

## Philippine Stock Exchange index (PSEi)

6,919.59

▼25.12 PTS.

▼0.36%

FRIDAY, MARCH 1, 2024

BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P691.00 +P3.00 +0.44%	<b>ACEN</b> ACEN Corp. P4.15 -P0.03 -0.72%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P50.20 -P0.15 -0.3%	<b>AGI</b> Alliance Global Group, Inc. P10.16 -P0.34 -3.24%	<b>ALI</b> Ayala Land, Inc. P34.80 -P0.30 -0.85%	<b>BDO</b> BDO Unibank, Inc. P154.00 +P6.00 +4.05%	<b>BLOOM</b> Bloomerry Resorts Corp. P11.60 -P0.02 -0.17%	<b>BPI</b> Bank of the Philippine Islands P122.00 +P0.80 +0.66%	<b>CNPF</b> Century Pacific Food, Inc. P35.50 +P1.90 +5.65%	<b>CNVRG</b> Converge ICT Solutions, Inc. P9.19 -P0.21 -2.23%
<b>DMC</b> DMCI Holdings, Inc. P11.24 +P0.14 +1.26%	<b>EMI</b> Emperador, Inc. P19.10 -P0.42 -2.15%	<b>GLO</b> Globe Telecom, Inc. P1,736.00 +P10.00 +0.58%	<b>GTCAP</b> GT Capital Holdings, Inc. P706.00 -P14.00 -1.94%	<b>ICT</b> International Container Terminal Services, Inc. P283.20 -P1.80 -0.63%	<b>JFC</b> Jollibee Foods Corp. P271.60 -P0.40 -0.15%	<b>JGS</b> JG Summit Holdings, Inc. P39.50 -P0.20 -0.5%	<b>LTG</b> LT Group, Inc. P9.70 -P0.04 -0.41%	<b>MBT</b> Metropolitan Bank & Trust Co. P60.95 -P2.00 -3.18%	<b>MER</b> Manila Electric Co. P379.80 +P7.80 +2.1%
<b>MONDE</b> Monde Nissin Corp. P10.08 -P0.12 -1.18%	<b>NIKL</b> Nickel Asia Corp. P4.50 ---	<b>PGOLD</b> Puregold Price Club, Inc. P27.50 -P0.50 -1.79%	<b>SCC</b> Semirara Mining and Power Corp. P33.00 +P0.25 +0.76%	<b>SM</b> SM Investments Corp. P937.00 +P24.00 +2.63%	<b>SMC</b> San Miguel Corp. P104.00 +P0.80 +0.78%	<b>SMPH</b> SM Prime Holdings, Inc. P32.45 -P0.05 -0.15%	<b>TEL</b> PLDT Inc. P1,286.00 -P11.00 -0.85%	<b>URC</b> Universal Robina Corp. P118.20 +P4.70 +4.14%	<b>WLCON</b> Wilcon Depot, Inc. P21.80 -P0.60 -2.68%

## 3 power firms sign \$3.3-B deal for LNG facility

PANGILINAN-LED MERALCO PowerGen Corp. (MGen), Aboitiz Power Corp. (AboitizPower), and Ang-led San Miguel Global Power Holdings Corp. (SMGP) have forged a deal worth \$3.3 billion, or around P168 billion, to establish an integrated liquefied natural gas (LNG) facility in Batangas. The collaboration is expected to augment the country's power supply with over 2,500 megawatts (MW) of generation capacity once fully operational, SMGP said in a statement on Sunday.

"For the first time, three leading power companies are working

together to secure our country's energy needs while transitioning towards cleaner power sources," SMGP Chairman and President Ramon S. Ang said.

SMGP is the power arm of the conglomerate San Miguel Group, while MGen is the power generation arm of the electricity distribution utility Manila Electric Co. (Meralco).

Under the deal, MGen and AboitizPower will jointly invest in two of SMGP's gas-fired power plants: the 1,278-MW Ilijan power plant and a new 1,320-MW combined cycle power facility.

The Ilijan power plant resumed its operations last year, while the new power facility under Excellent Energy Resources, Inc. is expected to start operations by the end of 2024.

The three entities will also invest in "almost 100%" of the LNG import and re-gasification terminal owned by Linseed Field Corp., a unit of Atlantic Gulf & Pacific Co.

"This will be used to receive, store and process LNG fuel for the two power plants, thus fully integrating the local energy sector into the global natural gas supply chain," the company said.

UBS AG served as the financial adviser to MGen and AboitizPower on the transaction, according to Meralco.

MGen Chairman Manuel V. Pangilinan described the deal as a "pathbreaking venture."

