

Philippine Stock Exchange index (PSEi)

7,310.32

▼101.15 PTS.

▼1.36%

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BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P722.00 -P8.50 -1.16%	ACEN ACEN Corp. P5.18 -P0.02 -0.38%	AEV Aboliz Equity Ventures, Inc. P36.50 -P0.75 -2.01%	AGI Alliance Global Group, Inc. P9.26 -P0.09 -0.96%	ALI Ayala Land, Inc. P35.35 -P1.15 -3.15%	BDO BDO Unibank, Inc. P156.50 -P0.30 -0.19%	BLOOM Bloomerry Resorts Corp. P7.79 -P0.06 -0.76%	BPI Bank of the Philippine Islands P138.60 -P2.40 -1.7%	CNPF Century Pacific Food, Inc. P39.00 +P0.80 +2.09%	CNVRG Converge ICT Solutions, Inc. P16.20 +P0.04 +0.25%
DMC DMCI Holdings, Inc. P11.76 +P0.14 +1.2%	EMI Emperador, Inc. P18.80 +P0.02 +0.11%	GLO Globe Telecom, Inc. P2,420.00 +P30.00 +1.26%	GTCAP GT Capital Holdings, Inc. P698.00 -P14.00 -1.97%	ICT International Container Terminal Services, Inc. P407.80 -P12.60 -3%	JFC Jollibee Foods Corp. P274.00 -P1.00 -0.36%	JGS JG Summit Holdings, Inc. P26.30 -P0.70 -2.59%	LTG LT Group, Inc. P10.08 +P0.10 +1%	MBT Metropolitan Bank & Trust Co. P78.50 -P0.55 -0.7%	MER Manila Electric Co. P479.00 +P4.00 +0.84%
MONDE Monde Nissin Corp. P10.34 -P0.14 -1.34%	NIKL Nickel Asia Corp. P3.69 -P0.11 -2.89%	PGOLD Puregold Price Club, Inc. P32.00 -P0.55 -1.69%	SCC Semirara Mining and Power Corp. P34.00 ---	SM SM Investments Corp. P965.00 -P14.00 -1.43%	SMC San Miguel Corp. P88.50 -P0.60 -0.67%	SMPH SM Prime Holdings, Inc. P31.50 -P0.75 -2.33%	TEL PLDT Inc. P1,510.00 -P7.00 -0.46%	URC Universal Robina Corp. P101.50 -P1.90 -1.84%	WLCON Wilcon Depot, Inc. P15.70 -P0.40 -2.48%

MPTC seeks P15-B investment for Cebu-Cordova link expansion

METRO PACIFIC Tollways Corp. (MPTC) aims to secure a P15-billion investment from Spanish infrastructure development company Acciona S.A. this year for the expansion and upgrade of the Cebu-Cordova Link Expressway (CCLEx), the company's president said.

"What we need is about P15 billion. We will probably try to shoot for that amount. I hope they put in more," MPTC President and Chief Executive Officer Rogelio L. Singson told reporters on the sidelines of the Management Association of the Philippines general membership meeting last week.

"To me, CCLEx alone does not make sense. You need to connect to the city side of Cebu and bring it close to the airport on the Lapu-Lapu and Cordova side," he added.

He said MPTC is currently in talks with Acciona and that the

company is hoping to sign the deal within this year.

To recall, MPTC said previously that it was in negotiations with a European firm for the expansion of CCLEx, which is part of the company's strategy to make the expressway viable, as it currently reaches only 30% of its projected traffic volume and struggles to meet the target of 50,000 motorists per day.

The P33-billion CCLEx is an 8.9-kilometer toll bridge that connects the town of Cordova on Mactan Island to Cebu City via the South Road Properties.

The tollway company plans to expand both ends of CCLEx, linking it to Bacalso and Lapu-Lapu.

"Whatever they will invest is going to be used to complete those two segments," Mr. Singson said.

Acciona specializes in infrastructure development, including roads, expressways, and renewable

energy projects. Acciona is also MPTC's partner in building CCLEx.

Separately, MPTC, through NLEX Corp., said the Toll Regulatory Board has approved the collection of new toll rates for NLEX Connector starting Oct. 15.

NLEX said the toll adjustment is part of its program to collect the opening toll for NLEX Connector on a staggered basis to soften its impact on motorists.

Based on the approved toll matrix, class 1 vehicles will be charged P119, class 2 vehicles will pay P299, and class 3 vehicles will be charged P418.

Initial rates for NLEX Connector were first implemented last year, or four months after the opening of the Caloocan to España Section, the company said, adding that full rates will be collected once the NLEX Connector project is finished.

