

Philippine Stock Exchange index (PSEi)

6,410.07

▼48.57 PTS.

▼0.75%

TUESDAY, JUNE 11, 2024

BusinessWorld

PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P582.50 -P6.00 -1.02%	<b>ACEN</b> ACEN Corp. P4.79 +P0.04 +0.84%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P38.50 ---	<b>AGI</b> Alliance Global Group, Inc. P8.84 +P0.34 +4%	<b>ALI</b> Ayala Land, Inc. P27.30 +P0.15 +0.55%	<b>BDO</b> BDO Unibank, Inc. P136.00 ---	<b>BLOOM</b> Bloomerry Resorts Corp. P10.28 -P0.02 -0.19%	<b>BPI</b> Bank of the Philippine Islands P118.10 -P0.90 -0.76%	<b>CNPF</b> Century Pacific Food, Inc. P34.70 -P0.10 -0.29%	<b>CNVRG</b> Converge ICT Solutions, Inc. P10.20 -P0.28 -2.67%
<b>DMC</b> DMCI Holdings, Inc. P11.08 -P0.06 -0.54%	<b>EMI</b> Emperador, Inc. P18.76 -P0.08 -0.42%	<b>GLO</b> Globe Telecom, Inc. P1,985.00 -P9.00 -0.45%	<b>GTCAP</b> GT Capital Holdings, Inc. P581.00 -P6.00 -1.02%	<b>ICT</b> International Container Terminal Services, Inc. P341.20 -P8.80 -2.51%	<b>JFC</b> Jollibee Foods Corp. P230.00 +P1.40 +0.61%	<b>JGS</b> JG Summit Holdings, Inc. P29.10 -P0.75 -2.51%	<b>LTG</b> LT Group, Inc. P9.97 -P0.03 -0.3%	<b>MBT</b> Metropolitan Bank & Trust Co. P67.85 -P0.15 -0.22%	<b>MER</b> Manila Electric Co. P365.00 +P5.00 +1.39%
<b>MONDE</b> Monde Nissin Corp. P10.62 -P0.08 -0.75%	<b>NIKL</b> Nickel Asia Corp. P3.95 -P0.04 -1%	<b>PGOLD</b> Puregold Price Club, Inc. P24.80 +P0.05 +0.2%	<b>SCC</b> Semirara Mining and Power Corp. P31.75 -P0.25 -0.78%	<b>SM</b> SM Investments Corp. P848.00 +P1.00 +0.12%	<b>SMC</b> San Miguel Corp. P100.10 -P0.10 -0.1%	<b>SMPH</b> SM Prime Holdings, Inc. P26.70 -P0.65 -2.38%	<b>TEL</b> PLDT Inc. P1,410.00 -P35.00 -2.42%	<b>URC</b> Universal Robina Corp. P105.80 -P3.20 -2.94%	<b>WLCON</b> Wilcon Depot, Inc. P18.32 -P0.04 -0.22%

# Maynilad starts IPO preparations, eyes 2026 listing

WEST ZONE concessionaire Maynilad Water Services, Inc. has started preparations for an initial public offering (IPO), aiming for a listing by 2026 at the earliest, the company's president said.

"It has to happen on or before January of 2027, so we're looking at anywhere between after the elections or early 2026," Maynilad President and Chief Executive Officer Ramoncito S. Fernandez said on the sidelines of an event in Bulacan on Tuesday.

Mr. Fernandez said that the company is "still crunching the

numbers together with our advisors."

"The paperwork has started; it has already moved," he said in Filipino.

Republic Act No. 11600, signed into law on Dec. 10, 2021, granted Maynilad a 25-year legislative franchise until 2047 to establish, operate, and maintain a waterworks system and sewerage and sanitation services in the west zone service area of Metro Manila and Cavite province.

The law also states that Maynilad should offer at least 30% of its

outstanding capital stock within five years from the grant of the franchise.

"It's challenging to pinpoint, as it's a mix of political, social, and economic factors, with investors also considering factors like sentiment and stability," Mr. Fernandez said when asked about the timing of the IPO after the elections.

Sought for comment, Chinabank Capital Corp. Managing Director Juan Paolo E. Colet said that Maynilad has "the fundamentals for an appealing IPO."

"They just have to get two things right — the investment

story and the timing," he said in a Viber message.

"They can improve their IPO narrative by clearly laying out how they plan to grow. It would also help a lot if they come up with a compelling overseas expansion strategy."

He said that conducting an equity offering in the next two years should give the company "an ample horizon to properly time their stock market debut."

