

Philippine Stock Exchange index (PSEi)

6,745.46

▼ 81.60 PTS.

▼ 1.19%

FRIDAY, APRIL 5, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P620.00 -P15.00 -2.36%	ACEN ACEN Corp. P3.77 -P0.01 -0.26%	AEV Abolitz Equity Ventures, Inc. P42.65 -P1.75 -3.94%	AGI Alliance Global Group, Inc. P9.99 -P0.01 -0.1%	ALI Ayala Land, Inc. P30.60 -P1.60 -4.97%	BDO BDO Unibank, Inc. P154.00 +P1.30 +0.85%	BLOOM Blossom Resorts Corp. P10.98 -P0.12 -1.08%	BPI Bank of the Philippine Islands P114.20 -P1.60 -1.38%	CNPF Century Pacific Food, Inc. P36.80 -P0.70 -1.87%	CNVRG Converge ICT Solutions, Inc. P9.23 -P0.19 -2.02%
DMC DMCI Holdings, Inc. P12.16 -P0.14 -1.14%	EMI Emperador, Inc. P18.60 -P0.04 -0.21%	GLO Globe Telecom, Inc. P1,750.00 -P10.00 -0.57%	GTCAP GT Capital Holdings, Inc. P695.00 -P17.50 -2.46%	ICT International Container Terminal Services, Inc. P326.00 +P5.00 +1.56%	JFC Jollibee Foods Corp. P230.00 -P2.60 -1.12%	JGS JG Summit Holdings, Inc. P33.70 -P0.40 -1.17%	LTG LT Group, Inc. P9.89 -P0.11 -1.1%	MBT Metropolitan Bank & Trust Co. P68.00 -P0.15 -0.22%	MER Manila Electric Co. P354.00 -P5.00 -1.39%
MONDE Monde Nissin Corp. P11.00 +P0.02 +0.18%	NIKL Nickel Asia Corp. P3.93 -P0.03 -0.76%	PGOLD Puregold Price Club, Inc. P24.30 -P0.70 -2.8%	SCC Semirara Mining and Power Corp. P33.65 +P0.05 +0.15%	SM SM Investments Corp. P975.00 -P5.00 -0.51%	SMC San Miguel Corp. P103.00 -P2.40 -2.28%	SMPH SM Prime Holdings, Inc. P30.60 -P1.00 -3.16%	TEL PLDT Inc. P1,340.00 -P15.00 -1.11%	URC Universal Robina Corp. P103.50 -P1.80 -1.71%	WLCON Wilcon Depot, Inc. P16.00 -P0.80 -4.76%

Filinvest Development sets up to P25-billion capex budget

GOTIANUN-LED conglomerate Filinvest Development Corp. (FDC) has allocated between P20 billion and P25 billion for its capital expenditure (capex) budget this year.

FDC Chief Finance Officer Brian T. Lim said during a briefing last week that 60% of the budget would go to real estate, 15% to renewable energy, another 15% to hospitality, and the remaining 10% to other businesses.

"We will fund this year's capex through internally generated funds," he said. FDC invested P13 billion in capex last year, he added.

FDC's ongoing renewable energy projects include a 20-megawatt (MW) solar energy project in Misamis Oriental and a 12-MW solar energy project in Cebu, FDC President and Chief Executive Officer Rhoda A. Huang said.

"The commercial operations for the solar projects will hap-

pen in the next 10 to 12 months," she said.

Ms. Huang said that FDC's expansion in the hospitality segment include the ongoing construction of the 200-room hotel in Baguio City under the Grafik brand, which will open in the first quarter of 2025.

FDC is also renovating and expanding its Crimson Mactan Hotel, she added.

"Mactan was hard hit by Typhoon Odette. Then refurbishing happened and then we're looking at expansion," Ms. Huang said.

In terms of digitalization projects, FDC Chief Operating Officer Ysmael V. Baysa said the conglomerate has ongoing projects to improve its enterprise resource plan (ERP).

"Right now, we have several ERP systems across the conglomerate. We want to convert into just one. We're also enhancing our purchasing segment, proj-

ect management system, and the management report and analysis and planning system..." he said.

"The (improvement) project started as early as 2021, on the conceptualization. The projects have been ongoing," he added.

Meanwhile, Ms. Huang said that FDC is securing approval for a preferred shares listing as part of the conglomerate's fundraising efforts.

"It will not be early. If ever, it (preferred shares listing) will be late fourth quarter or first quarter of 2025 because we have funding in place for the purposes of the budgeted capex for 2024. We will be opportunistic," she said.

