

## Morning Briefing

### Top Stories:

- **2025 Results and 2026 Outlook of LTG (Separate Report)**
- **Philippine Foreign Direct Investments**
- **Recommended Cash Dividend Stocks Portfolio**

### Markets

<u>PSEi</u>	<u>PH10Y</u>	<u>DJIA</u>	<u>S&amp;P500</u>	<u>NASDAQ</u>	<u>US10Y</u>	<u>Gold</u>	<u>Oil</u>
6,098	6.545%	47,917	6,817	22,903	4.317%	4,771	95.63
+0.14%	-0.061	-0.56%	-0.11%	+0.35%	+0.024	-0.98%	-2.29%

### US Markets

US markets were down, except for the NASDAQ, prior to the US and Iran talks in Pakistan. The average discount of the Mag 7 to their latest consensus target prices went down from 17.06% to **16.73%** (connoting a lower market ceiling), while the S&P 500's PER went down from 29.28x to **29.26x** (still connoting a frothy index).

### PSEi

The PSEi rose by 0.14% to 6,090 at 10.25x PER last Friday. This was led by index stocks MBT (+4.50% to PHP67.30), ICT (+3% to PHP720), and CNVRG (+1.30% to PHP12.50). The PSEi gapped up early but was met by profit taking during the trading day. Asian markets were up. Our **PSEi forecast is currently 7,691 at 12.93x PER**. The PSEi has a **26% upside** to our forecast. *This upside is lower than the average 35% discount of our stocks/REITs coverage to their target prices and*

*the 35% upside of the average 2026F PER of 9.61x of our coverage to the 12.93x PER of our PSEi forecast.*

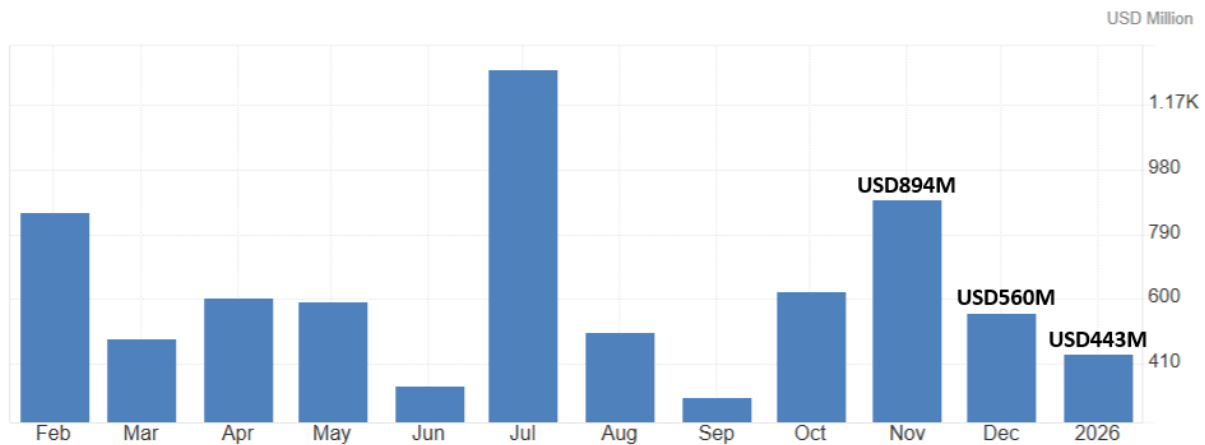


Source: CNBC, Trading Economics, PSE, multpl.com, and Asiasec Equities Research

## Economic News

### Philippine Foreign Direct Investments

Net foreign direct investment (FDI) in the Philippines **dropped by 39.2%** year-on-year to USD0.4B in January 2026. This marked the lowest level since September 2025, suggesting that rising geopolitical risks are weighing on investors sentiment. Net inflows declined across all major FDI components, including reinvestment of earnings (-56.8%), debt instruments (-38.4%), and equity capital (-19.9%). Equity capital placements during the month mainly originated from Japan, the United States, and South Korea, with investments directed largely toward manufacturing, real estate, and wholesale and retail trade industries. In 2025, FDI net inflows reached USD7.8B, down 17.1% from the USD9.4B recorded in 2024.



Bangko Sentral NG Pilipinas

Source: [Bangko Sentral ng Pilipinas](#) and [Trading Economics](#)

### Economic Calendar

Day / Time	Previous	Consensus	Forecast
<b>Wednesday April 15 2026</b>			
Cash Remittances FEB	\$3.0B		
<b>Thursday April 23 2026</b>			
<b>Thursday April 23 2026</b>			
4:00 PM Budget Balance MAR	PHP-171.2B		PHP -400.0B
<b>Friday April 24 2026</b>			
3:00 PM Consumer Confidence Q1	-22.2		-27
4:00 PM Business Confidence Q1	29.7		25
<b>Thursday April 30 2026</b>			
9:00 AM Balance of Trade MAR	\$-3.683B		\$ -4.1B
9:00 AM Exports YoY MAR	8%		
9:00 AM Imports YoY MAR	12.60%		
9:00 AM PPI YoY MAR	1.40%		1.7%
<b>Monday May 04 2026</b>			
8:30 AM S&P Global Manufacturing PMI APR			
<b>Tuesday May 05 2026</b>			
9:00 AM Inflation Rate YoY APR	4.10%		5.00%
9:00 AM Core Inflation Rate YoY APR	3.20%		
9:00 AM Inflation Rate MoM APR	1.40%		1.30%
<b>Wednesday May 06 2026</b>			
9:00 AM Industrial Production YoY MAR	4.60%		2.50%
9:10 AM Unemployment Rate MAR	5.10%		4.30%
<b>Thursday May 07 2026</b>			
10:00 AM GDP Growth Rate QoQ Q1	0.60%		1.00%
10:00 AM GDP Growth Rate YoY Q1	3.00%		4.50%

Source: Trading Economics

### H1-2026 Market Events Timeline and Outlook

January	February	March	April	May
US Fed retains rates at 3.5-3.75%	'25 Earnings Season	'25 Earnings Season	25 Earnings Season	Q1 Earnings Season
PH Q4-2025 GDP 3% from 3.9% in Q3; 4.4% in 2025 from 5.6% in 2024	BSP 0.25% Rate Cut to 4.25%	US Fed retains rates at 3.5-3.75%	US Fed Policy Mtg Apr 28-29, rate cut 12-18% probability	US Fed Policy Mtg May 12-13, rate cut 20-28% probability
		BSP maintains Rate at 4.25%	BSP Policy Mtg Apr 22-23, rate cut 0-5% probability	

Source: Asiasec Equities Research

## Recommended Cash Dividend Stocks Portfolio

With headwinds hitting the markets, we believe this gives an **opportunity to create a solid cash dividend stocks portfolio** for the long term. As prices fall, yields of stable cash-dividend paying companies increase. Below is our portfolio recommendation:

Cash Div Stock Picks	Share Price (PHP/share)	2026F Div / Share (PHP)	Dividend Yield
LTG	14.82	1.25	8.4%
TEL	1,300.00	104.35	8.0%
MBT	67.30	5.00	7.4%
FB	52.20	3.79	7.3%
URC	62.00	4.12	6.7%
GLO	1,650.00	100.00	6.1%
		<b>Average</b>	<b>7.3%</b>

Source: PSE and Asiasec Equities Research

### Notes:

1. With equal weighting, the average cash dividend yield from this portfolio is currently **7.3% per annum**.
2. This **beats inflation** of 2.6% this year from the IMF and 2-4% from the government.
3. This also beats the yield of the PH10YTN rate of 6.545%. We believe this proves that **stocks are still better than bonds**.
4. The yield from this portfolio from an investment of PHP5M notably **covers** the annual food (PHP20k minimum) and utilities (PHP5k minimum) **expenses of a typical Filipino family** (Source: NEDA and Numbeo).
5. The companies' businesses are deemed stable and **have a suitable degree of resistance from the US tariffs** with LTG mainly tobacco and banking, TEL with telecommunications and digibanking, MBT with banking, FB with beer and food, GLO with telecom and fintech, and URC with food and beverages.
6. Banking may encounter additional NPLs as an effect of the US tariffs from affected clientele from manufacturing. The industrial sector



(including manufacturing, utilities, and construction) comprise 20-30% of banks' total loans.

