



# 1Q 2016 | Analysts' Briefing

04 May 2016



# Outline

## 1Q 2016 Results

- Financial Statements
- Margins
- Capex
- Operating Statistics

# Key Messages

1. Net income registered at P4.7b, up 14%
2. Total revenues reached P27.0 billion, up 8% driven by the steady performance of the core real estate businesses which grew 8%
3. Total capex spent reached P23.4b
4. Launched residential, office for sale and leasing projects worth P38.1 billion

# Net income of P4.7b, up 14%

- *Real Estate Revenues higher by 8%*
- *GAE ratio improved to 6.2% from 6.4%*
- *EBIT margin higher at 33% (vs. 31%)*

<b>Income Statement</b> <i>(in Php millions)</i>	<b>1Q 2016</b>	<b>1Q 2015</b>	<b>Change</b>	<b>%</b>
<b>Total Revenues*</b>	<b>26,972</b>	<b>25,061</b>	<b>1,912</b>	<b>8%</b>
Real Estate**	26,663	24,760	1,903	8%
Interest & Other Income	309	301	9	3%
<i>Equity in Net Earnings of Associates and JVs</i>	(46)	(39)	7	18%
<i>Interest &amp; Investment Income</i>	232	213	19	9%
<i>Other Income</i>	124	127	(3)	-2%
<b>Expenses</b>	<b>19,722</b>	<b>18,638</b>	<b>1,085</b>	<b>6%</b>
Real Estate	16,358	15,428	930	6%
GAE	1,677	1,606	71	4%
Interest Expense, Financing and other charges	1,687	1,604	84	5%
Income Before Income Tax	7,250	6,423	827	13%
Provision for Income Tax	1,820	1,547	273	18%
<b>Income before Non-Controlling Interest</b>	<b>5,430</b>	<b>4,876</b>	<b>554</b>	<b>11%</b>
Non-Controlling Interest	721	754	(33)	-4%
<b>NIAT Attributable to ALL Equity Holders*</b>	<b>4,708</b>	<b>4,121</b>	<b>587</b>	<b>14%</b>

\*Excluding commercial lot sales, Total Revenues grew by 16% and NIAT by 31%

\*\*Includes interest income on accretion.

Per statutory reporting (17q), interest income on accretion is classified under Interest Income

