

Philippine Stock Exchange index (PSEi)

6,905.46

▼ 46.21 PTS.

▼ 0.66%

TUESDAY, MARCH 5, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P684.50 -P2.50 -0.36%	ACEN ACEN Corp. P4.07 -P0.08 -1.93%	AEV Aboitiz Equity Ventures, Inc. P49.00 -P0.55 -1.11%	AGI Alliance Global Group, Inc. P10.00 -P0.14 -1.38%	ALI Ayala Land, Inc. P33.95 -P0.95 -2.72%	BDO BDO Unibank, Inc. P151.50 -P0.50 -0.33%	BLOOM Bloomberry Resorts Corp. P11.40 +P0.02 +0.18%	BPI Bank of the Philippine Islands P116.30 -P3.70 -3.08%	CNPF Century Pacific Food, Inc. P36.50 +P0.20 +0.55%	CNVRG Converge ICT Solutions, Inc. P8.96 -P0.33 -3.55%
DMC DMCI Holdings, Inc. P11.56 +P0.06 +0.52%	EMI Emperador, Inc. P18.98 -P0.32 -1.66%	GLO Globe Telecom, Inc. P1,749.00 +P20.00 +1.16%	GTCAP GT Capital Holdings, Inc. P705.00 -P3.50 -0.49%	ICT International Container Terminal Services, Inc. P295.40 -P4.60 -1.53%	JFC Jollibee Foods Corp. P255.00 -P12.00 -4.49%	JGS JG Summit Holdings, Inc. P39.40 -P0.45 -1.13%	LTG LT Group, Inc. P9.85 -P0.05 -0.51%	MBT Metropolitan Bank & Trust Co. P62.40 -P1.30 -2.04%	MER Manila Electric Co. P373.00 —
MONDE Monde Nissin Corp. P10.36 -P0.08 -0.77%	NIKL Nickel Asia Corp. P4.46 -P0.09 -1.98%	PGOLD Puregold Price Club, Inc. P27.30 -P0.70 -2.5%	SCC Semirara Mining and Power Corp. P34.50 —	SM SM Investments Corp. P963.00 +P28.00 +2.99%	SMC San Miguel Corp. P103.00 -P0.50 -0.48%	SMPH SM Prime Holdings, Inc. P33.15 -P0.05 -0.15%	TEL PLDT Inc. P1,281.00 -P4.00 -0.31%	URC Universal Robina Corp. P112.80 -P2.20 -1.91%	WLCON Wilcon Depot, Inc. P21.35 —

Ayala's ACEN, Marubeni forge A\$250-M energy storage deal

AYALA-BACKED ACEN Australia and Marubeni Asian Power Singapore announced on Tuesday a joint investment of A\$250 million, or around P9 billion, in a 400-megawatt-hour battery energy storage system (BESS) project in Australia.

The two energy companies had signed a cooperation agreement in Melbourne, Australia, Ayala's ACEN Corp. said in a stock exchange disclosure.

The BESS project from the 50-50 partnership is slated for completion by 2025.

"The agreement is another milestone for ACEN Australia's inaugural project, New England Solar, which stands as a major contributor to the National Electricity Market," ACEN Australia Managing Director David Polington said in a statement.

"Once finished, it will be one of the nation's largest co-located solar and battery energy storage facilities and enables energy to be stored and made available to the grid when it is needed," he added.

New England Solar is a 720-megawatt (MW) solar and battery project that is under construction near the town of Uralla in the New England region of New South Wales.

The stage 1 of the solar facility, which has a capacity of 400 MW, started generating power for New South Wales and Queensland last year, while the stage 2 is set for construction this year.

ACEN Australia's renewable energy portfolio comprises more than one gigawatt (GW) of capacity from large-scale renewable energy projects under construction and in operation, with an ad-

ditional eight GW capacity in the development pipeline.

Marubeni Asian Power Singapore is the Asia-Pacific arm of Marubeni's power division, having developed, owned, and now operating 35,000 MW worldwide.

In a separate regulatory filing, ACEN said that the same subsidiary had signed an 11-year cooperation agreement with Australian-owned ZEN Energy Retail to advance the power purchase agreement documentation for an offtake of up to 220 MW of the New England Solar project.

The partnership allows the project to "ensure a steady revenue stream" through the creation and sale of large-scale generation certificates, which is a mechanism used to reduce the cost of renewable energy, the company said.

"ZEN Energy is Australian-owned and proud to be collaborating with ACEN Australia to help customers drive down emissions and be leaders in a zero-carbon world. It is an important step towards ZEN Energy's goal to create a safe 1.5-degree world for everyone," ZEN Energy CEO Anthony Garnaut said.

ZEN Energy is Australia's "first 1.5-degree Celsius electricity retailer," committed to forming long-term and sustainable partnerships.

Currently, ACEN has approximately 4,700 MW of attributable capacity spanning the Philippines, Vietnam, Indonesia, India, and Australia.

