Ayala Corporation

9M24 Analysts' Briefing

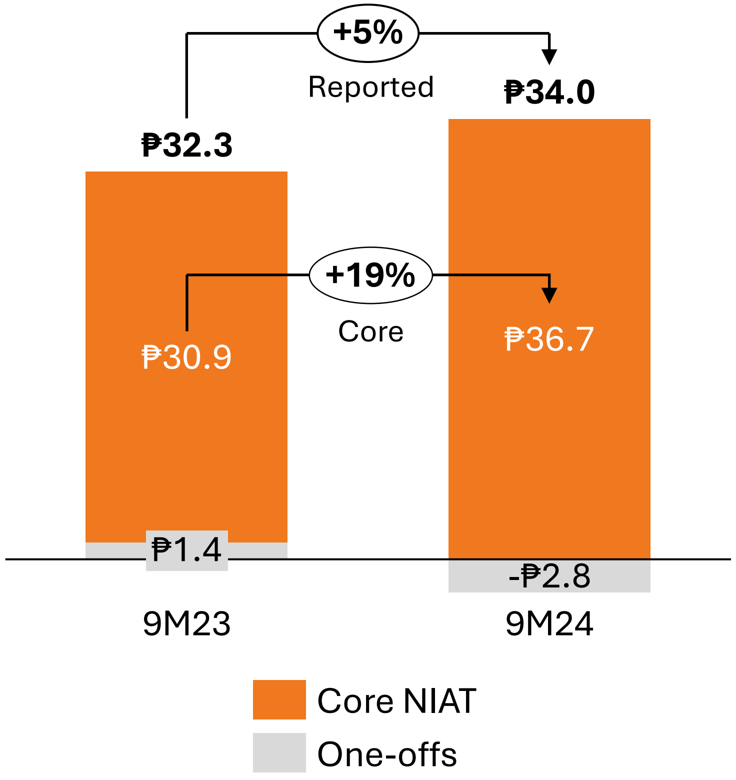
Financial and Operating Results

November 13, 2024

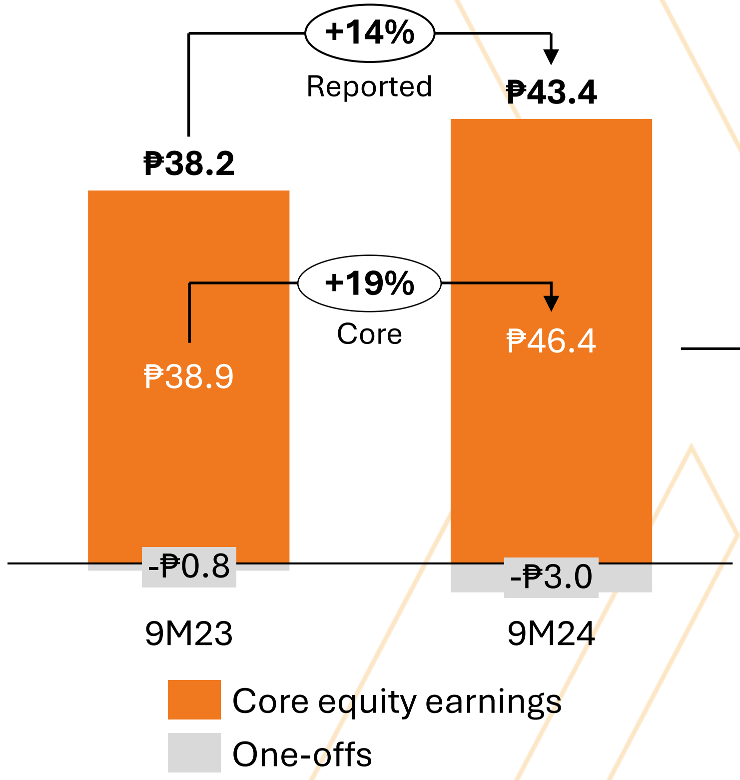
https://ayala.com/investor-relations/presentations/

Core NIAT rose 19% to ₱37 billion as Ayala's core units maintained their growth trajectories

