

Philippine Stock Exchange index (PSEi)

6,863.82

▼ 96.61 PTS.

▼ 1.38%

WEDNESDAY, APRIL 3, 2024
BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P639.00 -P7.00 -1.08%	ACEN ACEN Corp. P3.83 -P0.01 -0.26%	AEV Aboltiz Equity Ventures, Inc. P46.00 -P0.15 -0.33%	AGI Alliance Global Group, Inc. P10.02 -P0.22 -2.15%	ALI Ayala Land, Inc. P32.35 -P0.65 -1.97%	BDO BDO Unibank, Inc. P152.90 -P1.10 -0.71%	BLOOM Bloomerry Resorts Corp. P11.12 +P0.06 +0.54%	BPI Bank of the Philippine Islands P115.00 -P2.00 -1.71%	CNPF Century Pacific Food, Inc. P37.95 -P0.70 -1.81%	CNVRG Converge ICT Solutions, Inc. P9.67 +P0.17 +1.79%
DMC DMCI Holdings, Inc. P12.28 -P0.32 -2.54%	EMI Emperador, Inc. P18.66 -P0.14 -0.74%	GLO Globe Telecom, Inc. P1,754.00 -P19.00 -1.07%	GTCAP GT Capital Holdings, Inc. P697.00 -P18.00 -2.52%	ICT International Container Terminal Services, Inc. P329.20 -P3.80 -1.14%	JFC Jollibee Foods Corp. P242.00 -P5.20 -2.1%	JGS JG Summit Holdings, Inc. P34.55 -P1.05 -2.95%	LTG LT Group, Inc. P10.00 —	MBT Metropolitan Bank & Trust Co. P67.75 -P0.25 -0.37%	MER Manila Electric Co. P350.20 -P8.20 -2.29%
MONDE Monde Nissin Corp. P11.22 -P0.06 -0.53%	NIKL Nickel Asia Corp. P3.89 -P0.03 -0.77%	PGOLD Puregold Price Club, Inc. P25.00 -P0.80 -3.1%	SCC Semirara Mining and Power Corp. P33.40 +P0.30 +0.91%	SM SM Investments Corp. P980.50 -P10.50 -1.06%	SMC San Miguel Corp. P103.60 +P0.20 +0.19%	SMPH SM Prime Holdings, Inc. P31.80 -P1.35 -4.07%	TEL PLDT Inc. P1,357.00 +P7.00 +0.52%	URC Universal Robina Corp. P106.50 +P0.60 +0.57%	WLCON Wilcon Depot, Inc. P17.00 -P0.50 -2.86%

Maynilad plans projects with P12-B blue bonds

WEST ZONE concessionaire Maynilad Water Services, Inc. said it is seeking approval from the Securities and Exchange Commission (SEC) for a proposed public offering of up to P12 billion in fixed-rate blue bonds.

"Maynilad has submitted a registration statement to the SEC," the company said in an e-mailed statement on Wednesday.

The offering includes an over-subscription option of up to P3 billion. The blue bonds will be issued in up to two series with tenors of five years and/or 10 years.

The company said the target offer period will run from May 27 to May 31. It intends to issue and list the blue bonds on the Philippine Dealing & Exchange Corp. on June 7.

"The blue bonds are intended to be issued at par (value), and interest on the blue bonds will be calculated on a 30/360-day count basis to be paid quarterly in arrear," it said.

The net proceeds from the offering are intended to finance sustainable water and wastewater management projects, according to the company.

In the SEC's guidelines, initiatives using proceeds from the offering of blue bonds — or instruments supporting water management and ocean protection, among others — should contribute to the United Nations (UN) Sustainable Development Goals 6 and 14.

The two UN goals respectively aim to ensure the availability and sustainable management of water and sanitation, and conserve and sustainably use the oceans, seas, and marine resources for sustainable development.

"This inaugural public issuance marks a significant milestone not only for Maynilad but also for the country, as it the first Peso-denominated fixed-rate blue bond to be registered with the SEC," Maynilad President and Chief Executive Officer Ramonito S. Fernandez said.

"The proceeds from this issuance will propel crucial capital expenditure projects that will enhance water and wastewater services for communities across our West Zone," he added.

