



9M 2017 | Analysts' Briefing

07 November 2017

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9M 2017 Key Messages

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2. **Healthy topline:** Revenues grew 16% to P98.9B
 - **Record-high property sales:** Take-up increased 12% to P94.2B
 - **Steady leasing growth:** Revenues up 10% to P21.1B
3. **Progressive buildup of leasing assets:** Malls GLA at 1.70M, Offices GLA at 909K and Hotels and Resorts rooms at 2,509 with new openings
4. **Growing Estate Portfolio:** 23 Estates with the launch of Azuela Cove in Davao
5. **Capex spend on track:** Total of P63.2B

Net income up 18% to P17.8B

- Real Estate Revenues higher by 15%
- GAE ratio improved to 5.1% from 5.7%
- EBIT margin maintained at 34%

Income Statement (in Php Millions)	9M 2017	9M 2016	Change	%
Total Revenues	98,927	85,489	13,438	16%
Real Estate*	96,405	84,092	12,313	15%
Interest & Other Income	2,522	1,397	1,125	81%
<i>Equity in Net Earnings of Associates and JVs</i>	758	345	413	120%
<i>Interest & Investment Income</i>	982	686	296	43%
<i>Other Income</i>	782	366	416	114%
Expenses	71,118	62,209	8,909	14%
Real Estate	59,631	51,325	8,306	16%
GAE	5,090	4,900	189	4%
Interest Expense, Financing and other charges	6,398	5,984	414	7%
Income Before Income Tax	27,809	23,280	4,529	19%
Provision for Income Tax	7,119	5,876	1,243	21%
Income before Non-Controlling Interest	20,690	17,404	3,286	19%
Non-Controlling Interest	2,880	2,343	537	23%
NIAT Attributable to ALI Equity Holders	17,810	15,061	2,749	18%

*Includes interest income on accretion.

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

Revenues increased 16% to P98.9B

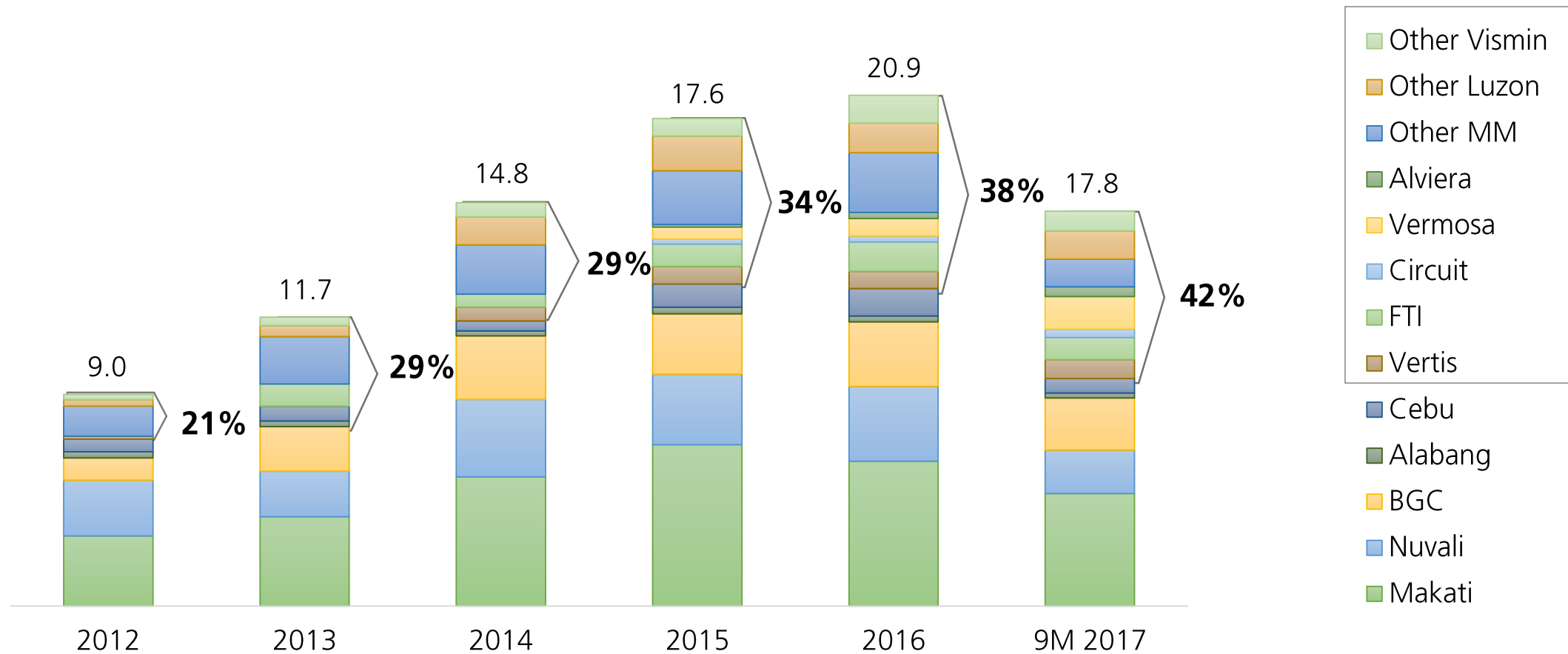
Revenue Breakdown (in Php Millions)	9M 2017	9M 2016	Change	%	
Property Development	71,577	56,198	15,379	27%	
Residential	60,027	47,065	12,962	28%	New bookings and project completion
Office for Sale	6,711	4,645	2,066	44%	Sales from High Street South Corp Plaza 2
Comm'l/Ind'l lots	4,839	4,487	351	8%	Lot sales in Arca South, Vermosa and Naic
Commercial Leasing	21,066	19,173	1,894	10%	
Shopping Center	11,769	10,587	1,182	11%	New malls such as The 30 th , Tutuban Center and UP Town Center
Office	4,468	4,012	457	11%	Stabilized occupancy of UP Town Center, Ebloc 4 and ATC BPO
Hotels and Resorts	4,829	4,574	255	6%	Higher occupancy and ARR of El Nido Resorts
Services	51,298	48,702	2,597	5%	
Gross Construction	49,718	47,655	2,062	4%	Increase in order book and higher completion
Property Mgmt.	1,581	1,046	535	51%	More managed properties
Sub –Total	143,941	124,072	19,869	16%	
Interco Adjustments	(47,536)	(39,980)	(7,556)	19%	Elimination of intercompany profits arising from internal construction projects.
Real Estate Revenues	96,405	84,092	12,313	15%	
Interest & Other Income	2,522	1,397	1,125	81%	
Total Revenues	98,927	85,489	13,438	16%	