On Tuesday, the company's shares went down by eight centavos or 1.93% to close at P4.07 each. — **Sheldeen Joy Talavera**

Petron says net income rises 51% to P10 billion

PETRON CORP. saw a 51% increase in its consolidated net income for 2023, reaching P10.1 billion from P6.7 billion the previous year, driven by higher sales volume, the Ang-led company announced on Tuesday.

"We made much progress in the things we sought to accomplish like our financial recovery and further expansion," Petron President and Chief Executive Officer Ramon S. Ang said in a statement.

"Looking ahead, we are inspired to be more responsible, accountable, and sustainable as we continue to grow our business," he added.

For 2023, Petron reported a combined sales volume of 126.9 million barrels for 2023, up 13% from the 112.8 million barrels sold in 2022.

"The group's strong volume performance was driven by the significant growth in its Jet Fuel and LPG sales backed by higher production at its Bataan and Port Dickson refineries," the company said.

Under its operations in the Philippines, Petron sold 79.5 million barrels, higher by 16% than the 68.5 million barrels the previous year.

The Jet Fuel brand drove the company's local industrial sales, which grew by more than 50%. Domestic LPG sales rose by 26%, strengthened by Petron's LPG brands, Petron Gasul and Fiesta Gas. Sales in the retail sector climbed by 15%.

Citing data from the Department of Energy, Petron said that its overall market share increased to 24.5% in the first half of 2023.

The listed oil company's revenues fell by 7% to P801 billion from the previous year's P857.6 billion.

This was attributed to the prices, which "continued to correct from their record-high levels in 2022." The full-year average price of benchmark Dubai crude went down by 15% to \$82 per barrel.

Operating income improved by 60% to P30.7 billion from the P19.2 billion previously.

"The upswing in the financial results came at a time of persistent geopolitical conflicts and global inflationary concerns pressuring the market," the company said.

Shares in the company climbed by five centavos or 1.55% to close at P3.27 each. — **Sheldeen Joy Talavera**

Aboitiz Equity Ventures income down 2% in 2023

CEBU-BASED Conglomerate Aboitiz Equity Ventures, Inc. (AEV) saw its consolidated net income for 2023 fall by 2% to P23.5 billion from the previous year, reflecting mixed results across its business units.

AEV's core net income last year, excluding the nonrecurring net gains of P1.4 billion, rose by 8% to P22.1 billion, the conglomerate said in a regulatory filing on Tuesday.

In the fourth quarter, AEV recorded a net income of P5.5 billion, marking a 108% increase from P2.7 billion in 2022. The company's earnings before interest, tax, depreciation, and amortization (EBITDA) also rose by 12% to P19.3 billion.

Among its businesses, the power segment had the highest net income contribution in 2023 at 67%, followed by financial services at 18%, infrastructure at 6%, food at 5%, and real estate at 4%.

Aboitiz Group President and Chief Executive Officer (CEO) Sabin M. Aboitiz said that 2024 will be a "transformative year" for the conglomerate and its business units.

"Our acquisition of Coke's bottling operations with our partner Coca-Cola Europacific Partners accelerates our diversification into the consumer market. And the recently announced investment of AboitizPower in gas projects with Metro Pacific Investments Corp. and San Miguel Global Power diversifies our energy mix as we transition to cleaner energy," he said.

AEV's Aboitiz Power Corp. (AboitizPower) posted a net income contribution of P17.3 billion in 2023, a 28% increase from P13.5 billion the previous year.

AboitizPower's generation and retail supply business saw a 20% growth in its 2023 EBITDA to P61.3 billion due to fresh contributions from GNPowr Dinginin Ltd. Co. and higher availability across the company's power generation portfolio.

"Energy volume sold in 2023 increased by 17% to 35,372 gigawatt-hours (GWh), compared to 30,251 GWh in 2022," AEV said.

The company's distribution business had an 8% jump in EBITDA to P8.7 billion from P8 billion. Energy sales volume climbed by 6% to 6,157 GWh.

"Energy sales to residential customers increased by 8% year on year, while sales to commercial and industrial customers also increased by 6% year on year, primarily due to recoveries in demand in the areas affected by Typhoon Odette and resurgence of energy sold back to pre-pandemic level," AEV said.

On its banking and financial services unit business, AEV said that Union Bank of the Philippines had a 29% drop in its 2023 net income contribution to P4.5 billion.

On a standalone basis, UnionBank and its subsidiaries had a P9.2 billion net income in 2023. The bank's net revenues rose by 36% to P70.8 billion.

"UnionBank's non-interest income was P18.8 billion, 41% higher year on year, driven by fee-based income, which grew by 54% to P10.4 billion. The growth in fees was mainly a result of growing customer transactions such as bills payments, funds transfers, interchange, and other card-related fees," AEV said.

AEV's Aboitiz InfraCapital, Inc. had a 26% increase in its 2023 net income contribution to P2.4 billion led by higher land sales and lease income from its economic estates and incremental contributions from the airports business segment.

However, the share of AEV in Republic Cement & Building Materials, Inc.'s loss in 2023 reached P789 million, more than double the P323 million loss recorded in 2022 due to lower sales volume caused by weak market demand for cement.

