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(Company's Full Name)

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(Business Address: No. Street City / Town / Province)

ATTY. SOLOMON M. HERMOSURA

Contact Person

7908-3346

Company Telephone Number

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Month

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Day

Fiscal Year

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FORM TYPE

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Month

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Annual Meeting

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Secondary License Type, if Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. Of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17(a)-1(b)(3) THEREUNDER

1. August 11, 2023
Date of Report (Date of earliest event reported)
2. 34218
SEC Identification Number
3. 000-153-610-000
BIR Tax Identification Number
4. AYALA CORPORATION
Exact Name of registrant as specified in its charter
5. PHILIPPINES
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code
7. 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas
cor Makati Avenue, Makati City
Address of principal office
- 1226
Postal code
8. (02)7908-3000
Registrant's telephone number, including area code
9. N/A
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	619,807,425 shares
Preferred A Series 1 Shares	5,244,515 shares
Preferred B Series 1 Shares	20,000,000 shares
Preferred B Series 2 Shares	30,000,000 shares
Voting Preferred Shares	200,000,000 shares

: Item 9- Other Events

Re: Ayala Corporation 1H 2023 Earnings Release

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AYALA CORPORATION

Registrant

Date : August 11, 2023


Jose Martin C. Lopez
Head – Investor Relations

* Print name and title of the signing officer under the signature.

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)
Aug 11, 2023
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
37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas cor Makati 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
NA
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	619,807,425	
Preferred A Shares	5,244,515	
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 net income up 55 percent year-on-year to P20.5 billion in the first half of 2023.

Background/Description of the Disclosure

Ayala Corporation's ("Ayala") core net income in the first half of 2023 grew 55 percent to P20.5 billion, anchored by solid contributions from BPI, Ayala Land, and ACEN. Ayala's strong earnings momentum pushed core earnings 38 percent ahead of pre-COVID levels.

Including one-off items, Ayala's net income was up 13 percent to P18.4 billion.

Other Relevant Information

Please see attached press release for more information.

August 11, 2023

Securities and Exchange Commission

17/F SEC Headquarters, 7907 Makati Avenue
Barangay Bel-Air, Makati City

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

The Philippine Stock Exchange, Inc.

6/F PSE Tower
5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
Officer-In-Charge, Disclosure Department

Philippine Dealing and Exchange Corporation

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

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

Mesdames/Gentlemen:

Please be informed that on August 11, 2023, Ayala Corporation disclosed a press release regarding its financial and operating results for the first half of 2023.

Please see attached for more information.

Very Truly Yours,



Jose Martin C. Lopez
Head - Investor Relations



AYALA CORPORATION
1H 2023 EARNINGS RELEASE
August 11, 2023

Ayala's core net income up 55 percent to ₱20.5 billion

Value realization initiatives progress with divestment by AC Industrials of STI

1H23 vs 1H22 Highlights

- Ayala Corporation's ("Ayala") core net income in the first half of 2023 grew 55 percent to ₱20.5 billion, anchored by solid contributions from BPI, Ayala Land, and ACEN. Ayala's strong earnings momentum pushed core earnings 38 percent ahead of pre-COVID levels.
 - BPI's net earnings grew 23 percent to ₱25.1 billion driven by average asset base expansion, margin growth, and reduced provisions.
 - Ayala Land's net income jumped 41 percent to ₱11.4 billion as its property development and commercial leasing businesses registered higher revenues.
 - ACEN's net income soared 94 percent to ₱4.2 billion due to higher net generation from a stronger wind regime and increased operating capacity that enabled a shift to a net selling merchant position.
 - AC Energy & Infrastructure, the parent company of ACEN, grew its profit 2.6x to ₱6.9 billion due to improved contributions from ACEN and GN Power Dinginin and a gain from the full divestment of GN Power Kauswagan.
 - Globe's net income was down 27 percent to ₱14.4 billion mainly due to a one-time gain from the partial sale of its data center business being registered last year and higher OPEX, offsetting a two percent growth in gross service revenues.
- Including one-off items, Ayala's net income was up 13 percent to ₱18.4 billion.

"Strong results from BPI, Ayala Land, and ACEN compensated for the one-off provisions booked by AC Industrials. For the balance of the year, we will build on our solid first half results and continue to recycle capital wherever it makes sense to do so.", Ayala President and CEO Cezar P. Consing said.