Margins are within healthy levels

Margin Performance	9M 2017	9M 2016	
Property Development (Gross Profit)			
Residential			
Horizontal	44%	42%	Increased contribution of higher margin projects such as The Courtyards, Riomonte, Ardia and Montala
Vertical	35%	34%	
Office for Sale	40%	38%	Higher margins from High Street South Corp Plaza Towers and Alveo Park Triangle Tower
Commercial and Industrial Lots	33%	40%	Higher contribution of lower margin industrial lots in Cavite and commercial lots in Arca and Vermosa
Commercial Leasing (EBITDA)			
Shopping Centers	66%	68%	Effect of newly opened malls
Office	91%	90%	
Hotels and Resorts	27%	27%	
Services (EBITDA)			
Construction and Property Management	10%	8%	Effect of efficiencies and savings

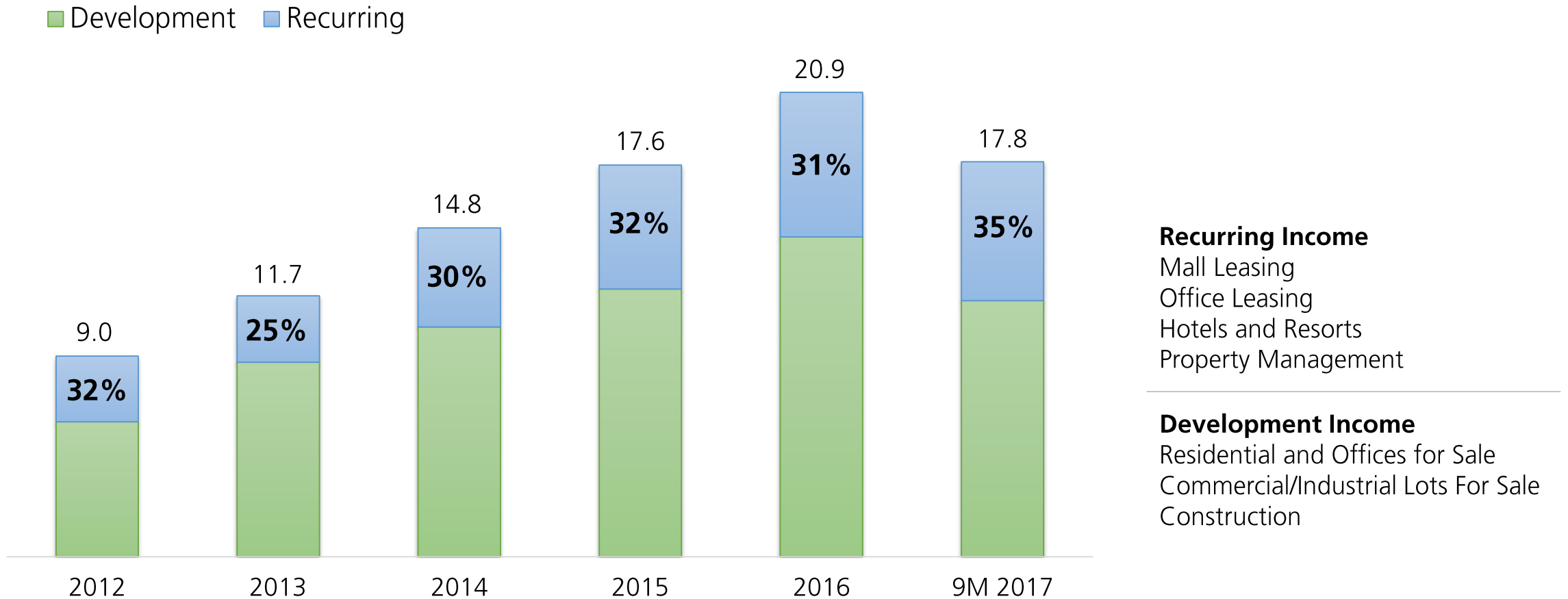
New growth centers continue to gain traction

