



November 12, 2021

Securities and Exchange Commission
SEC Building, Mandaluyong City

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Department

The Philippine Stock Exchange, Inc.
6/F Philippine Stock Exchange Tower
5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation
29/F BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

Please be informed that Ayala Corporation reported its net income for the first nine months of the year.

Please refer to the attached disclosure submitted to the Philippine Stock Exchange.

Very truly yours,

A handwritten signature in black ink, appearing to read 'A. de Larrazabal', written over a horizontal line.

Alberto M. de Larrazabal
Chief Finance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Nov 12, 2021
2. SEC Identification Number
34218
3. BIR Tax Identification No.
000-153-610-000
4. Exact name of issuer as specified in its charter
AYALA CORPORATION
5. Province, country or other jurisdiction of incorporation
PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
32F to 35F, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City
Postal Code
1226
8. Issuer's telephone number, including area code
(02)7908-3000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	619,695,649
Preferred B Series 1 Shares	20,000,000
Preferred B Series 2 Shares	30,000,000
Voting Preferred Shares	200,000,000

11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Ayala Corporation AC

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Ayala's core businesses drive growth in the first nine months

Background/Description of the Disclosure

Ayala Corporation's reported net income in the first nine months of the year expanded 70 percent to P19.4 billion on improved performance of most of its business units. The strong performance was boosted by gains from the partial divestment of the group's thermal assets and AC Health's acquisition of Qualimed Health Network earlier in the year.

Meanwhile, Ayala's core net income, which isolates the effect of divestment gains, higher loan loss provisions, remeasurement losses, and the net retroactive effect of the CREATE law, was flat at P19.3 billion during the nine-month period. Likewise netting out divestment gains incurred in 2019, core net income translates to 83 percent of Ayala's pre-pandemic level.

Other Relevant Information

Please see attached press release.

Filed on behalf by:

Name	Celeste Jovenir
Designation	Investor Relations Head



AYALA CORPORATION
9M 2021 EARNINGS RELEASE
November 12, 2021

Ayala's core businesses drive growth in the first nine months

9M21 vs 9M20 Highlights

- Ayala Corporation's reported net income in the first nine months of the year expanded 70 percent to ₱19.4 billion on improved performance of most of its business units. The strong performance was boosted by gains from the partial divestment of the group's thermal assets and AC Health's acquisition of Qualimed Health Network earlier in the year.
- In the third quarter alone, stripping out the impact of the gains, Ayala's core net income still grew 27 percent to ₱6 billion, driven by higher contributions from Ayala Land, Globe, AC Energy, AC Health, and AC Ventures.
- The group completed the sell-down of 45 percent of its stake in the GN Power Kauswagan coal facility in September. Gains from the divestment totaled ₱3.5 billion, including remeasurement gains on the retained interest.

"The improving business environment demonstrates how organizations have adapted and readjusted themselves more than a year into the pandemic. With the pace of inoculation ramping up, we look forward to a further reopening of the economy and sustaining this positive trajectory," Ayala President and CEO Fernando Zobel de Ayala.

- Ayala's core value drivers posted better results during the nine-month period.
 - Ayala Land registered a net income growth of 35 percent to ₱8.6 billion, as business operations continued to improve despite the reimposition of stricter quarantine restrictions.
 - BPI's net income increased 1.8 percent to ₱17.5 billion due to lower loan loss provisions.
 - Globe's net income increased 13 percent to ₱18 billion as gross service revenue improvement, lower non-operating charges, and the positive impact of the CREATE law fully covered higher operating expenses and depreciation.

