Philippine Stock Exchange index (PSEi) 6,979.81 ▲ 76.28 PTS. ▲ 1.1%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P662.50	+P22.50	+3.52%
ACEN	ACEN Corp.	P3.86	+P0.01	+0.26%
AEV	Aboitiz Equity Ventures, Inc.	P47.00	+P0.15	+0.32%
AGI	Alliance Global Group, Inc.	P10.36	+P0.20	+1.97%
ALI	Ayala Land, Inc.	P33.25	+P1.00	+3.1%
BDO	BDO Unibank, Inc.	P159.00	+P4.50	+2.91%
BLOOM	Bloomberry Resorts Corp.	P11.08	+P0.04	+0.36%
BPI	Bank of the Philippine Islands	P118.10	——	
CNPF	Century Pacific Food, Inc.	P38.00	-P2.00	-5%
CNVRG	Converge ICT Solutions, Inc.	P9.65	-P0.31	-3.11%
DMC	DMCI Holdings, Inc.	P12.20	+P0.84	+7.39%
EMI	Emperador, Inc.	P18.60	-P0.40	-2.11%
GLO	Globe Telecom, Inc.	P1,773.00	+P4.00	+0.23%
GTCAP	GT Capital Holdings, Inc.	P708.50	+P4.50	+0.64%
ICT	International Container Terminal Services, Inc.	P320.00	+P2.00	+0.63%
JFC	Jollibee Foods Corp.	P248.60	-P4.00	-1.58%
JGS	JG Summit Holdings, Inc.	P36.70	+P0.30	+0.82%
LTG	LT Group, Inc.	P9.92	-P0.07	-0.7%
MBT	Metropolitan Bank & Trust Co.	P66.20	+P1.05	+1.61%
MER	Manila Electric Co.	P366.00	+P9.00	+2.52%
MONDE	Monde Nissin Corp.	P10.66	-P0.26	-2.38%
NIKL	Nickel Asia Corp.	P3.92	-P0.08	-2%
PGOLD	Puregold Price Club, Inc.	P26.70	-P0.10	-0.37%
SCC	Semirara Mining and Power Corp.	P33.50	-P1.40	-4.01%
SM	SM Investments Corp.	P990.00	+P18.00	+1.85%
SMC	San Miguel Corp.	P107.70	-P2.20	-2%
SMPH	SM Prime Holdings, Inc.	P33.00	+P0.30	+0.92%
TEL	PLDT Inc.	P1,371.00	+P1.00	+0.07%
URC	Universal Robina Corp.	P108.20	+P2.90	+2.75%
WLCON	Wilcon Depot, Inc.	P17.68	-P0.10	-0.56%

PAL earnings more than double on travel demand

By Ashley Erika O. Jose
Reporter

PAL Holdings, Inc., the listed operator of flag carrier Philippine Airlines (PAL), saw its attributable net income more than double to P16.81 billion last year, driven by heightened passenger volume and route expansions.

The company's net income for 2023 rose to P16.81 billion from P8.16 billion a year ago, it said in a regulatory filing on Monday.

PAL's passenger revenue increased by 37% to P160 billion in 2023 from P114 billion in 2022, boosting the company's overall revenues.

The company said that higher revenues offset the increase in gross expenses as its top line climbed to P179.12 billion, marking a 28.6% increase, citing a "significant" rise in passenger volume compared to its previous combined revenues of P139.24 billion.

The company flew a total of 14.7 million passengers in 2023, a 58% jump from last year's 9.3 million passenger count.

Data provided by the Civil Aeronautics Board (CAB) showed that PAL's subsidiary PAL Express' passenger volume rose to 7.77 million from 3.84 million in 2022.

The flag carrier also managed to operate about 105,294 flights in 2023, a 36% climb from 77,533 flights in 2022.

The company said its combined expenses went up by 23.9% to P151.04 billion from P121.93 billion in 2022 after operating more flights for the period.

PAL operated two new routes such as the Manila-Perth and Cebu-Laoag flights and it also relaunched 13 flights last year.

In 2023, PAL's jet fuel consumption went up by 8% due to the increase in flight activity, the company said, adding that fuel costs accounted for the 45.3% share of its overall revenues.

The construction of two new Mabuhay lounges in Manila and Cebu, along with the refurbishments of all its other lounges in the Philippines, were also factored into the company's higher expenses for the period.

Its maintenance expenses went up by 39.1% to P22.14 billion from P15.91 billion in 2022 due to higher aircraft utilization.

For 2024, PAL targets to capitalize on the increased resources to further strengthen its global and local network, while also upgrading its aircraft fleet and adding new aircraft in the next few years.

