

Philippine Stock Exchange index (PSEi)					6,378.86	▲ 30.52 PTS.	▲ 0.48%	THURSDAY, JANUARY 23, 2025 BusinessWorld		
PSEi MEMBER STOCKS										
AC Ayala Corp. P572.00 +P2.00 +0.35%	ACEN ACEN Corp. P3.55 +P0.06 +1.72%	AEV Aboltiz Equity Ventures, Inc. P34.00 +P0.80 +2.41%	AGI Alliance Global Group, Inc. P8.62 -P0.01 -0.12%	ALI Ayala Land, Inc. P25.60 +P0.10 +0.39%	BDO BDO Unibank, Inc. P147.60 +P5.10 +3.58%	BLOOM Bloomerry Resorts Corp. P3.82 -P0.12 -3.05%	BPI Bank of the Philippine Islands P124.00 -P0.50 -0.40%	CNPF Century Pacific Food, Inc. P42.90 -P1.35 -3.05%	CNVRG Converge ICT Solutions, Inc. P17.90 -P0.10 -0.56%	
DMC DMCI Holdings, Inc. P11.46 +P0.44 +3.99%	EMI Emperador, Inc. P18.08 +P0.26 +1.46%	GLO Globe Telecom, Inc. P2,300.00 +P28.00 +1.23%	GTCAP GT Capital Holdings, Inc. P570.00 +P3.00 +0.53%	ICT International Container Terminal Services, Inc. P390.20 -P4.80 -1.22%	JFC Jollibee Foods Corp. P248.60 +P3.60 +1.47%	JGS JG Summit Holdings, Inc. P17.60 -P1.10 -5.88%	LTG LT Group, Inc. P11.26 +P0.08 +0.72%	MBT Metropolitan Bank & Trust Co. P71.30 +P0.25 +0.35%	MER Manila Electric Co. P493.00 -P7.00 -1.40%	
MONDE Monde Nissin Corp. P7.27 +P0.07 +0.97%	NIKL Nickel Asia Corp. P3.07 +P0.02 +0.66%	PGOLD Puregold Price Club, Inc. P28.05 -P0.15 -0.53%	SCC Semirara Mining and Power Corp. P36.30 +P0.15 +0.41%	SM SM Investments Corp. P860.00 +P15.00 +1.78%	SMC San Miguel Corp. P83.20 -P0.20 -0.24%	SMPH SM Prime Holdings, Inc. P24.25 -P0.20 -0.82%	TEL PLDT Inc. P1,295.00 -P5.00 -0.38%	URC Universal Robina Corp. P66.95 +P2.45 +3.80%	WLCON Wilcon Depot, Inc. P9.28 -P0.14 -1.49%	

Growth prospects high for energy firms, but IPO market unfavorable

By **Sheldeen Joy Talavera**
Reporter

ENERGY companies are poised for growth this year because of increasing power demand, but the environment may not be conducive enough for initial public offerings (IPOs) due to uncertainty amid developments in the United States, according to analysts.

“The outlook for sustained energy demand growth should help keep the appetite for capacity build-out among power generation companies healthy,” Rastine Mackie D. Mercado, research director at China Bank Securities Corp., told *BusinessWorld* via e-mail.

He added that power generation firms could continue to tap equity markets for potential fundraising opportunities.

“However, we think that continuing uncertainties around possible changes in US government policies, alongside potential upside US inflation risks and consequential changes to the Fed’s policy outlook could weigh on investor sentiment in the near term, and may present a chal-

lenge for companies looking to conduct an IPO,” he said.

An improvement in market conditions should help support appetite for potential listings this year, he also said.

Last year, there were only three IPOs, namely gold and copper mining company Ocean-aGold (Philippines), Inc., and energy companies Citicore Renewable Energy Corp. and Nex-Gen Energy Corp.

This was below the six-IPO target of the Philippine Stock Exchange (PSE).

The PSE was supposed to have its fourth IPO in 2024 with the public listing of Cebu-based fuel retailer Topline Business Development Corp., but it decided to move its offer period to the second quarter of 2025 to accommodate institutional investors.

For 2025, the PSE is aiming to raise P120 billion in capital.

“Current market conditions are not conducive for IPOs in general,” Juan Paolo E. Colet, managing director at China Bank Capital Corp., said in a Viber message.

“While some exceptional companies can probably command good valuations notwithstanding the weak market, we think most

potential IPO candidates will be extra patient until investor sentiment and fund flows improve significantly, there is more clarity on Trump 2.0, and the midterm elections are done,” he added.

On Monday, US President-elect Donald J. Trump was inaugurated, marking the start of his second term.

Energy firms considering going public will have more reason to wait, said Mr. Colet, amid generally low trading of the more established listed energy players.

“At this point, our best case is that only one or two energy companies can do an IPO this year,” he said.

Some analysts, however, expressed optimism about the potential listings from the energy sector.

