



# **ROBINSONS RETAIL HOLDINGS, INC.**

## **1Q2019 UNAUDITED EARNINGS RESULTS**

**MAY 6, 2019**



20190506



# AGENDA

- ❖ Financial Highlights
- ❖ Store Network
- ❖ Consolidated Results
- ❖ Business Segments
- ❖ Working Capital
- ❖ Capital Expenditure
- ❖ Recent Developments



# 1Q2019 FINANCIAL HIGHLIGHTS



Healthy  
blended  
SSSG of  
4.1%

1,911  
stores plus  
1,960 TGP  
branches  
nationwide

27.0% yoy  
increase in  
gross floor  
area  
(excl. TGP)

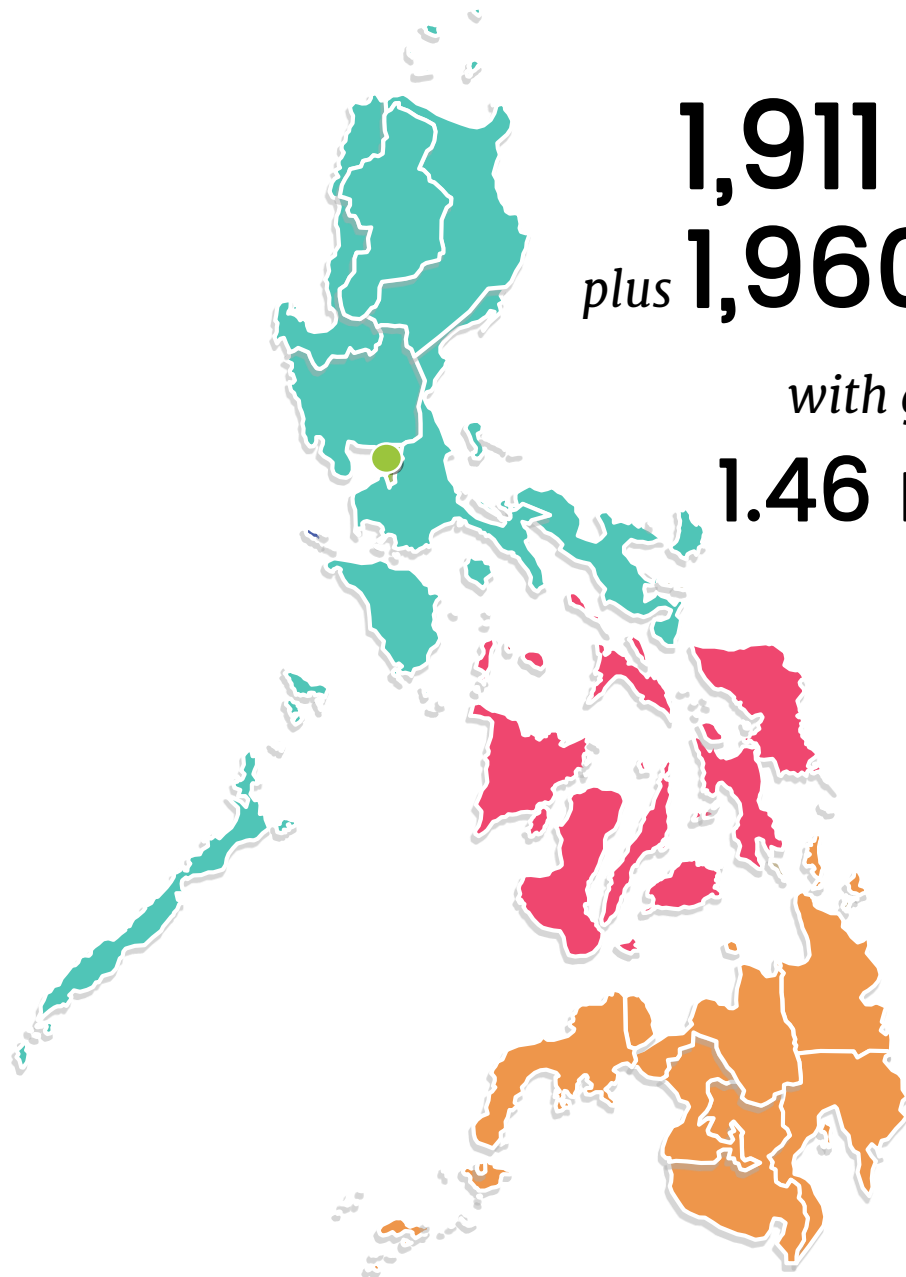
29.0%  
yoy lift in  
consolidated  
net sales

