

## Philippine Stock Exchange index (PSEi)

6,860.67

▼ 30.82 pts.

▼ 0.44%

TUESDAY, FEBRUARY 27, 2024

BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P692.00 -P15.00 -2.12%	<b>ACEN</b> ACEN Corp. P4.20 ---	<b>AEV</b> Aboliz Equity Ventures, Inc. P49.20 +P0.15 +0.31%	<b>AGI</b> Alliance Global Group, Inc. P10.44 -P0.16 -1.51%	<b>ALI</b> Ayala Land, Inc. P35.10 -P0.50 -1.4%	<b>BDO</b> BDO Unibank, Inc. P143.80 -P5.70 -3.81%	<b>BLOOM</b> Bloomerry Resorts Corp. P11.40 ---	<b>BPI</b> Bank of the Philippine Islands P121.90 +P0.80 +0.66%	<b>CNPF</b> Century Pacific Food, Inc. P34.55 -P0.90 -2.54%	<b>CNVRG</b> Converge ICT Solutions, Inc. P9.50 -P0.45 -4.52%
<b>DMC</b> DMCI Holdings, Inc. P10.86 ---	<b>EMI</b> Emperador, Inc. P19.72 +P0.08 +0.41%	<b>GLO</b> Globe Telecom, Inc. P1,730.00 -P4.00 -0.23%	<b>GTCAP</b> GT Capital Holdings, Inc. P705.00 -P19.00 -2.62%	<b>ICT</b> International Container Terminal Services, Inc. P288.00 +P10.00 +3.6%	<b>JFC</b> Jollibee Foods Corp. P271.80 +P4.80 +1.8%	<b>JGS</b> JG Summit Holdings, Inc. P39.60 -P0.20 -0.5%	<b>LTG</b> LT Group, Inc. P9.70 -P0.04 -0.41%	<b>MBT</b> Metropolitan Bank & Trust Co. P61.95 +P0.10 +0.16%	<b>MER</b> Manila Electric Co. P369.40 -P3.60 -0.97%
<b>MONDE</b> Monde Nissin Corp. P10.40 -P0.08 -0.76%	<b>NIKL</b> Nickel Asia Corp. P4.50 -P0.17 -3.64%	<b>PGOLD</b> Puregold Price Club, Inc. P27.95 ---	<b>SCC</b> Semirara Mining and Power Corp. P32.65 +P0.35 +1.08%	<b>SM</b> SM Investments Corp. P921.00 +P4.50 +0.49%	<b>SMC</b> San Miguel Corp. P101.20 -P2.80 -2.69%	<b>SMPH</b> SM Prime Holdings, Inc. P32.30 -P0.50 -1.52%	<b>TEL</b> PLDT Inc. P1,287.00 -P7.00 -0.54%	<b>URC</b> Universal Robina Corp. P113.60 +P0.40 +0.35%	<b>WLCON</b> Wilcon Depot, Inc. P22.35 -P0.05 -0.22%

## OceanaGold Philippines eyes public listing by May

THE PHILIPPINE subsidiary of Australian-Canadian mining company OceanaGold Corp. is targeting a public listing by May in compliance with its mining contract.

OceanaGold Corp. said in its updated prospectus dated Feb. 26 that the proposed initial public offering (IPO) for OceanaGold Philippines, Inc. (OGPI) is tentatively scheduled for settlement and listing on May 7.

OGPI operates the Didipio gold and copper mine in Nueva Vizcaya.

The tentative offer period will be from April 22 to 26, according to the revised prospectus.

The offer will comprise 20% of the issued and outstanding common shares of OGPI, totaling approximately 456 million common shares at a maximum price of P17.28 each. The offer exceeds the minimum requirement of 10% stipulated in the mining company's re-

newed financial or technical assistance agreement (FTAA).

Sought for comment, China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message that OGPI's IPO will gauge the readiness of the domestic market.

"This IPO will tell us whether the domestic market is ready for more equity offerings. OceanaGold might draw interest from investors who view gold as a hedge against inflation," Mr. Colet said.