"A full dovish monetary policy path in 2025 to 2026 that is supportive of economic growth should be favorable for the IPO market," he said.

Maynilad is currently seeking an extension of its revised concession agreement with the Metropolitan Waterworks and Sewerage System from May 6, 2037, to Jan. 21, 2047, to coincide with the term of its legislative franchise.

The company 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.

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. — **Sheldeen Joy Talavera**

# Meralco seeks bids for 600-MW baseload supply

MANILA Electric Co. (Meralco) said it has started the bidding process for 600 megawatts (MW) of baseload power supply to meet energy requirements from 2025 onwards.

The company launched the competitive bidding process aimed at securing a 15-year power supply agreement, scheduled to start on Aug. 26, 2025, Meralco said in a statement on Wednesday.

The bid launch follows the Energy department's issuance of a certificate of conformity to Meralco's latest Power Supply Procurement Plan for the terms of reference of the bidding process.

Meralco has called on power generation companies to submit their expression of interest to bid for the power supply by June 25.

The company has scheduled a pre-bid conference on July 4, while the deadline to submit bids is set for Aug. 2.

In accordance with the Department of Energy's (DoE) advisory last year, Meralco said that power suppliers with natural gas-fired power plants "are highly encouraged to participate in the bidding and prioritize the use of indigenous natural gas."

The government requires distribution utilities to select

the cheapest electricity supply through a competitive bid.

"The conduct of CSPs (competitive selection processes) is part of Meralco's continuing efforts to ensure the availability of reliable, sufficient, and cost-competitive power for customers," the energy company said.

Last month, Meralco also started seeking bids for 500 MW of renewable energy capacity to comply with the DoE's policy on renewable energy portfolio standards.

The renewable portfolio standards mandate distribution utilities, generation companies

and retail electricity suppliers to get a portion of their energy supply from eligible renewable energy sources.

The deadline to submit bids was set for July 17.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc.

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. — **Sheldeen Joy Talavera**

# PHI World: Planned IPO possible by 2025

PHI World Developers, Inc. President Gigi G. Alcantara has expressed confidence in the likelihood of the company's planned initial public offering (IPO) proceeding by 2025.

"There is a huge possibility that it could be 2025," Ms. Alcantara told reporters during a recent event in Pasig City.

"We are preparing for it (IPO)," she added.

PHI Assistant Vice-President Spike Alphonsus Ching said the company is still assessing market sentiment regarding its IPO plans.

"We really have to look at the pickup and the interest of the market," he said.

"We also want to beef up our balance sheet. Once we do the IPO, we want investors to see good value. We want investors to see the prospects of our cash flow," he added.

PHI is the real estate subsidiary of Edgar B. Saavedra-led listed infrastructure conglomerate Megawide Construction Corp.

If the IPO timeline is realized, PHI will be Mr. Saavedra's fourth publicly listed company, following Megawide, Citicore Energy REIT Corp.,

and Citicore Renewable Energy Corp. (CREC).

CREC completed its IPO and listing on June 7, becoming the second company to go public this year. The Philippine Stock Exchange is aiming to have six IPOs for 2024.

Megawide acquired PHI from Citicore Holdings Investment, Inc. in July last year for P5.2 billion, catering to the below-middle-income and middle-income segments of the real estate market.

PHI recently held the groundbreaking ceremony for the phase 1 of an unnamed residential condominium project in Pasig City. The company expects to generate up to P30 billion worth of sales from the two phases of the Pasig condo project.

The real estate company's other projects include Modan Lofts Ortigas Hills condo project in Taytay, My Ensō Lofts in Quezon City, The Hive Residences condo in Taytay, and the Northscapes housing development in Bulacan.

It also has a joint venture with Property Company of Friends, Inc. to build the One Lancaster Park condo project in Imus City, Cavite. — **Revin Mikhael D. Ochave**

# MPIC expects to finalize Indonesian toll road deal by July

METRO PACIFIC Investments Corp. (MPIC) said it expects to finalize a deal with the Indonesian government for its toll road bid by July.

"Hopefully by July, it will be closed, we will sign the definitive agreement, and then it will be part of the merger (with San Miguel Corp. [SMC]), and then the planned merger will move forward," MPIC Chairman, President, and Chief Executive Officer Manuel V. Pangilinan told reporters on Tuesday.

"The last major piece is the closing of the Trans-Java toll road, this is big. After this closing, our deal with San Miguel will move forward," he added.

In May, Mr. Pangilinan said the Indonesian assets of its toll road arm Metro Pacific Tollways Corp. (MPTC) will be included in the planned joint venture (JV) with the Ang-led SMC.

