Philippine Stock Exchange index (PSEi) 6,549.27 ▲14.10 PTS. ▲0.21%

THURSDAY, AUGUST 8, 2024 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P597.50	-P1.50	-0.25%
ACEN	ACEN Corp.	P5.50	+P0.41	+8.06%
AEV	Aboitiz Equity Ventures, Inc.	P32.90	-P0.10	-0.3%
AGI	Alliance Global Group, Inc.	P8.80	——	
ALI	Ayala Land, Inc.	P29.80	-P0.20	-0.67%
BDO	BDO Unibank, Inc.	P140.20	+P2.10	+1.52%
BLOOM	Bloomberry Resorts Corp.	P7.89	+P0.01	+0.13%
BPI	Bank of the Philippine Islands	P117.20	-P2.60	-2.17%
CNPF	Century Pacific Food, Inc.	P33.50	-P0.25	-0.74%
CNVRG	Converge ICT Solutions, Inc.	P11.82	+P0.22	+1.9%
DMC	DMCI Holdings, Inc.	P11.00	-P0.02	-0.18%
EMI	Emperador, Inc.	P18.70	——	
GLO	Globe Telecom, Inc.	P2,228.00	-P2.00	-0.09%
GTCAP	GT Capital Holdings, Inc.	P598.00	-P1.50	-0.25%
ICT	International Container Terminal Services, Inc.	P357.00	+P5.00	+1.42%
JFC	Jollibee Foods Corp.	P229.00	+P2.20	+0.97%
JGS	JG Summit Holdings, Inc.	P25.40	+P0.40	+1.6%
LTG	LT Group, Inc.	P9.91	+P0.05	+0.51%
MBT	Metropolitan Bank & Trust Co.	P67.00	-P0.75	-1.11%
MER	Manila Electric Co.	P394.80	——	
MONDE	Monde Nissin Corp.	P9.22	-P0.13	-1.39%
NIKL	Nickel Asia Corp.	P3.27	-P0.03	-0.91%
PGOLD	Puregold Price Club, Inc.	P26.00	-P0.25	-0.95%
SCC	Semirara Mining and Power Corp.	P31.90	——	
SM	SM Investments Corp.	P898.00	+P8.00	+0.9%
SMC	San Miguel Corp.	P98.00	-P1.10	-1.11%
SMPH	SM Prime Holdings, Inc.	P28.60	-P0.30	-1.04%
TEL	PLDT Inc.	P1,560.00	+P10.00	+0.65%
URC	Universal Robina Corp.	P100.00	+P1.10	+1.11%
WLCON	Wilcon Depot, Inc.	P17.50	+P0.50	+2.94%

DITO aims P40B for financial lift

By Ashley Erika O. Jose
Reporter

DITO CME Holdings, Inc. (DITO) said it plans to raise as much as P40.26 billion through funding from private investors over the coming five years to improve its financial standing and support its growth.

So far, the company has secured P5.53 billion in funding, DITO CME said in a stock exchange filing on Thursday.

The breakdown of this total includes P3.3 billion obtained in October, P610 million in August, and a further P1.59 billion by the close of 2023.

The capital was raised through financing agreements with external investors, including Xterra Ventures Pte. Ltd., Summit Telco Corp. Pte Ltd., and Summit Telco Holdings Corp., the company said.

"[DITO CME's] management continues to have discussions with its existing investors and other entities to fulfill the target equity raise such that the company targets to raise additional equity via private placement before the end of 2024," the company said, adding that any private placements will "partially address the negative equity position."

At the same time, the company is considering launching another round of its follow-on offering (FOO).

"If the market conditions are ripe, and considering the heavy capital requirements for the rollout of the network of DITO Tel, DITO CME shall continue to consider launching another follow-on offering or stock rights offer," DITO CME said.

The additional follow-on offering or stock rights offering will be conducted after its recently announced P4.2 billion follow-on offering, it said.

"The timetable and target equity raise, however, will be determined at a later time," it said.

In May, DITO CME said its board of directors approved the proposed follow-on offering of up to 10% of its current issued and outstanding capital stock of 1.95 billion valued at P2.15 apiece.

"The company has submitted an application for a Follow-On Offering last May 31, 2023, to the Securities and Exchange Commission and The Philippine Stock Exchange, and it targets to complete such FOO by this September 2024," DITO CME said.

The company said it is now in the process of securing the necessary regulatory approvals from the Securities and Exchange Commission (SEC) and the listing department of the Philippine Stock Exchange to launch its follow-on offering.

For Globalinks Securities and Stocks, Inc., Head of Sales Trading Toby Allan C. Arce, several factors may impact the viability of DITO CME's planned additional follow-on offerings.

"Interest rates and inflation are crucial. If interest rates are high, attracting investors to the follow-on offering could be challenging, as investors might favor safer investments with better returns," he said.

Investors' confidence will be key in this plan, Mr. Arce noted.

