Philippine Stock Exchange index (PSEi) 6,700.49 ▼69.15 PTS. ▼1.02%

TUESDAY, APRIL 30, 2024 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P615.00	+P5.50	+0.9%
ACEN	ACEN Corp.	P4.15	+P0.13	+3.23%
AEV	Aboitiz Equity Ventures, Inc.	P42.00	+P0.70	+1.69%
AGI	Alliance Global Group, Inc.	P10.08	+P0.06	+0.6%
ALI	Ayala Land, Inc.	P28.75	-P0.75	-2.54%
BDO	BDO Unibank, Inc.	P148.20	-P1.60	-1.07%
BLOOM	Bloomberry Resorts Corp.	P10.40	-P0.20	-1.89%
BPI	Bank of the Philippine Islands	P127.50	-P1.50	-1.16%
CNPF	Century Pacific Food, Inc.	P38.00	+P0.50	+1.33%
CNVRG	Converge ICT Solutions, Inc.	P9.40	-P0.03	-0.32%
DMC	DMCI Holdings, Inc.	P11.08	-P0.02	-0.18%
EMI	Emperador, Inc.	P19.04	-P0.02	-0.1%
GLO	Globe Telecom, Inc.	P1,774.00	+P6.00	+0.34%
GTCAP	GT Capital Holdings, Inc.	P639.50	+P28.50	+4.66%
ICT	International Container Terminal Services, Inc.	P331.00	-P5.20	-1.55%
JFC	Jollibee Foods Corp.	P235.40	-P4.60	-1.92%
JGS	JG Summit Holdings, Inc.	P33.75	-P0.80	-2.32%
LTG	LT Group, Inc.	P10.16	-P0.02	-0.2%
MBT	Metropolitan Bank & Trust Co.	P70.00	——	
MER	Manila Electric Co.	P369.00	+P2.00	+0.54%
MONDE	Monde Nissin Corp.	P10.68	+P0.10	+0.95%
NIKL	Nickel Asia Corp.	P4.02	-P0.03	-0.74%
PGOLD	Puregold Price Club, Inc.	P23.70	-P0.05	-0.21%
SCC	Semirara Mining and Power Corp.	P32.95	+P0.15	+0.46%
SM	SM Investments Corp.	P950.00	-P19.00	-1.96%
SMC	San Miguel Corp.	P105.00	+P0.50	+0.48%
SMPH	SM Prime Holdings, Inc.	P27.95	-P0.85	-2.95%
TEL	PLDT Inc.	P1,340.00	-P40.00	-2.9%
URC	Universal Robina Corp.	P103.20	-P1.70	-1.62%
WLCON	Wilcon Depot, Inc.	P16.70	+P0.70	+4.37%

Bloomberry Resorts concludes settlement with former Solaire manager

RAZON-LED Bloomberry Resorts Corp. completed its settlement agreement with casino management company Global Gaming Asset Management LLC (GGAM) after executing a P16.78-billion block sale on Tuesday.

"On April 30, Sureste Properties, Inc. (SPI) purchased 921,184,056 Bloomberry shares from GGAM at a purchase price of P18.22 per share through a special block sale through the Philippine Stock Exchange pursuant to the settlement agreement," Bloomberry said in a regulatory filing.

"The settlement agreement is therefore completed," it added.

In March, Bloomberry announced that its subsidiaries SPI and Bloomberry Resorts and Hotels, Inc. (BRHI) settled the decade-long dispute with GGAM. The settlement agreement required SPI to purchase shares in Bloomberry held by GGAM.

The agreement comprised of a universal agreement covering all pending cases involving the parties.

GGAM was the former partner of Bloomberry in managing Solaire Resort Entertainment City in Parañaque.

In 2013, Bloomberry ended its management deal after the Razon-led company claimed that GGAM was unable to deliver on the terms specified in the contract.

In 2019, a Singapore arbitration court mandated Bloomberry to pay $296 million to GGAM, which was disputed by the listed integrated resort operator.

Bloomberry also owns and manages Solaire Resort North in Quezon City and Jeju Sun Hotel & Casino in South Korea, alongside Solare Resort Entertainment City.

Enrique K. Razon, Jr., Bloomberry's chairman and chief executive officer, previously said that the operations of Solaire Resort North are expected to be fully scaled up by 2026, two years after its opening on May 25.

