

## Philippine Stock Exchange index (PSEi)

6,769.64

▲140.89 PTS.

▲2.12%

MONDAY, APRIL 29, 2024

BusinessWorld

## PSEi MEMBER STOCKS

<b>AC</b> Ayala Corp. P609.50 +P18.50 +3.13%	<b>ACEN</b> ACEN Corp. P4.02 +P0.24 +6.35%	<b>AEV</b> Aboltiz Equity Ventures, Inc. P41.30 +P1.15 +2.86%	<b>AGI</b> Alliance Global Group, Inc. P10.02 +P0.12 +1.21%	<b>ALI</b> Ayala Land, Inc. P29.50 +P0.95 +3.33%	<b>BDO</b> BDO Unibank, Inc. P149.80 +P5.80 +4.03%	<b>BLOOM</b> Bloomerry Resorts Corp. P10.60 +P0.50 +4.95%	<b>BPI</b> Bank of the Philippine Islands P129.00 +P4.00 +3.2%	<b>CNPF</b> Century Pacific Food, Inc. P37.50 +P0.55 +1.49%	<b>CNVRG</b> Converge ICT Solutions, Inc. P9.43 +P0.39 +4.31%
<b>DMC</b> DMCI Holdings, Inc. P11.10 +P0.24 +2.21%	<b>EMI</b> Emperador, Inc. P19.06 -P0.02 -0.1%	<b>GLO</b> Globe Telecom, Inc. P1,768.00 +P18.00 +1.03%	<b>GTCAP</b> GT Capital Holdings, Inc. P611.00 +P2.00 +0.33%	<b>ICT</b> International Container Terminal Services, Inc. P336.20 +P9.80 +3%	<b>JFC</b> Jollibee Foods Corp. P240.00 +P1.00 +0.42%	<b>JGS</b> JG Summit Holdings, Inc. P34.55 -P0.45 -1.29%	<b>LTG</b> LT Group, Inc. P10.18 +P0.28 +2.83%	<b>MBT</b> Metropolitan Bank & Trust Co. P70.00 +P0.50 +0.72%	<b>MER</b> Manila Electric Co. P367.00 -P1.40 -0.38%
<b>MONDE</b> Monde Nissin Corp. P10.58 -P0.32 -2.94%	<b>NIKL</b> Nickel Asia Corp. P4.05 +P0.02 +0.5%	<b>PGOLD</b> Puregold Price Club, Inc. P23.75 +P0.20 +0.85%	<b>SCC</b> Semirara Mining and Power Corp. P32.80 +P0.30 +0.92%	<b>SM</b> SM Investments Corp. P969.00 +P14.00 +1.47%	<b>SMC</b> San Miguel Corp. P104.50 -P1.50 -1.42%	<b>SMPH</b> SM Prime Holdings, Inc. P28.80 +P0.45 +1.59%	<b>TEL</b> PLDT Inc. P1,380.00 +P14.00 +1.02%	<b>URC</b> Universal Robina Corp. P104.90 +P8.40 +8.7%	<b>WLCON</b> Wilcon Depot, Inc. P16.00 +P0.14 +0.88%

## Meralco Q1 net income up on higher energy sales

MANILA Electric Co. (Meralco) recorded an 18.9% increase in its consolidated net income to P9.6 billion for the first quarter (Q1) of the year, driven by energy sales and growth in other business segments.

"[The increase was] due to higher energy sales volume of the distribution business and ongoing contributions from power generation, retail, electricity, and non-power-related businesses," said Betty C. Siyap, Meralco's senior vice-president and chief finance officer, during a media briefing on Monday.

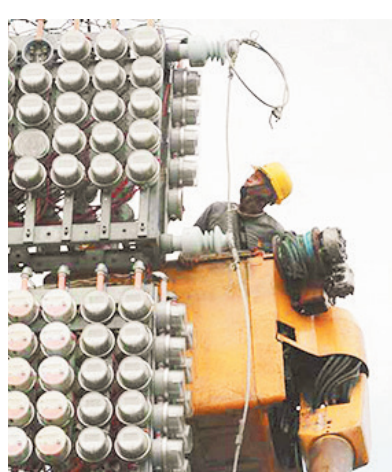
The company saw an 11% increase in its consolidated core net income to P10.1 billion for the period.

Core earnings before interest, taxes, depreciation, and amortization rose by 14.7% to P17.8 billion.

