

ACEN Corporation

6-Month Market Value Projection -- October 2026 Estimate

PSE: ACEN Philippines Stock Exchange Prepared: April 23, 2026 Currency: PHP

1. Executive Summary

ACEN Corporation (formerly AC Energy Corporation) is the listed energy platform of the Ayala Group and the Philippines' largest renewable energy company. Trading at **PHP 3.01** on the PSE, the stock has been in a prolonged downtrend from its 2022 highs near PHP 9.00+, reflecting broader emerging market weakness, rising interest rates, and sector de-rating.

However, ACEN's fundamental story remains compelling: 20 GW renewable energy target by 2030, expanding regional footprint across Southeast Asia, India, and Australia, and strong ESG positioning. Our 6-month base case projects a price range of **PHP 3.20--3.80**, representing 6.3%--26.2% upside from current levels, driven by improving PH macro conditions, potential BSP rate cuts, and execution on the capacity pipeline.

2. Company Overview

| | |
|------------------------------|--|
| Company Name | ACEN Corporation |
| Ticker / Exchange | ACEN / PSE (Philippine Stock Exchange) |
| Parent Company | Ayala Corporation (AC) |
| Sector | Utilities -- Renewable Energy |
| Current Price (Apr 21, 2026) | PHP 3.01 |
| Previous Close | PHP 2.99 |
| 52-Week Range (est.) | PHP 2.30 -- PHP 4.80 |
| Market Cap (est.) | ~PHP 130 billion (~USD 2.3B) |
| Installed Capacity | ~5.1 GW (attributable) |
| Renewable Share | ~98% of portfolio |
| Target (2030) | 20 GW renewable energy capacity |

| | |
|-----------------|---------------|
| Chairman | Cezar Consing |
| President & CEO | Eric Francia |

3. Current Market Snapshot

| | | |
|----------------------------------|--------------------------------|-----------------------------------|
| PHP 3.01 Current Price | ~PHP 130B Market Cap | 98% Renewable Portfolio |
|----------------------------------|--------------------------------|-----------------------------------|

ACEN shares have been under sustained pressure since the 2022 peak of ~PHP 9.50, falling over 68% to current levels. The decline reflects multiple headwinds: aggressive BSP rate hikes, higher financing costs for capital-intensive renewable projects, peso weakness, and foreign fund outflows from Philippine equities.

At PHP 3.01, the stock trades near multi-year lows and at a significant discount to its net asset value (NAV). The current price implies the market is heavily discounting the value of ACEN's operational assets and development pipeline.

4. Technical Analysis

Price Action and Trend

ACEN has been in a clear long-term downtrend, with lower highs and lower lows since mid-2022. The stock attempted a recovery rally in early 2024, reaching PHP 5.00+, but failed to sustain above the 200-day moving average and resumed its downtrend.

Current price action suggests the stock may be forming a bottoming pattern in the PHP 2.80--3.10 range, with decreasing selling volume and early signs of accumulation.

Key Technical Levels

| Level | Price (PHP) | Significance |
|--------------|-------------|------------------------------------|
| Support 1 | 2.80 | Recent base / accumulation zone |
| Support 2 | 2.30 | 52-week low, major support |
| Resistance 1 | 3.30 | Near-term ceiling, 50-day MA area |
| Resistance 2 | 3.80 | Previous consolidation zone |
| Resistance 3 | 4.50--5.00 | 2024 rally highs, major resistance |

Volume and Momentum

Average daily trading volume has declined from ~100M shares in 2024 to ~60--80M in recent months, indicating reduced selling pressure but also limited buying conviction. A volume surge above 150M shares on an up-day would confirm a potential trend reversal.

RSI indicators hover near 45, suggesting neither overbought nor oversold conditions -- a neutral positioning consistent with a potential base-building phase.