9.7% yoy  
increase in  
EBITDA

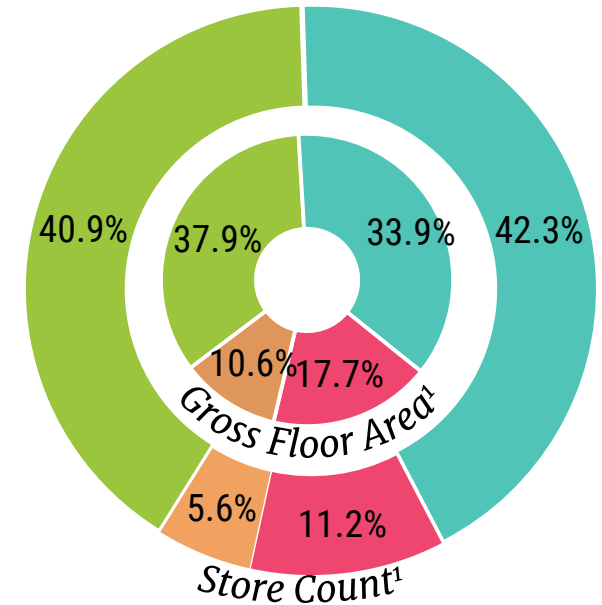
20bps  
expansion  
in GP  
margin


Core net  
income of  
₱806M

# STORE NETWORK: 1Q2019

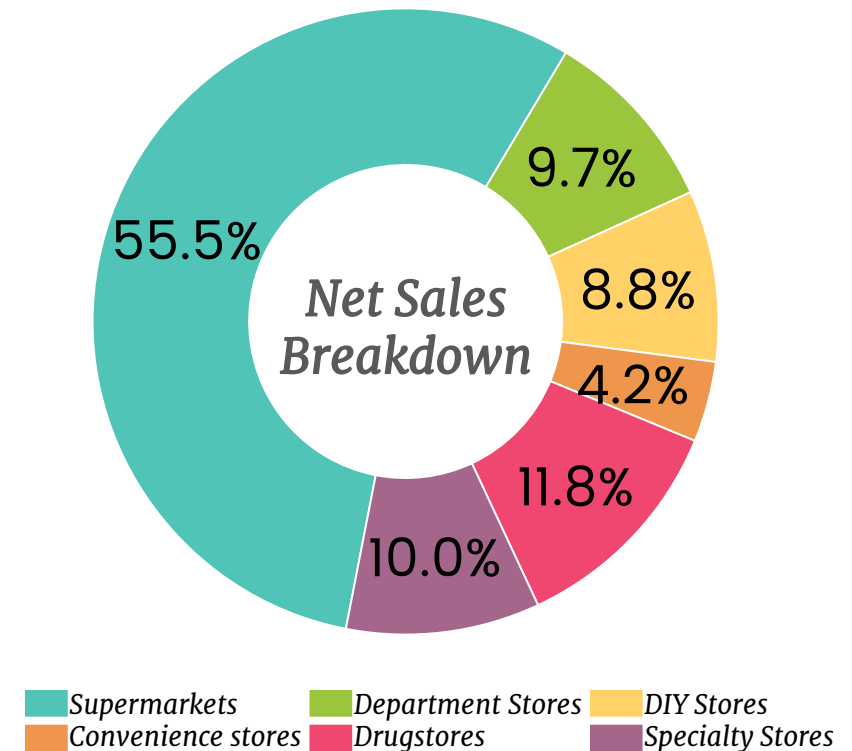
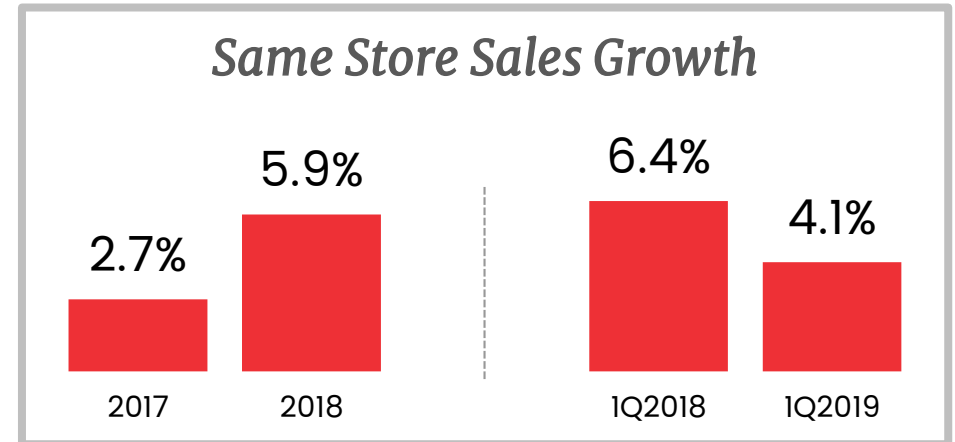
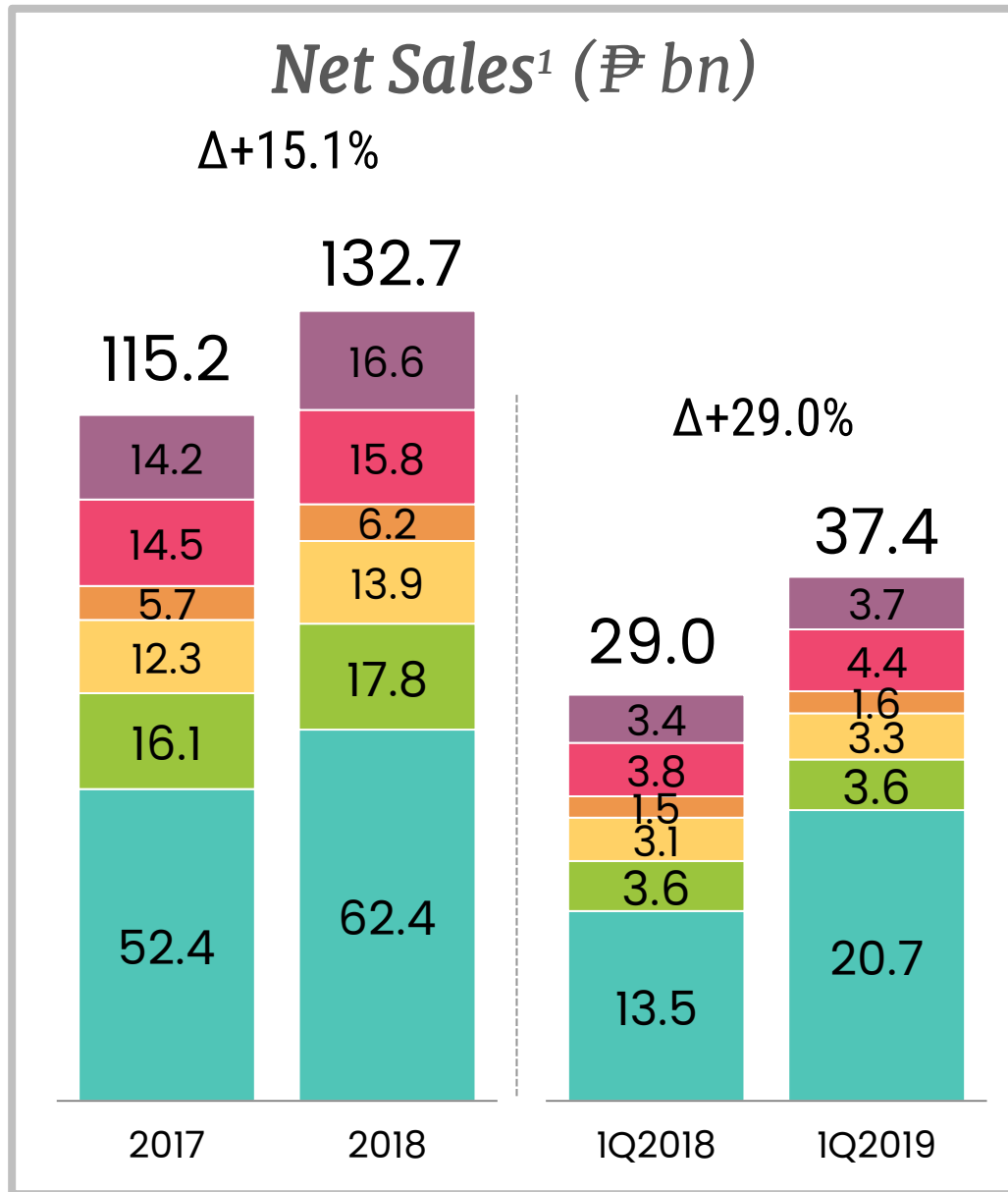