The Trans-Java toll road in Indonesia is being bid on by Jasamarga Transjawa Tol, a state-owned enterprise and the largest toll road operator in Indonesia.

Jasamarga manages the 676-kilometer section of the Trans-Java toll, serving between 700,000 and 800,000 vehicles daily.

In 2023, MPTC said that it expected to invest about \$600 million to secure its bid for a portion of the Trans-Java toll road. The company, along with Singapore's GIC, jointly bid for the toll project.

"It is a big, big tollway. So, from the valuation standpoint. It is important for us because it is valuable because the deal with San Miguel is 50-50," Mr. Pangilinan said.

SMC and MPIC intend to establish a JV company for their tollway units. The planned JV is said to have a starting EBITDA (earnings before interest, taxes, depreciation, and amortization) of around P50 billion.

MPIC is one of the 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 share in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**



# Maya needs firm market standing — Pangilinan

By Ashley Erika O. Jose  
Reporter

MAYA Bank, Inc. is not positioned to pursue an initial public offering (IPO) in the near future, PLDT Chairman and Chief Executive Officer Manuel V. Pangilinan said.

"They have to demonstrate that they can be profitable starting 2025 and to be consistently profitable for at least another year," Mr. Pangilinan told reporters on the sidelines of the company's annual stockholders meeting on Tuesday.

He added that Maya needs to establish a firm market standing first before the company can consider an IPO, admitting that GCash, the company's counterpart electronic wallet platform, dominates the market.

"Whatever GCash is doing, they are doing something right. Certainly better than we are. We have a lot of

work ahead of us. To dream of an IPO in the next two years is simply an illusion. It won't happen, plus the fact the market here is not conducive to an IPO," Mr. Pangilinan said.

"We are way behind in the digital wallet space. What is the vocabulary, the vernacular for digital wallet? It is not Maya, right? It is GCash," he said.

Digital lender Maya is expecting to launch more loan and investment products this year to help boost the company's goal to serve unbanked and underserved markets.

For the first quarter, Maya disbursed P34 billion in loans, with 59% of its borrowers having Maya as their first and only bank, PLDT said in its first-quarter financial briefing, adding that this highlights the digital inclusion roadmap of the company.

For stock market analysts, the decision of Maya

to shy away from an IPO at the moment is smart considering the current market conditions.

"Valuations are too low for it to be lucrative enough for Maya to list," COL Financial Group, Inc. Chief Equity Strategist April Lynn Lee-Tan said in a Viber message on Wednesday.

Chinabank Capital Corp. Managing Director Juan Paolo E. Colet said the current equity market conditions are not optimal for large IPOs, citing the two companies that went public only got the discounted price on their market debut.

Mr. Colet was referring to Oceana Gold Philippines, Inc.'s (OGP) after its stock price closed 6% lower than its IPO price on its market debut; while Citicore Renewable Energy Corp. (CREC) finalized its IPO price at P2.70 per share, down from its initial offer price of up to P3.88 per share.

FULL STORY



Read the full story by scanning the QR code or by typing the link <tinyurl.com/msmcas3f>

# MFT Group eyeing to appeal court decision extending freeze order on bank accounts

THE Maria Francesca Tan (MFT) Group of Companies, Inc. said it plans to pursue an appeal against a court decision that extended the freeze order on its bank, investment, and insurance accounts.

"It's unfortunate that the CA (Court of Appeals) extended the freeze order without considering at all the arguments put forth by us," MFT Group said in an e-mailed statement on Tuesday.

"This is certainly not what the Anti-Money Laundering Act (AMLA) entails, and we are hopeful that this baseless freeze order will be reversed on appeal," it added.

The MFT Group said the CA "simply adopted the same 'shotgun' approach of the Anti-Money Laundering Council (AMLC)." "It basically froze all the accounts under the names of respondents and their family members, regardless of source of funds. Worse, as a result of the unbridled freeze order, the accounts of some of our

creditors — whom the Securities and Exchange Commission (SEC) and the AMLC are claiming to protect — had also been frozen by the banks just because their accounts received payments from borrowers," it said.

On May 30, the CA promulgated a resolution allowing the extension of the freeze order over the MFT Group's accounts until Nov. 9. The extension was allowed to give the government "the necessary time" to file charges without worrying about the possible dissipation of involved assets.

The freeze order, previously covering a 20-day period, was initially issued on May 13. It covers 138 bank accounts, four securities accounts, and four insurance accounts.

The freeze order was issued after the MFT Group was found to be soliciting investments from the public without the necessary licenses from the SEC. — **Revin Mikhael D. Ochave**