"To preserve the gains we have achieved, we must not rest on our laurels. PAL's corporate transformation continues — we are taking in new aircraft, retrofitting cabins of current aircraft, upgrading airport lounges, and introducing more product innovations to address our strategic, financial, and operational needs across all areas of our operations," Stanley K. Ng, president and chief operating officer of PAL, said in a separate media release.

The substantial increase in income of listed airline companies demonstrate improved operational efficiency and cost management, Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said.

"Despite a considerable rise in total operating expenses, primarily driven by higher fuel costs and fleet-related expenses," Mr. Arce said in a Viber message.

"PAL's growth prospects appear promising, supported by its strengthened financial position, improved operational efficiency, and the anticipated rebound in travel demand post-pandemic."

To recall, CAB recorded a total of 50.18 million passenger volume for 2023 covering both domestic and international flights.

The Tourism department reported 5.45 million international visitors in 2023, surpassing the year's target of 4.8 million.

For 2024, the department aims to attract 7.7 million international visitors.

PAL must take advantage of its route expansions and strategic customer offerings to sustain the company's growth, Mr. Arce noted.

Strategic alliances, route expansions, and enhanced customer offerings could further drive PAL's growth in the coming years.

"Maintaining cost-effective operations, optimizing fleet utilization, and enhancing service quality will be essential for profitability and competitiveness," he said.

Additional fleet investments, route expansions could also unlock new growth opportunities for the company, Mr. Arce said, adding that monitoring fuel prices, currency fluctuations, and regulatory changes will be important to mitigate risks and capitalize on favorable market conditions.

"While challenges persist, [airline companies] have demonstrated resilience and potential for growth. By focusing on operational excellence, strategic initiatives, and market responsiveness, airlines can sustain their growth momentum in the dynamic aviation industry," Mr. Arce said.

DHL Express plans further expansion in Philippines

INTERNATIONAL logistics and shipping firm DHL Express is planning to further expand its operations in the Philippines, its top official said.

"We're the market leader in the Philippines now. We've expanded our gateway and service centers in the Philippines, and we'll continue to do so," DHL Express Chief Executive Officer John Pearson said in an interview with *BusinessWorld*.

Last year, DHL Express opened a 4,768-square-meter service center in Pasig City amid increasing demand for deliveries. The facility includes three warehouses, a customer retail outlet, and material handling equipment.

The company's aircraft are operational through the Manila gateway and Cebu, which commenced operations in 2019.

DHL Express also upgraded its dedicated aircraft in the Philippines, increasing its capacity to 55 tons.

With 12 weekly flights, it serves the Hong Kong-Manila-Cebu-Manila-Hong Kong route.

"Between those two things and making sure we've got the right aviation network into and out of the Philippines, (this) gives best possible quality and efficiency for our customers," Mr. Pearson said.

"As we grow, we need to continue to invest in facilities, and Philippines is no exception to that," he said.

He also said that the continued growth in parcel volume would drive increased investments in the Philippines.

"Because without growth in volumes, we don't need new facilities. We can't spruce up our existing conveyor, material handling equipment, and our facility to cater to a country that's not growing very easily."

The company allocates up to €1.5 billion annually to the expansion of its global aviation hubs, gateways, or service centers.

"(We use) €1-1.5 billion, depending on the year. Some of that is directed towards Asia, and within Asia, some of it is directed towards the Philippines," he added. — **A.H. Halili**

Filinvest Land leases Buendia building to DTI

GOTIANUN-LED Filinvest Land, Inc. (FLI) has leased its entire Filinvest Building in Buendia, Makati City, to the Department of Trade and Industry (DTI).

FLI, through its office business unit Filinvest Cyberparks, Inc., is leasing the 14-storey Filinvest Building in Gil Puyat Avenue to DTI as part of the government agency's plan to consolidate its various operating units, the listed property developer said in a statement on Monday.

The property developer did not provide further details on the lease agreement such as its value and duration.

The lease encompasses 10,668.40 square meters and was finalized after FLI and DTI signed a lease agreement.

DTI's operating units that will transfer to the Filinvest Building include the Office of the Secretary, Competitiveness and Innovation Group, Consumer Protection Group, and Communications Office.

"Filinvest Buendia provides an optimal environment for our operations, enabling us to enhance our services and better serve the Filipino people," Trade Assistant Secretary Agaton Teodoro O. Uvero said.

In 2023, FLI saw a 30% jump in its attributable net income to P3.77 billion. The company's consolidated revenue and other income rose by 13% to P22.55 billion in 2023 from P19.94 billion in 2022 led by higher contributions from its residential and leasing segments.