**1,911** stores  
 plus **1,960** TGP branches  
 with gross floor area of  
**1.46 million sqm<sup>1</sup>**

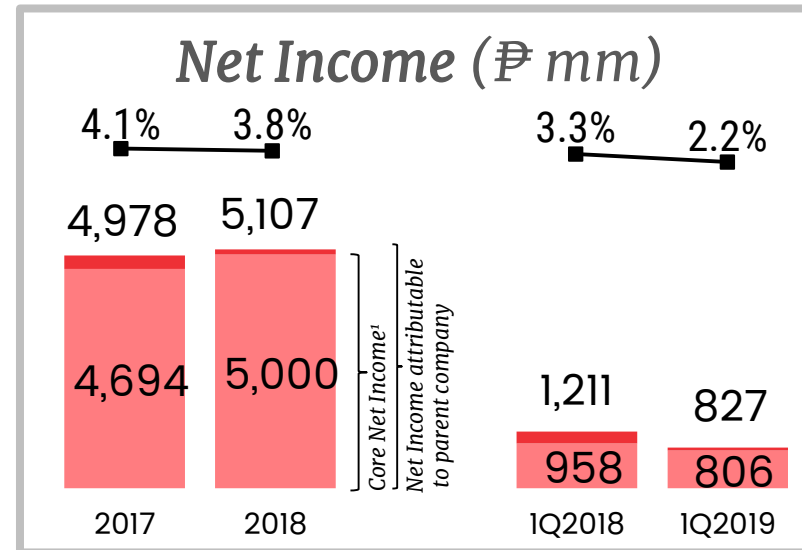
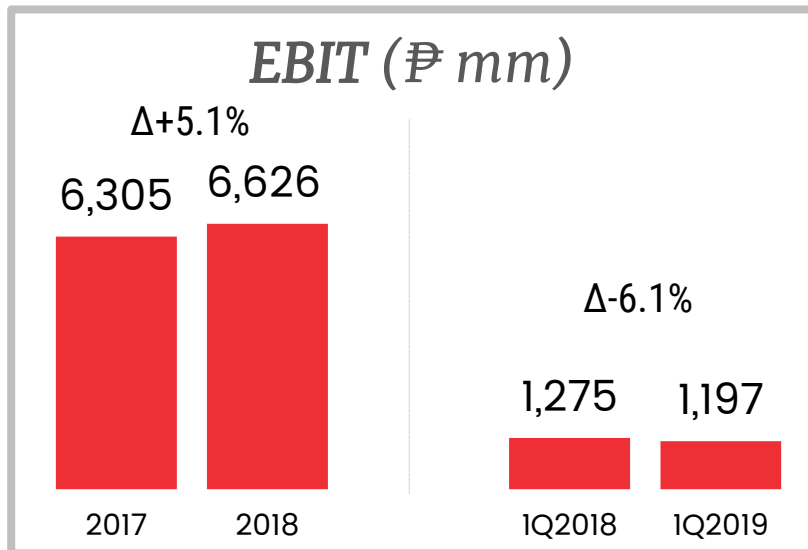
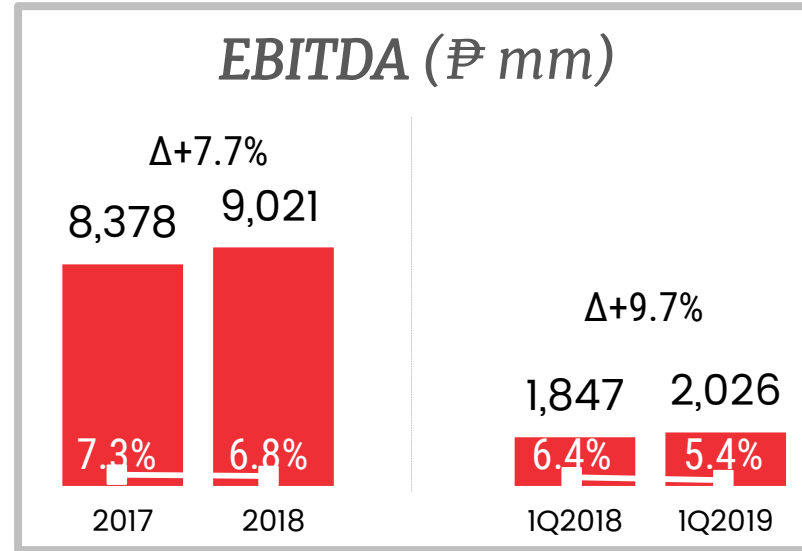
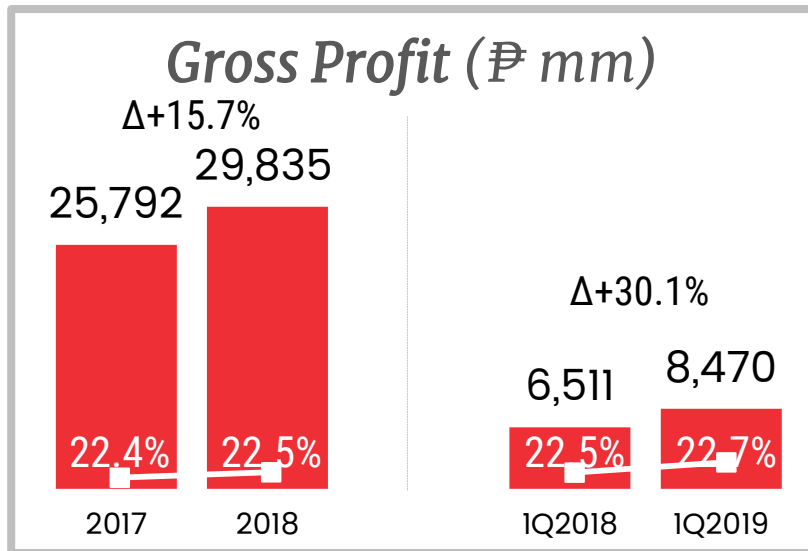


