

## Highest Credit Rating Maintained for Maynilad's Outstanding Blue Bonds

Philippine Rating Services Corporation (PhilRatings) has maintained the Issue Credit Rating of **PRS Aaa**, with a **Stable Outlook**, to Maynilad Water Services, Inc.'s (Maynilad; the Company) outstanding blue bonds amounting to ₱15.0 billion.

Obligations rated 'PRS Aaa' are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. 'PRS Aaa' is the highest rating assigned by PhilRatings. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months.

The assigned rating and Outlook take into account the following key considerations: (1) Maynilad's exclusive right to provide water and wastewater services in its concession area; (2) its seasoned management with strong regulatory expertise, and solid parent support; (3) its sustained profitability and sufficient debt coverage; (4) its improved financial flexibility; and (5) its continuous cash collections from customers.

PhilRatings based its assessment on available information and projections at the time that the rating process was ongoing. PhilRatings shall continuously monitor developments relating to Maynilad and may change the rating and Outlook at any time, should circumstances warrant a change.

Maynilad is the exclusive provider of water and wastewater services in the West Zone of the Greater Metro Manila area. The Company's concession area spans 540 square kilometers, encompassing 17 cities and municipalities.

In June 2025, the Economy and Development Council, chaired by President Ferdinand Marcos, approved the 10-year extension of the Company's concession agreement, moving its expiration from July 31, 2037 to January 21, 2047. With this extension, the term of the concession agreement now aligns with its 25-year legislative franchise (Republic Act No. 11600).

Maynilad, as a water utility, is highly regulated by the Metropolitan Waterworks and Sewerage System Regulatory Office (MWSS RO). The MWSS RO is mandated to monitor the Company's performance regarding its service obligations and determines and imposes penalties for non-compliance. Tariff adjustments are likewise subject to the recommendation of the MWSS RO and the approval of the MWSS' Board of Trustees. Nonetheless, the Company has demonstrated its ability to navigate this highly regulated industry, as evidenced by the successful renegotiation of its concession agreement in 2021 and the subsequent extension of the concession term. Manny V. Pangilinan (MVP) is the Chairman of the Board of Directors of Maynilad since 2007, while Ramoncito S. Fernandez has been the President and Chief Executive Officer of the Company since 2016.

As of end-2025, Metro Pacific Investments Corporation (MPIC) was Maynilad's largest shareholder, owning a 38.3% effective interest. MVP also sits at the helm of MPIC as its Chairman and President. As a

subsidiary of MPIC, Maynilad benefits from its extensive network, experience, and expertise. Additionally, DMCI Holdings, Inc., one of the leading engineering and construction companies in the country, also held an 18.2% stake in the Company as of end-2025.

As a provider of water, Maynilad enjoys a relatively stable demand for its services and consistent cash collection, as customers tend to prioritize basic needs despite regulatory or economic disruptions. In November 2025, Maynilad listed its shares on the Philippine Stock Exchange, ahead of the deadline set in its legislative franchise. This move is expected to strengthen Maynilad's liquidity position and provide greater financial flexibility through a more diversified funding base.

In 2025, Maynilad's top line grew by 9.4% to ₱36.6 billion, driven by approved tariff adjustments and a relatively steady number of billed connections. The Company also achieved an average non-revenue water (NRW) of 34.9% during the year, an improvement from 39.9% in 2024. This NRW reduction led to savings on key operating costs, hence, improved operating income. Similarly, Maynilad's net income expanded by 19.1% to ₱15.2 billion in 2025. Interest coverage (based on EBIT) and debt service coverage ratio also remained more than sufficient at 9.8x and 4.5x, respectively, as of end-2025.

The Company sustained its growth momentum in the first quarter of 2026, with its top line growing by 6.2% year-on-year (YoY) to ₱9.1 billion and its net income by 10.3% YoY to ₱4.0 billion.