(Net Income after tax) contribution per location



Recurring income is growing in line with the 2020-40 Plan

(Net Income after tax) contribution per business line

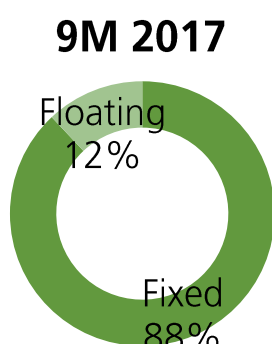
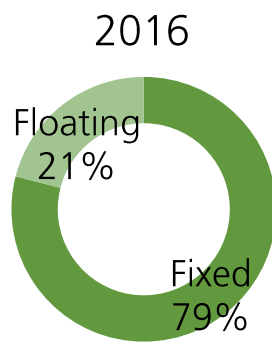
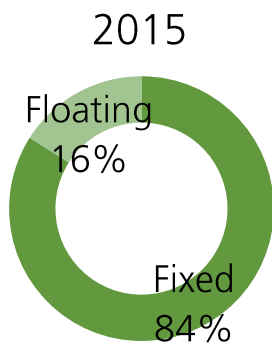
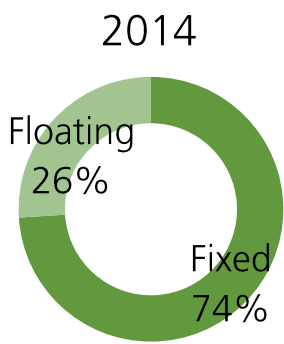
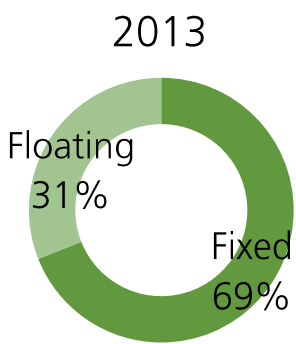
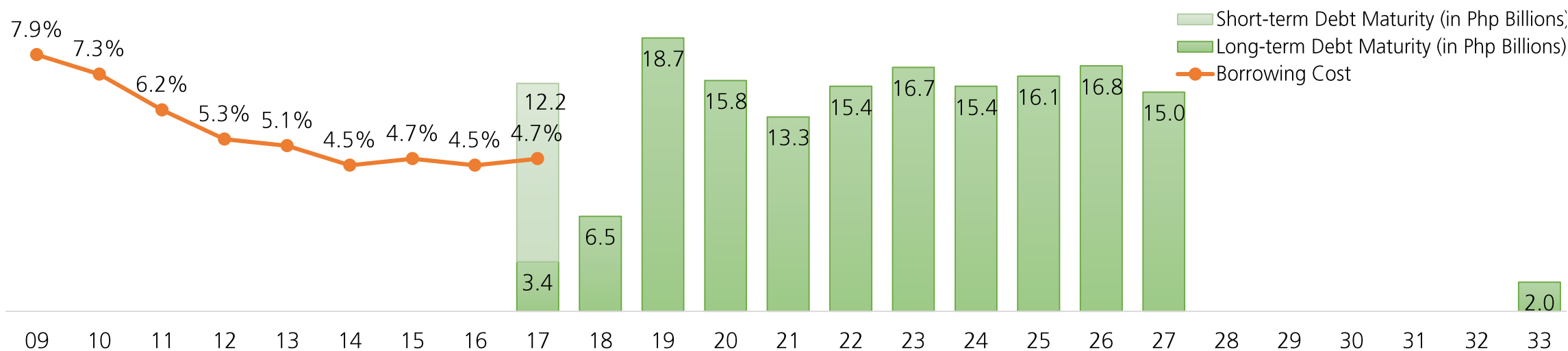


Our strong balance sheet supports growth plans

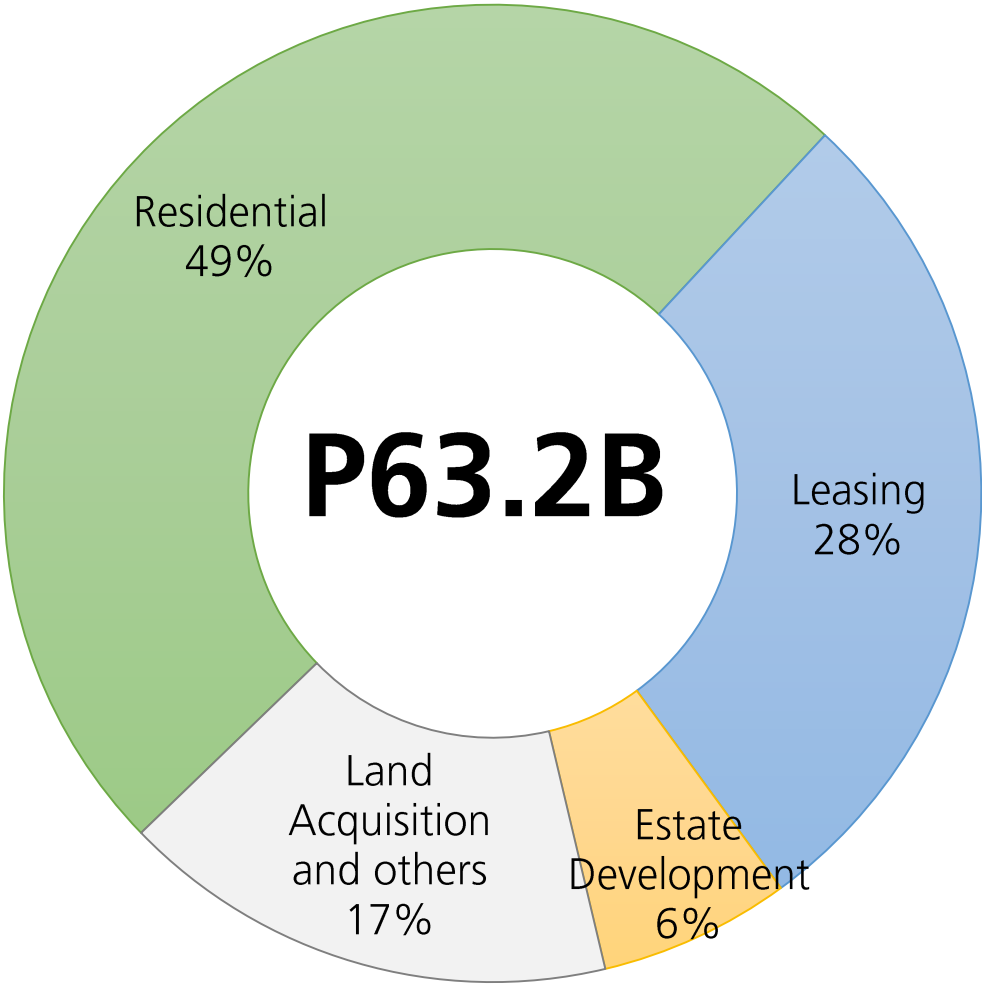
Balance Sheet (in Php Millions)	September 2017	December 2016
Cash & Cash Equivalents	25,791	22,641
Total Borrowings	167,309	159,801
Stockholders' Equity	184,814	172,683
Current Ratio	1.21	1.12
Debt-to-Equity Ratio	0.91	0.93
Net Debt-to-Equity Ratio	0.77	0.79
Return on Equity	15.6%	14.9%

