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SMC signs biggest Asian dollar loan in 2024 to repay debt

SAN MIGUEL Corp. (SMC) has signed the biggest syndicated dollar loan in Asia so far this year to refinance a similar borrowing facility due in December, according to people familiar with the matter.

The conglomerate inked the $2-billion deal last week with 35 banks under which it will pay an interest rate of 180 basis points over the benchmark Secured Overnight Financing Rate to borrow for five years, said the people who requested anonymity discussing private matters.

The loan is the biggest in US currency terms this year in Asia outside Japan, data compiled by Bloomberg show.

San Miguel, a power-to-ports conglomerate which is the Philippines' largest firm by revenue, did not immediately respond to a text message from Bloomberg seeking comment.

The deal will help San Miguel ease repayment pressures stemming from the more than $3 billion of debt it had coming due in 2024.

The company said last month it was optimistic the Philippines' healthy macroeconomic fundamentals and its own strategy will support its growth momentum this year.

San Miguel's net income jumped 67% last year even as sales fell 4%, according to a stock exchange filing published last month.

The conglomerate's interest-bearing debt was little changed at P1.4 trillion ($24.7 billion) as of December 2023 from a year earlier, while its total assets were about P2.5 trillion, based on the filing.

The mandated lead arrangers and bookrunners for the latest loan deal were Australia & New Zealand Banking Group Ltd., Bank of China Ltd.'s Hong Kong branch, CTBC Bank Co., ING Groep N.V., Maybank Kim Eng Securities Pte., Mitsubishi UFJ Financial Group, Inc., Mizuho Bank, Ltd., Rabobank Group, Standard Chartered Plc., and Sumitomo Mitsui Banking Corp., according to the people.

Each of the above banks underwrote about $112 million each, the people said. — ***Bloomberg***

Alternergy Holdings, NGCP ink Alabat interconnection deal

ALTERNERGY Holdings Corp., through its subsidiary Alternergy Tanay Wind Corp. (ATWC), has signed an agreement with the National Grid Corporation of the Philippines (NGCP) to connect its 100-megawatt (MW) Tanay Wind Power Project in Rizal to the grid.

"The ICA (interconnection agreement) signing for the Tanay Wind Power Project is a big step," ATWC President Knud Hedeager said in a statement on Monday.

"NGCP's approval is a positive response to fostering connectivity for renewable energy projects and increased critical energy infrastructures," he added.

The agreement was done weeks after the signing for ICA of the 64-MW Alabat Wind Power Project in Quezon province.

"Similar to the ICA for the Alabat Wind Power Project, NGCP stands to provide assistance to Alternergy's Tanay Wind Power Project which will contribute substantial renewable capacity to the grid to bolster the country's energy sufficiency and sustainability," NGCP President and Chief Executive Officer Anthony L. Almeda said.

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"As the transmission network provider and system operator, NGCP's mandate is to expand the capacity and reliability of the grid to accommodate new generation projects," he added.

The Tanay Wind Power Project is set to commence development phase after obtaining the certificate of confirmation of commerciality from the Department of Energy.

It has also completed and signed the commercial contracts, particularly the wind turbine supply agreement and the balance of plant engineering, procurement, and construction contract.

The company has committed to deliver the wind project by end of 2025.

Alternergy aims to develop up to 1,370 MW of renewable energy sources such as onshore and offshore wind, solar, and run-of-river hydropower.

At the local bourse on Monday, the company's shares went down by P0.01 or 1.39% to close at P0.71 each. — **Sheldeen Joy Talavera**

Shakey's Pizza targets at least 400 new stores across brands this year

LISTED food service company Shakey's Pizza Asia Ventures, Inc. (SPAVI) said it aims to add at least 400 new stores and outlets across its brand portfolio this year.

"We plan to expand our network footprint by at least 400 stores and outlets," SPAVI President and Chief Executive Officer Vicente L. Gregorio said in a stock exchange disclosure on Monday.

SPAVI opened 369 new stores and outlets last year. The new openings pushed SPAVI's global network to 2,141 restaurants including 268 Shakey's stores, 77 Peri-Peri stores, and 1,784 Potato Corner stores.

Mr. Gregorio also said that SPAVI is hoping to grow its top line and bottomline by the "mid-teens" this year.

"For 2024, inflationary challenges persist, so we remain vigilant and cautious. On the other hand, we see commodity prices beginning to ease towards the end of 2023," he said.

"With robust double-digit growth coming from a high base and amidst dynamic macroeconomic backdrop, our built-up multi-brand portfolio primes us for sustainable growth in the years to come," he added.

The company's brand portfolio includes Shakey's Pizza Parlor, Peri-Peri Charcoal Chicken & Sauce Bar, Potato Corner, R&B Milk Tea, and Project Pie.

SPAVI saw a 23% jump in its 2023 net income to P1.08 billion from P874 million the year before.

System-wide sales increased by 32% to P18.64 billion while consolidated revenue grew by 39% to P14.13 billion.

"In 2023, SPAVI continued to see healthy foot traffic, which buoyed the dine-In segment and helped boost same-store sales growth to 13%. In the fourth quarter, the dine-in segment increased by 11%, as guests celebrated the holiday season," the company said.

SPAVI said its gross profit increased by 21% while gross margins softened due to higher input costs, inflation, and reinvestment in infrastructure to support expansion.

"We are grateful for the double-digit growth of our portfolio in 2023. However, persistent inflationary pressures continue to dampen consumer sentiment, leading to a softer growth performance during the second half of the year. Nonetheless, we are pleased to deliver record-high fourth quarter sales, supported by a festive comeback in December," Mr. Gregorio said.

On Monday, SPAVI shares were unchanged at P10 per share. — **Revin Mikhael D. Ochave**