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Philippine Strategy 2026 Outlook – Macro headwinds, Market tailwinds?

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January 2026

PSEi bouncing hard, +14% from Nov lows...

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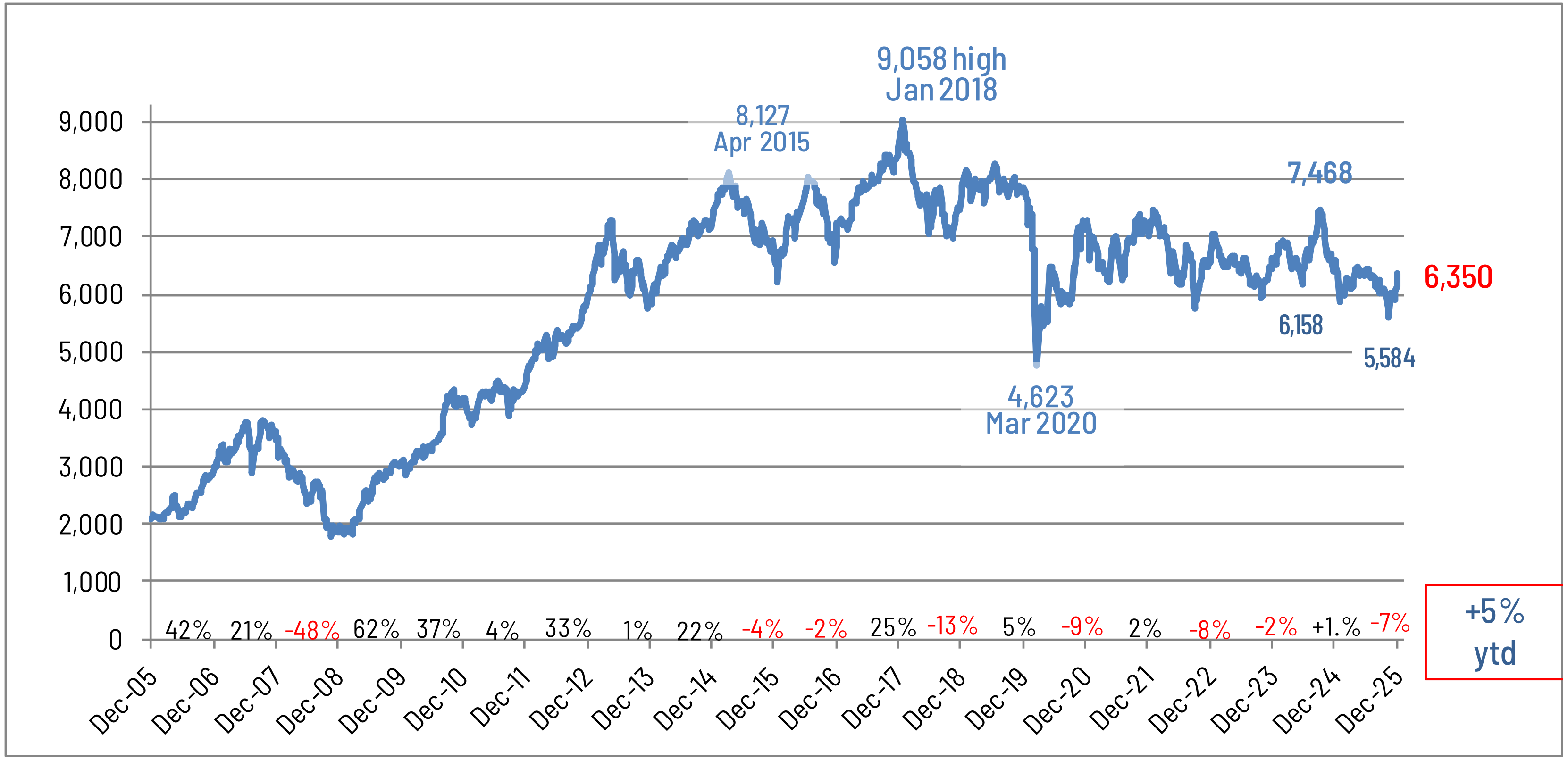
PSEi weekly



... strength carrying into 2026 (so far), up 5% ytd

Source: Philippine Stock Exchange, REGIS estimates

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Groundhog Year(s)… can we break out?

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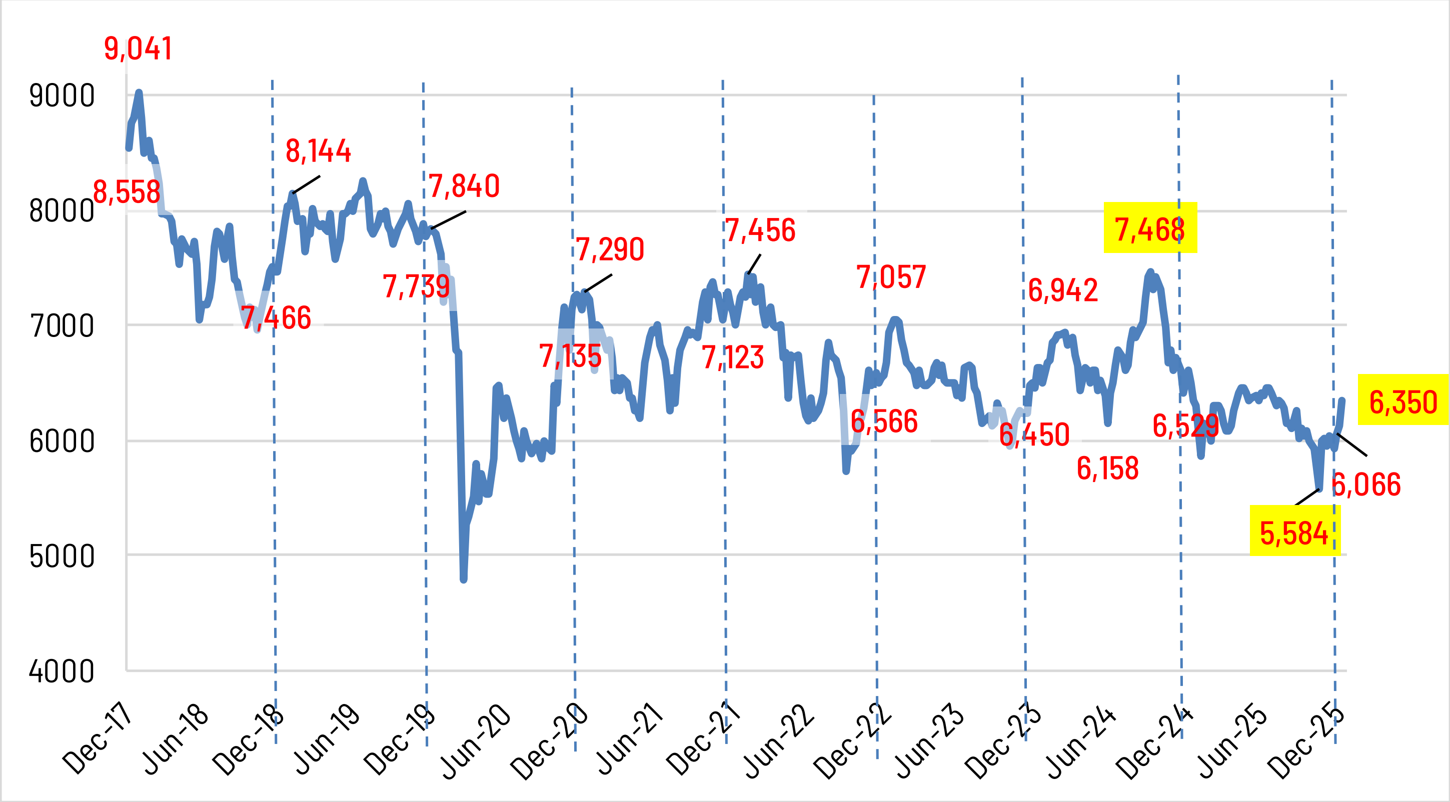
PSEi Weekly – 5th (or 8th) year starting strong, but ending weak



14 Nov low was lowest level since early Covid days

Source: Philippine Stock Exchange, REGIS estimates

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ASEAN lagging EM, but PH crashed out

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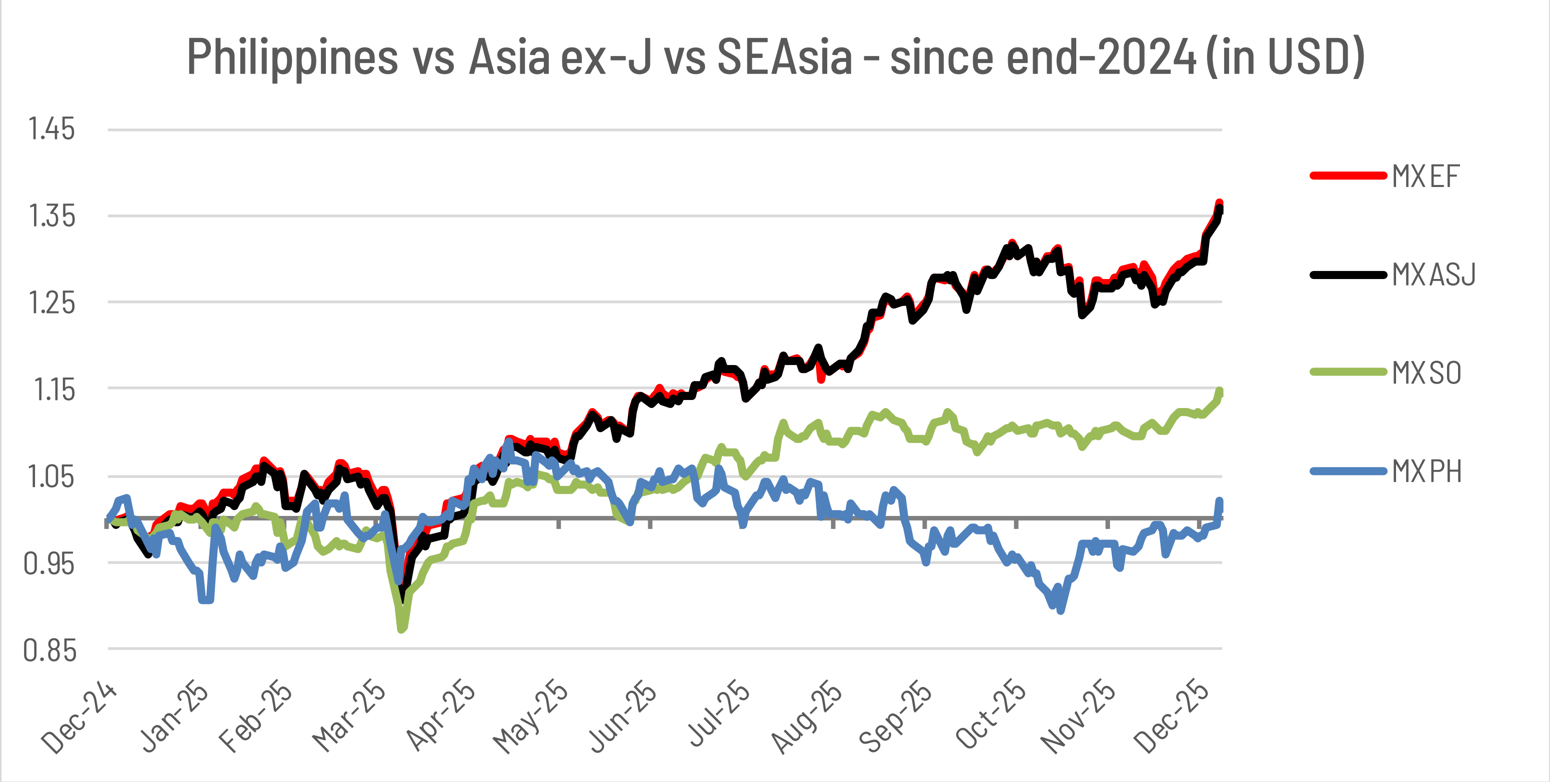
PSEi - relative to EM / Asia / ASEAN (as of 18 Sept 2025)



Lagged badly since the corruption scandal broke in July
But rebounding along with the rest of EM/Asia/ASEAN in early Jan

Source: Bloomberg Finance LP, REGIS estimates

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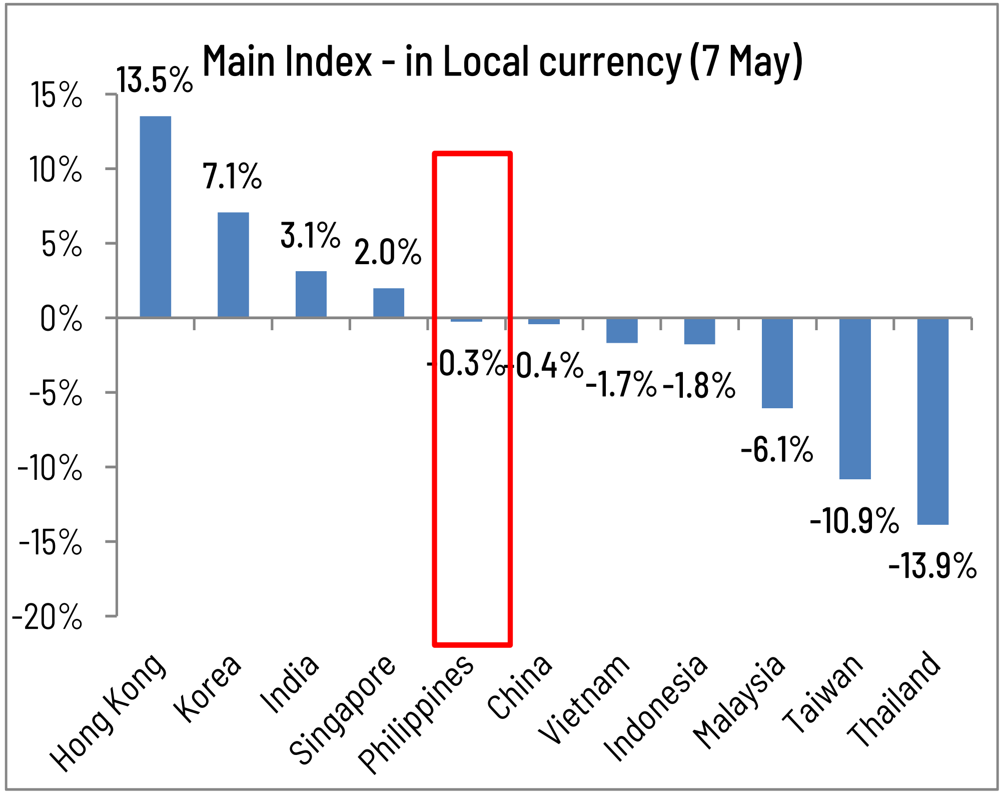
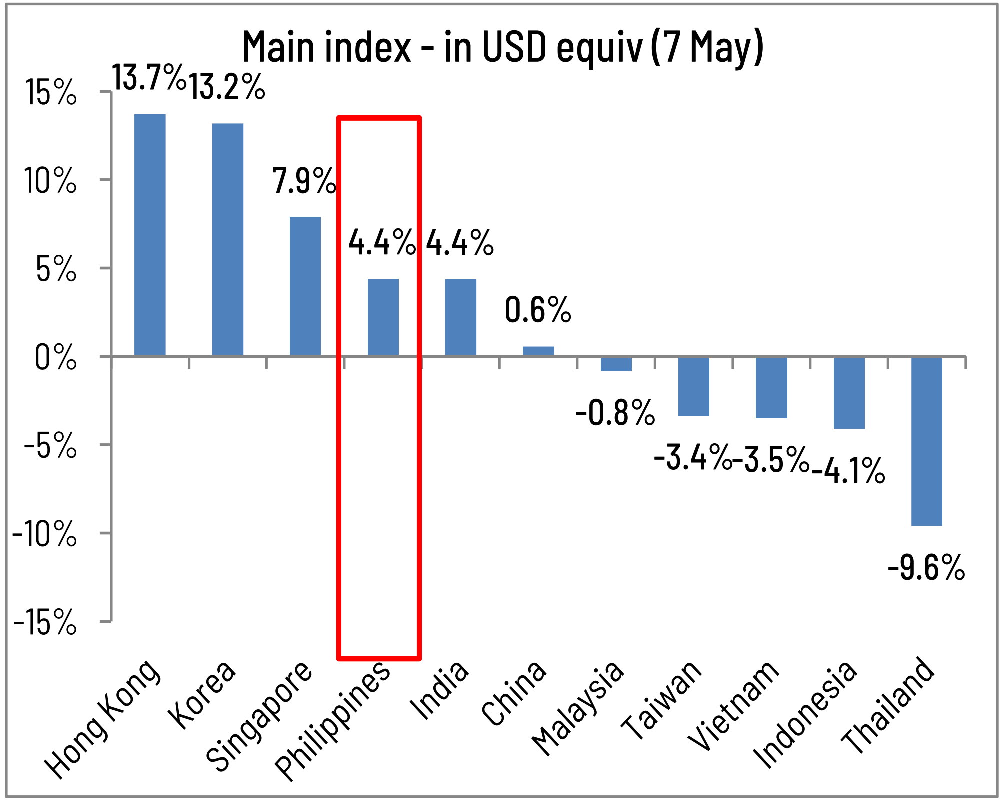
2025 review – Holding our own in May...

PSEi - relative to Asia (as of 7 May 2025)



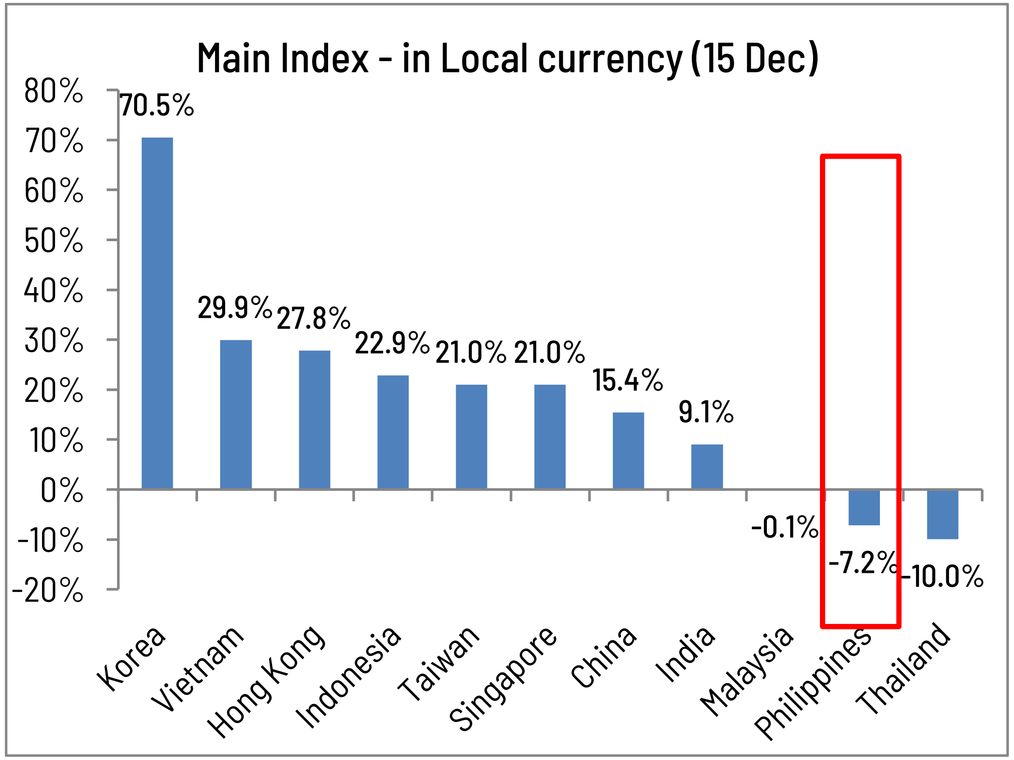


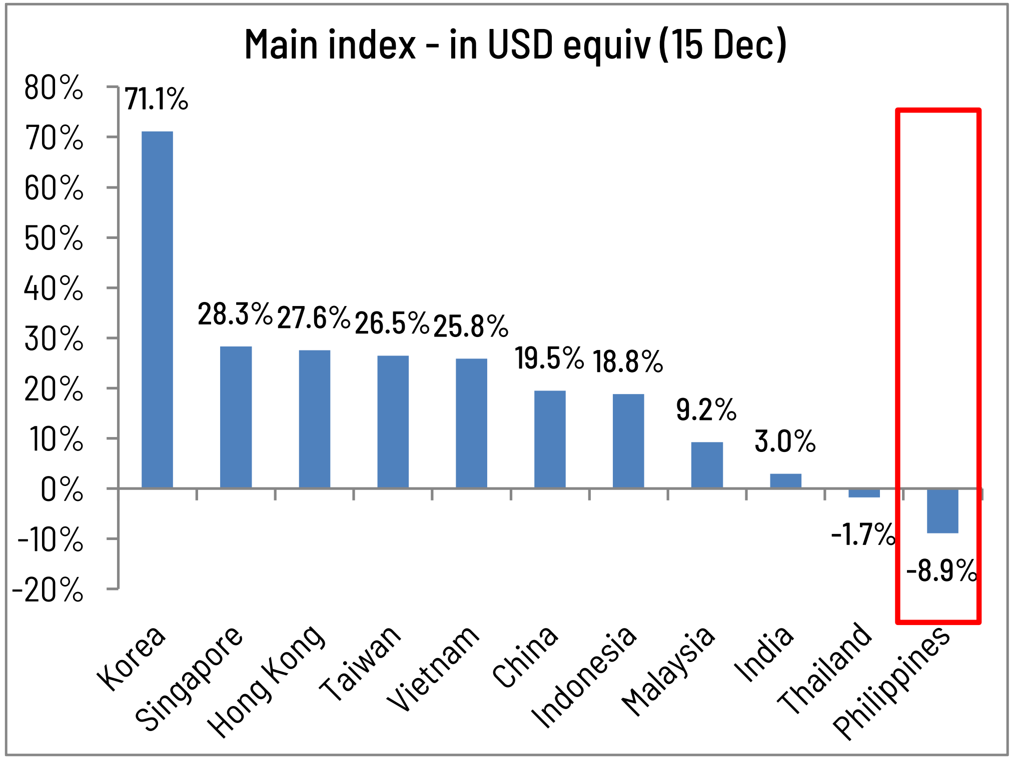
... benefitting from lower (potential) "Liberation Day" tariffs

Source: Bloomberg Finance LP, REGIS estimates

… ended 2025 at/close to the bottom

PSEi - relative to Asia (as of 15 Dec 2025)





… down, down, down we go

Source: Bloomberg Finance LP, REGIS estimates

Starting 2026 strong

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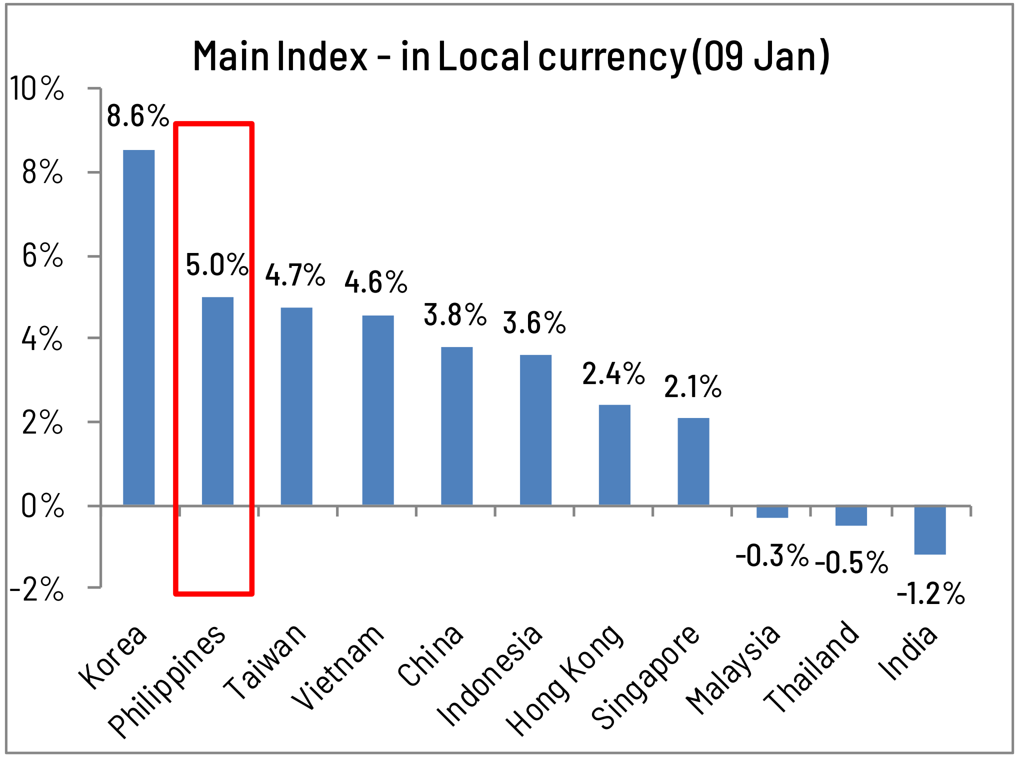
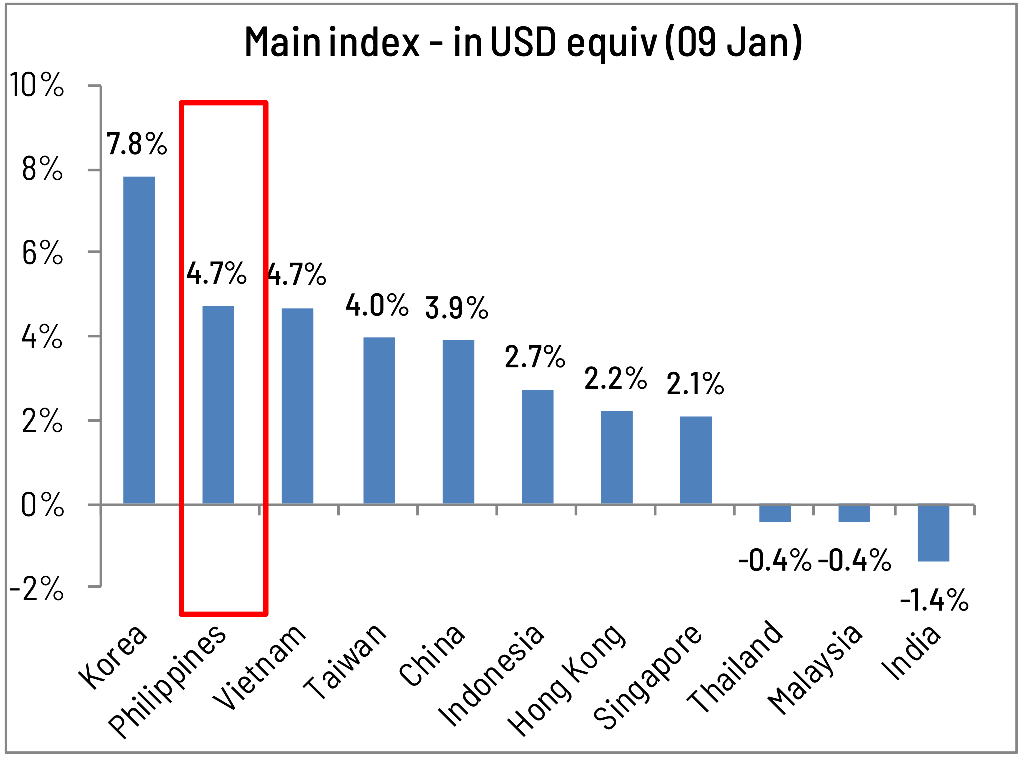
PSEi - relative to Asia (as of 7 Jan 2026)



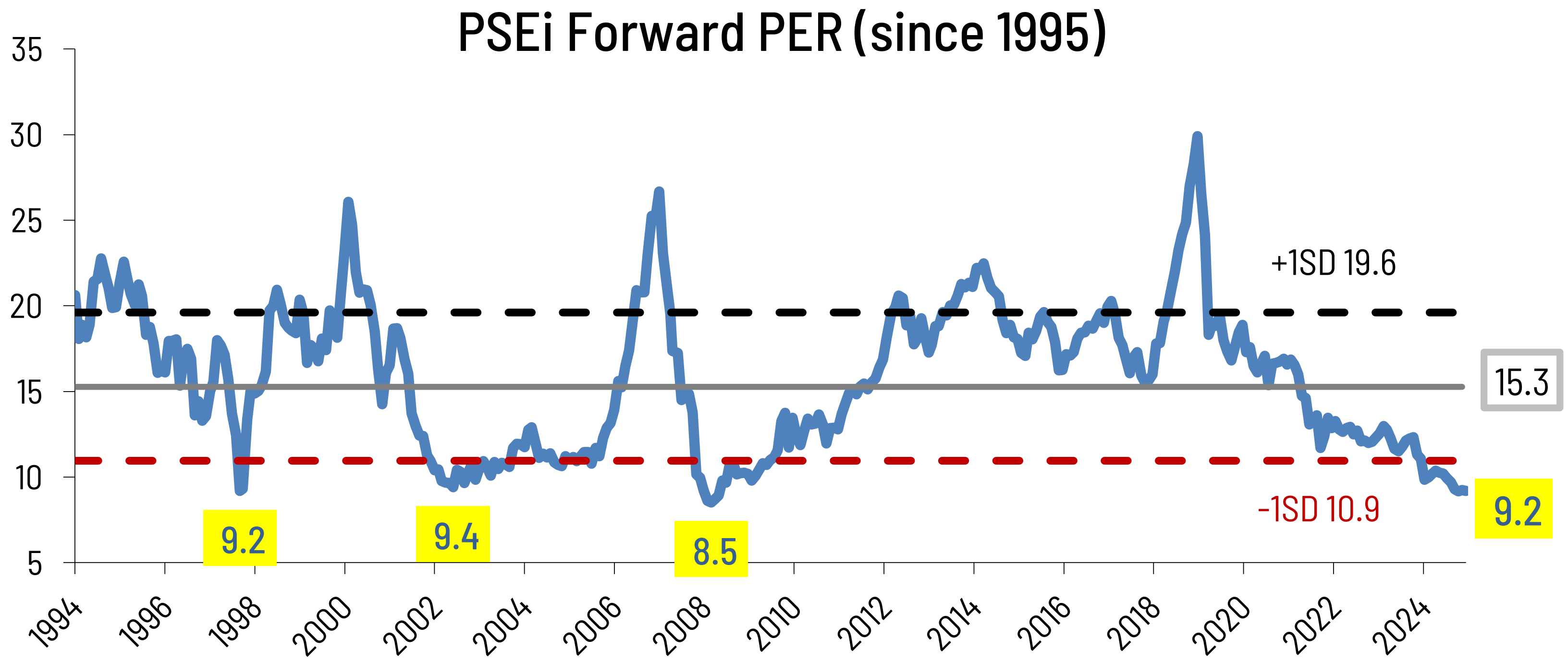


Rising tide lifts all boats?

With a little help from not-so-invisible hands

Source: Bloomberg Finance LP, REGIS estimates

Multi-year derating

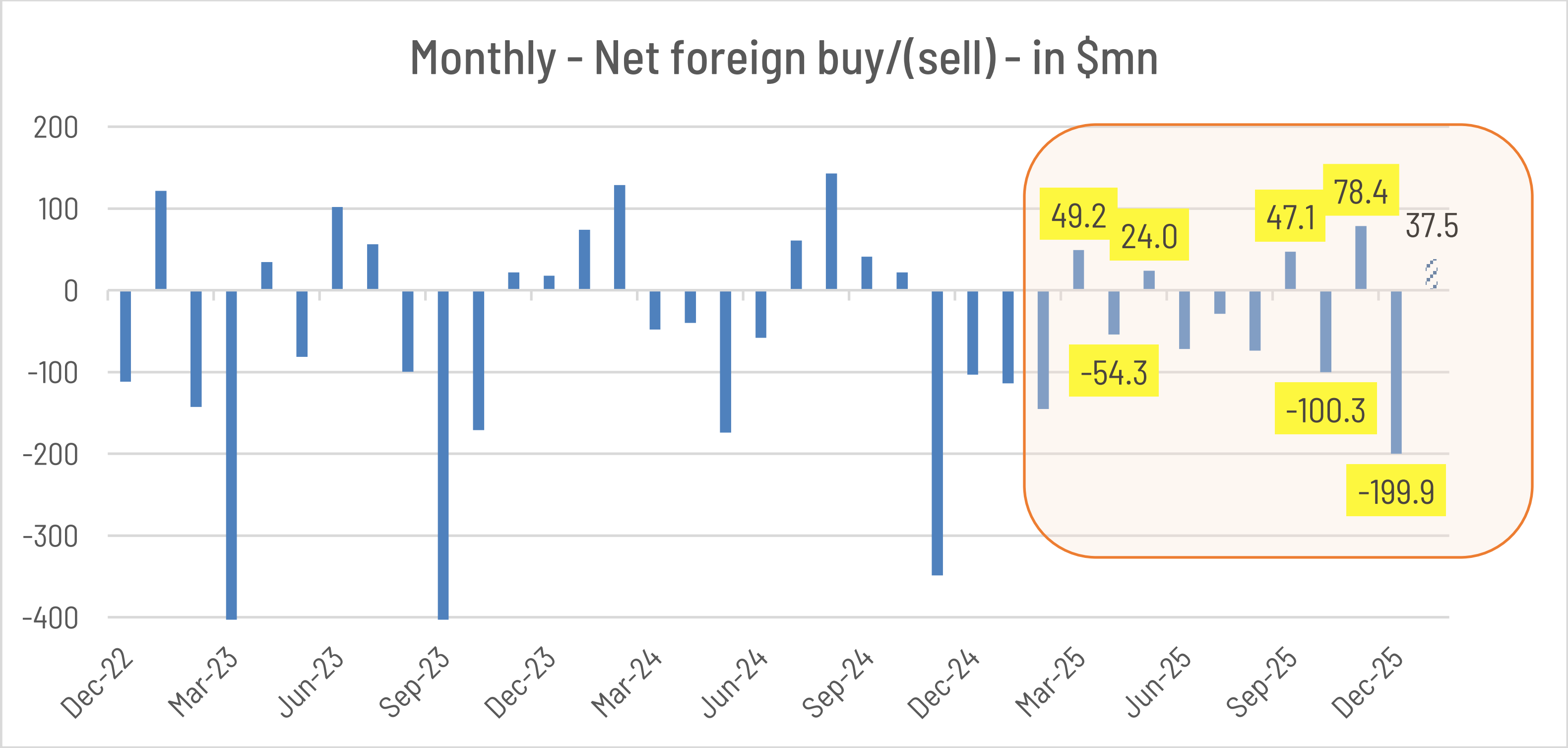


<u>At Nov'25 low, PER was 8.2x, lower than every other crisis period in the last 30 years</u>

Source: REGIS estimates

Foreign sentiment – inflows, outflows…

Net foreign buy/(sell)



Foreigners werefickle all of 2025

Starting 2026 with strong net foreign buying (along wit the rest of Asia)

Source: Philippine Stock Exchange, REGIS estimates,

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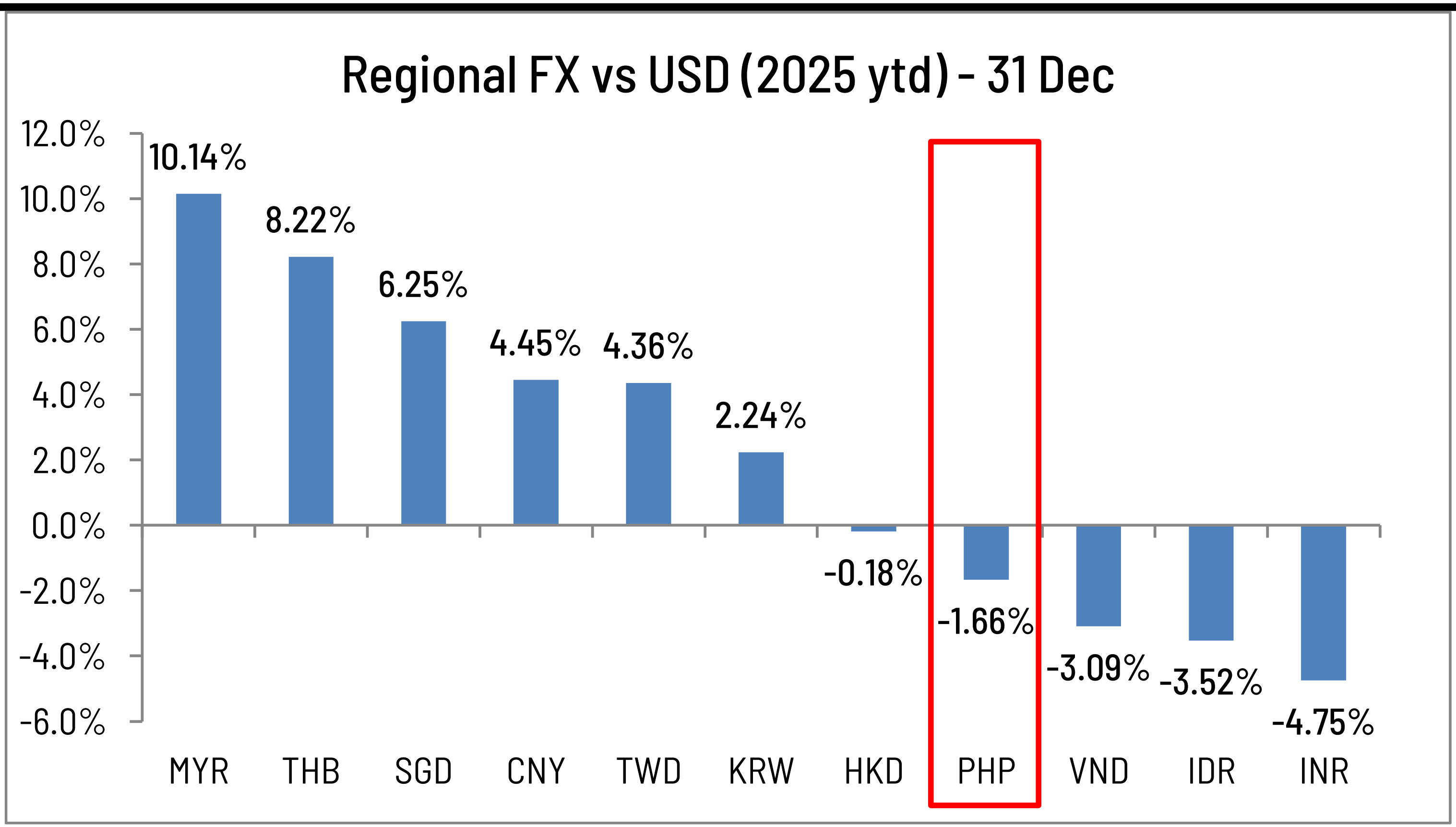
PHP slipped in late 2025