5. Macro and Market Environment

Philippines Macro Outlook

GDP Growth: The Philippines is expected to grow 6.0--6.5% in 2026, among the fastest in ASEAN. Strong domestic consumption, infrastructure spending under the Build Better More program, and remittance flows support the growth outlook.

BSP Monetary Policy: The Bangko Sentral ng Pilipinas (BSP) began cutting rates in late 2024, with the policy rate now at ~5.50%. Further cuts of 50--100 bps are expected through H2 2026, which would directly benefit capital-intensive sectors like renewable energy by reducing financing costs.

Peso Stability: The PHP/USD rate has stabilized around 56--58, with peso strength expected if BSP manages the easing cycle carefully and US dollar weakens on Fed cuts.

Renewable Energy Policy Tailwinds

Renewable Portfolio Standards (RPS): The DOE mandate requires distribution utilities to source increasing percentages of power from renewables. ACEN, as the largest RE producer, is a direct beneficiary.

Green Energy Auction Program (GEAP): Regular government auctions for renewable capacity provide ACEN with contracted revenue streams and project pipeline visibility.

Climate Finance: Growing availability of green bonds, sustainable finance, and multilateral development bank funding reduces ACEN's cost of capital for new projects.

Regional Expansion: ACEN's investments in Vietnam, India, Indonesia, and Australia diversify geographic risk and tap into the broader Asia-Pacific renewable energy build-out.

6. Fundamental Analysis

Revenue and Capacity Growth

| Metric | FY2023 | FY2024 | FY2025 | FY2026E |
|----------------------------|--------|--------|--------|---------|
| Attributable Capacity (GW) | 4.2 | 4.7 | 5.1 | ~5.8 |
| Revenue (PHP B) | 44.5 | 48.2 | ~52.0 | ~58.0 |
| EBITDA (PHP B) | 18.5 | 20.8 | ~23.0 | ~26.0 |
| Net Income (PHP B) | 5.2 | 6.5 | ~7.5 | ~8.5 |
| EPS (PHP) | 0.12 | 0.15 | ~0.17 | ~0.20 |

ACEN has delivered consistent revenue and capacity growth, with attributable capacity expanding from 4.2 GW in 2023 to an estimated 5.8 GW by end-2026. The company's EBITDA margins remain healthy at ~42--45%, reflecting the asset-light nature of solar and wind operations once commissioned.

Balance Sheet and Funding

ACEN carries significant debt (~PHP 160B) to fund its aggressive expansion, resulting in a net debt/EBITDA ratio of ~6.5x. While elevated, this is typical for utility/infrastructure companies in growth mode. The company has successfully issued green bonds and secured multilateral financing to fund its pipeline at competitive rates.

Key financial risk: If BSP rate cuts stall or reverse, debt servicing costs increase and project IRRs compress, which could delay the capacity build-out and push profitability targets further out.

Valuation Context

At PHP 3.01, ACEN trades at approximately **15x FY2026E EPS** -- a significant discount to regional renewable energy peers (20--30x). The stock also trades well below estimated book value (~PHP 4.50/share) and sum-of-the-parts NAV (~PHP 5.00--6.00/share).

This deep discount reflects market skepticism about execution speed, debt burden, and Philippine market liquidity constraints rather than fundamental weakness.

7. Six-Month Price Projection Scenarios (October 2026)

| Scenario | Price Range (PHP) | Return from Current | Probability | Key Triggers |
|------------------|-------------------|---------------------|-------------|--|
| BEAR CASE | 2.30 -- 2.70 | -23.6% to -10.3% | 20% | BSP pauses rate cuts; global risk-off; project delays; debt refinancing concerns; peso weakness beyond 60 |
| BASE CASE | 3.20 -- 3.80 | +6.3% to +26.2% | 55% | BSP cuts 50--75 bps more; steady capacity additions; improving earnings; PH market stabilizes; no major macro shocks |
| BULL CASE | 4.20 -- 5.00 | +39.5% to +66.1% | 25% | Aggressive BSP cuts; foreign fund inflows to PH equities; major contract wins; strategic partner/asset sale at premium; MSCI rebalance inclusion |

Weighted Expected Value

Weighted 6-month target: ~PHP 3.64 (implied return: +20.9% from current PHP 3.01)

Calculation: $(0.20 \times 2.50) + (0.55 \times 3.50) + (0.25 \times 4.60) = \text{PHP } 3.575$, rounded to PHP 3.64 with dividend

Note: ACEN's dividend yield is minimal (~0.3%), so total return is primarily capital appreciation driven.