Consolidated NIAT, *billions*



Equity Earnings, *billions*



[1]Includes AC Industrials, AC Health, AC Logistics, MWC, and others

[2]Based on AC's effective share of ACEN's net income after deducting its share of ACEIC's bond interest

Robust revenue growth continued to boost BPI, ALI and ACEN's NIAT; solid EBITDA growth along with Mynt's outperformance raised Globe's NIAT

BPI

- **NIAT up 24%** on higher net interest income (+22%) and non-interest income (+32%).
- **Accelerated loan and deposit growth of 19% and 15%.**
  - Insti loans up 13%; non-insti loans up 39% on strong growth across all segments.
  - NIM up 3bps QoQ to 4.35% on a higher LDR (+95bps QoQ) and shift in loan mix to non-insti segments (+400bps to 27% from 23% in 2023).
- **Fee income rose 28%** on growth from all segments.
- **NPL ratio at 2.3%,** 10bps up QoQ attributed to institutional and consumer segments.
- **ROE stable at 15.9%,** ROA at 2.1%

AyalaLand

- **NIAT up 15%** from growth in residential take-up, leasing, and services.
- **Residential revenues up 35%** as all segments saw higher bookings.
  - Reservation sales up 17%.
  - ₱45.6B in launches YTD; ₱80B target for 2024.
- **Leasing and hospitality revenues up 8%** on higher rents, occupancy, and room rates, as well as contributions from new assets.
  - Mall and office revenues up 7% each.
  - Hotels & resorts revenues grew 13%.
- **Services up 54%** as construction revenues rose 96% on higher bookings from external projects

Globe

- **Core NIAT up 19%** as GSR growth (+2%) and higher Mynt contributions improved margins.
  - **NIAT up 6%** on strong **EBITDA growth of 7%**.
  - EBITDA margin higher at 52%.
- **Mynt equity earnings up 114%** to ₱3.5B (14% of NIBT).
  - 6.9M unique borrowers, up 105%.
  - 35.5M insurance policies sold, up 160%.
  - 1.2M community merchants, up 23%.
- **9M24 CAPEX down 24%** to ₱41B.
  - FCF at ₱13.2B; -₱14.1B without tower sales, vs -₱28.9B in 2023.

ACEN

- **NIAT up 24%** primarily on fresh output from new RE plants.
  - One-off gains worth ₱2.5B (₱1B in 3Q24 on AREIT acquisition)
- **Core attributable EBITDA up 30%**
  - **Attributable RE generation output rose 31%** to 4,127GWh on new solar and wind farms.
  - **Sustained local net seller position** at 663GWh, up 34%.
- **Attributable RE capacity at 6.8GW.**
  - 3GW fully operational.
  - 2.3GW under construction.
  - 1.4GW of committed projects.
  - 1.5GW of new capacity to come online in 2025

[1] *All growth figures are YoY unless otherwise stated*

AC Health showed growth across all verticals with its new businesses gaining momentum

AC Health
An Ayala Company

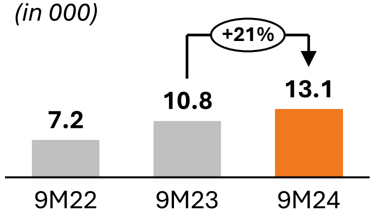
- **Topline revenues grew 11% to ₱6.9B.**
  - Provider group up **25%** (vs 12% industry growth).
  - Pharma group up **1%** (vs -4.3% industry decline).

- **New businesses continue to gain traction.**
  - FEU-NRMF remains **EBITDA positive;** revenues up **16%.**
  - Cancer Hospital (HCCH) **revenues up 54% QoQ.**
  - St. Joseph **revenues up 12%.**

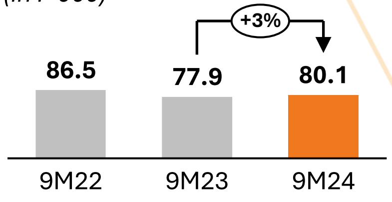
- Net loss at ₱417M.