Asian currencies vs USD, since end-2024



But not the worst by any stretch

Source: Bloomberg Finance LP, REGIS estimates,

PHP starting 2026 soft-ish

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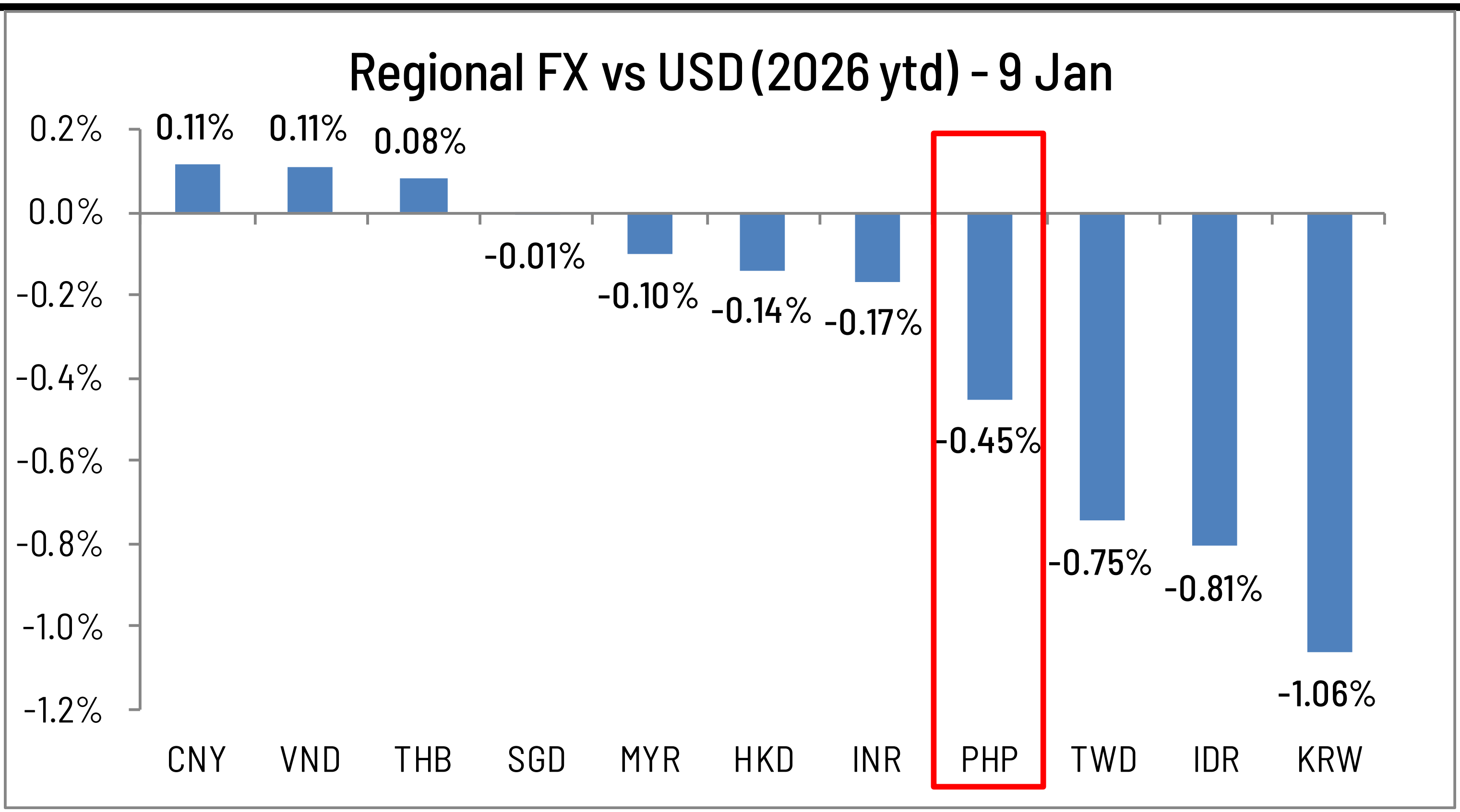
Asian currencies vs USD, since end-2024



(Stil) not the worst by any stretch

Source: Bloomberg Finance LP, REGIS estimates,

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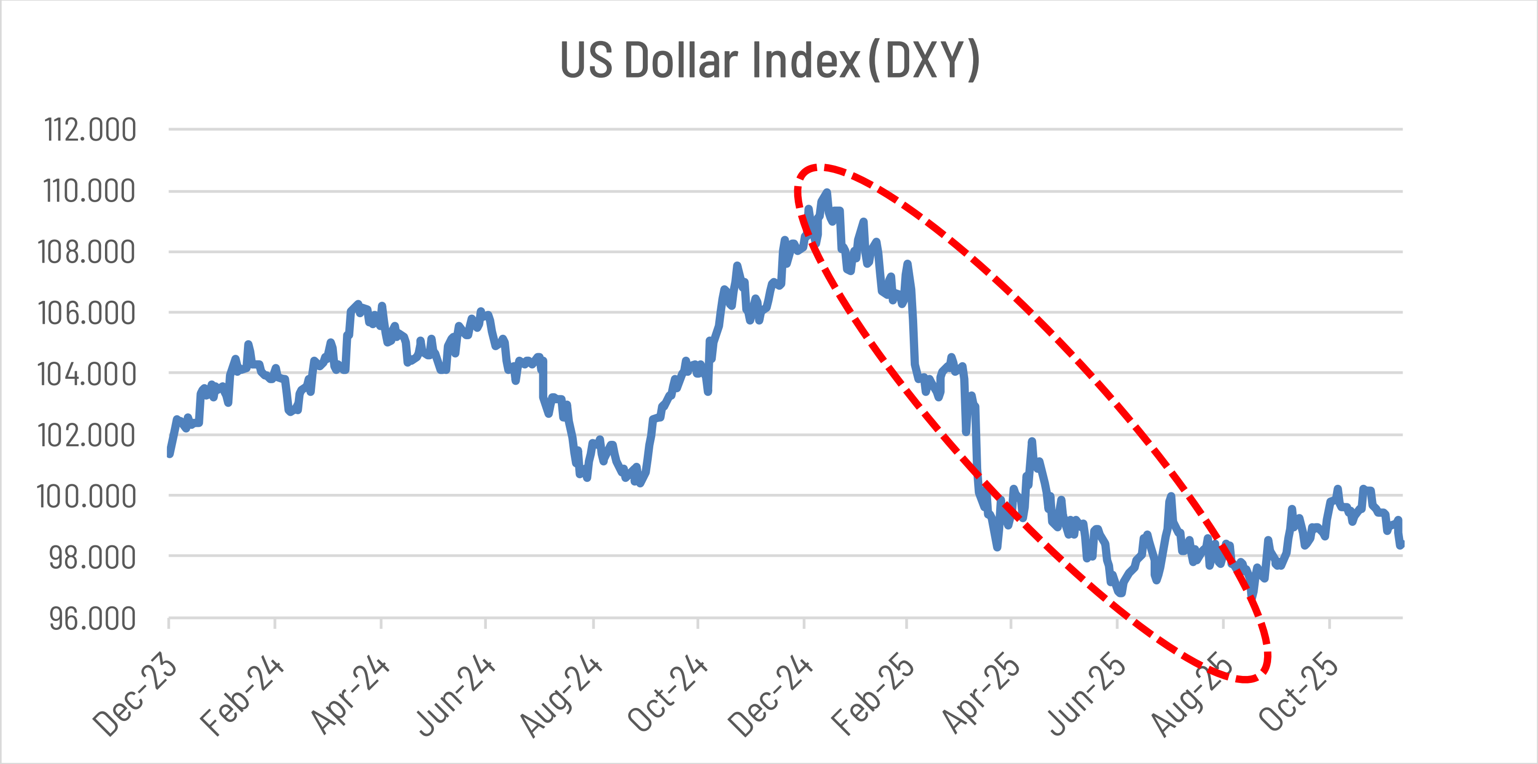
USD weakness reversing?

DXY Index



Weak USD since start of Trump 2.0 has helped

Source: Bloomberg Finance LP, REGIS estimates,

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Less and less bullish-ish...

REGIS - key forecasts	2024	2025E	2026E	2027E
GDP growth	5.6%	4.8%	5.5%	5.7%
Inflation (avg)	3.2%	1.8%	3.0%	3.0%
BSP policy rate	5.75%	4.50%	4.25%	4.25%
10-yr BVAL	6.2%	5.9%	5.5%	5.7%
PHP/USD yr end	57.84	59.00	61.00	63.00
RRR	7.0%	5.0%	5.0%	2.0%

GDP growth forecasts taken down (from 5.5% in 2025E and 5.8% in 2026E)
BSP to cut rates once more in 2026E, to support growth
Twin fiscal/CA deficits are a constant worry for PHP

Source: Bloomberg, REGIS estimates

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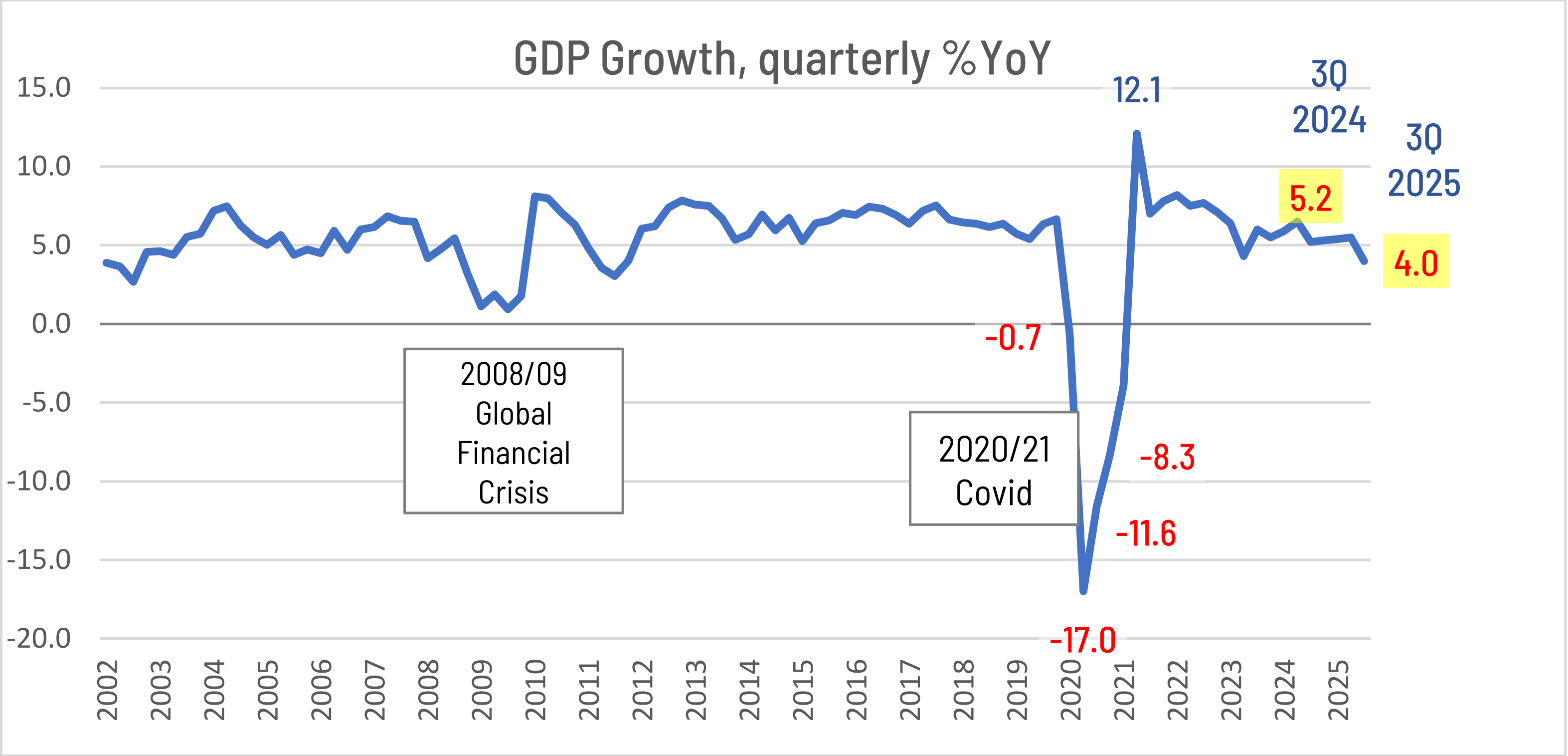
"Flood control" drags 3Q25 GDP, +4.0% YoY…

GDP growth, %YoY



<u>Weakest since 2011 (ex-Covid)</u>

<u>Despite slower inflation, lower interest rates, mid-term elections</u>

Source: Philippine Statistics Authority, REGIS estimates

Weakness across the board

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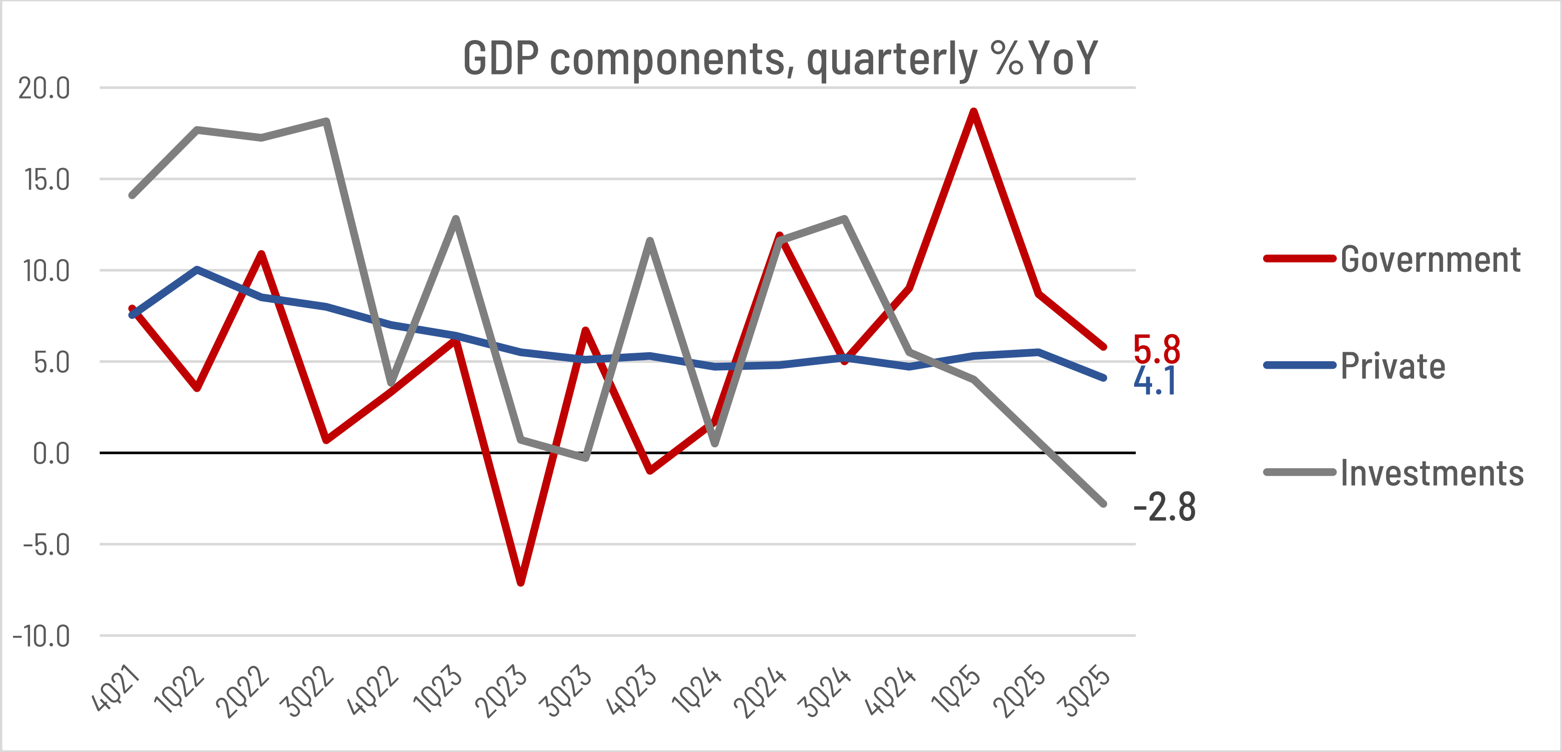
GDP growth drivers, %YoY



Corruption investigations drag Gov't Spend

Investments hit by Public Construction -26% YoY

Consumption (un-ironically) hurt by unusually stormy 3Q25

Source: Philippine Statistics Authority, REGIS estimates

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9M25 earnings, too, were patchy

REGIS coverage by sector	3Q24	3Q25	YoY	9M24	9M25	YoY
Banks	53,755	55,637	4%	152,810	159,914	5%
Conglomerates	44,567	45,120	1%	133,700	138,376	3%
Consumer/Retail	13,412	13,667	2%	49,539	45,306	-9%
Gaming	(470)	(1,748)	nm	3,503	(2,708)	nm
Mining	1,436	3,095	116%	2,552	4,393	72%
Power/Utilities	31,473	29,970	-5%	102,909	94,888	-8%
Property	29,846	31,200	5%	83,060	91,785	11%
Telecoms	17,101	16,218	-5%	51,486	50,199	-3%
Transport	10,781	15,262	42%	36,153	46,736	29%
Regis Total	**201,901**	**208,421**	3%	**615,712**	**628,889**	2%

9M25 NPAT of REGIS coverage up just 2% YoY;
Can consumer spending still rebound in 4Q?

Source: Company data, REGIS estimates

Flood Control / Infra Corruption scandal

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Potential impact?

- Slowdown in government disbursements
- Reduced infrastructure spend
- Increased scrutiny could hurt some sectors
  - Luxury goods / cars
  - Property (esp high-end) pre-sales
  - Casino visits

- **Upside from social spending / populist policies?**

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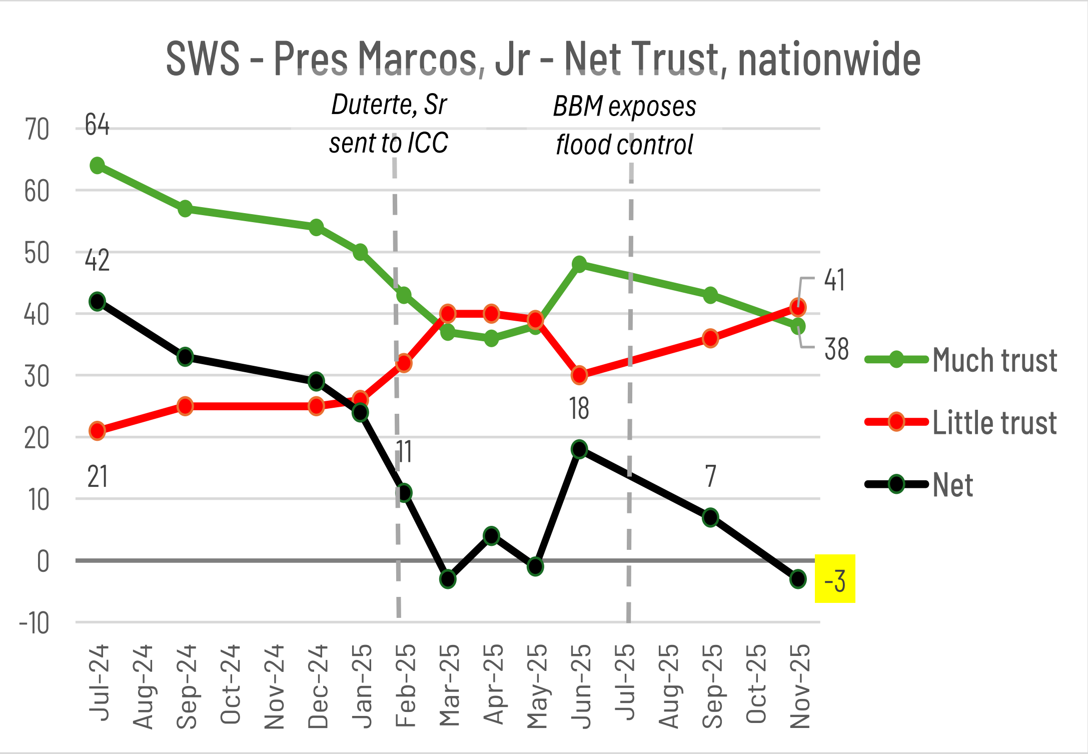
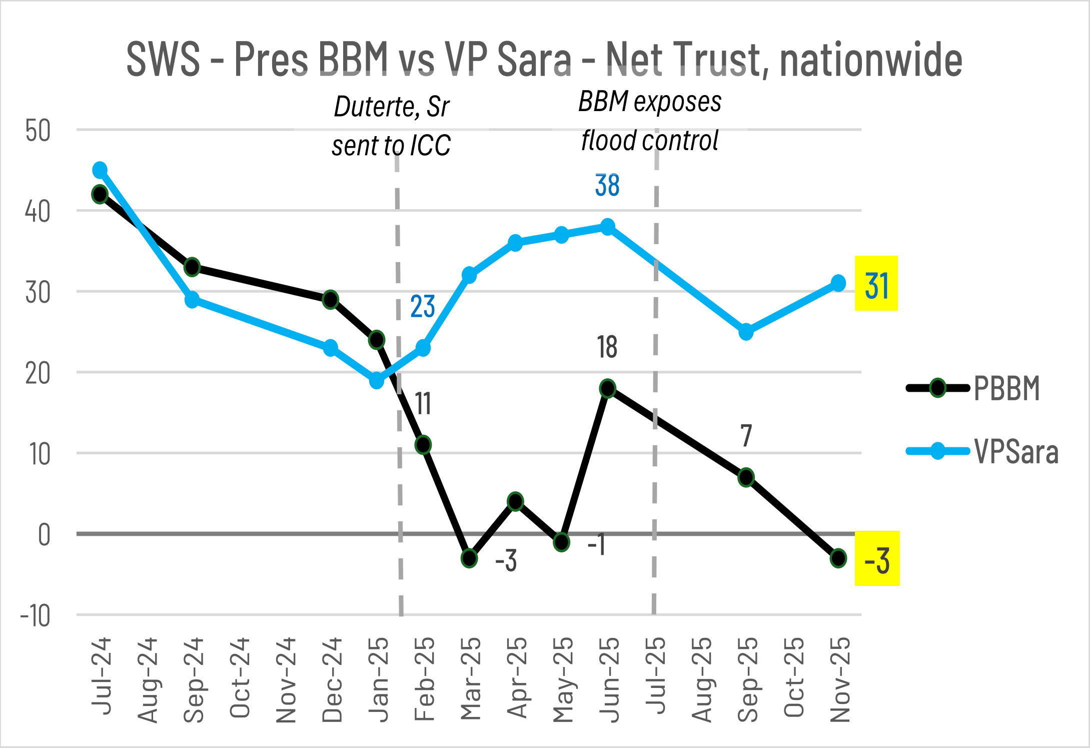
Marcos, Jr trust ratings tank (SWS)

SWS – Trust ratings of President Marcos, Jr (PBBM) and VP Sara Duterte (VPSara)





VP Sara's numbers, in contrast, are up

Source: Social Weather Stations, REGIS estimates

Marcos, Jr trust ratings tank (Pulse Asia)

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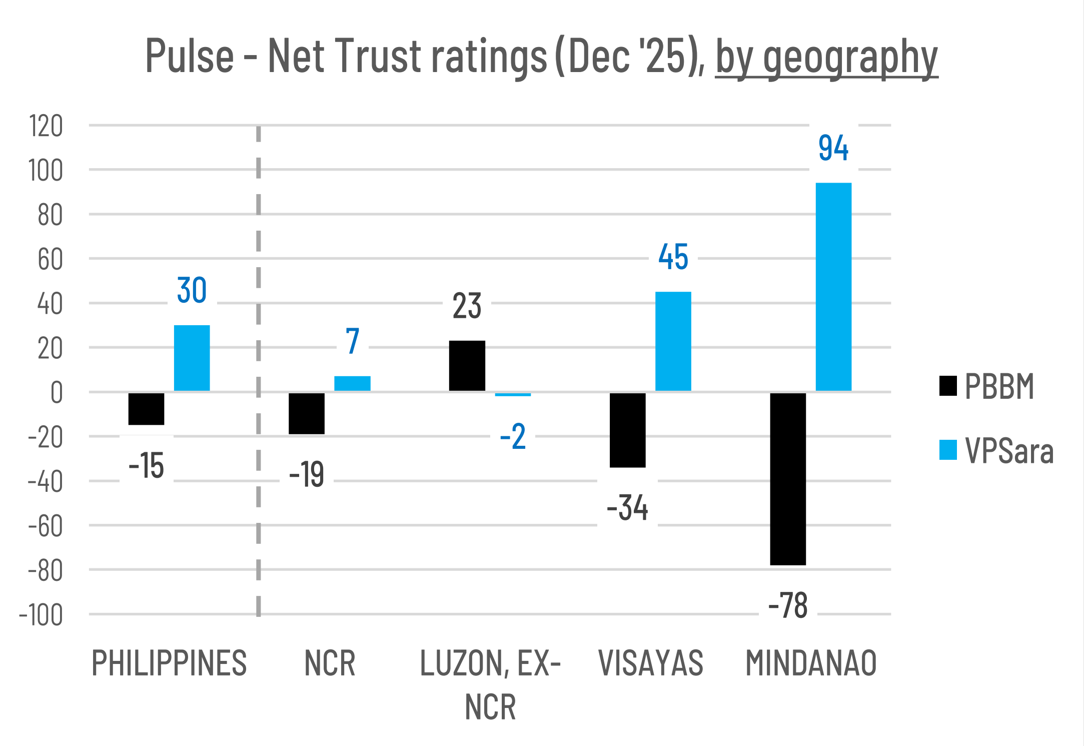
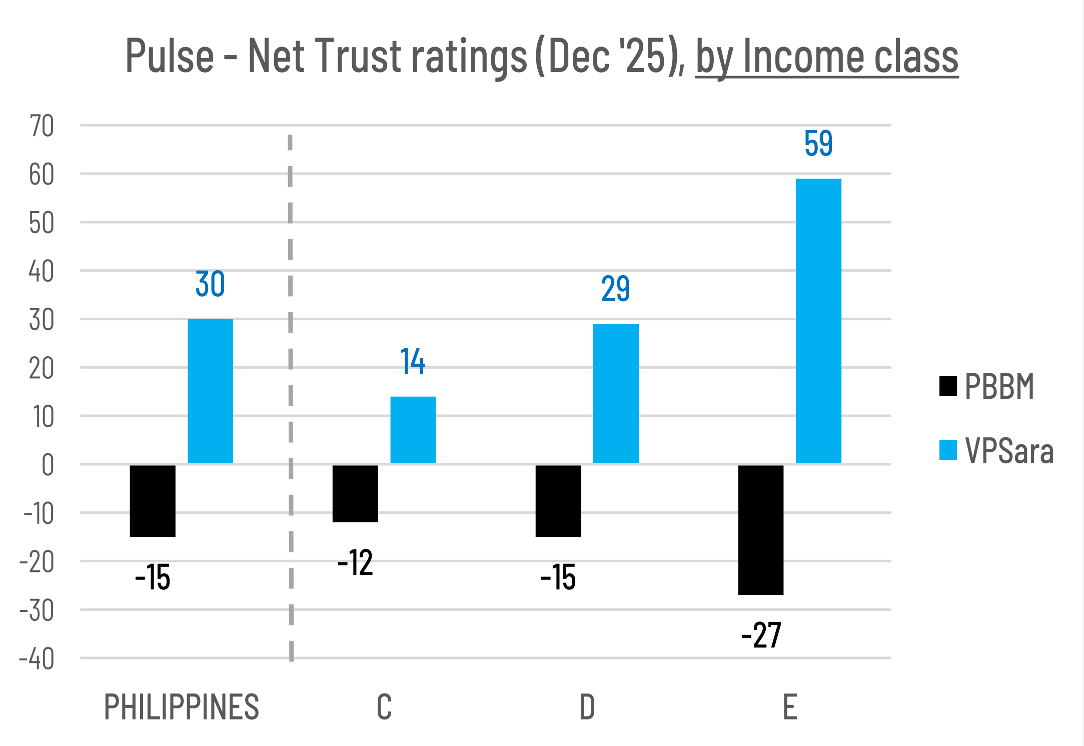
Pulse Asia – Trust ratings of President Marcos, Jr and VP Sara Duterte





<u>PBBM "trusted" only in the "Solid North", his family's bailiwick</u>

<u>Also a widening disparity by income group</u>

Source: Pulse Asia, REGIS estimates

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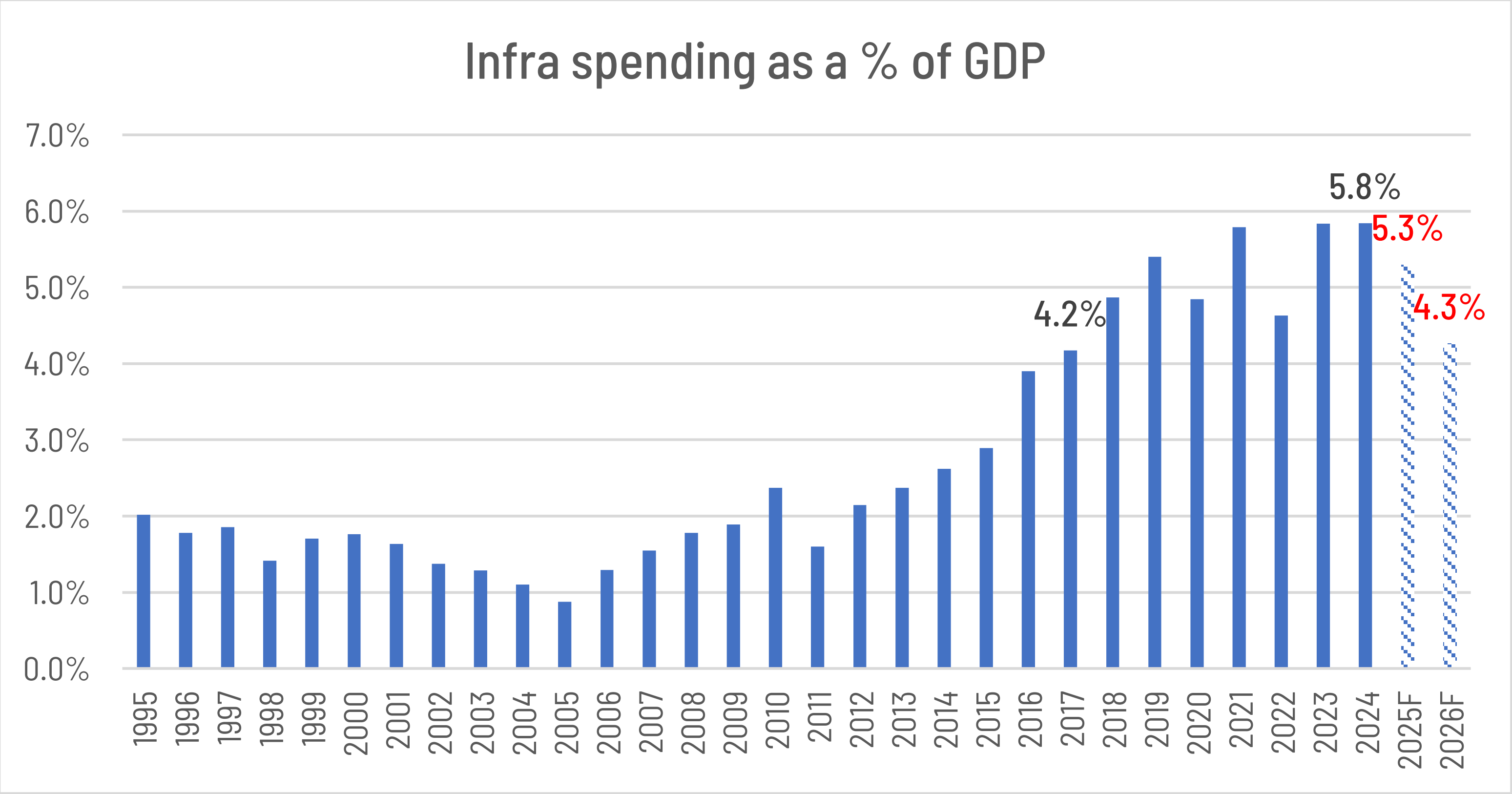
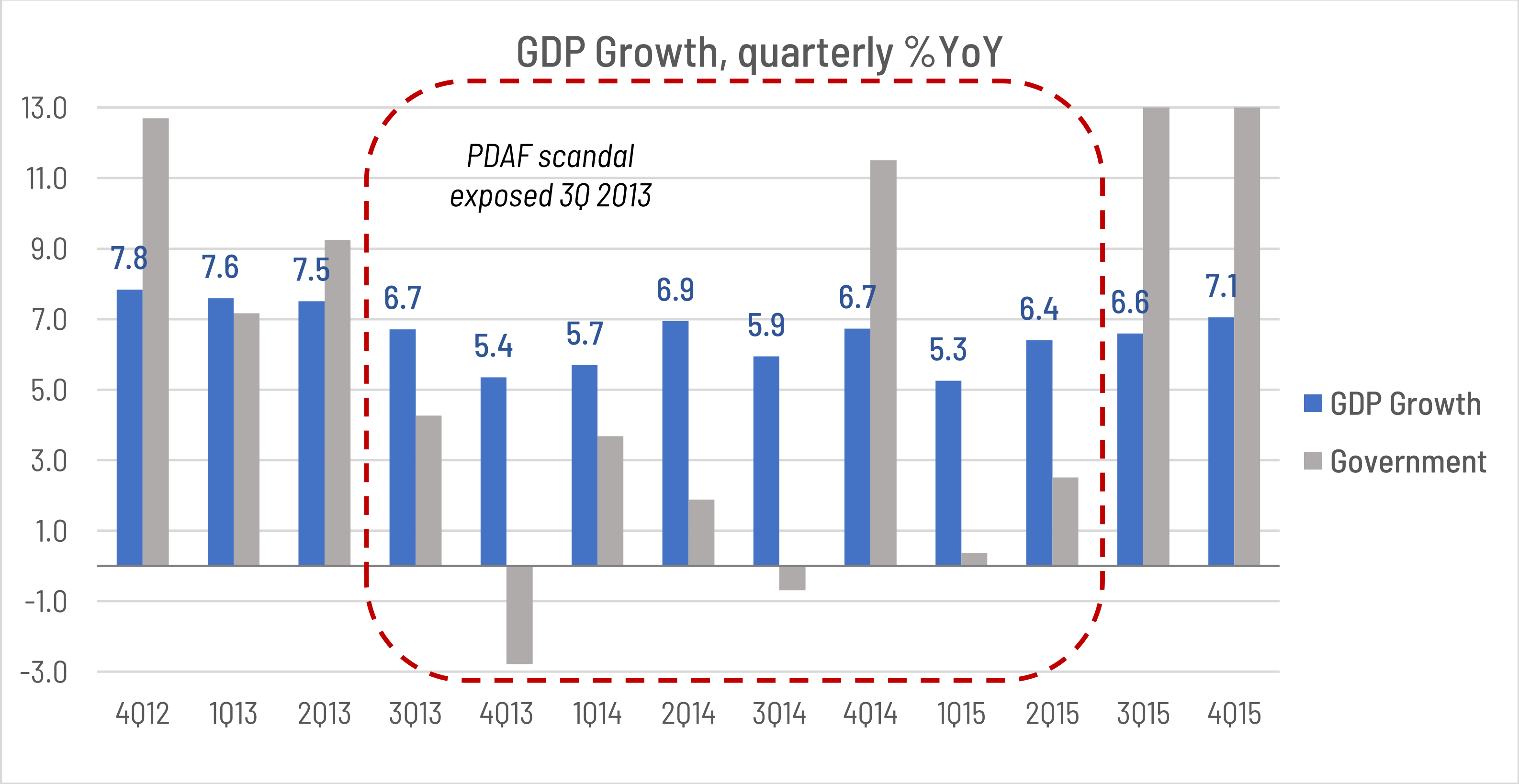
Infra spending collapses



Over P250bn ($4.3bn) removed from Public Works (DPWH) budget
Reallocated to Agriculture, Education, Health, Social Welfare Departments

Source: Bangko Sentral ng Pilipinas, REGIS estimates

Flood Control vs PDAF scandal (2013)



The PDAF scandal in 2013 dragged GDP down for over a year, on low government spending
But GDP came from high base (7%++) in 2012

Source: Bangko Sentral ng Pilipinas, REGIS estimates

Buy when there's blood on the streets?

2001-03: GMA takes over from Estrada

- From 2003 low, doubled in 2 years; 4x in 4 years
- Catalyst: eVAT fixed fiscal, BPOs = CA surplus

2008-09: Global Financial Crisis

- From 2008 low, 3.5x in 4 years
- Catalyst: Quantitative Easing

2013: PDAF scam

- From end-2013 low, up 40% in 1.5 years
- Catalyst: QE2, post "taper tantrum"

Market will likely be on higher multiples in 2-3 years... But...
A) Have we hit bottom? B) What's the catalyst?

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How does this end?