- AC Energy (ACEN) posted a net income growth of 22 percent to ₱4.3 billion on strong power demand in Luzon and increased operating capacity.
- Ayala's portfolio investments in water infrastructure and industrial technologies likewise turned in better results in the period.
 - Manila Water's net income grew six percent to ₱3.4 billion, mainly due to the absence of provisions and adjustments made in the same period last year.
 - AC Industrials significantly narrowed its net losses from ₱2.1 billion to ₱1.2 billion due to better results across its subsidiaries, including IMI and AC Motors.
- Meanwhile, Ayala's core net income, which isolates the effect of divestment gains, higher loan loss provisions, remeasurement losses, and the net retroactive effect of the CREATE law, was flat at ₱19.3 billion during the nine-month period. Likewise netting out divestment gains incurred in 2019, core net income translates to 83 percent of Ayala's pre-pandemic level.
- On a topline basis, Ayala's nine-month revenues grew 19 percent to ₱182.5 billion year-on-year, led by improvements from Ayala Land, Globe, AC Energy, and AC Industrials:
 - Ayala Land's revenues were up 15 percent to ₱72.6 billion, mainly driven by the property development business.
 - Globe's topline increased four percent to ₱113.6 billion on sustained demand for mobile and home broadband data.
 - AC Industrials' revenues soared 22 percent to ₱61.7 billion as business operations improved across its portfolio of businesses.
 - AC Energy's revenues expanded 24 percent to ₱18.9 billion resulting from higher operating capacity and demand recovery.
 - On the other hand, BPI continued to navigate through the challenges of the pandemic as its revenues softened by six percent to ₱71.6 billion as the growth in fee-based income was weighed down by lower net interest and non-interest incomes.

3Q21 vs 2Q21 Highlights

- Ayala's reported net income increased 78 percent to ₱9 billion in the third quarter from the second quarter of 2021, lifted by gains from the divestment of thermal assets and AC Health's acquisition of Qualimed.

- Without these gains, Ayala's core net income declined two percent to ₱6 billion owing to stricter quarantine restrictions imposed in the third quarter.

Real Estate

- Ayala Land posted total revenues of ₱72.6 billion and net income of ₱8.6 billion, a year-on-year growth of 15 percent and 35 percent, respectively.
- Property development revenues registered a growth of 27 percent to ₱51.5 billion driven by continuing construction progress and higher bookings.
 - Residential revenues increased 29 percent to ₱44.5 billion on higher bookings and project completion.
- Residential sales reservations grew 15 percent to ₱70.1 billion largely due to the strong sales performance earlier in the year.
 - Third quarter sales reservations tallied to ₱21.8 billion, 11 percent up from the previous quarter but three percent lower from the same quarter last year.
- Ayala Land launched four projects worth ₱13 billion in the third quarter alone, bringing the total projects launched in the first nine months of the year to 18 valued at ₱59.1 billion.
- Commercial leasing revenues declined 18 percent to ₱14.2 billion as operations of malls, hotels, and resorts were restricted with the reimposition of ECQ in August.
 - Shopping center leasing revenues went down 35 percent to ₱4.9 billion.
 - Office leasing income improved five percent to ₱7.5 billion as business process outsourcing and headquarter operations were steady throughout the period.
 - Hotels and resorts rental revenues decreased 29 percent to ₱1.9 billion.
- Capital expenditures reached ₱44.7 billion in the first nine months of the year, with more than half deployed towards residential projects.

Banking

- BPI's net income increased 1.8 percent to ₱17.5 billion due to lower loan loss provisions.
- Total revenues decreased six percent to ₱71.6 billion from softer net interest income and non-interest income.
 - Net interest income dipped six percent to ₱51.2 billion because of a 21-basis point contraction in net interest margin, which ended at 3.31 percent.
 - Non-interest income similarly declined seven percent to ₱20.5 billion due to lower trading income, which was cushioned by a 27.2 percent growth in fee-based income.