Hospitals

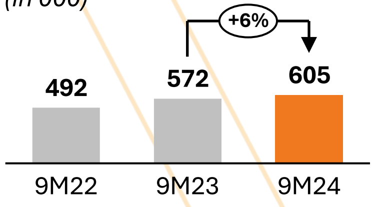
Inpatient Count
(in 000)



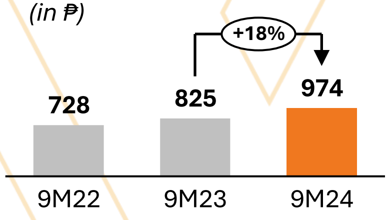
Inpatient Average Spend
(in ₱ 000)



Outpatient Procedures
(in 000)



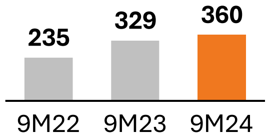
Outpatient Average Spend
(in ₱)



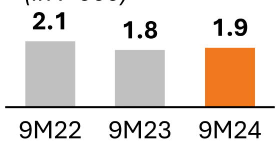
- **Expanded service offerings and doctor engagement strategies** drive patient count growth.
- **Inpatient occupancy (45%), outpatient procedures**, and **average spend remain elevated** post-pandemic.
- Newly-installed clinic mammograms, Cath Lab, and Kidney Stone Center in Sta Rosa to drive **increased utilization and value.**

Clinics

Patient Count
(in 000)



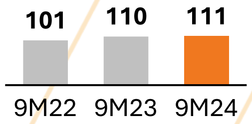
Average Spend
(in ₱ 000)



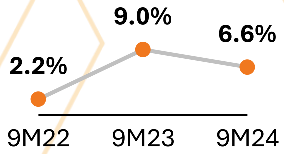
- **10% growth in patient count** on ramp up of new clinics.
- **Average spend has remained stable** and is still higher than pre-pandemic.

Pharma Retail

Transaction count
(daily ave per store)



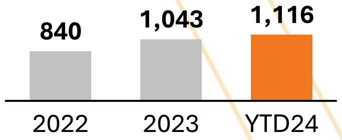
SSSG



- Increase driven by **focused store activity executions, stable supply, and marketing.**
- **Generika saw 6.6% SSSG** (vs -4.3% industry decline)

Pharma Distribution

CPR[1] Count



- Continued CPR[1] growth **driven by new products** that cater to priority therapeutic areas.

[1]Certificate of Product Registration, indicative of number of molecules

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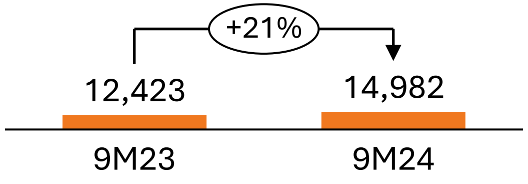
AC Mobility's EV business continued to exhibit strong growth while right-sizing initiatives in IMI and growth efforts in AC Logistics are well underway

AC Industrials
An Ayala Company

- **AC Industrials: Core net loss at ₱921M** as IMI continued to navigate soft market conditions while ACMobility's results were affected by one-time losses and unfavorable FX.
  - Reported loss at ₱5.1B due to impairments in IMI (₱4B) and VIA (₱670M) from ₱6.1B in 9M23.

- **ACMobility:** Net loss of ₱176M due to prior years' tax assessment, forex impact and increased opex at Kia, and start-up costs of new businesses.
  - Unit sales grew 21% to 14,982 driven by BYD and Kia.
  - Market share up 40bps to 4.3%.
  - New electric vehicle (NEV) market share up to 3/4 of NEV market from 2/3 in 1H.
  - 111 EV charging points now available in 50 locations nationwide.

ACMobility sales



- **IMI:** Rightsizing initiatives helped mitigate **net loss to US$9.2M** despite soft industry demand.
  - **EMS business generated a core income of US$4.3M**
- Current priorities are to focus on high-growth and high-margin segments and improving overall efficiency by creating a leaner and flatter corporate structure and being more discerning on which customers and projects to pursue.