# Steady performance of core businesses

Revenue Breakdown (in P millions)	1Q 2016	1Q 2015	Change	%	
<b>Property Development</b>	<b>17,399</b>	<b>17,002</b>	<b>397</b>	<b>2%</b>	
Residential	15,925	14,025	1,900	14%	New bookings and project completion
Office for Sale	1,306	985	321	33%	Contribution of ALVEO Financial Tower
Comm'l/Ind'l lots	168	1,992	(1,824)	-92%	Arca South lot sales in 2015
<b>Commercial Leasing</b>	<b>6,454</b>	<b>5,865</b>	<b>588</b>	<b>10%</b>	
Shopping Center	3,614	3,155	458	15%	Improved contribution of new malls - UPTC and Solenad 3
Office	1,363	1,211	153	13%	Contribution of new offices
Hotels and Resorts	1,476	1,499	(23)	-2%	Closure of InterCon
<b>Services</b>	<b>14,885</b>	<b>9,331</b>	<b>5,554</b>	<b>60%</b>	
Gross Construction	14,542	8,927	5,616	63%	Increase in order book
Property Mgmt.	343	404	(62)	-15%	
<b>Sub -Total</b>	<b>38,738</b>	<b>32,199</b>	<b>6,539</b>	<b>20%</b>	
Interco Adjustments	(12,075)	(7,439)	(4,636)	62%	
<b>Real Estate Revenues</b>	<b>26,663</b>	<b>24,760</b>	<b>1,903</b>	<b>8%</b>	
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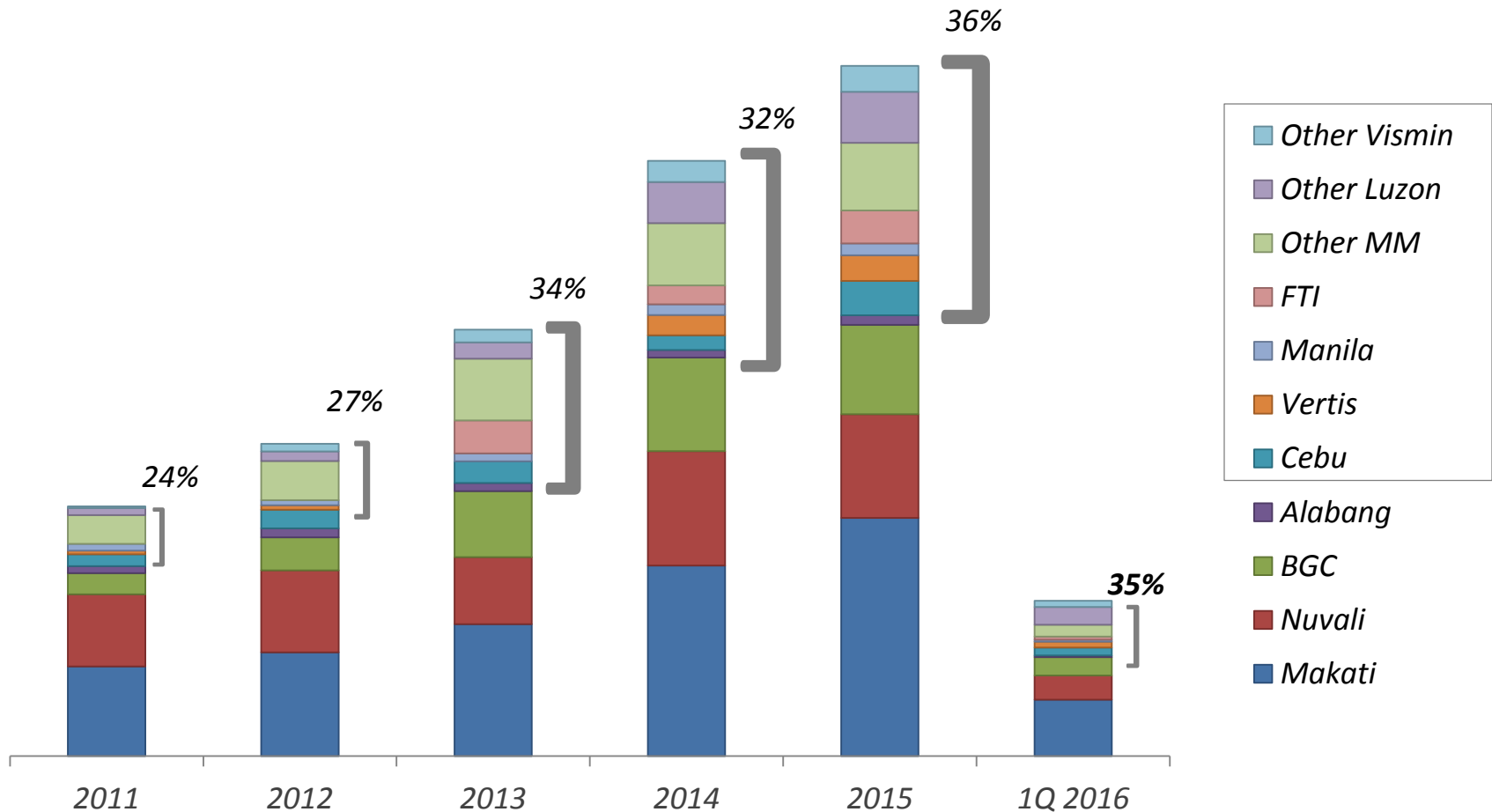
\*Excluding commercial lot sales, Total Revenues grew by 16%

# Sustained margins in property development, improved margins in commercial leasing

Margin Performance	1Q 2016	1Q 2015	
<b>Property Development</b> <i>(Gross profit)</i>			
Residential			
<i>Horizontal</i>	43%	44%	<i>Lower margin on newly launched projects</i>
<i>Vertical</i>	34%	32%	<i>Sale of higher margin projects</i>
Office for Sale	39%	40%	<i>Lower margin on newly launched projects</i>
Commercial and Industrial Lots	48%	51%	<i>Absence of higher margin lots for sale in Nuvali and Altaraza</i>
<b>Commercial Leasing</b> <i>(EBITDA)</i>			
Shopping Centers	69%	66%	<i>Cost containment initiatives and better performance of established leasing assets</i>
Office	90%	87%	<i>Improved performance of SEDA Nuvali</i>
Hotels & Resorts	32%	30%	
<b>Services (EBITDA)</b>			
Construction and Property Management	10%	13%	<i>Bulk of accomplishments are from lower margin contract packages</i>