	Metro Manila	Luzon	Visayas	Mindanao
 Supermarkets	109	91	37	16
Department Stores	13	17	11	9
DIY Stores	59	87	41	22
Convenience Stores	335	154	23	-
Drugstores <sup>1</sup>	111	326	45	28
Specialty Stores	154	134	57	32
<b>Total</b>	<b>781</b>	<b>809</b>	<b>214</b>	<b>107</b>
<i>TGP</i>	<i>462</i>	<i>1,022</i>	<i>284</i>	<i>192</i>

# 1Q2019 CONSOLIDATED RESULTS



# 1Q2019 CONSOLIDATED RESULTS



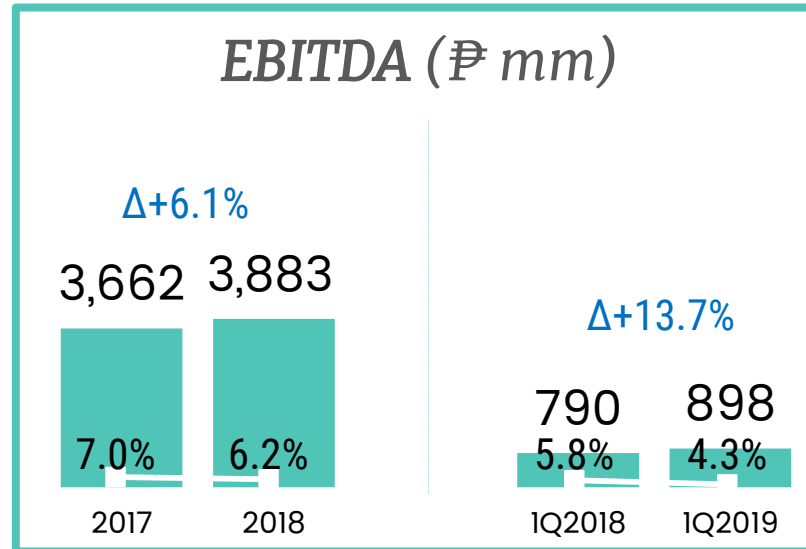
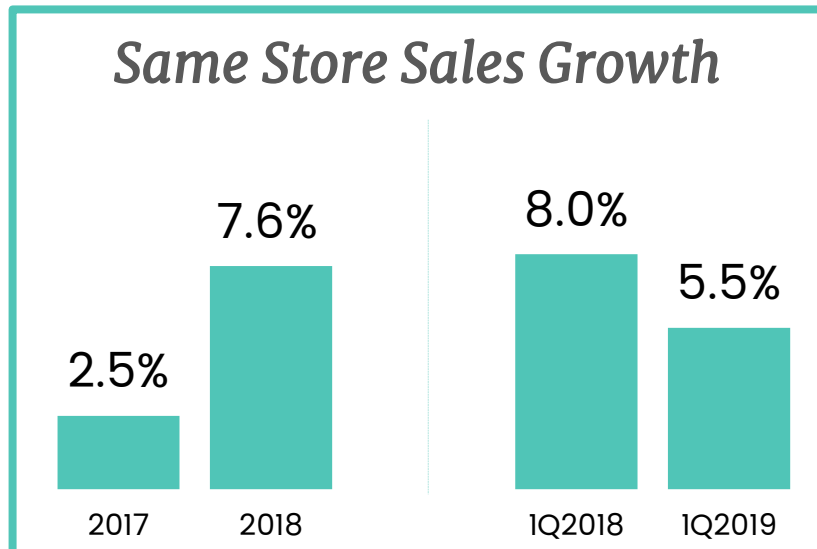
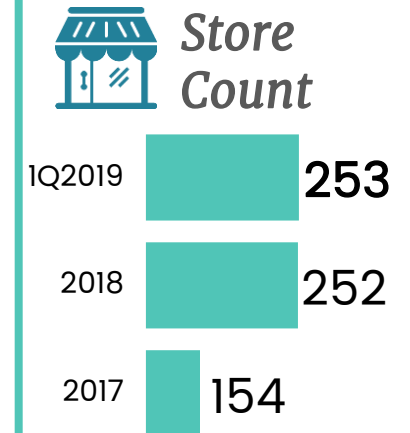
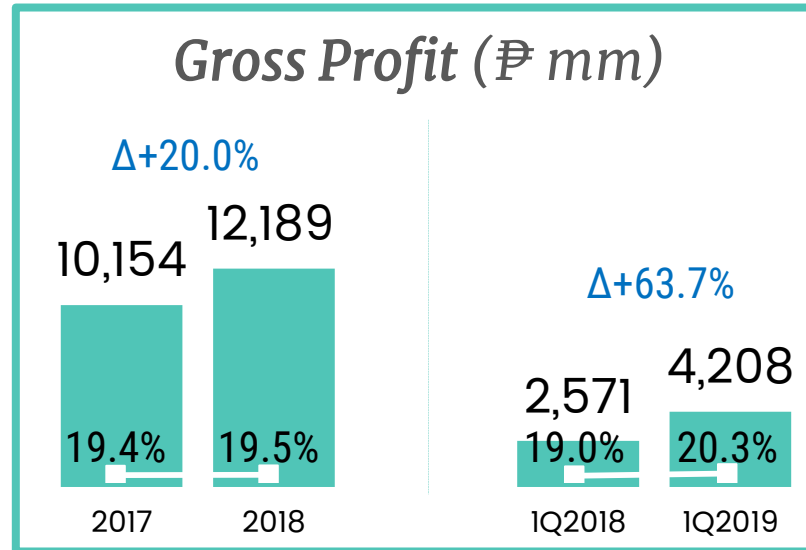
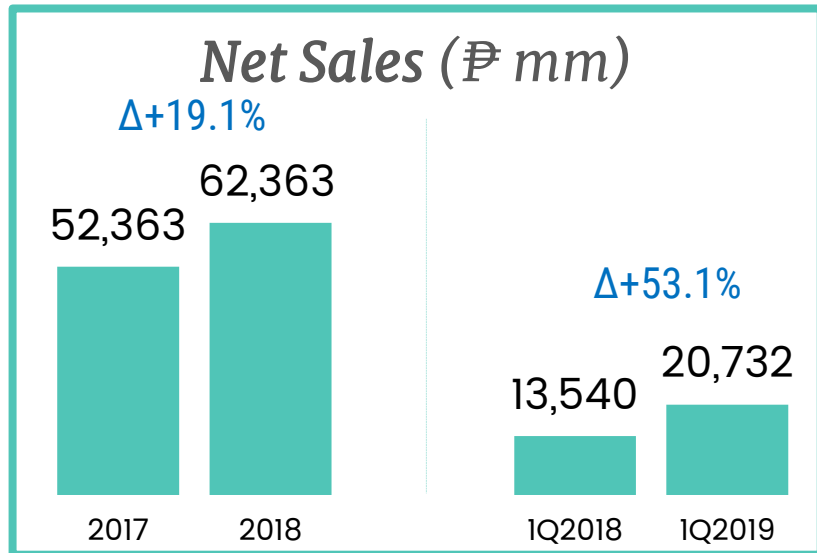
## 1Q19 Highlights:

Gross profit margin expanded by 20bps

EBITDA and EBIT margins were relatively stable if we exclude Rustan

◆ Core net income as a % of net sales

# SUPERMARKET BUSINESS SEGMENT



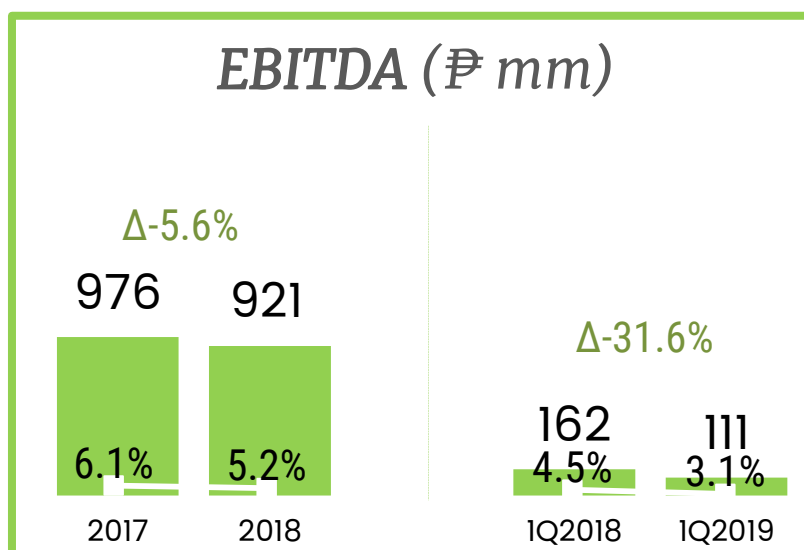
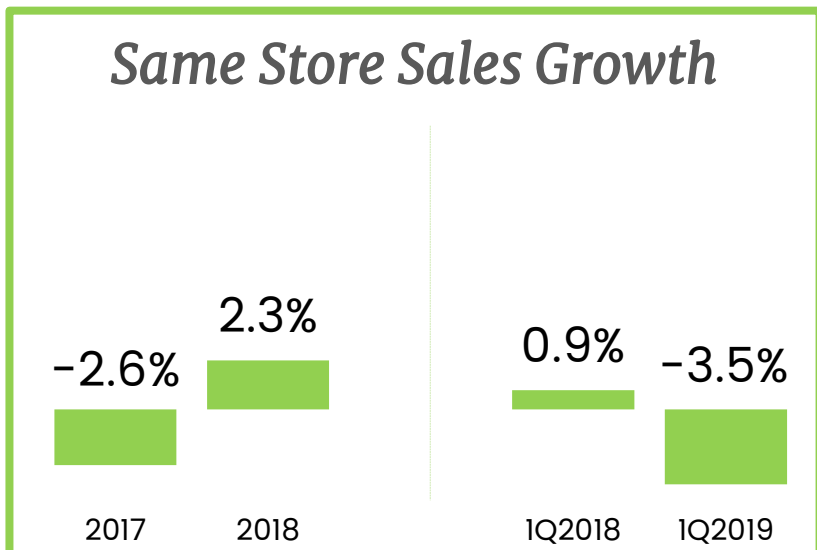
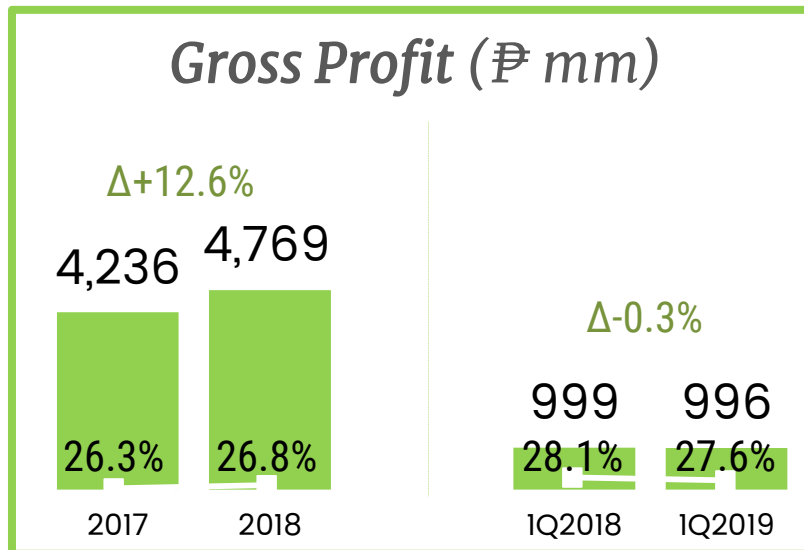
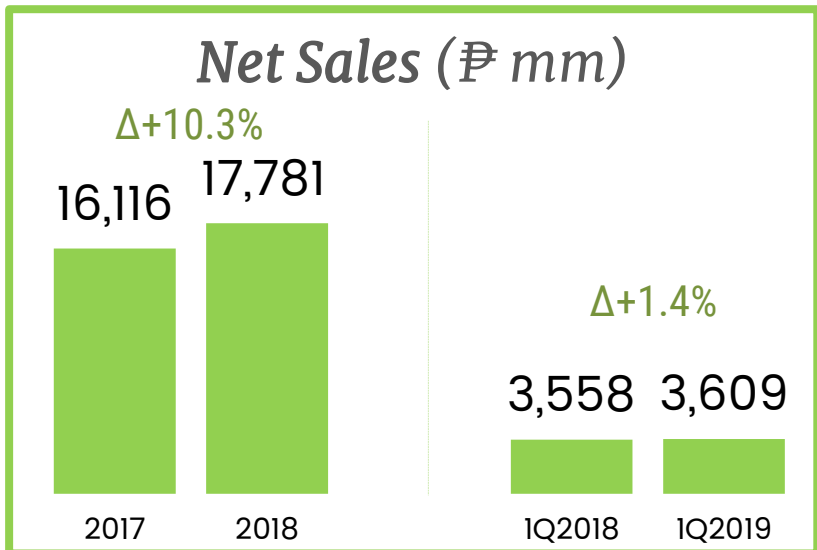
## 1Q19 Highlights:

