



11 May 2020

Philippine Stock Exchange, Inc.

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

To **Janet A. Encarnacion**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

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

To **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosures Department

Securities and Exchange Commission

PICC Complex, Roxas Boulevard, Pasay City

To **Hon. Vicente Graciano P. Felizmenio, Jr.**
Director, Market Regulation Department

Dear Mesdames and Gentlemen,

Please see attached press release on Ayala Land's 1Q 2020 results.

Thank you.

A handwritten signature in blue ink, appearing to read 'AB' followed by a stylized flourish.

AUGUSTO D. BENGZON

Senior Vice-President
CFO, Treasurer and Chief Compliance Officer



Press Release

ECQ, Taal eruption heavily impact ALI 1Q20 results

11 May 2020 – Ayala Land Inc. (ALI) recorded consolidated revenues of P28.4 billion and net income of P4.3 billion, a 28% and 41% decline, respectively, reflecting the impact of the COVID-19 Enhanced Community Quarantine (ECQ). Revenues from property development contracted by 38% to P17.2 billion, mainly due to lower project bookings and the impact of the Taal volcano eruption in January this year on the sales of its projects in Southern Luzon. This was aggravated further by lower incremental completion as construction activities were interrupted by the ECQ.

Residential revenues declined 39% to P13.8 billion while office for sale revenues dropped by 68% to P962 million. The earthquakes in Davao in the 4th quarter of 2019 also affected the sales of its projects in the province. Nevertheless, revenues from the sale of commercial and industrial lots grew by 8% to P2.5 billion mainly from existing developments such as Arca South, Seagrove, and Laguna Technopark. Sales reservations registered at P24.7 billion, 27% lower, during the period.

ALI was able to launch four projects valued at P5 billion in the first quarter of 2020. These included the Avida Greendale Settings at Alvia in Pampanga, the Amaia Steps The Junction Place Aria in Quezon City, Scapes Cabuyao Series 3 Area 2 in Laguna, and Bellavita Alaminos 2 in Laguna. While additional launches have been put on hold for the rest of the year, ALI has sufficient projects in its inventory since it launched P159 billion worth of developments last year alone.

Commercial leasing revenues reached P8.7 billion, a slight 5% dip as sustained office leasing mitigated limited mall operations and the closure of resorts during the ECQ. Shopping center revenues dropped 9% to P4.6 billion while revenues from hotels and resorts ended 17% lower to P1.6 billion. Office leasing revenues meanwhile increased by 15% to P2.5 billion through the sustained operations of BPO and HQ buildings.

The company's capital expenditures reached P21.6 billion in the period, mainly for residential developments and commercial leasing assets. The full year capex estimate has been adjusted to P69.8 billion from the previously planned P110 billion. With P23 billion in cash, unutilized credit lines of P25 billion, action plans in place for prudent cost monitoring and capital allocation, and conservative debt management, the company's balance sheet remains robust.

"The severe impact of the ECQ resulting from the COVID-19 crisis and the Taal eruption caused a major decline in our net income. Our development business was particularly hit hard during the quarter as we saw buyers opting to defer purchases during this period. Our leasing assets were also significantly affected in the latter part of the quarter due to the ECQ. Given the continuing market uncertainty, we quickly made adjustments in our plans to ensure the long-term sustainability of the business." said ALI President and CEO Bernard Vincent O. Dy.

ALI waived about P2.6 billion worth of rent from tenants in its 32 shopping malls nationwide during the ECQ of Luzon and other key cities. It has also earmarked P600 million to assist no-work-no-pay workers in its eco-system.

The company also ran an internal campaign called "ALI Pays it Forward" wherein it raised a total of P82.6M through the participation of 99.9% of ALI Group Employees to support the three designated public hospitals as exclusive facilities to fight



the disease (Philippine General Hospital, The Lung Center of the Philippines, and Dr. Jose N. Rodriguez Memorial Hospital), and Caritas Manila. For Project Ugnayan, the ALI Group together with its partners, raised a total of P426M in donations.

Its wholly-owned construction company, MDC, transformed the World Trade Center into a 500-bed quarantine facility and retrofitted the Philippine Red Cross lobby into a COVID-19 testing laboratory to process 3,000 tests per day. Likewise, in partnership with AC Health, ALI's healthcare subsidiary, Qualimed expanded its hospital in Nuvali to create a COVID-19 dedicated facility including a triage tent, sampling room, PCR lab, doctors' office, nurse station, and PPE changing rooms. Lastly, in cooperation with DOT and foreign embassies, its airline subsidiary, AirSWIFT made 78 domestic flights to Manila and Clark airports to allow 4,500 foreign tourists to catch their flights back home.

"We continue to provide assistance in various ways to help our country through this crisis. At the same time, we have completed plans to restart our various businesses post-ECQ. We expect the buildup to be gradual and to take some time. We are confident, however, that once the business environment normalizes, our products and services will continue to be well positioned to benefit from the renewed growth of the Philippine Economy," said Dy.

ALI also confirmed that it continues to pursue its plans for a Real Estate Investment Trust (REIT) offering, the timing of which will depend on market conditions; as it keeps its REIT application with the Securities and Exchange Commission (SEC) updated and active. ALI subsidiary AREIT, Inc. was the first to file its application for an REIT offering at the SEC earlier this year, following the release of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9856, or the Real Estate Investment Trust Act of 2009 last January 20, 2020.

For more information, please contact:

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ABOUT AYALA LAND, INC.

Ayala Land is the Philippines' leading developer of sustainable estates, offering a diverse mix of properties such as residential, retail, office, hotels, and leisure developments, that support local economic growth and nation-building.

The company was established in 1988 as the real estate arm of Ayala Corporation, a pioneer conglomerate and builder of the country's premier financial and commercial district, now known as Makati Central Business District and Ayala Center.

Today, Ayala Land has a total of 29 sustainable estates and is present in 57 growth areas nationwide. It has five residential brands, namely Ayala Land Premier, Alveo, Avida, Amaia, and BellaVita, which deliver quality homes to a broad segment of the housing market. Its commercial development and leasing portfolio are comprised of Ayala Malls, Ayala Land Offices, and Ayala Land Hotels and Resorts Corporation.