Solaire Resort North is a $1-billion integrated resort that has 526 guest rooms and suites, 2,669 electronic gaming machines, and 163 tables across four casino levels.

The company recorded an 85% growth in its 2023 net income to P9.5 billion. Its consolidated net revenue rose by 24% to P48.4 billion.

On Tuesday, Bloomberry shares dropped by 1.88% or 20 centavos to P10.40 apiece. — **Revin Mikhael D. Ochave**

DMCI sees Cemex Philippines' financial turnaround by 2025

By Revin Mikhael D. Ochave
Reporter

CONSUNJI-LED engineering conglomerate DMCI Holdings, Inc. said it expects the financial performance of the newly acquired Cemex Holdings Philippines, Inc. (CHP) to rebound by next year, led by stronger demand and the government's infrastructure program.

"We recognize CHP's operational and financial issues, but we are positive that we can turn it around by 2025 because of its ongoing capacity expansion and the clear synergies it brings to our group," DMCI Chairman and President Isidro A. Consunji said in a stock exchange disclosure on Tuesday.

"While cement demand is currently soft, we expect it to rebound as our turnaround plan progresses, supported by the 'Build, Better, More' program and the anticipated easing of interest rates next year," he added.

DMCI Holdings said the acquisition of CHP is the conglomerate's "largest investment to date and first acquisition in a decade."

CHP, the country's fourth largest cement manufacturer, saw a P2 billion loss in 2023, up by 100% from the P1 billion loss in 2022, mainly due to higher costs and lower sales volumes.

Last week, DMCI Holdings, Dacon Corp., and Semirara Mining and Power Corp. (SMPC) announced the acquisition of CHP for $305.6 million under a share purchase agreement. The transaction is expected to close before the end of 2024.

DMCI bought the entire shares of Cemex Asia BV in Cemex Asian South East Corp. (CASEC), the majority owner of CHP with an 89.96% equity interest.

Dacon has been appointed as the bidder for the mandatory tender offer to acquire the remaining 10.14% of the total issued and outstanding capital stock of CHP.

Under the transaction, DMCI is set to acquire a 56.75% stake in CASEC, Dacon will secure 32.12%, and SMPC will purchase the remaining 11.13%.

To increase production volume, DMCI said that CHP is in the process of building a 1.5-million ton integrated cement production line at the cement company's solid plant in Antipolo, Rizal. It is expected to begin operations by September.

The new line will increase CHP's capacity by 26% to 7.2 million tons from the previous 5.7 million tons, the company said.

"This expansion will effectively double the company's cement production capacity in the Luzon region," it noted.

DMCI also anticipates a decline in power, fuel, and other production supplies costs as a result of normalizing market prices and CHP's transition to a more affordable energy supplier with SMPC.

CEMEX PHILIPPINES

Power, fuel, and other production supplies costs took up 73% or P10.01 billion out of CHP'S total costs of sales last year worth P13.74 billion.

The conglomerate added that administrative and selling expenses, which accounted for 52% of prior year operating expenses, are expected to decline due to talent and business process on-shoring initiatives following the acquisition.

SMPC expects a significant increase in its coal sales to CHP, estimating a 227% rise to 500,000 tons annually compared to 2024 levels.

The energy company could also provide CHP with 50 megawatts of electricity and fly ash.

DMCI and DMCI Homes are also projected to source around 400,000 tons of cement from CHP.

"This volume has the potential to expand further, subject to growth in DMCI's order book and a recovery in DMCI Homes' project launches," it said.

Sought for comment, AP Securities, Inc. Research Head Alfred Benjamin R. Garcia said in a Viber message that DMCI's projection on CHP's turnaround is possible.

"We think it's possible given that CHP can be integrated vertically into DMCI Holdings' other business units. But we really need to see costs for cement manufacturing to come down and to see some easing in competition versus imported cement," he said.

However, Mr. Garcia remains cautious about calling the recent transaction a "good move" for DMCI Holdings.

"We're still cautious on it, as CHP has a track record of non-profitability. We're hoping that the change in management, and maybe infusion of additional capital, is the key to turning the business around," he said.

"Although, given the weak profits of most cement manufacturing companies, there's a possibility that there is an underlying fundamental weakness in the sector," he added.

On Tuesday, DMCI Holdings shares dropped by 0.18% or two centavos to P11.08 apiece. SMPC stocks rose by 0.46% or 15 centavos to P32.95 per share. CHP shares increased by 0.73% or one centavo to P1.38 each.