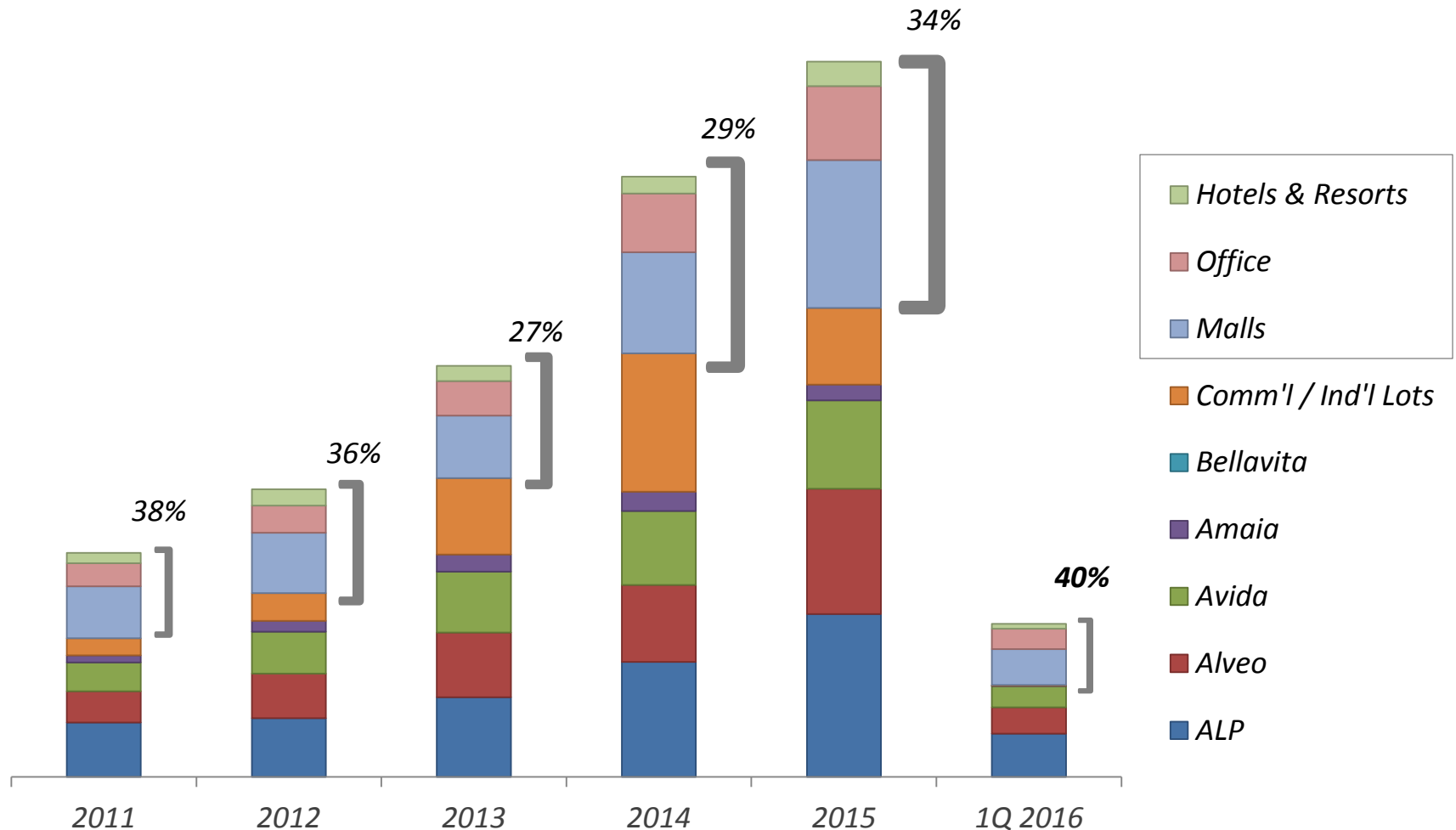
# Continued diversification into new growth centers