Low cost of debt, stretched maturities and managed mix enhances our capital efficiency

As of 30 Sep 2017 | Total Borrowings: **Php167.3B**: Short-term **Php12.2B** (7%), Long-term **Php155.1B** (93%)

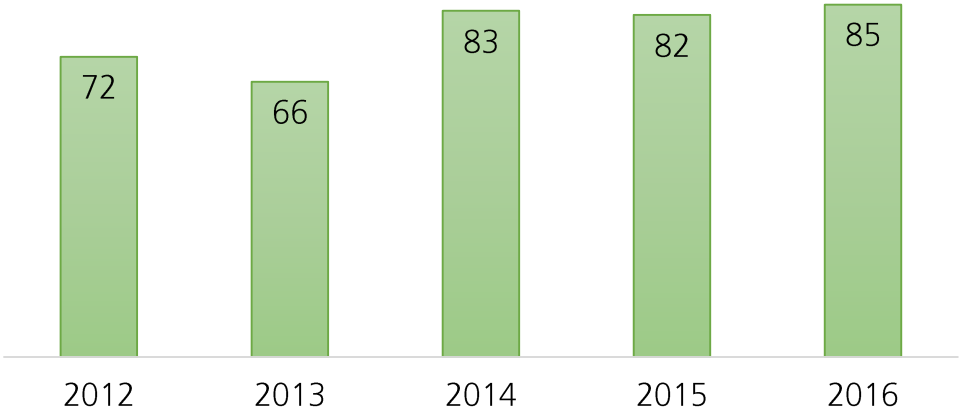


CAPEX spend of P63.2B



Capex Breakdown (in Php Billions)	FY 2017 Budget	9M 2017 Actual
Residential	41.0	31.0
Malls	12.0	9.8
Offices	9.0	5.6
Hotels and Resorts	5.0	2.3
Estate Development	7.0	4.0
Land Acquisition	11.0	6.6
Others	3.0	3.8
Total	88.0	63.2