The company's revenues remained flat at P104.5 billion "due to decreased pass-through charges and energy fees," Ms. Yap said.

"Meralco has set the pace in the first quarter of the year with the strong performance of our businesses, which we will strive to sustain throughout the year. Our growth prospects go beyond creating value for our shareholders," Meralco's Chairman and Chief Executive Officer Manuel V. Pangilinan said.

"The opportunities we are pursuing are always anchored on the commitment to support economic



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development and contribute to uplifting the lives and welfare of more Filipinos," he added.

For the three-month period, energy sales volume grew by 9% to 12,307 gigawatt-hours (GWh) driven by double-digit growth of commercial and residential segments, as well as recovery of the industrial segment.

Commercial sales volume increased by 11% to 4,678 GWh due to rising business activities and strategic expansions in real estate, retail trade, and hotels.

The residential segment saw a 12% increase to 4,144 GWh, attributed to the "prolonged usage of cooling appliances at home as the dry spells associated with El Niño persisted."

Sales volume in the industrial segment improved by 3%, primarily driven by the scaling up of operations in the semiconductor sector, as well as increased production in the food and beverage and plastics industries.

Singapore-based Pacific Light, a subsidiary of Meralco PowerGen Corp. (MGen), saw a 57% decline in its earnings to P2.3 billion as the market "stabilized."

The core net income of San Buenaventura Power Ltd. Co. decreased by 49% to P465 million, while Global Business Power Corp. saw a 7% decline to P273 million.

MGen's renewable energy arm, MGen Renewable Energy, Inc., reported a core net income of P46 million, up 64% from the same period last year.

"Because of the scheduled maintenance works that needed to be done in January [and] part of February, there are certain volumes that were not produced in the first quarter this year," Mr. Pangilinan said.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by 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**

## OceanaGold Philippines begins subscription period for IPO

OCEANAGOLD Philippines, Inc. (OGPI) commenced its initial public offering (IPO) on Monday and is scheduled to be listed on the Philippine Stock Exchange (PSE) on May 13.

The IPO offer period will run until May 6, during which investors can purchase shares at P13.33 each.

Once the offer period ends, OGPI will be listed under the trading symbol "OGP" on the PSE, OGPI said in a statement on Monday.

The IPO consists of 456 million common shares, equivalent to a 20% ownership stake in the company.

It is expected to generate approximately P6 billion in net proceeds, which will be received by OceanaGold (Philippines) Holdings, Inc. (OGPHI), a wholly owned subsidiary of OceanaGold Corp.

OGPI operates the Didipio gold and copper underground mine in Nueva Vizcaya.

"This listing represents the first IPO in the mining industry in the Philippines in the last decade. We have received strong interest to date from both local and international institutional investors, and we look forward to now opening up the IPO to local retail investors," said OGPI President Joan D. Adaci-Cattiling.

OGPI is conducting the IPO as a requirement under the company's renewed financial or technical assistance agreement (FTAA) with the Philippine government.

The FTAA was renewed in July 2021 for an additional 25-year period, applied retroactively from June 19, 2019.

"The Didipio mine is an established, low-cost, long-life, operating mine that has



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a long history of generating strong free cash flow (FCF). The mine is the second largest producer of gold and copper in the Philippines," BDO Capital & Investment Corp. President Eduardo V. Francisco said.

OGPI's dividend policy aims at distributing 90% of FCF. The mine is expected to generate an FCF yield of about 14.8%, while the expected dividend yield is around 13.3%, subject to market and operating conditions and the 2025 estimated FCF based on the reserves-only mine plan at an assumed gold price of \$1,910 per ounce.

The company said it will be the first FTAA holder to list on the PSE and was the first to remit an additional government share payment for the year-ending 2023, worth P1.13 billion.

BDO Capital & Investment Corp. is the global coordinator, domestic underwriter, and bookrunner, while CLSA Ltd. is the international underwriter for the offer. — **Revin Mikhael D. Ochave**

## Globe, MIESCOR close 70% of tower sales

GLOBE TELECOM, Inc. has closed the sale of its 181 towers to MIESCOR Infrastructure Development Corp. (MIDC) for P2.17 billion, the Ayala-led telecommunications company said on Monday.

In total, the telco has closed 70% or 1,529 out of 2,180 towers to be acquired by MIDC, Globe said in a disclosure to the stock exchange.