Healthy SSSG driven by 1.5% increase in transaction count and 4.0% increase in basket size;

Rustan Supercenters, Inc. was consolidated starting Dec 1, 2018.



# DEPARTMENT STORE BUSINESS SEGMENT



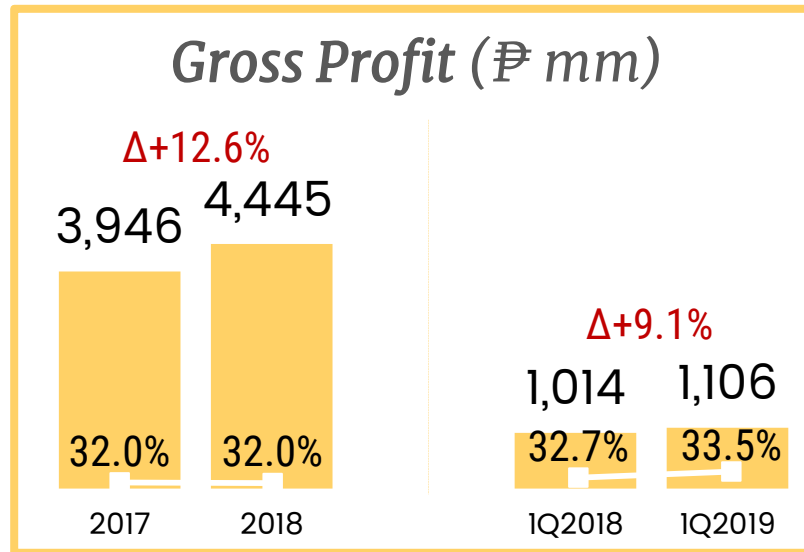
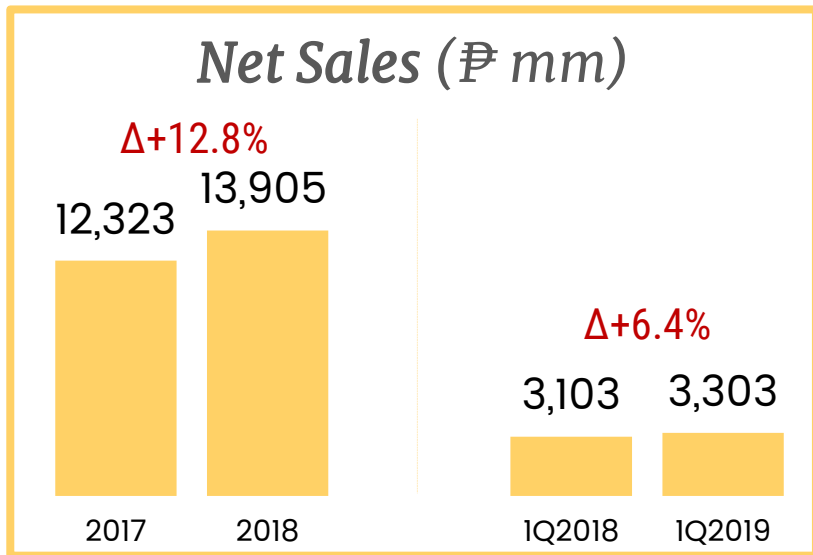
### 1Q19 Highlights:

Minimal increase in net sales due to closure of 2 stores in January;