"Apart from transforming the energy landscape of the Philippines, this symbolizes a milestone alliance among major players in the energy industry towards a more sustainable future. We are thrilled to have such reliable partners as we lay the foundation for a brighter, greener future," he said.

SMGP said that the "combined expertise and resources" will "guarantee the delivery of dependable and competitively priced energy while helping to boost economic growth and environmental preservation."

"Both LNG and renewables are needed to achieve a balanced energy mix and well-planned energy transition... economic development is impossible without energy security, and this investment is a definitive step forward in that direction," AboitizPower Chairman Sabin M. Aboitiz said.

Under the Philippine Energy Plan, the Department of Energy aims to increase the share of LNG in the country's power mix to 26% by 2040, which is seen as "a suitable transition fuel."

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. — **Sheldeen Joy Talavera**

## SM Prime Holdings aims to open 3-4 malls this year

A UNIT of SM Investments Corp. (SMIC) is targeting to open three to four new malls this year.

The malls will be opened in provinces, Timothy Daniels, SMIC consultant for investor relations and sustainability, said on the sidelines of a media briefing last week.

"They're also renovating and extending some of the existing malls," he added.

SMIC's SM Prime Holdings, Inc. has 85 malls in the Philippines, according to its website. Its newest mall is SM City Sto. Tomas in Batangas

province, which opened on Oct. 27 last year.

Mr. Daniels said the budget for the mall openings and renovations will be within the P100-billion capital expenditure (capex) budget earmarked by SM Prime for 2024.

"That capex goes towards mall development, residential, any commercial they do, land banking," Mr. Daniels said.

The revenue of SM Prime's mall business rose by 30% to P71.9 billion, while mall rental income increased by 24% to P61.3 billion.

Mr. Daniels said that SMIC has a positive outlook on its mall busi-

ness this year, driven by strong consumer spending.

He added that SM malls had a 92-94% occupancy rate in 2023.

"Coming into 2024..., there are reasons to think why we could continue to have a good macroeconomic story. Most of that will turn into consumer spending. The malls will carry on with that momentum," Mr. Daniels said.

"In 2023, (the performance) was strongest on entertainment, services, and food and beverage. Those were the areas because everybody wanted to go out and enjoy themselves. That

was what we're seeing spending on," he added.

SMIC had a 25% growth in its 2023 net income to P77 billion. Its consolidated revenues improved by 11% to P616.3 billion led by stronger consumer spending.

For its part, SM Prime recorded a 33% increase in its net income to P40 billion in 2023 as revenues jumped by 21% to P128.1 billion.

SMIC and SM Prime shares were last traded on March 1 at P937 and P32.45 apiece, respectively. — **Revin Mikhael D. Ochave**

## OUTLIER

## Earnings, growth plans lift SM Investments' shares

SM Investments Corp. shares rose last week as investors bet on its 2023 earnings results and growth plans.

Data from the Philippine Stock Exchange showed that a total of 2.13 million shares, worth P1.98 billion, were traded from Feb. 26 to March 1, making it the sixth most actively traded stock in the local bourse last week.

Shares in the Sy-led conglomerate rose by 3.2% week over week to P937 per share on Friday from its P908 finish on Feb. 23. Since the start of the year, its share price has also increased by 7.5%.

"SM Investments has announced its venture into the data center sector, capitalizing on the increasing demand for storage driven by the prevailing AI trend," Globalinks Securities and Stocks, Inc. Senior Trader Mark V. Santarina said in a Viber message.

He attributed last week's trading performance to the company's financial performance last year.

For 2023, SM Investments' net income amounted to P77 billion, up by 25% from the P61.7 billion in the previous year.

The banking sector claimed the largest share of its earnings at 47%, followed by the property sector with 25% and the retail sector with 19%. Meanwhile, portfolio investments represented 9% of SM Investments' full-year income.

Its consolidated revenues grew by 11% to P616.3 billion for the full year, driven by strong contributions from its portfolio investments and robust consumer spending.

Jemimah Ryla R. Alfonso, an equity analyst at Regina Capital Development Corp., said that positive sentiment from the US markets, as they await potential rate cuts from the US Fed, boosted local trading.

"Our outlook remains optimistic regarding the resilience of consumer spending, which lies at the heart of SM's business. This is on the back of robust jobs

data, indicating a strong foundation for consumer confidence," she said in an e-mail.

"One angle that I am seeing that could affect the conglomerate negatively is the halt or suspension of the reclamation project. But overall, the broader market appears poised for a rally this year, fueled by expectations of rate cuts," she added.

Looking back, SM Investments was ordered to halt its reclamation operations by the government following the suspension of all Manila Bay reclamation projects.