Base case: Muddling through

- Arrests / charges filed
- Congress / Senate / DPWH / Contractors
- Lame duck until 2028 elections

Crisis deepens: BBM resigns, VP Sara takes over

- Unlikely, as military / elites not in favor (esp for 9 yrs?)
- Further de-rating

Military intervention

- Highly unlikely, without civilian support / acceptable figurehead

BBM will need some high-profile wins, and soon

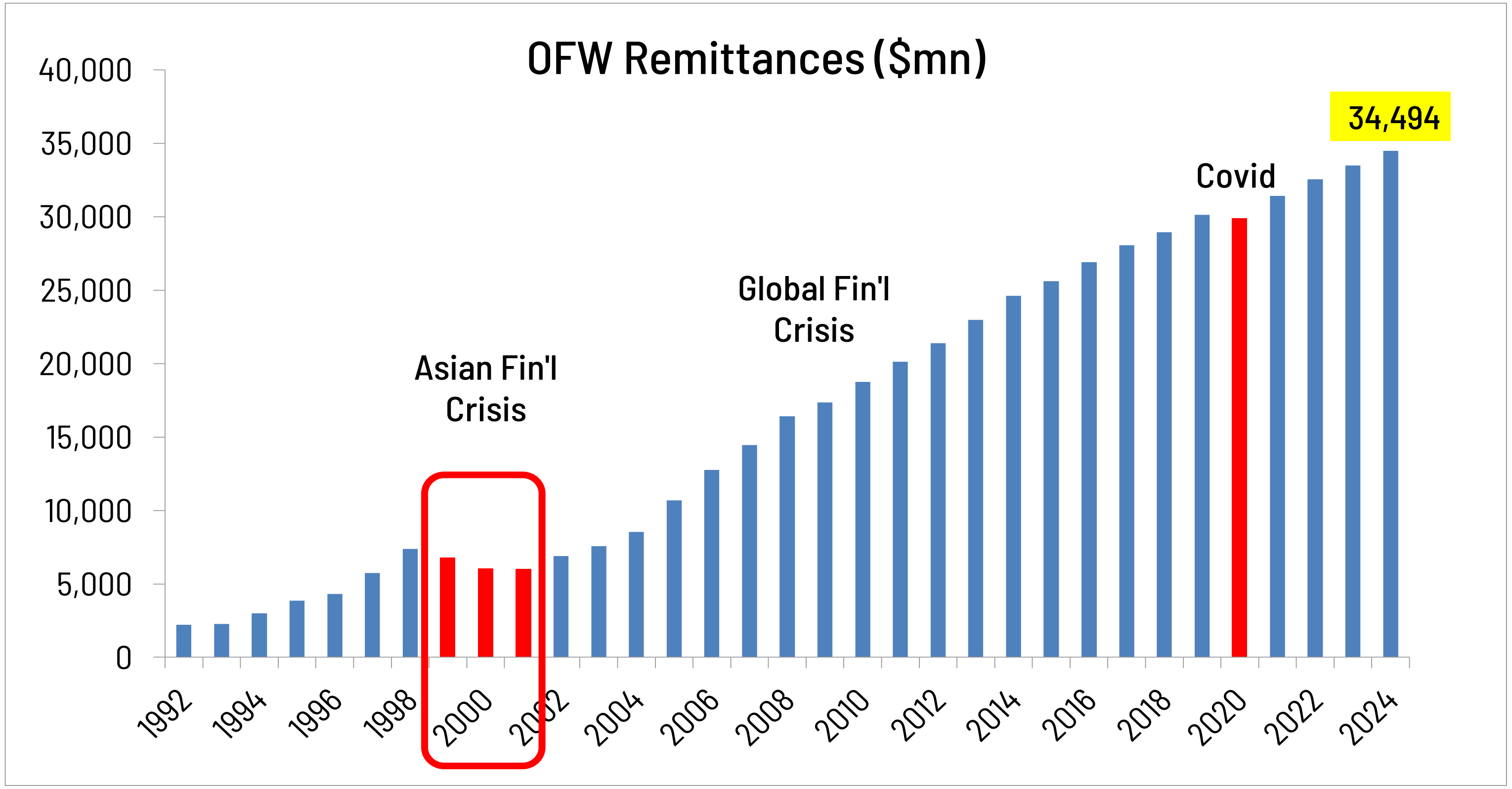
Consumers' patchy recovery

- Demand drivers pointed to strong recovery…
  - Inflation at sub-2%; already at -0.2% to -0.8% for "bottom 30%" since June
  - Rice is Life – Rice CPI -17% YoY
  - Minimum wage hikes (NCR): 7% in 2023 / 6% 2024 / 8% in 2025
  - Election spending

- … but GDP data / company results have been patchy
  - Hard discounters? Already formed habits?
  - Return of competition from informal / illicit trade?
  - Online gambling??
  - Bad weather in 3Q25

Remittances – resilient through past crises

Remittances

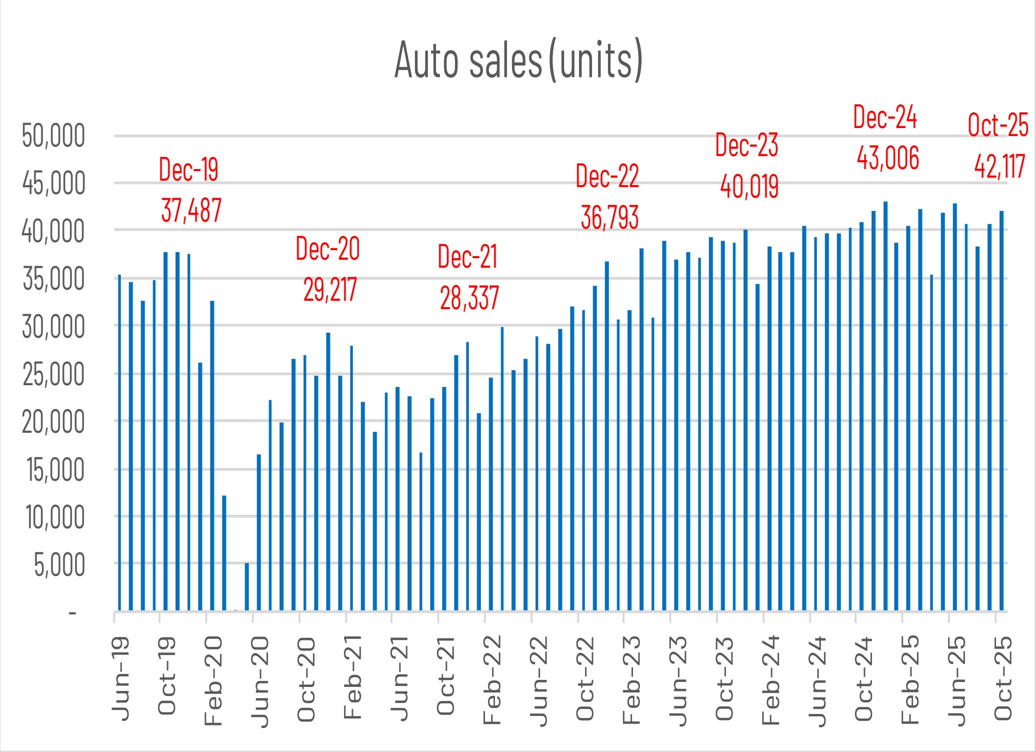


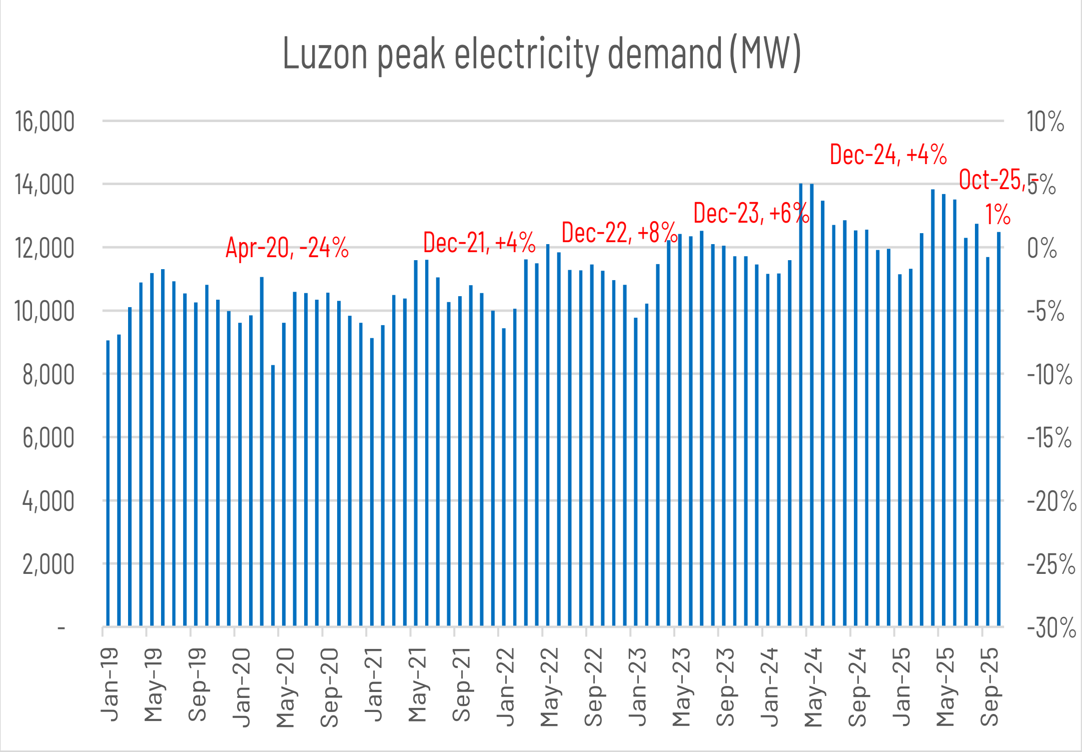
Remittances only declined during AFC (big PHP depreciation), and mild drop (-0.8%) during Covid
10M2025 remittances +3.2% YoY

Source: Bangko Sentral ng Pilipinas, REGIS estimates

Consumer demand firm-ish

Economic activity still showing positive momentum



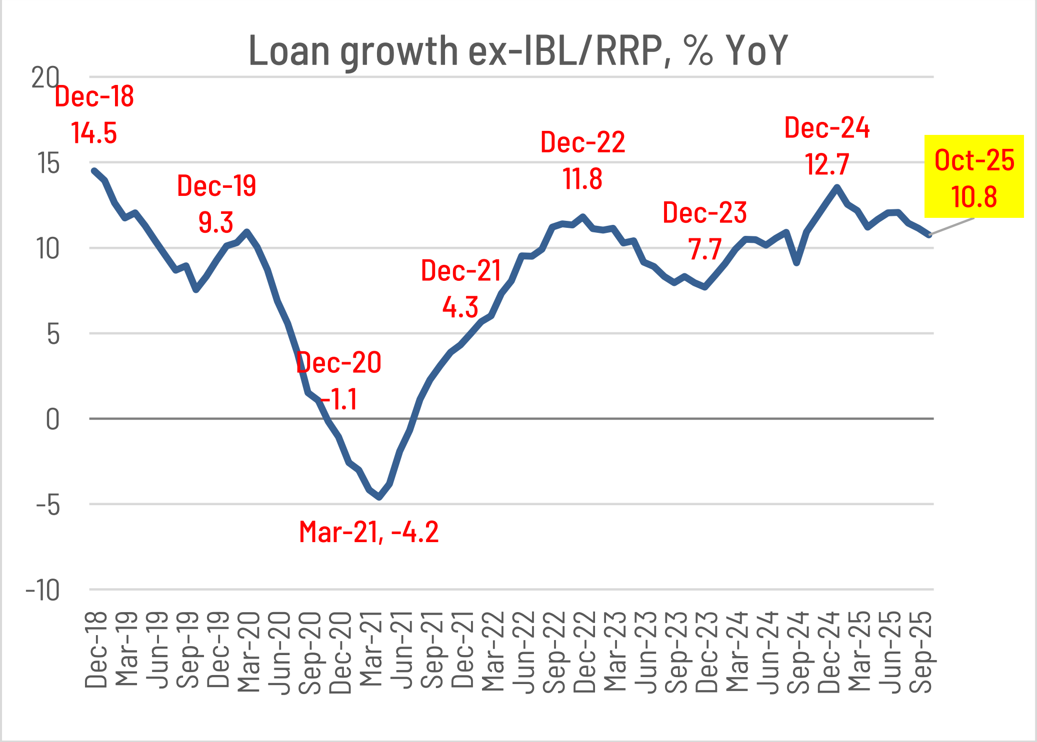


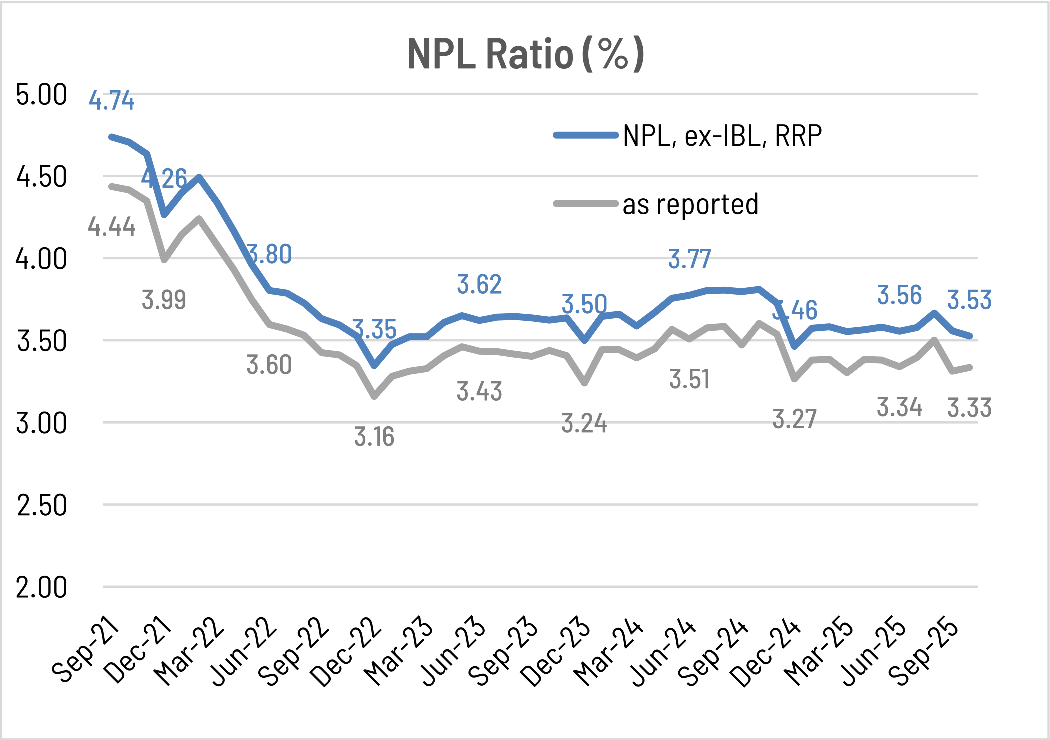
Auto sales up 4% in 10M2025 (already assuming contribution from BYD)
Electricity demand flat (-0.5%) in 10M25; vs +7% in 2024

Source: REGIS estimates

Loan demand still strong-ish

Loan growth and Asset quality (ex-Interbank Loans, ex-Reverse Repos





Loan growth still relatively healthy at +10.8% YoY in October

Asset quality (NPLs, PDs) relatively stable

Source: Bangko Sentral ng Pilipinas, REGIS estimates

Consumers seem resilient-ish

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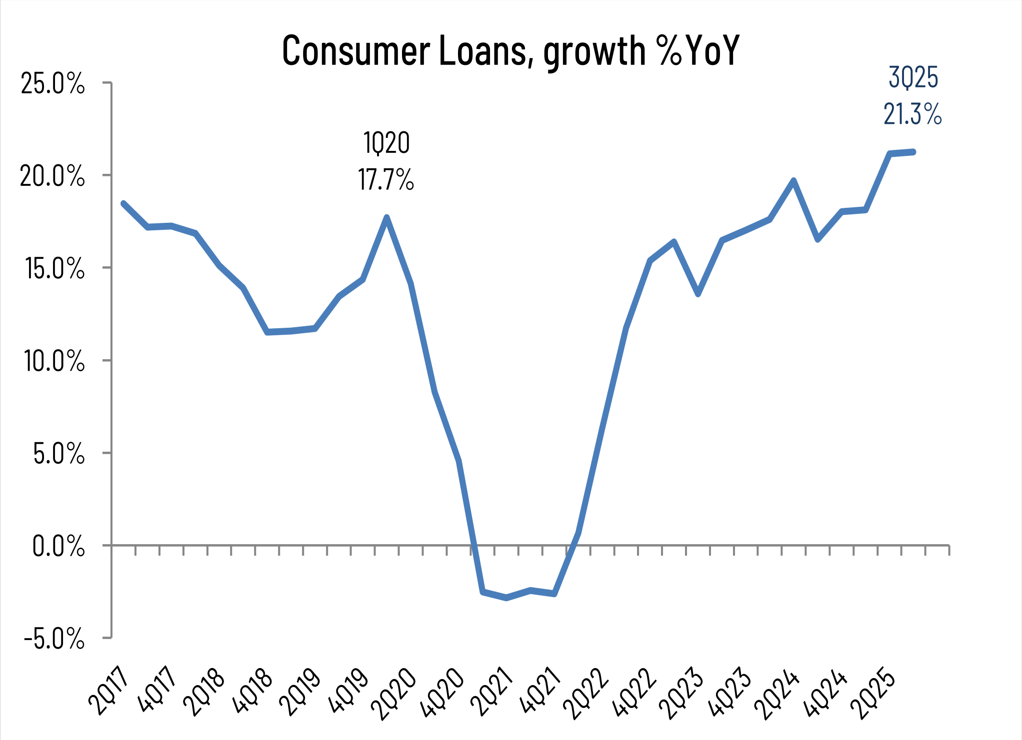
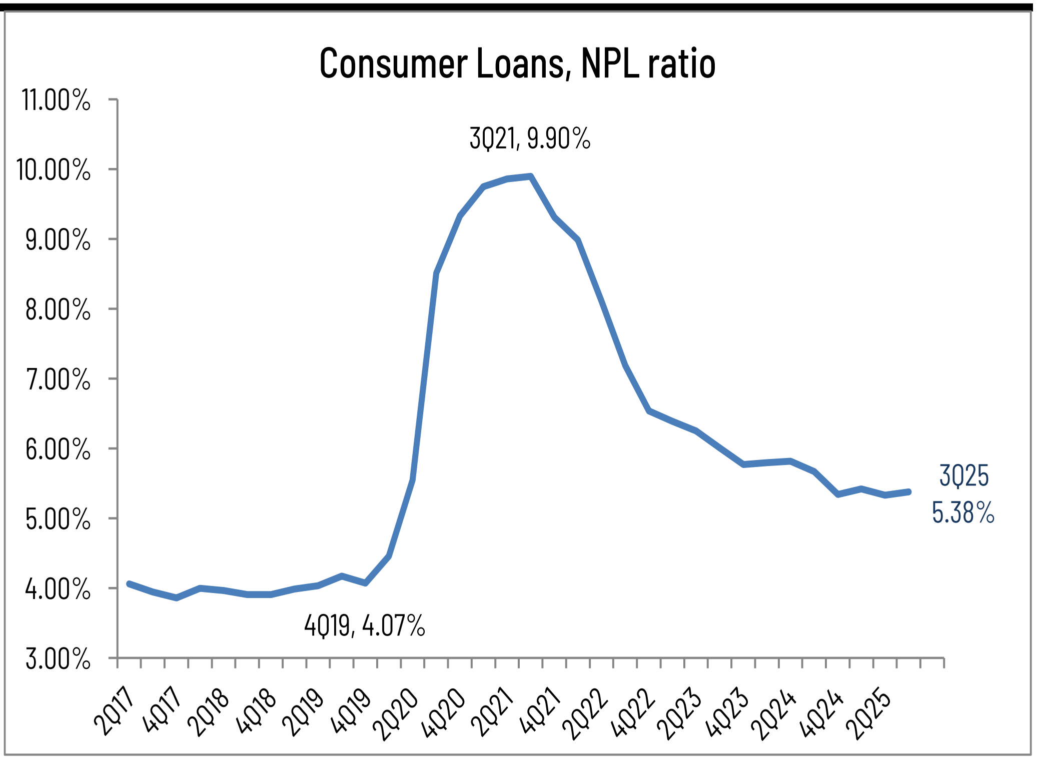
Consumer loan surge; NPLs well off the peaks





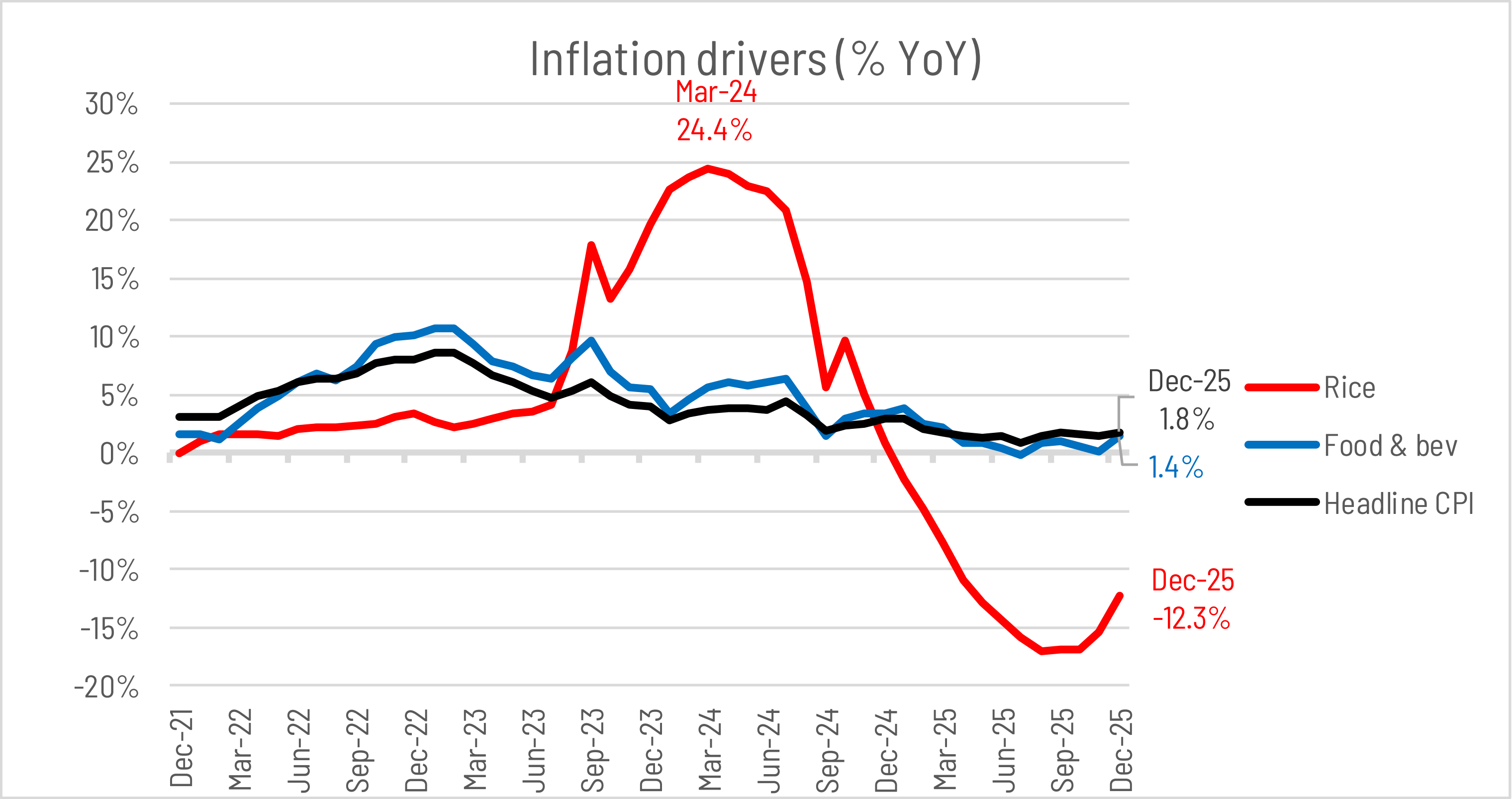
Consumer loans up 21% YoY in 3Q2025, credit cards still +30%

<u>NPLs steady, inched up QoQ</u>

Source: Bangko Sentral ng Pilipinas, REGIS estimates

"Rice is life" – easing prices = low-income relief

Food (esp rice) drives inflation



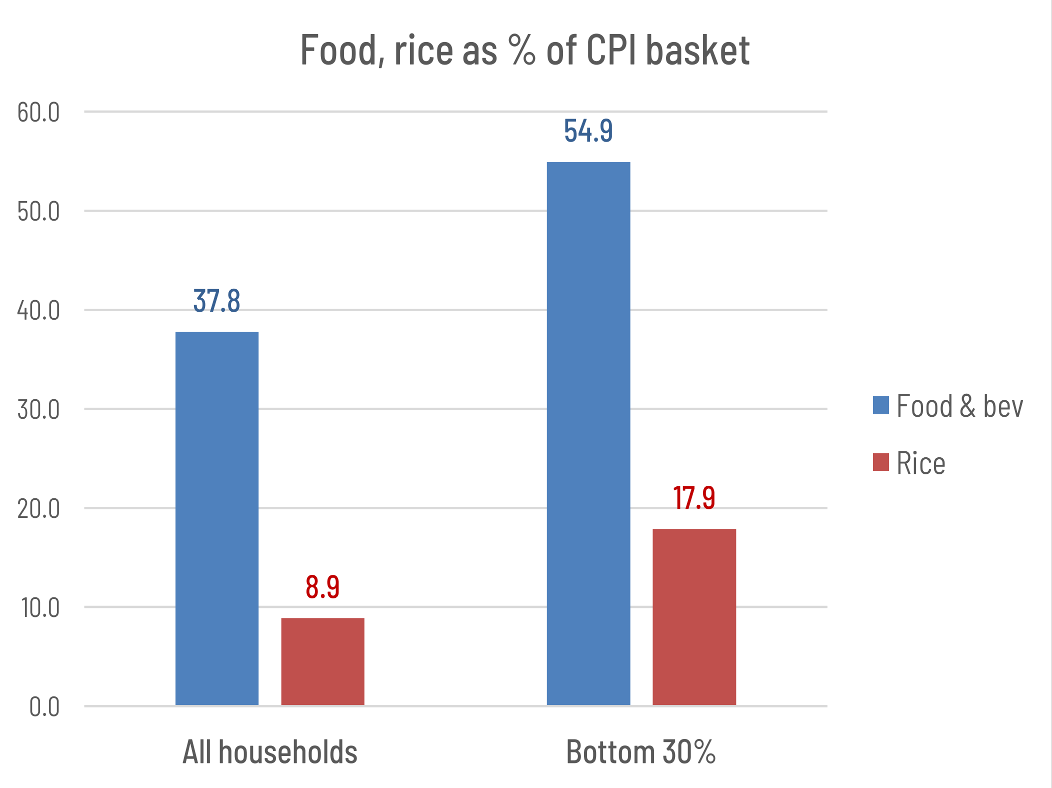
Rice is 8.9% of CPI. *Much higher (18% of CPI) share of low-income household incomes*

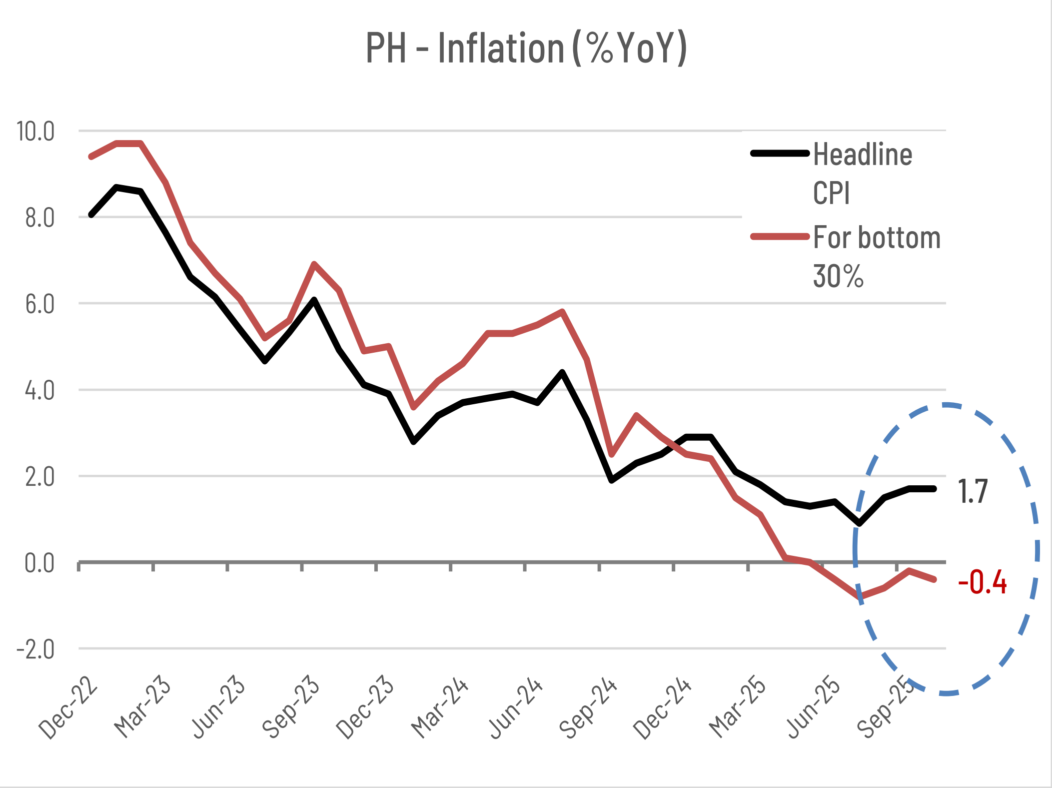
Rice CPI was -12% in Dec; base effects starting to fade?

Source: Philippine Statistics Authority, REGIS estimates

“Rice is life” – easing prices = low-income relief

Food (esp rice) drives inflation



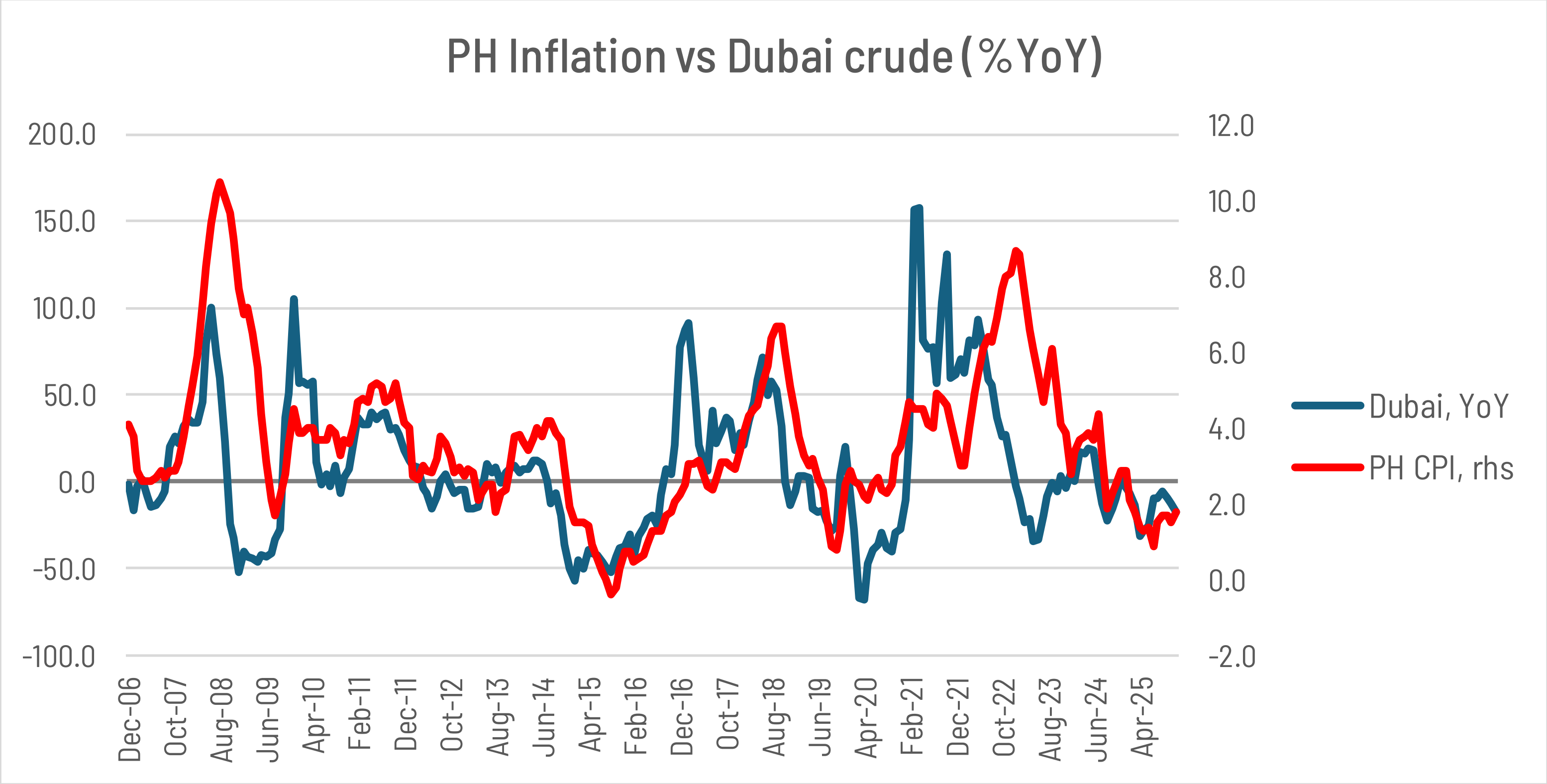


<u>Rice and food prices are a much bigger portion of spending for lower-income households</u>

Source: Philippine Statistics Authority, REGIS estimates

Oil prices are also behaving

Crude prices vs CPI



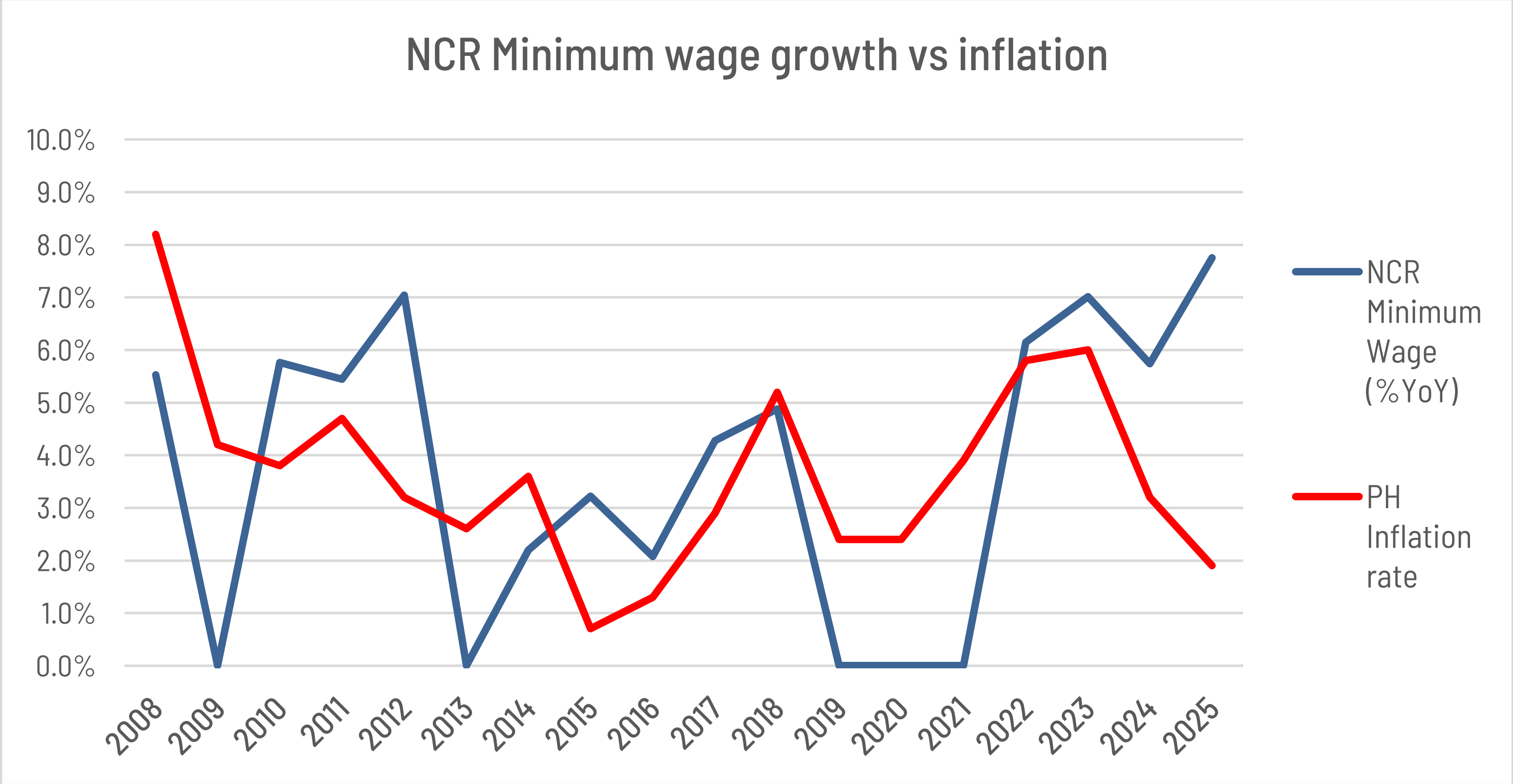
Strong second-round effects on transport, logistics, etc

Philippines imports nearly 100% of oil / petroleum products

Source: Bloomberg Finance LP, REGIS estimates

Minimum wages +7.8% in NCR for July 2025

Metro Manila minimum wage hikes vs CPI Inflation

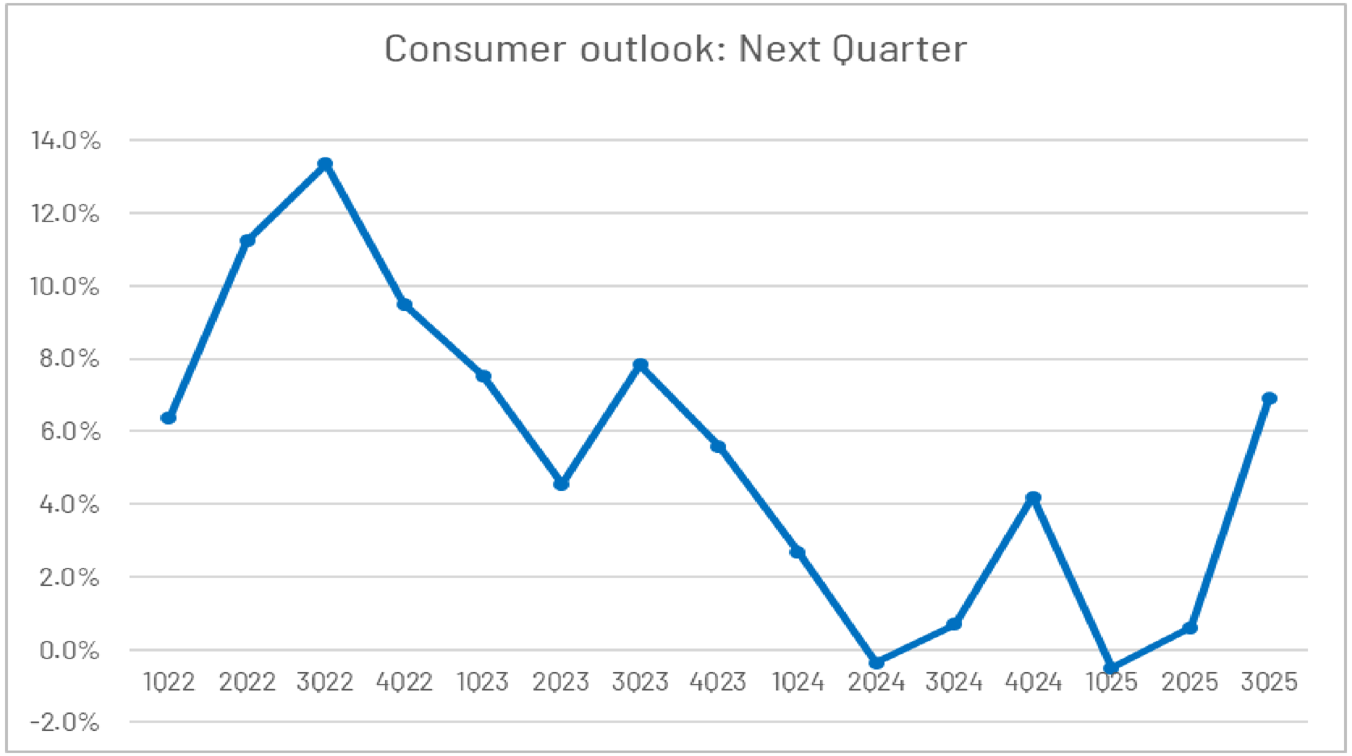


Third year of better-than-inflation wage hikes (7% in 2023 / 6% in 2024 / 8% in 2025)

Source: Department of Labor and Employment, REGIS estimates

Consumer confidence improving

BSP - Consumer Expectation Survey (CES), for Next Quarter



Not just your typical Christmas season cheer, we hope

Source: Bangko Sentral ng Pilipinas, REGIS estimates

E-gambling (literally) eating our lunch?

