



REPORT OF THE **PRESIDENT**

**FERNANDO
ZOBEL DE AYALA**
President and Chief Operating Officer

AYALA CORPORATION
ANNUAL STOCKHOLDERS' MEETING
April 23, 2021

**Outstanding track record of creating shareholder value
over the past 26 years**



**JAIME AUGUSTO
ZOBEL DE AYALA**

6x

Market cap growth

6x

Net income growth

15%

Total shareholder return

₱118 billion

Cumulative dividends paid

Our portfolio mix is stronger, expanded, more diversified and balanced



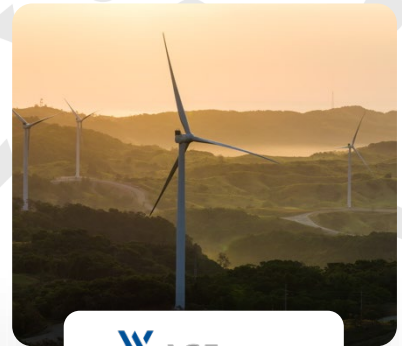
 AyalaLand



 BPI



 Globe



 ACEnergy
An Ayala Company



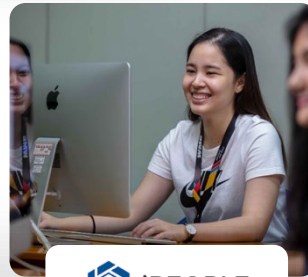
 ACIndustrials
An Ayala Company



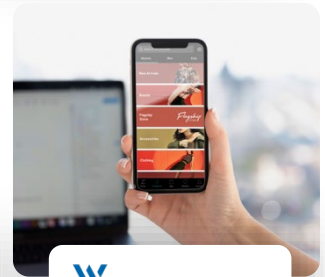
 ACInfra
An Ayala Company



 ACHealth
An Ayala Company



 iPEOPLE



 ACVentures
An Ayala Company

We have developed a culture of relevant and relentless innovation



We have a rigorous financial management discipline that has been tested time and again




Championed pioneering efforts to align our ambition and metrics with world-class ESG standards

SUSTAINABLE DEVELOPMENT GOALS




United Nations
Global Compact



**A 2017
SDG PIONEER**
FOR SUSTAINABLE
BUSINESS STRATEGY
AND OPERATIONS

**Jaime Augusto
Zobel de Ayala**
Philippines

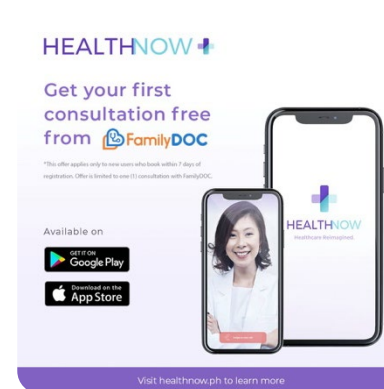
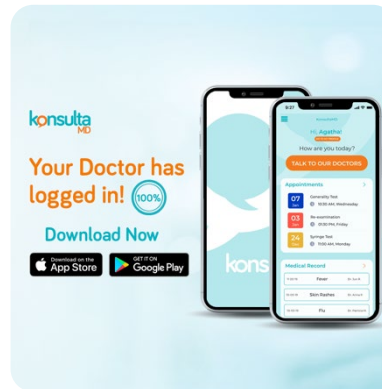
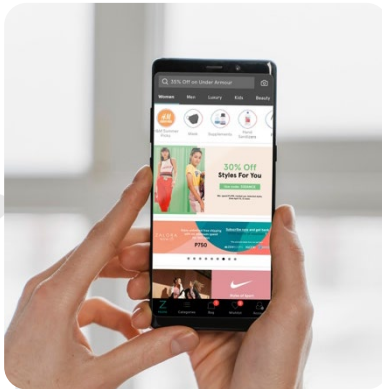
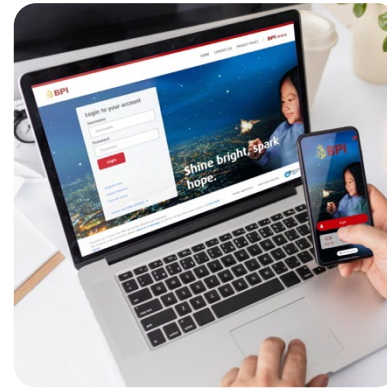
#SDGPioneers



Led in placing Ayala at the forefront of evolving role of corporations to address society's pain points



While 2020 was a stress-test, it presented opportunities for agile pivots in digitalization