AC Logistics
An Ayala Company

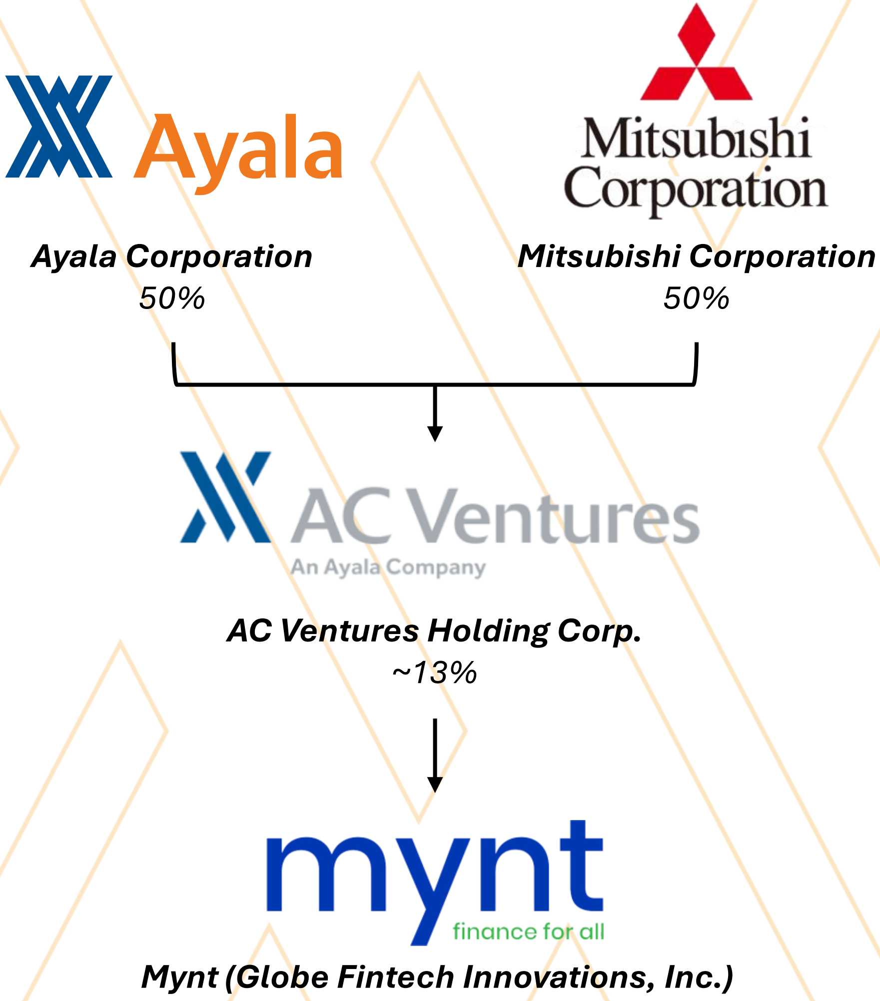
- **Core net loss flat at ₱1B.**
  - Reported loss of ₱1.5B as Entrego booked a ₱2.9B impairment following its closure.
  - Attributable EBITDA improved to -₱262M from -₱637M.
    - Recalibrating the focus area of AC Logistics into four pillars as source of growth: Contract Logistics & National Distribution, Crossborder Logistics, Cold Chain Logistics and Project Logistics. Investment will be made to scale up these pillars.
    - Drive towards efficiency continues with immediate results is expected by the year end.
    - Commercial transformation to solution-based selling is ongoing and at the right speed.
    - Aim to be a leading cold storage operator.
      - CDO facility utilization remains at 100%.
      - Cold storage capacity to triple with construction of GMAC Davao next year.