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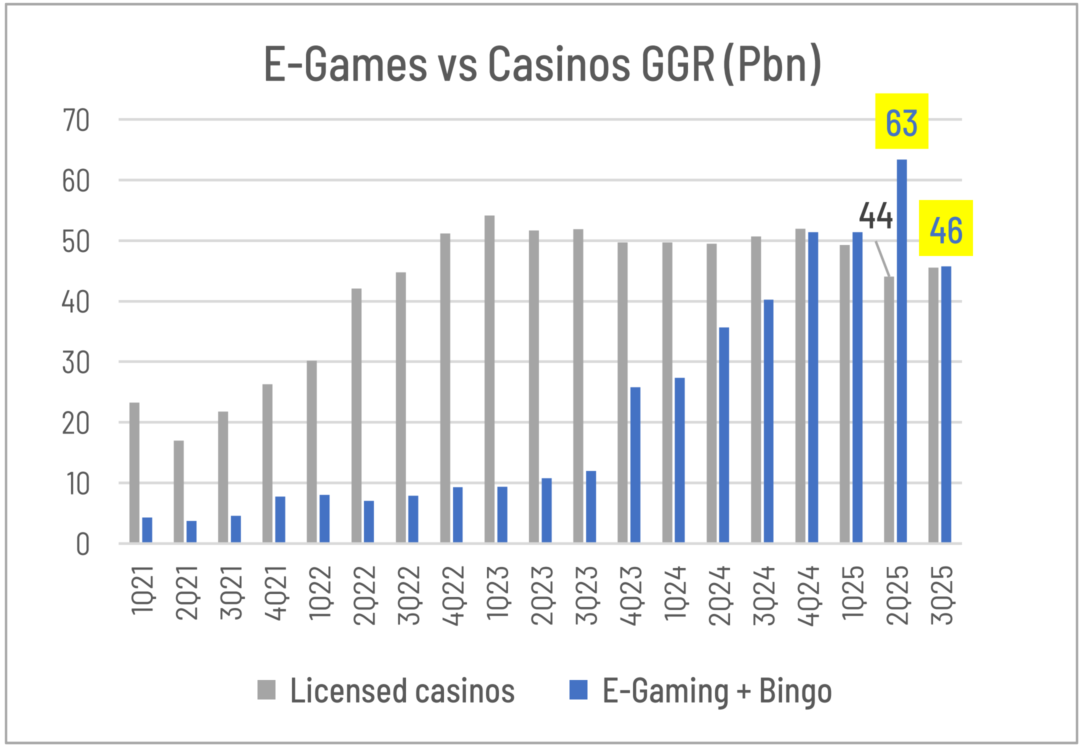
Spectacular growth of e-gaming

2024		Total Gaming		E-Games	
	GDP	GGR	GGR	GGR	GGR
Country	$mn	$mn	% of GDP	$mn	% of GDP
Philippines	**461,620**	**6,509**	**1.41%**	**2,373**	**0.51%**
Australia *	1,725,460	20,910	1.21%		
Singapore	547,407	5,940	1.09%		
Italy	2,289,520	23,377	1.02%	5,414	0.24%
South Africa	403,050	3,370	0.84%		
Spain	1,662,681	11,000	0.66%	1,562	0.09%
United Kingdom	3,200,000	21,122	0.66%	9,350	0.29%
France	3,162,020	15,900	0.50%	2,950	0.09%
USA *	29,184,000	71,920	0.25%	21,540	0.07%
China *	18,700,000	28,300	0.15%		



Was tracking >P200bn GGR for 2025E, nearly 1% of GDP

<u>But e-gambling GGRs drop 28% QoQ, with only half-quarter impact from BSP de-linking rule</u>

Source: Philippine Statistics Authority, REGIS estimates

E-gambling (literally) eating our lunch?

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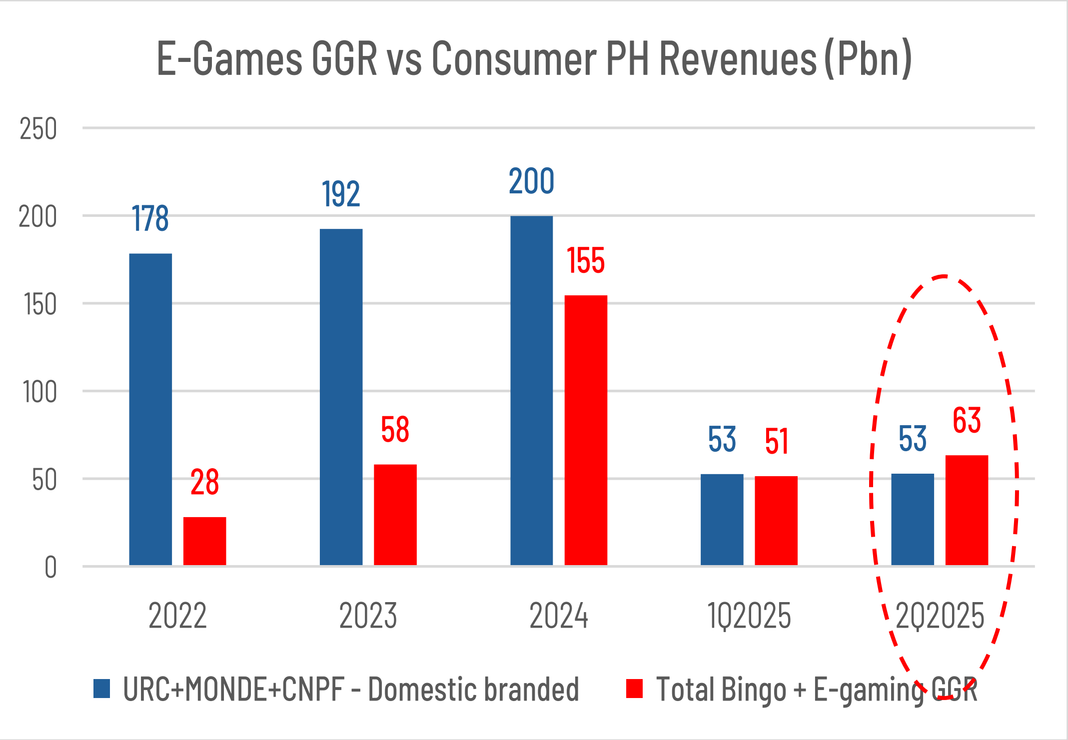
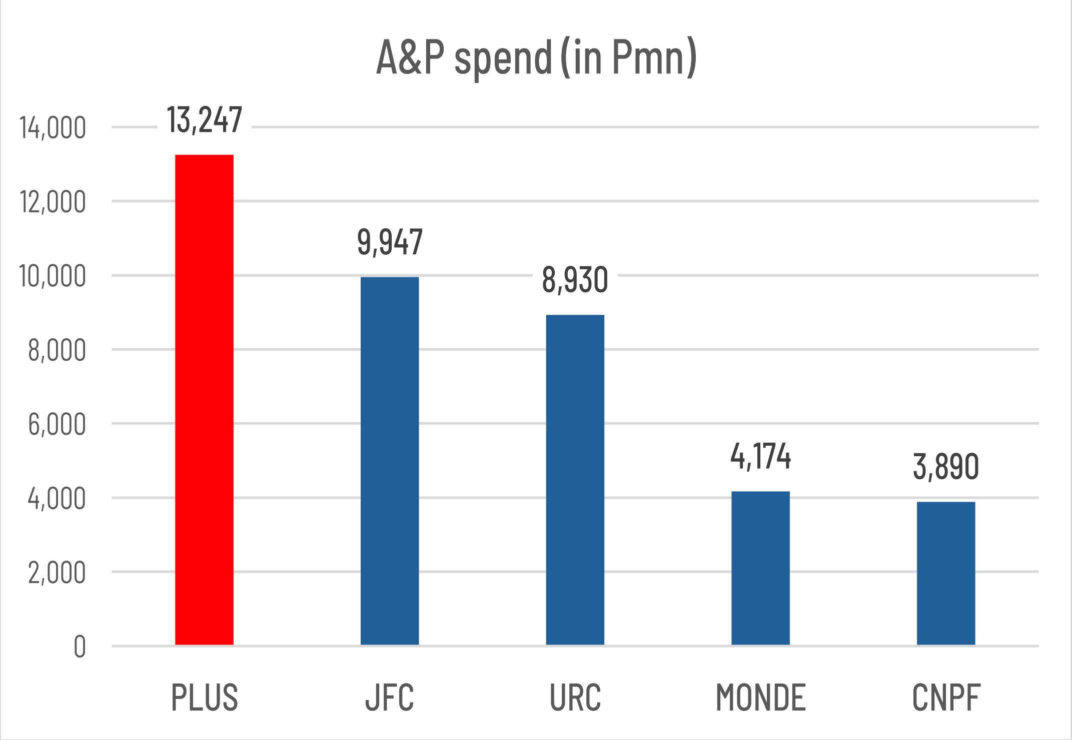
E-Gaming compared to consumer revenues, ad spend



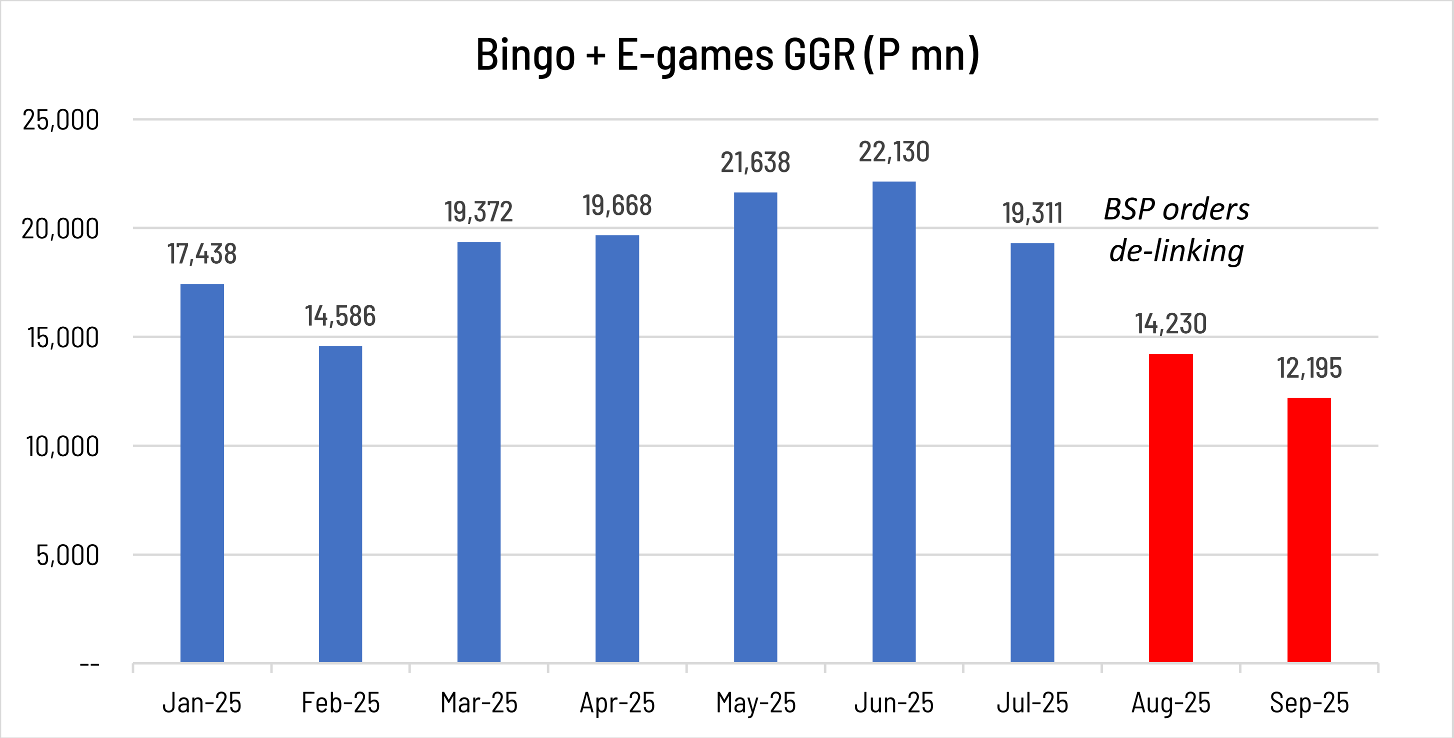


E-gambling GGRs were equivalent to domestic revenues of URC, MONDE and CNPF combined

Source: Philippine Statistics Authority, REGIS estimates

E-gambling (literally) eating our lunch?

Sharp drop in GGR since BSP de-linking order



<u>Could more regulations come? Or is Congress too distracted?</u>

<u>Is gambling just moving to illegal sites?</u>

Source: Philippine Statistics Authority, REGIS estimates

Digitalization surge continues

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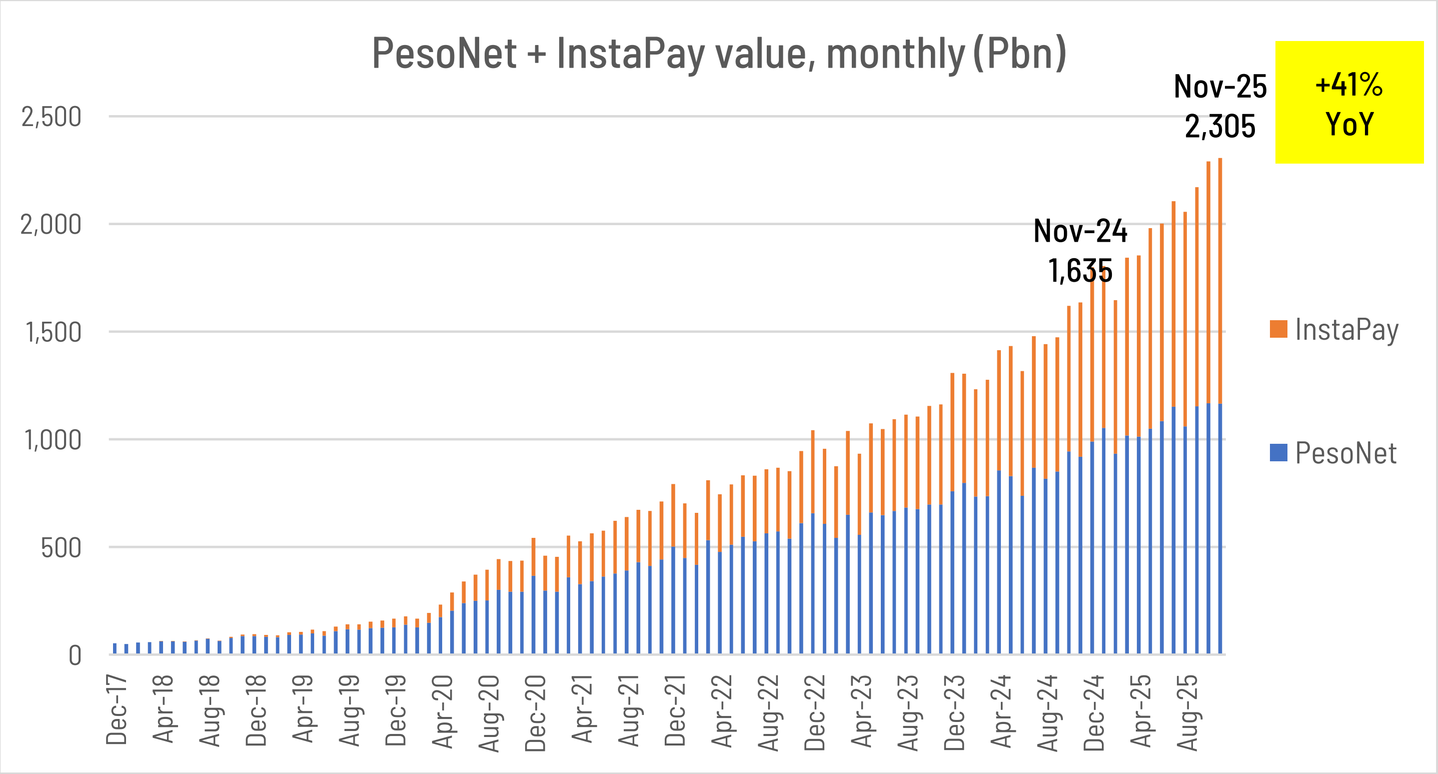
Transactions over National Retail Payments System (NRPS)



Digital payments surge +41% YoY in 11M25, hitting new highs of over P2 TRILLION / month

DOES NOT include payments made WITHIN a platform (eg GCash to GCash, BDO to BDO, etc)

Source: BSP, REGIS estimates

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Digitalization surge continues

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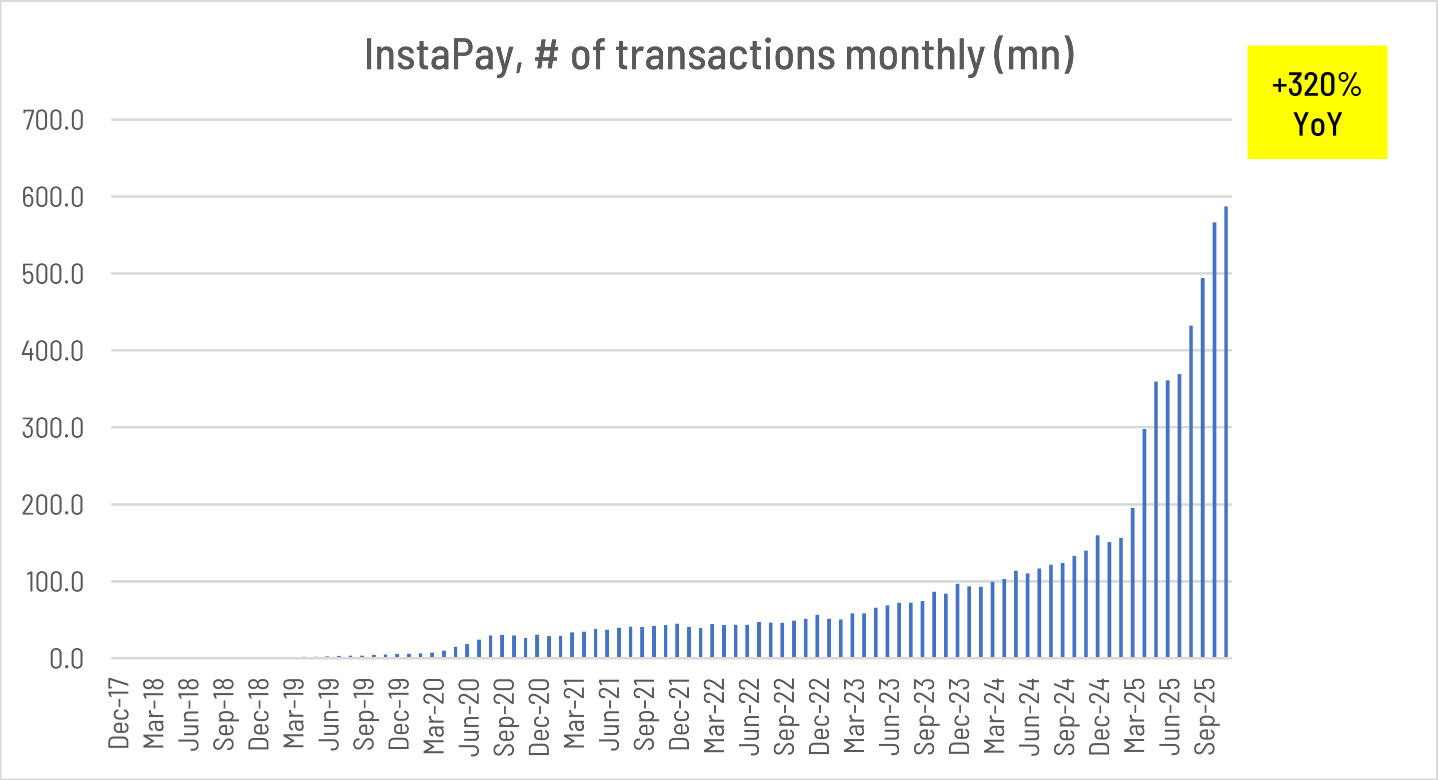
Transactions over National Retail Payments System (NRPS)



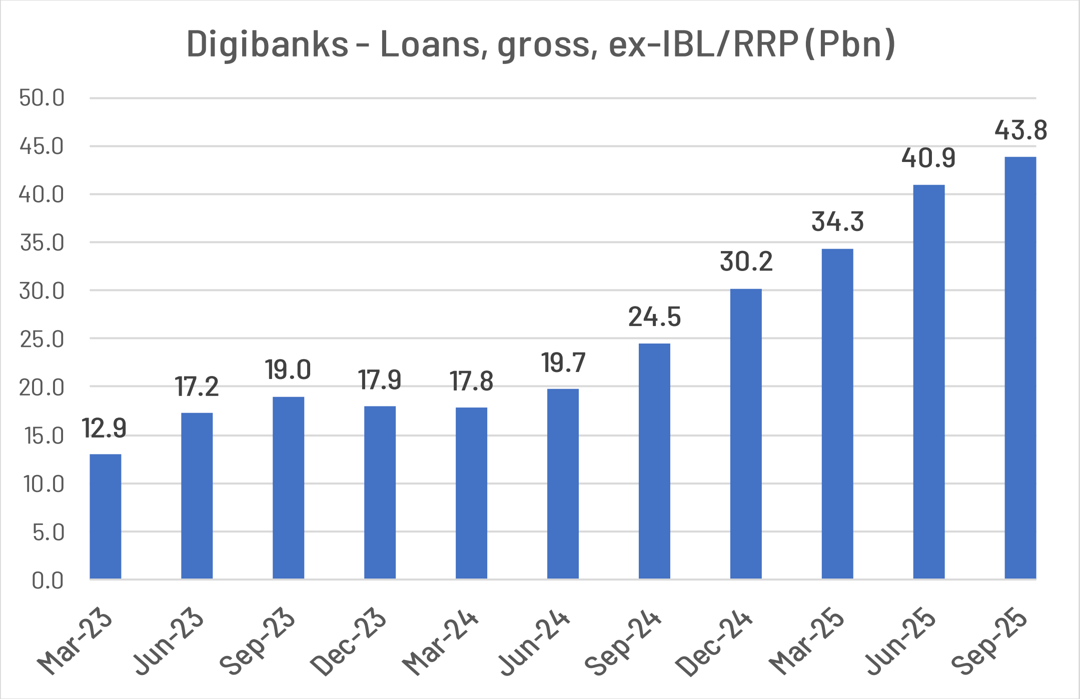
More surprisingly, the VOLUME of transactions has exploded

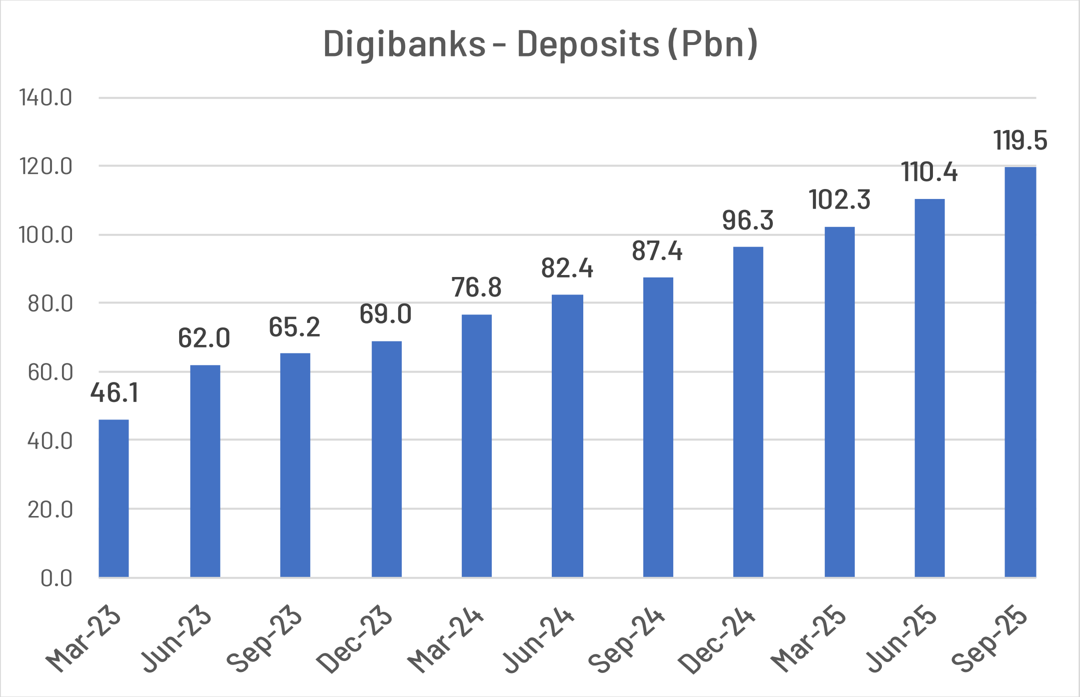
<u>InstaPay value up 59% YoY, but volumes were up >300% YoY in November</u>

Source: BSP, REGIS estimates

Digibanks surging too

Digibanks – Loans and Deposits

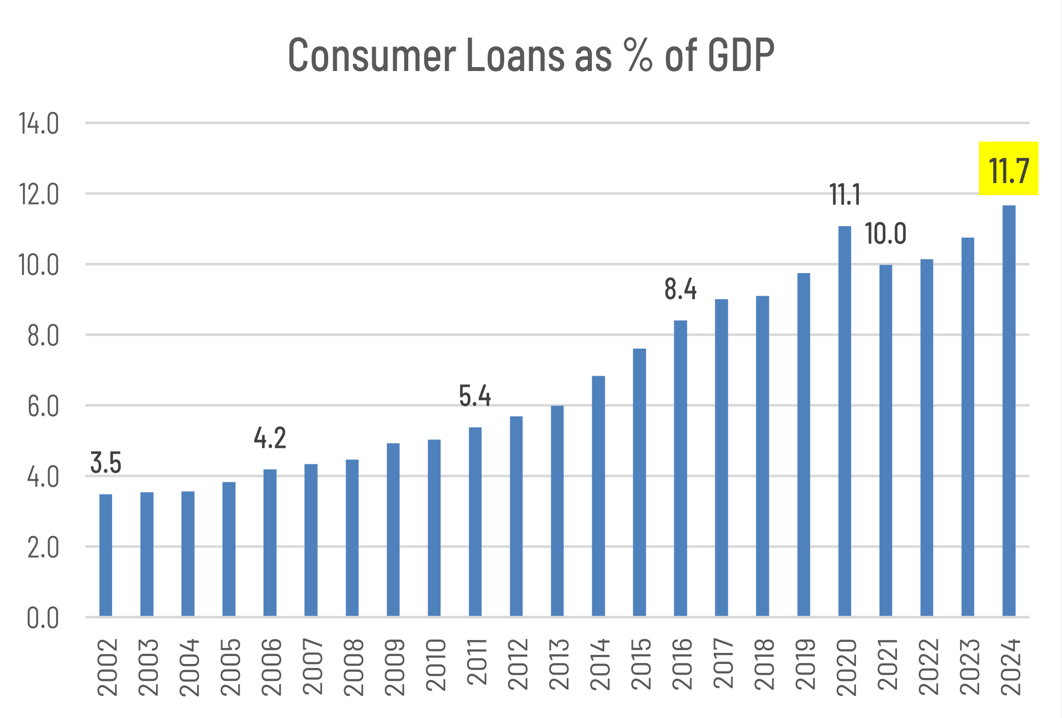


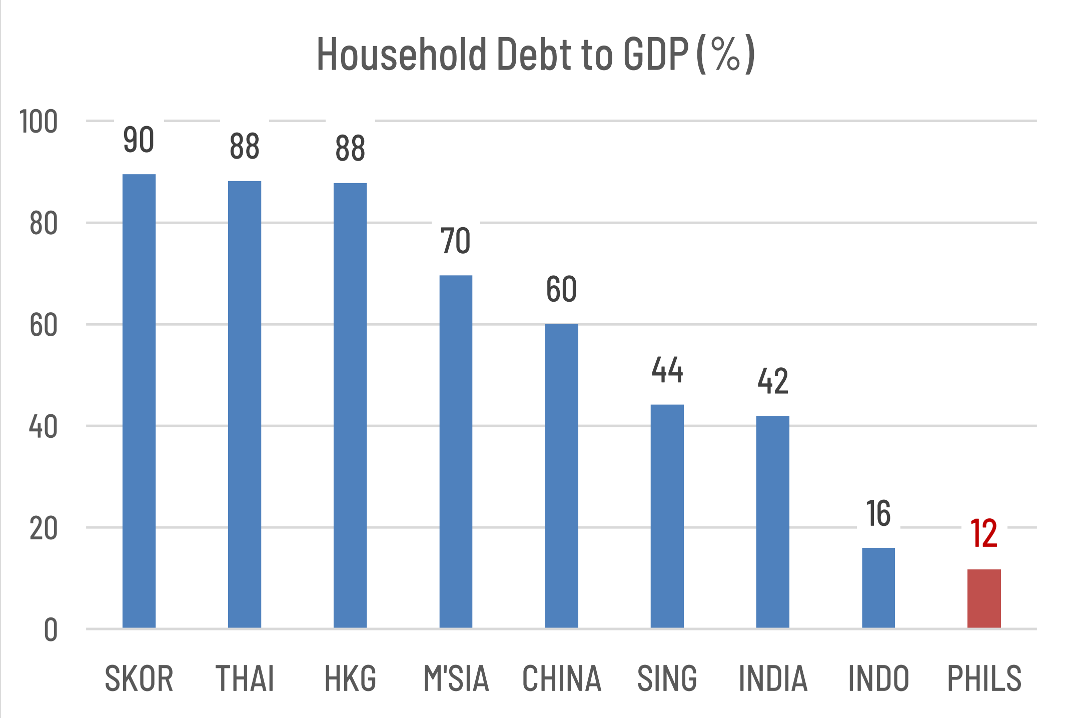


Digibank loans surge 79% YoY in 3Q2025; Lots of capacity with LDR at 37%
So far, only MAYA is profitable, but GoTyme, Tonik, UNO are show shrinking losses
Other "NeoBanks" include SEA Bank (MariBank), Salmon Bank

Source: BSP, REGIS estimates

Digital to spur financial inclusion?





While consumer loans have surged (+21% in 1H 2025)...

<u>Access to FORMAL credit is still extremely limited</u>

Source: BSP, REGIS estimates

Interest rate cuts

- Regis expects BSP to cut 25bps again in 2026E to 4.25%
  - Inflation still sub-2%, but base effects fading (esp with rice)
  - Weak GDP print, needs monetary to support fiscal
  - BSP guiding close to end of easing cycle, unless GDP disappoints again

- Downside risks from PHP depreciation
  - Depends largely on whether FED cuts as well
  - Rate differential is the narrowest it's ever been

- **Further RRR cuts?** Limited macro impact
  - BSP Gov Remolona says "happy" for RRR to fall from 5% to 2% in "a year or so

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Policy rates – local inflation vs Fed

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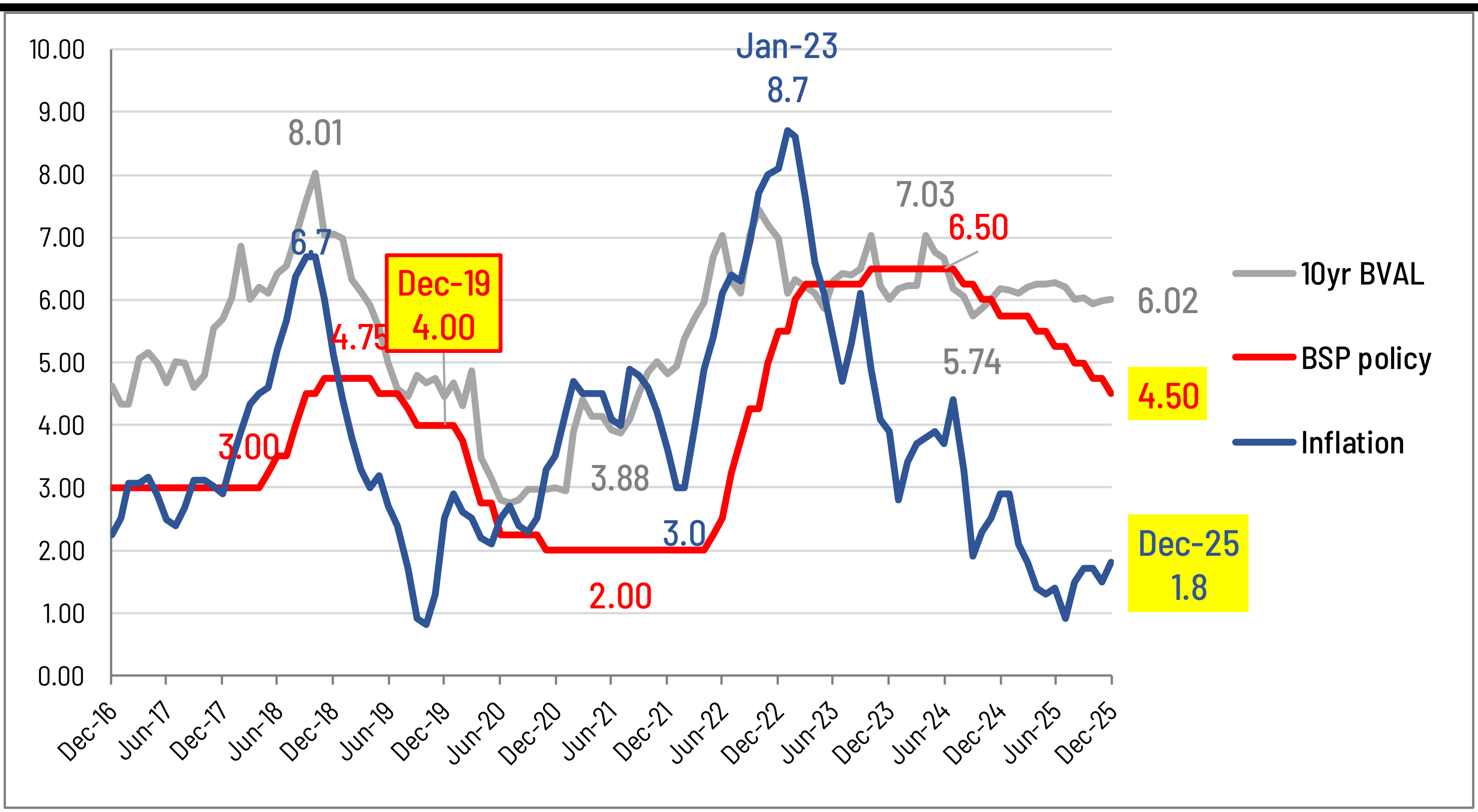
BSP policy rates vs CPI inflation vs 10-year Treasury



BSP cut rates 200bps since peak in 2024; REGIS sees one more cut to 4.25% in 2026E

Note that policy is still above the 4.0% level immediately before Covid

Source: Bloomberg Finance LP, REGIS estimates

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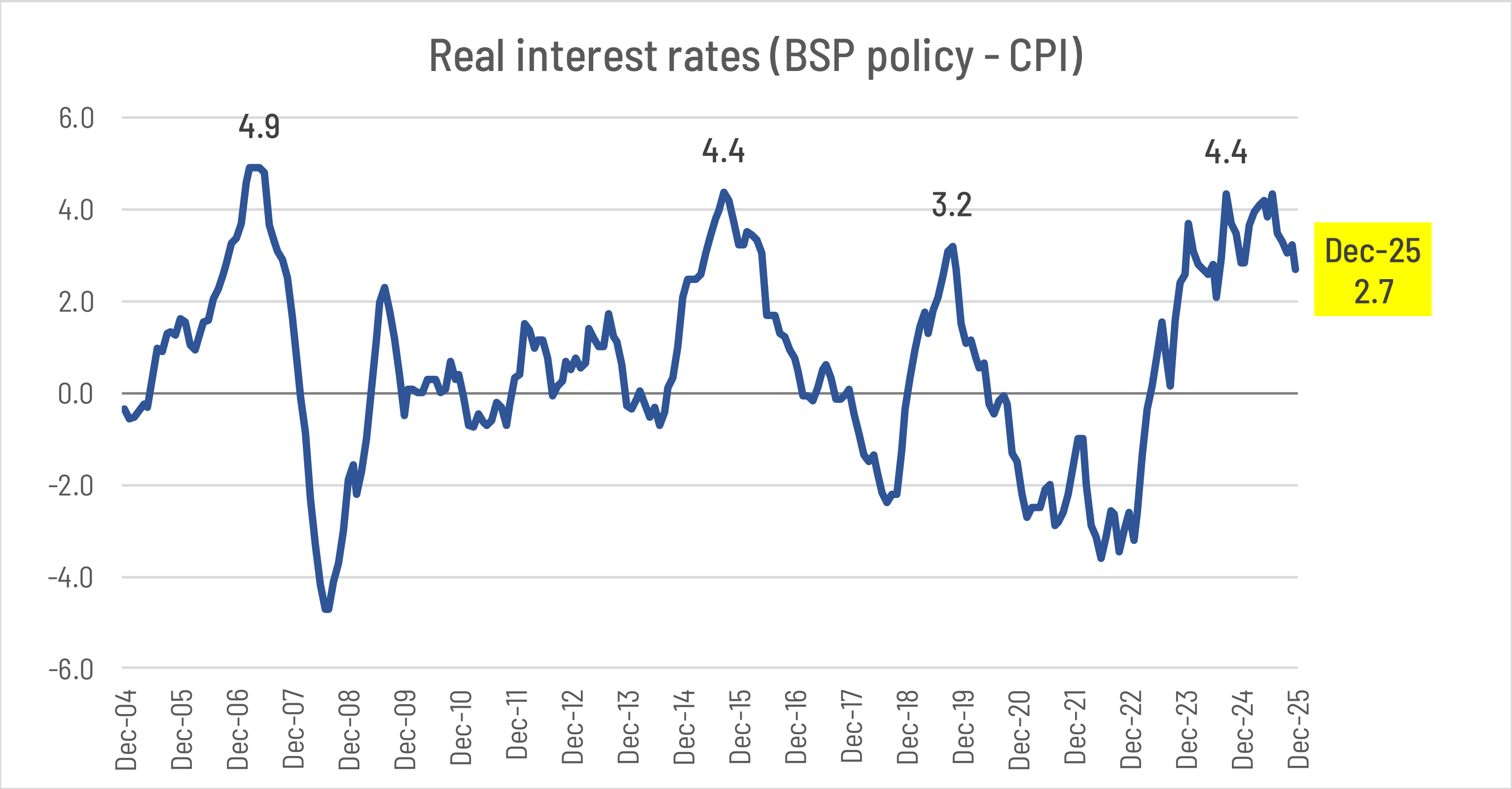
Real interest rates are *still* quite high