- Total loans increased one percent to ₱1.4 trillion on the back of higher mortgage, credit card, and microfinance loans.
- Total deposits increased seven percent to ₱1.8 trillion as CASA grew 12 percent, which offset an 11 percent decrease in time deposits.
 - CASA ratio stood at 80.1 percent.
 - Loan-to-deposit ratio was 77.2 percent.
- The bank booked ₱10.3 billion in provisions in the period ending September, 50 percent lower than the same period last year. NPL ratio decreased to 2.73 percent from 2.98 percent, with NPL coverage ratio increased to 130.7 percent from 100.5 percent.
- Total assets grew three percent ₱2.3 trillion. Total equity increased to ₱291.8 billion, with a Common Equity Tier 1 Ratio of 16.76 percent and a Capital Adequacy Ratio of 17.64 percent, both well above regulatory requirements. Return on Equity was 8.3 percent, while Return on Assets was 1.1 percent.
- In line with its aspiration to become the country's undisputed digital leader in banking, BPI's digital vision underpins its commitment to customers as it aims to be Filipinos' everyday bank.
 - Deliver outstanding customer journeys through seven digital banking platforms designed for a particular client in mind. BPI has already launched four platforms with three more in the pipeline.
 - Expanding its digital ecosystem through open banking initiatives, which includes closer collaboration with GCash, creating more partnerships with various public and private institutions, and offering various off-app capabilities
 - Today, a little over half of the bank's client base is enrolled in the various digital platforms, of which 66 percent are active users. 91 percent of BPI's transactions are now done digitally, a surge from the 85 percent prior to the pandemic.

Telco

- Globe's net income increased 13 percent to ₱18 billion in the first nine months as gross service revenue improvement, lower non-operating charges, and the positive impact of the CREATE law fully covered higher operating expenses and depreciation.
- Excluding forex, mark-to-market gains and losses, and non-recurring items, Globe's core net income grew 17 percent to ₱18.3 billion.
- Total service revenues grew four percent to ₱113.6 billion driven by data revenues led by mobile data and home broadband. Total data revenues accounted for 80 percent of total service revenues, a growth of four percentage points from the same period last year.
- Growth in data was present in all segments, most evident in the upward momentum of Globe's mobile data and home broadband categories.

- Mobile data revenues increased eight percent to ₱57.9 billion.
 - Mobile data traffic grew 55 percent to 2,730 petabytes.
 - Home broadband revenues soared 15 percent to an all-time high of ₱22.4 billion.
 - Home broadband subscriber base grew seven percent to 3.7 million customers.
 - Corporate data expanded 11 percent to ₱10.4 billion.
- EBITDA grew one percent to ₱56.9 billion due to higher costs and expenses attributed to more spending to support its aggressive network expansion and improve customer digital lifestyle experience.
 - Operating expenses including subsidy grew seven percent to ₱56.6 billion.
 - EBITDA margin consequently contracted by 2 percentage points to 50 percent.
 - Capital expenditures soared to an all-time high ₱65.4 billion, representing 58 percent of gross service revenues and 115 percent of EBITDA. Moreover, 84 percent of the investment went to data network builds to help boost mobile and internet experiences for a greater number of Filipinos.
 - As a result of continuous modernization of its network to make 4G LTE, 5G, and fiber technology available to more customers nationwide, Globe has made strides in improving its overall network data infrastructure:
 - New cell towers ramped up to 1,080, an improvement of 82 percent
 - Upgraded at least 12,900 sites
 - On the fixed line front, it has installed over one million fiber-to-the-home lines
 - Globe's subsidiary, Mynt, the Philippines' top digital financial solutions provider and the company behind GCash, has raised over USD\$300 million in funding, valuing Mynt at over USD\$2 billion. This solidifies its status as the country's only unicorn, and as one of the leading fintech companies in Southeast Asia. The investment round was led by global investment giant Warburg Pincus, New York-based private equity and venture capital firm Insight Partners, and Bow Wave Capital, one of Mynt's existing investors. The round also includes participation from Itai Tsiddon and Amplo as well as capital from Globe and Ayala.

