## Philippine Stock Exchange index (PSEi) 6,611.24 ▼ 14.22 PTS. ▼ 0.21%

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### PSEi MEMBER STOCKS

| | | | | |
|---|---|---|---|---|
| AC | Ayala Corp. | P600.00 | +P15.50 | +2.65% |
| ACEN | ACEN Corp. | P2.81 | +P0.10 | +3.69% |
| AEV | Aboitiz Equity Ventures, Inc. | P34.20 | +P1.45 | +4.43% |
| ALI | Ayala Land, Inc. | P20.90 | -P0.25 | -1.18% |
| AREIT | AREIT, Inc. | P42.05 | -P1.40 | -3.22% |
| BDO | BDO Unibank, Inc. | P137.30 | -P1.20 | -0.87% |
| BPI | Bank of the Philippine Islands | P116.00 | -P2.50 | -2.11% |
| CBC | China Banking Corp. | P70.30 | +P1.30 | +1.88% |
| CNPF | Century Pacific Food, Inc. | P39.95 | -P0.45 | -1.11% |
| CNVRG | Converge ICT Solutions, Inc. | P14.40 | +P0.02 | +0.14% |
| DMC | DMCI Holdings, Inc. | P9.65 | -P0.19 | -1.93% |
| EMI | Emperador, Inc. | P15.56 | -P0.24 | -1.52% |
| GLO | Globe Telecom, Inc. | P1,740.00 | -P5.00 | -0.29% |
| GTCAP | GT Capital Holdings, Inc. | P670.00 | +P9.00 | +1.36% |
| ICT | International Container Terminal Services, Inc. | P718.00 | —— | |
| JFC | Jollibee Foods Corp. | P214.00 | -P5.20 | -2.37% |
| JGS | JG Summit Holdings, Inc. | P30.00 | -P0.30 | -0.99% |
| LTG | LT Group, Inc. | P15.62 | -P0.12 | -0.76% |
| MBT | Metropolitan Bank & Trust Co. | P77.00 | +P0.10 | +0.13% |
| MER | Manila Electric Co. | P638.00 | +P13.00 | +2.08% |
| MONDE | Monde Nissin Corp. | P6.59 | -P0.03 | -0.45% |
| PGOLD | Puregold Price Club, Inc. | P42.00 | +P0.80 | +1.94% |
| PLUS | DigiPlus Interactive Corp. | P16.10 | -P0.28 | -1.71% |
| RCR | RL Commercial REIT, Inc. | P7.56 | +P0.08 | +1.07% |
| SCC | Semirara Mining and Power Corp. | P28.00 | -P0.10 | -0.36% |
| SM | SM Investments Corp. | P705.00 | +P4.00 | +0.57% |
| SMC | San Miguel Corp. | P68.00 | -P1.55 | -2.23% |
| SMPH | SM Prime Holdings, Inc. | P21.50 | -P0.50 | -2.27% |
| TEL | PLDT Inc. | P1,400.00 | -P25.00 | -1.75% |
| URC | Universal Robina Corp. | P80.00 | -P0.75 | -0.93% |

# PHL may hit IPO target this year — analysts

**By Alexandria Grace C. Magno**
*Reporter*

THE PHILIPPINES is likely to meet its target of four initial public offerings (IPOs) this year as market conditions improve and regulatory hurdles ease, according to analysts.

"I think four IPOs are achievable for the Philippine Stock Exchange, Inc. (PSE) this year, supported by improving market conditions, firmer investor sentiment, and a lower interest rate environment," DragonFi Securities Equity Analyst Jarrod Leighton M. Tin said in a Viber message.

"We see credible candidates such as Mynt and Hann Holdings potentially moving forward with listings if momentum holds," he added.

The PSE expects four IPOs in 2026. Some of the most anticipated listings include the electronic wallet platform GCash and PNB Holdings Corp. (PHC), which plans to list by way of introduction.

