

Philippine Stock Exchange index (PSEi)

6,383.70

▼ 7.13 PTS.

▼ 0.11%

FRIDAY, JUNE 14, 2024  
BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P573.50 -P1.50 -0.26%	<b>ACEN</b> ACEN Corp. P4.80 +P0.01 +0.21%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P38.45 -P0.35 -0.9%	<b>AGI</b> Alliance Global Group, Inc. P8.71 -P0.19 -2.13%	<b>ALI</b> Ayala Land, Inc. P27.75 -P0.10 -0.36%	<b>BDO</b> BDO Unibank, Inc. P137.90 +P1.90 +1.4%	<b>BLOOM</b> Bloomerry Resorts Corp. P10.10 -P0.14 -1.37%	<b>BPI</b> Bank of the Philippine Islands P116.00 -P0.10 -0.09%	<b>CNPF</b> Century Pacific Food, Inc. P33.90 -P1.10 -3.14%	<b>CNVRG</b> Converge ICT Solutions, Inc. P10.46 +P0.26 +2.55%
<b>DMC</b> DMCI Holdings, Inc. P11.20 ---	<b>EMI</b> Emperador, Inc. P18.78 +P0.06 +0.32%	<b>GLO</b> Globe Telecom, Inc. P1,990.00 ---	<b>GTCAP</b> GT Capital Holdings, Inc. P580.00 -P7.00 -1.19%	<b>ICT</b> International Container Terminal Services, Inc. P339.60 -P0.40 -0.12%	<b>JFC</b> Jollibee Foods Corp. P219.00 -P3.20 -1.44%	<b>JGS</b> JG Summit Holdings, Inc. P28.05 -P0.20 -0.71%	<b>LTG</b> LT Group, Inc. P10.00 ---	<b>MBT</b> Metropolitan Bank & Trust Co. P69.40 +P0.25 +0.36%	<b>MER</b> Manila Electric Co. P376.00 ---
<b>MONDE</b> Monde Nissin Corp. P10.34 -P0.06 -0.58%	<b>NIKL</b> Nickel Asia Corp. P3.87 -P0.03 -0.77%	<b>PGOLD</b> Puregold Price Club, Inc. P24.85 +P0.05 +0.2%	<b>SCC</b> Semirara Mining and Power Corp. P31.80 +P0.15 +0.47%	<b>SM</b> SM Investments Corp. P832.00 -P4.00 -0.48%	<b>SMC</b> San Miguel Corp. P99.95 +P0.05 +0.05%	<b>SMPH</b> SM Prime Holdings, Inc. P27.15 +P0.25 +0.93%	<b>TEL</b> PLDT Inc. P1,420.00 -P20.00 -1.39%	<b>URC</b> Universal Robina Corp. P104.00 ---	<b>WLCON</b> Wilcon Depot, Inc. P17.40 -P0.08 -0.46%

# Wilcon Depot sets P2.2-billion capex to expand store network

WILCON Depot, Inc., a publicly listed retailer specializing in home improvement and construction supplies, has set aside a capital expenditure (capex) budget of up to P2.2 billion for this year.

This allocation comes as the company moves closer to achieving its goal of opening 100 stores, Wilcon Depot Vice-President for Investor Relations Mary Jean G. Alger said during a virtual press conference on Monday.

"This year, we only budgeted P2.2 billion because some of the stores that we opened, especially in the first quarter, were all spillovers from last year," she added.

Last year, the company's capex spending did not surpass P3 billion. Wilcon Depot had allocated P3.8 billion as its capex budget for that year.

"We've always budgeted way above what we spent. For the last two years, we budgeted close to P4 billion but we haven't even exceeded P3 billion (in capex spending)," Ms. Alger said.

Wilcon Depot is aiming to open ten stores this year. The company opened a branch in Bacolod on May 31, marking its 94<sup>th</sup> store.

"We're targeting to open ten stores, but we always do more than what we target. We're doing construction work for more than what we target because in construction, you're never really sure that the target date of completion will be met," Ms. Alger said.

She also said the company is expected to recognize a one-time loss following the fire incident at its Baliuag City branch in April.

"We may need to recognize the loss already because one

of our branches, the Baliuag branch, was burned down. The assessment is not complete yet, but once it is, or even before the official assessment is completed, we may have to acknowledge the loss," she noted.

Wilcon Senior Executive Vice-President and Chief Operating Officer Rosemarie B. Ong said the company is banking on stronger same-store sales for the remaining months of 2024.

The company sees softer demand in the home improvement sector, citing macroeconomic challenges such as high interest rates.

"We're hoping that same-store sales growth will be positive. It's not just in the Philippines, but basically it's a global phenomenon. It's a global challenge. We're hoping that you know, at least it will still be positive on the low side

but seeing the trend, though, it's been very erratic," Ms. Ong said.