NIAT contribution per business center



# Continued build up of recurring income business

NIAT contribution per core business segment\*



\* Excludes NIAT from services. Target is to increase the recurring income contribution to 50% by 2020



# Solid balance sheet to support growth

Balance Sheet (in P millions)	March 2016	December 2015	Change	%
Cash & Cash Equivalents*	17,090	19,252	(2,162)	-11%
Total Borrowings	148,343	130,996	17,346	13%
Stockholders' Equity	151,144	149,825	1,319	1%
<i>Current Ratio</i>	<i>1.07</i>	<i>1.14</i>	-	-
<i>Debt-to-Equity Ratio **</i>	<i>0.98</i>	<i>0.87</i>	-	-
<i>Net Debt-to-Equity Ratio **</i>	<i>0.87</i>	<i>0.74</i>	-	-
<i>Return on Equity ***</i>	<i>14.0%</i>	<i>14.7%</i>	-	-

\*Includes FVPL (financial assets at fair value through profit and loss)

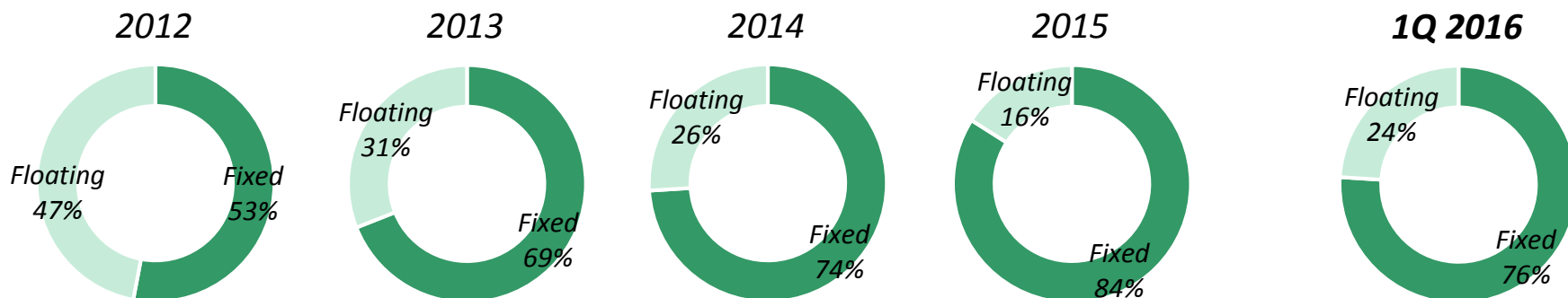
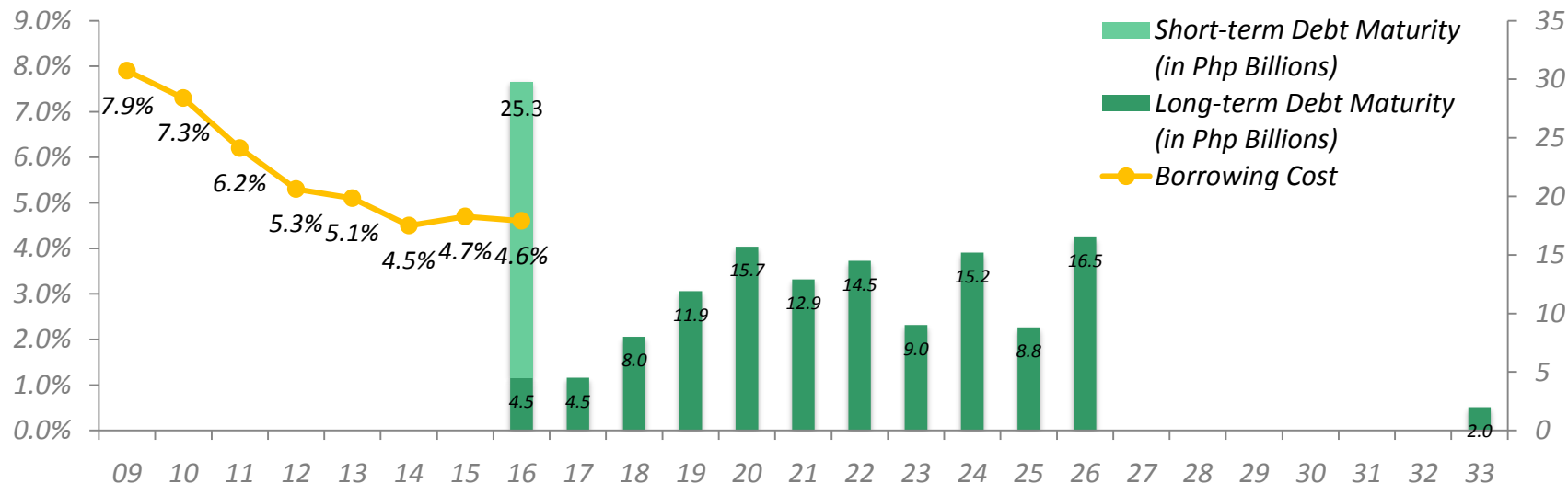
\*\*Consolidated debt over equity inclusive of minority interest