"Uncertainty, especially in emerging markets, might make investors cautious. Furthermore, high market volatility can deter investors, as they may perceive additional offerings as a sign of financial distress rather than growth potential," he added.

DITO CME, the operator of DITO Telecommunity Corp. (DITO Tel), said the third telco player will continue expanding its operations.

DITO Telecommunity is allocating up to P30 billion for capital expenditures this year, mainly for network rollout.

The company said it will be focusing on gaining market share and commercial rollout while also targeting new product launches.

"DITO Tel projects that it will be EBITDA (earnings before interest, taxes, depreciation, and amortization) positive by the end of 2025 and profitable by the end of 2028. Thus, the accumulated losses will be reduced and/or wiped out as soon as the operations are ramped up in the following years," DITO CME said.

For the first quarter, DITO CME saw its attributable net loss widen to P4.11 billion from P336.67 million in the comparable period a year ago, despite posting higher gross revenues for the period.

According to the company's financial statement, the company recorded a gross revenue of P3.78 billion, 61.5% higher than the P2.34 billion previously.

This comes after its gross expenses ballooned to P7.04 billion, up 31.1% from P5.37 billion in the same period last year.

The company has yet to release its second-quarter and first-half financial statement as of writing.

At the stock exchange, shares in the company gained five centavos or 2.56% to close at P2 each.

MPIC unit's mega desalination plant seen ready by 2026

METROPAC Water Investments Corp. (Metro Pacific Water) said it targets to complete the Philippines' largest desalination plant in Iloilo City by 2026.

"We're all focused on that. That will be the biggest desalination for the Philippines. So far, the target is to have it operational by 2026," Metro Pacific Water President and Chief Executive Officer Christopher Andrew B. Pangilinan said on the sidelines of an event on Tuesday.

In June, the company signed an agreement with France-based Suez, a water and waste management solutions provider, for the construction of a P5-billion desalination plant capable of producing 66.5 million liters of water per day.

Mr. Pangilinan said that the project is slated to begin construction in the latter part of the third quarter.

"If you look at the technology, compared it to ten years ago, I think we're 10 times more efficient now in terms of cost. Still expensive but we're optimistic in the long run [that] this will be a viable solution to the Philippines especially that we're an archipelago, so we're sort of piloting a big risk but we're willing to pilot this in Iloilo," he said.

The company noted that Metro Iloilo is undergoing rapid economic and population growth, which is putting a strain on the existing water resources.

A new desalination plant would be a pivotal project to ensure a reliable and sustainable water supply for the region in the immediate and medium term, according to Metro Pacific Water.

"If it turns out successful, I'm sure we could easily replicate this in other islands all across the Philippines," Mr. Pangilinan said.

Metro Pacific Water, a wholly owned subsidiary of Metro Pacific Investments Corp. (MPIC), manages water and wastewater concessions throughout the Philippines and in Vietnam.

Its Iloilo subsidiary, Metro Pacific Iloilo Water, a joint venture with the Metro Iloilo Water District, serves Iloilo City and the municipalities of Pavia, Leganes, Sta. Barbara, Cabatuan, Oton, San Miguel, and Maasin.

MPIC is one of three key Philippine units of First Pacific, alongside Philex Mining Corp. and PLDT Inc. Hastings Holdings, Inc., a unit of the PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., holds a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**

Lower costs, new farms drive ACEN's 61.5% income surge

ACEN Corp., the Ayala group's renewable energy arm, reported a 61.5% increase in its attributable net income to P3.57 billion for the second quarter, driven by the operationalization of new solar and wind farms and a significant reduction in costs.

Revenues declined by 16.6% to P9.45 billion from P11.33 billion; however, costs and expenses went down by 34.8% to P5.97 billion from P9.16 billion, ACEN said in its regulatory filing on Thursday.

For the six-month period, ACEN's attributable net income rose by 48.7% to P6.29 billion from P4.23 billion a year ago.

This was attributed to the 42% growth in attributable renewable energy generation, as well as an improved net selling position in the Wholesale Electricity Spot Market (WESM), the trading floor of electricity.

"We have strong momentum on the back of a robust increase in operating earnings and steady progress with our project pipeline," ACEN President and Chief Executive Officer Eric T. Francia said.

"We have won several new projects that we expect to add to our capacity within the next six to twelve months. We remain on track with our goal of achieving 20 GW (gigawatt) of renewables capacity by 2030."

As of end-June, the company's attributable renewables capacity was 4.8 GW, 69% of which is already fully or partially operational.

ACEN's total attributable renewables output increased by 42% to 2,908 gigawatt-hours (GWh).

Broken down, its renewable energy plants in the Philippines generated 1,015 GWh in the first half, up 77% from last year.

ACEN has operationalized solar and wind farms in the first half which are the 385- megawatt-(MW) phases 1 and 2 San Marcelino Solar in Zambales; the 160-MW Pagudpud Wind and 70-MW Capa Wind in Ilocos Norte; the 133-MW Cagayan North Solar in Cagayan, and the second phase of the 116-MW Arayat-Mexico Solar joint venture in Pampanga.