"Another attraction of this IPO is the company's policy to pay at least 90% of its free cash flow as dividends to shareholders. The indicative dividend yield for 2025 is approximately 10.2%, which is quite compelling," he added.

Based on prospectus, the Securities and Exchange Commission (SEC) pre-effective clearance will be on March 14, and the Philippine Stock Exchange (PSE)

board listing approval will follow on March 20.

Pricing is set for April 17, with the notice of the final offer price to the PSE and SEC scheduled for April 18, and the receipt of the permit to sell from the SEC expected on April 19.

The proceeds of the offer will be received by OceanaGold (Philippines) Holdings, Inc., a wholly owned subsidiary of OceanaGold Corp.

"(OceanaGold Corp.) will not receive any proceeds from the sale of the offer... because the offer and listing of the common shares on the PSE are being undertaken to comply with the conditions of the company's renewed FTAA with the government," it said.

The mining company tapped BDO Capital & Investment Corp. as the offer's global coordinator and domestic underwriter and bookrunner. It also selected CLSA Ltd. as international underwriter.



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"We are proud of Didipio's track record as a proven high-quality, long-life, low-cost gold-copper mine and look forward to welcoming new Filipino and international shareholders to participate in the expected robust free cash flow generation, consistent dividend payments, and future potential at Didipio," Oceana-

Gold Corp. President and CEO Gerard Bond said in a previous statement.

For 2024, the PSE is expecting to have six IPOs. Another planned IPO is Saavedra-led Citicore Renewable Energy Corp. which was postponed to the second quarter from the initially planned listing in March. — **Revin Mikhael D. Ochave**

## MPIC-SMC JV seen as opportunity for foreign investors

By Ashley Erika O. Jose  
Reporter

THE PLANNED joint venture (JV) between Metro Pacific Investment Corp. (MPIC) and San Miguel Corp. (SMC) presents an appealing opportunity for both foreign and local investors seeking exposure to emerging markets, according to analysts.

"Although nothing is final yet, there is every indication their massive tollways joint venture is primed to become one of the country's biggest IPOs (initial public offering)," Juan Paolo E. Colet, China Bank Capital Corp. managing director, said in a Viber message on Tuesday.

"This IPO will bring a lot of interest from foreign and local investors given the size, quality, and profitability of the combined Metro Pacific and San Miguel tollways portfolio," he added.

SMC through SMC Infrastructure is in discussion with MPIC on a possible joint venture for a toll road business, SMC told the stock exchange on Tuesday.

MPIC has said that the planned joint venture with SMC will be a "significant company" and may be listed on the stock exchange within the year.

"Best time to list this year given return of foreign participation in the market and increased market liquidity in second half boosting value turnover," First Metro Investment Corp. Head of Research Cristina S. Ulang said in a Viber message.

The domestic IPO market is still challenging for now but conditions for large equity offering may be improved by the second semester, Mr. Colet said.

Globalinks Securities and Stocks, Inc.'s Head of Sales Trading Toby Allan C. Arce said the timing of the IPO is deemed crucial, factoring in the volatilities of the current market condition.

The Philippine economy expanded by 5.6% in 2023, falling short of the government's 6-7% target and slower than 7.6% in 2022.

In January, inflation cooled to 2.8% from 3.9% in December and 8.7% a year ago.

"The overall market conditions, including interest rates, inflation, and geopolitical factors, will also impact the success of the IPO. If market conditions are favorable and investor confidence is high, it could be an opportune time to list," Mr. Arce said.

However, due to the stability of the tollways industry, listing within the year is somehow a reasonable time frame, he added.

"Mergers often create synergies and economies of scale, which can enhance the

competitiveness and profitability of the combined entity."

"Given the essential nature of tollways infrastructure and the potential for steady cash flows, there may indeed be significant investor appetite for this listing plan," Mr. Arce also said.

For China Bank Securities Corp. Research Associate Lance U. Soledad, the announcement of the planned joint venture and listing signifies improved confidence in the market.

"Assuming this listing pushes through, we think it would provide a positive signal to other companies looking to list or those that deferred their listing that the market now has the appetite for IPOs — especially given prospects of a hefty offer size of this tollway listing," China Bank Securities Corp. Research Associate Lance U. Soledad said in an e-mail.