\*\*\*Attributable to equity holders of ALI

# Sustained capital efficiency via stretched maturities, lower cost of debt and managed debt mix

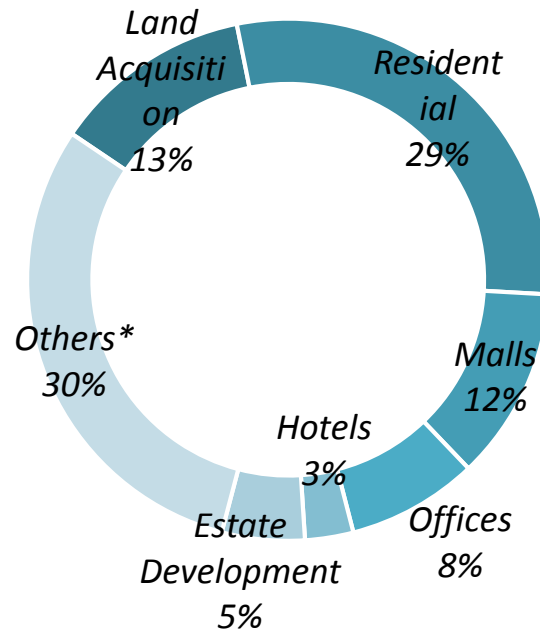
As of March 31, 2016

Total Borrowings: Php148.3B, Short-term Php25.2B



# Total capex spent reached P23.4b (27% of FY budget)

1Q 2016 Capex Spend



1Q 2016 Capex Breakdown

(In Php billions)

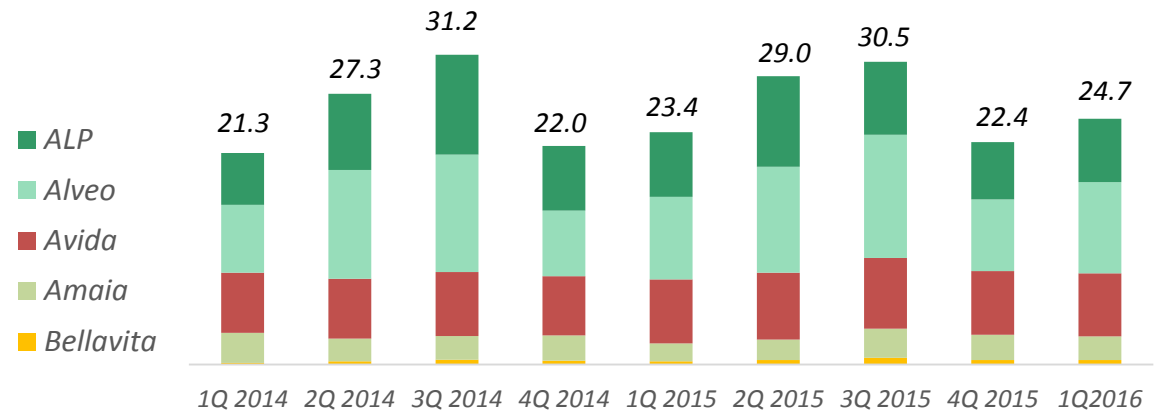
	FY 2016 Budget	1Q 2016 Actual
Land Acquisition	15.4	2.9
Residential	34.1	6.8
Malls	13.6	2.8
Offices	7.2	1.9
Hotels and Resorts	3.0	0.7
Estate Development	3.8	1.2
Others*	7.4	7.1
<b>Total</b>	<b>84.5</b>	<b>23.4</b>