Maynilad said it obtained the highest credit rating of PRS Aaa

with a stable outlook from the Philippine Ratings Services Corp. for the bond offer.

BPI Capital Corp. served as the sole issue manager, and together with BDO Capital & Investment Corp., First Metro Investment Corp., and EastWest Banking Corp. acted as the joint lead underwriters and joint bookrunners for the offer.

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. — **S.J. Talavera**

Filinvest Development's profit soars 58% to P8.9 billion

GOTIANUN-LED conglomerate Filinvest Development Corp. (FDC) reported a 58% increase in its attributable net income to P8.9 billion for 2023 from P5.7 billion the previous year, driven by increased revenues across its business segments.

The conglomerate recorded a 31% jump in its total revenues and other income to P92.8 billion in 2023 from P71.1 billion in 2022, FDC said in a stock exchange disclosure on Wednesday.

"This past operating year was marked by robust growth in all our business lines. The key to our success was a renewed focus on the fundamentals of our business and staying true to our key strategic imperatives and reliance on our core strengths as an organization," FDC President and Chief Executive Officer Rhoda A. Huang said.

FDC said the increase in revenues and other income for its banking segment reached 35%, real estate at 20%, hospitality at 77%, power at 35%, and sugar at 16%.

"The level of total revenues and other income of FDC in 2023 has surpassed by 8% the amount generated before the pandemic of P84.6 billion in 2019," the conglomerate said.

For the banking business, EastWest Bank saw a 32% jump in its net income to P6.1 billion in 2023 led by sustained consumer loan growth and strong deposit generation.

"The high-yielding consumer lending portfolio grew by 25% and accounted for 80% of its total loan base. Cost of funds were also stable during the period with total deposits growing by 8%. This led to a net interest income of P28.2 billion, an improvement of 21%, with a net interest margin of 7.6%," FDC said.

For the real estate business, Filinvest Land, Inc. (FLI) and Filinvest Alabang, Inc.



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contributed P3.7 billion net income to the group in 2023, up by 31% from P2.8 billion in 2022.

Residential segment revenues jumped by 21% increase to P16.1 billion, led by the sale and construction progress of mid-rise condominiums and housing projects, while mall and rental revenues improved by 14% to P7.6 billion, with the reduction of rental concessions, reinstatement of escalation rates, and increased occupancy levels.

For the power business, FDC Utilities, Inc. saw a net income contribution of P2.8 billion in 2023, higher by 30% from 2022. Revenues improved rose by 33% to P17.2 billion due to higher volume and average selling prices.

All units of the company's 3x135-megawatt Misamis plant were fully contracted within the year, helped by the energization of the Mindanao-Visayas interconnection project in the second half of 2023. Its plant is

located in Misamis Oriental in Mindanao that services a diverse customer base composed of mostly triple A distribution cooperatives from the region.

For the hotel business, Filinvest Hospitality Corp. recorded a P106 million net income due to the 48% growth in revenues to P2.9 billion.

Revenues from food and beverage added P1.1 billion to the segment. The company's portfolio has approximately 1,800 rooms across seven hotels in seven cities and five regions under the Crimson, Quest, and Timberland Highlands brands.

"We look forward to sustaining the strong momentum in 2023. Our goal is to 'Fast Forward Filinvest,'" Ms. Huang said.

On Wednesday, FDC shares were unchanged at P5.67 apiece. FLI stocks were unchanged at 68 centavos per share. EastWest shares were unchanged at P9.12 each. — **Revin Mikhael D. Ochave**

DigiPlus allocates up to P2 billion for capex

LISTED digital entertainment company DigiPlus Interactive Corp. has earmarked between P1.5 billion and P2 billion for its capital expenditure (capex) budget in 2024.

This investment is aimed at boosting revenues and increasing the number of registered users, the company said on Monday.

"At least 50% goes to the technologies and game developments. We also spend some money on our site and equipment upgrades. Those are the big-ticket items for our capex this year," DigiPlus President Andy Tsui said during a briefing.

"It (2024 capex) will be slightly higher, around 20-30% increase from last year's because we expect site upgrades," he added.