Ayala strengthened its strategic partnership with Mitsubishi Corp as the latter buys into Mynt through AC Ventures

- **Mitsubishi Corp (MC) signs binding term sheet to buy 50% of AC Ventures Holding Corp. (ACV) for at least ₱18.4B**

- **Key details**
  - AC and MC's JV via ACV aims to explore consumer-related and digital opportunities in the Philippines. The JV includes ACV's ~13% stake in Mynt.
  - MC will subscribe to primary shares of ACV for at least ₱18.4B.
  - The main CPs to closing include, among others: (1) PCC approval, (2) SEC approval for ACV Articles of Incorporation amendments, and (3) Zalora's transfer to another Ayala entity, leaving Mynt as the sole investment of ACV.
  - The Ayala group will remain the largest owner of Mynt with a combined effective stake of ~40%.

- **Approximate post transaction ownership in Mynt**
  ACV – 13% (AC – 6.5%, MC – 6.5%) | Globe – 34% | Ant – 33% | MUFG – 8% | Others – 12%



Ayala maintains a strong balance sheet with a competitive cost of debt and diversified funding sources

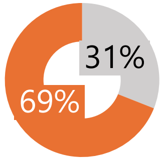
Balance Sheet Metrics

In ₱ billions

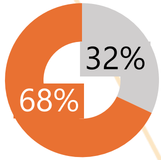
	End-2023	9M24
Consolidated		
Cash	76.2	72.7
Gross debt	589.8	635.6
Net debt	504.8	562.9
Net D/E	0.75	0.78
Parent		
Cash	11.7	6.9
Gross debt	157.9	175.3
Net debt	146.1	168.4
Net D/E	0.96	1.03
LTV ratio	11.2%	12.0%
Dividend/share	7.27	7.99

Profile of Obligations and Credit Lines

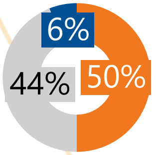
Rate Profile



Credit Lines (~₱59.7B)



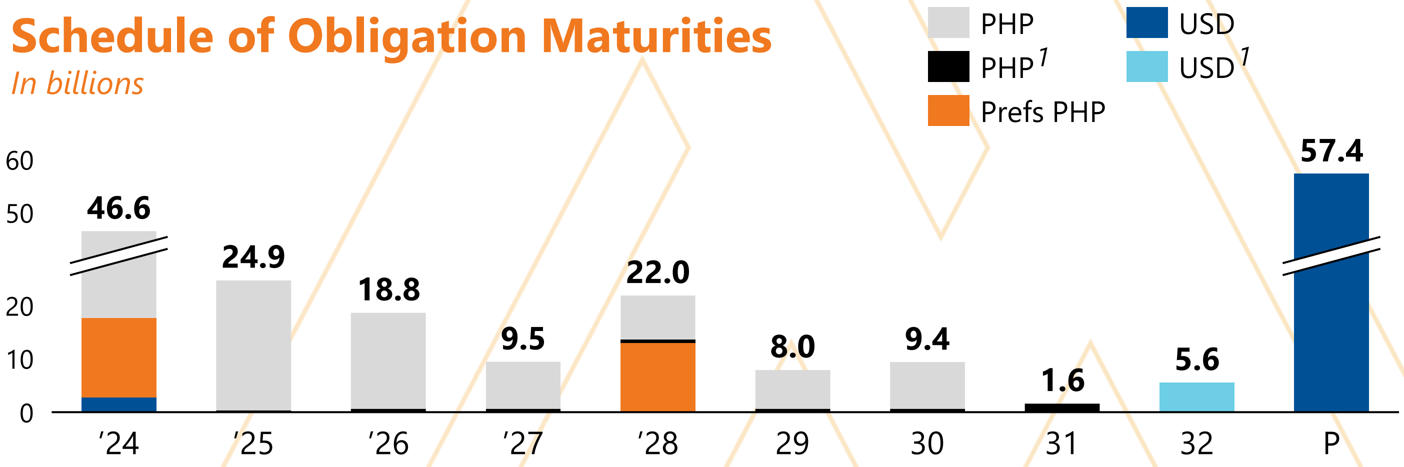
Debt Financing Profile



Average cost of debt: 5.47%

Schedule of Obligation Maturities

In billions



[1]Sustainability-linked loans and social bonds

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