- IMI and minority shareholders of STI Enterprises Limited ("STI") entered into a Share Purchase Agreement to sell their respective 80 percent and 20 percent shareholdings in STI to Rcapital, a London-based private investment firm. The parties agreed on an enterprise valuation of £7.5 million, resulting in Ayala recognizing a one-time loss of ₱2.4 billion in the second quarter.
- Ayala continues to build its EV ecosystem. Its automotive distribution arm, AC Motors, signed a partnership agreement with BYD, the world's largest manufacturer of hybrid and pure electric vehicles. Jaime Alfonso Zobel de Ayala takes over as Head of AC Motors.
- AC Health and AC Logistics continue to build their respective ecosystems.
 - AC Health completed the integration of its hospitals and clinics brands under the Healthway Medical Network in July. This integration reinforces its thrust of providing patient-centric and end-to-end care to its patients. The Healthway Cancer Care Center is set to open year-end and be the country's first dedicated cancer hospital. Meanwhile, its superapp, KonsultaMD, continues to gain traction with its paying users growing 3x since its launch in March.
 - AC Logistics' restructuring initiatives include the mergers of its waste management assets, IWMI and WARM, and its freight forwarding businesses under AIR21 Holdings and Entrego. AC Logistics aims to double the amount of waste processed for the Ayala Group and will construct materials recovery facilities in multiple Ayala Land locations such as Nuvali and El Nido.

Banking

- BPI's net income was up 23 percent year-on-year to ₱25.1 billion in the first half of 2023, delivering a return on equity of 15.5 percent. Its performance was driven by average asset base expansion, higher margins, and lower provisions.
- Total revenues increased 14 percent year-on-year to ₱65.6 billion. This was on the back of a 27 percent growth in net interest income, partially tempered by a 15 percent decline in non-interest income that included a gain on a property sale in the same period last year. Excluding the impact of the gain, non-interest income is up 16 percent to ₱2.2 billion.
 - Total loans were up 11 percent to ₱1.7 trillion while average asset base expanded nine percent. Net interest margin widened 60 basis points to 4.11 percent.
 - Excluding the property sale gain, fee income was up 11 percent to ₱6.9 billion, led by the growth in fees from the credit card business and various service charges.
- Total deposits were up eight percent year-on-year to ₱2.1 trillion while the CASA ratio stood at 70.2 percent.
- Asset quality continued to be healthy.
 - NPL ratio was flat year-on-year at 1.88 percent.

- NPL coverage ratio remained sufficient at 167.4 percent.
- Total provisions were down 60 percent year-on-year to ₱2 billion.
- Operating expenses increased 21 percent year-on-year to ₱31.4 billion due to growth in spending for structural and one-time salary increases, continued investments in digitalization programs, and various marketing campaigns, rewards, and other selling expenses.
 - Cost-to-income ratio improved one percentage point to 47.9 percent compared to end-2022.

Real Estate

- Ayala Land's net income jumped 41 percent to ₱11.4 billion in the first half of 2023. Revenues were up 24 percent to ₱66 billion as all business segments registered better results.
- Commercial leasing revenues increased 39 percent to ₱20.2 billion due to higher occupancy and rents.
 - Shopping center leasing revenues surged 49 percent year-on-year to ₱10.2 billion.
 - Office leasing income increased eight percent year-on-year to ₱5.8 billion.
 - Hotel and resorts rental revenues jumped 79 percent year-on-year to ₱4.2 billion.
- Property development revenues rose 13 percent year-on-year to ₱38.7 billion from higher residential project completion, bookings, and sales of commercial and industrial lots and office units.
 - Residential revenues increased 14 percent year-on-year to ₱31.2 billion due to higher completion rates and net bookings.
 - Office for sale revenues grew 44 percent year-on-year to ₱2.1 billion on the back of sales of One Vertis Plaza.
 - Commercial and industrial lots ended at ₱5.4 billion, registering a quarter-on-quarter improvement due to sales from Arca South and Broadfield.
- Residential sales reservations grew 18 percent year-on-year to ₱58.3 billion, driven by resilient demand in projects such as Ayala Land Premier's Ciela, Arcilo, and Parklinks South Tower, Alveo's Park East Place, and Avida's Tower Makati Southpoint.
- Capital expenditures reached ₱38.7 billion, 55 percent of which went to the completion of residential and commercial leasing developments.