Mr. Tsui said that DigiPlus, which operates digital platforms BingoPlus, ArenaPlus, and Periyagame, is expecting to grow its revenue by 10-20%, as the company aims to have five to ten million new registrations this year.

Currently, DigiPlus has around 20 million registered users.

"I think we can add between maybe five to 10 million registered users. We can grow maybe from 20 million to 25 or 30 million registered users this year," Mr. Tsui said.

In 2023, DigiPlus saw an almost sixfold increase in its net income to P4.1 billion as revenues increased more than three times to P27.3 billion.

DigiPlus shares rose by 1.35% or 16 centavos to P12.04 apiece on Wednesday. — **Revin Mikhael D. Ochave**

Flag carrier PAL aims to operate SAF-powered flights by 2026

FLAG carrier Philippine Airlines (PAL) said it is working to secure a green fuel supply deal as it aims to operate sustainable aviation fuel (SAF)-powered flights to Singapore by 2026.

"We are not using SAF yet but all our aircraft are SAF-capable. So, we can use SAF, maybe by 2026," Stanley K. Ng, president and chief operating officer of PAL, said

on the sidelines of the company's media briefing on Tuesday.

Currently, PAL has no SAF-powered flights yet but the company is targeting to have at least 1% SAF blend for its Singapore flights by 2026.

The Singapore government will require flights departing from its airport to use at least 1% SAF by 2026.

SAF can help reduce emissions from air transportation as it is made from non-petroleum feedstock like agricultural waste and used vegetable oil.

For now, the company is in talks with potential suppliers to secure an agreement for its green fuel supply, Mr. Ng said,

adding that the company is hoping to land the deal as early as 2025.

"Yes, we are [in discussions]. I always say we want to be sustainable. We want to have lesser carbon emissions. I hope as early as next year [we can have SAF supply], but if not it's 2026," Mr. Ng said.

Mr. Ng said the company struggles to secure SAF supply because of its

limited supply.

"Even if we want to do more, we all know the constraint right now. It's a limited supply. Even if you want to use SAF, it is really difficult to get," he said.

In 2023, the Energy department said it was working on setting regulations on SAF utilization to accelerate its adoption in the aviation industry in the Philippines.

Last year, PAL signed a memorandum of understanding with low-carbon energy and services company ENGIE to explore the development and implementation of decarbonization projects such as SAF. — **Ashley Erika O. Jose**

Department of Energy targets second round of bidding for microgrid system providers this year

THE Department of Energy (DoE) on Wednesday said it targets to conduct a second round of bidding for microgrid systems service providers within the year.

This came after the DoE awarded the development of microgrid systems in eight unserved areas in the provinces of Cebu, Quezon, and Palawan to the Maharlika Consortium.

The Maharlika Consortium is composed of Maharlika Clean Power Holdings Corp., Singapore-based CleanGrid Partners Pte. Ltd., and Singapore-based renewable energy company WEnergy Global Pte. Ltd.

As the winning bidder of the first round, the consortium will provide 24/7 electricity services to the said areas through a hybrid microgrid system composed of solar photovoltaic, an energy storage system, and a diesel genset.

Such technologies will be built and operated not later than 18 months from the consortium's execution of the microgrid systems service contract with the National Power Corp.

"The rates to be imposed in these areas will be subject to the approval of the Energy Regulatory Commission and will be provided with a subsidy under the Universal Charge for Missionary Electrification for a period of twenty (20) years," the DoE said.

Under Republic Act No. 11646, or the Microgrid Systems Act of 2022, the Energy department is required to conduct a competitive selection process (CSP) for potential concessionaires seeking to serve off-grid areas.

In the first round, the bidding included 98 areas without electricity or with limited ac-



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cess, grouped into 49 lots in remote locations.

Out of nine prequalified bidders, only the Maharlika consortium submitted complete bid proposals.

The Energy department vowed to enhance the terms of reference and streamline the processes to encourage wider participation from private sector entities.

For the second round, the DoE will offer new areas and those that

received no proposals during the first round.

"Economic and logistical considerations are carefully evaluated to ensure the inclusion of appropriate areas in the CSP and should align with the overarching objective of delivering sustainable and reliable energy solutions to communities in need while optimizing resource allocation," the DoE said. — **Sheldeen Joy Talavera**