

Philippine Stock Exchange index (PSEi)

6,680.45

▲ 37.27 PTS.

▲ 0.56%

MONDAY, JANUARY 15, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P680.50 ---	ACEN ACEN Corp. P4.39 +P0.06 +1.39%	AEV Aboitiz Equity Ventures, Inc. P49.50 +P0.80 +1.64%	AGI Alliance Global Group, Inc. P11.60 +P0.08 +0.69%	ALI Ayala Land, Inc. P34.00 -P0.05 -0.15%	BDO BDO Unibank, Inc. P139.00 ---	BLOOM Blossom Resorts Corp. P10.00 +P0.08 +0.81%	BPI Bank of the Philippine Islands P109.00 +P2.00 +1.87%	CNPF Century Pacific Food, Inc. P34.00 +P0.20 +0.59%	CNVRG Converge ICT Solutions, Inc. P9.53 +P0.17 +1.82%
DMC DMCI Holdings, Inc. P10.32 +P0.24 +2.38%	EMI Emperador, Inc. P20.85 ---	GLO Globe Telecom, Inc. P1,790.00 +P78.00 +4.56%	GTCAP GT Capital Holdings, Inc. P626.50 +P8.50 +1.38%	ICT International Container Terminal Services, Inc. P251.20 +P5.40 +2.2%	JFC Jollibee Foods Corp. P266.80 +P1.80 +0.68%	JGS JG Summit Holdings, Inc. P41.00 +P0.80 +1.99%	LTG LT Group, Inc. P9.14 +P0.11 +1.22%	MBT Metropolitan Bank & Trust Co. P56.40 -P1.00 -1.74%	MER Manila Electric Co. P381.00 +P1.00 +0.26%
MONDE Monde Nissin Corp. P8.36 -P0.05 -0.59%	NIKL Nickel Asia Corp. P4.99 -P0.01 -0.2%	PGOLD Puregold Price Club, Inc. P28.50 -P0.15 -0.52%	SCC Semirara Mining and Power Corp. P31.95 +P0.80 +2.57%	SM SM Investments Corp. P905.00 +P3.00 +0.33%	SMC San Miguel Corp. P122.00 +P1.00 +0.83%	SMPH SM Prime Holdings, Inc. P33.75 +P0.20 +0.6%	TEL PLDT Inc. P1,271.00 -P19.00 -1.47%	URC Universal Robina Corp. P120.10 -P1.30 -1.07%	WLCON Wilcon Depot, Inc. P22.20 -P1.05 -4.52%

2023 PAGCOR revenue hits P285B; P336B eyed

By Revin Mikhael D. Ochave
Reporter

THE PHILIPPINE Amusement and Gaming Corp. (PAGCOR) said revenue for 2023 reached P285.27 billion, marking a 33.1% increase from P214.33 billion reported in 2022.

This figure not only surpassed PAGCOR's 2023 revenue target of P272.74 billion but also set a new record high, surpassing the previous record of P256.49 billion posted in 2019, PAGCOR Chairman and Chief Executive Officer Alejandro H. Tengco said during a briefing on Monday.

The country's integrated resorts are the biggest revenue contributors at P207.48 billion, followed by the electronic games sector at P58.16 billion, he said.

"Electronic gaming has brought up our revenue substantially. The growth is very

exponential and I believe it will continue to grow."

PAGCOR-operated casinos under the Casino Filipino brand took up P19.62 billion last year.

"Our 2023 results exceeded even our most optimistic projections, and it proves beyond doubt that the Philippine gaming industry has fully recovered and is now poised for sustained growth in the medium- to long-term," Mr. Tengco said.

For 2024, Mr. Tengco said that PAGCOR is aiming to generate P336.38 billion worth of gross gaming revenue amid the expected opening of new integrated resorts.

"We are projecting that our licensed casinos from the Entertainment City, Metro Manila, Clark, Cebu, and the Fiesta Casinos in Rizal and Poro Point will contribute as much as P256.63 billion to our 2024 GGR," Mr. Tengco said.

"I think the gaming sector will continue to grow. I've been

around the world attending conferences and everybody is excited about the Philippine market," he added.

He said that there is a possibility that the electronic gaming sector could eventually overcome land-based casino.

"I think the traditional land-based casinos will always stay. There are still people who still want to go for the actual excitement. Will electronic gaming eventually overcome land-based casinos? There is a possibility."

Mr. Tengco also said that the proposed shutdown of Philippine Offshore Gaming Operators (POGOs) or internet gaming licenses (IGLs) is not an easy decision, adding that he remains open to issuing licenses to IGLs in the future.

"We used to have 200 IGLs. Now, we have 48 IGLs. We generated P5 billion revenues in 2023, compared to the almost P3 billion in 2022. We have one-fourth of licensees."



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"The shutdown is not easy. There are close to 70,000 people Filipinos who are working for IGLs. Then there are 625,000 square meters of space that are being leased," he added.

In October last year, PAGCOR announced that it would use the

term IGL instead amid the reported violations of POGO operations in the country.

The National Economic and Development Authority in September said the expulsion of POGOs would help encourage "quality investments" and would

be beneficial for the country in the long term.

In the same month, the Senate Committee on Ways and Means previously recommended the gradual phase-out of POGO operations due to its "negative social impact."

Ayala-led ACEN issues guarantees for unit ACEN Cayman's \$320-M loan

LISTED ACEN Corp. has committed to take responsibility for the repayment of its subsidiary's \$320-million loan in the event that it is unable to fulfill its obligations, the Ayala-led energy company announced on Monday.

"This loan obtained by ACEN Cayman [will] be used to redeem the redeemable preferred shares held by AC Energy Finance International Limited (ACEFIL) in ACEN Cayman," the company told the stock exchange.