Telco

- Globe's net income declined 27 percent to ₱14.4 billion in the first half of 2023 mainly due to a one-time gain on the partial sale of Globe's data center business in the same period last year.
 - Globe's core net income, which excludes the impact of non-recurring charges, foreign exchange and mark-to-market charges, was down 10 percent to ₱9.9 billion as OPEX expansion outpaced revenue growth.

- Total service revenues were up two percent year-on-year to ₱80.4 billion, primarily from improved mobile data, corporate data, and digital service revenues.
 - Mobile data revenues increased five percent to ₱44 billion due to the steady growth in mobile data traffic.
 - Corporate data revenues rose 11 percent to ₱9.1 billion, spurred by strong demand for information and communication technology services.
 - Digital service revenues were up 52 percent to ₱2.8 billion on the back of growing contributions from ECPay, Asticom, and Adspark.
 - Home broadband revenues declined seven percent to ₱12.8 billion as the sustained expansion in postpaid fiber subscribers and revenues was offset by the drop in legacy and fixed wireless products.
- GCash registered users grew 30 percent year-on-year to 86 million. According to third party provider, Data.AI, this is 5x more monthly active users than the next biggest e-wallet. The lending portfolio continues to grow with unique borrowers up 147 percent year-on-year to 3.2 million and total loan disbursements reaching ₱90 billion since inception, up 138 percent year-on-year.
- EBITDA was flat year-on-year at ₱40.5 billion as topline growth was offset by expansion in OPEX, which ended at ₱40 billion. The rise in OPEX was largely a result of higher costs for repairs & maintenance, administrative expenses, services, and others.
 - EBITDA margin was down a percentage point to 50 percent.
- Capital expenditures decreased 25 percent to ₱37.7 billion as the pace of investments slowed down from the company's aggressive infrastructure rollout in past years.

Power

- ACEN's net income grew close to 2x to ₱4.2 billion in the first half of 2023 due to strong revenue growth as it continued to recover from headwinds in the same period last year.
- Total attributable renewables output expanded 21 percent year-on-year to 2,052 GWh from stronger wind regime and increased operating capacity from the commissioning of new plants in the Philippines and in Australia.
 - Philippine renewables output was up 30 percent to 568 GWh.
 - International renewables output was up 17 percent to 1,483 GWh.
- Consolidated revenues rose 28 percent year-on-year to ₱20.5 billion due to higher net generation that enabled ACEN to reach a net selling merchant position at a time of elevated prices in the Philippine Wholesale Electricity Spot Market.
- Attributable EBITDA, which includes ACEN's shares of EBITDA from non-consolidated associates and joint ventures, grew 20 percent year-on-year to ₱9.4 billion.

- Contributions from Philippine operations increased 48 percent to ₱4.1 billion, boosted by a favorable wind regime in Northern Luzon and the Company's swing to a net seller position.
- International EBITDA was up 17 percent to ₱5.5 billion on the back of stronger wind resources and ongoing commissioning of the 521 MW New England Solar in Australia, complemented by carbon credit sales in Vietnam.
- ACEN has ~4,400 MW of attributable capacity from owned facilities in the Philippines, Australia, Vietnam, Indonesia, and India, with a renewable share of 98 percent, which is among the highest in the region.

Balance Sheet Highlights

- Consolidated cash ended at ₱77.4 billion.
- Consolidated net debt ended at ₱567 billion.
- Consolidated net debt-to-equity ratio stood at 0.77, well within the company's covenant of 3.0x.
- Parent level cash ended at ₱12.8 billion.
- Parent net debt decreased to ₱140.7 billion with net debt-to-equity ratio improving to 0.88 from 1.04 in end-2022 due to the recent ₱13.1 billion preferred shares issue, which was priced at a spread of 40 basis points over the 5-year BVAL.
- 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, increased to 11.4 percent due to lower asset values, a result of a soft domestic equities market.
- Compared to end-2022 levels, parent average cost of debt increased from 4.48 percent to 4.98 percent in the first half of 2023, well below interest rate benchmark levels. The percentage of Ayala's fixed-rate debt to total debt remained high at 82 percent.

