-term strategy to build a diversified fleet of operating wind

projects," UPC Chief Executive Officer Tim Rosenzweig said.

"Our investment in Chestnut Flats will create economic opportunity and maintain jobs in the local community," he added.

This acquisition marks ACEN's ninth project and the second mergers and acquisitions closing in 2023.

With the latest acquisition, UPC Power Solutions' operating renewable energy portfolio has grown to over 170 MW across multiple states in the United States.

Currently, ACEN has approximately 4,430 MW of attributable capacity spanning the Philippines, Vietnam, Indonesia, India, and Australia.

At the local bourse on Wednesday, shares in ACEN went up by four centavos or 0.97% to close at P4.18 apiece. — **Sheldeen Joy Talavera**

RFM sees 14% rise in income, expects to finish P1.5-B capex projects in 1st quarter

RFM Corp. saw its profit surge by 14% to P1.2 billion in 2023, driven by robust sales, the listed food and beverage company said on Wednesday, citing its preliminary unaudited net income report.

In a regulatory filing, RFM said that its 2023 net income marked an improvement from the P1.07 billion net income in 2022, attributed to higher margins resulting from improved cost of raw materials like wheat and milk.

Sales in 2023 increased by 7% to P20.7 billion because of higher demand in the milk, pasta, flour, ice cream, and bread categories, the company said.

"The hefty raw material price increases seen in 2022 and early 2023 reversed through the year and helped RFM margins to recover although inflation dampened consumer demand to an extent," RFM Chief Executive Officer Jose Ma. A. Concepcion III said.

The company has allocated P1.5 billion as a capital expenditure (capex) budget for projects in its breadline and milk categories.

"RFM continues to invest in its future growth as it completes this first quarter of 2024 important capex projects in breadline and milk totaling P1.5 billion," Mr. Concepcion said.

"This capex, alongside the regular payment of dividends, were all funded by internally generated cash and RFM parent company has no bank loans," he added.

The company, he also said, expects "continued growth in top line and single digit growth in income" for 2024.

"There is greater competition in the ice cream sector but improvement in margins is seen on most business segments with the softer prices of raw materials coming in 2024 compared to early 2023," he said.

"Our Selecta Milk brand is also seeing sustained growth over the years and we are supporting this with new capex and innovations, like what we are also doing with our new Fiesta carbonara sauce," he added.

Shares of RFM closed unchanged at P2.90 apiece on Wednesday. — **R.M.D. Ochove**

Tamaraw launch on track with 25% investment spent, says TMP chairman

TOYOTA MOTOR Philippines Corp. (TMP) has used 25% of the announced P5.5-billion investment for the production of its upcoming Tamaraw multipurpose vehicle, set to launch in the third quarter, the company's chairman said.

"Rest assured, we've been preparing for the arrival of the Tamaraw, and by the time we launch it, the entire investment will have been expended," TMP Chairman Alfred V. Ty told reporters on Tuesday.

"We announced it in August last year, so it's been about one year," he added.

In December, Malacañang announced that TMP's parent firm, Toyota Motor Corp., committed to investing an additional P1.1 billion on top of the P4.4-billion investment for the assembly of Tamaraw that was announced in August.

TMP has touted the next-gen Tamaraw as a utility vehicle that could be used for the businesses of micro, small, and medium enterprises (MSMEs) or as an ambulance, patrol car, and modernized jeepney.

"This is very much aligned with the program of government to expand manufacturing activity in the Philippines. It will create jobs, support local parts makers, and provide MSMEs with a viable and sustainable mobility solution for their business," Mr. Ty said.

TMP was the market leader last year in terms of sales at 200,031 units, equivalent to a 46.5% market share, based on a joint report by the Chamber of Automotive Manufacturers of the Philippines, Inc. and the Truck Manufacturers Association. — **Revin Mikhael D. Ochove**

AirAsia Philippines still working to restore pre-pandemic fleet

LOW-COST airline AirAsia Philippines said it plans to increase its operational aircraft to 24 from 16 as part of its recovery efforts this year.

"Hopefully, by the end of the year, we will have 24 to 25 operating aircraft," AirAsia Philippines said in a statement to reporters on Tuesday.

AirAsia Philippines operated 24 planes in 2019, or before the pandemic. Currently, the airline has 16 operating aircraft, with another one set to be operational by the first or second week of February, the company said.

"It's a bit challenging because of the MROs (main-

tenance, repair, and overhaul services) since there is a long line of airlines. Our goal for the first and second quarters is the reactivation of our fleet, returning to pre-pandemic levels," the airline said.

The airline is looking to reopen and add more domestic and international routes this year, according to AirAsia Philippines President and Chief Executive Officer Ricardo P. Isla.

These include flights to Dumaguete and Zamboanga, as well as international flights such as Manila-Taipei-Okinawa and vice versa, Vietnam, Australia, and Fukuoka in Japan.

"We just have to do our basic task of bringing back as many aircraft as we can at least on a 2019 level. That's the most important. Right now, we haven't fully maximized the international market," Mr. Isla said.

The airline is awaiting the delivery of two Airbus A321s scheduled in November and December to bolster its current fleet.

"The additional 321s will allow us to have more capacity in the routes that we fly," AirAsia Philippines said. — **Revin Mikhael D. Ochove**

Philippine companies told to boost sustainability efforts

BUSINESSES must play a bigger role in sustainability efforts to address challenges like climate change and rising inequality, Ayala Land, Inc. (ALI) Executive Director Mariana Beatriz Zobel de Ayala said.

Businesses should focus on sustainability, diversity, and digitalization as drivers for transformation, Ms. Zobel also said in her keynote speech at the Financial Executives Institute of the Philippines' (FINEX) inaugural meeting and induction ceremony in Makati City on Wednesday.

"A focus on these three areas have been incredible catalysts for change and continue to shape the way we look at business today," she said.

"The role of business in the climate action agenda thus cannot be understated and will require transformation in order to reimagine how we can mitigate our environmental impacts," she added.

For his part, FINEX President and ALI CFO Augusto D. Bengzon advocated for finance executives to integrate environmental, social, and corporate governance metrics into financial assessments, fostering a culture of environmental responsibility.

"Including sustainability in our business practices and strategies not only protects our environment for future generations but also positions our companies for resilience and long-term growth," he said.

In terms of diversity, Ms. Zobel acknowledged the current underrepresentation of marginalized groups in leadership roles, emphasizing the value of unique perspectives in organizational success.

"I believe that the roles we play in our individual lives, families, and communities contribute so much to our worldview and perspectives... Bringing those unique perspectives and experiences to our organizations... will yield tremendous results and hopefully new ways of looking at things," she said.

Mr. Bengzon said that diversity is important in stimulating creativity and innovation within business and finance teams.

"Recognizing the importance of diversity acts as a catalyst for in-

novation and untapped potential," he added.

On digitalization, Ms. Zobel pointed out Ayala Group's adaptation to the digital landscape through subsidiaries like ALI and Bank of the Philippine Islands.

"The work we do at ALI now requires a similar sense of reimagining, bringing our resorts and hotels up to global standards and fulfilling the promise of the Philippines as a top travel destination," she said.

For his part, Mr. Bengzon stressed the importance of digitalization not only for business growth but also for ensuring the survival and relevance of companies in challenging times. — **Revin Mikhael D. Ochove**