\* ALI Capital, Services and other investments

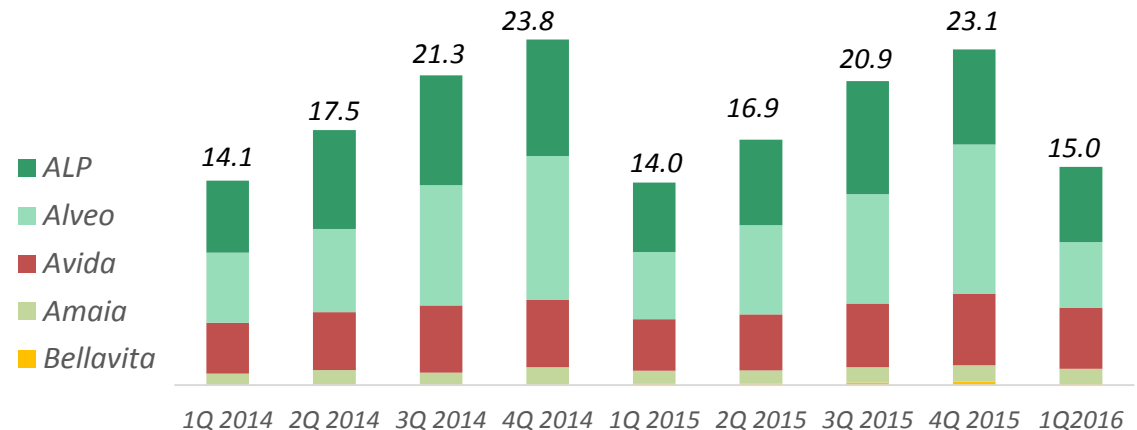
# Residential: Sales take-up 6% higher yoy

- Sales take-up of P24.7b (average of P8.2b in monthly sales)
- Overseas Filipino Sales : P6.2b (25% of total sales)
- Booked sales of P15b