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

As at June 30, 2023 (With Comparative Audited Figures as at December 31, 2022)

(Amounts in Thousands)

	June 2023 Unaudited	December 2022 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	₱ 76,024,123	₱ 73,847,371
Short-term investments	1,404,977	3,201,800
Accounts and notes receivable	163,311,924	161,601,551
Inventories	204,679,353	201,517,144
Other current assets	93,652,957	89,793,317
	539,073,334	529,961,183
Assets under PFRS 5	-	11,821,057
Total Current Assets	539,073,334	541,782,240
Noncurrent Assets		
Noncurrent accounts and notes receivable	106,834,674	96,029,149
Investments in associates and joint ventures	349,382,587	328,120,295
Investment properties	246,750,195	246,733,570
Property, plant and equipment	126,883,201	114,113,551
Right-of-use assets	23,669,912	22,861,767
Service concession assets	1,470,808	1,420,977
Intangible assets	40,278,858	43,536,382
Deferred tax assets - net	18,447,900	18,370,869
Other noncurrent assets	65,900,844	65,576,336
Total Noncurrent Assets	979,618,979	936,762,896
Total Assets	₱ 1,518,692,313	₱ 1,478,545,136
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	₱ 39,494,351	₱ 36,526,898
Accounts payable and accrued expenses	195,727,898	203,115,284
Income tax payable	1,268,789	1,272,406
Current portion of:		
Long-term debt	24,964,477	31,496,742
Lease liabilities	2,796,732	2,364,727
Service concession obligation	-	60,280
Other current liabilities	28,974,562	34,178,420
Total Current Liabilities	293,226,809	309,014,757
Noncurrent Liabilities		
Long-term debt - net of current portion	502,533,685	484,464,227
Lease liabilities - net of current portion	28,259,587	27,978,713
Service concession obligation - net of current portion	111,795	51,515
Deferred tax liabilities - net	10,061,317	9,193,910
Pension liabilities	3,335,678	3,499,705
Other noncurrent liabilities	47,479,645	49,043,265
Total Noncurrent Liabilities	591,781,707	574,231,335
Total Liabilities	885,008,516	883,246,092
Equity		
Equity attributable to owners of the parent company		
Paid-in capital	99,175,548	86,380,257
Share-based payments	-	38,950
Remeasurement losses on defined benefit plans	(3,530,778)	(4,516,242)
Fair value reserve of financial assets at fair value through other comprehensive income (FVOCI)	(2,630,285)	(3,042,026)
Cumulative translation adjustments	1,597,902	4,344,422
Equity reserve	25,549,397	29,091,712
Retained earnings	285,668,997	267,836,258
Treasury stock	(12,546,351)	(13,070,802)
	393,284,430	367,062,529
Non-controlling interests	240,399,367	228,236,515
Total Equity	633,683,797	595,299,044
Total Liabilities and Equity	₱ 1,518,692,313	₱ 1,478,545,136

AYALA CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousands, Except Earnings Per Share Figures)

	For the Periods Ended June 30	
	2023	2022
REVENUE		
Rendering of services	₱ 90,044,356	₱ 76,958,695
Sale of goods	48,439,804	40,423,352
Share in net profits of associates and joint ventures	23,531,197	17,506,694
Interest income from real estate	2,223,480	2,768,475
	164,238,837	137,657,216
COSTS AND EXPENSES		
Costs of rendering services	71,428,178	62,147,043
Costs of goods sold	33,909,369	29,966,297
General and administrative expenses	22,218,945	12,489,289
	127,556,492	104,602,629
OTHER INCOME (CHARGES) - Net		
Interest income	4,652,829	3,549,576
Other income	2,684,492	3,085,730
Interest and other financing charges	(14,897,948)	(13,571,885)
	(7,560,627)	(6,936,579)
INCOME BEFORE INCOME TAX	29,121,718	26,118,008
PROVISION FOR INCOME TAX		
Current	3,354,543	2,346,589
Deferred	333,305	854,079
	3,687,848	3,200,668
NET INCOME	₱ 25,433,870	₱ 22,917,340
Net Income Attributable to:		
Owners of the Parent Company	₱ 18,409,641	₱ 16,269,983
Non-controlling interests	7,024,229	6,647,357
	₱ 25,433,870	₱ 22,917,340