The Philippine Stock Exchange, Inc. has said that it expects at least six IPOs, which are anticipated to raise about P175 billion in 2024.

MPIC is one of the three key 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 a majority share in *BusinessWorld* through the Philippine Star Group, which it controls.

## San Miguel's Limay Power advances in supply bid for Meralco

POWER DISTRIBUTOR Manila Electric Co. (Meralco) announced on Tuesday that Limay Power, Inc., a unit of San Miguel Corp. (SMC), is set to undergo post-qualification evaluation for its 400-megawatt (MW) supply bid.

"Of the three bidders that expressed interest to participate in the competitive selection process (CSP), only two submitted their qualification documents," the power distributor said in a statement, referring to Limay Power, Inc. and Masinloc Power Co., Ltd., both subsidiaries of San Miguel Global Power Holdings, the power arm of SMC.

Limay Power offered a rate of P6.2708 per kilowatt-hour (kWh), inclusive of value-added tax (VAT) and line rental, for the entire 400-MW baseload requirement.

Meanwhile, Masinloc Power offered P6.2957 per kWh, inclusive of VAT and line rental, for a capacity of 195 MW.

Both offers are compliant with the P6.3512 per kWh reserve price set for the bidding, Meralco said.

Meralco said that Limay Power's bid would undergo post-qualification evaluation for approval its board of directors before issuing a notice of award.

In a related development, Meralco plans to file joint motions for price adjustment with ACEN Corp., pending its agreement, following notices from the latter regarding its claim of losses due to increases in fuel costs.

Jose Ronald V. Valles, Meralco's first vice-president and head of its regulatory management, said on Monday that the company received notices of "changes in circumstances (CIC)" from ACEN on Feb. 1, reflecting the final amounts of its claims totaling P2.5 billion.

Mr. Valles said that ACEN has a claim for baseload of about P2.2 billion and for mid-merit of P329.65 million. These costs originate from its coal power plant from South Luzon Thermal Energy Corp. (SLTEC), a third-party generator, and the Wholesale Electricity Spot Market.

The CIC covers the period from January to December 2022.

He said that the "specific triggering event" was the steep climb of coal prices caused by Indonesia's coal export ban, exacerbated by the Russian-Ukraine conflict.

The Meralco official said, however, that the claimed amount will only be limited to the portion corresponding to the fuel cost of energy sourced from the SLTEC plant and a proposed recovery period of six months.

"After validating the amount of the claims from ACEN, we arrived at a much-reduced amount of P706 million, the total amount already from the baseload and mid-merit," Mr. Valles said.

If approved, the rate impact for the six-month cost recovery period will be approximately a four-centavo increase in the generation charge.

Sought for comment, a representative from ACEN said that the company "has not yet received any response from Meralco regarding its notice of change in circumstances."

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by 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. — **S.J. Talavera**

## Prime Energy taps US-based firm OneSubsea for equipment supply in Malampaya fields

RAZON-LED PRIME Energy Resources Development BV. has awarded a contract to US-based company OneSubsea for equipment supply in the Malampaya fields.

The contracts cover well-heads, control equipment, and subsea production systems, the company said in a statement on Tuesday.

The equipment, which will be supplied by the end of the year, will support drilling for Malampaya Phase 4, targeting two new deep water wells.

Drilling is planned for 2025 with the aim to deliver new gas by 2026.

OneSubsea is a joint venture backed by SLB, Aker Solutions, and Subsea7, which delivers integrated solutions, products, systems, and services for the subsea oil and gas market.

Prime Energy, a subsidiary of Prime Infra, holds a 45%



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operating stake in the Malampaya consortium.

The Malampaya consortium is composed of Prime Energy, Udena Group's UC38 LLC, and the state-owned Philippine National Oil Company-Exploration Corp.

The company also plans to drill a third well, called "Bagong Pag-asa,"

as part of the 2025 drilling campaign, subject to partner approvals.

Prime Energy said that the exploration will determine the presence of oil and gas in a structure approximately 15 kilometers from Malampaya, which is aimed at further extending the flow of indigenous gas.