### **Other Economic, Sector, and Corporate News**

#### **Cebu Landmasters expands beyond VisMin, buys 70-hectare Cavite property for flagship Luzon township**

Visayas and Mindanao (VisMin) developer Cebu Landmasters Inc. (CLI) has firmed up its plan to venture into the more competitive Luzon real estate market with the acquisition of a 70-hectare (ha) property in Dasmariñas City, Cavite province.

Source: [ManilaBulletin](#)

#### **RFM still hopes to beat 2025 performance despite rising energy costs**

Despite heightened uncertainty due to the war in the Middle East, Concepcion-led food and beverage firm RFM Corp. still hopes to beat its 2025 performance, albeit at muted levels.

Source: [ManilaBulletin](#)

#### **PhilWeb secures accreditation as gaming affiliate**

PhilWeb Corp. said it is strengthening its position in the Philippine regulated gaming industry after securing accreditation from the Philippine Amusement and Gaming Corp (PAGCOR) as a gaming affiliate and support service provider.

Source: [ManilaStandard](#)

#### **Manila Water expands Rizal network**

Manila Water Company said it is ramping up its mainline extension projects across Rizal Province to provide continuous water supply to thousands of additional homes and businesses.

Source: [ManilaStandard](#)



### **Alternergy gauges market readiness for PHP5B share sale**

Alternergy Holdings Corp. is taking a wait-and-see approach for its planned PHP5B capital raise, carefully timing it to local market signals and global conditions amid Middle East tensions.

Source: [Philstar](#)

### **BYD builds EV inventory in PHL as oil prices spur demand**

BYD Cars Philippines is ramping up inventory in anticipation of stronger electric vehicle (EV) demand in the country, as rising oil prices are expected to push more consumers to shift to EVs.

Source: [Businessworld](#)

### **San Miguel bags PHP7.8B Boracay bridge project**

San Miguel Holdings Corp. (SMHC), the infrastructure arm of San Miguel Corp. (SMC), has been awarded the PHP7.78B Boracay Bridge Project by the Department of Public Works and Highways (DPWH).

Source: [ManilaBulletin](#)

### **5 firms join Semirara coal site visit**

The participating firms included Limay Power Inc., Malita Power Inc., DESCO Inc., Sta. Clara International Corp. and San Miguel Global Power Holdings Corp., with Semirara Mining and Power Corp. serving as the host company.

Source: [ManilaStandard](#)

### **GT Capital earmarks PHP29.6B for 2026 expansion**

The conglomerate said its capital spending program will range between P24 billion and PHP29.6B. The company plans to fund the requirements through a mix of internal resources and debt.

Source: [ManilaStandard](#)



## Commodities

### Energy

- **Brent Crude Oil:** Remained volatile, with daily fluctuations often exceeding 2% as traders reacted to ceasefire talks and regional stability risks. On April 10, WTI crude fell 2.35% but maintained a 10%+ premium from previous levels.
- **European Natural Gas/Coal:** Remained highly sensitive to shipping disruptions, with European gas and thermal coal holding significant gains.
- **Methanol (CNY/T):** Recorded a significant spike of 4.76% based on regional market reports.
- **Coking Coal (USD/T):** Dropped 2.18% in daily trading.
- **German Natural Gas (EUR/MWh):** Dropped 5.99% as part of daily volatility.

### Metals

- **Nickel:** Traded around \$17,200-\$17,290 per tonne, with daily movements up and down, including a 0.44% increase in the immediate days leading to April 11th, though facing pressure from high inventories.
- **Copper & Precious Metals:** Base metals saw sharp losses (dropping >2% at times) as the broader Iran conflict triggered volatility.
- **Iron Ore:** Showed high intraday volatility but held strong compared to previous months.

### Agricultural & Industrial Commodities

- **Vegetable Oils:** Prices for palm, soy, and sunflower oils experienced high volatility, with some rising over 5% in early March and remaining highly sensitive in April.
- **Sugar:** Saw significant, high-percentage daily surges, sometimes exceeding 7% in a single session based on ethanol conversion expectations.
- **Rubber:** Displayed continued upward trends in industrial applications.

Source: [Trading Economics](#)

## Dividends Calendar

Company Name	Type of Security	Type of Dividend	Dividend Rate	Ex-Dividend Date	Record Date	Payment Date
Concepcion Industrial Corporation	COMMON	Cash	Php 1.00	13-Apr-26	14-Apr-26	22-Apr-26
Synergy Grid & Development Phils., Inc.	COMMON	Cash	0.3474	14-Apr-26	15-Apr-26	4-May-26
Vitarich Corporation	COMMON	Cash	Php0.04911054237	14-Apr-26	15-Apr-26	30-Apr-26
Apex Mining Co., Inc.	COMMON	Cash	Php 0.36918	14-Apr-26	15-Apr-26	27-Apr-26
Apex Mining Co., Inc.	COMMON	Cash	Php 0.24612	14-Apr-26	15-Apr-26	27-Apr-26
Benguet Corporation	BCP	Cash	Php0.28 per share	15-Apr-26	16-Apr-26	13-May-26
Benguet Corporation	COMMON	Cash	Php0.15 per share	15-Apr-26	16-Apr-26	13-May-26
Rizal Commercial Banking Corporation	COMMON	Cash	0.81 per share	15-Apr-26	16-Apr-26	28-Apr-26
Wilcon Depot, Inc.	COMMON	Cash	PhP0.14	16-Apr-26	17-Apr-26	12-May-26
Wilcon Depot, Inc.	COMMON	Cash	PhP0.26	16-Apr-26	17-Apr-26	12-May-26
Cosco Capital, Inc.	COMMON	Cash	P0.265/Share	16-Apr-26	17-Apr-26	11-May-26
Puregold Price Club, Inc.	COMMON	Cash	P1.18/Share	16-Apr-26	17-Apr-26	7-May-26
The Keepers Holdings, Inc.	COMMON	Cash	P0.12/Share	16-Apr-26	17-Apr-26	7-May-26
GMA Network, Inc.	COMMON	Cash	PhP 0.40	17-Apr-26	20-Apr-26	15-May-26
Cebu Landmasters, Inc.	COMMON	Cash	Php 0.18	21-Apr-26	22-Apr-26	6-May-26
Raslag Corp.	RSLG1	Cash	Php18.7563	21-Apr-26	22-Apr-26	30-Apr-26
RFM Corporation	COMMON	Cash	Php0.08903	22-Apr-26	23-Apr-26	20-May-26
Arthaland Corporation	Series F (ALCPF) ONLY	Cash	9.1575	22-Apr-26	23-Apr-26	14-May-26
Security Bank Corporation	COMMON	Cash	Php 1.50	22-Apr-26	23-Apr-26	8-May-26
Filinvest Development Corporation	FDCPB	Cash	FDCPB – Php17.7720	22-Apr-26	23-Apr-26	8-May-26
Filinvest Development Corporation	FDCPA	Cash	FDCPA – Php16.5630	22-Apr-26	23-Apr-26	8-May-26
Citicore Energy REIT Corp.	COMMON	Cash	PhP0.056	23-Apr-26	24-Apr-26	21-May-26
Monde Nissin Corporation	COMMON	Cash	Php 0.24/share	23-Apr-26	24-Apr-26	21-May-26
Century Properties Group, Inc.	CPGPB	Cash	PHP 1.8858 per share	24-Apr-26	27-Apr-26	22-May-26
In Coverage						

