


SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17(a)-1(b)(3) THEREUNDER

1. **March 13, 2024**
Date of Report (Date of earliest event reported)
2. **34218**
SEC Identification Number
3. **000-153-610-000**
BIR Tax Identification Number
4. **AYALA CORPORATION**
Exact Name of registrant as specified in its charter
5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)
Industry Classification Code
7. **37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas
cor Makati Avenue, Makati City**
Address of principal office
- 1226**
Postal code
8. **(02)7908-3000**
Registrant's telephone number, including area code
9. **N/A**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	619,807,425 shares
Preferred A Series 1 Shares	5,244,515 shares
Preferred B Series 1 Shares	20,000,000 shares
Preferred B Series 2 Shares	30,000,000 shares
Voting Preferred Shares	200,000,000 shares

: **Item 9- Other Events**

Re: Ayala Corporation FY 2023 Earnings Release

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AYALA CORPORATION

Registrant



Jose Martin C. Lopez

Head – Investor Relations

Date : **March 13, 2024**

* Print name and title of the signing officer under the signature.

March 13, 2024

Securities and Exchange Commission

17/F SEC Headquarters, 7907 Makati Avenue
Barangay Bel-Air, Makati City

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Department

The Philippine Stock Exchange, Inc.

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

Attention: **Ms. Alexandra D. Tom Wong**
Officer-In-Charge, Disclosure Department

Philippine Dealing and Exchange Corporation

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

Please be informed that on March 13, 2024, Ayala Corporation disclosed a press release regarding its financial and operating results for the full year of 2023.

Very Truly Yours,



Jose Martin C. Lopez
Head - Investor Relations

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Mar 13, 2024
2. SEC Identification Number
34218
3. BIR Tax Identification No.
000-153-610-000
4. Exact name of issuer as specified in its charter
AYALA CORPORATION
5. Province, country or other jurisdiction of incorporation
PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas cor Makati Avenue, Makati
City
Postal Code
1226
8. Issuer's telephone number, including area code
(02) 7908-3000
9. Former name or former address, if changed since last report
NA
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding	
Common Shares	619,807,425	
Preferred A Shares (Reissued)	5,244,515	
Preferred B Series 2 Shares	30,000,000	
Voting Preferred Shares	200,000,000	

11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Ayala Corporation AC

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
Ayala's core profit up 48% to P41 billion in FY23
Background/Description of the Disclosure
Ayala Corporation's ("Ayala") core net income, which excludes one-off items, reached a high water mark in 2023, increasing 48 percent to P41 billion. The strong performances of BPI, Ayala Land, and AC Energy anchored the Company's results. Core net income was 32 percent higher than 2019, which was when the previous high water mark was established. Accounting for one-offs, Ayala's net income grew 39 percent to P38.1 billion.
Other Relevant Information
Please see attached press release.