**Sales Take-Up (In Php Bn)**



**Booked Sales (In Php Bn)**

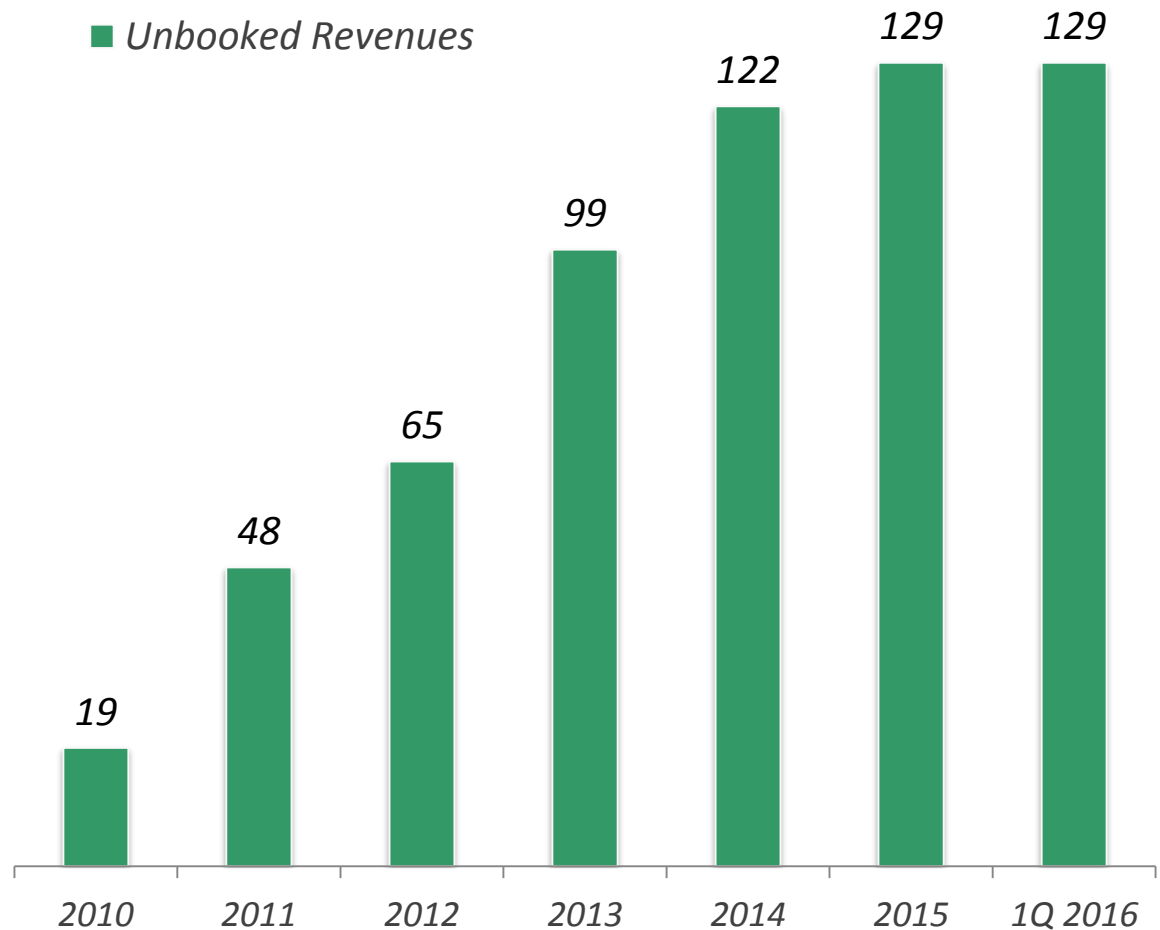


# Sustained level of unbooked revenues

- Up by 2% vs P127b in Q1 2015

(in Php Billions)

■ Unbooked Revenues



# Key Launches: Residential

**AyalaLand** PREMIER

**ALVEO**

**Avída**



## ***Riomonte Phase 4 (Feb 2016)***

*Nuvali*

*190 units, P1.9b*

*60% cum. take-up*

## ***Montala Phase 2 (Mar 2016)***

*Alviera, Pampanga*

*195 units, P751m*

*25% cum. take-up*

## ***One Union Place Tower 3 (Mar 2016)***

*Arca South*

*522 units, P1.7b*

*12% cum. take-up*

# Key Launches: Office for Sale

ALVEO



***Park Triangle Corporate Plaza  
South Tower (Mar 2016)***  
**BGC**  
220units, P6.3b  
23% cum. take-up



# Key Launches: Ayala Center Redevelopment



## ***Ayala Center InterCon Block Redevelopment (Jan 2016)***

- Retail Podium (54K GLA)
- Office (85K GLA)
- Hotels (600 Rooms)
- Condo for Lease (300 Rooms)
- Transport Terminal

**Investment Cost: P19bn**



# Malls: Total GLA of 1.45m sqm

- *Average Occupancy Rate: 94%*
- *Average Mall Lease Rate:*  
*P1,155/sqm/month*
- *Same Mall Rental Growth: 5%*

## Newly opened malls



**Ayala Malls Legazpi, Albay**  
15K GLA



**Solenad 3, Nuvali**  
40k GLA



**UP Town Center, QC (Ph 1B)**  
23k GLA

# Malls Update

## Major Openings for 2016



**Vertis North, QC**  
47K GLA



**South Park Alabang**  
47K GLA



**The 30<sup>th</sup> Pasig**  
28K GLA

## Under Construction: 892k GLA

Completion	Mall	GLA (in k sqm)
2016 (177k)	Lio El Nido	3
	Vertis North QC	47
	Legaspi	15
	Southpark Alabang	47
	Riverside	1
	UPTC Ph2	33
	BHS Central (ear lot)	3
	The 30 <sup>th</sup>	28
2017 (172k)	Feliz	80
	Cloverleaf	39
	Arvo Marikina*	20
	Circuit Mall Ph1	33
2018 (480k)	Citygate	10
	Park Triangle Retail	24
	Arca South Ph1	73
	Capitol Central	74
	Circuit Mall Ph2	25
	Central Bloc	42
	Manila Bay Area	232
2019 (9k)	ATG retail T2	9
2020 (54k)	Ayala Center Mall*	54