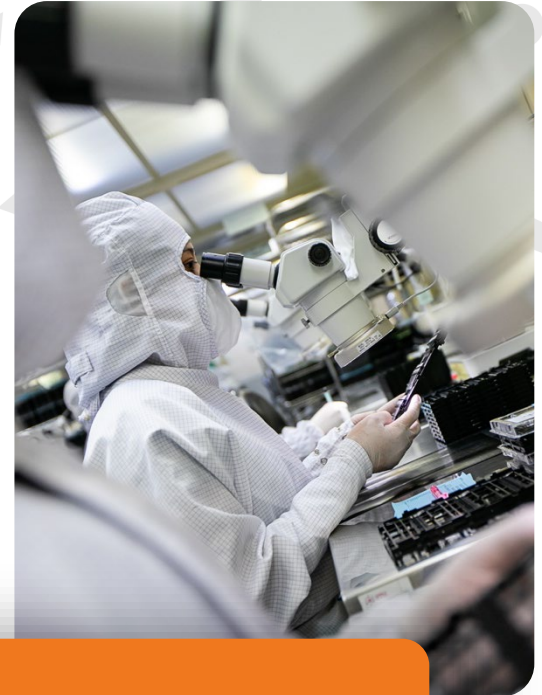
The pandemic's impact and non-recurring items weighed on Ayala's net earnings in 2020



₱17 billion
Reported Net Income

₱26 billion
Core Net Income

We saw quarter-on-quarter recovery since the second half of 2020



On better performance of Ayala Land, Manila Water, and AC Industrials

Mobility restrictions impeded Ayala Land's performance



₱8.7 billion
Net income

The pioneering AREIT IPO encouraged greater participation by Filipinos in the domestic capital market



Demonstrates Ayala Land's commitment to establish a REIT sector in the country

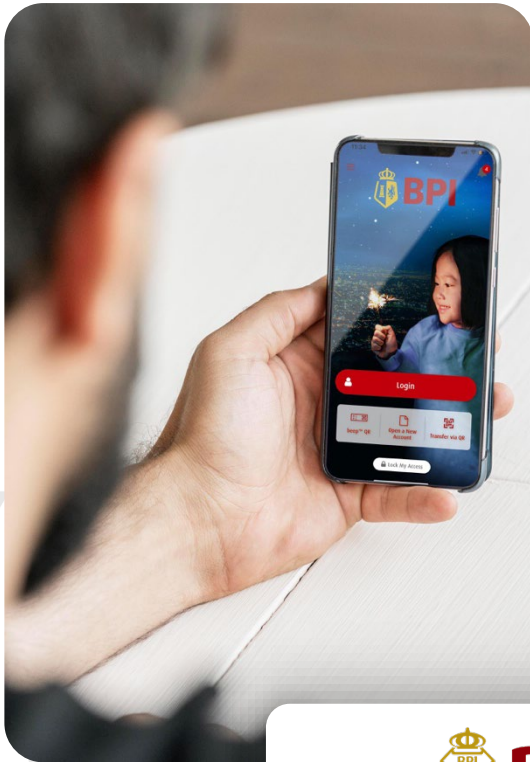
Significant loan loss provisions affected BPI's net earnings



₱21 billion

Net income

BPI has invested the equivalent of 8% of its annual revenues towards digitalization



70%
of transactions now
done online



Globe continues to deploy significant capital to fulfill the country's growing need for fast and reliable internet



Built nearly **1,300** new cell sites and upgraded more than **11,500** sites to 4G/LTE technology



**NOW AVAILABLE
FOR GLOBE PREPAID
AND TM**

Deployed 5G sites in over **1,000** areas in the country.

₱60 BILLION

Capital expenditure in 2020, surpassing the previous year's record level by **18%**

Depreciation from aggressive network investments drove a decline in Globe's net profit



₱18.6 billion

Net income

₱70 billion

Programmed capex for
2021

AC Energy continued its aggressive geographical expansion as it transitions to a low carbon portfolio



₱6.2 billion
Net income

Manila Water provided ample and consistent water supply to its concession area throughout the pandemic



₱4.5 billion
Net income

₱12.1 billion
Capital expenditure

Our partnership with the Razon group allows us to manage the business better and gives more opportunities for expansion