"It's possible for PSE to hit its target of four IPOs, especially after today's news on Securities and Exchange Commission's (SEC) free float limits for new listings, which could pave the way for the much-awaited GCash IPO," BDO Securities Corp. President John Tristan D. Reyes said in a Viber message on Wednesday last week. "On the other hand, PNB Holdings is still addressing some regulatory hurdles."

The SEC has eased minimum free float requirements for large IPOs in the Philippines through Memorandum Circular No. 11, introducing a tiered public ownership framework.

Under the circular signed by SEC Chairperson Francisco Ed. Lim on Feb. 24, companies with an expected market capitalization of over P50 billion at the time of listing must have a minimum public float of 15%, subject to a minimum offer size of P10 billion.

The 15% minimum public float is higher than the 12% proposed in the SEC's draft circular, but it could enable mega-IPOs such as Globe Fintech Innovation (Mynt) — the parent company of GCash — which earlier said that a 20% minimum public float was too high for its offering that could peg the company's valuation at at least $8 billion.

"Even though the market bounced from ~5600 to the 6500-6600 range, the environment still feels fragile. Investor confidence remains shaky, and uncertainties around local economic growth, plus global risks like tariffs and geopolitical tensions, could still weigh heavily on valuations," Mr. Reyes said.

He noted that these factors could affect both the demand and supply sides.

"On the demand side, investors could remain cautious and ask for bigger discounts for these prospective IPOs. On the supply side, companies may hesitate if they think they won't get the valuation they want," he added.

Last Thursday, the PSE index (PSEi) closed at 6,625.46, its highest finish in over 14 months, or since it closed at 6,641.35 on Dec. 12, 2024.

"I think we're still cautiously optimistic for the year. Probably especially after last year," Unicapital Securities, Inc. Research Head Wendy B. Estacio-Cruz told *BusinessWorld* on the sidelines of an event.

"For this year, we're hoping that the four IPOs can be reached. Although, at this point, based on the sentiment, we're still thinking that probably only half of them might push their listings," she added.

In 2025, the PSE missed its IPO target, recording only two listings out of the projected six.

The companies that went public last year were Cebu-based fuel distributor and retailer Top Line Business Development Corp., which debuted in April, and West Zone water concessionaire Maynilad Water Services, Inc., which completed its offering in November.

Hann Holdings, Inc., SM Prime Holdings' real estate investment trust, and Razon-led Prime Infrastructure Capital, Inc. were among several companies that shelved their IPO plans.

"For IPOs, if the market stays strong, that will be helpful for IPOs," COL Financial Group, Inc. Chief Equity Strategist April Lynn Lee-Tan said in a Viber message. "I'm also optimistic regarding the amendment to the real estate investment trusts (REITs) law as we could see more REIT IPOs."

SEC Memorandum Circular (MC) No. 1, Series of 2026, revises the definition of income-generating real estate assets.

These include assets with regular or predictable cash flows from leases, rentals, tolls, user fees, ticket sales, parking, and storage fees. They also cover toll roads, railways, airports, ports, information and communications technology and energy infrastructure, data centers, parking facilities, malls, warehouses, fixtures, and real rights such as usufructs, easements, and leases.

The SEC said the amendments are aligned with the objectives of the REIT Act by expanding eligible income-generating assets and allowing unlisted special purpose vehicles (SPVs) and incorporated joint ventures (JVs), consistent with global practices.

Meanwhile, Jesus Mariano P. Ocampo, president and chief operating officer of Investment & Capital Corp. of the Philippines (ICCP), said Philippine fundraising totals remained solid last year despite falling short of IPO targets.

He noted that the PSE saw strong activity overall despite limited IPOs.

In 2025, the PSE saw total capital raised from primary and secondary share sales and warrants jump 75% to P144.14 billion, from P82.37 billion the prior year.

The PSE hosted two IPOs that year, along with eight follow-on offerings and 14 private placements.

Mr. Ocampo also cited potential listings such as GCash as prospects that could broaden market participation, particularly if marketed to everyday retail users.

"We really hope that GCash will go public and they will market it at the grassroots level," Mr. Ocampo told *BusinessWorld* on the sidelines of an event.

