Philippine Stock Exchange index (PSEi) 6,444.08 ▲1.08 PTS. ▲0.01%

MONDAY, APRIL 22, 2024 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P581.00	-P9.00	-1.53%
ACEN	ACEN Corp.	P3.37	+P0.03	+0.9%
AEV	Aboitiz Equity Ventures, Inc.	P39.00	+P0.05	+0.13%
AGI	Alliance Global Group, Inc.	P9.66	-P0.05	-0.51%
ALI	Ayala Land, Inc.	P27.50	+P0.50	+1.85%
BDO	BDO Unibank, Inc.	P146.80	+P1.30	+0.89%
BLOOM	Bloomberry Resorts Corp.	P9.99	-P0.01	-0.1%
BPI	Bank of the Philippine Islands	P121.00	-P3.00	-2.42%
CNPF	Century Pacific Food, Inc.	P35.50	-P0.50	-1.39%
CNVRG	Converge ICT Solutions, Inc.	P8.71	+P0.15	+1.75%
DMC	DMCI Holdings, Inc.	P10.00	-P0.08	-0.79%
EMI	Emperador, Inc.	P19.22	+P0.24	+1.26%
GLO	Globe Telecom, Inc.	P1,720.00	-P2.00	-0.12%
GTCAP	GT Capital Holdings, Inc.	P586.00	+P16.00	+2.81%
ICT	International Container Terminal Services, Inc.	P325.00	-P3.40	-1.04%
JFC	Jollibee Foods Corp.	P217.00	-P3.20	-1.45%
JGS	JG Summit Holdings, Inc.	P29.50	+P0.70	+2.43%
LTG	LT Group, Inc.	P9.58	+P0.01	+0.1%
MBT	Metropolitan Bank & Trust Co.	P69.00	+P1.90	+2.83%
MER	Manila Electric Co.	P350.00	——	
MONDE	Monde Nissin Corp.	P10.20	+P0.20	+2%
NIKL	Nickel Asia Corp.	P3.98	+P0.13	+3.38%
PGOLD	Puregold Price Club, Inc.	P24.00	——	
SCC	Semirara Mining and Power Corp.	P30.90	+P0.90	+3%
SM	SM Investments Corp.	P935.00	-P13.50	-1.42%
SMC	San Miguel Corp.	P104.40	+P1.40	+1.36%
SMPH	SM Prime Holdings, Inc.	P27.90	+P0.60	+2.2%
TEL	PLDT Inc.	P1,300.00	——	
URC	Universal Robina Corp.	P89.90	-P0.10	-0.11%
WLCON	Wilcon Depot, Inc.	P16.00	——	

Aboitiz InfraCapital allots P26B for projects

ABOITIZ InfraCapital, Inc. announced on Monday that it is setting aside P26 billion for its capital expenditure (capex) budget this year to fund the company's economic estate development and other expansion projects.

These funds will be used for the company's economic estate development and other expansion projects, said Jose Emmanuel U. Hilado, chief financial officer of Aboitiz Equity Ventures, Inc., the parent company of Aboitiz InfraCapital, during a virtual press briefing.

The company is targeting to launch its fourth economic estate in Tarlac next month.

The 200-hectare project was driven by the company's optimism in Central Luzon's potential, said Cosette V. Canilao, president and chief executive officer of Aboitiz InfraCapital.

She cited the major expressways in the area, including the Subic-Clark-Tarlac Expressway, North Luzon Expressway, Tarlac-Pangasinan-La Union Expressway, and the Central Luzon Link Expressway.

The company is also working to expand its other existing economic estates, such as the 540-hectare mixed-use West Cebu Estate in Balamban and the 794-hectare LIMA Estate.

The remainder of Aboitiz InfraCapital's capex is earmarked for tower acquisitions and regional airports.

"We are always on the lookout to acquire towers that are strategic to what we have right now. Strategic in terms of co-location potentials, and at the same time, strategic with respect to where most of our towers are located," Ms. Canilao said, adding that the company is also looking into rehabilitating and building new towers.

The company also aims to complete tower acquisitions from Globe Telecom, Inc. in the first semester, through Unity Digital Infrastructure, Inc.

Unity Infrastructure is a joint venture telecommunications infrastructure platform of Aboitiz InfraCapital, Inc. and the global private markets firm Partner Group.

The company is keen on developing more regional airports aside from the ones for which it has currently secured original proponent status (OPS).

It has secured OPS for the operations, maintenance, and development of the New Bohol-Panglao International Airport and Laguindingan International Airport.

The Department of Transportation recently opened the Swiss Challenge for Laguindingan International Airport in Mindanao, while the DoTr may invite bidders to challenge the company's bid for the Bohol airport next month.

The company is also part of the Aboitiz InfraCapital GMCAC or the GMR Megawide Cebu Airport Corp., which manages the Mactan-Cebu International Airport.

"For Mactan, we're not allocating any capex for that one because it's already self-sustaining. But we do have some ongoing projects to improve passenger experience, to reduce carbon footprint, and to make the airport more efficient and more entertaining for our passengers," Ms. Canilao said.