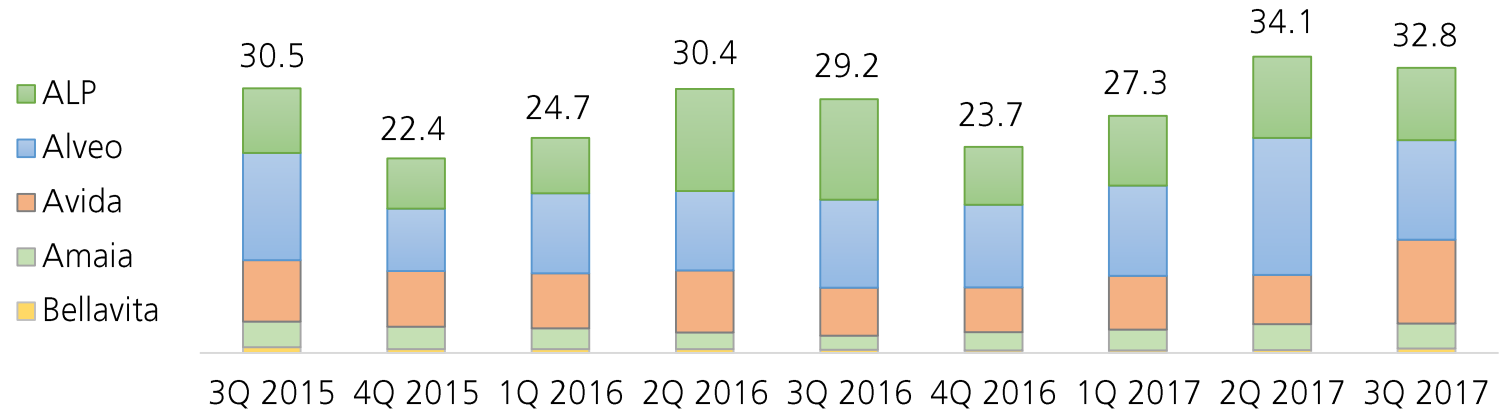
5-Year Historical Capex



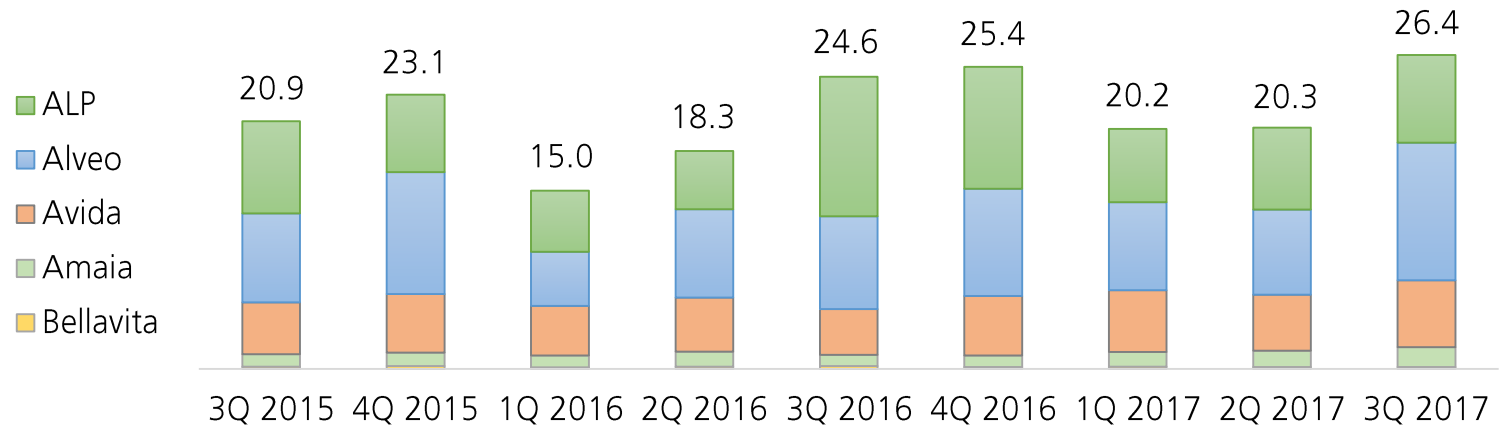
Property Development: Sales Take-up 12% higher

- **9M Sales Take-up: P94.2B**
(average of P10.5B in monthly sales)
- **International Sales: P24.0B**
(up 20%, 25% of total sales)
- **Net Booked Sales: P66.9B**
(up 16%)
- **Launched Projects: P53.9B worth**
(Residential and Office for Sale)

Sales Takeup (in Php Billions)



Net Bookings (in Php Billions)