PNOC and LANDBANK subsidiary to explore solar project for ecozone

STATE-RUN Philippine National Oil Co. (PNOC) and the subsidiary of the Land Bank of the Philippines (LANDBANK) entered into a memorandum of understanding (MoU) to study the installation of rooftop solar systems in the latter's 21-hectare economic zone (ecozone).

PNOC President and Chief Executive Officer (CEO) Oliver B. Butalid said during the MoU signing with LBP Resources and Development Corp. (LBRDC) on Tuesday that the company is aiming to position itself as a service agency to government entities.

"We would like to step into that role and make the government entities benefit from all of these technologies in renewables," Mr. Butalid said.

"And so that is our contribution not only to government agencies [in] reducing their electricity cost, their recurring expense, but of course achieving societal goals of ensuring that we use energy more efficiently," he added.

PNOC said that the partnership will involve sharing of technical expertise and pooling of resources to develop sustainable solar initiatives.

The two entities are seeing a three-month timeline for conducting further studies on suitable installation sites and structural assessments before formalizing a memorandum of agreement (MoA).

Upon completion of the MoA, procurement and installation activities will commence, the company said.

"On our side, we are also really very excited. It's not just because we want to save money on electricity, but it's because of the multiplier effect of what this partnership can achieve," LBRDC President and CEO Ricardo C. Juliano said.

LBRDC said that the economic zone has an energy requirement of 300,000 kilowatt-hours a month.

"Lowering the energy costs within the economic zone could have the potential effect of making it more attractive to investors by reducing overall operating expenses," Mr. Juliano said.

LBRDC is engaged in construction, project management, brokering services and real estate management and development. — **Sheldeen Joy Talavera**

Delivery, online transaction trends persist, says Grab Philippines

GRAB Philippines said it targets to leverage market momentum, fueled by consistent delivery and online transaction trends, to drive growth and innovation in its services.

"I think the market for Grab, while it is growing... what we are finding is that, at least based on the percentage of orders, there are more deliveries or online transactions that are happening now versus before the pandemic. So, the practice has stuck around," said Greg Camacho, Grab Philippines director for deliveries, on the sidelines of the GrabNEXT Conference last week.

Grab Philippines said it is boosting its omnicommerce strategy to meet the changing demand of consumers and its merchant-partners particularly the micro, small, and medium enterprises.

Grab has introduced its own payment solutions, allowing customers to pay using its application, as the company also aims to capitalize on changing consumer patterns, Mr. Camacho said.

"Our aim is to equip [merchant partners with] innovative tools that cater to this new hybrid consumer behavior, ensuring that every interaction whether in-person or online — translates into growth opportunities. By intertwining digital efficiency with the authentic dining experience, we are setting a new standard for what it means to dine in the digital age," he said.

Further, Grab Philippines expects food deliveries and online transactions to grow in the country, he said.

"There was a report, the economy report, which predicts that the size of the market today is set to more than double by 2030. For food, for the digital economy of food and transport. So, I think the digital economy is in a good place now. We're continuing to grow. But despite that, there's still a lot of headroom moving forward," he said. — **AE.O. Jose**

Ayala Corp. enters cooperation deal with NZ's Trade agency

AYALA Corp. announced on Tuesday a cooperation deal with the New Zealand Trade and Enterprise to explore potential business opportunities.

The two parties signed the agreement on April 19 during the official state visit of New Zealand (NZ) Prime Minister Christopher Luxon to the Philippines, Ayala Corp. said in a statement.

"We are excited that there is renewed interest for New Zealand to explore opportunities in our country. Likewise, we are interested in what we can learn from our Kiwi friends across a wide range of industries and sectors," Ayala Corp. Chairman Jaime Augusto Zobel de Ayala said.

Mr. Luxon introduced the Ayala group to a delegation of senior business leaders from various New Zealand industries, including manufacturing, airlines, food and beverage, education, and energy.

In 2023, New Zealand ranked as the Philippines' 28th trading partner, with total trade amounting to $495.37 million.

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Ayala Corp. saw a 39% rise in its 2023 net income to P38.07 billion as consolidated revenue surged by 12% to P341.9 billion.

On Tuesday, shares of Ayala Corp. climbed by 0.9% or P5.50 to P615 per share. — **Revin Mikhael D. Ochave**