“The Philippine energy sector remains poised for continued growth this year, underpinned by rising demand for reliable power, supportive government policies on renewables, and growing investor appetite for sustainable projects,” said Jayniel Carl S. Manuel, equity trader at Seedbox Securities, Inc.

Mr. Manuel said that the government’s support and the growing need for reliable energy have

helped foster “a good climate for these listings.”

Following the “positive showings” of recent energy IPOs such as Citicore, NextGen, and Altern-ergy Holdings Corp., he said that this reflects a clear demand for power companies in the country, especially those focused on clean and renewable energy.

“We expect several energy firms to consider going public this year, but their success will depend on careful preparation and broader market conditions,” he said. “In the end, having a strong, transparent plan for growth and showing that the business can be both profitable and responsible will be key to maintaining the positive track record we’ve seen so far.”

Conducting IPOs is among the ways to raise capital for large-scale projects, Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., noted.

“The energy sector, especially renewables, offers high growth potential as it aligns with long-term global trends. IPOs are an effective way to capitalize on investor interest and raise funds for scaling operations,” Mr. Arce said.

Cebu Pacific to transfer Siargao, Masbate flights to Clark by March

BUDGET carrier Cebu Pacific said it will relocate its turboprop aircraft operations from Ninoy Aquino International Airport (NAIA) to Clark International Airport (CRK) on March 30.

The budget carrier, operated by Cebu Air, Inc. (CEB), will start the gradual relocation of its turboprop aircraft operations on March 30, the company said in a statement on Thursday. It cited a resolution issued by the Manila Slot Coordination Committee of the Department of Transportation (DoTr) to remove turboprop aircraft operations at NAIA.

Affected flights include Manila-Masbate-Manila and Manila-Siargao-Manila, which are operated by its regional brand Cebgo. These flights will now be moved to Clark.

Direct services from Manila to Surigao will be canceled, Cebu Pacific said, adding that passengers are now given the option to connect via Cebu.

“CEB recognizes the importance of managing airport capacity effectively, which will lead to improved passenger experience and greater public convenience,” Cebu Pacific said.

To recall, the New NAIA Infra Corp. (NNIC) said that among its plans to modernize NAIA

operations was to transfer turboprop aircraft operations outside the country’s main gateway to help decongest the airport.

Furthermore, Transportation Undersecretary for Planning and Project Development Timothy John R. Batan said that not all turboprop aircraft will be removed from NAIA to Clark International Airport.

The changes will not be abrupt and do not necessarily mean that all turboprop aircraft will be moved to other airports, he said, justifying the move by explaining that turboprop aircraft can only carry a few passengers but require a long time for runway preparations.

“Our current operator, NNIC, is doing this to increase flights and passenger volume at NAIA. This again does not cover all turboprops; the plan is to replace turboprops with jet operations,” Mr. Batan said on DoTr’s radio program on Radyo Pilipinas.

He said, however, that turboprop aircraft may also transfer to Sangley Point Airport.

Additionally, Cebu Pacific’s wholly owned subsidiary boutique airline AirSWIFT Trans-

port, Inc., will continue to operate at Terminal 2 of NAIA until March 2026.

All affected passengers of the transfer will be provided with a free booking option, travel fund conversion, or full refund, Cebu Pacific said.

Meanwhile, Luzon International Premiere Airport Development (LIPAD) Corp., the operator of Clark International Airport, said it is prepared to accommodate more passengers at Clark airport.

“We have not yet determined the impact of the move on our passenger volume as we haven’t received the final number of flights to be transferred to Clark,” LIPAD Chief Executive Officer Noel F. Manankil told *BusinessWorld* in a Viber message.

For this year, LIPAD is expecting a total of 3.04 million passengers, up by 26.7% from last year’s total passenger tally of 2.4 million, Mr. Manankil said.

“CRK also has the capacity to connect international travelers to our famed ‘island destinations’ with our transfer facility, which is housed in the same terminal,” he said. — **Ashley Erika O. Jose**

ERC OKs EDC’s connection facility for Bicol project

THE Energy Regulatory Commission (ERC) has allowed a subsidiary of Energy Development Corp. (EDC) to build a connection facility to link its up to 22-megawatt (MW) Tanawon Geothermal Power Plant in Sorsogon to the Luzon grid.

The ERC authorized Bac-Man Geothermal Inc. (BGI) to develop and own dedicated point-to-point limited transmission facilities to connect the power plant to the grid, according to a document posted on its website.

The company will link the facility to the grid through the 230-kilovolt (kV) Daraga Substa-

tion of the National Grid Corp. of the Philippines, via the 230-kV Palayan Binary Geothermal Power Plant Switchyard and the Bac-Man I 230- kV transmission facilities.

The approval, however, is subject to the conditions and instructions from the commission.

BGI sought the approval of the ERC last year to develop, own, and operate the connection asset.

Based on its application, BGI intends to construct an approximately 7.5-kilometer, 230-kV transmission line, which includes a switchyard and other related facilities.

