

Philippine Stock Exchange index (PSEi)

6,853.10

▼ 28.87 PTS.

▼ 0.42%

MONDAY, MARCH 25, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P623.00 -P9.00 -1.42%	ACEN ACEN Corp. P3.80 ---	AEV Aboitiz Equity Ventures, Inc. P47.00 ---	AGI Alliance Global Group, Inc. P10.00 +P0.01 +0.1%	ALI Ayala Land, Inc. P31.90 +P0.30 +0.95%	BDO BDO Unibank, Inc. P153.30 -P0.90 -0.58%	BLOOM Bloomerry Resorts Corp. P11.00 -P0.04 -0.36%	BPI Bank of the Philippine Islands P119.20 -P2.30 -1.89%	CNPF Century Pacific Food, Inc. P36.30 +P1.00 +2.83%	CNVRG Converge ICT Solutions, Inc. P9.35 ---
DMC DMCI Holdings, Inc. P12.30 +P0.60 +5.13%	EMI Emperador, Inc. P18.50 -P0.10 -0.54%	GLO Globe Telecom, Inc. P1,755.00 +P6.00 +0.34%	GTCAP GT Capital Holdings, Inc. P690.00 +P20.00 +2.99%	ICT International Container Terminal Services, Inc. P317.20 -P1.20 -0.38%	JFC Jollibee Foods Corp. P257.40 -P6.80 -2.57%	JGS JG Summit Holdings, Inc. P35.45 -P0.25 -0.7%	LTG LT Group, Inc. P9.78 +P0.16 +1.66%	MBT Metropolitan Bank & Trust Co. P65.70 -P0.10 -0.15%	MER Manila Electric Co. P360.20 -P3.80 -1.04%
MONDE Monde Nissin Corp. P10.12 -P0.18 -1.75%	NIKL Nickel Asia Corp. P4.03 -P0.02 -0.49%	PGOLD Puregold Price Club, Inc. P25.55 -P0.40 -1.54%	SCC Semirara Mining and Power Corp. P35.50 +P0.55 +1.57%	SM SM Investments Corp. P980.00 ---	SMC San Miguel Corp. P106.00 +P1.00 +0.95%	SMPH SM Prime Holdings, Inc. P32.20 -P0.40 -1.23%	TEL PLDT Inc. P1,330.00 -P8.00 -0.6%	URC Universal Robina Corp. P103.10 +P0.10 +0.1%	WLCON Wilcon Depot, Inc. P17.88 -P0.10 -0.56%

Alternergy board OK's use of IPO proceeds for wind projects

ALTERNERGY Holdings Corp. announced on Monday that it intends to use some of the money raised from its initial public offering (IPO) for its two wind power projects in Rizal and Quezon provinces.

The company's board of directors has approved the reallocation of P64.86 million from the IPO funds to its indirect subsidiaries Alternergy Tanay Wind Corp. and Alabat Wind Power Corp., according to a regulatory filing.

This is to support the upcoming construction of the 55-megawatt (MW) Alabat wind farm in Quezon and 86-MW Tanay wind farm in Rizal.

"[P64.86 million] [is] needed to be immediately deployed to the Wind SPVs (special purpose vehicle) to secure the issuance of

a notice to proceed to the contractor for each wind project," the company said.

The company allotted an additional P18.86 million for Tanay wind project and P46 million for the Alabat wind project. As of March 22, the remaining budget is at P385.15 million.

Alternergy has awarded the construction contract for the projects to China Energy Engineering Group Guangdong Electric Power Design Institute Co. Ltd.

The construction of both projects is targeted to start by the second quarter of 2024 and is slated for completion by the end of 2025.

The Department of Energy awarded both projects their respective certificates of confirma-



UNSPASH

tion of commerciality, allowing the company to transition from the pre-development to the development stage.

Alternergy previously allocated funds from its IPO

proceeds to finance projects including the Solana solar project, Ibulao mini hydro project, and Calavite and Tablas Strait offshore wind projects.

It has also previously allocated funds for working capital to operationalize its retail electricity supplier, Green Energy Supply Solutions.

The renewable energy company raised P1.62 billion from its IPO in March 2023.

Alternergy aims to develop up to 1,370 MW of renewable sources such as onshore and offshore wind, solar, and run-of-river hydropower projects.