Despite the rosy outlook for the company, Mr. Santarina said potential challenges remained, as impacts driven by interest rates, inflation, and wage hikes could influence the overall market sentiment.

The Bangko Sentral ng Pilipinas (BSP) raised borrowing costs by 450 basis points from May 2022 to October 2023, bringing the policy rate to a nearly 17-year high of 6.5%.

Inflation eased to 2.8% in January, falling within the BSP's target range of 2-4%.

"It is essential to look at the foreign capital inflows in the market, as they hold significant potential to positively impact SM. This company is particularly attractive to foreign investors placing bets on the Philippine market," he said.

In a Viber message, Toby Allan C. Arce, Head of Sales Trading at Globalinks Securities and Stocks, Inc., gave his bottom-line forecast for SM Investments at P19.23 billion for the first quarter and P91.66 billion for the full year.

Ms. Alfonso of Regina Capital Development Corp. expects the company to record its first-quarter revenue at P162 billion and a net income of P21 billion.

For the week, Globalink's Mr. Santarina pegged the stock's support at P906 and resistance at P940.

"We are plotting our stronghold at P920.00, while resistance is at the P945.00 level," Ms. Alfonso added. — **Mariedel Irish U. Catilogo**

## ACEN RES partners with Xavier School Nuvali in shift to renewable energy

ACEN Renewable Energy Solutions (ACEN RES), the retail electricity unit of ACEN, recently partnered with Xavier School Nuvali to fully transition the educational institution to 100% renewable energy. This strategic collaboration aligns with ACEN's goal of supporting Philippine schools in their journey toward carbon neutrality and marks a significant milestone in the renewable energy landscape.

The agreement with Xavier School Nuvali, which is now powered entirely by ACEN's renewable energy portfolio including wind, solar, and geothermal sources, underscores the commitment of ACEN RES in promoting sustainable development. The green energy supplied to the campus is projected to make a significant environmental impact, akin to removing 114 cars from the road each year, aligning with global carbon reduction efforts.

The switch to renewable energy was commemorated with a signing event at the Jesuit school's 15-hectare campus in Laguna. Si, the encyclical that promotes care for the



planet. ACEN is happy to be part of the Jesuit-run Xavier School in love for planet and alignment with the encyclical." ACEN, is the listed energy platform of the Ayala group. The company has 4,800 MW of attributable capacity from owned facilities in the Philippines, Australia, Vietnam, Indonesia and India, with a renewable share of 99%, which is among the highest in the region. ACEN's aspiration is to be the largest listed renewables platform in Southeast Asia, with a goal of reaching 20 GW of renewables capacity by 2030. ACEN is committed to transition the company's generation portfolio to 100% renewable energy by 2025 and to become a Net Zero greenhouse gas emissions company by 2050.

Tony Valdez, senior vice president for market transformation and retail at ACEN, said: "Today's foremost Jesuit, Pope Francis, wrote Laudato Si, the encyclical that promotes care for the

## Raslag expects to finish solar project by second half

RENEWABLE ENERGY developer Raslag Corp. is aiming to boost its overall energy capacity with the completion of its 36.65-megawatt (MW) solar farm in Pampanga by the second semester of the year, the company's top official said.

"Our Raslag 4, we are just waiting for certain permits, so by the third or fourth quarter, it will be ready to operate," Robert Gerard B. Nepomuceno, chief finance officer of Raslag, told *BusinessWorld* last week.

The listed company develops and operates renewables plants focusing on solar power.

Raslag 4, situated on a 251,750 square meter land in Barangay San Pablo (Talumundoc), Magalang, Pampanga, is expected to add 36 MW to the company's portfolio.

To date, Raslag has a combined installed capacity of about 41.2 megawatt-peak (MWp) from its commercially operating plants.

The company's board has previously approved obtaining a P1.2-billion loan from the Bank of the Philippine Islands to fund the construction and development of its Raslag 4 solar farm.

The company, Mr. Nepomuceno said, is still finalizing its capital expenditures for the year as majority of its target spending will be allocated for its planned Raslag 7 and Raslag 8. In January, the company announced its intention to purchase land parcels in Sta. Rosa, Nueva Ecija, for around P807.73 million. These sites will be used for its Raslag 7 and Raslag 8 projects, which it aims to connect to the 69-kilovolt transmission line of the National Grid Corporation of the Philippines.

"We are buying a property in Nueva Ecija, we need a lot of funds for that but it is for Raslag 7 and 8, that will be our majority of our capital expenditure," Mr. Nepomuceno said.

Overall, the renewable energy developer has a 103-MWp worth of proposed projects. — **Ashley Erika O. Jose**