"What the issuers are really looking for is market participation. Will market participation improve? Will risk appetite return? Will investors go for risky assets again? I believe that's what issuers want to see before they do the IPO," Philstocks Financial Research Manager Japhet Louis O. Tantiangco told *BusinessWorld*.

He said net value turnover is currently volatile and has been tepid over the past week, expressing hope that it returns to pre-pandemic levels. "If you can see that return in the market, then perhaps you can see more IPOs again," he said.

In 2025, the stock market declined as a corruption scandal involving flood control projects shook public and investor confidence.

The PSEi closed 2025 at 6,052.92, down 7.29% from end-2024. On Nov. 14, the PSEi plunged to 5,584.35, its weakest close in nearly five and a half years, or since the 5,570.22 close on May 28, 2020.

# Meralco awaits ERC decision on P8-B cost recovery

POWER DISTRIBUTOR Manila Electric Co. (Meralco) said it is awaiting a decision from the Energy Regulatory Commission (ERC) on its application to collect P7.98 billion in under-recoveries filed nearly three years ago.

"Since [the decision] on the P31-billion [pass-through charges] has already been released, we're hoping the ERC will soon decide on that because those costs have already been paid to the generators, transmission provider, government, etc.," Jose Ronald V. Valles, Meralco's first vice-president and head of its regulatory management, said on the sidelines of an event last week.

In 2023, Meralco filed an application seeking to recover P8.01 billion for the costs incurred in generation, transmission, system loss, and pass-through taxes from January 2022 to December 2022.

The costs translate to an increase of around 21.91 centavos per kilowatt-hour (kWh), which is proposed to be collected over a 12-month period.

At the same time, the power distributor saw over-recoveries amounting to a total of P30.62 million from lifeline subsidy, senior citizen discounts and subsidy and local franchise tax, equivalent to a refund of around 0.09 centavos per kWh to consumers.

The company cited time lag between when costs are incurred and when they are billed to consumers, as well as the discrepancies between actual costs and taxes paid and the revenues collected.

After offsetting the refunds against the recoveries, Meralco proposes to collect P7.98 billion or an equivalent increase of 21.81 centavos per kWh in the consumers' electricity bills.

The company filed its second urgent omnibus motion last month to resume proceedings in the case and grant provisional authority and/or interim relief.

In January, the ERC approved the fuel cost recovery claims sought by power generators, allowing to collect P31 billion from Meralco customers up to three years starting March.

While waiting for a decision on its under-recovery claim, Meralco is also looking ahead to its rate reset application for the first regulatory period covering the years 2027-2030.

"Around June to July we expect a decision from the ERC," Mr. Valles said.

Under its filing, the company seeks a tariff adjustment of P2.34 per kWh to help fund its proposed capital expenditure program amounting to P247.14 billion and attain its revenue requirement over the four-year period.

**POWER SUPPLY PROCUREMENT**

Alongside pending decisions on rate adjustments, Meralco is also awaiting the go signal from the Department of Energy (DoE) to pursue its bidding process for the procurement of nearly 2 gigawatts for its power supply requirements.

"My concern right now is because of the delay and the timing of the filing of our revised power supply procurement plan, there might be some changes already," Mr. Valles said.

Meralco intends to carry out a competitive selection process (CSP) for its power supply needs, including a 900-megawatt (MW) baseload, 600-MW baseload, and 450-MW mid-merit, all of which were scheduled last year.

Mr. Valles said that the DoE is still waiting for the comments from the Philippine Competition Commission (PCC) on the CSPs.

"We were supposed to have concluded the CSP for those three last year. So we're almost a year delayed already. So that means the COD (commercial operations date) will also have to be adjusted by at least a year," he said.

Meralco is the country's largest private electric distribution utility, serving more than 8.2 million customers in Metro Manila and nearby provinces, including Bulacan, Cavite, Rizal, and parts of Laguna, Batangas, Pampanga, and Quezon.

The company reported a 14% year-on-year increase in its consolidated core net income to P50.6 billion for 2025, driven by power generation growth and contributions from its distribution business.