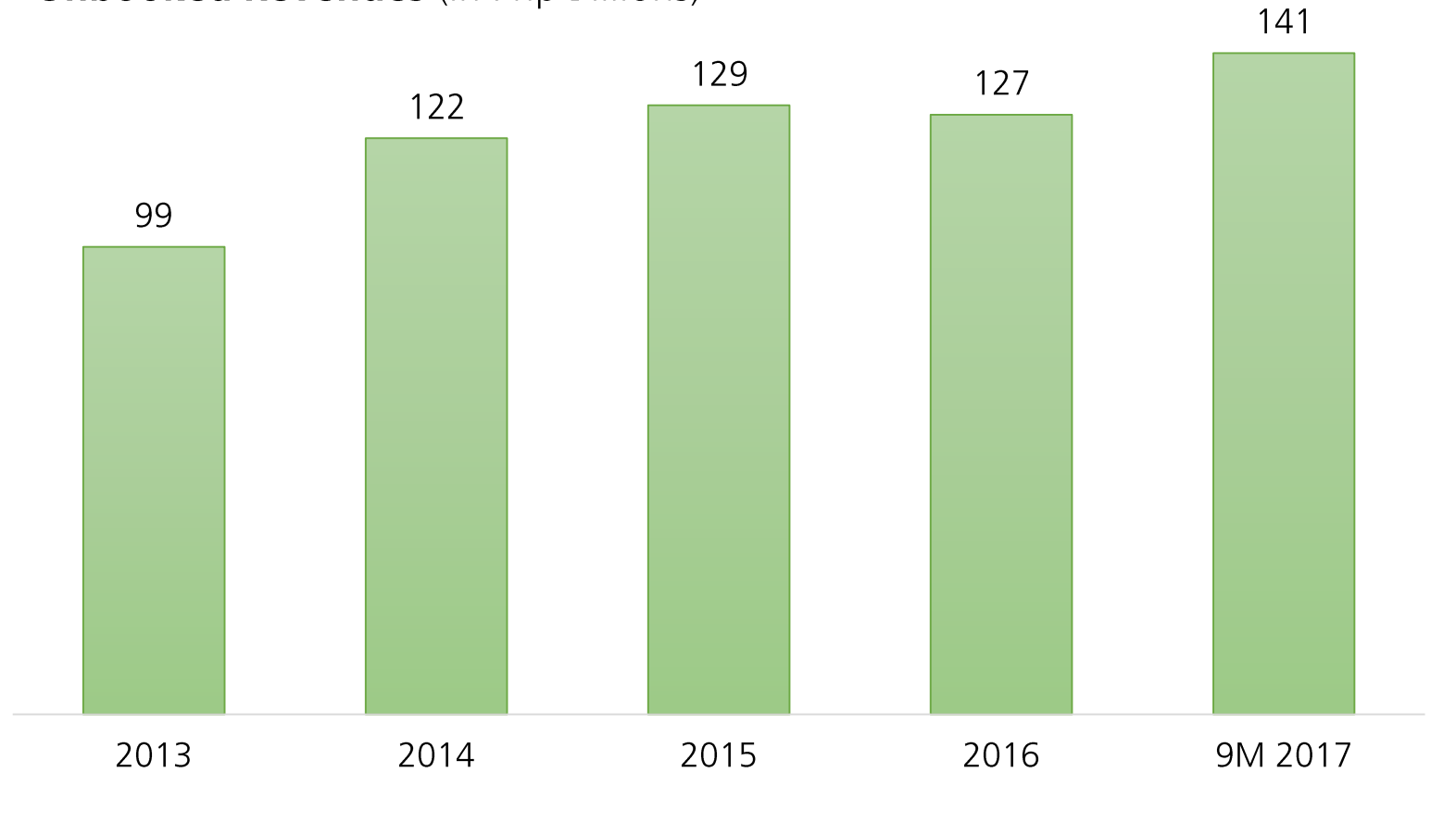


Note: Sales take-up includes Office for Sale projects under the Residential Business

Unbooked Revenues: P141B, highest level to-date

Unbooked revenues of P141B is 1.7x of 2016 Property Development Revenues at P84.1B

Unbooked Revenues (in Php Billions)



Key Launches: Estates



Azuela Cove
DAVAO CITY

Azuela Cove (August 2017)

Lanang, Davao City | 25 has.

- Verdant open spaces and spectacular views of Davao Gulf
- In partnership with Alcantara Group of Companies (60% ALI Group)
- *GFA build out: 675k sqm*
(Commercial:50%, Residential: 50%)
- Total estimated investment:
(P20B in the next 8-10 years)

Initial Components:

- The Shops at Azuela Cove (4k sqm)
- Ayalaland Premier Condos
- St. Luke's Medical Center (250-bed to open in 2022)

Key Launches: Residential and Office for Sale



Cerilo Phase 3 (Sep 2017)
Nuvali, Santa Rosa Laguna
209 lots, P3.0B | 18% take-up

The Stiles Enterprise Plaza East Tower (July 2017)
Circuit Makati MM
349 office units, P5.4B | 28% take-up

Key Launches: Residential Projects

Avida



**Avida Towers BGC Turf Tower 2
(Jul 2017)**
BGC Taguig MM
537 units, P4.2B | 47% take-up



Avida Towers Vireo (Jul 2017)
Arca South, Taguig MM
476 units, P2.0B | 67% take-up

Key Launches: 4Q 2017



**Park Central Towers - North Tower
(Oct 2017)**

Makati CBD MM
259 units, P17.62B



Orean Place (Oct 2017)

Vertis North QC
611 units, P5.91B



Cerca - Viento Tower 1 (Nov 2017)

Las Pinas MM
272 units, P2.18B



**Solinea -
Palatine Tower
(Nov 2017)**

Cebu Business Park
694 units, P3.66B

Malls: GLA of 1.70M sqm

- Ave. Occupancy Rate: 91%
(*Stable Malls at 97%*)
- Ave. Mall Lease Rate: P1,108/sqm/mo.
- Same Mall Rental Growth: 4%

Malls (in sqm)	GLA
1H 2017 Total GLA	1.66M
Ayala Malls Cloverleaf	38K
Oct 2017 Total GLA YTD	1.70M

Newly completed malls



Ayala Malls Cloverleaf | 38K GLA (October 2017)