Philippine National Bank and Rizal Commercial Banking Corp. are the lenders for ACEN Cayman, the energy company's offshore investment holding firm, providing \$140 million and \$180 million, respectively. ACEN said it had executed guarantees on Jan. 12 in favor of the lenders.

"The proceeds will in turn be used by ACEFIL to redeem its



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maturing green bonds," the listed company said.

ACEFIL is a subsidiary of AC Energy and Infrastructure Corp., which is directly owned by Ayala Group.

"As a guarantor, ACEN becomes legally obligated to repay the \$320-million loan if ACEN Cayman defaults," Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said in a Viber message. "This essentially puts ACEN's own financial resources on the line for its subsidiary's debt."

"ACEN's strong credit rating and financial standing serve as additional security for the lenders, making the loan more attractive and potentially lowering the interest rate for ACEN Cayman," he added.

ACEN has received the highest rating, PRS Aaa, from the Philippine Rating Services Corp. for its P10-billion green bonds, it said in a July 2022 disclosure.

"It's crucial for ACEN to closely monitor ACEN Cayman's financial performance and ensure it stays on track to fulfill its debt obligations," Mr. Arce said.

To date, ACEN has around 4,430 megawatts of renewable capacity spread across the Philippines, Vietnam, Indonesia, India, and Australia.

On Monday, shares of the company rose by six centavos or 1.39% to P4.39 apiece. — **Sheldeen Joy Talavera**

FEU says Sept.-Nov. income down 6% to P665 million

LISTED educational institution Far Eastern University, Inc. (FEU) saw a 6% decline in attributable net income for the second quarter of its fiscal year that ends May, driven by higher operating expenses.

In a regulatory filing on Monday, FEU said its attributable net income for the September to November period fell to P664.71 million from P707.35 million in the previous fiscal year.

FEU's revenues rose 8.7% to P1.59 billion from P1.46 billion previously.

The institution's operating expenses, however, increased 4% to P880.73 million from P847.21 million in the previous year.

FEU's operating expenses include depreciation and amortization, insurance, and real property taxes incurred by the organization in relation to investment properties.

For the first six months, FEU said its attributable net income fell 3.5% to P591.62 million from P613.36 million the previous year.

Revenues for the period rose 14% to P2.16 billion compared to P1.88 billion, led by the

6% increase in student population as well as higher tuition fees.

The jump in revenues also resulted in a 9% increase in operating expenses to P1.54 billion from P1.41 billion previously.

FEU also expressed optimism that it would sustain its "strong financial position" and "sound operating results" for the remainder of the school year 2023-2024.

"With an increase in group-wide student population during the first semester, the group is positive that it will maintain its enrollment base for the incoming second semester," FEU said.

The institution added that it maintains a "conservative outlook" on the national economy.

"With this, the management will continue to be prudent in the implementation of its operations, investment, and business continuity plans, both at the corporate and the academic levels, to mitigate any foreseen negative impacts on the overall operations," it said.

Shares of FEU at the local bourse were last traded on Jan. 11 at P594.50 apiece. — **Revin Mikhael D. Ochave**

DoE receives over 24 recommendations for 10th port in offshore wind dev't studyBy Sheldeen Joy Talavera
Reporter

THE Department of Energy (DoE) has received more than 24 recommendations for the 10th port to be studied for repurposing for offshore wind development, an official said on Monday.

"We are deliberating on the 10th port, taking into account the recommendations of the offshore wind developers, also the proximity to the service contracts," Energy Undersecretary Giovanni Carlo J. Bacordo told *BusinessWorld*.

"Medyo nahirapan kami (We're having a bit of difficulty determining) the 10th port because... the developers submitted... more

than 24 (recommendations)," he also said.

The DoE is studying the upgrade of ports to support the development of offshore wind projects in the Philippines, with technical assistance from the Asian Development Bank, which requires 10 ports to be included in the study.

Nine ports have already been identified, including the Port of Irene in Sta. Ana, Cagayan; Port of Subic; Port of Currimao in Ilocos Norte; Port of Pulupandan in Negros Occidental; Port of Tabaco in Albay; and Bulalacao Port in Oriental Mindoro.

The list also includes the International Container Port Complex in Iloilo; the Energy Supply Base port facility of the state-run Philippine National Oil Co. in Batangas; and the port facility of the Inter-



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national Container Terminal Services, Inc. in Bauan, Batangas.

Mr. Bacordo said that the submission of the proposed 10th port location is expected no later than February.

The study results are expected to be ready by October 2024.

"We are requesting the owners or the operators of these ports for their cooperation to allow the people who will be conducting fea-

sibility study access to their ports, to furnish them with whatever available information," he said.

The nine identified ports are the areas with the highest wind potential and also the areas where there are clusters of offshore wind service contracts.

To date, the DoE has awarded a total of 82 offshore wind energy service contracts, with a potential capacity of about 63 gigawatts (GW).

Under the Philippine Offshore Wind Roadmap, the Philippines has an estimated potential capacity of 178 GW in offshore wind resources.

This is expected to help the country reach its aim of increasing the share of renewables to 35% by 2030 and 50% by 2040.

"Right now, we have 82 offshore wind energy service con-

tracts. If we just have these 10 ports, I'm sure that these 10 ports will not suffice for the mobilization of these 82 service contracts," Mr. Bacordo said.

The pre-feasibility study forms part of the ports development plan of the Transportation department and the Philippine Ports Authority, he said.

"If it's a government port but not included in the budget, maybe we can go into PPP (public-private partnership) agreements with the private sector," Mr. Bacordo said.

"For private ports, we are hoping that the private owners who develop these ports... can go to a joint venture with another private firm for the repurpose of ports for offshore wind," he said.