"It is early. We want to see the developments for the purposes of the capex budget utilization," she added.

In January, FDC raised P10 billion from the first tranche of its P32 billion three-year bond program.

The net proceeds will be used to partially finance our maturing bond redemption and capital expenditure, including financing for equity investments in renewable energy, water, hospitality, and digitalization projects.

FDC has presence in the real estate sector through Filinvest Land, Inc. and Filinvest Alabang.

The conglomerate is also in the power and hospitality sectors through FDC Utilities, Inc. and Filinvest Hospitality Corp., respectively.

It is also engaged in the banking sector via East West Banking Corp., as well as in the sugar and infrastructure segments.

FDC saw a 58% jump in its 2023 attributable net income to P8.9 billion. The conglomerate's total revenues and other income increased by 31% to P92.8 billion.

Shares of FDC were last traded on April 5 at P5.50 apiece. — **Revin Mikhael D. Ochave**

Solar Philippines, Indonesian partner sign \$14-M loan deal for 25-MW East Bali solar farm project

LEVISTE-LED Solar Philippines Power Project Holdings, Inc. and its partner in Indonesia have signed a \$14-million (P792 million) loan deal for a 25-megawatt (MW) solar farm project in East Bali.

PT Medcosolar Bali Timur, Solar Philippines' joint venture with Indonesian oil and gas firm Medco Energi (Medco), signed the loan agreement with Bank Negara Indonesia (BNI), the company said in a statement over the weekend.

"This project is in line with Medco Power's mission to create long-term value in renewable energy," Solar Philippines said.

Medco is the largest independent oil and gas exploration and production company in Indonesia.

The implementation of the solar project began last year. It is estimated to cost \$20 million and is funded by a combination of BNI's credit facility and equity invested by Medco and Solar Philippines.

The two companies formed the joint venture to submit a bid in the first competitive auction for utility-scale solar of Indonesia's state utility PLN.

Solar Philippines owns 49% of PT Medcosolar Bali Timur. It also owns 49% of PT Medco Solar Bali Barat, which is developing another 25-MW solar farm in West Bali.

This brings the total capacity of the joint venture of Solar Philippines and Medco in Bali to 50 MW.

The joint venture plans to energize the first 25 MW by the end of 2024, while the next 25 MW is scheduled by 2025.

"Indonesia has one of the world's lowest solar capacity per capita, with an estimated total 500 MW of solar operating in a country of 279 million people," Solar Philippines said.

"This is due to low power prices, and the scarcity of land in the most populous island of Java, with challenges similar to developing solar in Luzon," it added. — **Sheldeen Joy Talavera**

PAL says passenger volume may rise by up to 20%

FLAG CARRIER Philippine Airlines (PAL) said it expects passenger volume to rise by up to 20% this year.

"We are projecting about 10%-20% growth," Stanley K. Ng, president and chief operating officer of PAL, said on the sidelines of the company's media briefing last week.

Last year, the airline company carried a total of 14.7 million passengers, marking a 58% increase from the 9.3 million passengers recorded in 2022.

"We anticipate to again increase passenger carriage this year," Cielo

C. Villaluna, PAL spokesperson, said in a Viber message.

Data provided by the company showed that it managed to mount a total of 105,294 flights last year, 35.8% higher than the 77,533 total flights in 2022.

For this year, PAL is working to strengthen its global and local network, the company said, adding that it also plans to upgrade its existing aircraft and add more fleet in the next few years.

PAL operates a total of 78 aircraft and the company expects to add one more, operating a total of 79 aircraft by yearend.

The airline plans to buy at least 22 aircraft, which will be delivered between 2025 and 2029, the company's General Counsel Carlos Luis L. Fernandez said.

PAL is also set to operate non-stop Manila-Seattle flights three times a week beginning Oct. 2.

Aside from Seattle, which the company considers a promising market, PAL is looking to explore more Asian and local destinations. However, some long-haul flights it plans to offer will be on hold for now until the arrival of its aircraft order.

Last year, PAL Holdings, Inc., the listed operator of PAL, saw its attributable net income more than double to P16.81 billion driven by heightened passenger volume and route expansions.

Its 2023 income is considered to be the company's highest in history, PAL said in a previous media release.

The company's passenger revenue increased by 37% to P160 billion in 2023 from P114 billion in 2022, boosting the company's overall revenues. — **Ashley Erika O. Jose**

OUTLIER

JFC shares drop despite investment expansion

SHARES in the Tony Tan Caktiong-led food company fell last week due to overall negative sentiments amid investment expansion in a private equity fund that owns the Tim Ho Wan brand.