At the local bourse on Monday, shares of the company went down by P0.01 or 1.32% to close at P0.75 each. — **Sheldeen Joy Talavera**

Maynilad, Manila Water told to implement hot season supply measures

THE METROPOLITAN Waterworks and Sewerage System (MWSS) has directed its two water concessionaires to ensure the implementation of augmentation measures as the summer season begins.

"MWSS has already issued instructions to our two concessionaires to ensure that all our augmentation measures are operational," Patrick James B. Dizon, manager of MWSS' water and sewerage management department, said in a Viber message on Monday.

The statement came after the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA) announced the official start of the warm and dry season in the country last week.

Mr. Dizon said that Maynilad Water Services, Inc. and Manila Water Co., Inc. are already implementing reduced water pressure.

The National Water Resources Board (NWRB) said last week that it would cut the raw water allocation of Metro Manila to 48 cubic meters per second (cms) from April 16-31.

"MWSS [is] dependent on the approved raw water allocation from the NWRB. A raw water allocation of less than 50 cms could potentially impact our service areas, particularly those situated at higher elevations," Mr. Dizon said.

Among the augmentation measures being implemented by the concessionaires is the installation of static water tanks to minimize any inconvenience to their customers.

Mr. Dizon said that Maynilad has 130 static water tanks in its service areas, while Manila Water has nine.

Jennifer C. Rufo, head of Maynilad's corporate communications, said that the company is "aligned" with MWSS on its supply augmentation projects, which include deep wells, modular treatment plants, among others.

"These are already producing additional water supply from alternate sources, augmenting the supply we get from the main source (Angat Dam) and mitigating any reduction in the raw wa-

ter allocation," she said in a Viber message.

Maynilad recently inaugurated a modular water treatment plant in Muntinlupa City, which is expected to produce 20 million liters per day of potable water supply.

"Our preparations for summer happen all year round and that includes continuously exercising and working on our augmentation measures, especially this year when we have to also mitigate the effects of El Niño," Dittie L. Galang, head of Manila Water's corporate communications, said in a Viber message.

In a statement, Manila Water has assured its customers of 24/7 water service for Holy Week, with its key projects and mitigating measures in place.

"Anticipating the rise in water demand, the East Zone Concessionaire ramped up its system checks in its water supply augmentation projects prior to the announcement of summer by the [PAGASA] last week," the company said.

Manila Water serves the east zone network of Metro Manila, covering parts of Marikina, Pasig, Makati, Taguig, Pateros, Mandaluyong, San Juan, portions of Quezon City and Manila, and several towns in Rizal province.

Maynilad serves the cities of Manila, except San Andres and Sta. Ana. It also operates in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon. It also supplies the cities of Cavite, Bacoor, and Imus, and the towns of Kawit, Noveleta, and Rosario, all in Cavite province.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three 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 an interest in BusinessWorld through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**

IT retailer Upson International profit down 13.7%

LISTED information technology (IT) retailer Upson International Corp. saw a 13.7% drop in its 2023 net income to P464.20 million from P537.86 million the prior year due to pre-opening costs and lower gross margin.

"Net income declined 13.7% to P464.2 million as a result of lower gross margin and pre-opening costs, helped by other income mainly through promotional support from suppliers, such as volume-based rebates and sell-out incentive programs as well as inventory price protection to drive demand and replacement cycles," Upson International said in a stock exchange disclosure on Monday.

Despite the lower net income, the company's revenues rose by 5.8% to P10.01 billion in 2023 from P9.46 billion in 2022, led by revenue growth from new stores, which have operated for less than one year.

In terms of product category, Upson said computers were its primary sales growth driver led by midrange laptops, followed by printing and communication products. The sales growth partly offset the lower sales of storage and components.

The company said that the Visayas market had the fastest sales growth followed by Northern Mindanao.

"2023 was a year of investment and transition, evolving from being privately held to becoming a public company," Upson International Chief Executive Officer Arlene Louisa T. Sy said.

"For the first time in our history, revenues surpassed P10 billion as we increasingly reap the benefits from our expanding footprint. This strong foundation is what we will build on this year. Our focus is on serving our customers better to unlock the full potential of the new stores and deliver sustainable and profitable growth," she added.