AYALA CORPORATION
FY2023 EARNINGS RELEASE
MARCH 13, 2024

Ayala's core profit up 48% to ₱41 billion in FY23

Record high earnings exceed pre-COVID levels

FY23 vs FY22 Highlights

- Ayala Corporation's ("Ayala") core net income, which excludes one-off items, reached a high water mark in 2023, increasing 48 percent to ₱41 billion. The strong performances of BPI, Ayala Land, and AC Energy anchored the Company's results. Core net income was 32 percent higher than 2019, which was when the previous high water mark was established. Accounting for one-offs, Ayala's net income grew 39 percent to ₱38.1 billion.
 - BPI's net income increased 44 percent to ₱51.7 billion due to strong loan growth, higher margins, and lower provisions. Including a gain from an asset sale in 2022, net income was up 31 percent.
 - Ayala Land's net income grew 32 percent to ₱24.5 billion as its property development and commercial leasing businesses continued to deliver strong results.
 - ACEN's income from operating units, which excludes cash value realization gains and other one-time, noncash adjustments, was up 2.9x to ₱4.9 billion on the back of new operating capacity and a strengthened net seller position. Inclusive of one-offs, ACEN's net income decreased from ₱13.1 billion to ₱7.4 billion mainly due to the remeasurement gain from the acquisition of the Australia platform in 2022. This was partly offset by the value realization and remeasurement gains from the sale of a small stake in the Salak and Darajat plant in Indonesia in 2023.
 - AC Energy & Infrastructure (ACEIC), the parent company of ACEN, saw its core earnings jump 71 percent to ₱9.5 billion from improved operating earnings from ACEN and higher contributions from GN Power Dinginin. Including one-off items, ACEIC's net income increased 2.7x to ₱12.6 billion due to divestment gains in ACEN and GN Power Kauswagan in 2023 and the write-off from the divestment of SLTEC in 2022.
- Globe's net income dropped 29 percent to ₱24.6 billion mainly due to the one-time gain from the partial sale of its data center business in 2022. Gross service revenues and EBITDA grew three percent to ₱162 billion and ₱81 billion, respectively, both all-time highs. Core net income was flat at ₱18.9 billion.

"We succeeded in getting aggregate core earnings to exceed the pre-pandemic high. Now we focus on getting better operating and financial results from each of our businesses, and on rationalizing the portfolio where it makes sense to do so.", Ayala President and CEO Cezar P. Consing said.

Note: All changes are discussed on a year-on-year basis unless stated otherwise.

- Ayala's group CAPEX reached ₱247.7 billion, 12 percent lower mainly due to the tapering CAPEX of Globe.
 - Parent CAPEX decreased 55 percent to ₱13.2 billion, mainly due to Ayala's purchase of Ayala Land shares and participation in Globe's Stock Rights Offering, which both happened in 2022.
- AC Health continues to progress in scaling its healthcare ecosystem. Acquisitions have bolstered growth however net income remains slightly negative due to one-offs and higher manpower and marketing expenses.
 - AC Health acquired a significant minority stake in St. Joseph Drug. The acquisition enables AC Health to strengthen its pharmacy footprint and reach more Filipinos throughout the country.
 - AC Health entered into an agreement with the Far Eastern University-Dr. Nicanor Reyes Medical Foundation to manage the university's 300-bed hospital in Quezon City.
- In AC Industrials, losses excluding one-offs narrowed to ₱1.2 billion from ₱1.7 billion on the back of better results from IMI's core operations and AC Motor's 4-wheel business. The divestments of MT C-con and STI Enterprises led to impairment provisions that widened losses to ₱7.3 billion from ₱1.7 billion.
 - IMI saw higher earnings from its core business as margins improved and component shortages eased.
 - Previously AC Motors, ACMobility ventured into the electric vehicle space and has begun to distribute BYD and Kia electric vehicles. It is utilizing the group's ecosystem, particularly ALI, IMI and Globe, to build out infrastructure that is supportive of an EV push.
 - ACMobility's 4-wheel business registered higher core earnings on better results from Kia, Honda, and Isuzu. Its 2-wheel business posted wider losses due to weaker demand and write-downs on aging inventory.

Banking

- BPI delivered its highest full year net income of ₱51.7 billion in 2023, up 31 percent, driven by higher revenues, and lower provisions. Return on equity was up 221 basis points to 15.35 percent.
 - Excluding the impact of the one-off gain from the property sale in 2022, net income would be up 44 percent.
- Total revenues grew 17 percent to ₱138.3 billion due to improved net interest and non-interest income.
 - Total loans increased 10 percent to ₱1.9 trillion as all segments exhibited strong growth. Consumer loans exhibited the fastest growth at 21 percent. Net interest margin expanded 50 basis points to 4.09 percent.
 - Fee Income ex-one offs was up 17 percent to ₱28.8 billion because of increased revenues from cards, wealth management, and branch services.
- Total deposits increased nine percent to ₱2.3 trillion as the 41 percent jump in time deposits more than offset the one percent decrease in CASA.
- Asset quality remained healthy despite a slight uptick in NPL ratio. NPL cover remained adequate.
 - NPLs were up 15 percent to ₱35.4 billion.
 - NPL ratio increased eight basis points to 1.84 percent.
 - NPL cover decreased 24 basis points to 156.1 percent.
 - Total provisions declined 56 percent to ₱4 billion.