ABOITIZ EQUITY VENTURES

Meanwhile, Aboitiz Equity Ventures, Inc. (AEV) announced its objective to derive 50% of its earnings before interest, taxes, depreciation, and amortization (EBITDA) from its non-power business.

"Our objective is to have at least 50% of our EBITDA coming from the non-power business. It's easier said than done considering that our power business also continues to grow," AEV Chief Financial Officer Jose Emmanuel U. Hilado said.

"The consumer market is where we see more opportunities simply because we have a young population and strong consumer consumption. This will continue to anchor our economic growth in the Philippines," he added.

AEV's power segment led by Aboitiz Power Corp. accounted for 67% of the conglomerate's P23.5 billion net income last year.

The conglomerate earmarked P153 billion for its capex budget this year to expand its renewable energy portfolio and other businesses.

Mr. Hilado added that AEV is poised to sustain its growth this year led by the recent acquisition of domestic bottler of Coca-Cola products, Coca Cola Beverages Philippines, Inc. (CCBPI). The deal was completed on Feb. 23.

"We are confident that 2024 will see positive growth as we integrate our acquisitions like Citi's consumer business, Mactan Airport, and CCBPI," he said.

"I cannot identify a specific asset (to acquire) at this point but suffice it to say that as part of our diversification strategy, we will continue to pursue opportunities as they come," he added.

The joint acquisition involving AEV and Coca-Cola Europacific Partners Plc. (CCEP) is valued at $1.8 billion. AEV has 40% stake in CCBPI, while the remaining 60% stake is held by CCEP.

"For the internal synergies between CCBPI and AEV, the most obvious is the ability to provide financing facilities to distributors of CCBPI through Unionbank. This allows them to access lower financing cost, therefore the ability to expand their inventory and distribution capabilities," he said.

Pilmico and Gold Coin Group President Tristan Aboitiz said that the AEV's food group is optimistic on the medium to longer term future of its swine farms business despite risks such as the effect of African Swine Fever (ASF).

"The outlook for the swine industry continues to be challenging because of ASF. It continues to have an impact on key swine producing markets like the Philippines, Vietnam, and China. I think we remain optimistic about the medium to longer term future in this area. I believe that we're taking the steps necessary to prepare us for the challenges," he said.

"I think as we move forward, we'll take a more measured approach to growing our swine farms business," he added.

Meanwhile, Aboitiz Land, Inc. President and Chief Executive Officer David Rafael said the company is cautiously optimistic of the country's property market because of surging demand despite geopolitical tensions.

"We will continue to take advantage of the opportunities are seeing. We have nine ongoing projects. We have three in the North Luzon area. We have two in the south Luzon area, and we have four in Cebu. They're all ongoing projects. We're just going to continue developing those properties," he said.

"I think there are a lot of good things going on right now in the industry. We continue to see very good growth, particularly in the areas outside of Metro Manila. Of course, we still have all these geopolitical tension. I guess we all have to deal with that. So overall, I think the pluses outweigh the minuses," he added. — **Ashley Erika O. Jose** *and* **Revin Mikhael D. Ochave**

PSE eyeing to finalize takeover of PDS this year

THE Philippine Stock Exchange (PSE) said it is hoping to finalize the planned takeover of the Philippine Dealing System Holdings Corp. (PDS) within the year.

"I hope it could be closed by this year. This is not complicated. We will only talk to a few shareholders," PSE President and Chief Executive Officer Ramon S. Monzon told reporters during a GCash media event last week.

The PSE is eyeing to acquire up to 100% of the PDS, the operator of the Philippine Dealing & Exchange Corp. (PDEx) that caters to the fixed-income market.

However, Mr. Monzon said that negotiations have not started because the power of attorney of the Bankers Association of the Philippines (BAP) has expired.

"The BAP is currently renewing that with the banks. Until that happens, I don't want to talk to 24 different sectors. So we're waiting for that. Everybody is doing their due diligence work now," he said.

The PSE has a 20.98% stake of the issued and outstanding capital stock of the PDS Group.

Some of the other PDS shareholders include Singapore Exchange Ltd. (20% share), Whistler Technologies Services Inc. (8% share), Tata Consultancy Services Asia (8%), San Miguel Corp. (4%), Financial Executives Institute of the Philippines Research and Development Foundation (3.08%), and Social Security System (1.54%).

Meanwhile, Mr. Monzon said the PSE could secure a loan for the planned acquisition.

"We have some funds for that. I think we'll have to probably take out a loan, depending on what the final price is," he said.

In December last year, the Securities and Exchange Commission (SEC) granted the application of the PSE for exemptive relief, allowing it to exceed the mandatory ownership in PDS.

This means that the PSE is now allowed to exceed the mandatory limit of 20% on ownership and voting rights in an exchange, permitting it to own up to 100% of PDS, subject still to certain conditions.

The SEC's move allows unified or integrated local bourses, referring to a financial market where assets like stocks and bonds are traded under a single entity as part of developing the country's capital market.

Under the Securities Regulation Code, no industry or business group may beneficially own or control, directly or indirectly, more than 20% of the voting rights of the exchange.