In turn, the company's net seller position in the WESM rose by 80% to 606 GWh, supported by the said operationalized plants.

Attributable renewables output from ACEN's international assets went up by 28%, generating 1,893 GWh.

Large-scale projects were commissioned this year, namely the 522-MW first phase of New England Solar in Australia, the 420-MW Masaya Solar in India, and the 60-GW Lac Hoa and Hoa Dong Wind in Vietnam.

The 287 MW first phase of the SUPER solar platform in Vietnam, which was acquired last year, was also added to ACEN's generation portfolio.

Currently, ACEN holds about 4.8 GW of attributable renewables capacity in operation and under construction, as well as signed agreements and won competitive tenders worth over one GW.

Meanwhile, its listed subsidiary ENEX Energy Corp. has trimmed its net loss to P10.83 million for the second quarter from nearly P15 million booked last year.

Expenses for the quarter were relatively flat during the period which was at P4.38 million from P4.37 million previously, the oil and gas exploration company told the local bourse in a separate regulatory filing. — **Sheldeen Joy Talavera**

Acciona's 150-MW Cebu solar project fast-tracked through BoI 'green lane'

ACCIONA Energía, a subsidiary of Spanish infrastructure company Acciona, said its 150-megawatt (MW) solar power project in Daanbantayan, Cebu has been granted "green lane" status by the Board of Investments (BoI).

"The 'green lane' privilege is granted to investments that are considered strategic for the country, expediting the permitting process among government agencies, and accelerating and streamlining the development and construction of the project," ACCIONA Energía said in a statement on Thursday.

The solar power project involves an investment of around $130 million (P7.5 billion).

The initial power output from the solar facility will be distributed through private power purchase agreements with Cebu II Electric Cooperative, Inc.

Any excess energy will be sold at the annual green energy auction hosted by the Department of Energy, according to the company.

"Aligned with the Philippine Development Plan (PDP), this project supports the government's goals to increase the renewable energy capacity, ensure energy security, and promote sustainable and inclusive economic growth," ACCIONA Energía said.

Among the projects that are in its pipeline are the 156-MW wind farm in the municipality of Pantabangan, and the 100-MW Kalayaan 2 wind farm in Laguna province.

The company has been operating in the Philippines since 2016 through its water and infrastructure divisions and has been involved in flagship projects, such as the Putatan II and Laguna Lake water treatment plants and the Cebu Cordova Link Expressway.

Executive Order (EO) No. 18, approved in 2023, established green lanes within government agencies which will expedite the process of granting permits and licenses through the One-Stop Action Center for Strategic Investments (OSACSI).

OSACSI issues endorsement letters to the Department of Energy, National Government agencies, and local government units, which designate projects as strategic, which will in turn ensure processing times fall within the periods prescribed in EO 18. — **Sheldeen Joy Talavera**

Ayala Land says AirSWIFT entices 'several buyers'

LISTED Ayala Land, Inc. (ALI) said it hopes to complete the sale of its boutique airline AirSWIFT within the year and is considering offers from several buyers, not just Cebu Pacific.

"We hope so, but we're still in discussions. Maybe around this time next month, there'll be something more definitive," ALI Chief Finance Officer Augusto D. Bengzon told reporters on Wednesday, in response to whether the company plans to complete the sale within the year.

ALI Head of Leasing and Hospitality Mariana Zobel de Ayala said the property developer is also in talks with other airlines for the planned sale of AirSWIFT, aside from the Gokongwei-led Cebu Pacific.

"When we started this process, our objective really was what would be the best customer experience. So we thought it would be best to cast a wide net. That's how we started the process. Right now, we are progressing with our talks with Cebu Pacific," she said.

"It is not exclusive in the sense that we are entertaining several (buyers). But I guess what came out in the news is our discussions with the Gokongwei Group," she added.

In a statement, Cebu Pacific said it "is always on the lookout for opportunities to grow and expand its network, including partnership with other parties."

Ms. Zobel said the planned sale of AirSWIFT will allow ALI to focus on its core competency of land development.

"The terms are not confirmed yet. But I think the principle really is that our core competency is in developing land and land-related products," she said.

"We hope to continue focusing on that and ensure that we can deliver the right experience by partnering with a group whose focus is in aviation," she added.

Meanwhile, Mr. Bengzon said that one of the requirements of the possible deal is to continue the existing flights to ALI properties such as the Lio Tourism Estate in El Nido, Palawan.

"For our Lio Estate, we still own the airport there. Whoever ends up purchasing AirSWIFT will need to service our resorts in Palawan. It's one of the requirements," he said.

AirSWIFT is a boutique airline that offers daily round-trip flights from Manila, Cebu, Caticlan, Clark, Panglao, Coron, and Tagbilaran to El Nido. The airline operates five aircraft consisting of ATR 42-600 and 72-600. — **Revin Mikhael D. Ochave**