Source: [PSE Edge](#)

### Asiasec Equities Stocks Table

Stocks	Share Price (PHP/share)	Target Price (PHP/share)	Discount/ (Premium)	2026F PER (x)	2026F PBV (x)	2026F Div / Share (PHP)	Dividend Yield	Reco
AC	543.00	928.71	41.5%	6.88	0.44	9.24	1.7%	BUY
ACEN	2.97	2.87	-3.4%	13.40	0.94	0.02	0.7%	TRDG SELL
AEV	29.80	57.05	47.8%	7.20	0.50	1.59	5.3%	BUY
ALI	18.08	43.63	58.6%	6.30	0.61	0.66	3.6%	BUY
AP	44.70	53.79	16.9%	9.87	1.61	2.31	5.2%	BUY
APX	18.40	21.67	15.1%	12.72	3.52	0.62	3.3%	BUY
BLOOM	2.09	5.78	63.8%	44.75	0.38	-	0.0%	LT BUY
CEB	33.50	60.12	44.3%	3.08	0.77	-	0.0%	LT BUY
CNPF	32.20	40.37	20.2%	13.50	3.07	1.20	3.7%	BUY
CNVRG	12.50	27.44	54.4%	6.62	1.48	0.45	3.6%	STRONG BUY
DMC	10.22	14.21	28.1%	7.96	0.86	0.96	9.4%	SELL
FB	52.20	134.09	61.1%	9.59	1.62	3.79	7.3%	BUY
GLO	1,650.00	1,978.23	16.6%	10.53	1.44	100.00	6.1%	BUY
GTCAP	513.00	1,133.99	54.8%	2.55	0.30	9.70	1.9%	BUY
ICT	720.00	636.43	-13.1%	22.40	6.93	16.82	2.3%	TRDG SELL
JFC	169.50	283.74	40.3%	16.10	6.74	3.60	2.1%	LT BUY
JGS	28.70	40.63	29.4%	6.73	0.41	0.42	1.5%	LT BUY
KEEPR	2.23	3.80	41.3%	8.13	1.51	0.13	5.7%	BUY
LTG	14.82	36.20	59.1%	4.72	0.44	1.25	8.4%	BUY
MER	608.50	630.89	3.5%	13.77	3.77	27.03	4.4%	BUY
MONDE	6.67	9.13	26.9%	12.54	2.03	0.31	4.6%	LT BUY
MWIDE	2.96	5.75	48.5%	3.55	0.26	-	0.0%	BUY
MYNLD	20.75	21.06	1.5%	10.08	1.17	1.14	5.5%	BUY
NIKL	4.72	6.14	23.1%	7.62	1.07	0.22	4.7%	BUY
PGOLD	41.70	64.14	35.0%	9.96	1.35	1.94	4.7%	BUY
PLUS	16.80	18.67	10.0%	15.15	2.00	0.67	4.0%	LT BUY
PX	9.75	26.41	63.1%	37.61	1.63	0.02	0.2%	LT BUY
RLC	17.88	33.82	47.1%	5.69	0.46	4.10%	0.2%	BUY
SCC	30.05	37.68	20.2%	8.92	2.45	2.86	9.5%	SELL
SM	621.00	1,490.47	58.3%	7.62	0.70	11.32	1.8%	BUY
SMPH	20.40	42.07	51.5%	10.87	1.14	0.45	2.2%	BUY
TEL	1,300.00	2,073.48	37.3%	6.86	3.24	104.35	8.0%	BUY
URC	62.00	106.82	42.0%	9.17	1.26	4.12	6.7%	BUY
WLCON	6.56	15.89	58.7%	13.36	1.07	0.30	4.5%	LT BUY
<b>Averages</b>			<b>35.4%</b>	<b>11.35</b>	<b>1.68</b>		<b>3.91%</b>	

Source: Asiasec Equities Research



### Asiasec Equities Banks Table

Banks	Share Price (PHP/share)	Target Price (PHP/share)	Discount/ (Premium)	ttm/2026F PER (x)	2025/2026F PBV (x)	Dividend per Share (PHP)	Dividend Yield	Reco
AUB	42.00	85.77	51.0%	4.55	0.95	2.00	4.8%	BUY
BDO	122.80	173.41	29.2%	6.08	0.91	4.60	3.7%	BUY
BNCOM	9.40	31.73	70.4%	3.33	0.37	0.56	5.9%	BUY
BPI	101.40	162.02	37.4%	7.08	1.02	5.14	5.1%	BUY
CBC	62.90	102.19	38.5%	5.96	0.83	2.50	4.0%	BUY
EW	13.10	29.16	55.1%	3.34	0.36	0.68	5.2%	BUY
MBT	67.30	88.51	24.0%	5.46	0.66	5.00	7.4%	BUY
PBB	7.25	19.48	62.8%	3.47	0.31	0.45	6.2%	SPEC BUY
PNB	58.25	137.53	57.6%	3.06	0.35	3.30	5.7%	BUY
PSB	56.55	93.94	39.8%	5.19	0.55	3.00	5.3%	BUY
RCB	24.00	46.75	48.7%	5.97	0.38	0.70	2.9%	BUY
SECB	68.05	168.80	59.7%	3.83	0.32	3.01	4.4%	BUY
UBP	24.75	25.39	2.5%	8.61	0.45	1.00	4.0%	BUY
<b>Averages</b>			<b>44.4%</b>	<b>5.07</b>	<b>0.57</b>		<b>5.0%</b>	

### Asiasec Equities REITs Table

REITs	Share Price (PHP/share)	NAV (PHP/share)	Discount/ (Premium)	Dividend per Share (PHP)	Dividend Yield	Reco	Est Next Div Ex-Date
AREIT	39.95	44.34	9.9%	2.48	6.2%	BUY	26-May-26
CREIT	3.52	3.71	5.0%	0.20	5.7%	BUY	23-Apr-26
DDMPR	1.06	1.43	25.9%	0.09	8.8%	SPEC BUY	06-May-26
FILRT	2.94	4.21	30.2%	0.24	8.3%	LT BUY	19-Jun-26
MREIT	13.76	19.69	30.1%	1.00	7.3%	BUY	22-May-26
PREIT	1.20	1.10	-8.6%	0.09	7.1%	SELL	06-May-26
RCR	6.90	8.14	15.2%	0.46	6.7%	BUY	20-May-26
VREIT	1.42	3.37	57.9%	0.20	13.9%	SPEC BUY	14-May-26
<b>Ave w/o VREIT</b>			<b>15.4%</b>		<b>7.2%</b>		

Source: Asiasec Equities Research

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**LT Group Inc.**  LT GROUP, INC.