BSP policy rates - CPI inflation



Real interest rates still high – <u>even after the 200bps cuts</u>
But inflation likely to normalize in 2026E to around 3-3.5%

Source: Bloomberg Finance LP, REGIS estimates

BSP – aggressive RRR cuts

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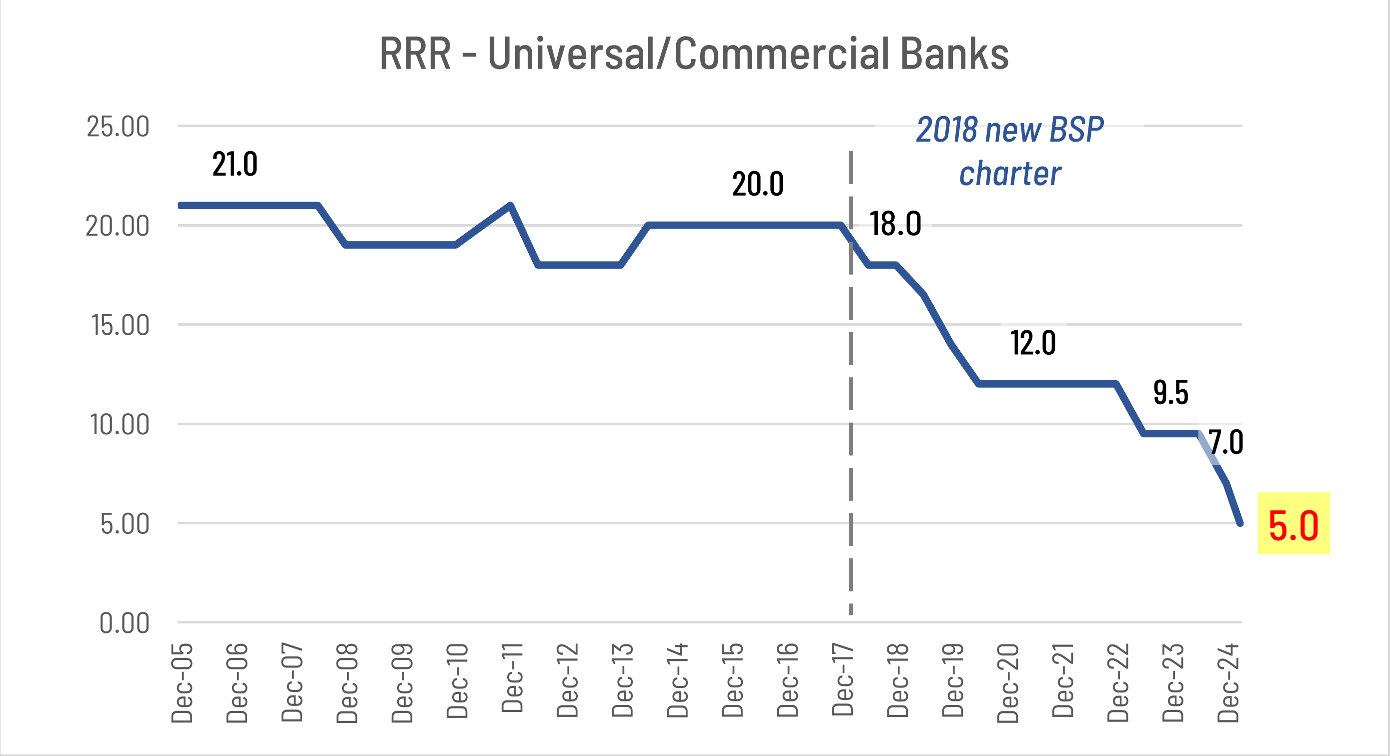
Reserve requirement ratio – Commercial banks



BSP Governor Remolona wold be "happy" for RRR to be at 2.0% "in a year or so"

Aiming for ZERO in the medium-term

Source: Bangko Sentral ng Pilipinas, REGIS estimates

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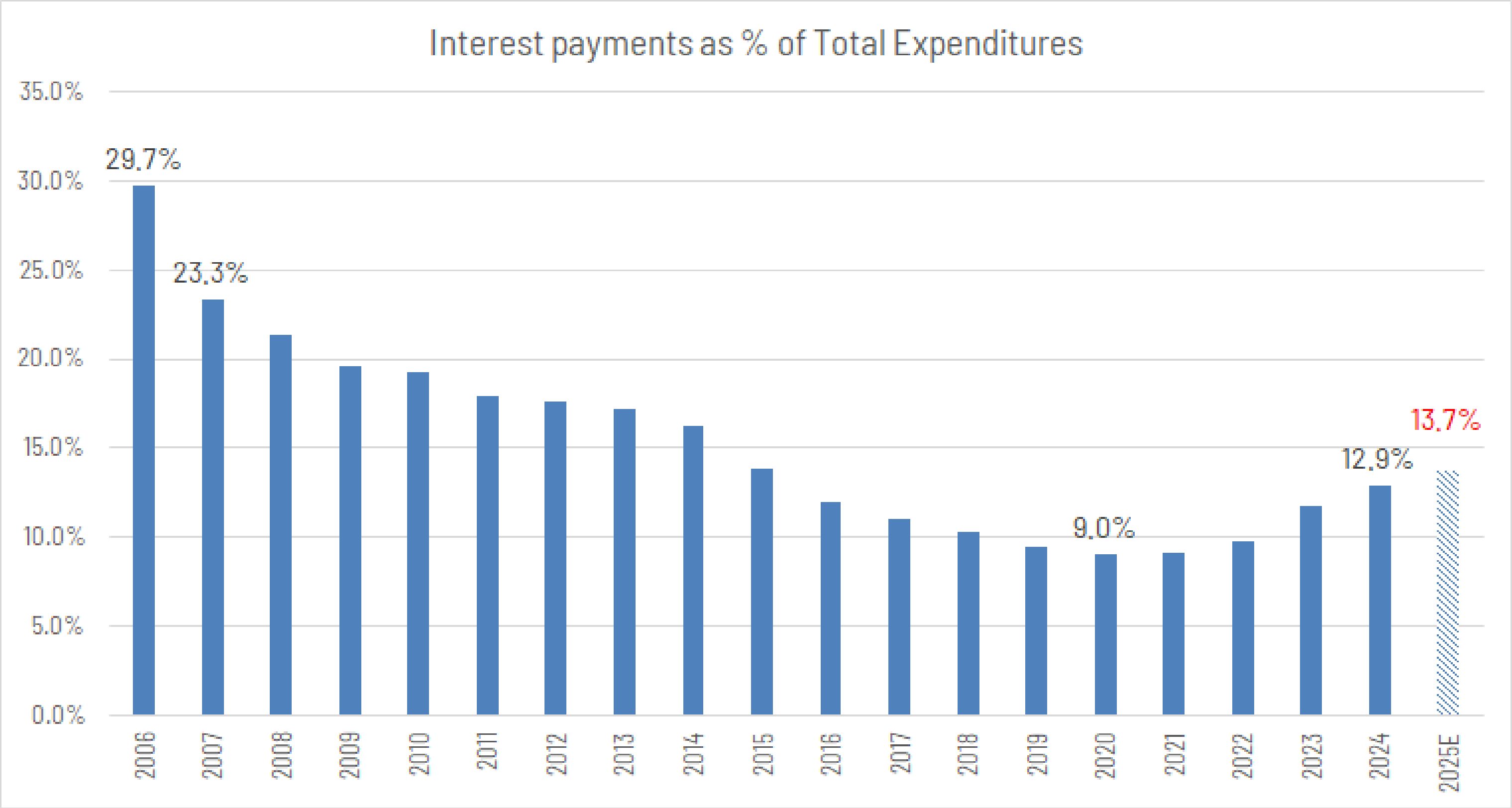
Political pressure to cut rates?

Government interest expense as % of expenditures



<u>Higher debt service costs crowding out budget for infra, education, etc</u>

<u>Pressure for BSP to cut policy rates?</u>

Source: Bangko Sentral ng Pilipinas, REGIS estimates

Fiscal consolidation, out the window?

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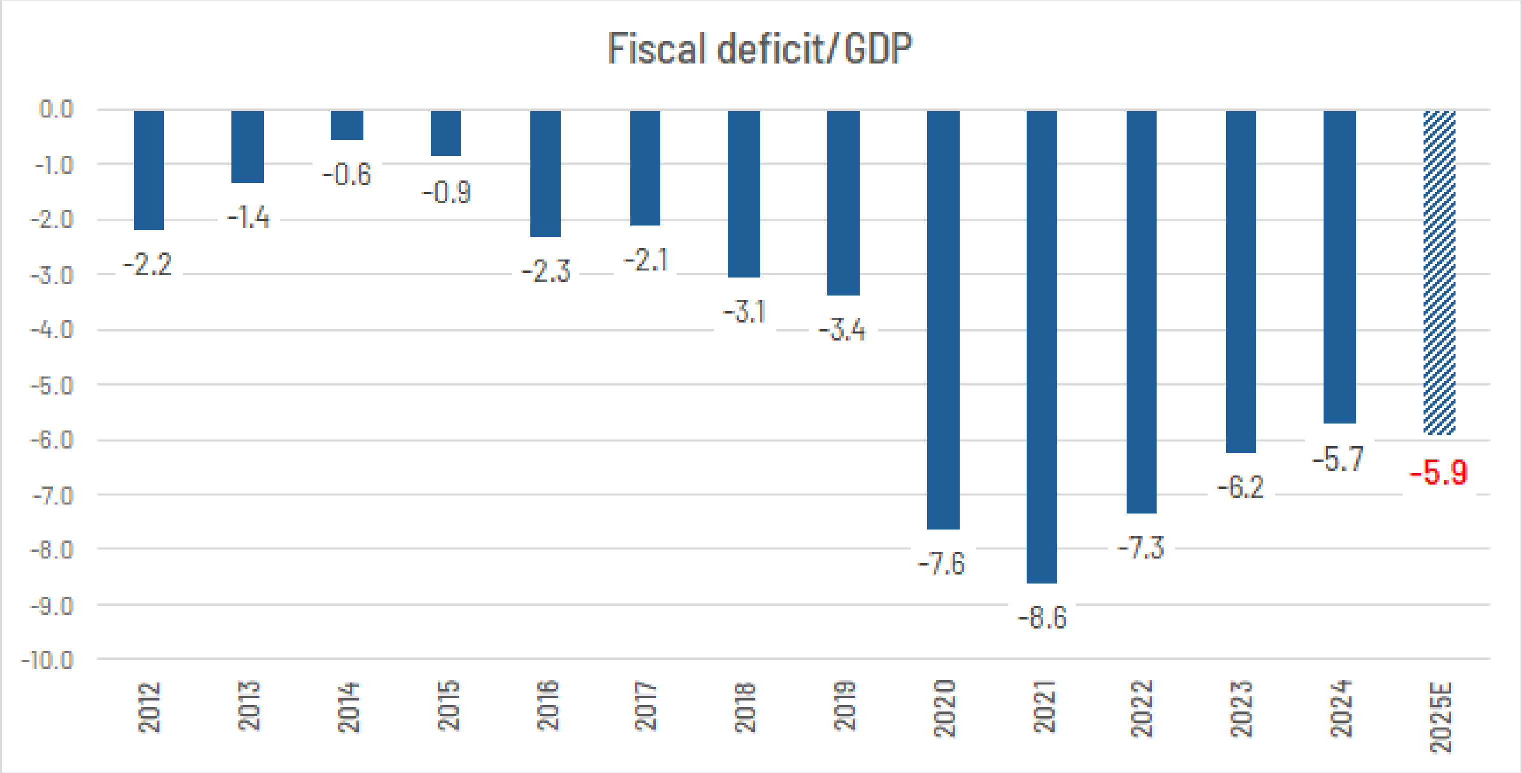
Fiscal deficit as % of GDP



Approved 2025E Budget allegedly heavy on "pork barrel" projects

No new revenues being proposed

Source: Bangko Sentral ng Pilipinas, REGIS estimates

PHP – still a likely under-performer

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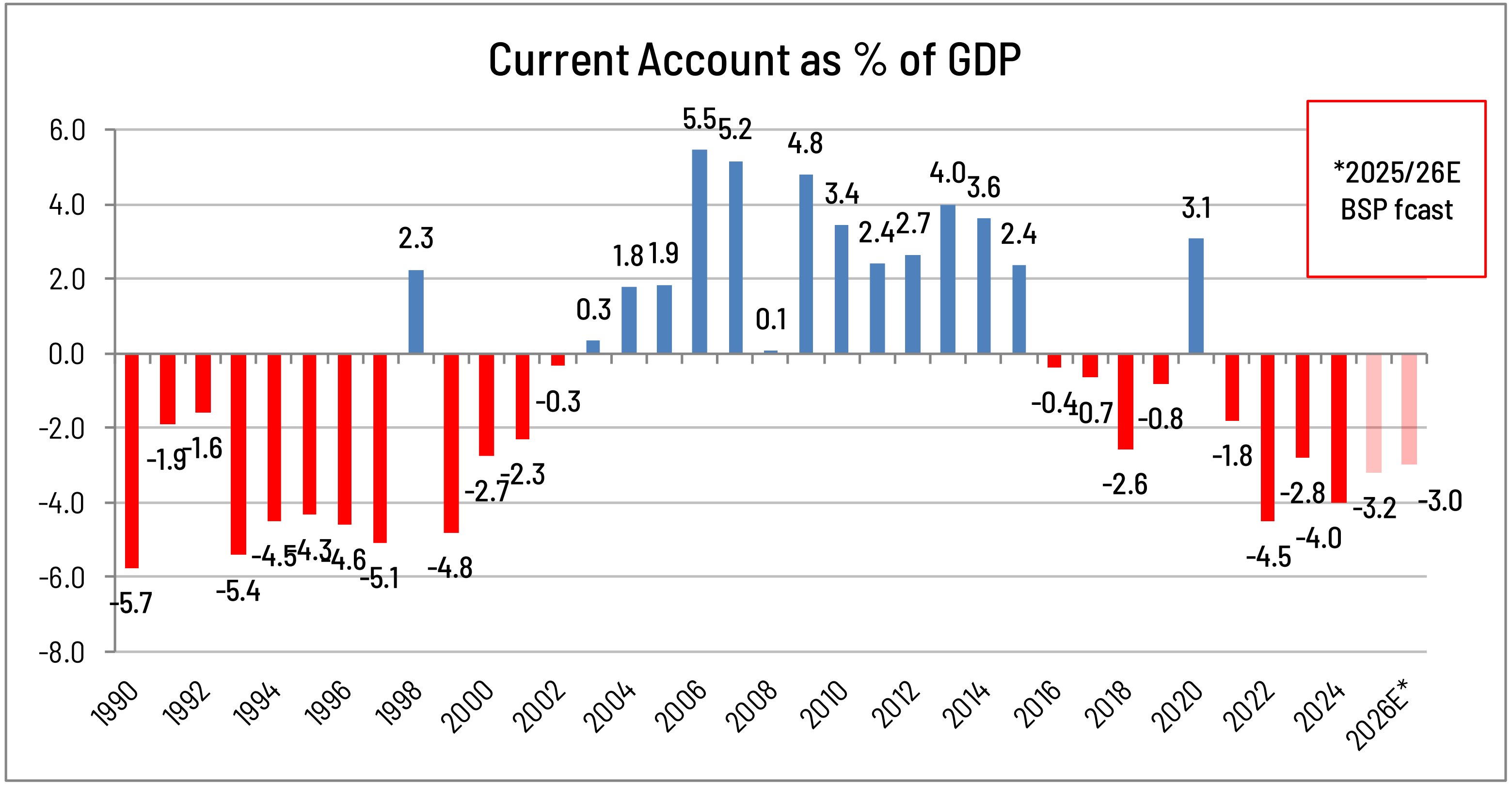
CAD improved from 2022/23 levels, but…



BSP 2025E/26E forecast 3.2/3.0% of GDP, with BOP swinging to a deficit in 2025E highlights vulnerability to external price shocks

Source: Bangko Sentral ng Pilipinas, REGIS estimates

A.I. – big threat / some opportunity

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BPOs could be big losers

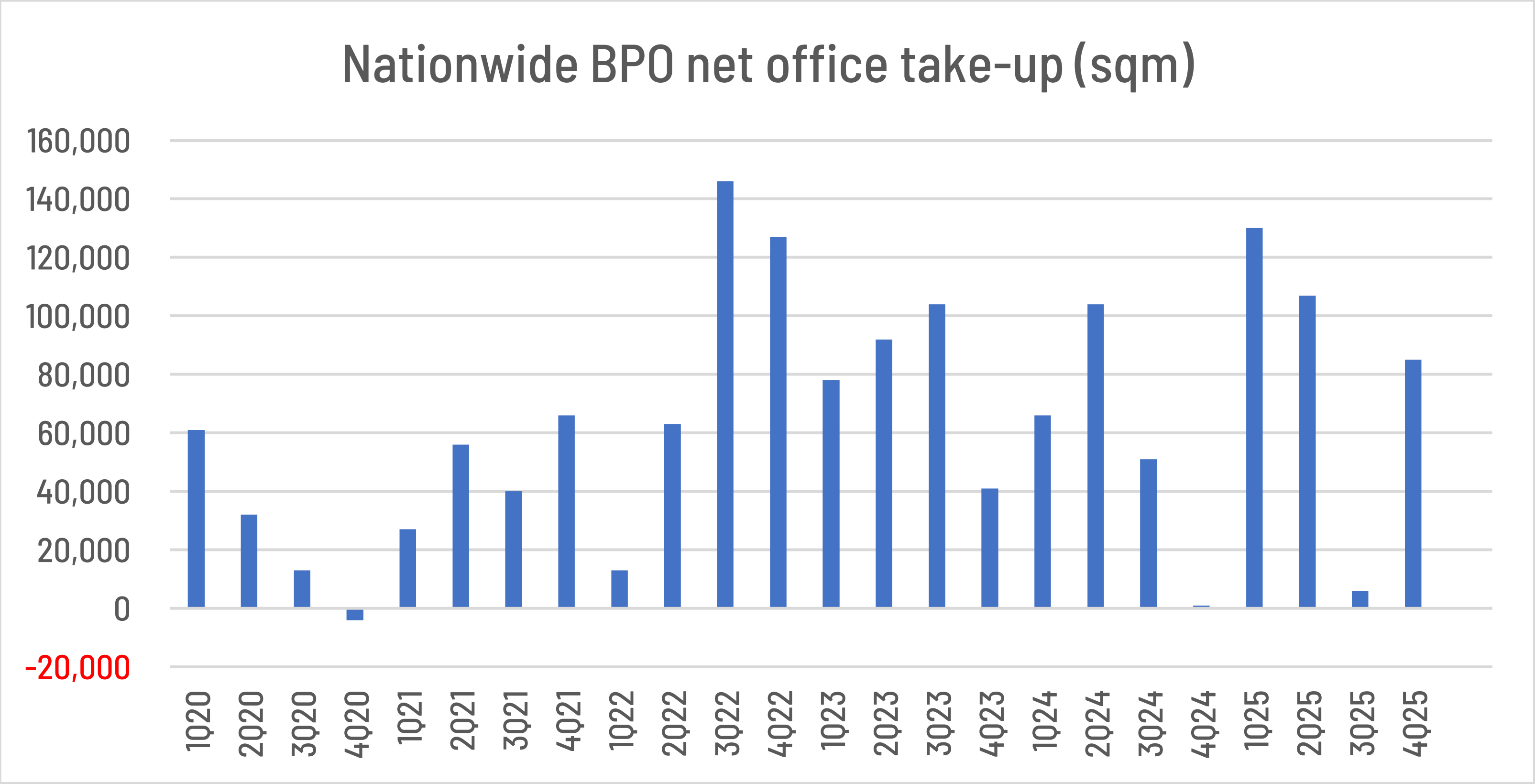
- **Revenues** – Est $38bn, 8% of GDP (versus Remittances $34bn in 2024)
- **Employees** – 1.8mn, about 4% of employed Filipinos (young, high-spending)
- **Office** – c40-50% of total Metro Manila office (60-80% for listed developers); vacancy rate already 18%

Even a 20% reduction in staff due to improved efficiency could hurt

Data Centers – benefiting from "friend-shoring"?

- **Telcos – Globe** and **PLDT** ahead of the pack building capacity
- **Power/Utilities** – Luzon grid already strained; good for RE gencos (**ACEN**)

But oddly, BPO office take-up still growing



Philippines still a lower-cost option vs India. Growing share of shrinking pie?
Cost of AI still high... for now.

Source: Leechiu Property Consultants, REGIS estimates

Mining – a new driver?

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Buried treasure – reviving a once-dominant industry

- **Gold, copper and nickel** - undeveloped reserves estimated at over **$1.9 TRILLION** at today's prices
- 30+ years of under-investment due to weak legal, fiscal frameworks. Decade-long ban on new open-pit mines.
- Despite this, **PH is still the world's #2 nickel exporter globally** today, after Indonesia
- In the 1970s/80s, PH was among the world's Top 10 gold and copper producers (#1 in Asia)

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Mining – a new driver?

Buried treasure – reviving a once-dominant industry

- **RA 12253 - Enhanced Mining Fiscal Regime Law** passed in September 2025
- Strengthens regulatory / fiscal framework
- **Aligns incentives for local governments**, ensures prompt release of royalty allocations
- We estimate at least $9bn in initial investments
- **FDI / Exports to support Current Account, GDP, etc**

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Foreign sentiment – ready to turn...?

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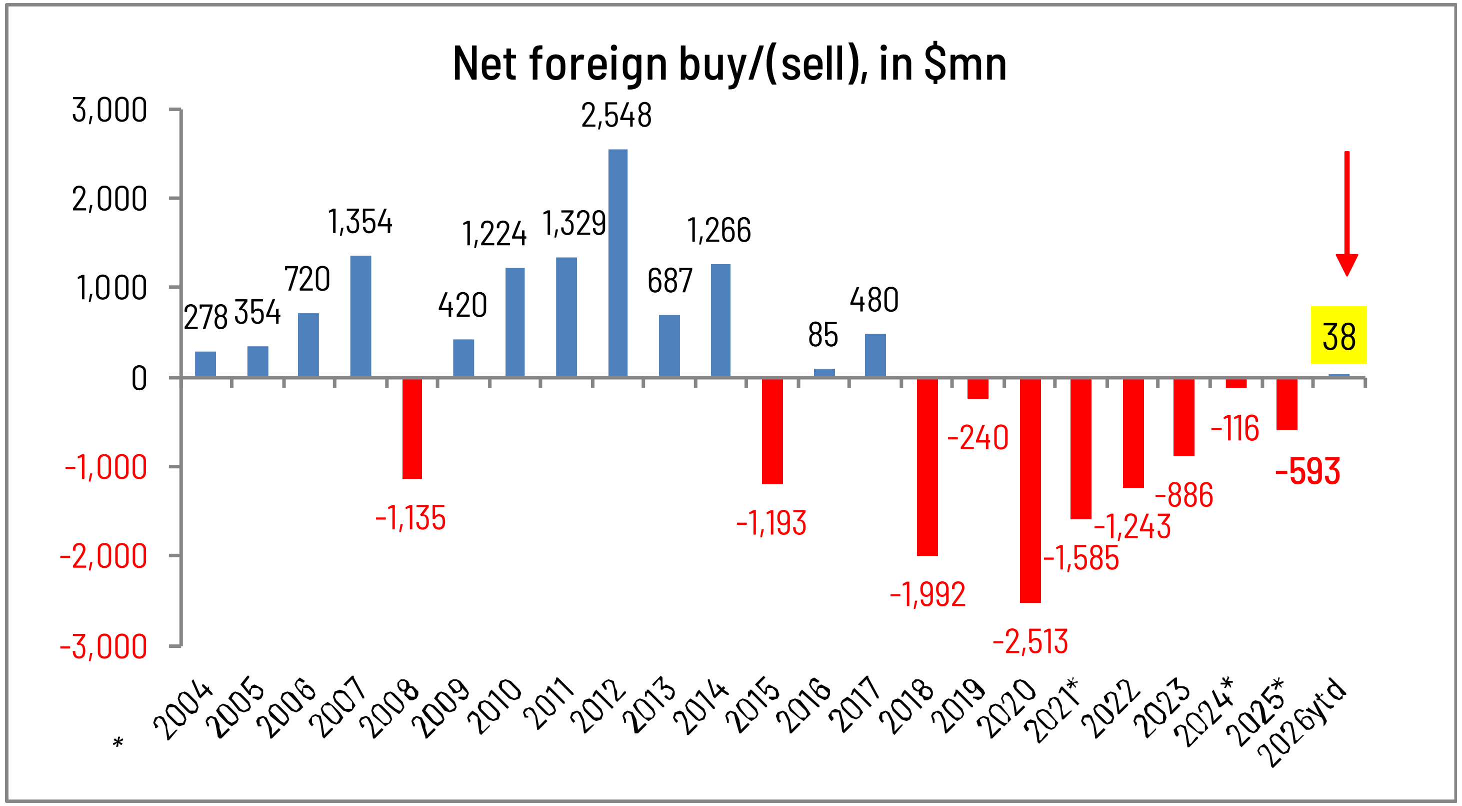
Foreign selling wiped out all buying since 2010/11



Net selling for 8 straight years – is there anyone left to sell?

Source: Philippine Stock Exchange, REGIS estimates

Foreign positioning – how low can you go?

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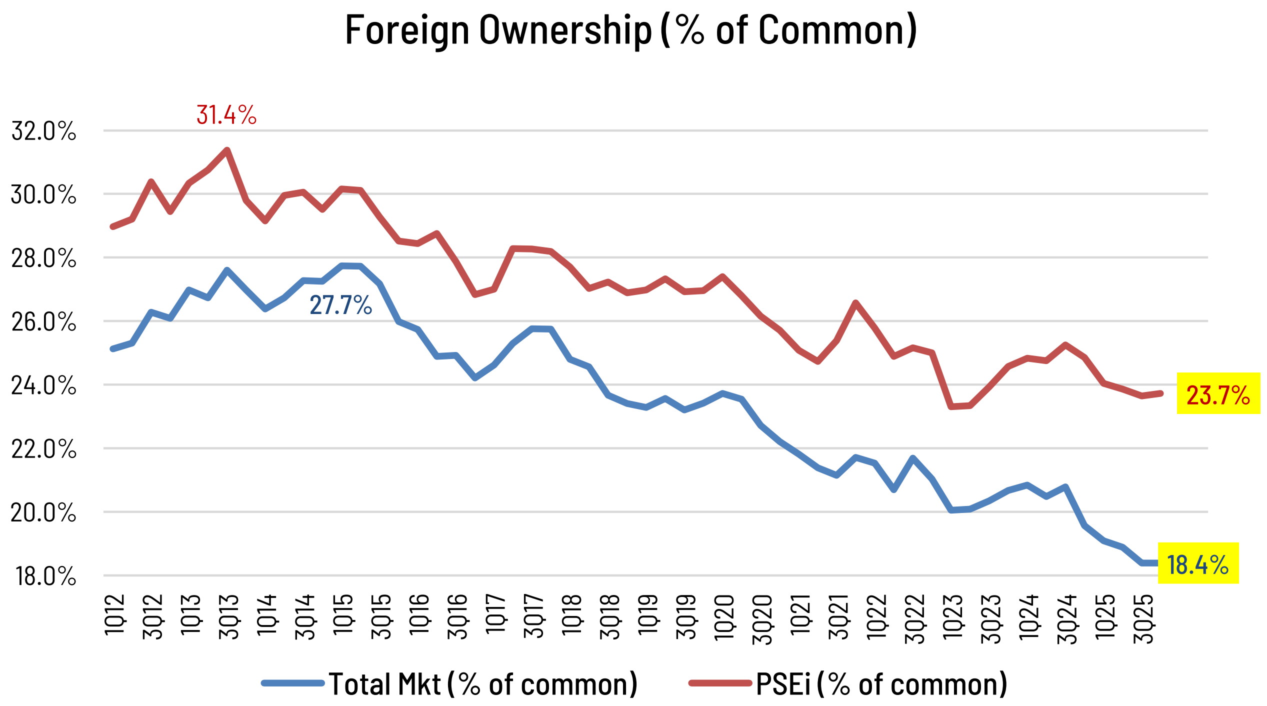
Foreign ownership of common shares



Foreign ownership (overall market) at new lows,
But investors holding on to larger, liquid, PSEi Index names (<u>specifically banks and ICTSI</u>)

Source: Philippine Stock Exchange, REGIS estimates

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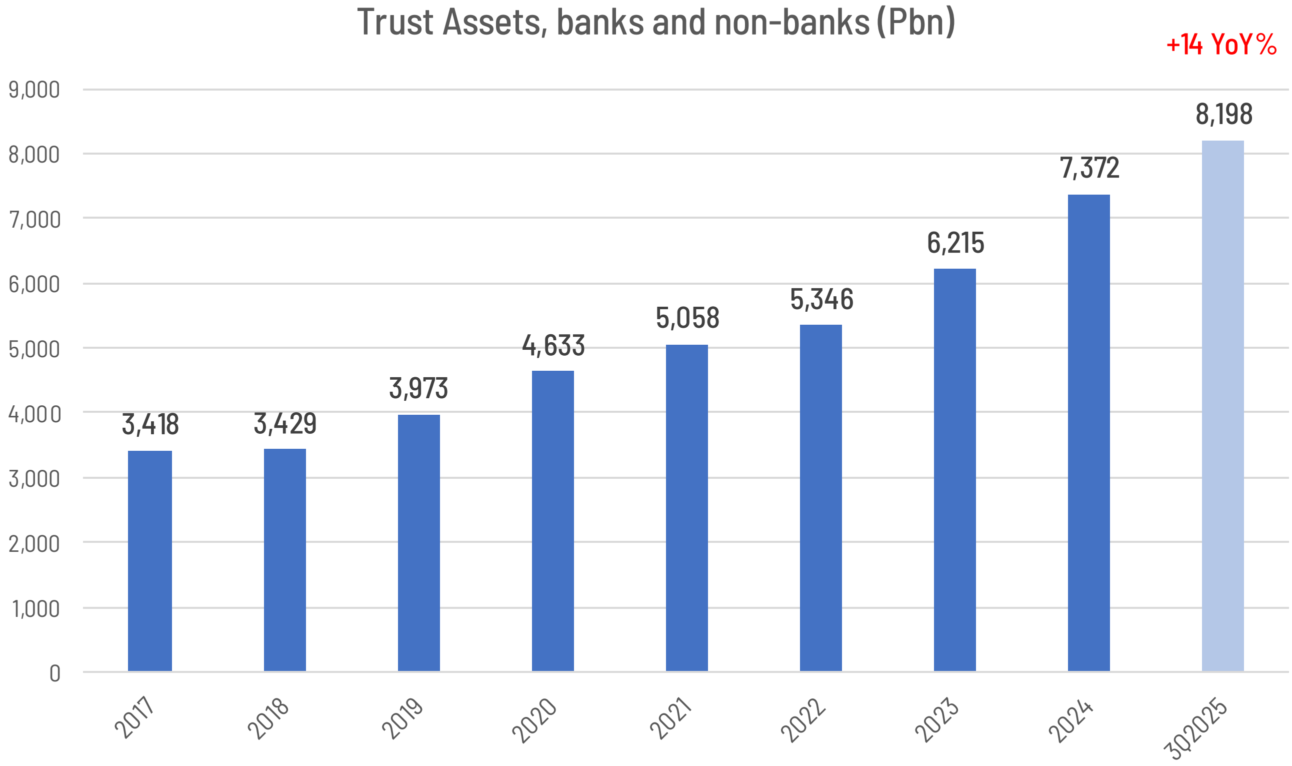
Trust AUMs still rising...

Total Trust Assets up 20% YoY as of June 2025

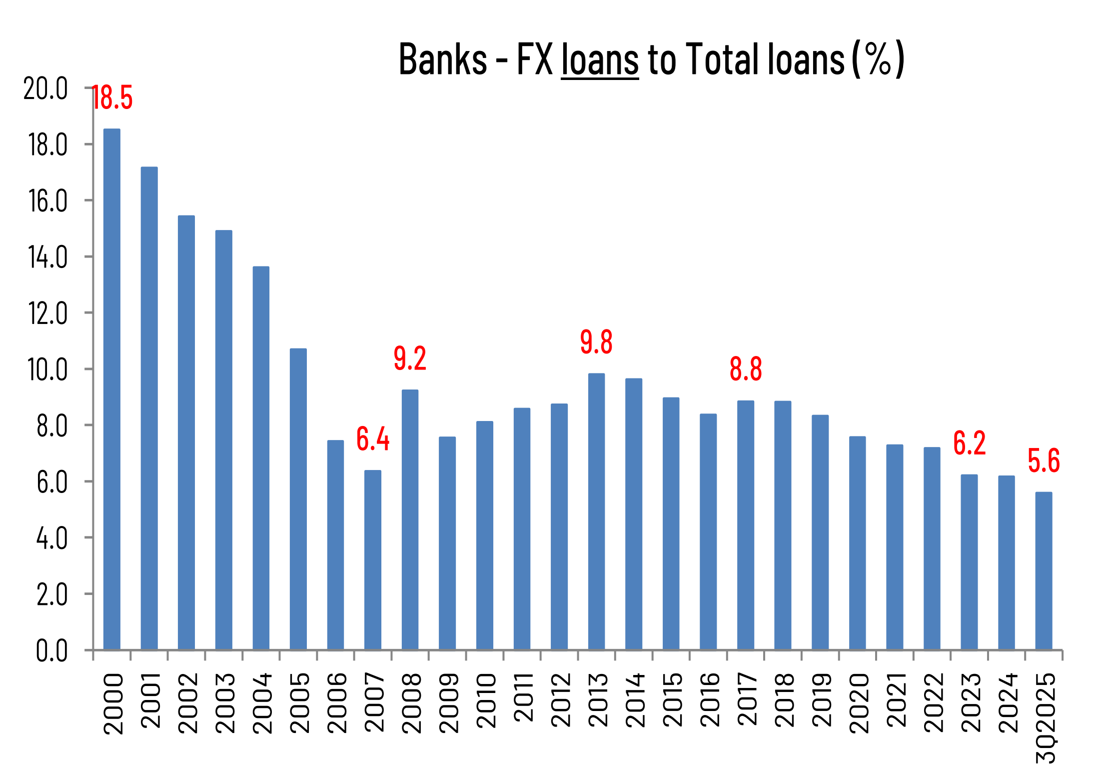


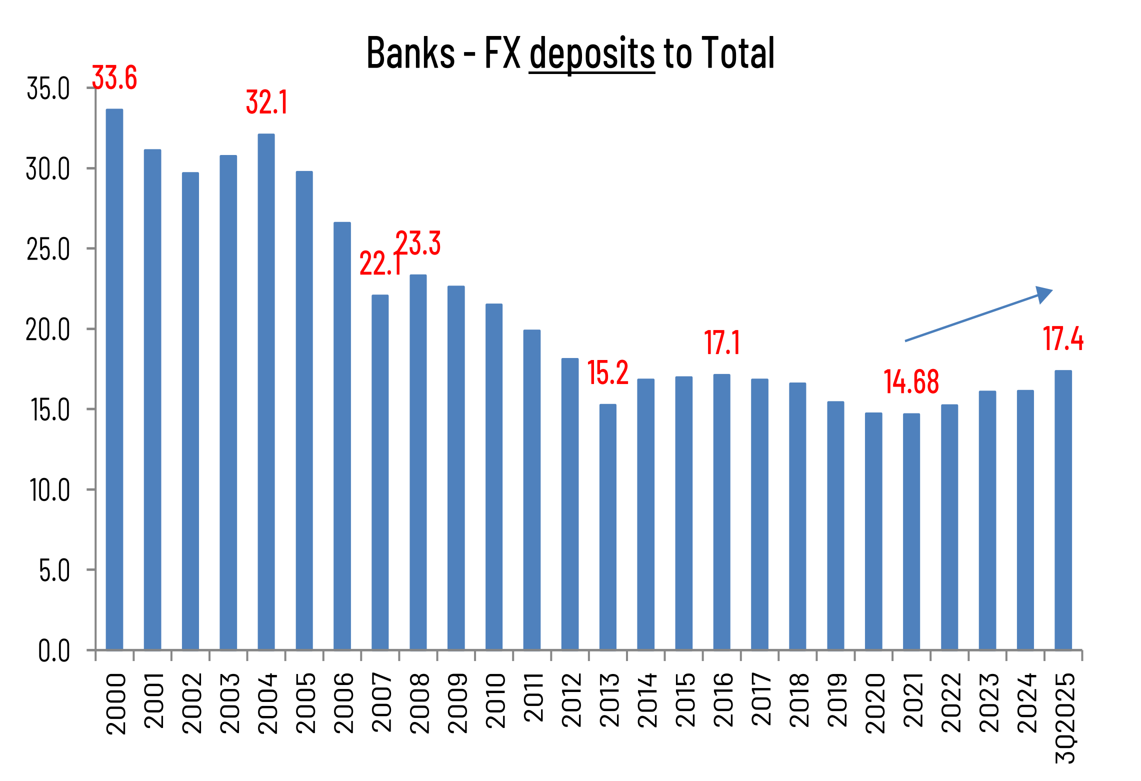
But most inflows in fixed income or USD ETFs
When will investors shift asset allocation to (local) equities?

Source: Bangko Sentral ng Pilipinas, REGIS estimates

Capital flight?

Filipinos are keeping more savings in FX (primarily USD)





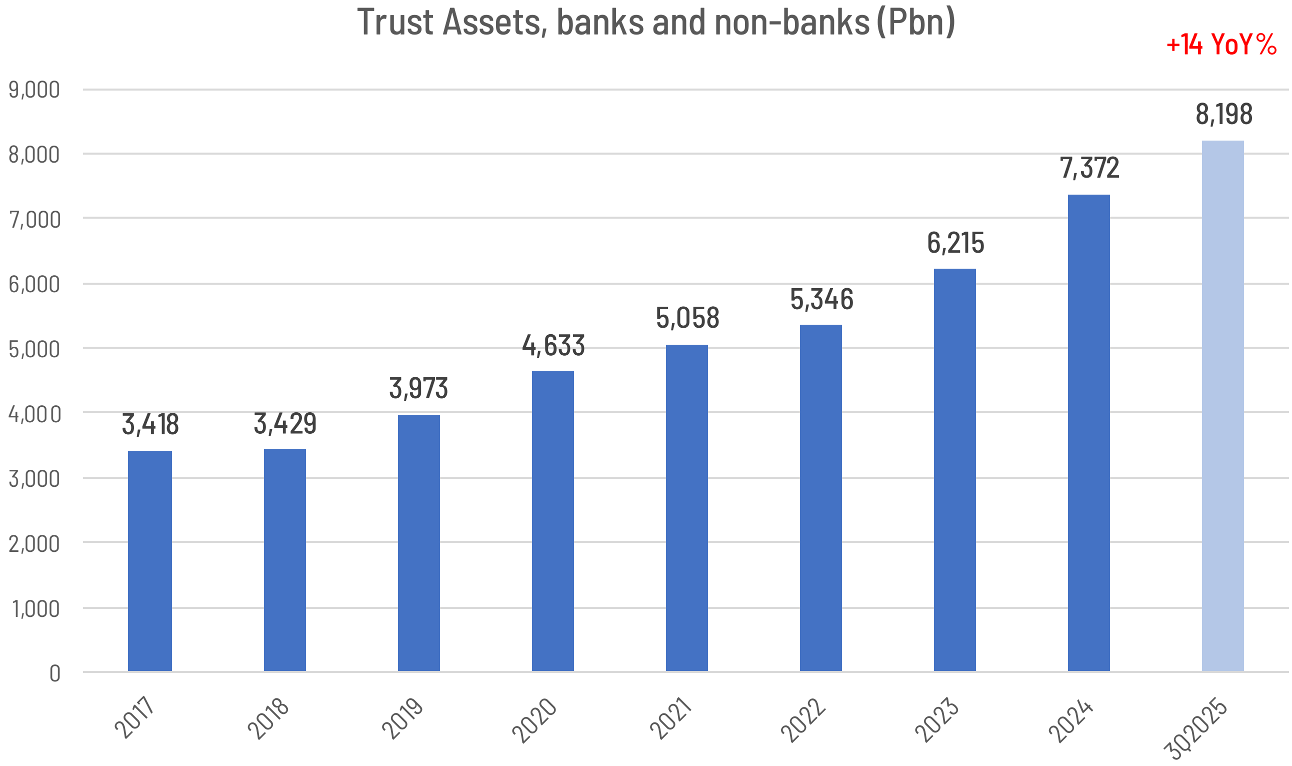
Savers and borrowers clearly expect the PHP to continue to weaken vs the USD

To the upside, bank exposure to FX risk is low

Source: Philippine Stock Exchange, REGIS estimates

Trust AUMs still rising...