Note: All changes are discussed on a year-on-year basis unless stated otherwise.

- Operating expenses increased 19 percent to ₱69.1 billion due to larger spends on manpower, technology, and marketing. Excluding the property sale gain in 2022, the bank's cost-to-income ratio decreased 108 basis points to 50.0 percent.

Real Estate

- Ayala Land's earnings grew 32 percent to ₱24.5 billion in 2023 as resilient property demand and heightened consumer activity fueled revenue expansion.
- Property development revenues increased 14 percent to ₱92.3 billion mainly on steady residential and office for sale bookings and higher completions that cushioned lower contributions from commercial and industrial lot sales.
- Reservation sales were up nine percent to ₱113.9 billion as demand for its residential products remained resilient despite the elevated interest rate environment.
- Ayala Land launched a total of 25 projects valued at ₱75.9 billion, of which ₱39.6 billion came during the fourth quarter.
- Commercial leasing revenues accelerated 25 percent to ₱41.7 billion due to higher occupancy and rents from malls, offices, and hotels and resorts.
 - Malls occupancy and lease out rates both increased three percentage points to 84 percent and 90 percent, respectively.
 - Office occupancy improved four percentage points to 92 percent.
- Capital expenditures were up 19 percent to ₱86.2 billion, roughly half of which was spent on the completion of its residential projects.
- Ayala Land launched four new estates in 2023: Batangas Technopark and Arillo in Batangas, Southmont in Cavite, and Centrala in Pampanga. These additions brought Ayala Land's total estates to 52.
- AREIT's, Ayala Land's REIT vehicle, saw its net income increase 43 percent to ₱4.9 billion, driven by contributions from new asset infusions.
 - Assets under management reached ₱87.2 billion at the end of 2023. Compared to its IPO in 2020, AUM is set to quadruple to ₱117 billion with the planned property-for-share swap transactions that include assets such as Ayala Triangle Tower Two, Greenbelt Malls 3 and 5, Holiday Inn and Suites Makati, and SEDA Ayala Center Cebu.

Power

- ACEN's income from operating units jumped 2.9x to ₱4.9 billion in 2023 mainly from the ramp up of new operating capacity and its strengthened net seller position in the spot market.
 - Including one-off items, ACEN's reported net income dropped from ₱13.1 billion to ₱7.4 billion because of the ₱8.6 billion net gain in 2022. This was primarily due to a remeasurement gain from the acquisition of the Australian platform, offset by provisions taken for a Supreme Court decision on Administered/Regulated Pricing in the Philippines and the Lac Hoa and Hoa Dong wind farms in Vietnam. In 2023, ACEN booked ₱4.5 billion in gains, inclusive of ₱3.4 billion in

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remeasurements from the partial sale of Salak & Darajat, which was offset by a ₱2 billion impairment for the India platform due to the impact of cost overruns and project delays.

- Total attributable output was up 32 percent to 4,474 gigawatt-hours.
 - Output from international plants rose 31 percent to 3,328 gigawatt-hours on the back of better wind regime and increased contributions from plants in Australia, Vietnam, and India.
 - Output from Philippine RE plants increased 34 percent to 1,145 gigawatt-hours because of a stronger wind regime and the operationalization of several wind and solar plants, including Balaoi in Pagudpud and the second phase of the Arayat-Mexico facility in Pampanga. The first two phases of the SanMar plant in Zambales, totaling 384 MW, were also commissioned in 2023, with full output expected in 2024.
- Consolidated revenues were up four percent to ₱36.5 billion because of fresh contributions from New England Solar, Masaya Solar, and Pagudpud Wind as well as higher RES tariffs, which offset lower WESM prices.
- Attributable EBITDA, which includes ACEN's shares of EBITDA from non-consolidated associates and joint ventures, grew 31 percent to ₱18.8 billion.
- Capital expenditures were up 10 percent to ₱55.5 billion, driven by aggressive growth in the Philippines and Australia, ACEN's largest international market, where more than 1,000 MW of new capacity is under construction.
- ACEN currently has 4,772 GW of attributable capacity from plants in the Philippines, Australia, Vietnam, Indonesia, India, and United States. Renewables now account for 99 percent of ACEN's total generation portfolio.