\*Launched in 2016



# Offices: Total GLA of 742k sqm

- *Average Occupancy Rate: 83.1%\**
- *Average Lease Rate: P697/sqm/month*
- *Leased-out rate: 95%*

## Newly opened offices



**Bonifacio Stopover**  
17K GLA

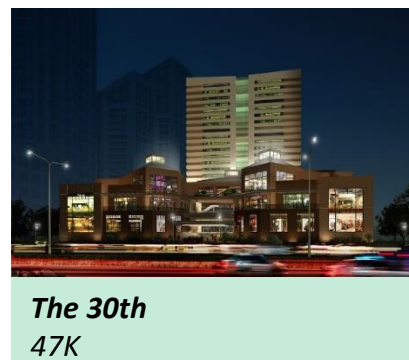
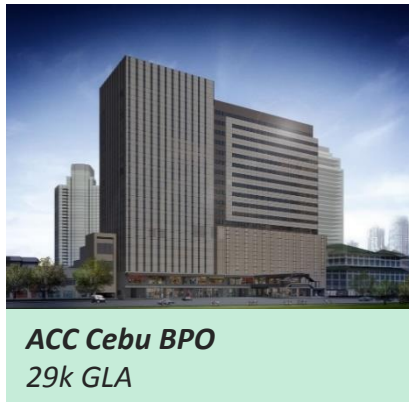


**Centrio**  
9K GLA

*\* Includes new office spaces leased for fit-out.  
Occupancy (stable) ~ 95%*

# Offices Update

## Major Openings for 2016



## Under Construction: 789k GLA

Completion	Office	GLA (in k sqm)
2016 (162k)	The 30 <sup>th</sup>	47
	Vertis 1	41
	PSE at BGC	29
	ACC Cebu BPO	29
	UP Technohub Bldg P	10
	UPIS	6
2017 (193k)	Vertis 2	42
	Circuit 1	45
	Arca South BPO 1	33
	Circuit 2	26
	Tech Tower Cebu	16
	Citygate Ph1 HQ	19
	Southpark BPO	12
2018 (193k)	Arca South BPO 2	47
	Citygate Ph1 BPO	37
	Vertis 3	36
	Manila Bay (BPO)	18
	BGC Corp Center 1	26
	eBloc 5	29
2019 (90k)	Arca South BPO 3	17
	eBloc 6	39
	BGC Corp Center 2	34
2020 (151k)	ATG T2	66
	Ayala Center*	85

\*Launched in 2016



# Hotels and Resorts: Total of 1,991\* rooms in operation

## Newly opened hotel

<b>1Q 2016</b>	<b>Hotels*</b>	<b>Resorts</b>
No. of rooms in operation	Branded: 961 Seda: 817	El Nido Resorts: 213
Revpar/night	P3,892 (up 1%)	P9,913 (up 9%)
Average room rate	P5,341 (unchanged)	P14,860 (up 15%)
Average occupancy	73% (up 1%)	67% (down 4 pts)



**Seda Iloilo**  
(152 Rooms)



*\*excludes 333 rooms of InterContinental*

# Hotels and Resorts Update

## Openings for 2016



**El Nido B&B**  
62 rooms



## Under Construction: 3,721 Rooms

Completion	Hotel	No. of Rooms
2016 (62)	<i>El Nido B&amp;B 3*</i>	20
	<i>El Nido B&amp;B 2</i>	42
2017 (765)	<i>Seda Vertis North</i>	438
	<i>Seda Lio</i>	153
	<i>Seda Bacolod</i>	154
	<i>El Nido B&amp;B 1*</i>	20
2018 (1,075)	<i>Seda Circuit</i>	255
	<i>Seda Arca South</i>	265
	<i>Seda CIP</i>	214
	<i>Seda BGC Expansion</i>	341
2019 (644)	<i>Seda Gateway Makati</i>	293
	<i>Seda Bay Area</i>	351
2020 (575)	<i>Mandarin Oriental</i>	275
	<i>Condo for Lease*</i>	300
2021 (600)	<i>Seda Ayala Center*</i>	600

\* Launched in 2016

# In Summary

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