

(In Millions PhP)	2016 ACTUAL	2015 ACTUAL	% Variance	TARGET	% Variance.
Net Water Sales (YTD)	1,217.5	1,188.5	2%	1,354.0	-10%
Operating Expenses	1,020.4	963.9	-6%	1,238.4	18%
Net Income	197.0	216.1	-9%	103.1	91%
Cash Balance	1,307.1	1,331.3	-2%	514.7	154%
Capital Expenditures	220.0	99.9	120%	1,002.2	-78%
Total Assets	3,809.0	3,596.2	6%		
Total Debt	1,298.2	1,352.9	4%		
Net Income Ratio (YTD)	16.0%	18.0%	-2.0 pt(s)	7.6%	8.5 pt(s)
Operating Ratio (YTD)	83.1%	80.4%	-2.7 pt(s)	90.7%	7.6 pt(s)
Collection Efficiency	93.9%	91.6%	2.3 pt(s)	93.0%	0.9 pt(s)
Debt Ratio	34.1%	37.6%	3.5 pt(s)	35.0%	-3.1 pt(s)
Current Ratio	3.38	4.18	-19.2%	2.00	69%
Operating Expense/cubic meter sold	22.8	21.9	-4%	25.22	9%
Ave. Operating Expenses/SC/Month	651.0	644.7	-1.0%	767.5	15%

Legend:



Favorable



Unfavorable

October 20, 2016

- Sales volume for the 3rd Quarter had reached 15.48 million cubic meters – an increase of 3.1% from last year of the same period but is lower than the target by 9.7% for this quarter. Net Water Sales for this quarter, has exceeded last year’s figure by ₱29.1 million or about 2.44% but short of the target by ₱136.5 million or 10.11%.
- Missed sales target for the quarter is primarily due to the following factors:
 - Non-attainment of service connection target in the residential consumers by 9,690 SCs which is equivalent to ₱6.2 million in unattained sales;
 - Commercial CSD of 5.9606 cmd/SC is lower than the targeted CSD by 26.54% - equivalent to ₱9.4 million in unattained sales.

- 💧 Operating expenses rose by 9.5% to ₱358.1 million in the 3rd Quarter of 2016 but below the budget by 14.7%. Personnel costs led the growth with an increase of 8.2% or ₱9.9 million, primarily because of implementation of the 1st Tranche of Salary Increase. The second biggest increase in operating expense is attributed to purchase water cost which rose by P 4.5 million due to the additional water deliveries of 17,000 cmd from Cebu Manila Water Development (CMWD).
- 💧 The movements in operating revenues and expenses resulted in a net income of P196 million as of September 30, 2016 which is lower than last year of the same period by 9%. This brings the net income ratio to 16.0% or 2 points lower than last year.
- 💧 Note that for the past 9 months, the increase in our operating expenses has exceeded sales growth by 90.2% or ₱26.8 million
- 💧 Net cash outflow of ₱19.26 million as of the end of September is after a total disbursement of ₱934 million for operating costs, ₱127.0 million for debt service, ₱220 million for capital expenditures and ₱113.4 million for other cash disbursements. This brings a cash balance of ₱1.307 billion, ₱974.8 million of our internal funds is earmarked for capital expenditures leaving free cash equivalent to a little over a month of operating expenses.

NOEL R. DALENA