Total Trust Assets up 20% YoY as of June 2025

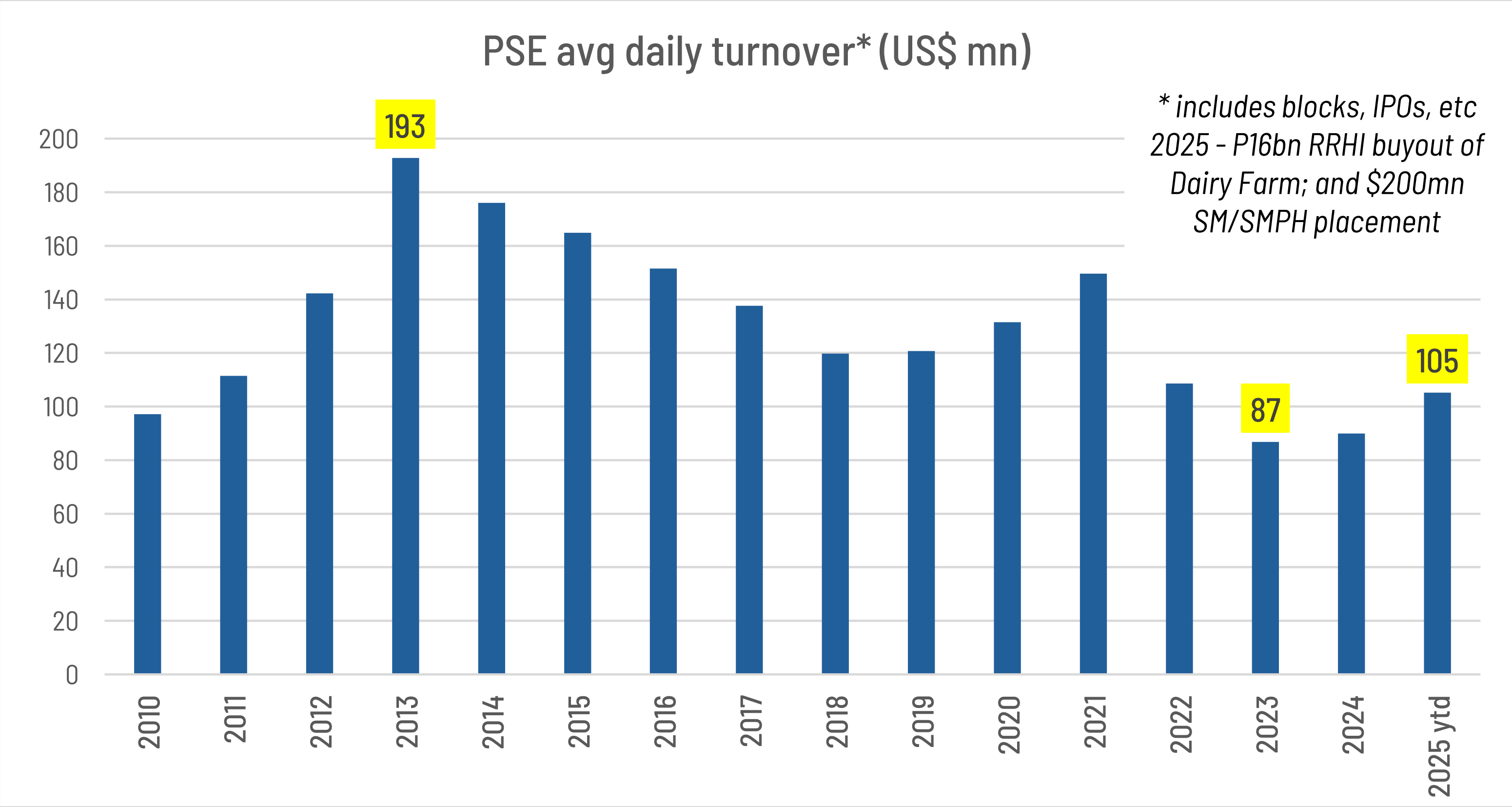


But most inflows in fixed income or USD ETFs
When will investors shift asset allocation to (local) equities?

Source: Bangko Sentral ng Pilipinas, REGIS estimates

But none of it flowing into PSE

Average daily turnover ($mn)



<u>When will investors shift asset allocation to (local) equities?</u>

Source: Bangko Sentral ng Pilipinas, REGIS estimates

But none of it flowing into PSE

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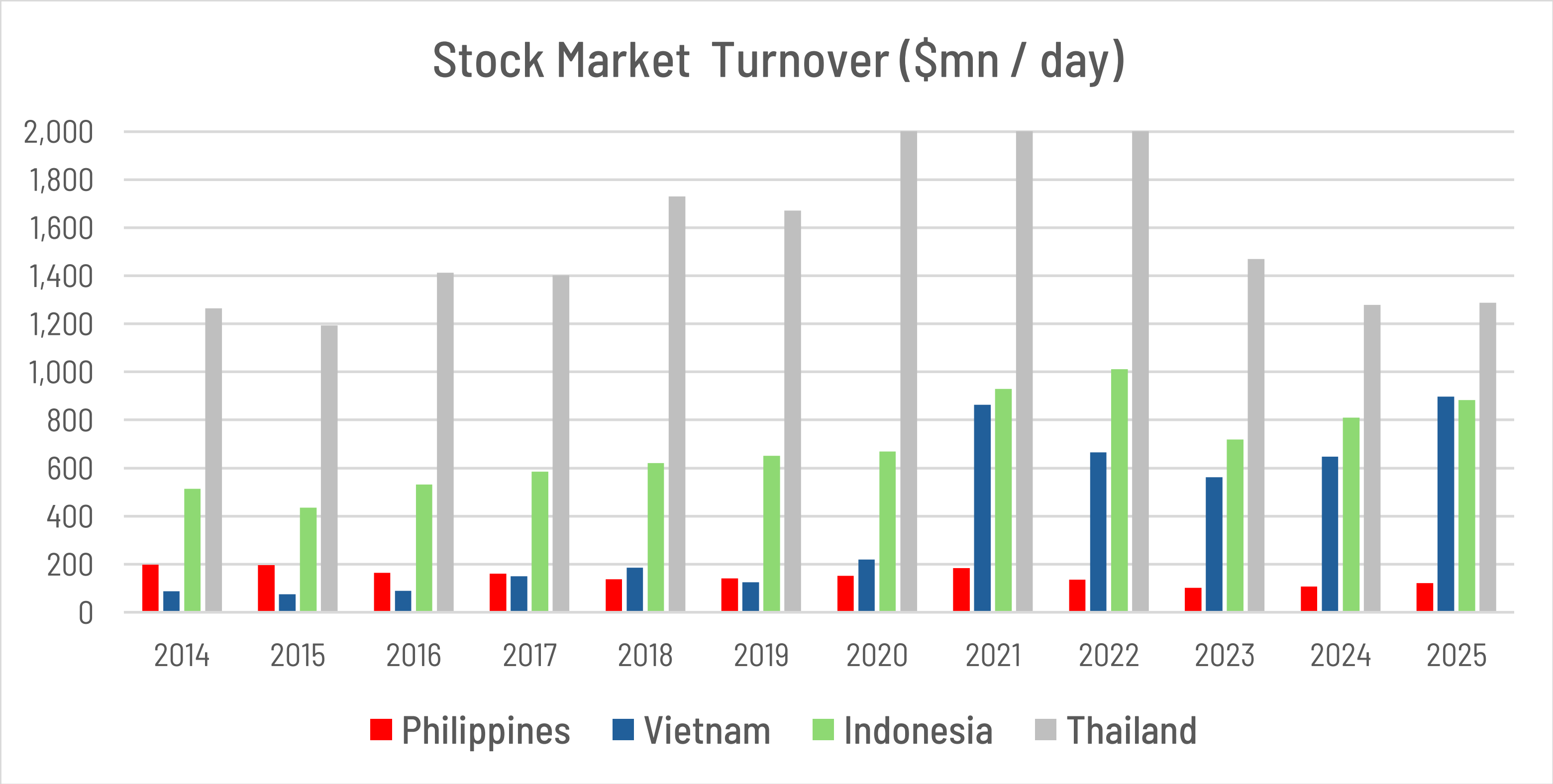
Average daily turnover ($mn)



When will investors shift asset allocation to (local) equities?

Source: Bangko Sentral ng Pilipinas, REGIS estimates

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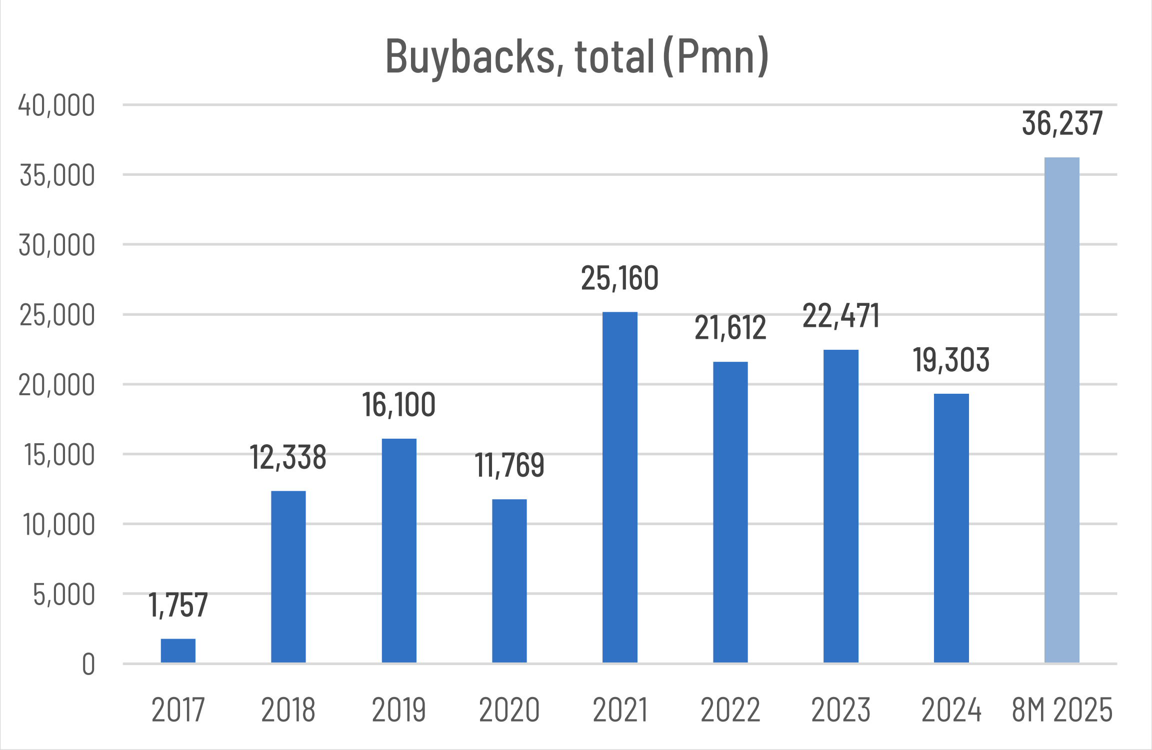
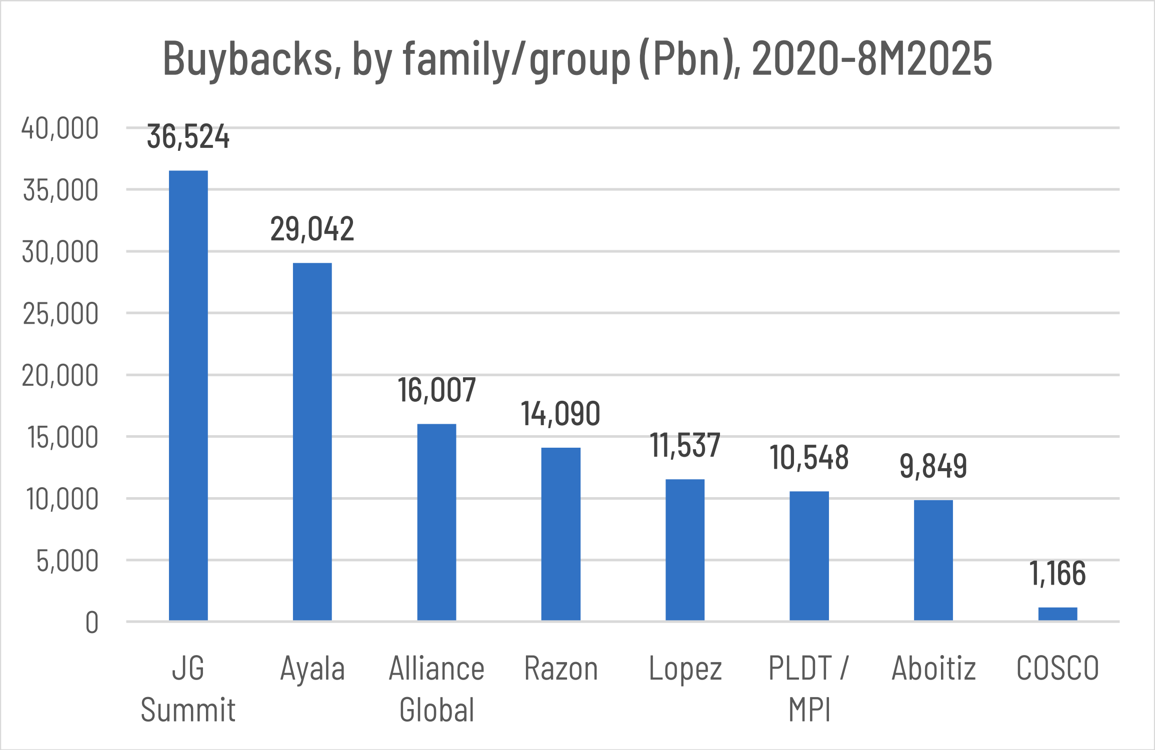
Insiders are still buying

Companies, parent conglos, and family buying back stock





Buybacks worth nearly $2.5bn since 2020 as promoters see deep value
Not counting family / parent co buying shares of their listed companies

Source: Philippine Stock Exchange, REGIS estimates

Hit rock bottom... and started to dig...

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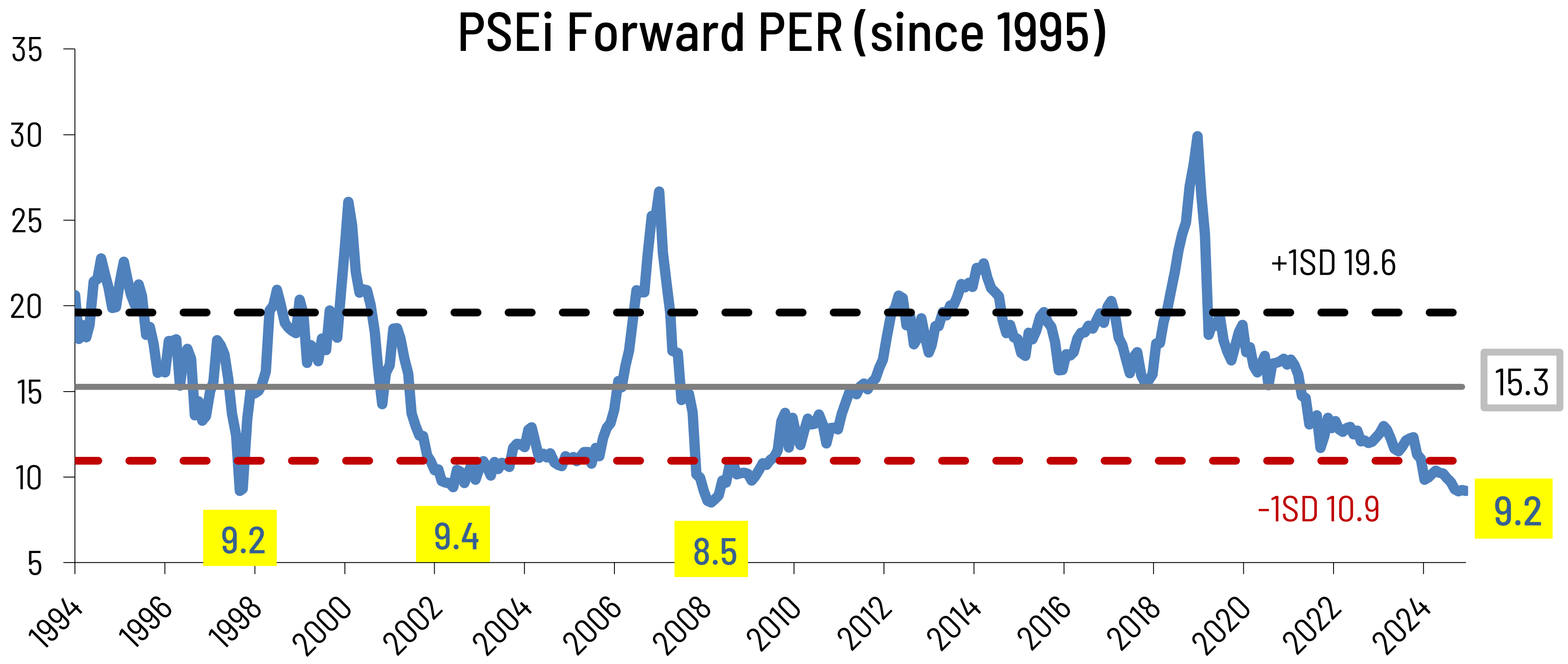


<u>Market PER back to levels not seen since Asian / Global Financial Crisis</u>

Source: REGIS estimates

Foreigners are on the hunt

- **London conference 2025 – close to 100 investors**
  - Conference proper – 82 sign-ups (vs 62 in 2024), some flying in from Europe
    - 13 PH companies (C-suite and/or owners), incl 2 pre-IPOs (Mynt / Dali)
  - Another 15+ clients in NDRs around the conference

- **Philippine Corporate Days (Manila) – still largest equities event in the country**
  - 130 sign-ups, incl 25 foreign investors, from 52 institutions
  - 33 companies presenting
  - 3 tours – auto/EVs, consumer/retail, and fintech (hosted by Mynt/GCash)

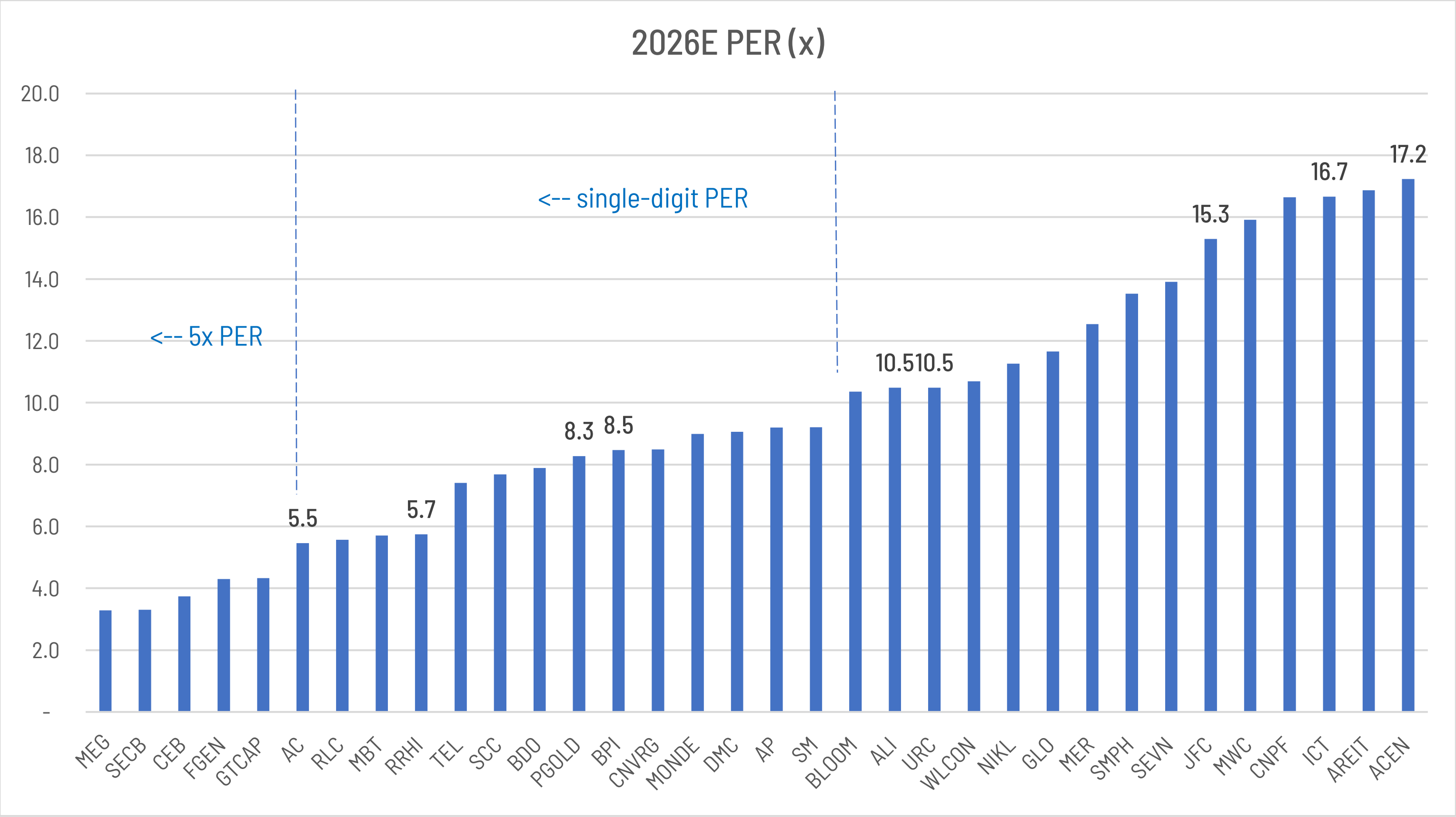
We're now talking to clients not seen for 7-8 years

PH valuations pinging on everyone's screens

But liquidity is still the main concern

Source: REGIS estimates

"Where are all the value investors?"

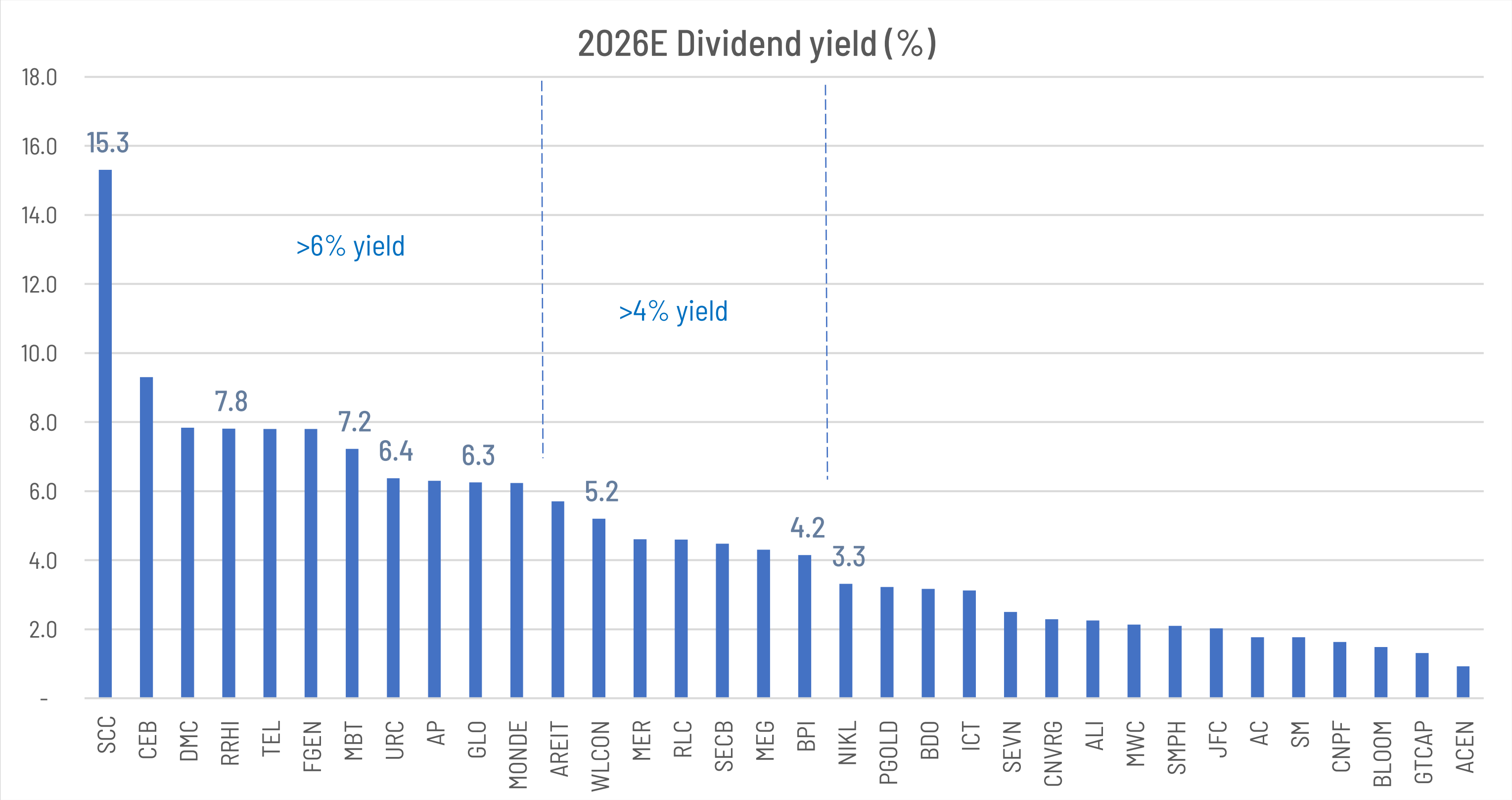


<u>More than half REGIS coverage trading on single-digit PERs</u>

<u>SMIC sub-10x, AC at 5.5x... no need to go down the market cap list</u>

Source: REGIS estimates

"Where are all the value investors?"



When was the Philippines ever a dividend yield play?

Source: REGIS estimates

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Philippines version of "Value Up"?

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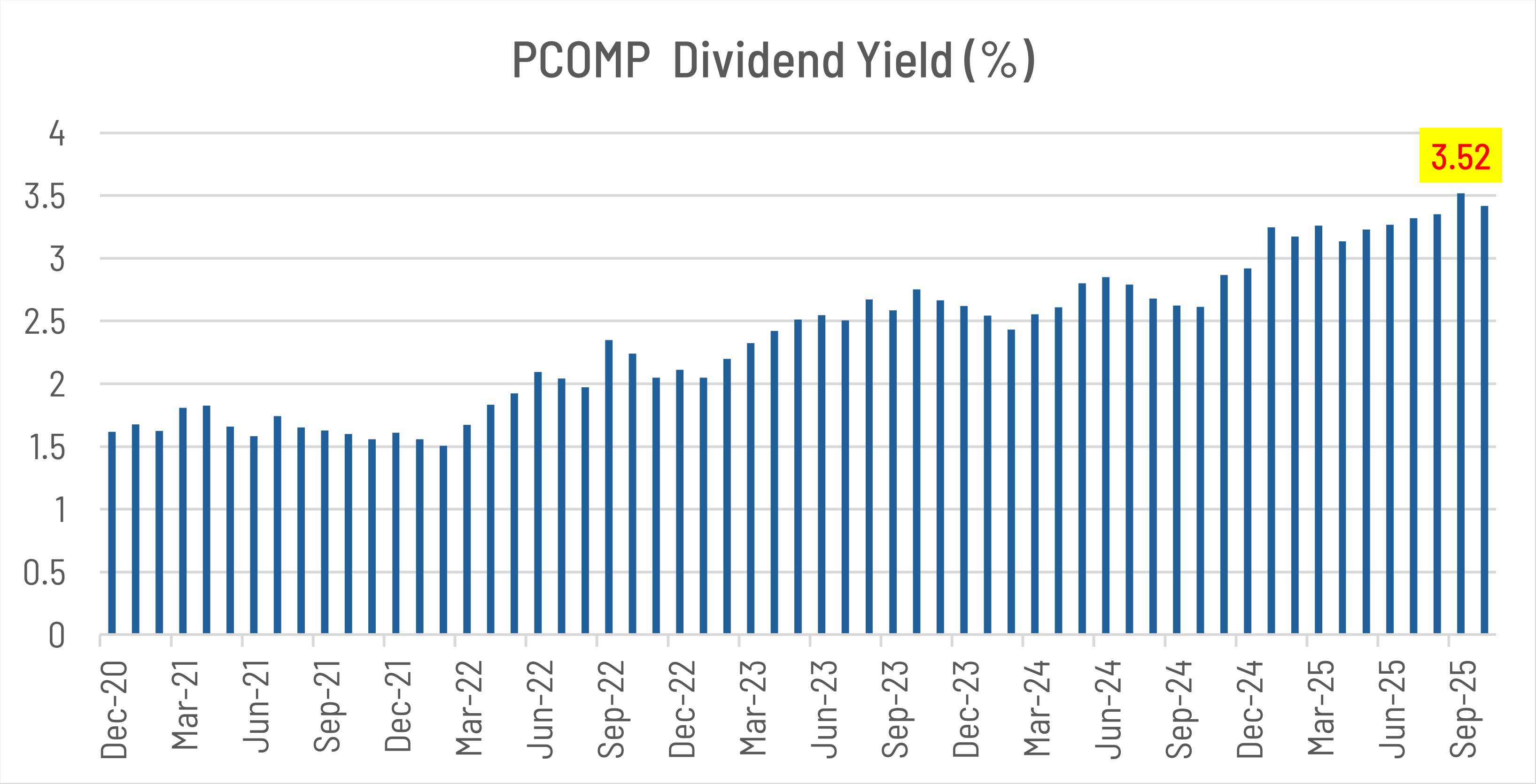


<u>When was the Philippines ever a dividend yield play?</u>

Source: Bloomberg, REGIS estimates

Sectors / Themes for 2026

- Consumers – recovery to accelerate 4Q25?
- Banks – consumer loan growth, but credit costs rising
- Property – is the worst behind us?
- Telcos – competition ratchets up / Konektadong Pinoy
- Gaming – challenges all around

- Falling interest rates – Property, REITs, high div yields
- Digitalization – Fintech IPOs

Longer-term Thematics?

- **Consumers** – Discounters / E-commerce
- **Fintech** – Payments, lending, insurance, investments, etc
- **Renewables** – Solar + battery - rapid drop in costs
- **Logistics** – Cold chain
- **Healthcare** - Consolidation
- **Mining** – New legislation – help Fiscal / CA deficits

- **BPOs vs AI** – Risks to CA, employment, office demand

Banks - Overweight

- **Macro/market proxy** – Large, liquid

- **Loan growth** steady in low double digits; consumer loans in high teens
- **NIMs could stay high for longer**, if rate cuts are gradual

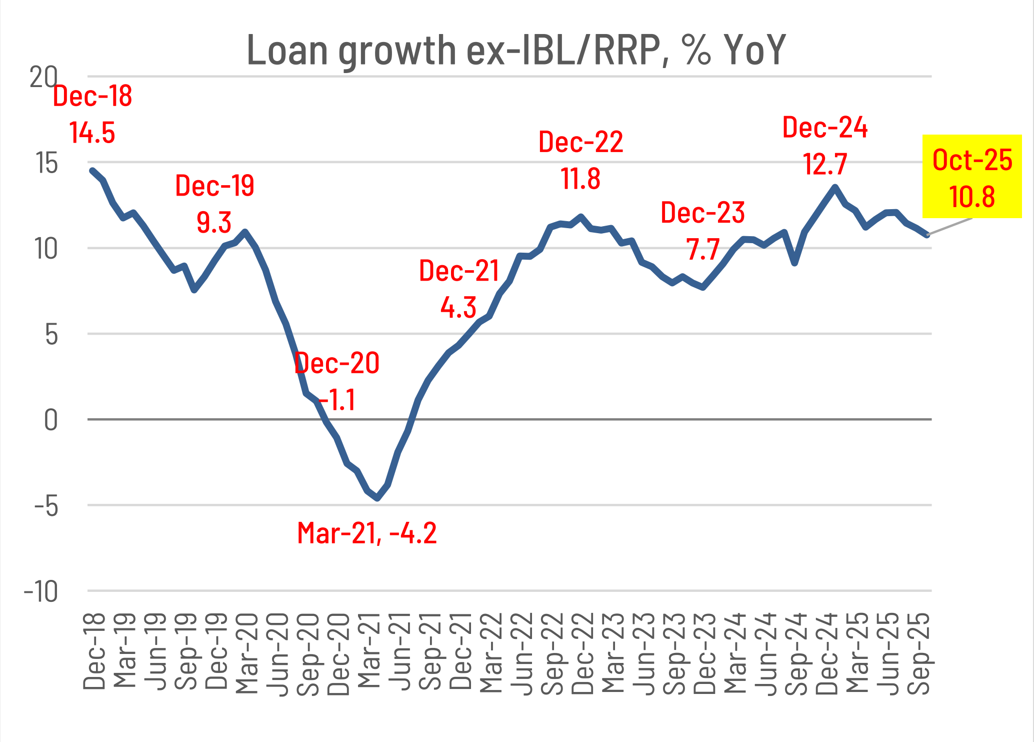
- **Valuations** still undemanding... But already a (very) crowded trade?

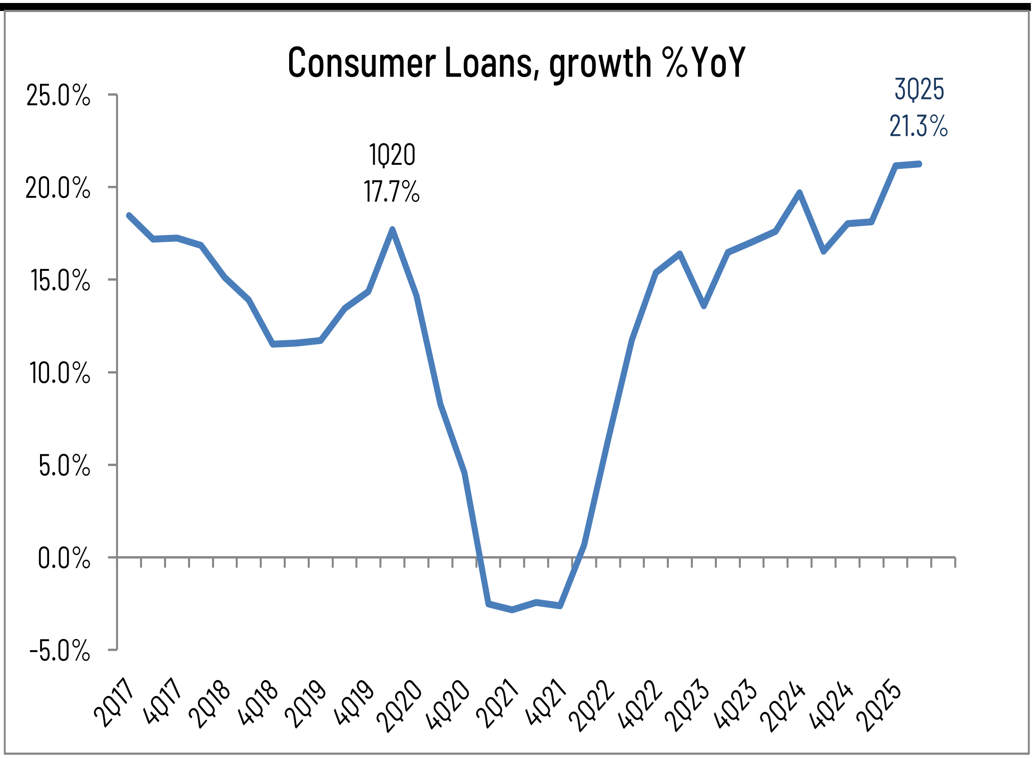
- **Watch out for rising credit costs**

Source: REGIS estimates, Company data

Loan growth 11-12%, led by Consumer

Loan growth, overall vs consumer loans



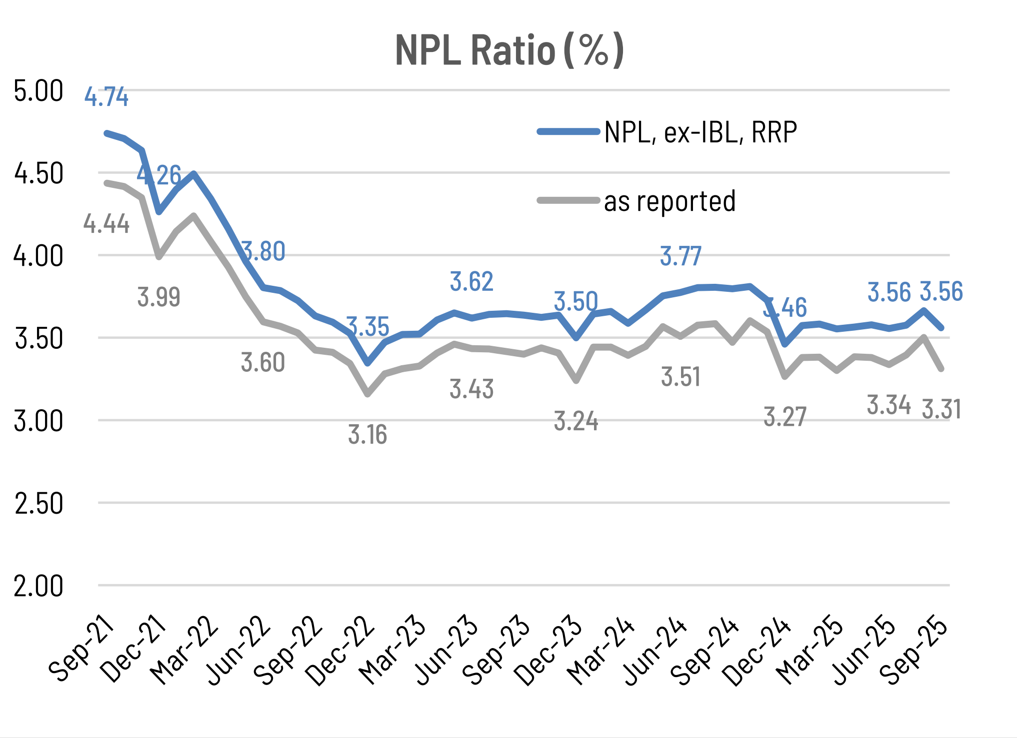


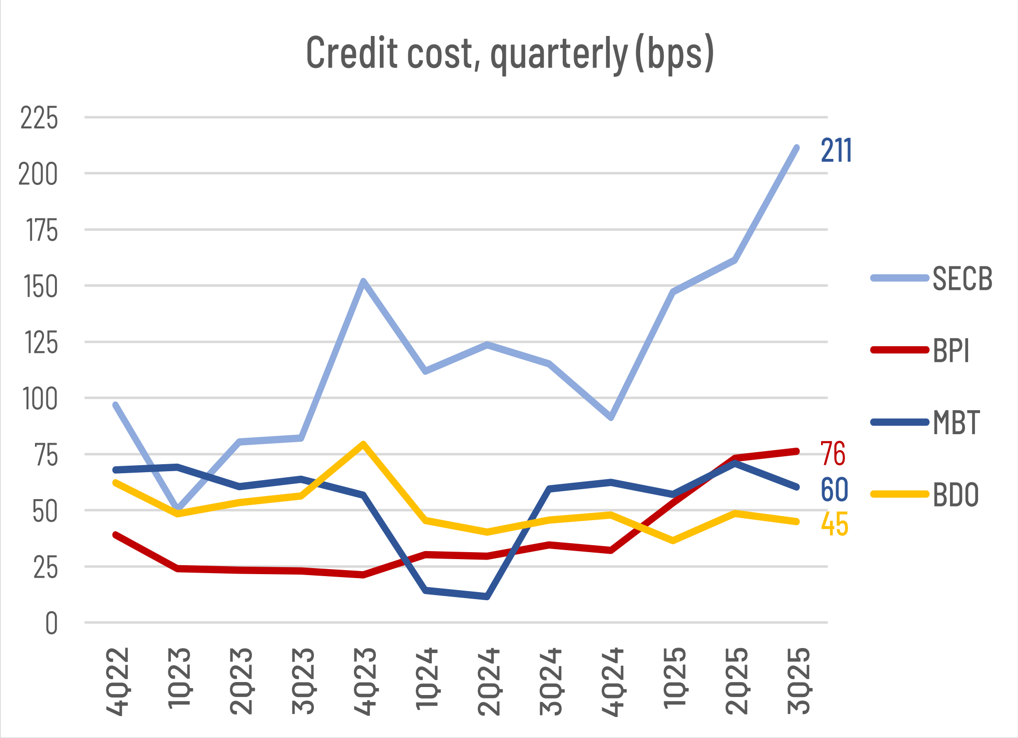
Loans up 10.8% in Oct; Consumer loans +21% in 3Q
Supporting NIMs despite 200bps in policy rate cuts

Source: Bangko Sentral ng Pilipinas, REGIS estimates

Watch out for credit costs

NPLs steady, but credit costs on the rise... due to loan mix?