Data from the Philippine Stock Exchange showed a total of 6.68 million shares worth P1.61 billion were traded from April 1 to 5, making Jollibee Foods Corp. (JFC) the fourth most active stock in the local market last week.

Shares in JFC dropped by 8.9% week on week, with the stock finishing at P230 per share from its closing of P252.60 on March 27.

Year to date, the stock's price has also decreased by 8.5%.

Mark V. Santarina, senior trader at Globalinks Securities and Stocks, Inc., attributed the decline to heavy foreign selling.

"I think this is due to overall negative sentiment since the market is sensitive to any indicators hinting at impending inflationary pressure especially that JFC is a consumer stock," Mr. Santarina said in a Viber message.

Inflation in March increased to 3.7% year on year from 3.4% in February, making it the fourth straight month that inflation settled within the Bangko Sentral ng Pilipinas' 2-4% target range.

Meanwhile, Philstocks Financial, Inc. Research and Engagement Officer Mikhail Philippe Q. Plopenio said consumers are wary of the company despite its additional investment in Titan Dining Partners Ltd.

"Following its subsidiary's increased participating stake in Titan Fund II, investors seem to be cautious given that JFC's overseas acquisitions have not performed well immediately. Concerns regarding its acquisition and participation in foreign quick-service restaurants could be the reason why investors sold shares of the stock," he said in an e-mail.

The Caktiong-led food company announced in a disclosure last week an additional capital investment in Titan Dining II LP, amounting to \$90 million.



JOLLIBEE

"The fund... will be used (for) strategic investments in food and beverage concepts with the objective to further grow Asia-Pacific food service brands and/or bring strong global food service brands to Asia-Pacific," JFC said.

Titan Dining LP is a private equity fund that owns the Tim Ho Wan brand.

Mr. Santarina expressed optimism towards the stock company based on its robust earnings report but also noted for investors to observe economic indicators.

"If you're thinking of investing, be cautious during the current downturn. Waiting for a consolidation phase before buying JFC might be a smart move," he added.

JFC's attributable net income in 2023 amounted to P8.77 billion, up by 16% from P7.56 billion in 2022.

Its revenues increased by 13.3% to P246.55 billion in 2023 from P217.58 billion previously.

Mr. Santarina expects the company to record its first-quarter net income at P2.44 billion and P9.97 billion for the full year.

For the week, he pegged the stock's support at P215, while resistance was at P254.

Mr. Plopenio placed the support level at P220.80 and the resistance at P240.

As of the end of February, JFC has 6,902 stores worldwide, with 3,336 of them located in the Philippines. — **Mariedel Irish U. Catilogo**

Converge ICT Solutions considering virtual reality gaming business — CEO

LISTED CONVERGE ICT Solutions, Inc. is looking at cloud and virtual reality gaming as possible expansion routes for the fiber internet service provider.

"In the future, maybe virtual reality, we can also enter that, also cloud gaming," Converge Chief Executive Officer (CEO) Dennis Anthony H. Uy told reporters on the sidelines of a media event in Pasig City last week.

"We have started some gaming partners already with some content," he added.

He noted the gaming industry in the Philippines is exclusive to the high-income segment due to the requirements that games demand to achieve maximum performance.

The internet provider offers the FiberX Gamechanger fixed broadband plan that is dedicated for gamers and gaming

enthusiasts. It offers high-prioritization access and high internet speed plans.

Converge said that it operates the biggest fiber-to-the-home network in the Philippines, with more than 7.9 million ports as of end-2023.

The network is equipped with 10 Giga-bits per second passive optical networks (GPON) technology.

"Converge selected the better version of 10GPON called XGS-PON,

which is symmetric. The upload and download are done at the same speed. This is important because many of the applications today actually require more upload than download. The reality of the Metaverse for example, requires a lot of bandwidth, data transfer to the cloud, and augmented reality and virtual reality," Converge Chief Operations Officer Jesus C. Romero said in a separate statement.

In 2023, Converge recorded a 22.3% jump in its net income to P9.1 billion as consolidated revenues climbed by 5% to P35.4 billion.

The internet provider had 2,128,052 subscribers as of end-2023. This is comprised of 2,013,216 postpaid subscribers and 114,836 prepaid subscribers.

Converge shares were last traded on April 5 at P9.23 per share. — **Revin Mikhael D. Ochave**