(PM: LTG)

Sector/Subsector: Holding Firms / Holding Firms

**BUY**

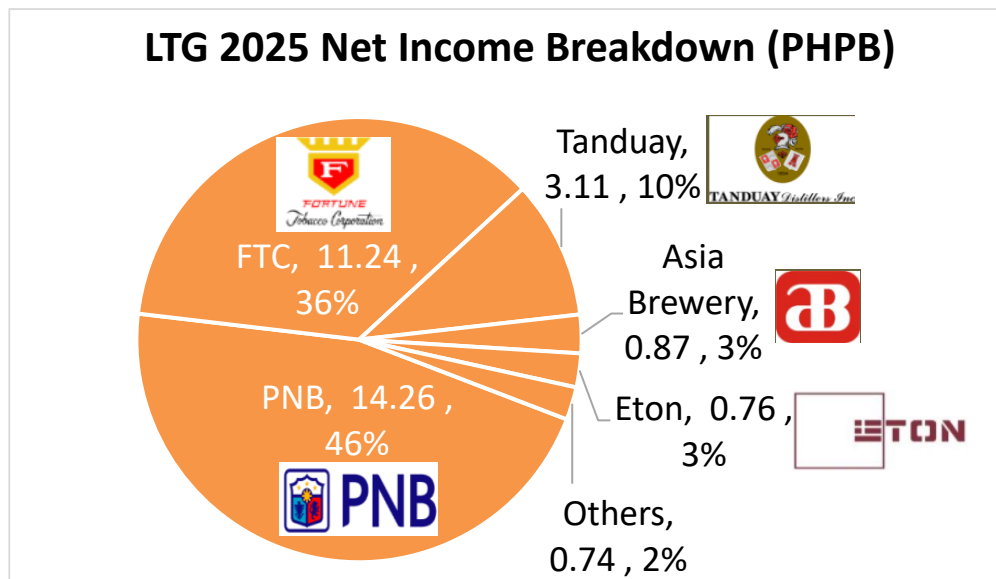
Current Price: PHP14.82

Target Price: PHP36.20

## LTG – A Triumvirate of Growth Drivers; Trading Below Cash Per Share

Net income is spot on to our forecast

LTG’s 2025 net income grew by 7% YoY to PHP30.98B, spot on or just 0.3% above our forecast of PHP30.87B. Revenues grew by 5% YoY to PHP132.78B led by PNB. PNB comprised bulk of LTG’s net income followed by the equity in net earnings from Fortune Tobacco Corp. (FTC) and rising earnings from liquor and spirits.



Source: LTG

**Notes:**

- 56.5%-owned PNB’s contribution to LTG’s net income rose from PHP11.86B with a 41% share in 2024 to PHP14.26B with a 46% share in 2025. This is due to the 20% YoY jump in PNB’s net income to PHP25.26B in 2025.
- 99.6%-owned FTC’s contribution to LTG’s net income fell from PHP12.72B with a 44% share in 2024 to PHP11.24B with a 36% share in in 2025. This is due to the



decline in cash dividends received from FTC's 49.6%-owned PMFTC from PHP4.35B in 2024 to 1.86B in 2025.

3. 100%-owned Tanduay Distillers Inc.'s (TDI) contribution to LTG's net income surged by 45% YoY from PHP2.02B with a 7% share in 2024 to PHP3.11B with a 10% share in 2025.

Carrying LTG in 2025

Lower dividends but higher earnings

Dominates the market

Necessary price hikes



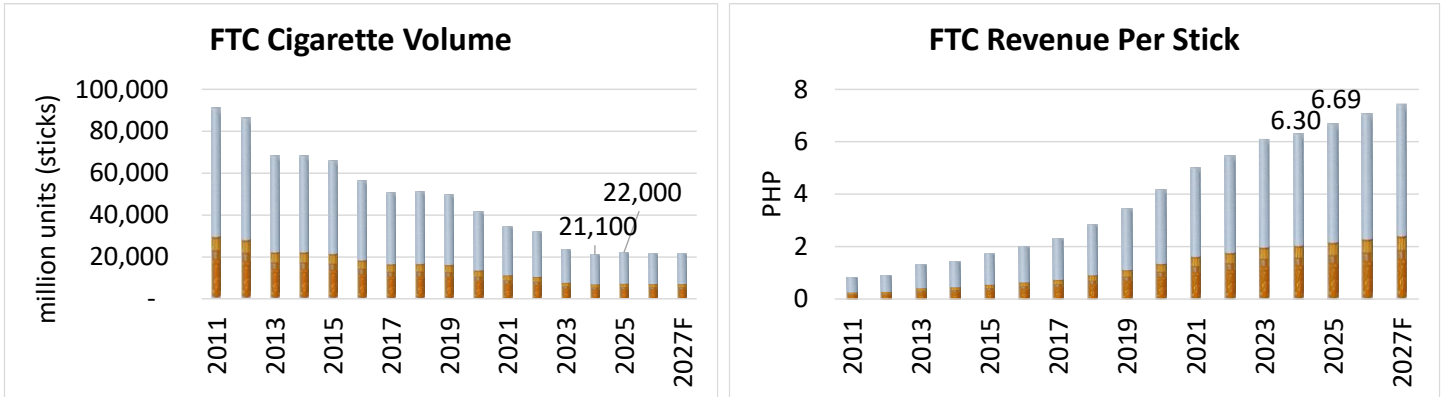
PNB's 2025 **net income jumped by 20%** YoY to PHP25.26B, in line with or just 4% below our forecast of PHP26.25B. This was mainly due to lower provisions for probable loan losses, higher trading gains, and a slower growth in operating expenses. For reference, please see our PNB report dated April 8, 2026.






FTC's **net income fell by 12%** YoY to PHP11.29B in 2025 due to the aforementioned decline in dividend income from PMFTC, partially offset by the 15% YoY increase in equity in net earnings from PMFTC to PHP8.73B in 2025.

Philippine cigarette industry volume grew by 3% YoY to 46.4B sticks in 2025, with PMFTC's sales volume growing faster by 4% YoY to 22B sticks in 2025. As a result, PMFTC's **market share rose to 47.3%** in 2025, up from 46.9% in 2024.

PMFTC **hiked prices** in November 2024 to offset the higher excise taxes, which increased to PHP66.15 per pack of 20 cigarettes on January 1, 2025. This, coupled with the increase in sales volume, propped up PMFTC's earnings in 2025.