Headline NPL ratios steady, but hide rising write-off rates

Credit costs rising – just loan mix? Or is there broader stress (particularly credit cards)

Source: Bangko Sentral ng Pilipinas, company data, REGIS estimates

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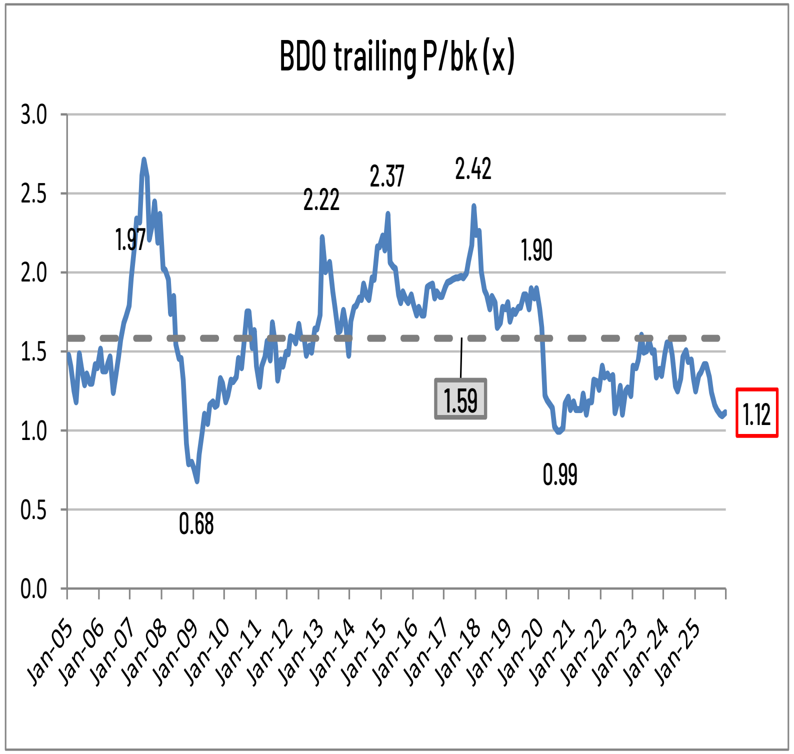
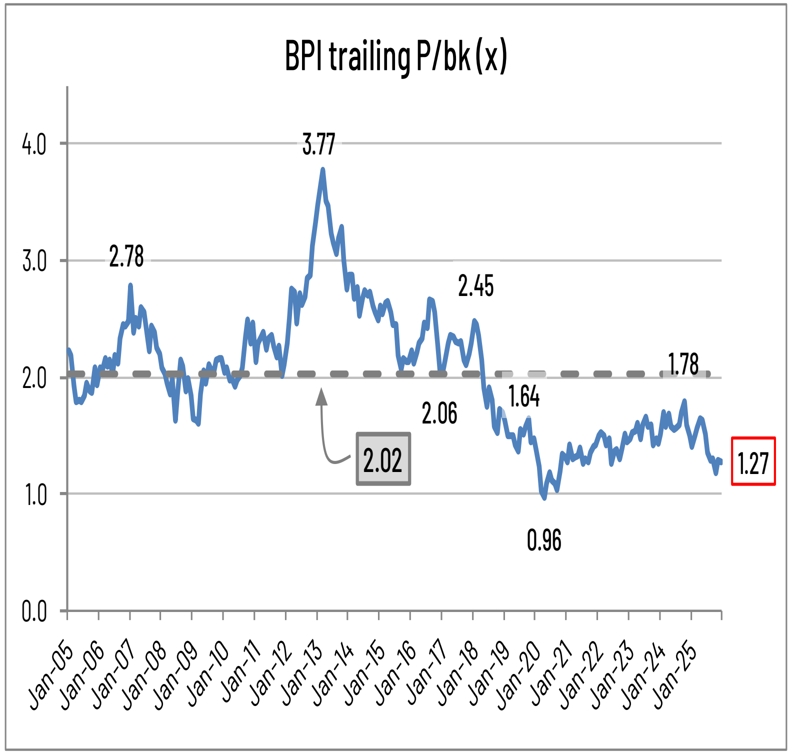
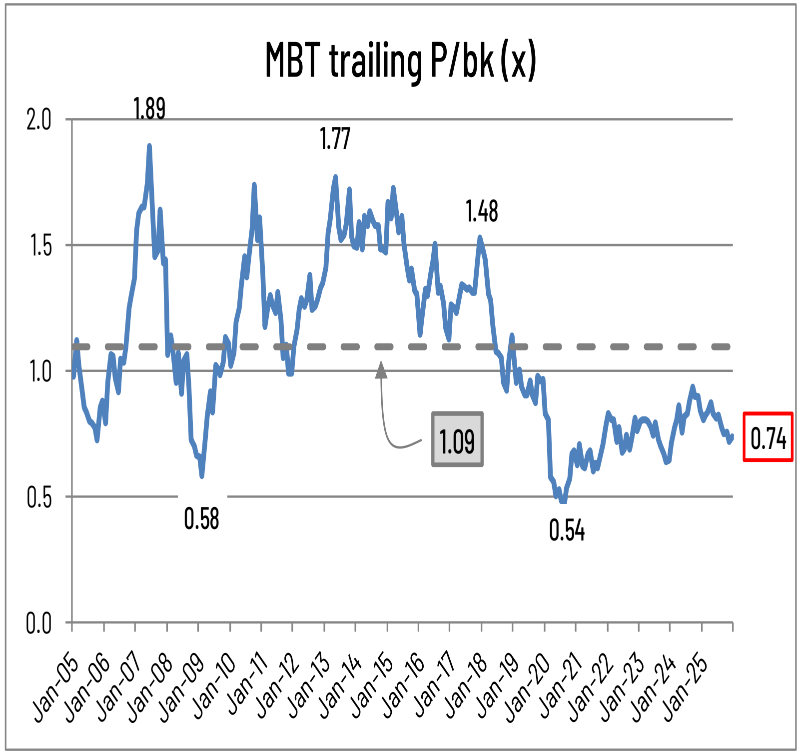
Valuations back down

Trailing Price to book ratios of Big Three







BDO / BPI now at 1-1.1x P/bk for 2026E
Despite ROEs tracking 14-15%

Source: Bangko Sentral ng Pilipinas, REGIS estimates

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Consumer - Overweight

- Easing inflation has led to improved consumer wallets but some spend has been diverted to online gaming
- Looming gaming restrictions could re-divert spend back to traditional consumer names
- Valuations are still at/near multi-year lows for most
- BUY - JFC, PGOLD, URC

Source: REGIS estimates, Company data

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Consumer - Overweight

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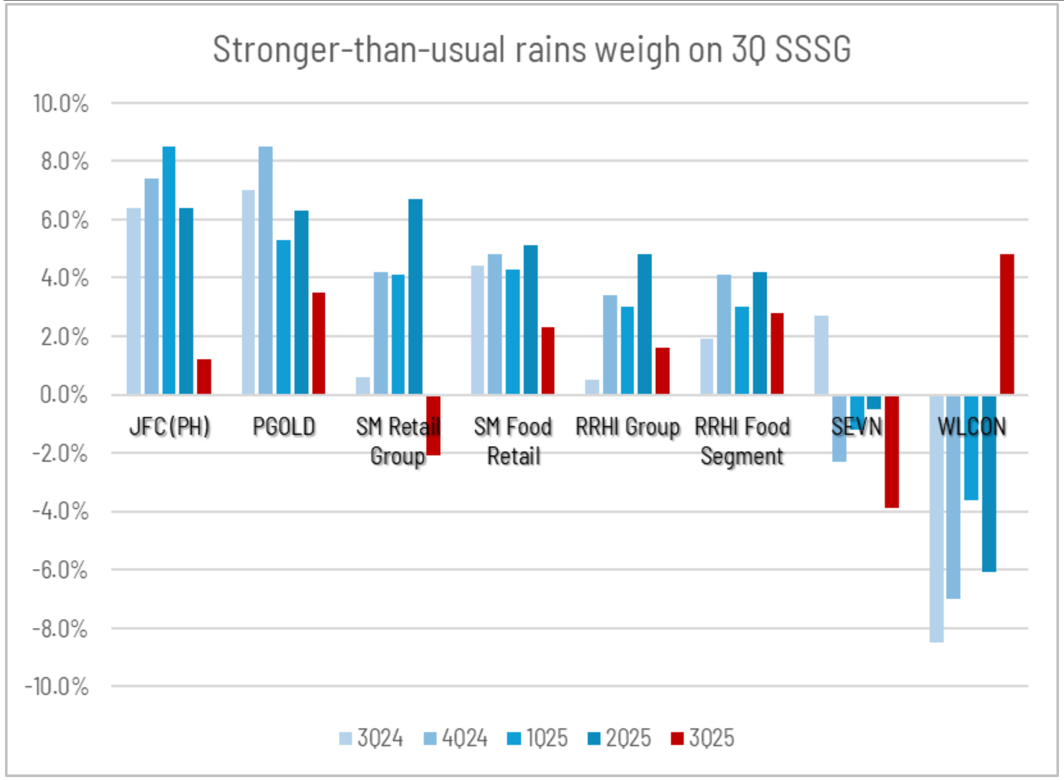
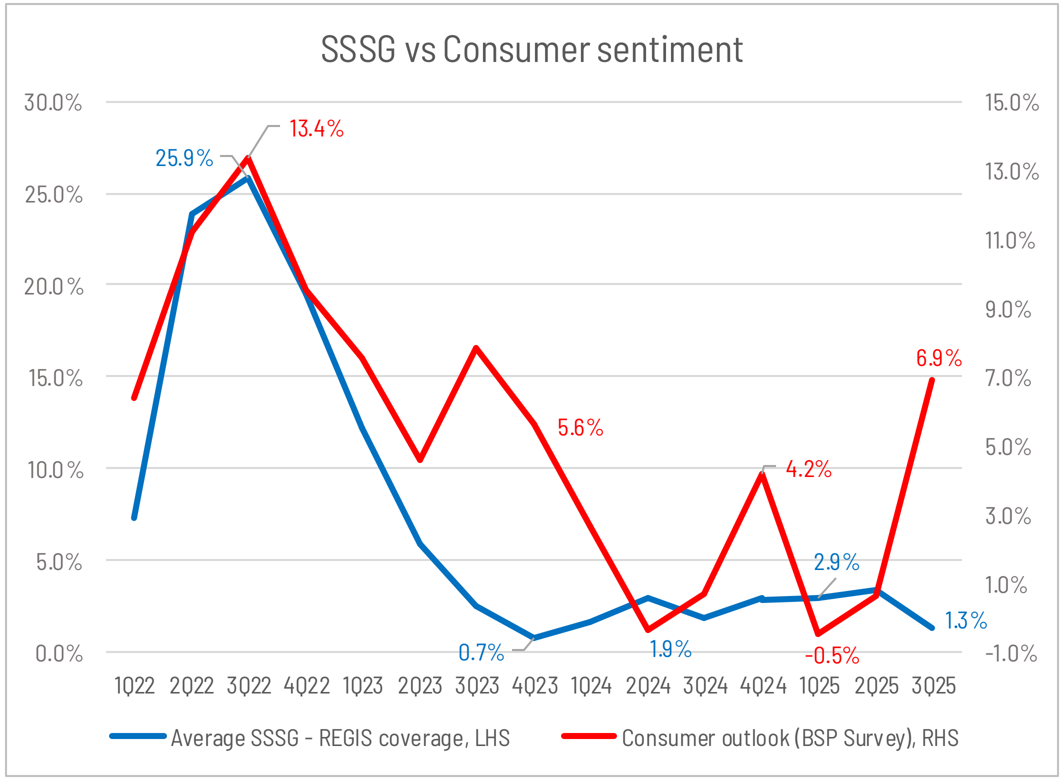
Consumers – Top line recovering but less robustly than expected





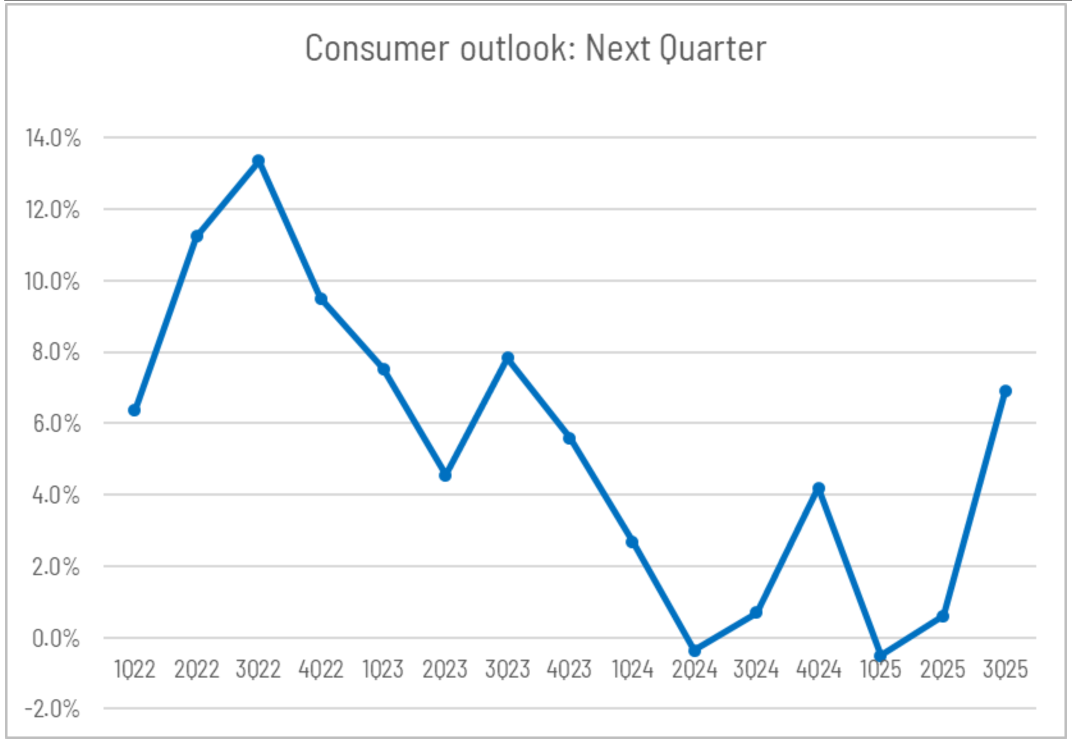
Inflation decline has expanded consumer wallets but another "sector" has captured spend

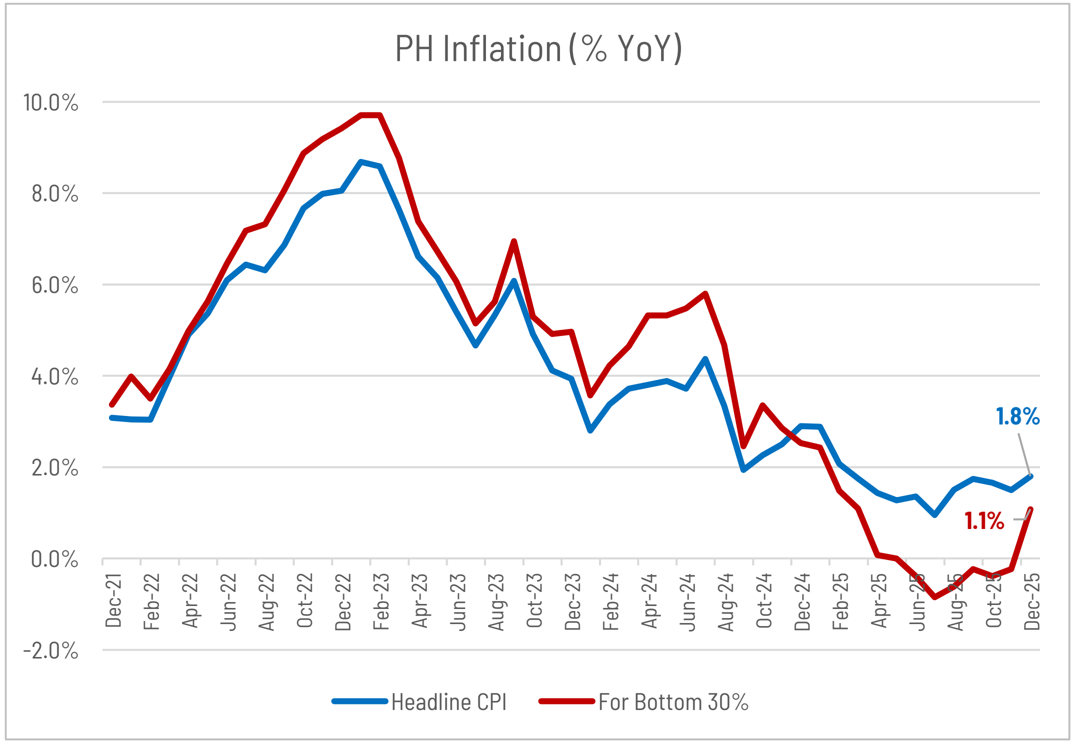
SSSG follows consumer sentiment, which appears to be rebounding.

Source: Company data, BSP, REGIS estimates

Consumer - Overweight

Consumer sentiment rebounding as inflation (esp rice) eases





Consumer sentiment rebounding as inflation eases

Rice price drop is a potentially powerful catalyst, especially for lower-income households

Source: BSP, PSA, REGIS estimates

Property – Neutral

- Falling interest rates – tend to benefit stocks before fundamentals
- Residential pre-sales already improving QoQ and YoY
- Office vacancy still high, but BPO take-up positive
- BUY - ALI, SMPH, RLC

Source: REGIS estimates, Company data

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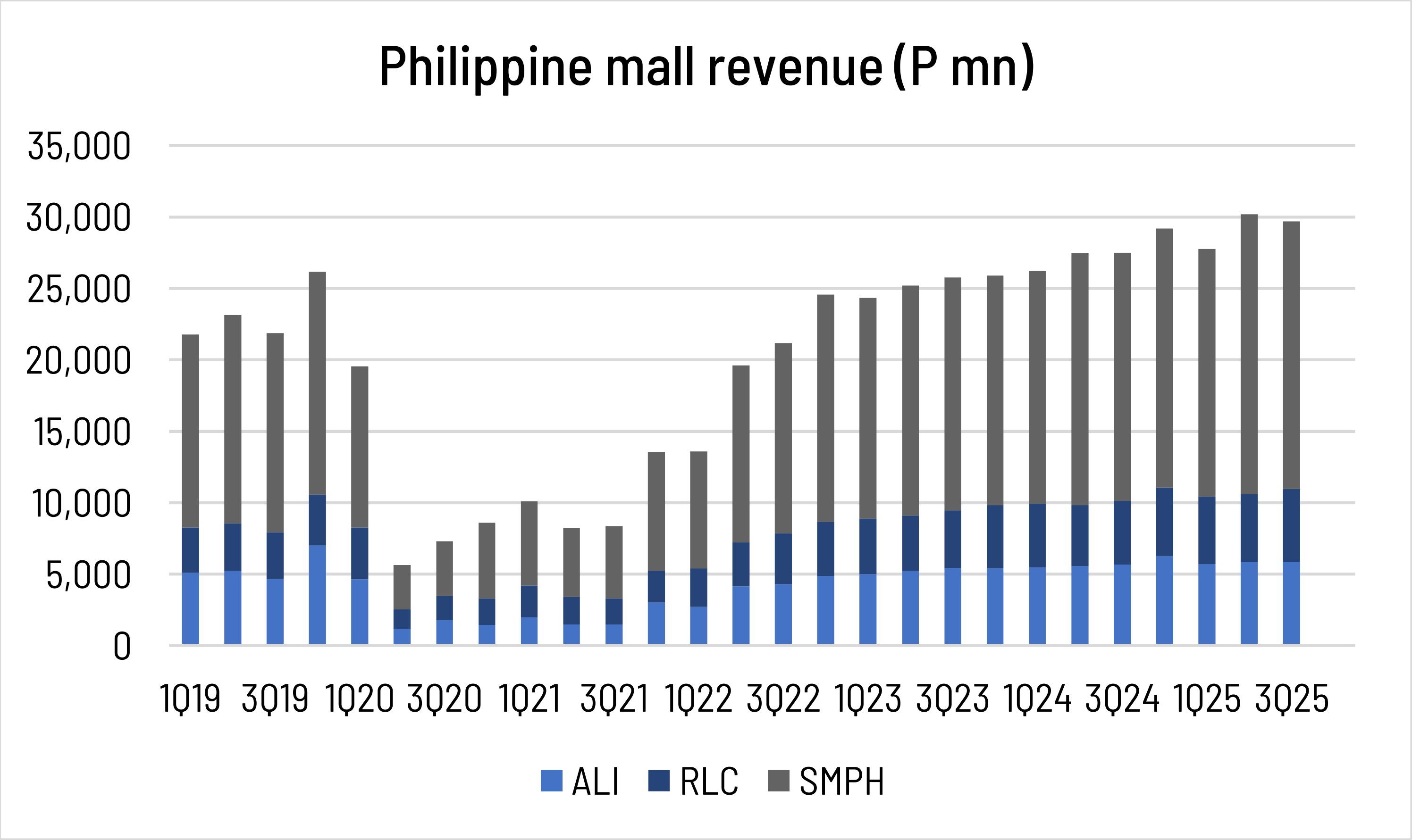
Property – Mall profitability above pre-Covid



Source: Company data, REGIS estimates

Property – Resi pre-sales improving

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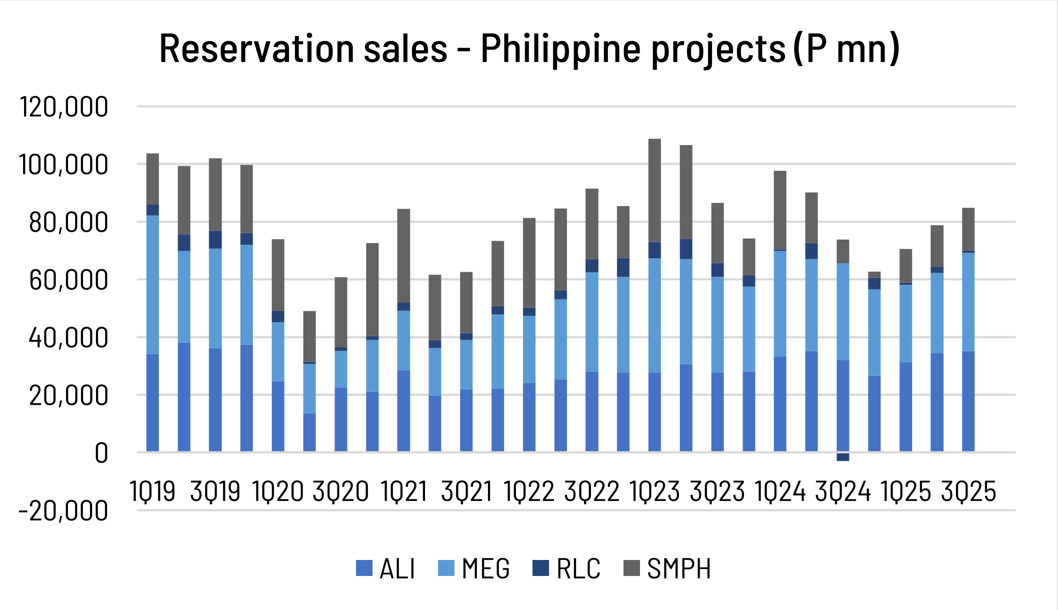

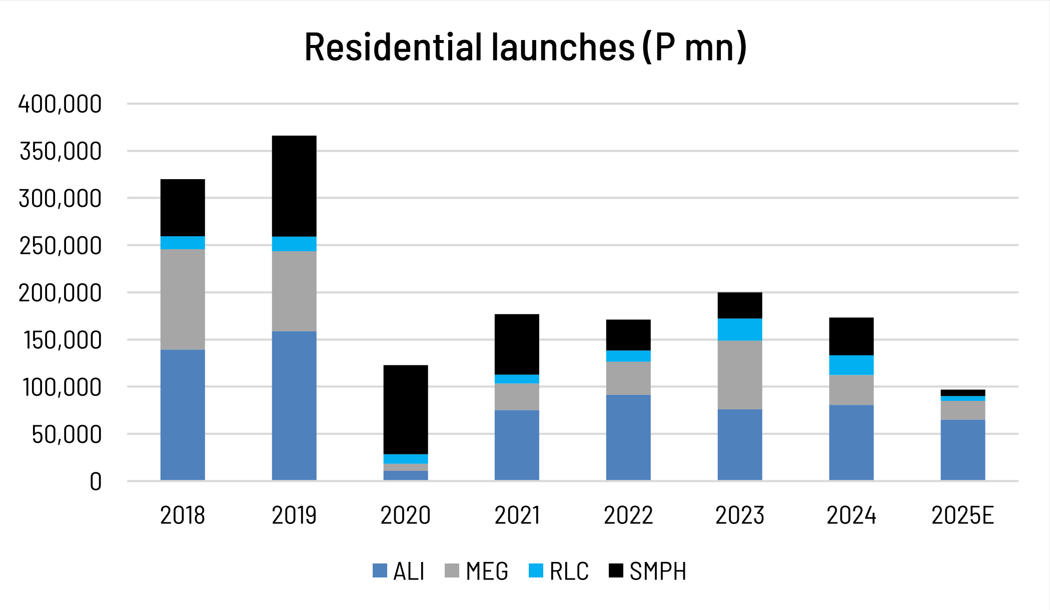

3Q25 reservation sales of the top 4 developers grew 8% QoQ and 20% YoY to P85bn (c. 15% below 2019 levels), thanks to aggressive promotions on RFO units

Developers are reducing launches to manage inventory

Source: Leechiu Property Consultants, REGIS estimates

Property – Office rental reversions turn +ve

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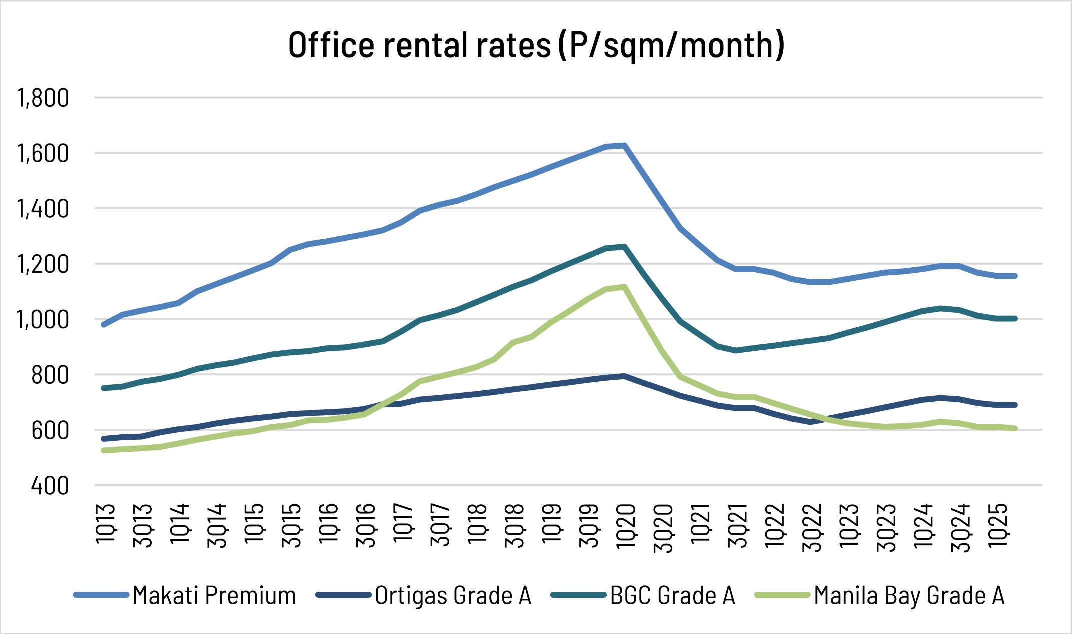

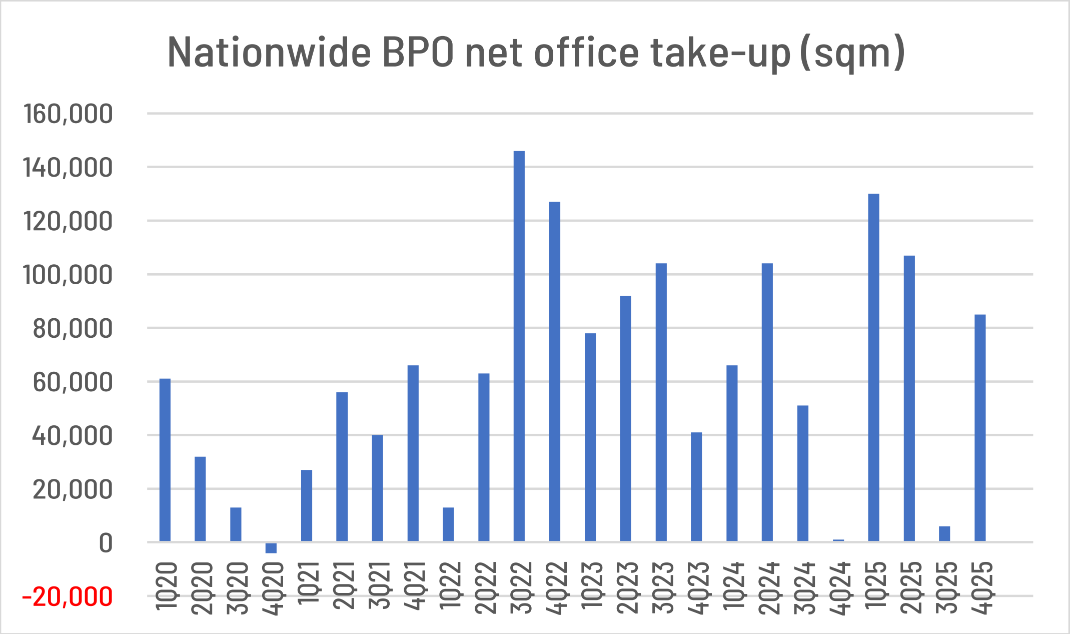

We forecast positive rental reversions in Makati and BGC beginning 2026E
Surprisingly, BPO office take-up remains net positive, despite AI threat

Source: Leechiu Property Consultants, REGIS estimates

Gaming – Underweight

- **Physical casinos still suffering from POGO departure**
  - Chinese, Korean tourist numbers still down from pre-Covid
- **New supply coming from Alliance Global in 2026**
  - To add 15-20% capacity to Entertainment City area
- **For e-gaming, tighter regulations, taxation are being proposed**
  - BSP mandated e-wallets to remove links from their apps to e-games
  - BSP Draft Circular to further increase "friction"
  - Senators proposed minimum "cash-in" and bet sizes
  - DOF proposed 10% tax on operators' GGRs

Source: REGIS estimates, Company data

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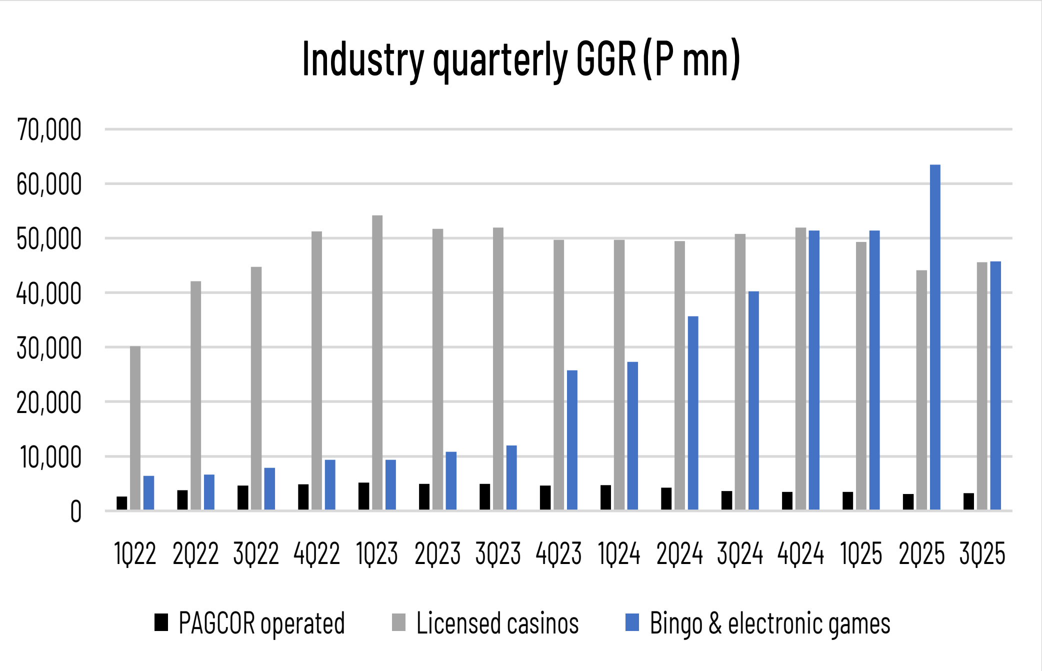
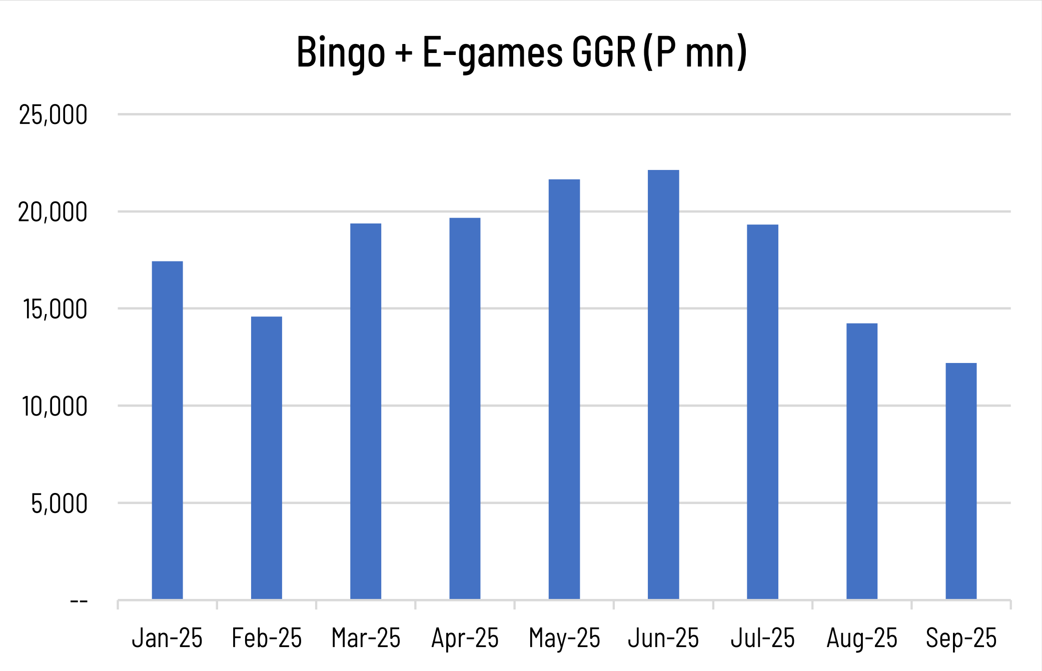
GGR of e-games fell 28% QoQ and could fall further





Source: Pagcor, REGIS estimates

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Power Generation - Neutral

- 4Q25 demand weakness persisted, pointing to economic softness beyond just weather-related impact
- Soft energy (oil, coal) prices will disproportionately affect renewable energy (RE) firms, not benefiting from lower input costs
- Prefer yield plays: **Semirara (8-15%), Meralco (5%), Aboitiz Power (5%)**
- Overhang on **ACEN** persists until capital raising is concluded