Power

- AC Energy Corporation's net income grew 22 percent to ₱4.3 billion on the back of additional operating capacity and power demand continued to recover.
- ACEN's equity in earnings from international assets rose 41 percent to ₱3.4 billion with the expansion of its overseas portfolio and completion of several new plants, as well as interest income from development loans extended to project companies. The company completed 380MW of wind projects in Vietnam in the last few months.

- The company's Philippine operations dipped three percent to ₱3.2 billion as higher earnings from renewable energy plants were tempered by high spot electricity purchases and maintenance outages at SLTEC.
- ACEN has recently commenced construction of the 283MW San Marcelino solar farm, which is slated to be the largest solar farm in the Philippines. This is in addition to the 160MW Pagudpud wind farm under construction set to be the biggest wind farm in the country to date. This brings ACEN's renewable energy capacity to 2,356MW, on track to achieving its 5,000MW goal by 2025, toward its vision to become the largest listed renewables platform in Southeast Asia.
- In September, ACEN raised US\$400 million in undated fixed-for-life Green Bonds at a 4.0 percent interest rate. The securities are listed on the Singapore Exchange's SGX-ST platform. With previous equity issuances and the investment by GIC's Arran, ACEN has raised close to US\$1 billion in fresh capital in 2021 alone.
- In October, the ACEN Board approved the acquisitions of UPC-AC Renewables Australia, UPC Renewables Philippines, and additional stakes in the 52MW North Wind facility. These acquisitions are expected to add 154 MW to the company's portfolio and expand its pipeline by roughly 5,000 MW.

Industrial Technologies

- AC Industrials significantly narrowed its net losses to ₱1.2 billion in the first nine months of 2021 from ₱2.1 billion in the same period last year as IMI saw improved utilization across its plants and recovering markets, while AC Motors saw stronger demand from a recovering market and benefited from looser quarantine measures.
- IMI recorded a lower net loss of US\$5.3 million vis-à-vis US\$11.9 million in the same period last year despite new rounds of government mandated restrictions that slowed down recovery of major suppliers in the component industry.
- Meanwhile, AC Motors' revenues grew 27 percent to ₱12.1 billion in the first nine months as the Philippine automotive market continues to recover. Both automotive and motorcycle businesses grew, buoyed by new models launched across the portfolio.

Balance Sheet Highlights

- Parent level cash stood at ₱26.8 billion.
- Parent net debt stood at ₱125 billion.
- Parent net debt-to-equity ratio stood at 100 percent.
- Consolidated net debt-to-equity stood at 70 percent.

- Loan-to-value ratio, the ratio of its parent net debt (excluding the fixed-for-life perpetuals which have no maturity) to the total value of its assets, was at 7.8 percent.
- In September, Ayala completed the issuance of its US dollar-denominated fixed-for-life (non-deferrable) senior perpetual Notes with an aggregate principal amount of US\$400 million with a fixed coupon of 3.90 percent for life, with no step-up. It subsequently used the net proceeds of the Notes to refinance portions of Ayala's US dollar-denominated guaranteed Undated Notes.
 - Ayala paid down US\$100 million in aggregate principal amount of its 5.125 percent Undated Notes and US\$35 million in aggregate principal amount of its 4.85 percent Undated Notes. Aggregate amounts of US\$300 million and US\$365 million, respectively, remained outstanding after payment.