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**

## OUTLIER

# Maynilad shares rise on earnings, cash dividends

**By Lourdes O. Pilar**
*Researcher*

MAYNILAD WATER Services, Inc. was one of the most actively traded stocks last week following the release of its 2025 earnings report, MSCI inclusion, and dividends declaration.

Data from the Philippine Stock Exchange (PSE) showed that Maynilad was the second most traded stock during the week, with a value turnover of P2.77 billion from a total of 126.78 million shares traded from Feb. 23 to 27.

The Pangilinan-led water concessionaire closed the week at P22 per share, up 6.3% from a week earlier. The company's stock outperformed both the industrial sector, which inched up 3%, and the benchmark PSE index (PSEi), which rose 2.3%.

Year to date, the stock has climbed 30.2%, beating the industrial index's 9.6% and the PSEi's 9.2% growth.

Analysts attributed Maynilad's active trading last week to the company's strong full-year earnings report and dividends payout.

"Maynilad saw elevated trading activity and heightened investor attention in recent weeks, driven by its inclusion in the MSCI (Morgan Stanley Capital International) Philippines Small Cap Index and anticipation surrounding its first full-year earnings results and dividend payout since listing," Franco M. Fernandez, equity research analyst at DragonFi Securities, Inc., said in a Viber message.

Mr. Fernandez also noted that 2025 earnings showed "strong growth and sustained momentum."

"Maynilad's strong earnings print, alongside its dividend payout, reinforced investor confidence and helped sustain price momentum above the P21 level," Mr. Fernandez added.

"Broader market sentiment and risk appetite during this period were also constructive for the stock."

Jash Matthew M. Baylon, an equity analyst at First Resources Management and Securities Corp., said in a Viber message that Maynilad was one of the most active stocks as the stock continued to trade on an uptrend support by its strong 2025 earnings and dividend declaration with a yield of 5%.

"The positive performance of Maynilad's bottomline positively affects the stock's performance for the week as it adds optimism among investors. The higher tariffs are expected to be seen until this year which may continue to positively affect Maynilad's profitability," said Mr. Baylon.

In a press release last week, Maynilad declared an 18.8% year-on-year rise in consolidated net income to P15.2 billion in 2025 from P12.8 billion a year earlier driven by improved operating efficiencies and continued infrastructure investments.

Consolidated revenues increased by 9.3% to P36.6 billion in 2025 from P33.5 billion in 2024, supported by higher tariffs and stable billed connections.

Earnings before interest stood at P25.3 billion, while its margin improved to 69%.

Mr. Fernandez gave an estimate of Maynilad's 2026 net profit in the range of P16.4 billion to P17 billion.

The company has yet to release its full report for the period.

In a separate disclosure, the company's board approved the declaration of cash dividends of P1.14 per common share in the aggregate amount of P8,438,968,104 out of its unrestricted retained earnings.

The dividends will be payable and distributed on March 18, to all shareholders.

Meanwhile, Maynilad was included in the MSCI Philippines Small Cap Index following the results of the February 2026 Index Review for the MSCI Equity Indexes.

Maynilad made its stock market debut in November last year after raising P34.3 billion from its maiden offering, the second-largest initial public offering in PSE history.

The MSCI Philippines Small Cap Index is designed to measure the performance of the small cap segment of the Philippines market. The index represents approximately 14% of the free float-adjusted market capitalization of the Philippines equity universe.

"Looking ahead, the near-term focus shifts to how Maynilad's share price normalizes over the coming weeks as its key catalysts for the month have been realized," Mr. Fernandez said.

"On the technical side, immediate support is seen around P21, followed by the 20-day SMA (simple moving average) at P20 based on Friday's close. On the upside, resistance is pegged at the stock's all-time high of P22.35," he added.

Mr. Baylon sees the P20.50-P21 level as the support while the P25 level as the psychological resistance.

"We think that in the upcoming weeks, investors should monitor the firm's capital allocation as it may affect its performance for the year," said Mr. Baylon.