Source: REGIS estimates, Company data

Power Generation - Neutral

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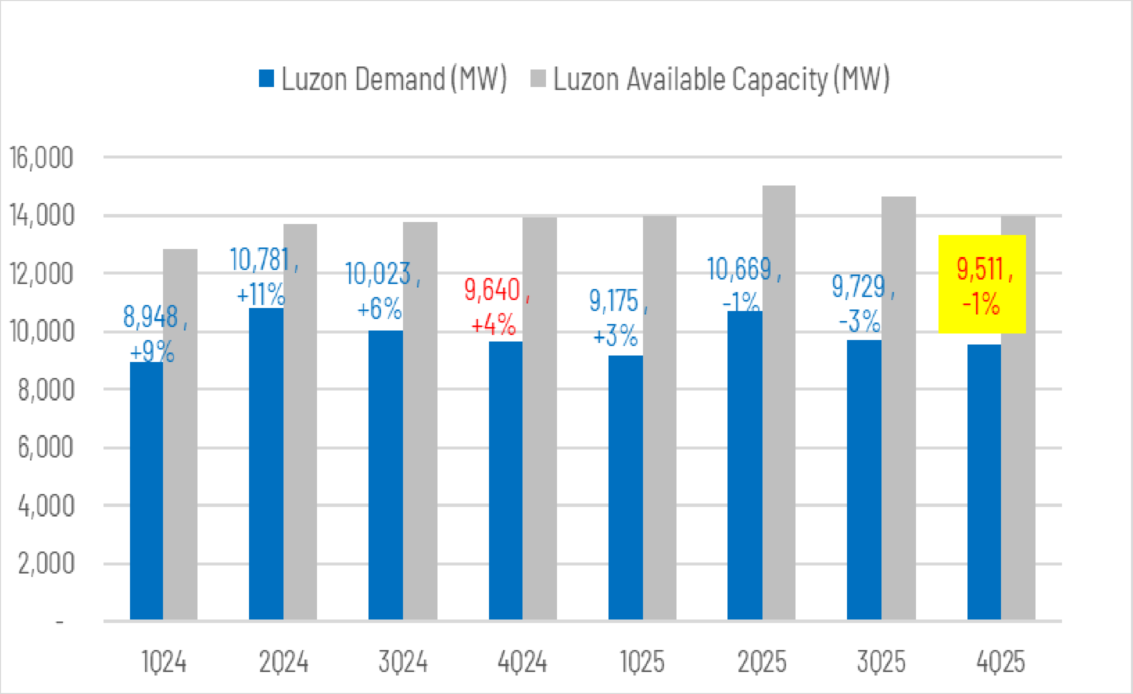
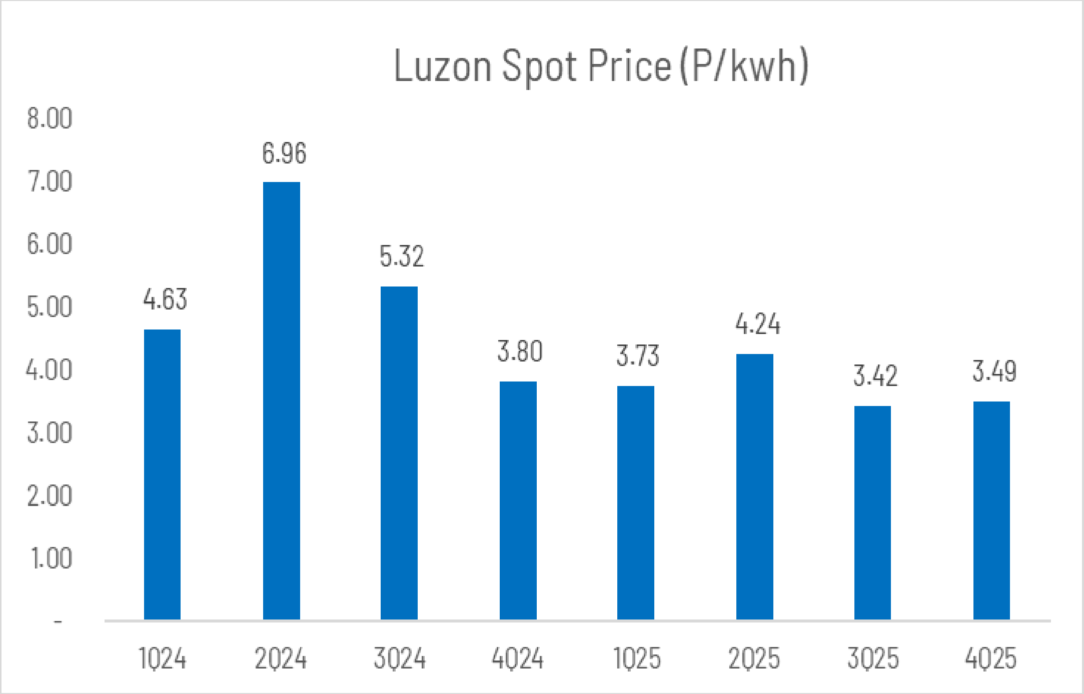
Power usage remained soft in 4Q





4Q demand down 1% YoY, extending 9M weakness

Lower world fuel prices a factor in spot prices

Source: REGIS estimates, WESM

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Telecoms - Neutral

- Broadband segment seeing modest rebound
- Mobile business still stagnant
- Konektadong Pinoy Act could pose risk to broadband competition
- Dividend yields remain key attraction

Source: REGIS estimates, Company data

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Telecoms

Key Provisions of "Konektadong Pinoy Act"

- "Data transmission industry participants" don't need a congressional franchise
- "Spectrum Management and Policy Framework" will be established
- Mandatory, non-discriminatory access to certain infrastructure assets
- Performance standards for service providers

Source: REGIS estimates, Company data

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Telecoms - Neutral

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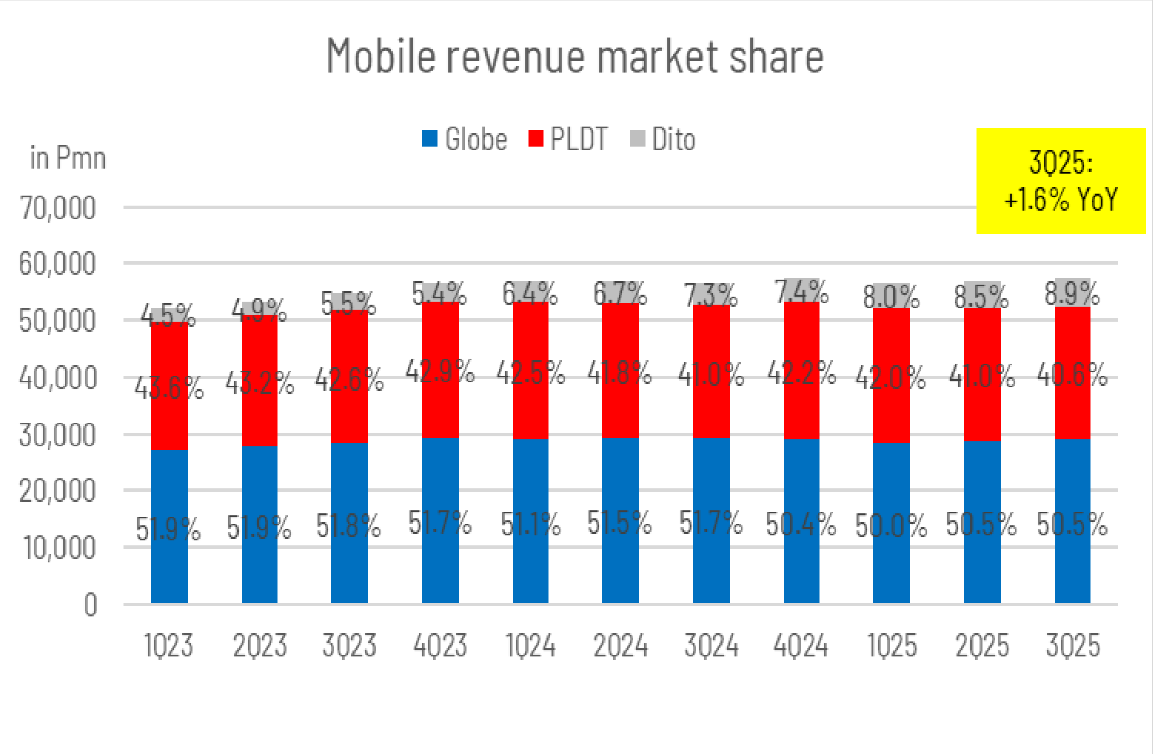
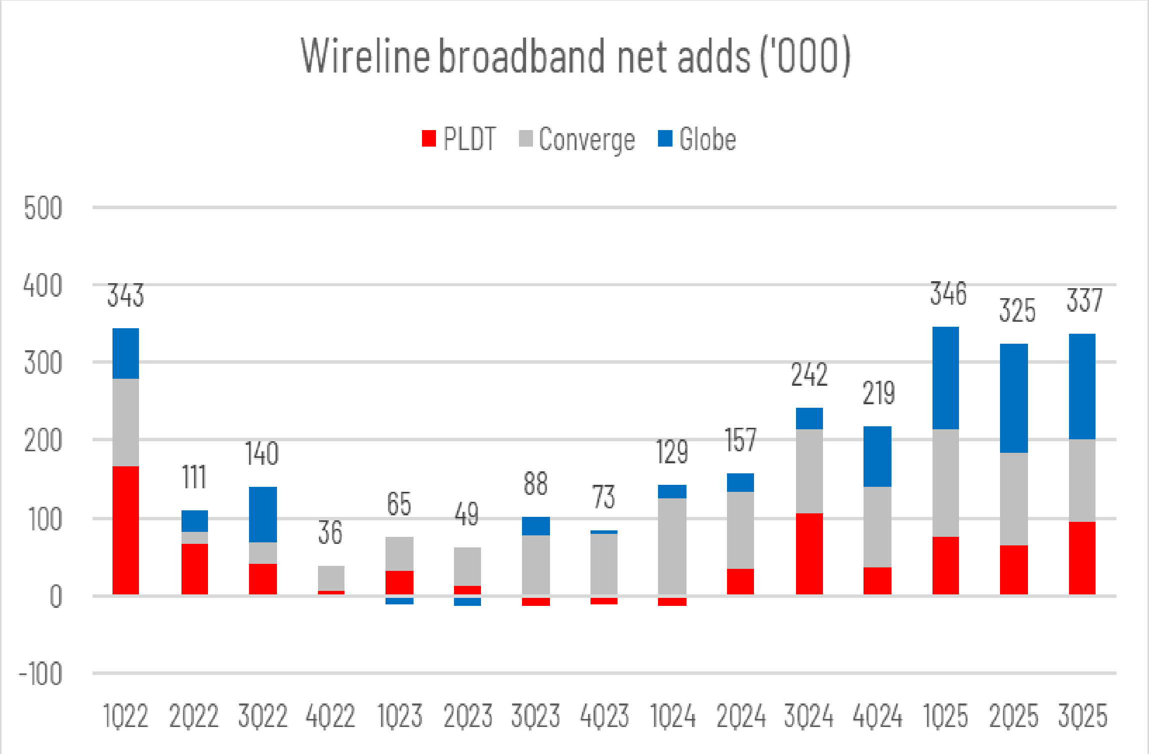
Mobile revenues remain stagnant; Broadband re-accelerating





<u>Mobile reveues up >1% but still down for incumbents</u>

<u>Broadband net adds stay healthy into 3Q</u>

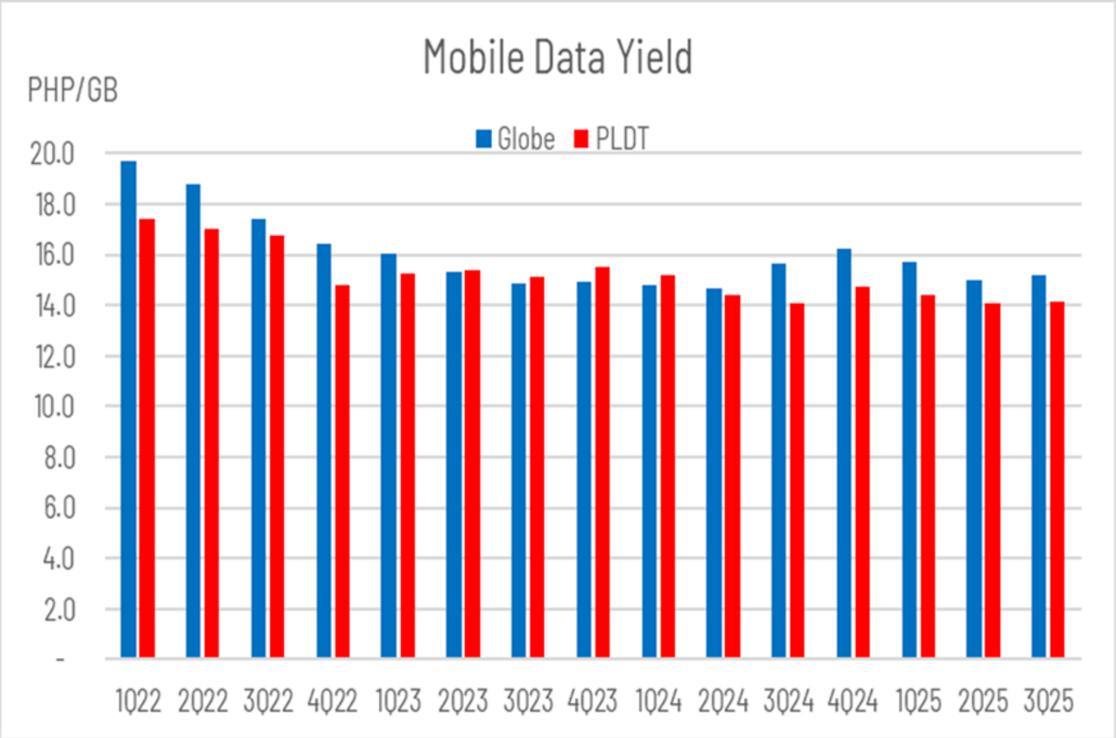
Source: Company data, REGIS estimates

Telecoms - Neutral

Is data expensive in the Philippines?

Regional broadband pricing

Provider	AIS	Indihome		Viettel		Maxis		Converge	
Country	Thailand	Indonesia		Vietnam		Malaysia		Philippines	
Speed (mbps)	500	150	300	300	500	100	500	100	500
Monthly Price (LCY)	500	325,000	888,000	255,000	500,000	89	139	999	2,000
Monthly Price (USD)	16	20	54	10	19	21	33	17	34



Mobile data yield is below P 15/GB

Domestic broadband pricing is still high relative to region

Source: Company data, REGIS estimates

Transport

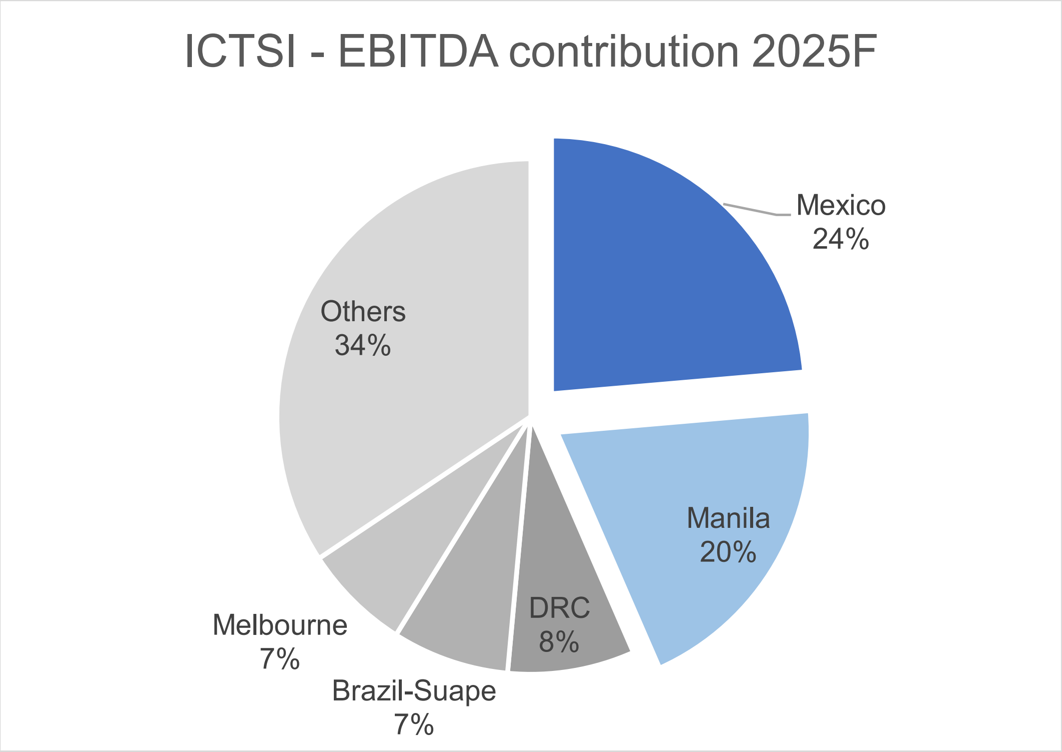
- <u>ICT – shrugging off Trump tariff concerns</u>
  - ICT Revenue growth 16% in 9M25
  - Mexico gaining mkt share; now bigger contributor than Manila
  - Durban win, Brazil bid upcoming

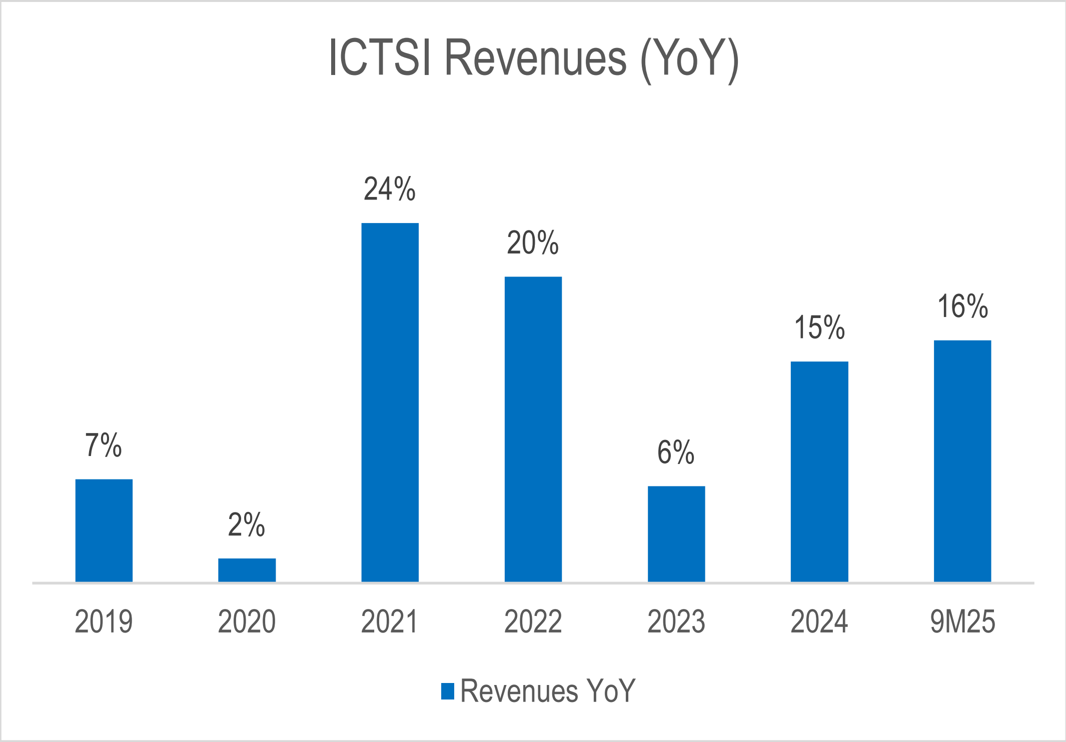
- <u>CEB – still leading</u>
  - CEB's capacity expansion was timely
  - Market share gains stymied near-term by global aircraft supply issues

Source: REGIS estimates, Company data

ICTSI – Buy

ICT Ebitda breakdown / Revenue growth





<u>ICTSI's revenues +16% 9M25, broadly shrugging off tariff concerns</u>

Source: Company data, REGIS estimates

ICTSI – Buy

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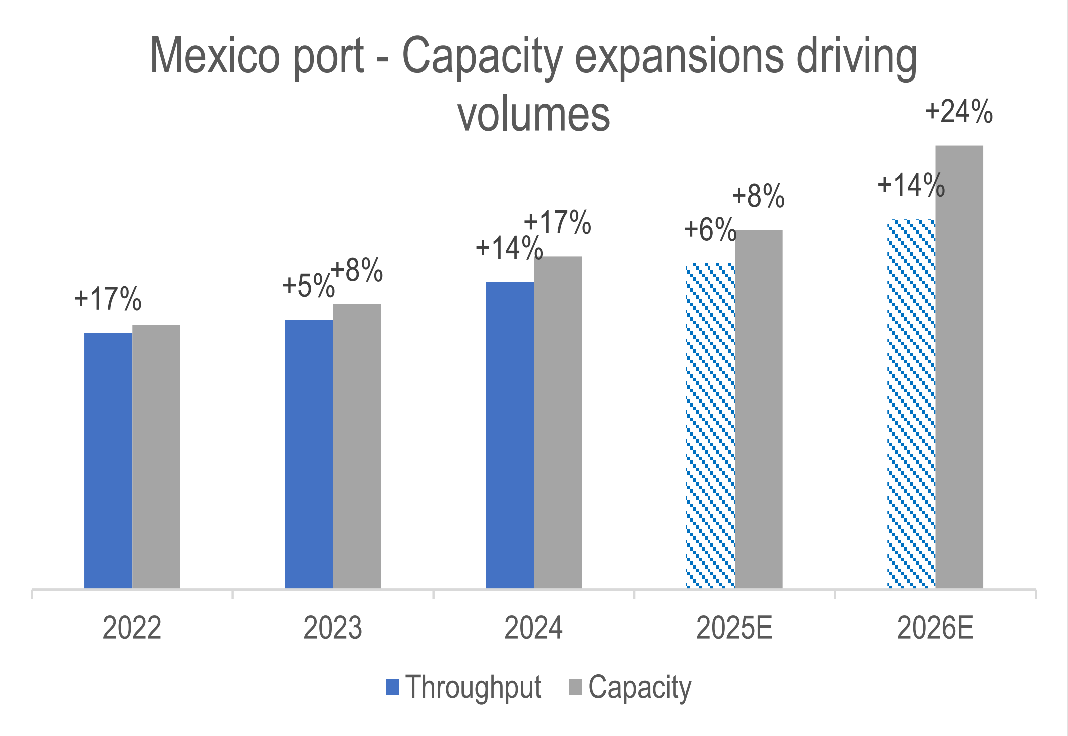
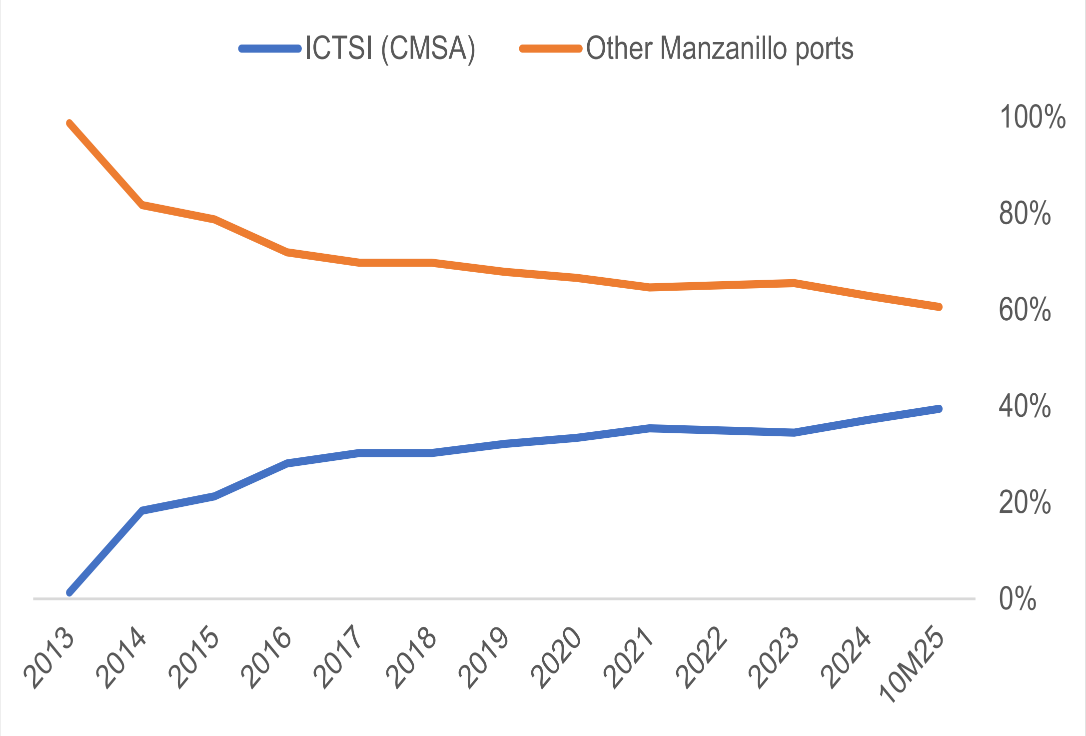
ICT strong operating leverage





Mexico port has steadily gained share, now reaching 39%

Capacity expansion will likely drive volume growth further amid competitors' infrastructure constraints

Source: Company data, REGIS estimates

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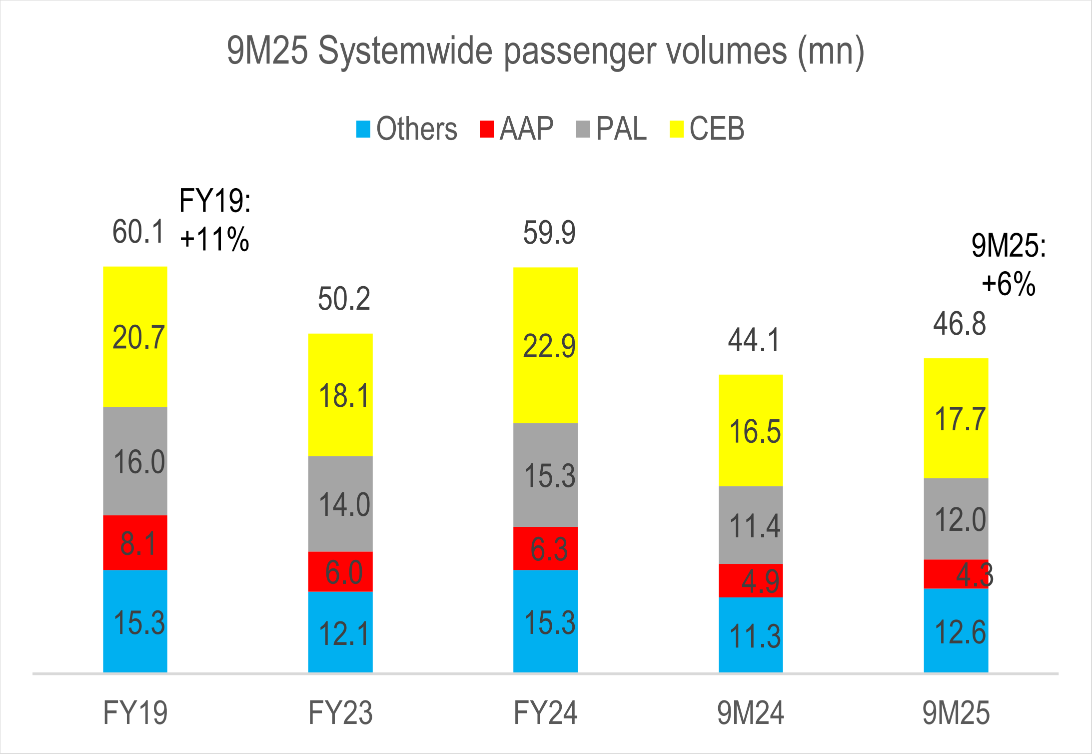
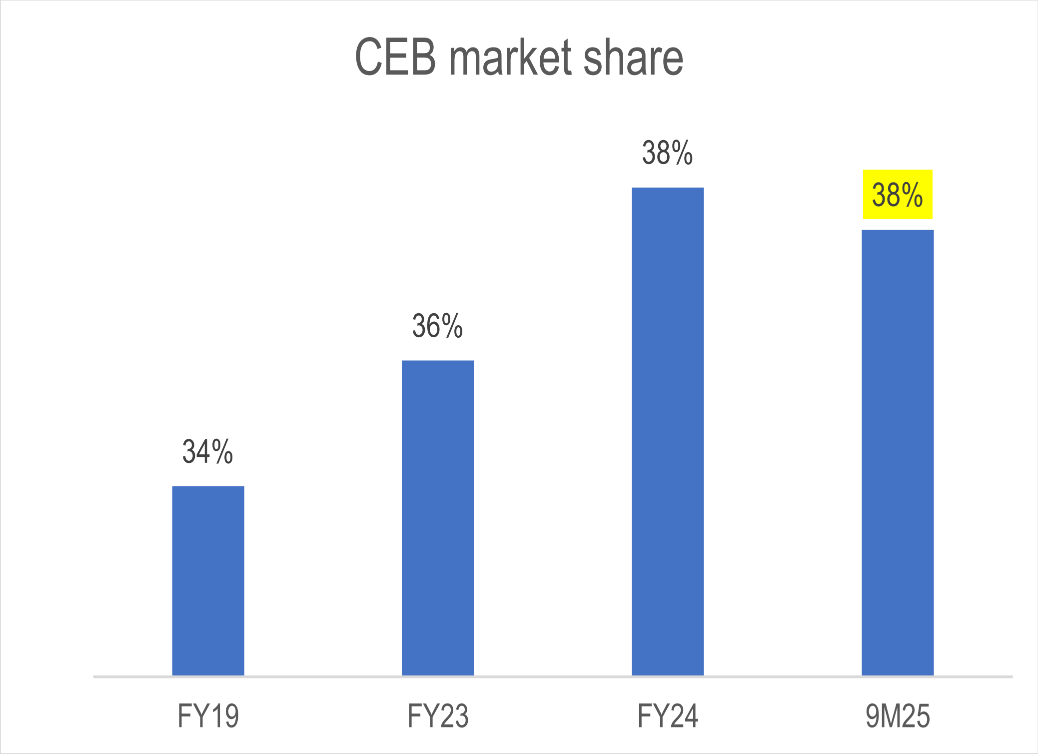
Cebu Air – Buy

CEB vs system-wide passenger volumes





<u>Industry-wide passenger volumes moderated in 3Q due to longer lean season</u>

<u>CEB market share gains stalled due to global aircraft supply issues</u>

Source: CAA, Company data, REGIS estimates

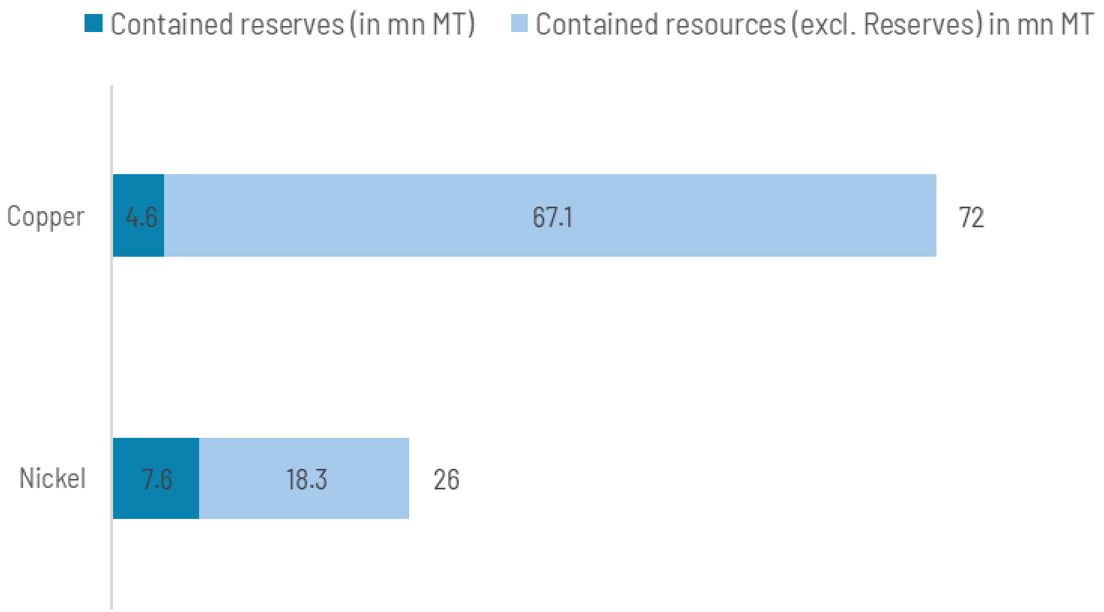
Mining

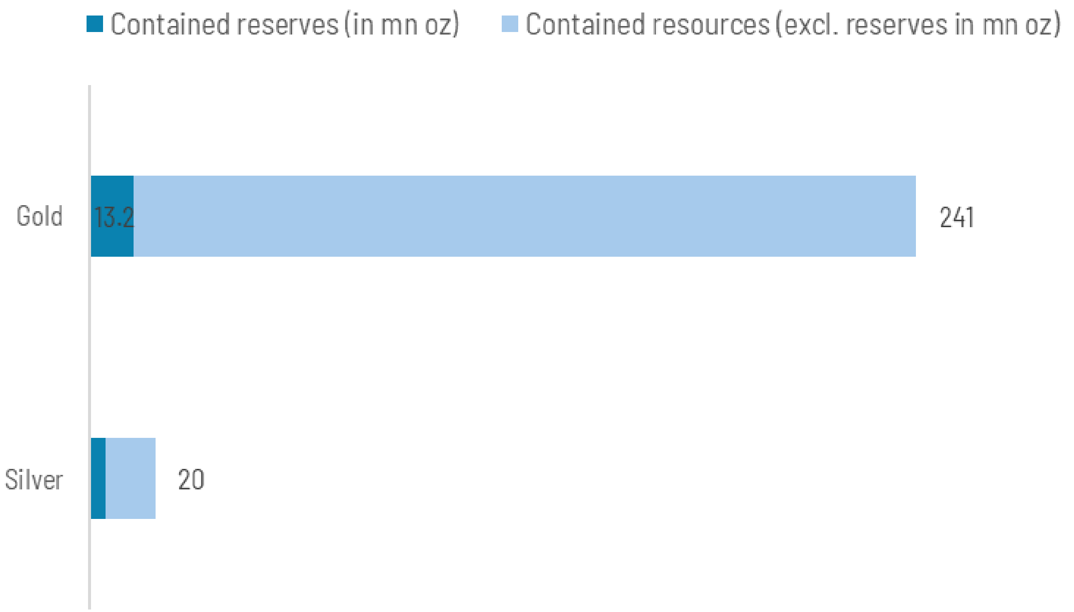
- Country sits on vast, largely untapped resources of gold, copper, and nickel
- Policy reforms have made the operating landscape more supportive (e.g. Mining Fiscal Regime Law)
- Near-term macroeconomic upside may be limited but potential investments could be over US$9bn
- Elevated metal prices, particularly gold, may unlock long-dormant projects and revitalize the industry

Source: REGIS estimates, Company data

Mining

Buried treasure





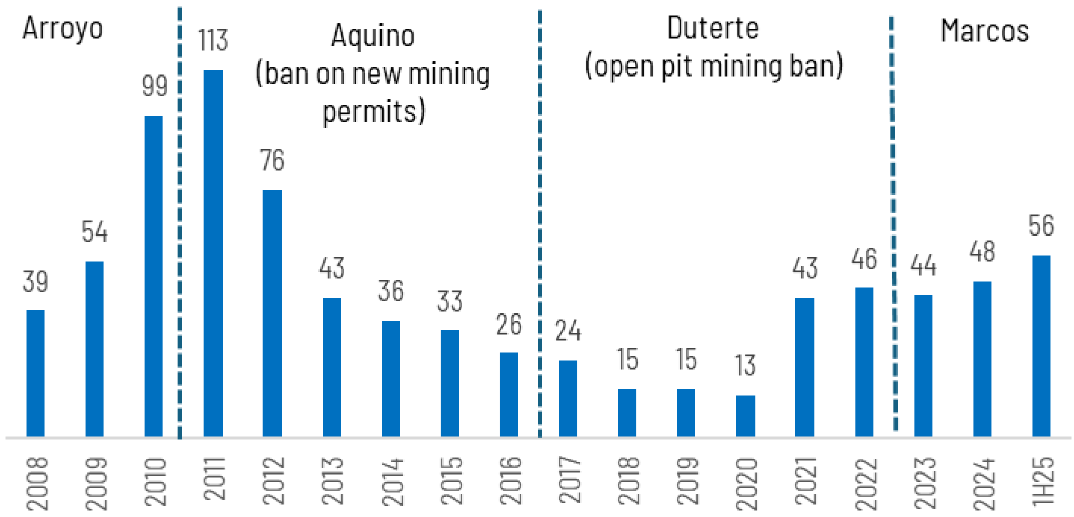
<u>Country's resources of gold, copper, nickel could be valued at over US$1.9tn at today's prices</u>

Source: Mines and Geosciences Bureau (MGB), REGIS Estimates

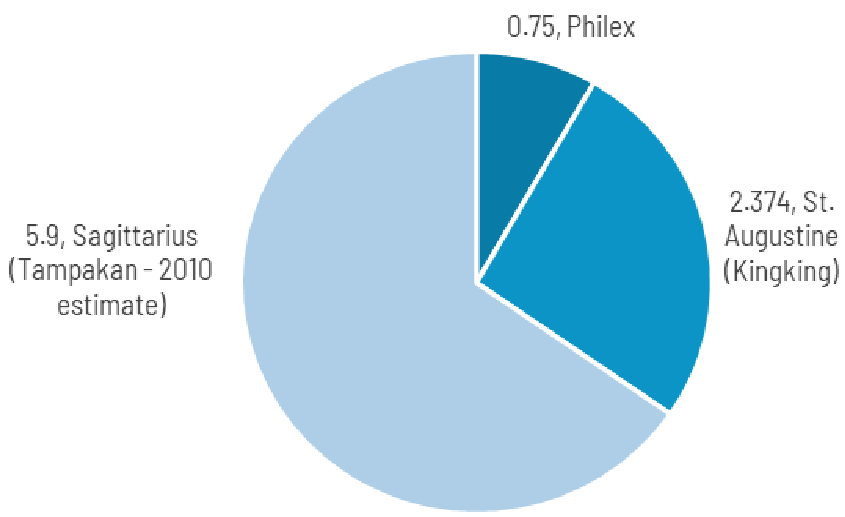
Mining

A new golden age?

Exploration activities climbing



Investment pipeline at US$9bn



<u>After more than a decade of anti-mining policies, a more favourable operating environment and elevated metal prices may finally bring long-stalled and new projects online</u>

Source: Company data, REGIS estimates

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