Malls: Completion Updates

4Q 2017 Openings



Ayala Malls Feliz | 79K GLA

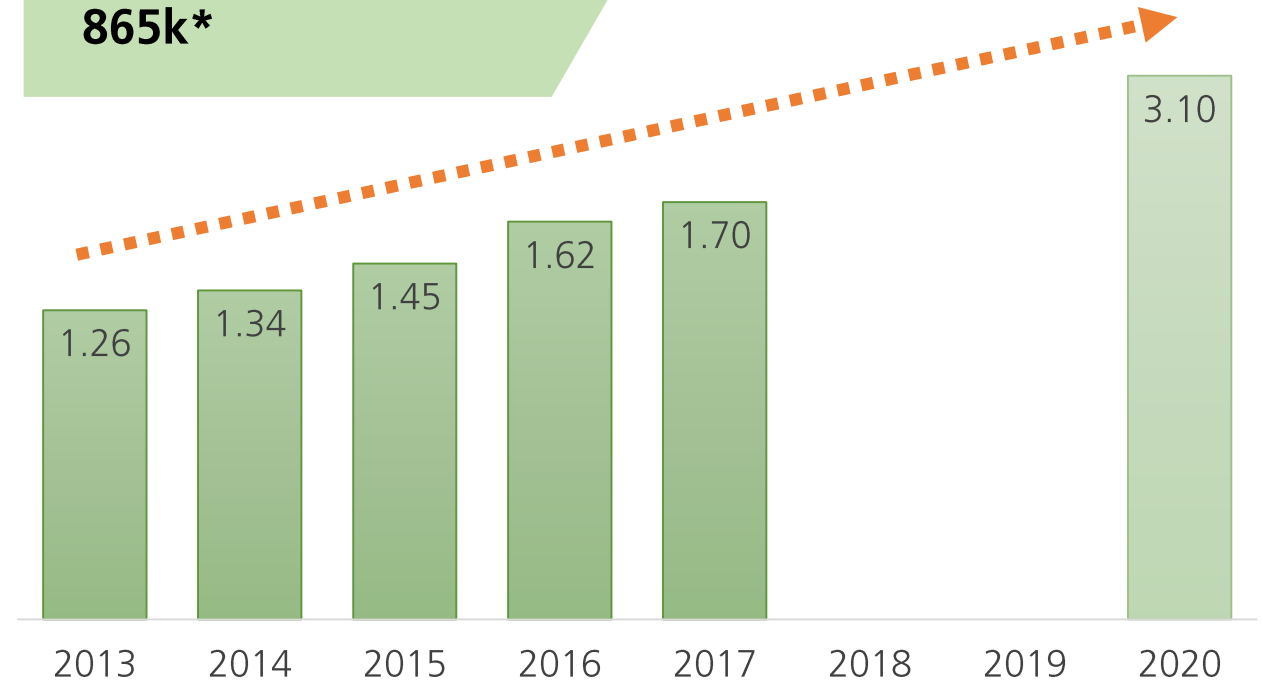


Ayala Malls Marikina | 12K GLA



Malls GLA : 1.2 to 3.1
(in million sqm)

Malls GLA
under construction:
865k*



**Excludes residential retail spaces of 64k sqm*

Offices: GLA of 909K sqm

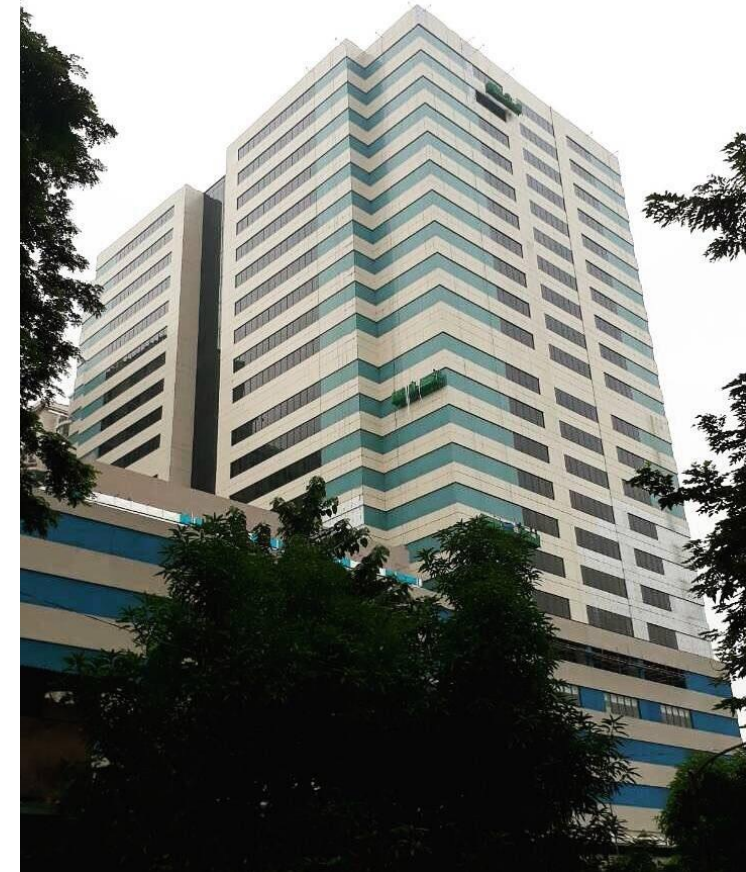
- Ave. Occupancy Rate: 89%
(Stable Offices at 97%)
- Ave. Office Lease Rate: P735/sqm/mo.
- Ave. Leased-out rate: 93%

Offices (in sqm)	GLA
1H 2017 Total GLA	836K
Circuit BPO 2	27K
The 30th BPO 1	46K
9M 2017 Total GLA	909K

Newly completed offices



Circuit BPO Tower 2
27K GLA (August 2017)



The 30th Corporate Center
46K GLA (August 2017)