Source: LTG and Asiasec Equities Research

 TANDUAY Philippines Inc.		
<ul style="list-style-type: none"> <li>• TDI’s aforementioned <b>net income surged 45%</b> due to better pricing from the premiumization of products and lower costs.</li> <li>• Gross Profit Margin (<b>GPM</b>) <b>improved to 17%</b> in 2025 from 15% in 2024.</li> <li>• <b>Market share expanded to 39.5%</b> in 2025 from 34.2% in 2024</li> <li>• Now the <b>third biggest significant contributor to LTG</b></li> </ul>	<ul style="list-style-type: none"> <li>• Asia Brewery Inc.’s (ABI) <b>net income grew by 4%</b> YoY to PHP877M in 2025 on the 4% YoY decline in cost of sales to PHP13.56B.</li> <li>• <b>GPM improved to 24%</b> in 2025 from 22% in 2024.</li> <li>• Cobra energy drink sales fell causing <b>ABI revenues to slip by 2%</b> YoY to PHP17.93B</li> <li>• Cobra market share 2<sup>nd</sup> place at 45%; Absolute and Summit bottled water market share 3<sup>rd</sup> place at 15%</li> </ul>	<ul style="list-style-type: none"> <li>• Eton Properties Philippines Inc.’s (Eton) <b>net income surged by 261%</b> YoY to PHP765M in 2025 on one-time gains and lower operating expenses.</li> <li>• Leasing revenues (73% of total revenues) slipped by 5% YoY to PHP1.92B, while <b>real estate sales jumped by 46%</b> YoY to PHP731M from 68 Roces in QC and Eton City in Laguna.</li> </ul>

Source: LTG



### Three growth drivers in 2026

### Defensive quality to shine this year

### TDI on a roll

### Way below cash per share and has astronomical dividend yield

#### Thoughts and Reco

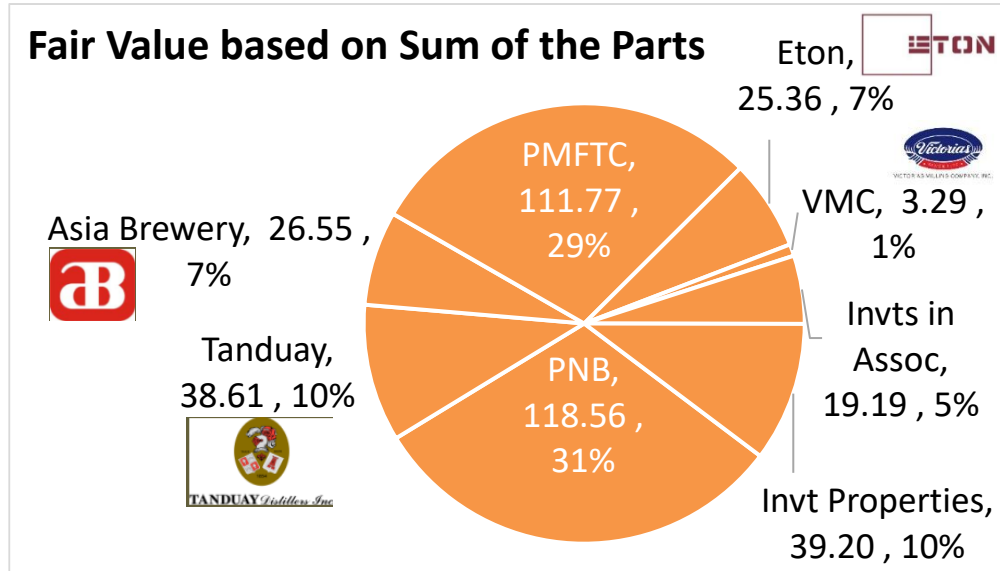
We believe PNB, PMFTC's equity in net earnings, and TDI will be driving LTG's earnings growth this year. PNB is **targeting consumer loans** to comprise 20% of total loans by 2028 from 6% in 2025 and is gearing towards digital banking.

Historically, **cigarette sales likewise are stronger during economic slowdowns** with only a low 0.09 correlation between cigarette volume growth and GNI growth. This benefits PMFTC sales. The World Bank recently downgraded its Philippine GDP growth forecast to just 3.7% in 2026 from its original 5.3% forecast and from 6.1% in 2025.

In addition, TDI's push into the US and European markets and its premiumization of products are seen to extend its sales momentum this year. We believe these prospects from PNB, PMFTC, and TDI will **partially offset** the adverse effects of the Middle East crisis on consumer spending, loan growth, and supply chain issues.

LTG provides value for investors. At PHP14.82 per share, LTG is **notably trading at a 27% to its cash per share** of PHP20.43. It also has the **best cash dividend yield of 8.4%** in our recommended Cash Dividend Stocks Portfolio.

At PHP14.82 per share, LTG is trading at a 59% discount to our updated target price of PHP36.20 per share based on Sum of the Parts (SOTP). It is also trading at 4.72x 2026F PER, a discount to the Holding Firms Index's 6.79x PER. LTG is a **BUY**



