

PSE SPOTLIGHT

FEATURING:



One of the largest and most successful water companies in the Philippines which provides water and wastewater services to a total of over 12 million customers in the Philippines and overseas. MWC is also one of the most successful Public-Private Partnerships (PPP) in the water sector.

Manila Water Company, Inc.

Stock Code	MWC
Listing Board	Main Board
Sector – Subsector	Industrial – Electricity, Energy, Power and Water
Listing Date	Mar 18, 2005
Outstanding Shares	2,594,653,325
Free Float Level	40.97%
Market Capitalization	P55,914,779,154
P/E Ratio	6.45x
Dividend Yield	8.43%

As of 12 April 2024
Source: PSE Data

[Company Profile](#)

1. What makes Manila Water an attractive investment for potential investors?

We have a solid business model which provides stable revenues, cash flow and returns. This gives us stability to continue our investments and operating efficiency initiatives.

Through our efforts to improve our operations and expand to more communities, we have seen steady growth in revenues for our businesses. Coupled with our efficient operations, our EBITDA and NI margins have been maintained at healthy levels through the years.

2. What challenges has Manila Water encountered, and what strategies were employed to overcome them effectively?

In recent years, we encountered challenges in water supply in our East Zone concession with the effects of climate change. The impact of COVID likewise affected our overall plans for growth and expansion.

In line with our continuing recovery from these challenges, our growth strategy is three-fold. First, we will protect and build our core in the East Zone by executing our Service Improvement Plan, wherein key investments in new water sources now provide additional water supply for our customers. Second, we are expanding our footprint in our domestic operations outside the East Zone by consolidating our regional presence. Third, we continue to strengthen our international presence through our existing businesses in SEA and the Middle East. In parallel, we will identify and assess opportunities in new areas.

3. What sustainability initiatives does Manila Water have in place? How do they align with your long-term goals?

Manila Water is one of the first Philippine corporates to adopt sustainability reporting and practices in its operations.

Recently, we revisited our Sustainability Policy and Framework with the aim of making our sustainability strategy more intentional in its alignment with global standards, such as the UN SDGs. Equally important, we have published our ESG commitments to 2025. Specifically, we have defined clear targets for Water Security, GHG emission avoidance, as well as water and wastewater infrastructure. On top of these targets, we have set out additional ESG commitments under our 3 key ideals of Protecting the Environment, Helping Communities Thrive, and Building a Culture of Care and Trust.

4. **What are your company's strategic priorities for the next two to three years?**

Our strategic priorities are three-fold.

First, we will protect and build our core in the East Zone by executing our Service Improvement Plan to ensure reliable service and expand coverage.

Second, we will expand our footprint in our domestic operations outside the East Zone by consolidating our regional presence.

Third, we will continue to strengthen our international presence through our existing businesses in SEA and the Middle East. In parallel, we will identify and assess opportunities in new markets.

5. **What are the key performance indicators (KPIs) that your company utilizes to measure its performance and track progress towards achieving its targets?**

Our efforts to improve our operations and expand to more communities are primarily centered on serving our customers. Thus, we closely look at our performance levels against our service level metrics, as well as on customer feedback.

On the business side, we look at water consumption (billed volume) in our service areas as a good indicator of growth potential for our revenues. We likewise pay attention to EBITDA, NI and other related indicators which provide insight on the effectiveness of our efficiency and growth strategies.

Lastly, we track our progress against our ESG commitments, specifically in the areas of Water Security, GHG emission avoidance, as well as water and wastewater infrastructure.

PSE Spotlight is a short feature about listed companies that are part of PSE STAR Investor Day. The report, which offers a quick overview of a company, includes a description of its business, stock information, as well as answers to five interview questions provided by the company's management team. The interview questions typically revolve around the company's value proposition, business operations and landscape, challenges and opportunities, and strategic initiatives.

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