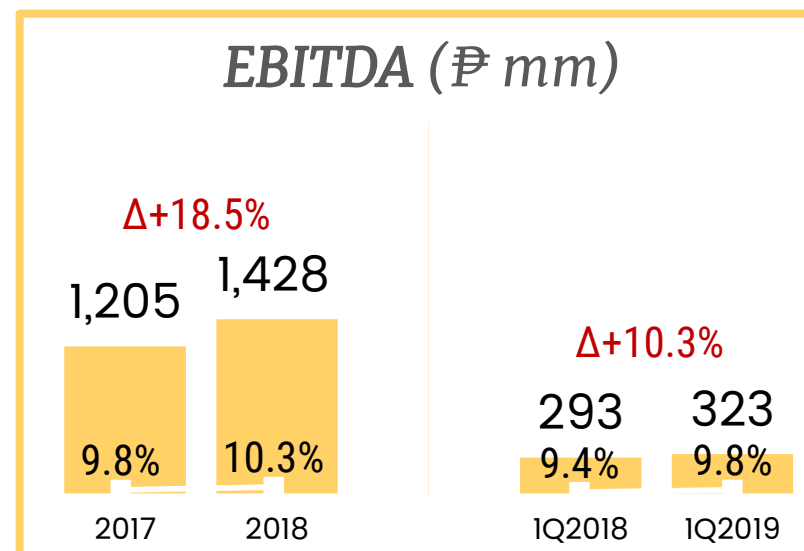
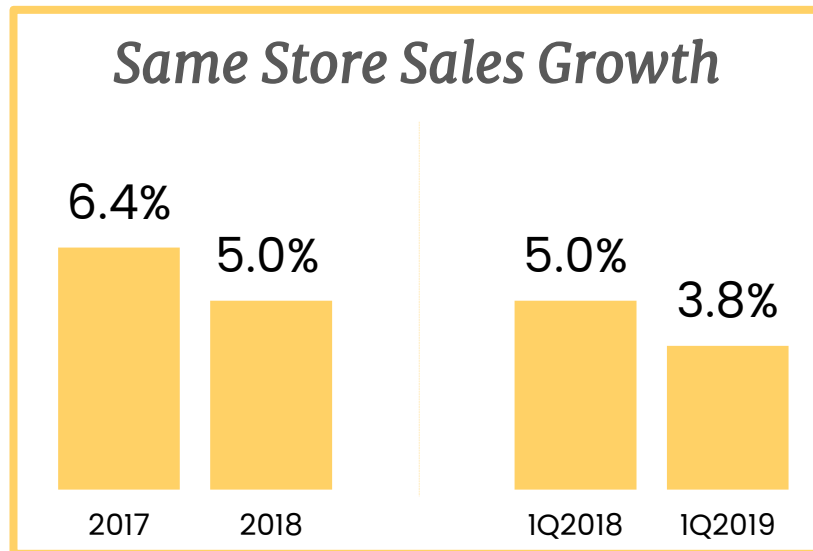
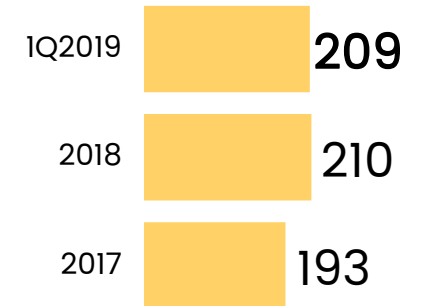
SSSG was challenged by renovation of top stores and competition



# DIY STORE BUSINESS SEGMENT



Store Count

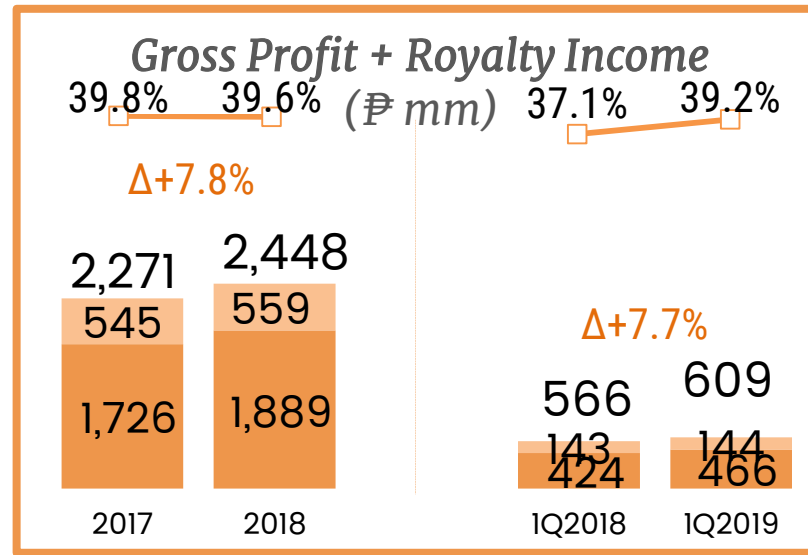
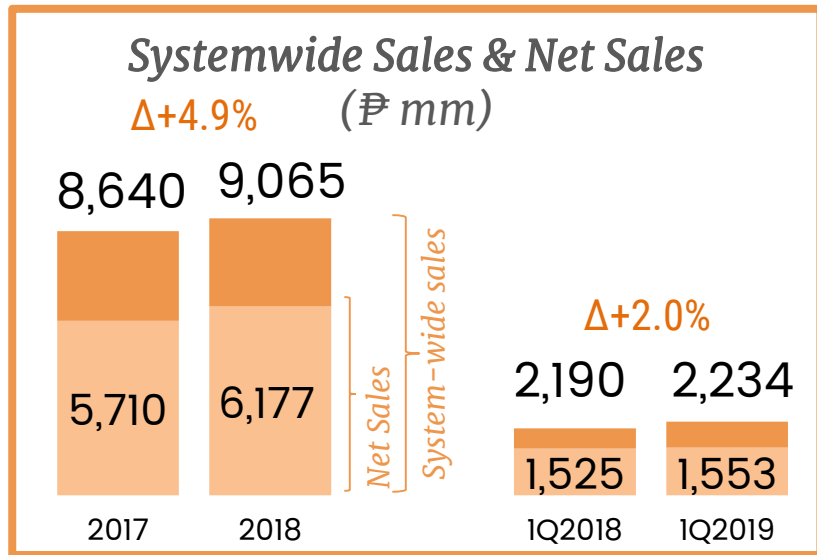