In 2022, Globe signed agreements with MIDC and Frontier Tower Associates Philippines, Inc. for the sale of 5,709 telecommunication towers

and related passive infrastructure for about P71 billion.

Frontier is set to acquire a total of 3,529 towers for P45 billion, while MIDC will acquire 2,180 towers for P26 billion.

MIDC is an independent tower company that operates in the development, ownership, and management of communication towers and infrastructure.

It is a wholly owned subsidiary of power utility giant Manila Electric Co.

Globe expects about P13.5 billion post-tax gains from the transaction, the company said, adding that the

transaction would allow the company to raise capital and redeploy proceeds from passive infrastructure to improve the company's overall balance sheet.

For this year, Globe is allocating \$1 billion for its capital expenditures funded by internally generated funds, debts and proceeds from its tower sales.

At the local bourse on Monday, shares in the company closed P11 or 0.63% higher at P1,761 each. — **Ashley Erika O. Jose**

## PSE to end nearly 18-year trading suspension on Steniel shares

THE Philippine Stock Exchange (PSE) announced on Monday that it will lift the nearly 18-year trading suspension on Steniel Manufacturing Corp. shares on April 30.

"Pursuant to the company's submission of the structured reportorial requirements and compliance with the requirements of the exchange's rules, please be advised that the exchange has resolved to lift the trading suspension effective April 30," the PSE said in a notice on its website.

"Considering that the trading of the company's shares was suspended since July 6, 2006, the static threshold (trading band) on the price of Steniel Manufacturing shares will be lifted upon the resumption of trading of the company's shares on April 30, 2024..." it added.

The PSE implemented a trading suspension on Steniel Manufacturing after it lacked liquidity, as the company defaulted on a P636 million loan signed in 2000.

The PSE imposed a trading suspension on Steniel Manufacturing due to liquidity issues, as it defaulted on a P636-million loan signed in 2000.

Steniel's debt was reduced through restructuring, which involved dacion en pago of the company's idle machineries and debt conversion to equity.

Steniel Manufacturing also complied with the PSE's minimum public ownership requirement after the company sold its shares involving three parties.

The company also sold its entire equity share in Steniel Mindanao Packaging Corp. (SMPC) in 2013. It then reacquired SMPC in 2019 through a share-swap agreement.

The company said that Steniel (Netherlands) Holdings B.V. transferred 70 million common shares to Monceau Philippine Holdings, Inc., as well as 940,604 common shares to Segovia Capital Holdings Phils., Inc., while GreenKraft Corp. also transferred 60 million common shares to a certain Ismael Cuan.

The move brought the company's public ownership percentage to 22.27%, higher than the 20% minimum public ownership requirement.

In December 2021 and January 2022, the company acquired box plant



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assets used by Dole Philippines, Inc. in Davao del Norte for the production of its packaging materials.

Dole and Steniel Mindanao Packaging Corp. also executed a ten-year agreement from Aug. 24, 2022 to Feb. 23, 2032, for the supply of boxes, labels, and other packaging materials made of paper-related products.

Incorporated in 1963, Steniel and its subsidiaries are engaged in the manufacturing, processing, and selling of various paper products, paperboard, and corrugated carton containers. — **Revin Mikhael D. Ochave**



**IN CELEBRATION OF EARTH DAY 2024, ONE MERALCO FOUNDATION AND PARTNERS PLANT 600 MORE TREES IN LAGUNA.** Over 50 volunteers from Manila Electric Company (Meralco) and Philippine National Police joined the sustainable reforestation advocacy of One Meralco Foundation (OMF) in Siniloan, Laguna.

A total of 600 more trees were planted at the Laguna-Quezon Land Grant (LQLG), bringing the total number of trees planted in the area to 202,604. This initiative forms part of OMF's One For Trees program geared towards environmental preservation.

OMF President and Meralco Chief Corporate Social Responsibility Officer Jeffrey O. Tarayao emphasized that the true essence of Earth Day is putting it in the daily consciousness engaging entire community on this initiative and celebrating it every day.

"Sustainability programs help us improve our own relationship with the environment. In Meralco, the significance of Earth Day is beyond an annual activity," Tarayao said.

OMF's One for Trees program, initiated in 2019, has so far nurtured over 2.3 million trees through its partnerships with various local government units and organizations.