NLEX Corp., a unit of MPTC, is the concessionaire of NLEX

Connector, which is an eight-kilometer all-elevated highway to be developed along the C3 up to the Metro Manila Skyway Stage 3 at the Polytechnic University of the Philippines, Sta. Mesa in Manila.

"The road provides them with a reliable alternative route that is accessible 24/7, without truck bans, thus increasing travel convenience and improving the movement of goods and cargo," NLEX said.

MPTC is the tollway arm of Metro Pacific Investments Corp., which is 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**

OUTLIER

ICTSI shares fall despite developments

SHARES in Razon-led International Container Terminal Services, Inc. (ICTSI) fell last week following a South African court's injunction against the port operator's bid for Durban Container Terminal Two (DCT2), as well as global macroeconomic factors, according to analysts.

Data from the Philippine Stock Exchange showed that ICTSI was the second most actively traded stock in terms of value turnover, with P2.71 billion worth of 6.36 million shares exchanging hands from Oct. 7 to 12.

The listed port operator's shares closed at P407.80 each on Friday, which was 2.9% lower than its Oct. 4 close of P420. Year to date, the stock has increased by 65.2%.

Andrei Jorge G. Soriano, research associate at China Bank Securities Corp., said in an e-mail that the major development which affected the listed port operator is the South African court's decision to issue an injunction against ICTSI's bid for the Durban Container Terminal Two.

He added that investors are likely concerned given that DCT2 is a major terminal in South Africa with an annual capacity of two million twenty-foot equivalent units.

For Arielle Anne D. Santos, equity analyst at Regina Capital Development Corp., the port operator was driven by operational developments and global macroeconomic factors.

"While [ICTSI] has announced significant growth moves, like its expansion in Batangas and its increased capacity in Iloilo, the global shipping and logistics sector remains vulnerable to fluctuations in trade volumes, global interest rates, and currency risks," Ms. Santos said in an e-mail.

ICTSI said it will challenge the ruling of the Kwazulu Natal Division of the High Court of South Africa, which has issued an injunction against Transnet, halting the privatization of Durban Container Terminal Pier 2.

According to international reports, DCT2 is Transnet's largest container terminal, handling 72% of the Port of Durban throughput and 46% of South Africa's traffic.

Back in July 2023, ICTSI won a tender process conducted by Transnet to invest in and operate the terminal under a 25-year concession.

Though ICTSI was the selected bidder and secured its contract in March this year, APM Terminals contested the award, citing concerns about ICTSI's solvency calculation.

APM Terminals is a unit of Maersk's Transport and Logistics Division.

This deal then faced opposition, which delayed its implementation.

The injunction prevents Transnet from finalizing the contract or engaging in any negotiations with ICTSI or third parties until a final ruling is made.

ICTSI said that they fully respect this decision but disagree with the court ruling.

Meanwhile, other reports also show that ICTSI's business unit, Visayas Container Terminal in Iloilo, started using two new mobile harbor cranes. The use of these cranes is expected to improve the efficiency and competitiveness of the Iloilo port as a trade gateway for Western Visayas.

Additionally, its East Java Multipurpose Terminal (EJMT) operations in Lamongan Regency, Indonesia began on Oct. 2. Its construction began in March 2023, and within 18 months, the terminal was fully equipped to serve diverse trade needs. EJMT is a sought-after and versatile addition to Indonesia's port infrastructure.

Recent news also said that the port operator has acquired a 27-hectare property in Batangas to expand its 900-meter berth terminal, which will be used for its expansion plans, especially for its new 900-meter berth terminal, although the exact amount of the transaction was not disclosed.

Ms. Santos said that the introduction of these mobile harbor cranes is expected to improve efficiency at the Iloilo port and may have a positive impact on ICTSI's long-term competitiveness in regional markets, likely boosting both sentiment and operations in the domestic sphere.

Moreover, its operations at EJMT in Indonesia mark a significant milestone in expanding ICTSI's global footprint.

"The facility's ability to handle diverse trade needs is well-aligned with Indonesia's growing export-import market, potentially driving future revenue growth in [Southeast Asia]," she said.

Additionally, the acquisition in Batangas is likely a signal to expand capacity at a key domestic port.

Ms. Santos added that while the market is still digesting the news of expansion, this strategic move aims to capture more volume and is likely to improve long-term revenue streams.

The overall market conditions, including inflation pressures, slowing global trade, and persistent interest rate hikes in major economies, may have dampened enthusiasm toward global port operators in general, she added. — **Abigail Marie P. Yraola**

BW ONE-ON-ONE

How Topline is targeting underserved consumers in Central Visayas

By **Sheldeen Joy Talavera** Reporter

CEBU-BASED fuel retailer Top Line Business Development Corp. (Topline) is accelerating its expansion plans to address the needs of underserved consumers across Central Visayas, its president said.