Upson International saw an 8.9% increase in cost of inventories to P7.93 billion, resulting in a lower gross margin at 20.8% from 23% in 2022. The decline in gross margin was due to revenue mix and lower product margin rates from increased promotions, including product bundling and price discounts.

Operating expenses climbed by 9.5% to P1.68 billion from P1.53 billion in support of

the company's strategic growth initiatives, specifically relating to store and warehouse network expansion.

"These higher expenses were mostly lease payments, contracted and other services, depreciation and amortization, and personnel-related costs. As a percentage of sales, operating expenses were slightly up from 16.2% to 16.7% in 2023," Upson International said.

Upson International opened 25 new stores in 2023, ending the year with an overall store count of 232.

Its store brands include Octagon, Micro Valley, Gadget King, Octagon Mobile, and concept stores.

The company carries 115 tech brands in its portfolio. The company previously introduced 12 tech brands including AUKEY, ESR, Garmin, MOMAX, Verbatim, MONOCOZZI, and Cricut to expand its product offerings. It also began to set up Apple product corners in select stores.

On Monday, Upson International shares were unchanged at P1.02 apiece. — **Revin Mikhael D. Ochave**

PAGCOR says P4.59 billion remitted to Treasury

THE PHILIPPINE Amusement and Gaming Corp. (PAGCOR) on Monday said that it remitted P4.59 billion in cash dividends to the Bureau of the Treasury.

The remittance will help "fund the national government's efforts in ensuring the country's sustained economic growth and development," it said in a statement.

PAGCOR noted that this remittance accounts for 75% of its net income in 2023.

"It is higher than the usual 50% remittance pursuant to the request of Finance Secretary Ralph G. Recto to PAGCOR to advance an additional 25% dividend to fund government expenditures."

By law, government-owned or -controlled corporations, or GOCCs, are required to declare

and remit at least 50% of their net earnings to the National Government.

Last year, PAGCOR booked P6.13 billion in net earnings from gaming operations. It also recorded P79.37 billion in gross revenues.

"[The] income performance in 2023 set the stage for this higher dividend contribution to the national government," PAGCOR

Chairman and CEO Alejandro H. Tengco said.

Broken down, its remittance is composed of its P3.06 billion dividends or the mandated 50% of net earnings last year, as well as the P1.53 billion requested by the Finance department.

This year, PAGCOR is expecting that its revenues from gaming operations will reach P81.27 billion. — **Luisa Maria Jacinta C. Jocson**

Group proposes maximizing solar to offset summer power rate hikes

By **Sheldeen Joy Talavera**
Reporter

POWER RATES are likely to increase this summer season as demand rises, said the Developers of Renewable Energy for Advancement, Inc., suggesting building up more renewables, especially solar energy, to meet the demand.

"Historically, during summer months, especially during times when supply is short, the power rates always go up," Jose M. Layug, Jr., president of the Developers of Renewable Energy for Advancement, said via phone call.

He said that "it would help if we have a lot of solar" to add more capacity that will provide power supply.

The Philippine Atmospheric, Geophysical, and Astronomical

Services Administration (PAGASA) declared the official start of the dry and warm season in the country last week.

"In the coming months, the number of dry and warm days across the country will continue to increase, although isolated thunderstorms are also likely to occur, usually in the afternoon or evening," PAGASA said in a statement.

Mr. Layug said that building more renewables, which are now "cheaper," may help increase supply.

As of November 2023, data from the Department of Energy showed that solar energy accounted for 19% of the total installed capacity connected to the grid.

Terry L. Ridon, a public investment analyst and convenor of think tank InfraWatch PH, said that distribution utilities

and electric cooperatives may have to rely more heavily on the spot market to fulfill electricity demand.

"With the summer months, we are expecting higher electricity prices due to a greater demand for cooling in homes, offices and commercial establishments," he said in a Viber message.

Meanwhile, Bienvenido S. Oplas, Jr., president of the free

market think tank Minimal Government Thinkers, foresees a decrease in power rates in April and May due to the resumption of coal power plants that underwent maintenance shutdown.

"Coal is ready during summer because their maintenance shutdown are generally scheduled on rainy months where hydro output is high," he said in a Viber message.