In 2017, the PSE almost completed its takeover of PDS. However, the SEC blocked the transaction as it would breach the individual ownership limit provided under the law. — **Revin Mikhael D. Ochave**

Isla Lipana vows to cooperate in DoJ probe amid SEC complaint

AUDITING company Isla Lipana & Co. said that it audited solely for Maria Francesca Tan Group of Companies, Inc. (MFT, Inc.) and did not provide services to the entity's other subsidiaries.

"Let it be clear that only MFT, Inc. is our audit client. We would also like to point out that the MFT, Inc. and Foundry Ventures I, Inc. are two separate entities. Foundry Ventures and the MFT Inc.'s subsidiaries are not our clients," Isla Lipana said in an e-mailed statement on Monday.

The statement was made in response to a criminal complaint filed by the Securities and Exchange Commission (SEC).

The firm also said that it will fully cooperate with the investigation by the Department of Justice (DoJ).

"During our firm's more than 100 years of existence, we have remained steadfast in our integrity and professionalism, and strongly advocate for these values. We condemn, in no uncertain terms, the perpetration of fraud or bad faith against the public by any means," it said.

On April 5, the SEC filed a criminal complaint with the DoJ against the MFT Group and Foundry Ventures for allegedly engaging in illegal investment activities.

The commission also implicated Isla Lipana in the complaint, saying that it served as the independent auditor of the MFT Group and Foundry Ventures for the fiscal years 2018 to 2021.

For MFT, the SEC cited violations of Sections 8, 26, and 28 of Republic Act No. 8799, also known as The Securities Regulation Code (SRC), in relation to Section 6 of Republic Act No. 10175, the Cybercrime Prevention Act, the SEC said.

The commission also charged MFT Group and Foundry Ventures with violations of Section 54.1 in relation to Section 54.2 of the SRC and Section 177 of Republic Act No. 11232, the Revised Corporation Code, and SRC Rule 68, in connection with material misrepresentations in their audited financial statements (AFS). — **Revin Mikhael D. Ochave**

FULL STORY

Read the full story by scanning the QR code or by typing the link
<tinyurl.com/3pau89pr>

DragonFi Securities unveils new investing app

DOUBLEDRAGON Corp.'s (DD) stock brokerage arm DragonFi Securities, Inc. introduced its new mobile investing application DragonFi 2.0 on Monday.

The app allows users to manage a diverse investment portfolio ranging from Philippine stocks to global funds under a single platform, the brokerage said in an e-mailed statement.

The mobile app also lets users connect with leading financial literacy creators through its creators' circle, as well as access to news, disclosures, and data.

DragonFi 2.0 also has an investing club that allows users to follow the stock brokerage's research team and learn how to manage a dividend growth portfolio.

"Introducing a new mobile app goes beyond business for us; it's about contributing to a financially literate, empowered, and independent society," DragonFi Co-Founder and DD Chairman Edgar "Injap" J. Sia II said.

DragonFi Chief Executive Officer Jon Carlo Lim said the app supports the company's efforts to democratize investing in the Philippines.

Meanwhile, DragonFi Chief Technology Officer Cathryn Ann Lao said the app offers an investing experience tailored to the preferences and behaviors of its users.

"From biometrics authentication to an intuitive design, our technology is what sets us apart. It's what makes investing with DragonFi not just safer and smarter, but also a seamless part of the daily lives of our users," he said.

DragonFi 2.0 is available for download on the Apple App and Google Play stores.

On Monday, DD shares rose by 0.38% or three centavos to P8 apiece. — **Revin Mikhael D. Ochave**

Repower Energy to build seawater pump storage hydropower plant in Quezon

REPOWER Energy Development Corp. (REDC) is set to build and develop its seawater pump storage hydropower plant in Real, Quezon province, the renewable energy developer said on Monday.

This comes after the company has secured a hydropower service contract from the Energy department, the listed energy company said in a statement to the stock exchange.

"The development of a seawater pumped storage hydropower facility in Real, Quezon shall be the first of its kind in the Philippines, thus allowing the company to be a pioneering force in this particular area of clean energy," said Eric Peter Y. Roxas, president and chief executive officer of REDC.

REDC will build a seawater pumped storage hydropower with a capacity of 320 megawatts (MW) in Quezon, while the Austria-based Gugler Water Turbines GMBH will develop the seawater pump storage generation facilities.

To recall, REDC signed a memorandum of agreement with Gugler in 2023 to bring seawater pumped storage technology into the country.

The project, which will be the first of its kind in the Philippines, will be constructed around 300 meters above sea level utilizing the coastline for continuous water supply intake.

REDC is planning to expand its installed energy capacity by one gigawatt in the next five years, with its portfolio mainly focusing on hydropower projects.

The company is a run-of-river hydropower developer, a subsidiary of Pure Energy Holdings, has 124 MW of mini-hydropower projects in Laguna, Quezon, Camarines Sur, Bukidnon, and other provinces under development.

The company is currently constructing a 4.5-MW hydropower plant in Quezon and a 20-MW plant in Bukidnon. The two facilities are anticipated to start operations by 2025. — **Ashley Erika O. Jose**