Offices: Completion Updates

4Q 2017 Key Openings



Vertis North BPO 2 | 43K GLA

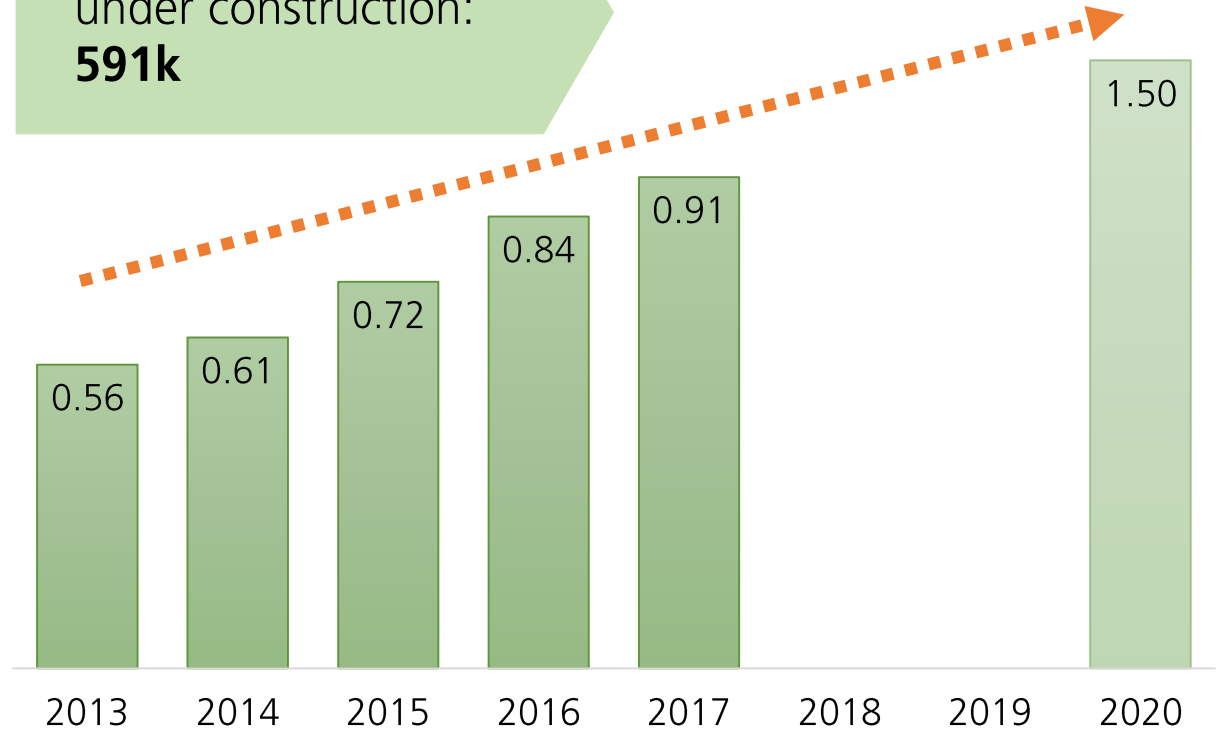


Circuit BPO 1 | 47K GLA

AyalaLand
OFFICES

Office GLA : 0.5 to 1.5
(in thousand sqm.)

Offices GLA
under construction:
591k



Hotels and Resorts: 2,509 rooms in operation

Newly completed rooms

9M 2017	Hotels	Resorts
No. of rooms in operation	Branded: 961 Seda: 1,255	El Nido: 213 Lio: 62 Sicogon: 18
Revpar/night	P3,598 (-6%)	P8,252 (+6%)
Average room rate	P5,040 (-4%)	P13,809 (+2%)
Average occupancy	71% (-3 pt)	60% (+2 pt)

Hotels and Resorts	Rooms
1H 2017 Total GLA	2,477
Balai Adlao, Lio	20
Balay Kogon, Sicogon	12
9M 2017 Total	2,509



Balay Kogon Sicogon
12 rooms (August 2017)



Balai Adlao, Lio
20 rooms (August 2017)

Hotels and Resorts: Completion Updates

4Q 2017 Openings



Seda Bacolod | 154 rooms

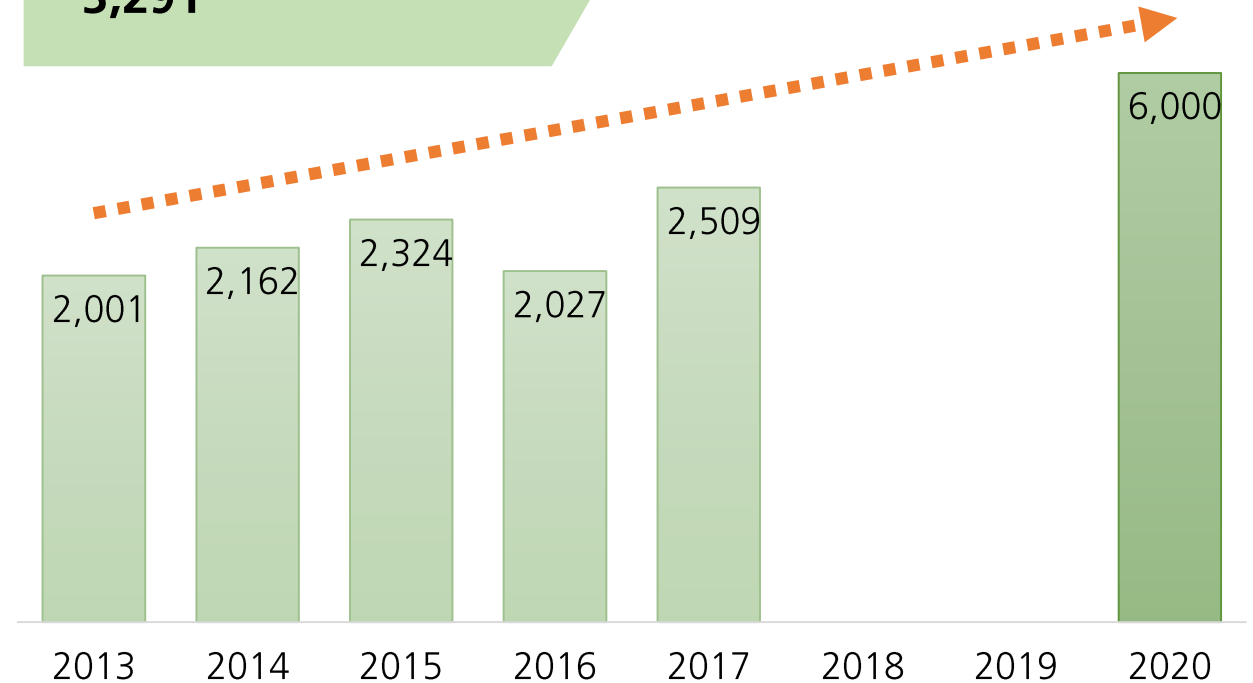


Hotel Covo Lio | 20 rooms

AyalaLand HOTELS AND RESORTS

Hotels & Resorts : 2.0k to 6.0k
(in thousand rooms)

Rooms
under construction:
3,291



In Summary

1. **Consistent earnings growth:** Net Income up 18% to P17.8B
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