Source: Asiasec Equities Research

### LTG Financials

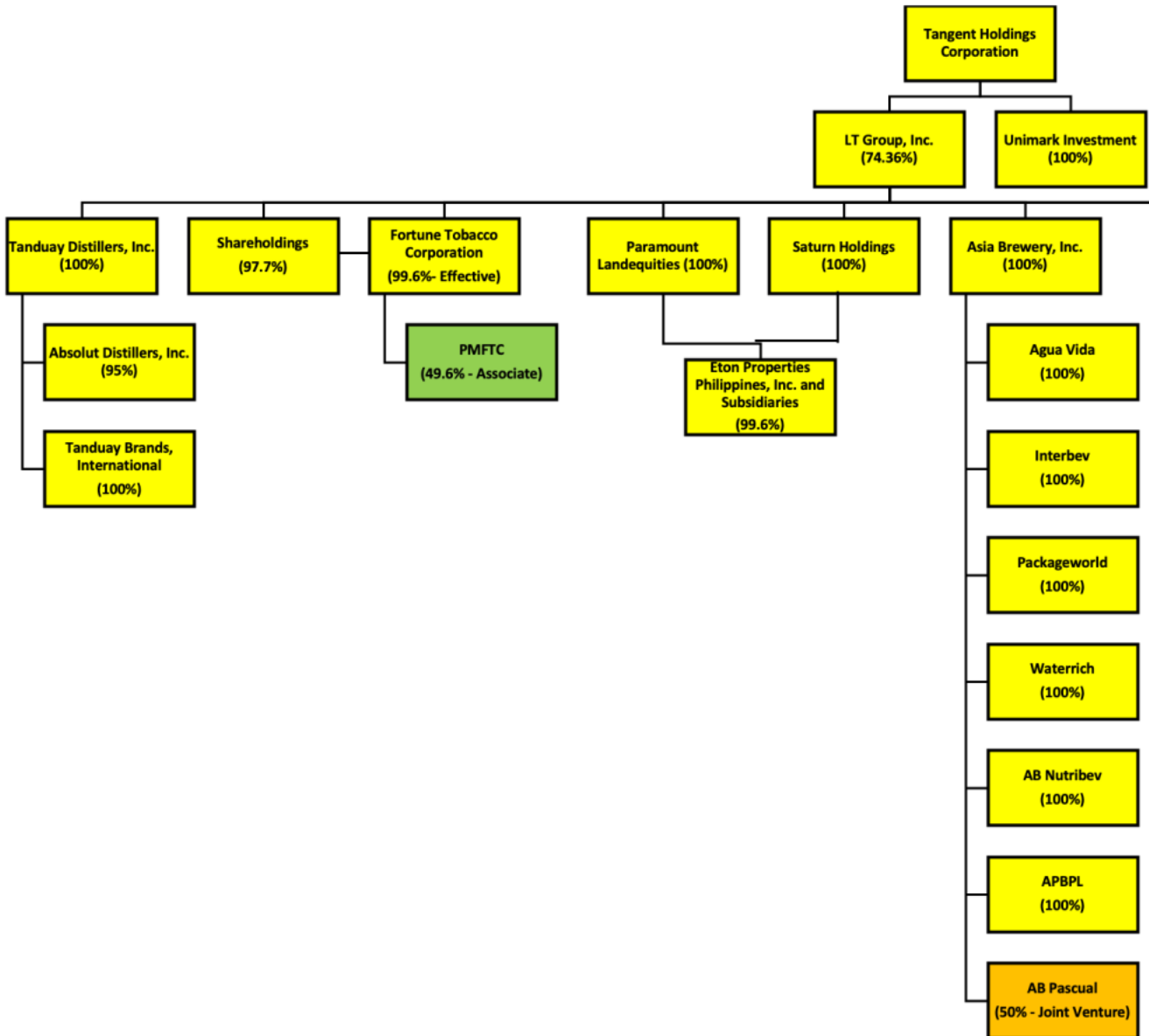
In PHP'000, December	2024	2025	2026F	2027F	2030F
<b>I. Income Statement</b>					
Banking	75,068,040	79,069,186	87,170,917	92,647,628	111,428,030
Beverage	17,193,576	16,847,684	18,799,628	19,538,681	22,042,179
Distilled Spirits	33,773,423	33,930,360	39,162,008	41,991,752	51,924,806
Property Development	2,930,483	2,931,195	2,840,587	3,038,977	3,721,220
<b>Total Revenues</b>	<b>128,965,522</b>	<b>132,778,425</b>	<b>147,973,140</b>	<b>157,217,038</b>	<b>189,116,235</b>
Cost of Sales and Services	60,839,450	58,511,065	65,206,874	69,280,354	83,337,277
Gross Profit	68,126,072	74,267,360	82,766,266	87,936,684	105,778,959
Selling & Gen and Admin Expenses	35,468,132	34,857,380	38,846,341	41,273,076	49,647,347
EBITDA	32,657,940	39,409,980	43,919,925	46,663,608	56,131,612
Equity in Net Income	8,866,605	9,991,814	10,320,661	10,791,429	12,212,047
Net Income	28,920,989	30,975,731	33,987,401	36,089,521	43,146,181
<b>II. Assets</b>					
Cash	223,583,790	221,048,843	311,956,118	298,013,104	267,972,092
Finance Receivables	312,406,599	370,117,621	390,844,208	413,513,172	490,644,064
Total Current Assets	726,108,902	748,546,973	868,486,963	886,269,995	964,013,358
Net Property and Equipment	68,919,498	69,813,746	69,546,856	69,202,970	67,709,344
Loans and Receivables	349,063,956	395,188,341	417,318,888	441,523,384	523,878,904
Available for Sale Invt.	160,956,550	209,779,545	221,527,200	234,375,777	278,092,916
<b>Total Assets</b>	<b>1,374,329,859</b>	<b>1,493,898,263</b>	<b>1,659,086,989</b>	<b>1,725,720,638</b>	<b>1,967,369,145</b>

In PHP'000, December	2024	2025	2026F	2027F	2030F
<b>III. Liabilities</b>					
Deposit Liabilities	940,057,144	1,021,100,020	1,177,366,779	1,239,574,636	1,450,300,135
Bills & Acceptances Payable	20,208,451	10,742,748	11,022,059	11,330,677	12,309,352
Accts Payable and Accrued Exps	20,655,439	21,787,947	22,877,344	24,021,212	27,807,555
Total Current Liabilities	999,241,910	1,068,143,032	1,232,159,058	1,294,655,431	1,508,338,952
Deposit Liabilities	5,290,562	10,179,561	10,749,616	11,373,094	13,494,470
Long Term Debt	23,622,689	38,552,987	30,842,390	24,673,912	12,633,043
Total Liabilities	1,044,117,657	1,133,154,800	1,290,453,544	1,347,872,586	1,553,119,667
<b>IV. Equity</b>					
Total Equity	330,212,202	360,743,463	368,633,446	377,848,052	414,249,477
<b>V. Cash Flow</b>					
Operating Cashflow	8,881,647	53,648,007	128,569,645	31,897,535	38,513,767
Cash Used for Investing Activities	(37,575,910)	(95,221,573)	(47,472,311)	(51,053,355)	(60,665,006)
Cash Used in Financing Activities	(23,440,441)	4,765,925	(27,394,350)	(34,170,601)	(32,981,990)
Inc/Dec. in Cash	(20,207,191)	(2,534,947)	90,907,275	(13,943,014)	(8,462,177)
Cash-Beginning	243,790,981	223,583,790	221,048,843	311,956,118	276,434,270
Cash-End	223,583,790	221,048,843	311,956,118	298,013,104	267,972,092
<b>Profitability Ratios</b>					
Revenue Growth	12.80%	5.33%	10.25%	6.28%	6.51%
EBITDA Margin	43.50%	49.84%	50.38%	50.37%	50.37%
Net Income Margin	38.53%	39.18%	38.99%	38.95%	38.72%
Net Income Growth	13.77%	7.10%	9.72%	6.18%	6.14%
ROA	2.14%	2.16%	2.16%	2.13%	2.24%
ROE	9.17%	8.97%	9.32%	9.67%	10.59%
<b>Financial Condition Ratios (Non-Banking Adjusted)</b>					
Current Ratio (x)	1.32	1.40	1.40	1.39	1.35
Net Working Capital	(27,403,009)	(40,293,815)	(30,283,794)	(24,779,458)	(15,361,024)
Net Debt to Equity Ratio (x)	0.06	0.18	0.11	0.06	(0.02)
Inventory Aging in Days	80	90	85	84	81
Average Days Payment Period	1,075	980	1,040	1,053	1,094
<b>Valuation</b>					
PER (x)	5.54	5.17	4.71	4.44	3.71
PBV (x)	0.49	0.44	0.43	0.42	0.39
Cash Dividend Per Share (PHP)	1.25	1.25	1.25	1.25	1.25
Dividend Payout	53.21%	46.77%	43.67%	39.80%	33.28%
Dividend Yield	8.45%	8.45%	8.45%	8.45%	8.45%

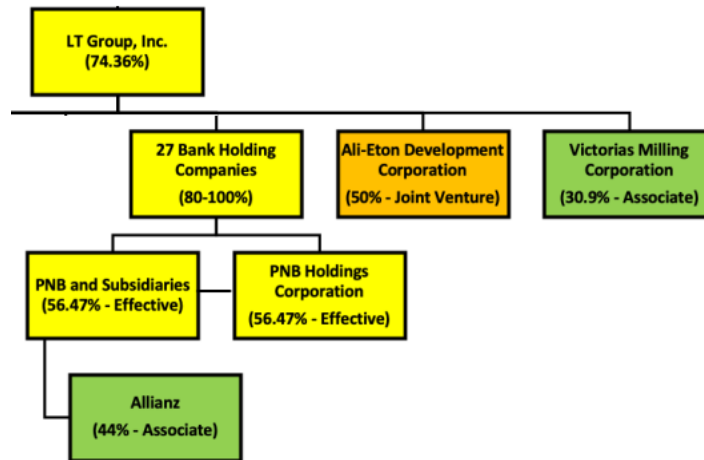
Source: PNB and Asiasec Equities Research