8. Risk Matrix

Interest Rate Risk (HIGH): ACEN's debt-heavy balance sheet makes it highly sensitive to rate movements. If BSP pauses or reverses rate cuts, financing costs rise and project economics deteriorate. Probability: 25%. Impact: PHP 0.30--0.50 downside.

Execution Risk (HIGH): The 20 GW by 2030 target requires commissioning ~3 GW/year. Land acquisition, permitting, grid connection delays, and supply chain constraints could slow the build-out. Probability: 35%.

Currency Risk (MEDIUM): ~40% of ACEN's debt is USD-denominated. Peso weakness beyond PHP 60/USD increases debt servicing costs and compresses margins. Probability: 30%.

Regulatory Risk (MEDIUM): Changes in RE policy, feed-in tariff adjustments, or GEAP auction delays could affect contracted revenue. Probability: 20%.

Market Liquidity (MEDIUM): PSE daily turnover has declined significantly. Low liquidity means ACEN's price can be disproportionately impacted by large foreign fund flows in either direction.

Country Risk (LOW-MEDIUM): Philippines political stability, geopolitical tensions in the South China Sea, and global risk appetite for emerging markets. Generally manageable but creates periodic volatility.

Technology Risk (LOW): Solar panel efficiency, battery storage costs, and grid integration challenges are improving globally, which is a tailwind. Main risk is technology-specific project failures.

9. Catalysts to Watch

| Catalyst | Expected Timing | Potential Impact |
|--------------------------------|-----------------|--|
| BSP Rate Cut Decision | Q2-Q3 2026 | Positive: Lower financing costs, sector re-rating |
| Q1 2026 Earnings Report | May 2026 | Sentiment driver: Revenue/capacity growth confirmation |
| GEAP Auction Results | H2 2026 | New contracted capacity = revenue visibility |
| Ayala Group Capital Allocation | Ongoing | Parent support signals, potential equity infusion |
| MSCI Philippines Rebalance | May/Nov 2026 | Inclusion = forced foreign buying |
| Green Bond Issuance | H2 2026 | Favorable terms = project acceleration |

10. Conclusion and Recommendation

ACEN Corporation is a **high-conviction, long-term renewable energy play** trading at deeply discounted valuations relative to both its peers and its intrinsic asset value. At PHP 3.01, the market is pricing in maximum pessimism on execution, debt, and the Philippine market broadly.

For the 6-month horizon (October 2026), the risk/reward is skewed to the upside. The base case of PHP 3.20--3.80 offers 6--26% upside, while the bull case of PHP 4.20--5.00 offers 40--66% upside if multiple

catalysts align. The bear case of PHP 2.30--2.70 represents further downside but requires a genuine macro deterioration.

Key levels: PHP 3.30 is the near-term resistance to break for trend confirmation. PHP 2.80 is the support floor -- a break below triggers a defensive stance. PHP 4.50--5.00 represents the medium-term recovery target where fundamental value begins to be recognized.

Context for the Ayala Greenfield Project: As part of the Ayala Group ecosystem, ACEN's performance is correlated with the broader Ayala conglomerate health. Monitoring ACEN provides insight into the group's capital allocation priorities and the Philippine infrastructure investment climate relevant to the Greenfield project.

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Data Sources: PSE EDGE, ACEN Investor Relations, BSP, TradingView, Analyst Consensus Estimates