The demand was hampered by higher inflation, delays in the rollout of government projects, and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of 2023, the company said.

For its food segment, AEV's subsidiaries, including Pilmico Foods Corp., Pilmico Animal Nutrition Corp., and Pilmico International Pte. Ltd., contributed P1.3 billion to the conglomerate's net income in 2023, a turnaround from the P14 million loss in 2022.

"This reversal was primarily due to better margins from its flour and agribusiness segments driven by the decrease in raw material costs and better pricing strategy. These gains were partially offset by the lower contributions from the farms and meats segments, which was dragged down by the lower selling prices for both live hogs and meats combined with higher production costs pertaining to the carrying costs of underutilized farms," AEV said.

AEV's real estate businesses, comprising Aboitiz Land, Inc. and its subsidiaries, saw a 19% increase in consolidated net income to P1 billion in 2023.

"This was attributable to higher revenues from higher sales performance and construction activity, coupled with gains from sale of properties," AEV said.

AIRPORT

Meanwhile, the conglomerate said in a separate statement on Tuesday that the Mactan-Cebu International Airport secured a Level 1 airport carbon accreditation from Airports International Council.

The airport is operated by Aboitiz InfraCapital GMR Megawide Cebu Airport Corp. The conglomerate said that Mactan-Cebu International Airport is the first Philippine airport to secure the distinction.

The Airport Carbon Accreditation is a globally endorsed certification program for carbon management in airports. It autonomously evaluates and acknowledges airports' efforts in managing and reducing their carbon emissions. — **Revin Mikhael D. Ochave**

Budget carrier Cebu Pacific receives second aircraft delivery for 2024

CEBU PACIFIC said it has received its second aircraft delivery for the year in line with its target to increase its network capacity, the budget carrier said on Tuesday.

"This aircraft delivery is consistent with our commitment to incorporating SAF in our operations," Alex B. Reyes, chief strategy officer of Cebu Pacific, said in a statement.

The A330-NEO, or New Engine Option aircraft, is the first of the 12 Airbus NEO deliveries expected to arrive within the year.

The airline previously received its A320neo aircraft.

Airbus' aircraft is said to have better fuel efficiency as it is the latest generation of Airbus planes considered the most compatible to use SAF. Currently, all Airbus

aircraft are certified to operate with up to a 50% SAF blend.

"Using SAF is one of the steps we are taking towards reducing carbon emissions and advance our sustainability agenda in the aviation industry," Mr. Reyes said.

Cebu Pacific aims to use SAF across its commercial network by 2030 as part of the company's commitment to help the

aviation sector achieve its net-zero greenhouse gas emissions by 2050.

The budget carrier is also aiming to transition to an all-NEO fleet by 2028.

To date, Cebu Pacific flies to 35 domestic and 24 international destinations in Asia, Australia, and the Middle East. — **Ashley Erika O. Jose**

Technology and infrastructure firms seen 'favorable' for IPO

TECHNOLOGY and infrastructure companies must capitalize on the growing market interest and tap the capital market for growth, an investment management firm said.

"There are favorable industries for an IPO (initial public offering). I would say tech, and the sectors which did badly in the pandemic, they are the ones that are going to do very well this year and in the coming years and as interest rates go down," Philequity Management, Inc. Vice President Miguel A. Agarao said at a Philippine Stock Exchange forum last week.

The Monetary Board has kept its benchmark rate steady at a near 17-year high of 6.5% for a third straight meeting in February.

In January, electronic platform GCash announced its IPO plans as it awaited a more favorable market.

For the year, the PSE remains optimistic about achieving its target of six IPOs despite Citicore Renewable Energy Corp.'s decision to defer its listing target to the second quarter.

"Property, infrastructure, and banks will do well especially if PPP (public-private partnership) gets finalized. Because the banks will lend more, and then there will be that huge magnifying effect if interest rates can materialize," Mr. Agarao said.

In 2023, President Ferdinand R. Marcos, Jr. signed a measure aimed at streamlining the framework for PPPs.

Last month, Pangilinan-led Metro Pacific Investments Corp. said it was hoping to publicly list its planned joint venture company with San Miguel Corp. within the year.

It is difficult to predict growth among industries at this early stage, but the technology sector is expected to expand due to the ongoing digital transformation, according to a stock market analyst.

"As we all know, the stock market is inherently unpredictable, and various external factors such as geopolitical tensions, economic indicators, and unexpected events can influence sectoral performance," Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message.

The growth of the technology sector will be driven by the global digital transformation, he said.

"Factors such as increased adoption of digital services, advancements in technology infrastructure, and demand for tech products could drive growth in this sector," Mr. Arce said.

The infrastructure and construction sector will benefit from higher investments, especially in infrastructure projects through partnerships with the private sector, which can also spur industry growth.

"The government is expected to invest significantly in infrastructure projects through partnerships with private sector entities to stimulate economic growth. Factors such as government spending on infrastructure, urbanization trends, and demand for housing could drive growth in this sector," he said. — **Ashley Erika O. Jose**