"For us, since we're still developing the brand and everything else, we're looking at focusing on that scenario of getting the two-wheeler and the light vehicles — that niche market," Eugene Erik C. Lim, president and chief executive officer (CEO) of Topline, said in an interview with *BusinessWorld*.

Citing data from the Land Transportation Office, he said that about 68% of road users in Cebu are motorcycles.

"I think the important thing is how do the customers get access to the product so that they can be more efficient also," he said.

Topline started in the leasing and real estate business but eventually entered the fuel industry in 2017 and is now active in commercial trading, depot operations, and retail fuel in the Visayas region.

Through its subsidiary engaged in the fuel retail sector, Light Fuels Corp., the company introduced its first service station in Mandaue City, Cebu last year.



TOPLINE President and CEO Eugene Erik C. Lim

The company has allocated approximately P210 million to finance the construction of its nine fuel stations to expand its footprint this year, in line with its target of having 10 operating service stations this year.

"The expansion strategy right now is actually Central Visayas. And then, to be more specific, it's really more of Metro Cebu, and then now... it's slowly going to the (Cebu) province," Mr. Lim said.

"The beauty there is it's basically the niche strategy that we're looking at for the Light Fuels Express station," he added.

Mr. Lim said that the Light Fuels Express station is "something fresh for the industry soon" as it is targeting the two-wheeler and light vehicles.

The brand is the company's planned small-footprint fuel station that is designed to accommodate the "fast-growing niche" in the region.

In August, Topline announced that it was proposing to conduct its initial public offering (IPO) in November, with plans to raise up to P3.2 billion.

The company intends to offer up to 3.68 billion primary common shares, with an additional over-allotment option of up to 368.31 million secondary common shares, at an indicative price of up to P0.78 per share.

It submitted a registration statement and listing application to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) in connection with its planned IPO.

Last week, Topline secured approval from the SEC for its proposed IPO.

"Quite happy with the regulators for supporting the listing, and then, hopefully soon, we already presented with the PSE so we're just waiting for the clearances from the regulators," he said.

"But so far, based on our timetable, we're still looking at the November listing. But still, crossing our fingers."

Topline's IPO is scheduled to run from Nov. 6 to 12, with listing on the main board of the PSE slated for Nov. 22.

The proceeds from the sale of primary shares will be used for the construction of fuel depots and service stations, acquisition of fuel tankers and tank trucks, working capital, as well as general corporate purposes.

If realized, Topline will be the fourth company to go public this year following three IPOs composed of OceanaGold (Philippines), Inc., Citicore Renewable Energy Corp., and NexGen Energy Corp.

Among the challenges that oil companies are watching at present are the geopolitical tensions in the Middle East.

With the Philippines being a net importer of petroleum products, Mr. Lim said that it would be better to have more capacity in the industry.

"If you think about it, there's enough capacity right now, but if there's demand growth for the next few years... there has to be more capacity so that there won't be, hopefully, no supply shocks," he said.

"In the event there would be some calamities coming in or even the geopolitical risk, we have inventory to support that," he added.

Meralco affiliate to power Pepsi-Cola manufacturing plants

VANTAGE Energy Solutions and Management, Inc., the affiliate retail electricity supplier of power distributor Manila Electric Co. (Meralco), has forged a partnership with Pepsi-Cola Products Philippines, Inc. (PCPPI) to supply power to the latter's manufacturing facilities.

Vantage Energy will provide electricity to PCPPI's five manufacturing plants in Luzon and

Visayas, the company said in a media release over the weekend.

"This collaboration extends past the framework of our contract. Together with PCPPI, we are committed to driving innovation and advancing sustainable practices that enrich the communities we serve," Vantage Energy President Ernesto M. Cabral said.

Vantage Energy is the first affiliate retail electricity supplier of

Meralco. A member of the retail supply sector since 2017, it has been servicing contestable customers nationwide not just with competitive supply but also with customized energy solutions.

A retail electricity supplier is an entity allowed to manage the supply requirements of qualified end-users or contestable customers.

Meanwhile, PCPPI is the exclusive manufacturer of PepsiCo

beverages in the Philippines and a global leader in the convenient foods and beverages industry.

PCPPI President and Chief Executive Officer Phyo Phyu Noe said that the company's partnership with Vantage Energy will enable "future-proofed and greener operations for the food and beverage giant's manufacturing plants." — **Sheldeen Joy Talavera**

FULL STORY



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