“The Tanawon Geothermal Power Plant Connection Asset is financially feasible, and BGI has the financial capability to develop, operate, and maintain the connection asset,” the company said.

The cost of constructing and developing the connection asset is estimated at P637.12 million. The power project, including the connection asset, will be funded through cash, it said.

The Tanawon Geothermal Power Plant is part of EDC’s expansion of the 140-MW Bacon-Manito (BacMan) Geothermal Power Plant in Albay.

In July last year, EDC successfully synchronized its 28.9-MW Palayan Binary Geothermal Power Plant to the Luzon grid.

These two projects are among the four geothermal projects in the company’s pipeline. Others include the 28-MW Mahanagdong Binary in Leyte and the 5.6-MW Bago Binary in Negros Occidental.

EDC, the renewable energy arm of Lopez-led First Gen Corp., has an installed capacity of 1,480.19 MW, accounting for about 20% of the country’s total installed renewable energy capacity. — **Sheldeen Joy Talavera**

Metro Pacific Agro Ventures eyes gov’t partnership for dairy

METRO PACIFIC Agro Ventures, Inc. (MPAV) said it is looking to participate in the government’s plan to increase the country’s dairy herd by providing a potential quarantine site for imported cattle.

“The new facility that we are building in Laguna with the Israelis is so high-tech that we are pitching to the government that it becomes the natural quarantine facility for all cows imported from other countries entering the Philippines,” MPAV President and Chief Executive Officer Jovy I. Hernandez said during a briefing late Wednesday.

The government aims to increase dairy production to 80 million liters per year by 2028 to increase the share of domestic production to about 5% of dairy demand.

“Part of the agenda of the National Dairy Authority (NDA) is to increase the total herd size of the Philippines,” Mr. Hernandez added.

The NDA said that it is looking to import 5,000 heads of cattle by 2028 as part of its goal to increase dairy self-sufficiency by 5% from the current 1.5%.

Under the NDA’s program, the calves of the imported dairy herd would be distributed to about 150,000 farmers.

“I know that the NDA wants to establish stock farms within the country. The intention is for every region to have one, so of course, we in the private sector, if we can help in some of those areas, we will be willing because, again, it’s part and parcel of uplifting the industry,” he said.

The Philippines imports about 99% of its dairy requirements as domestic production cannot meet market demand.

MPAV, in partnership with Israel-based LR Group, is set to start the operations of its P2 billion integrated dairy facility by April.

“We’re expecting the new herd to come in April and already start the operations there. In fact, by the fourth quarter of this year, we’re expecting full-blast raw milk production already,” he said.

Mr. Hernandez said that the company expects to be fully sufficient in its dairy needs by 2026, meeting about 25% of the Philippines’ demand.

“By 2026, we will be self-sufficient in terms of milk supply, for the demand that we are seeing, roughly about 25% of the local dairy production,” he added.

The company currently has stakes in The Laguna Creamery, Inc., which owns the brands Carmen’s Best ice cream and Holly’s Milk.

Last year, it also acquired 100% ownership of Universal Harvester Dairy Farms, Inc. (UHFDFI) for over P700 million to expand its dairy business and market.

MPAV is the agriculture unit of Metro Pacific Investments Corp. (MPIC). It has businesses in vegetable production, coconut processing and export, integrated dairy processing, and ice cream.

MPIC is one of three key Philippine units of First Pacific, 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. — **Adrian H. Hallili**

Watsons Philippines reaches 1,166 stores nationwide

THE SM Group’s health and beauty retail brand, Watsons Philippines, said it opened 80 new stores last year, growing its nationwide presence.

The new store openings brought the total store count of Watsons Philippines to 1,166 as of the end of 2024, SM said in an e-mailed statement on Thursday.

Watsons has three store formats: Watsons Pharmacy with more than 1,000 locations, SM Beauty in 76 SM Stores, and the multi-brand outlet LOOK at SM Aura and SM Mall of Asia.

SM said more than 50 out of the 80 store openings last year were located outside Metro Manila, including key cities and municipalities in Visayas and Mindanao.

Watsons Philippines Customer Director Jared Ernest De Guzman said one of the brand’s growth drivers is the establishment of community pharmacies in neighborhoods across the country.

“Watsons is not only expanding in malls but is also committed to

establishing a strong presence in local neighborhoods. By the end of 2024, we had 400 community stores throughout the Philippines, ensuring accessibility and convenience for our customers,” he said.

“Our community stores bring essential healthcare products closer to home, catering to the convenience sought by our busy shoppers. They have become vital destinations for health, beauty, and wellness needs,” he added.

Watsons Philippines is a joint venture between the SM Group and Hong Kong-based AS Watson & Co. Ltd.

The Watsons brand opened its 8,000th store in Asia at the SM Mall of Asia last year as part of the brand’s global expansion.

Citing a recent study by Bain and Co., SM said that 85% of consumers in the region prioritize healthcare maintenance, with 51% willing to increase out-of-pocket spending for better health outcomes and experiences. — **Revin Mikhael D. Ochave**