

November 14, 2016

Robinsons Retail's 3Q2016 Net Income Up 15.3%

Financial Highlights:

<i>(In ₱ million)</i>	For the Third Quarter ended September 30			For the First Nine Months ended September 30		
	2016	2015	% change	2016	2015	% change
Net Sales	25,479	21,935	16.2	73,812	63,289	16.6
Gross Profit	5,575	4,752	17.3	15,967	13,767	16.0
Operating Income	1,340	1,137	17.8	3,640	3,102	17.3
Net Income	1,362	1,163	17.1	3,527	3,116	13.2
Net Income attributable to equity holders of the Parent company	1,278	1,109	15.3	3,301	2,972	11.1
Core Net Earnings	1,020	824	23.7	2,765	2,361	17.1
EBITDA	1,827	1,548	18.0	5,071	4,306	17.8
Earnings per share (₱)*	0.92	0.80	15.3	2.38	2.15	11.1

**Based on net income attributable to equity holders of the Parent company. Shares outstanding used in the calculation is 1,385m.*

Robinsons Retail Holdings, Inc.'s net income attributable to equity holders of the parent company expanded by 15.3% in the 3Q 2016 to ₱1.28 billion from ₱1.11 billion in the same quarter last year primarily due to the 17.8% increase in operating income. For 9M 2016, net income attributable to equity holders of the parent increased by 11.1% to ₱3.30 billion from ₱2.97 billion last year.

Similarly, core net earnings (net income excluding interest, equitized net earnings from the 40% stake in Robinsons Bank and unrealized forex gains/losses), lifted by 23.7% to ₱1.02 billion for 3Q 2016, bringing 9M 2016 core earnings to ₱2.77 billion, up 17.1% year-on-year from ₱2.36 billion in the same period last year.

Consolidated net sales for 3Q 2016 expanded by 16.2% from ₱21.94 billion to ₱25.48 billion, brought about by the robust same store sales growth (SSSG), the sales contribution of the new stores as well as the sales from Savers Appliances (acquired in September last year) and The Generics Pharmacy (acquired this May). Net sales for 9M 2016 reached ₱73.81 billion, an increase of 16.6% from ₱63.29 billion last year.

Blended SSSG is a robust 4.7% in 3Q 2016. 3Q SSSG has been particularly strong for supermarket at 4.3%, drugstore at 7.4%, DIY at 5.1%, specialty stores at 11.8% and department store at 2.0%.

Robinsons Retail ended September 2016 with a total store count of 1,541 plus 1,864 The Generics Pharmacy stores for a total of 3,405 stores. GFA breached the 1 million square meter mark, increasing by 9.2% year-on-year.

Gross margin expanded by 20 basis points (bps) to 21.9% in the 3Q 2016 arising from increasing scale and supplier support. Operating income was up by 17.8% in 3Q 2016 to ₱1.34 billion while EBITDA (earnings before interest, taxes, depreciation and amortization) progressed by 18.0% to ₱1.83 billion. Compared to the same period last year, both operating profit margin and EBITDA margin expanded by 10bps to 5.3% and 7.2%, respectively, in 3Q 2016.

Robinsons Retail's balance sheet remained solid with cash, cash equivalents and liquid marketable securities amounting to ₱26.91 billion as of end September 2016 versus borrowings of ₱4.81 billion. The company spent a total of ₱4.29 billion in capital expenditures for the first nine months of 2016 including acquisition, which is 85.7% of the full year budget of ₱5.0 billion.

Signed:



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