### LTG and Subsidiaries



Continued in the next page



Source: LTG

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**Philippine National Bank  PNB**

(PM: PNB)

Sector/Subsector: Financials / Banks

**BUY**

Current Price: PHP56.30

Target Price: PHP137.53

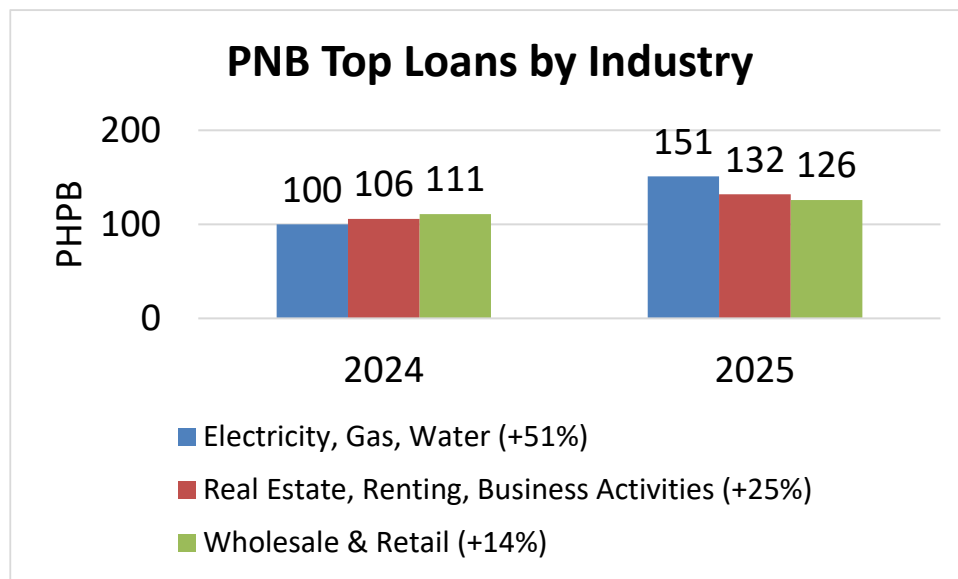
**Favorable 2025 Results; Higher Yields and Potential Added Provisions Seen in 2026**

Within expectations

PNB’s 2025 **net income jumped by 20% YoY** to PHP25.26B, in line with or just 4% below our forecast of PHP26.25B. This was mainly due to lower provisions for probable loan losses, higher trading gains, and a slower growth in operating expenses.

Best loan growth in seven years

**Net interest income grew by 7% YoY** to PHP52.55B mainly due to the 5% YoY increase in interest income from loans and receivables. This was driven by the **15% YoY jump in gross loans** to PHP762B, the biggest increase since the 19% YoY surge to PHP574B back in 2018.



Source: PNB



**Lower provisions justified**

Provisions for probable loan losses have been contracting from PHP16.88B in 2020 to PHP1.66B in 2025. At the same time, gross Non-performing Loans (**NPL**) ratio has been easing from 10.09% in 2020 to 4.72% in 2025.

The decline in provisions is in contrast to other banks' rise in provisions in 2025. This is likely due to the aforementioned decline in NPL ratio and PNB's still small percentage of consumer loans to total loans of 6% in 2025 (targeting 20% by 2028). Other banks' percentage shares are higher at double digits.

**Trading gains boost profitability**

**Non-interest income surged by 22%** YoY to PHP12.73B in 2025 as trading gains surged 187% YoY to PHP1.86B. As a result, net operating margin improved from 38.95% in 2024 to 46.18% in 2025 offsetting the dip in net interest spread from 3.84% in 2024 to 3.81% in 2025.

**Efficiencies achieved**

Operating expenses also favorably rose slower by 6% YoY to PHP31.45B. The bank notably pivoted to digital banking and AI utilization during the year. Digital app user base increased by 26% as reported by the bank.

**Small positive actions lead to future profitability**

**Thoughts and Reco**

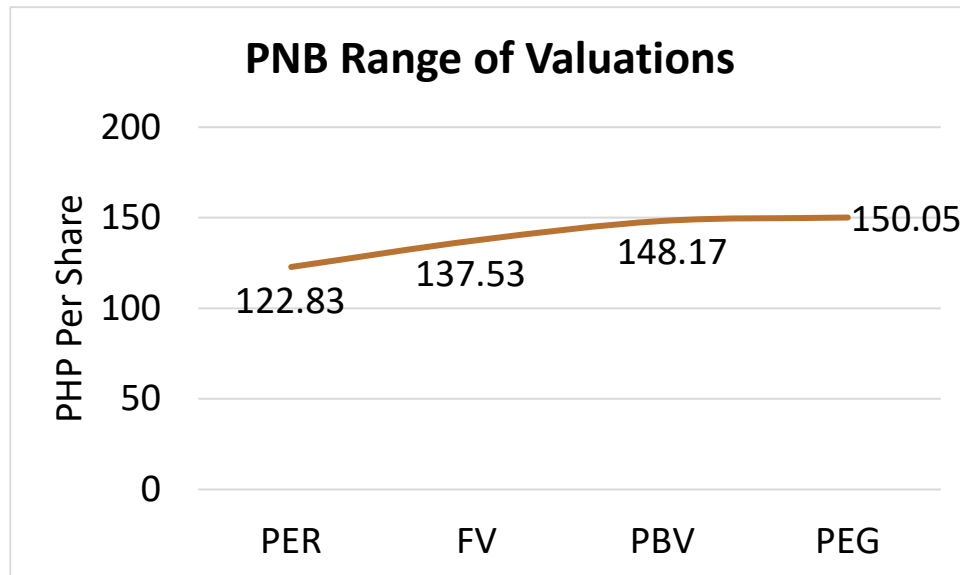
PNB's 2025 results are favorable. Even if the bank maintained the same high level of provisions from 2024 to 2025, we estimate that net income would have still increased by 9% YoY to PHP23.04B. The bank's pivots to digital banking and consumer lending are seen to promote efficiency as well as profitability in the next few years.



**Positive 2026 outlook as long as Middle East conflict does not stretch on**

With the ongoing Middle East conflict, the recent rise of the PH10YTN rate to around 7% signals higher interest rates and bodes well for yields. A prolonged conflict though may cause a rise in NPLs which may reverse the downtrend in the bank's provisions this year.

PNB was one of our 2025 stock picks, and we believe it **still has a huge upside** as seen in our range of valuations below. Its share price is also just below its Estimated Liquidation Value (ELV) of PHP58.59 per share.



Notes:

1. Price to Earnings Ratio (PER) is discounted 2030F EPS of PHP18.39 per share (redundant) times the Financial Index's PER of 6.68x as of April 3, 2026
2. Fair Value (FV) is the resulting price from the blend of the PER, PBV and PEG multiples.
3. Price to Book Value (PBV) is discounted 2030F discounted Book Value Per Share (BVS) of PHP170.01 per share times 1x less 2026F NPL to Capital of 12.84%.

4. Price to Earnings Growth (PEG) is discounted 2030F EPS of PHP18.39 per share times the five-year projected net interest income Compounded Annual Growth Rate (CAGR) of 8.16% times 100.