AC Industrials narrowed its net loss as operations and efficiency improved



-₱1.8 billion
Net loss



Array of disruptive technology poised to ride on emerging megatrends



VIA's IPO provided an opportunity to monetize value



AC Health is now participating in the different parts of overall patient care



Rendition of the specialty cancer hospital

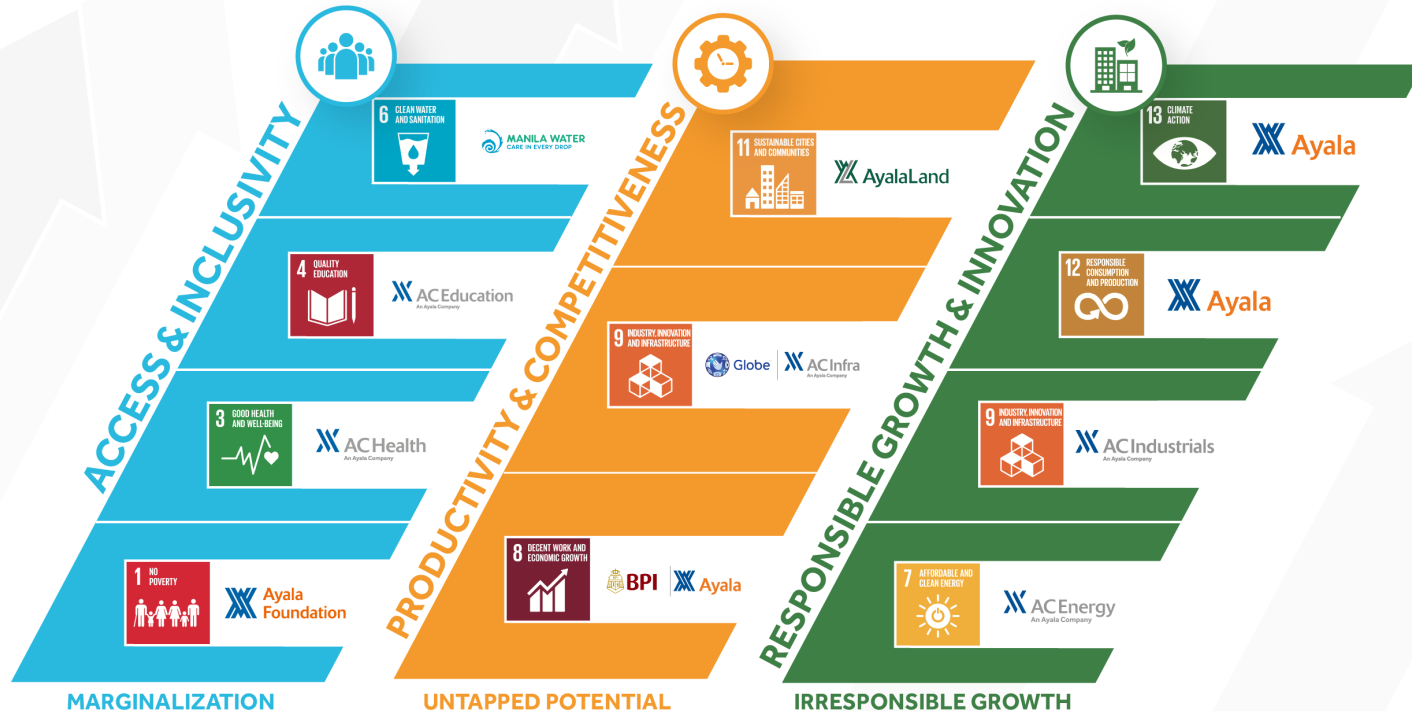
Skip the lines at the pharmacy, get your medicine safely at home.



We continue to adhere to world-class standards of ESG anchored on the UN Sustainable Development Goals



Sustainability Blueprint Bridging the Filipinos to 2030



We navigated this unpredictably long and complicated crisis with the strength of our balance sheet intact



₱6.92/share

Dividends paid

80%

Parent net debt-to-equity ratio

9.2%

Loan to value ratio

Our team of over 60,000 employees is our most valued asset



The depth of talent in our teams gives us confidence on the senior leadership transitions in the group



JOSE TEODORO
LIMCAOCO



CEZAR
CONSING

The depth of talent in our teams gives us confidence on the senior leadership transitions in the group



ALBERT
DE LARRAZABAL

The depth of talent in our teams gives us confidence on the senior leadership transitions in the group



ERIC
FRANCIA

We will place greater emphasis on portfolio strategy

1

Sharper focus on optimizing returns from existing businesses

2

Highly disciplined approach on capital deployment

3

Drive value realization initiatives to fund future investments

We will place greater emphasis on portfolio strategy

1

Support continued expansion of core value drivers



2

Scale up emerging businesses in healthcare and logistics



3

Recycle capital to support growth strategy and further strengthen our balance sheet



With a healthy balance sheet and strong franchises in our portfolio, we are confident that we will come out of this difficult period stronger





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