FLI shares were unchanged at 68 centavos per share on Monday. — **Revin Mikhael D. Ochave**

DISCOVERYWORLD.COM

Discovery World trims losses

LISTED luxury hotel and resort operator Discovery World Corp. (DWC) trimmed its attributable net loss last year to P49 million from P74.35 million net loss in 2022 on the back of higher revenue.

The company's total revenue improved by 17.6% to P911.15 million in 2023, DWC said in a regulatory filing on Monday.

"This indicates an improvement and a recovery on the group's operations compared to previous years," DWC said.

DWC's rooms revenue rose by 16.5% to P645.52 million, while food, beverages, and other revenues improved by 5.3% to P173.2 million.

Management, incentive, and allied service income climbed by 80% to P57.6 million.

In contrast, rental revenue fell by 7.4% to P5.64 million.

Operating expenses jumped by 25% to P394.52 million, while cost of sales and services jumped by 17.3% to P538.01 million.

DWC is optimistic on its future financial performance due to the continuous recovery of local and international tourism.

"The group expect steady growth in domestic and foreign tourism resulting to increase in the group's hotel and resort occupancies during the year. The management believes that there will be an upward economic trajectory in the years ahead," DWC said.

DWC said it is working on an 11-hectare real estate development project in Davao City.

The project is expected to generate up to P7 billion in real estate sales in various phases.

"The management expects that this project will generate substantial cash flow which will improve the group's overall profitability, generate capital, and support its working capital requirements," DWC said.

DWC's properties include Discovery Shores Boracay, Club Paradise Palawan, and Elize Point township in Davao City.

On Monday, DWC shares dropped by 4.8% or six centavos to P1.19 apiece. — **Revin Mikhael D. Ochave**

US firm eyes rolling out metering solution in PHL

UNITED STATES-BASED grid management services provider SparkMeter is seeking to distribute its metering systems in the Philippines after obtaining a compliance certificate from the Energy Regulatory Commission (ERC).

"(The certificate) allows us to proceed with commercial sales and operations and provide our solution commercially to all of the utilities in the Philippines," SparkMeter Chief Executive Officer Dan Schnitzer said in an interview with *BusinessWorld*.

"The ERC certificate is a big step for SparkMeter because we can now actually sell the solution in the Philippines to the utilities," he added.

The company received a compliance certificate from the ERC last month, which it said "fosters collaboration with electricity cooperatives and investor-owned utilities."

"This accreditation not only enables SparkMeter to market and distribute its products across the Philippines but also aligns with the nation's ambitious energy goals to reduce the dependency on traditional energy sources and transition to renewable alternatives," the company said.

Mr. Schnitzer said the company may provide "the whole solution as a single company" to power distributors.

"That ends up being very expensive to the utility to have to integrate all of these different systems and that's what makes SparkMeter different and what makes us more cost-effective is we provide the solution as a single company," Mr. Schnitzer said.

Founded in 2013, SparkMeter is currently operating in over 25 countries and enabling utilities operating in remote areas through its technology to access features such as flexible billing, customer communications, and remote monitoring and control.

Utilities can obtain smart grid analytics through SparkMeter's GridScan software catering for various utility needs including transformer loading analysis, customer outage detection and analysis, and revenue loss analysis.

SparkMeter had pilot installations with rural electric cooperatives in Zamboanga and Pampanga last year, and it is now eyeing to work with more electric cooperatives and distribution utilities in the country.

"I think, by the end of the year, we'd love to be working with another five or six," Mr. Schnitzer said.

SparkMeter is coordinating with the National Electrification Administration and the Philippine Rural Electric Cooperatives Association, Inc. to work with more power distributors.

Mr. Schnitzer said that using their metering system with its software would allow electric cooperatives and distribution utilities to reduce power costs.

"Once they've adopted it, they'll then hopefully see some of these cost impacts, which will allow them to stabilize rates or even reduce rates," he said.

SparkMeter decided to roll out its technology in the Philippines for having "a large number of cooperatives" and "very ambitious renewable energy targets."

"We wanted to work in the Philippines because we saw the potential of our technology to help meet the national policy goals and around reducing costs and increasing renewable energy," Mr. Schnitzer said.

"And there are really few smart meters that have been installed so far, so it's a very big market for a US company like ours, it's very attractive... it's a country that's looking to do the types of things that we hope our technology can help achieve," he added.

The Philippine government is targeting to increase the share of renewable energy to the country's power mix to 35% by 2030 and 50% by 2040. — **Sheldeen Joy Talavera**