Source: Asiasec Equities Research

**Favorable upside  
and dividend  
yield**

At PHP56.30 per share, PNB is trading at a **59% discount** to our updated target price of PHP137.53 per share. The bank is also trading at **2.96x 2026F PER**, a discount to the Financial Index's 6.68x PER. PNB paid half its cash dividends for the year last March at PHP1.65 per share. It will pay another PHP1.65 per share cash dividend with ex-date September 17, 2026. Corresponding yield for both **dividends is 5.86%**. PNB is a **BUY**

### PNB Actual and Projected Financials

In PHP'000, December	2024	2025	2026F	2027F	2030F
<b>I. Income Statement</b>					
Total Interest Income	67,458,590	69,680,055	77,303,413	83,663,391	100,864,596
Total Interest Expense	18,118,120	17,133,605	18,882,631	19,841,705	23,081,096
Net Interest Income	49,340,470	52,546,450	58,420,782	63,821,686	77,783,500
Impairment Losses	3,868,111	1,656,282	1,859,374	2,145,861	2,608,156
Net Int. Inc. After Imp. Losses	45,472,359	50,890,168	56,561,408	61,675,825	75,175,344
Service Charges, Fees, Comm.	5,514,634	5,831,442	6,507,744	5,925,218	6,966,719
Foreign Exchange Gains	1,169,286	1,153,652	1,287,447	1,172,204	1,378,247
Net Gain on Sale/Exch of Assets	1,995,042	2,413,348	2,693,236	2,452,157	2,883,183
Trading Gains-Net	647,580	1,856,953	2,072,313	1,886,815	2,218,468
Other Non-Interest Income	1,108,476	1,477,199	1,648,517	1,500,954	1,764,783
Compensation, Employee Benefits	(10,668,601)	(11,754,338)	(12,127,963)	(12,537,463)	(13,848,240)
Occupancy	(1,117,892)	(1,124,285)	(1,190,198)	(1,264,717)	(1,517,104)
Taxes and Licenses	(5,230,401)	(5,783,874)	(6,416,660)	(6,944,577)	(8,372,383)
Depreciation	(3,659,014)	(3,450,564)	(3,771,511)	(4,111,511)	(5,131,511)
Other Operating Expenses	(8,953,772)	(9,334,737)	(10,417,334)	(9,484,850)	(11,152,043)
Income Before Tax	26,277,697	32,174,964	36,847,000	40,270,056	50,365,464
Provision for Income Tax	5,099,732	6,833,202	7,737,870	8,456,712	10,576,747
Net Income Before Minority Interest	21,177,965	25,341,762	29,109,130	31,813,344	39,788,717
Minority Interest	125,069	86,600	98,971	108,165	135,282
Net Income	21,052,896	25,255,162	29,010,159	31,705,179	39,653,435

In PHP'000, December	2024	2025	2026F	2027F	2030F
<b>II. Assets</b>					
Cash	20,638,033	20,868,793	21,127,119	23,930,108	21,724,122
Due from BSP	55,128,316	68,529,550	70,311,318	72,280,035	78,523,148
Due from Other Banks	20,183,894	24,831,235	27,231,076	28,864,941	34,703,698
Total Invt. And Trading Securities	468,353,463	461,776,069	515,330,576	469,201,968	551,675,573
Loans and Receivables	636,819,625	740,017,745	818,992,152	945,180,124	1,148,805,607
Bank Premises	10,195,539	10,092,679	11,092,679	12,092,679	15,092,679
Invt. in Subs and an Assoc	3,446,613	3,588,781	3,682,089	3,785,188	4,112,129
Investment Properties	15,964,267	16,957,283	17,950,299	18,943,315	21,922,363
Def Tax Assets	7,460,676	7,408,396	7,601,014	7,813,843	8,488,755
Goodwill and Intangibles	11,269,798	11,094,206	11,382,655	11,701,370	12,712,063
Other Resources	8,150,629	9,669,116	9,920,513	10,198,287	11,079,154
<b>Total Assets</b>	<b>1,257,610,853</b>	<b>1,374,833,853</b>	<b>1,514,621,492</b>	<b>1,603,991,858</b>	<b>1,908,839,290</b>
<b>III. Liabilities</b>					
Total Deposits	971,672,148	1,061,203,370	1,177,366,779	1,239,574,636	1,450,300,135
Financial Liab at Fair Value	924,053	285,562	292,987	301,190	327,205
Bills Payable	20,208,451	10,742,748	11,022,059	11,330,677	12,309,352
Accrued Taxes and Others	12,607,550	12,676,631	13,006,223	13,370,398	14,525,252
Subordinate Notes & Bonds Payable	17,304,421	33,278,399	33,278,399	33,278,399	33,278,399
Other Liabilities	18,265,289	16,367,342	16,792,893	17,263,094	18,754,176
<b>Total Liabilities</b>	<b>1,040,981,912</b>	<b>1,134,554,052</b>	<b>1,251,759,341</b>	<b>1,315,118,394</b>	<b>1,529,494,519</b>
<b>IV. Equity</b>					
Total Equity	216,628,941	240,279,801	262,862,151	288,873,463	379,344,771
<b>Profitability Ratios</b>					
Interest Income Growth	13.20%	3.29%	10.94%	8.23%	6.58%
Yield on Earning Assets	6.22%	5.92%	5.97%	5.96%	5.99%
Average Cost of Funds	2.37%	2.11%	2.08%	2.03%	2.03%
Net Operating Margin	38.95%	46.18%	47.67%	48.13%	49.93%
Net Interest Margin	4.54%	4.45%	4.50%	4.54%	4.61%
Net Interest Spread	3.84%	3.81%	3.88%	3.93%	3.95%
Net Interest Income Growth	10.65%	6.50%	11.18%	9.24%	6.96%
ROA	1.71%	1.92%	2.01%	2.03%	2.14%
ROE	9.02%	9.95%	10.18%	10.26%	10.00%
Net Profit Margin	31.21%	36.24%	37.53%	37.90%	39.31%
Net Profit Growth	17.10%	19.96%	14.87%	9.29%	7.99%
<b>Financial Condition Ratios</b>					
Deposit Growth	15.43%	15.53%	16.10%	16.76%	12.82%
Loan to Deposit Ratio	65.54%	69.73%	69.56%	76.25%	79.21%
Liquidity Ratio	58.08%	54.28%	53.85%	47.94%	47.34%
Capital to Assets (x)	17.23	17.48	17.35	18.01	19.87
CET1	19.21%	19.31%	18.97%	19.49%	20.98%
CAR	20.10%	20.12%	19.77%	20.31%	21.86%
Gross NPL	5.68%	4.72%	3.95%	2.54%	1.13%
Net NPL	1.81%	1.60%	2.82%	4.39%	9.83%
NPL to Capital	20.76%	16.98%	12.84%	8.68%	3.59%



December	2024	2025	2026F	2027F	2030F
<b>Valuations</b>					
PER (x)	4.08	3.40	2.96	2.71	2.17
PBV (x)	0.42	0.37	0.34	0.31	0.23
Dividend per Share (PHP)	-	2.76	3.30	3.80	4.81
Dividend Yield	0.00%	4.9%	5.9%	6.8%	8.5%
Dividend Payout	0.00%	20%	20%	20%	20%

Source: PNB and Asiasec Equities Research

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