Meanwhile, Wilcon President and Chief Executive Officer Lorraine Belo-Cincochan said the company is exploring opportunities to expand internationally.

"There are many possibilities. It might be in Southeast Asia or in Asia, particularly where it's closer logistically," she said.

"This is something we study. This is something we discuss and, ultimately, we do want to plan for it if ever. It's not yet in the immediate future," she added.

For the first quarter, Wilcon Depot posted a 23.1% drop in its net income to P740 million as net sales fell by 2.5% to P8.31 billion.

Wilcon Depot stocks were last traded on June 14 at P18.32 apiece. — **Revin Mikhael D. Ochoa**

# PLDT's data center sale expected to boost operations — analysts

By Ashley Erika O. Jose  
Reporter

PLDT Inc.'s plan to sell at least 49% of its data center business is expected to improve the company's data center operations and its financial position, according to analysts.

"The sale of a substantial stake in its data center business could significantly improve PLDT's debt situation, freeing up capital for future investments," First Grade Finance, Inc. Managing Director Astro C. del Castillo said in a Viber message on Monday.

PLDT plans to sell a 49% stake in its data center business, ePLDT, Inc., to a foreign company for over \$1 billion.

"If they get a good valuation for their stake, then that should be positive for PLDT. The sale is expected to generate a windfall that can be used to cut debt and fund capital expenditures," Chinabank Capital Corp. Managing Director Juan Paolo E. Colet said.

In a regulatory filing, PLDT said its consolidated long-term and short-term debts grew by P141 million to P254.94 billion as of end-March.

PLDT's decision to partner with a foreign entity in its data center business will enable the company to expand and strengthen its presence in

the rapidly advancing fields of technology and artificial intelligence, Mr. Colet said.

With this development, the company will not proceed with its planned real estate investment trust listing for ePLDT.

First Grade Finance's Mr. Del Castillo said the sale would also make PLDT attractive to investors by improving the company's debt situation.

"Additionally, PLDT could benefit from the new investor's data center management expertise and access to more technologies," he said.

However, the sale presents some challenges such as losing a portion of future revenue generated from the data center, he added.

"The long-term impact on PLDT's profitability will depend on how effectively it reinvests the proceeds from the sale and manages its remaining assets," he said.

He also said that there are regulatory risks involved, as the data center industry is relatively new in the country, and the government might impose restrictions on partnerships in this sector.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls.

# OceanaGold PHL sees strong year with upward trend in gold, copper

OCEANAGOLD Philippines, Inc. (OGPI) is poised for enhanced financial performance this year, buoyed by the upward trend in global gold and copper prices, the company's president said.

"The positive outlook for gold and copper definitely helps," OGPI President and General Manager for External Affairs and Social Performance Joan D. Adaci-Cattiling told *BusinessWorld* over the weekend.

In the first quarter, the average gold price rose to \$2,070.05 per troy ounce from \$1,889.05 the previous year, according to Mines and Geosciences Bureau.

Copper prices averaged \$3.83 per pound, declining from \$4.05 per pound a year earlier. However, the global shift to green energy and the limited supply is expected to bolster cop-

per prices, according to Chamber of Mines of the Philippines.

Ms. Cattiling said that even modest increases in metal prices could potentially elevate OGPI's free cash flows by approximately 7 to 8%.

She said the guidance is "under the assumption that OGPI's production comprises 71% gold and the rest copper.

For the first three months, the company's net income dropped by 47.9% to \$11.5 million from \$22.1 million in 2023.

The company operates the Didipio gold and copper mine in Nueva Vizcaya.

By the second half of the year, OceanaGold expects to increase its ore production.

"We're following our mine plan, and the second half of the year sees a higher produc-

tion," OceanaGold General Manager David John Bickerton said.

"We've been moving the dirt. We've been moving low-grade dirt to access some of the high-grade (areas) later in the year," he added.

Gold sales for first quarter totaled 31,863 ounces. It sold 33% of the first-quarter gold doré to the Bangko Sentral ng Pilipinas.

Similarly, copper production dropped by 22% to 3,015 tons from 3,500 tons during the same period in 2023. Copper sales were at 3,180 ounces.

The company is targeting to produce 120,000 to 135,000 ounces of gold and 12,000 to 14,000 tons of copper this year.

"We've been fairly consistent on hitting our guidance... We're always striving to make more ounces every year, but importantly it's to stick to the plan," Mr. Bickerton said. — **Adrian H. Halili**

# Negotiations under way for MPTC's congestion fee proposal

MPT Mobility Corp., the innovation arm of Metro Pacific Tollways Corp. (MPTC), said its proposal to implement a "congestion fee" in Baguio City is currently being negotiated.

