



PDS Group

Philippine Dealing System Holdings Corp. & Subsidiaries

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Strictly Private and Confidential

25 April 2025

Maynilad Water Services, Inc.
MWSS Complex, Katipunan Avenue,
Balara, Quezon City

Attention: **Atty. Lourdes Marivic K. Punzalan-Espiritu**
Corporate Information Officer

Re: Inquiry Regarding Accuracy of News Article

Ladies and Gentlemen:

We have noted the publication of a news article in the *Manila Bulletin* on 24 April 2025¹, titled “*Maynilad IPO could reach ₱176-billion valuation, priced up to ₱23.70/share*”. The article reported in part that:

“Maynilad Water Services Inc., which is planning a ₱49-billion initial public offering (IPO), is estimated to be worth at least ₱94.29 billion and as much as ₱175.98 billion—translating to a share price of ₱12.70 to ₱23.70 per share.

In a company primer, Unicapital Securities Inc. Research Analyst Peter Louise D. Garnace said the estimates were arrived at by employing a structured valuation approach based on publicly listed peers’ multiples and a dividend discount model (DDM).

“We deemed the use of DDM to be appropriate as we believe the company’s dividend policy to be a growth catalyst. Recently, Maynilad unveiled its dividend policy, which maintains a dividend payout ratio of at least 50 percent of the prior year’s net income after tax.

“This gives us confidence that Maynilad will sustain its dividend payout to investors. Thus, we are of the view that our valuation range reflects the current market condition as well as Maynilad’s future growth potential,” he noted.

Maynilad’s IPO will involve up to 2.46 billion common shares (offer shares) at a maximum offer price of ₱20 per share. The final number of shares and pricing remain indicative and will be determined after the book-building process and the completion of regulatory approvals.

The offer shares consist of 1.78 billion primary or new common shares for public offering, 36.31 million primary common shares to be offered to Manuel V. Pangilinan-led First Pacific Co. Ltd., an overallotment option of up to 266.31 million primary shares, and an upsize option of up to 379.29 million common shares.

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xxx”

We request your confirmation regarding the accuracy of the above excerpt.

Respectfully,

Signed by:

Suzzy Claire Selleza

SUZY CLAIRE R. SELLEZA

Head - Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Ref. No. CL-2025-058-MWSI

¹ <https://mb.com.ph/2025/4/24/maynilad-ipo-could-reach-176-billion-valuation-priced-up-to-23-70-share>