Telco

- Globe's core net income, which excludes non-recurring charges, foreign exchange and mark-to-market charges, was flat at ₱18.9 billion in 2023. EBITDA margin remained stable as revenue growth offset growth in operating expenses and subsidy.
 - Net income declined 29 percent to ₱24.6 billion mainly due to the one-time gain on the partial sale of its data center business in 2022.
- Gross service revenues grew three percent to ₱162.3 billion, driven by sustained growth in mobile data, corporate data, and non-telco services.
 - Mobile data revenues were up nine percent to ₱90.9 billion due to higher data traffic.
 - Corporate data revenues increased seven percent to ₱18.3 billion mainly from increased ICT solutions and services.
 - Digital service revenues grew 18 percent to ₱4.9 billion, led by contributions from Yondu and Asticom.
 - Home broadband revenues declined seven percent to ₱27.1 billion as the drop in fixed wireless outweighed the 14 percent growth in postpaid fiber revenues.
- Equity earnings from Mynt nearly tripled to ₱2.4 billion, driven by GCash's sustained growth momentum.

Note: All changes are discussed on a year-on-year basis unless stated otherwise.

- Total loan disbursements jumped 2.1x to ₱118 billion with unique borrowers reaching 3.9 million individuals, up 78 percent.
- Insurance policies sold life-to-date has reached 16.3 million, with Glnsure users jumping 60 percent to four million over the past year.
- EBITDA grew three percent to ₱81.4 billion on the back of topline growth.
 - OPEX including subsidies increased three percent to ₱80.9 billion.
 - EBITDA margin stood at 50 percent.
- Capital expenditures dropped by 30 percent to ₱70.6 billion, in line with Globe's guidance of lowering spending. This led to a 20-percentage point decline in its CAPEX-to-revenue ratio, which ended at 44 percent.

Balance Sheet Highlights

- Ayala continues to maintain a strong balance sheet with sufficient liquidity and low cost of debt.
- Consolidated cash stood at ₱76.2 billion.
- Consolidated net debt increased eight percent to ₱513.6 billion.
- Consolidated net debt-to-equity ratio decreased four basis points to 0.76, well within the Company's covenant of 3.0x.
- Parent level cash was up five percent to ₱11.7 billion.
- Parent net debt dipped two percent to ₱146.1 billion.
- Loan-to-value ratio, the ratio of its parent net debt (excluding the fixed-for-life perpetuals which have no maturity) to the total value of its assets, stood at 11.2 percent.
- Parent net debt-to-equity ratio decreased eight basis points to 0.96 mainly due to the ₱13.1 billion preferred shares issuance.
- Parent average cost of debt increased to 5.37 percent from 4.48 percent in 2022, remaining comfortably below the 5-year benchmark of 6.0 percent.

Note: All changes are discussed on a year-on-year basis unless stated otherwise.

AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2023 and 2022
(Amounts in Thousands)

	December 2023	December 2022
ASSETS		
Current Assets		
Cash and cash equivalents	P 74,784,222	₱ 73,847,371
Short-term investments	1,426,579	3,201,800
Accounts and notes receivable	159,553,272	161,601,551
Inventories	231,279,175	201,517,144
Other current assets	108,452,238	89,793,317
	575,495,486	529,961,183
Assets under PFRS 5	-	11,821,057
Total Current Assets	575,495,486	541,782,240
Noncurrent Assets		
Noncurrent accounts and notes receivable	119,341,363	96,029,149
Investments in associates and joint ventures	353,964,343	328,120,295
Investment properties	242,484,670	246,733,570
Property, plant and equipment	149,054,722	114,113,551
Right-of-use assets	23,498,181	22,861,767
Service concession assets	-	1,420,977
Intangible assets	40,424,326	43,536,382
Deferred tax assets - net	19,460,490	18,370,869
Other noncurrent assets	84,989,709	65,576,336
Total Noncurrent Assets	1,033,217,804	936,762,896
Total Assets	P 1,608,713,290	₱ 1,478,545,136
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	P 49,871,493	₱ 36,526,898
Accounts payable and accrued expenses	206,759,537	203,115,284
Income tax payable	1,076,256	1,272,406
Current portion of:		
Long-term debt	49,461,151	31,496,742
Lease liabilities	3,069,992	2,364,727
Service concession obligation	-	60,280
Other current liabilities	39,124,504	34,178,420
Total Current Liabilities	349,362,933	309,014,757
Noncurrent Liabilities		
Long-term debt - net of current portion	490,511,093	484,464,227
Lease liabilities - net of current portion	27,635,544	27,978,713
Service concession obligation - net of current portion	-	51,515
Deferred tax liabilities - net	11,458,950	9,193,910
Pension liabilities	5,331,297	3,499,705
Other noncurrent liabilities	49,472,112	49,043,265
Total Noncurrent Liabilities	584,408,996	574,231,335
Total Liabilities	933,771,929	883,246,092
Equity		
Equity attributable to owners of the parent company		
Paid-in capital	91,233,753	86,380,257
Share-based payments	-	38,950
Remeasurement losses on defined benefit plans	(6,611,128)	(4,516,242)
Fair value reserve of financial assets at fair value through other comprehensive income (FVOCI)	(66,256)	(3,042,026)
Cumulative translation adjustments	3,295,297	4,344,422
Equity reserve	25,350,330	29,091,712
Retained earnings	297,882,907	267,836,258
Treasury stock	(14,546,351)	(13,070,802)
	396,538,552	367,062,529
Non-controlling interests	278,402,809	228,236,515
Total Equity	674,941,361	595,299,044
Total Liabilities and Equity	P 1,608,713,290	₱ 1,478,545,136

Note: All changes are discussed on a year-on-year basis unless stated otherwise.

AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Earnings Per Share Figures)

	For the Years Ended December 31	
	2023	2022
REVENUE		
Rendering of services	P 175,214,627	P 167,233,350
Sale of goods	114,690,120	96,587,104
Share in net profits of associates and joint ventures	46,633,463	36,128,918
Interest income from real estate	5,359,526	6,694,930
	341,897,736	306,644,302
COSTS AND EXPENSES		
Costs of rendering services	151,040,739	149,948,636
Costs of goods sold	68,791,301	60,620,088
General and administrative expenses	42,646,536	34,626,616
	262,478,576	245,195,340
OTHER INCOME (CHARGES) - Net		
Interest income	11,503,551	8,857,744
Other income	5,033,563	10,883,179
Interest and other financing charges	(31,199,863)	(29,102,045)
	(14,662,749)	(9,361,122)
INCOME BEFORE INCOME TAX	64,756,411	52,087,840
PROVISION FOR INCOME TAX		
Current	9,698,102	7,919,811
Deferred	(118,049)	(1,705,902)
	9,580,053	6,213,909
NET INCOME	P 55,176,358	P 45,873,931
Net Income Attributable to:		
Owners of the Parent Company	P 38,073,084	P 27,397,791
Non-controlling interests	17,103,274	18,476,140
	P 55,176,358	P 45,873,931

Note: All changes are discussed on a year-on-year basis unless stated otherwise.