"MPTC, the project proponent, is still currently undergoing negotiations with the city," Mark Richmond M. de Leon, vice-president for Smart Mobility Solutions, told *BusinessWorld* in a Viber message over the weekend.

He said that congestion fees, also known as mobility fees, represent just one of its four technology-driven mobility proposals. The congestion pricing scheme involves charging drivers a fee for traveling through designated areas during peak times.

The company said the goal of charging up to P250 in mobility fees is to ease congestion. "It is not a fine or penalty, like the current number coding scheme, but rather it is to change the behavior of everyday motorists and allow redistribution of traffic across the day during off-peak hours and not be concentrated during peak hours," Mr. De Leon said.

Baguio City Mayor Benjamin B. Magalong said the amount may be reduced further.

"The government is being transparent. The P250 fee is just a proposal, it is not final yet and it is based on a study. The stakeholders' engagement will continue," he said in a video statement.

In 2023, MPT Mobility secured the original proponent status (OPS) from the Baguio local government for its proposed comprehensive smart urban mobility solutions. The project, valued at P2.5 billion, aims to enhance transportation efficiency within the city.

Mr. De Leon said the company's proposals include a public transport fleet management

system, advanced traffic management system, smart parking management system, and the mobility fees program.

"None of these components will be effective on its own, but together they make up the holistic but head-on approach to tackling the issues of traffic congestion," he said.

Additionally, there is a proposed mechanism to redistribute revenues generated from mobility fees to enhance public transportation within the city.

He said the public transport fleet management system will give the city the capability to monitor and ensure that the dispatch and operations of public transportation are reliable, efficient, and responsive for commuters.

"As the private sector proponent, we will also install hardware and systems on each franchised public utility jeepney required by the city to be enrolled into the system," Mr. De Leon said.

Under the new PPP code, the negotiations with the City Interim Code public-private partnership (PPP) committee is until June 29.

"After which, they will decide whether our OPS will be reissued. The city is also setting up more public consultations and stakeholder engagement," MPT Mobility said.

"We are expecting that the council will be conducting more public hearings before their approval. Only after these approval from the councils, then the comparative proposals will commence," it added.

Nigel Paul C. Villarete, senior adviser on PPP at the technical advisory group Libra Konsult, Inc., said that implementing mobility fees might not effectively resolve congestion problems.

"MPTC's tech-driven mobility solutions to Baguio City falls short of what should be considered 'inclusive mobility,'" he said in a Viber message on Sunday.

Mr. Villarete said traffic congestion is a symptom of poor transport planning.

"When you have pneumonia, you will have a fever. Your sickness is pneumonia, not the fever... in the same way 'traffic congestion' is not the problem, it is a symptom of the deeper problem — transport and mobility," he added.

"The traffic might be 'relieved' for a short while, but it will resurface because of the deeper problem," he said.

Rene S. Santiago, a founding member of the Transportation Science Society of the Philippines, said that congestion charging is an effective solution for addressing traffic issues.

"But without a good public transport system, it would be counterproductive," he said.

Further, Libra Konsult's Mr. Villarete said the government must also take a solicited scheme instead of going the solicited route.

"It will always be better and preferable, for the government, national or local, to execute PPP on public transport and mobility through solicited modes, rather than simply accepting unsolicited proposals," he said.

MPTC is the tollways unit of Metro Pacific Investments Corp., one of three key Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

# Maynilad partners with Meralco unit MPower for RE use

MAYNILAD Water Services, Inc. on Monday said it is working with MPower, the local retail supply arm of Manila Electric Co. (Meralco), to increase the use of renewable energy (RE) in its operations by 15%.

"At Maynilad, we are committed to sustainable practices and reducing our carbon footprint. Increasing our use of renewable energy by 15% is a significant step towards our goal of carbon neutrality by 2037," Maynilad President and Chief Executive Officer Ramoncito S. Fernandez said in a statement.

"This initiative reflects our dedication to environmental stewardship and our responsibility to future generations," he added.

Under the deal, MPower will supply renewable energy from solar and biomass sources to run nine Maynilad facilities, particularly the water treatment plants at La Mesa Compound in Quezon City and at Brgy. Putatan in Muntinlupa, and the pumping stations in Pasay, Las Piñas, Quezon City, and Parañaque.

Maynilad said it aims to further increase its use of renewable energy by 30% next year and 40% by 2027.

As it expands renewable energy use to more of its facilities, Maynilad hopes to reduce its carbon dioxide emissions in the next five years.

Maynilad serves Manila, except portions of San Andres and Sta. Ana. It also operates in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon.

It also supplies the cities of Cavite, Bacoor, and Imus, and the towns of Kawit, Noveleta, and Rosario, all in Cavite province.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc.

Meanwhile, Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT. 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. — **Sheldene Joy Talavera**