AYALA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2021 (With Comparative Audited Figures as at December 31, 2020)

(Amounts in Thousands)

	September 2021 Unaudited	December 2020 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	P 124,875,897	₱ 88,653,956
Short-term investments	1,045,857	822,410
Accounts and notes receivable	139,853,189	137,094,187
Inventories	169,641,840	160,871,941
Other current assets	83,713,048	74,314,892
Assets under PFRS 5	12,041,958	196,136,570
Total Current Assets	531,171,789	657,893,956
Noncurrent Assets		
Noncurrent accounts and notes receivable	90,466,911	57,382,232
Investments in associates and joint ventures	285,180,095	255,007,953
Investment properties	231,764,567	226,456,967
Property, plant and equipment	98,150,276	94,537,980
Right-of-use assets	20,316,405	19,812,516
Service concession assets	1,495,167	1,556,241
Intangible assets	21,750,185	19,624,573
Deferred tax assets - net	15,069,629	14,634,045
Other noncurrent assets	64,407,726	58,851,529
Total Noncurrent Assets	828,600,961	747,864,036
Total Assets	P 1,359,772,750	₱ 1,405,757,992
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	P 52,225,204	₱ 32,439,507
Accounts payable and accrued expenses	178,366,416	177,315,357
Income tax payable	971,906	1,907,146
Current portion of:		
Long-term debt	43,763,189	36,514,381
Lease liabilities	1,701,382	1,445,492
Service concession obligation	19,880	19,880
Other current liabilities	25,947,501	26,596,440
Liabilities under PFRS 5	-	124,291,482
Total Current Liabilities	302,995,478	400,529,685
Noncurrent Liabilities		
Long-term debt - net of current portion	413,003,012	372,800,369
Lease liabilities - net of current portion	24,156,612	22,672,228
Service concession obligation - net of current portion	66,338	66,338
Deferred tax liabilities - net	9,610,648	9,398,205
Pension liabilities	5,016,609	5,093,406
Other noncurrent liabilities	54,319,832	52,775,650
Total Noncurrent Liabilities	506,173,051	462,806,196
Total Liabilities	809,168,529	863,335,881
Equity		
Equity attributable to owners of the parent company		
Paid-in capital	85,928,866	85,613,944
Share-based payments	51,409	102,619
Remeasurement losses on defined benefit plans	(6,147,938)	(6,351,002)
Fair value reserve of financial assets at fair value through other comprehensive income (FVOCI)	(1,967,446)	40,792
Cumulative translation adjustments	1,478,889	(1,635,505)
Equity reserve	32,110,535	30,741,420
Retained earnings	254,928,707	238,072,873
Treasury stock	(12,382,517)	(6,605,153)
Reserves under PFRS 5	-	(800,218)
	354,000,505	339,179,770
Non-controlling interests	196,603,716	203,242,341
Total Equity	550,604,221	542,422,111
Total Liabilities and Equity	P 1,359,772,750	₱ 1,405,757,992

AYALA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Figures)

	For the Periods Ended September 30	
	2021	2020
CONTINUING OPERATIONS		
REVENUE		
Sale of goods and rendering of services	₱ 160,140,500	₱ 133,147,417
Share in net profits of associates and joint ventures	17,006,997	14,194,586
Interest income from real estate	5,352,030	6,361,069
	182,499,527	153,703,072
COSTS AND EXPENSES		
Costs of sales and services	123,770,232	98,703,600
General and administrative expenses	20,308,951	21,669,149
	144,079,183	120,372,749
OTHER INCOME (CHARGES) - Net		
Interest income	3,452,476	2,235,032
Other income	7,653,611	4,274,682
Interest and other financing charges	(20,746,680)	(20,397,039)
	(9,640,593)	(13,887,325)
INCOME BEFORE INCOME TAX	28,779,751	19,442,998
PROVISION FOR INCOME TAX		
Current	3,545,330	3,865,491
Deferred	(9,425)	229,072
	3,535,905	4,094,563
NET INCOME AFTER INCOME TAX	25,243,846	15,348,435
OPERATIONS OF SEGMENT UNDER PFRS 5		
Net income after tax	(1,262,756)	1,920,499
NET INCOME	₱ 23,981,090	₱ 17,268,934
Net Income Attributable to:		
Owners of the Parent Company	₱ 19,358,840	₱ 11,367,534
Non-controlling interests	4,622,250	5,901,400
	₱ 23,981,090	₱ 17,268,934