## 1Q19 Highlights:

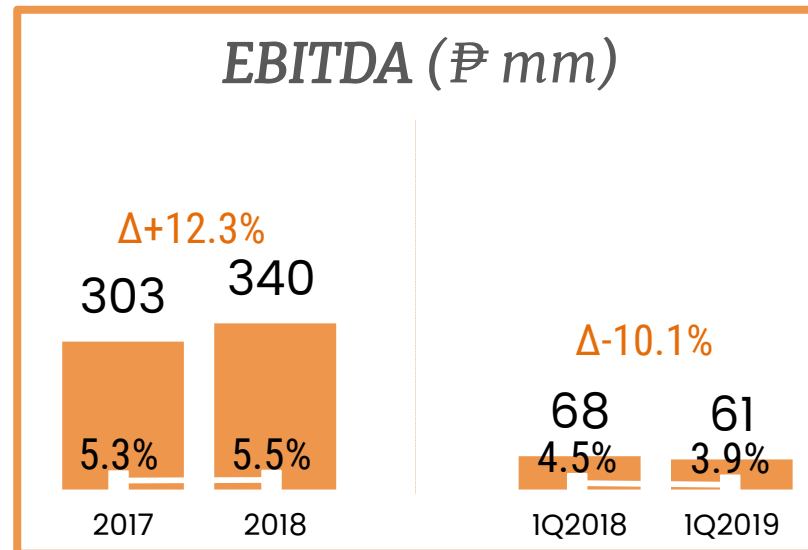
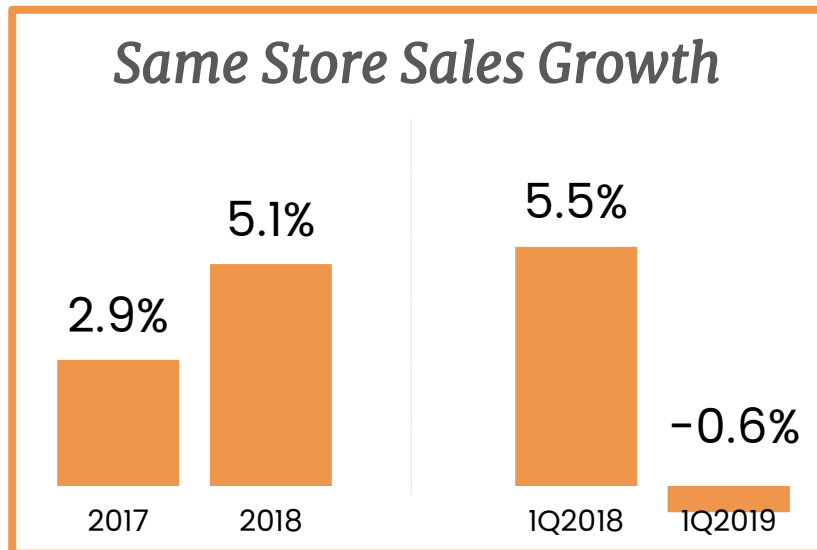
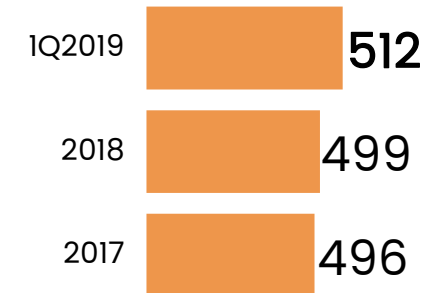
Increase in net sales due to healthy SSSG (3.8%) and sales contribution of new stores (2.6%);

SSSG softened due to competition and poor sales of lightings and automotives

# CONVENIENCE STORE BUSINESS SEGMENT



Store Count



## 1Q19 Highlights:

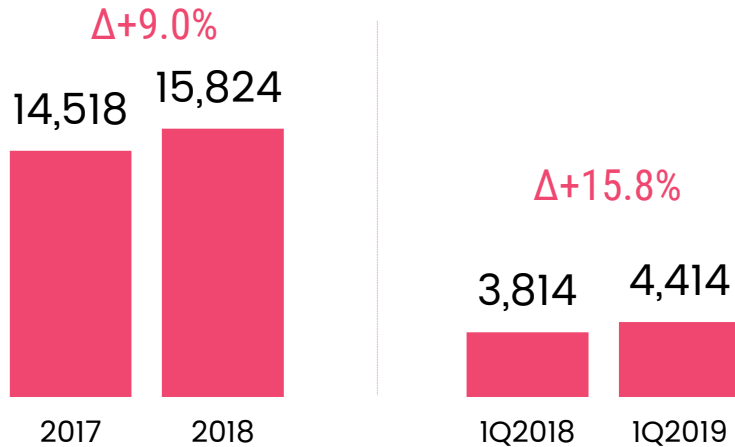
Increase in sales driven by new store openings;

Supply chain issues encountered in 1Q2019 affected SSSG

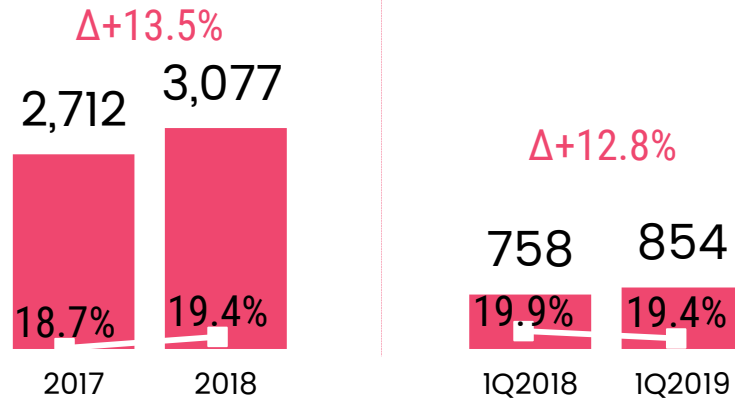


# DRUGSTORE BUSINESS SEGMENT

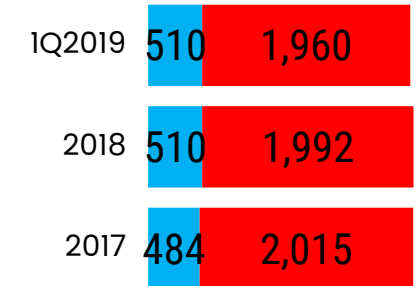
## Net Sales (₹ mm)



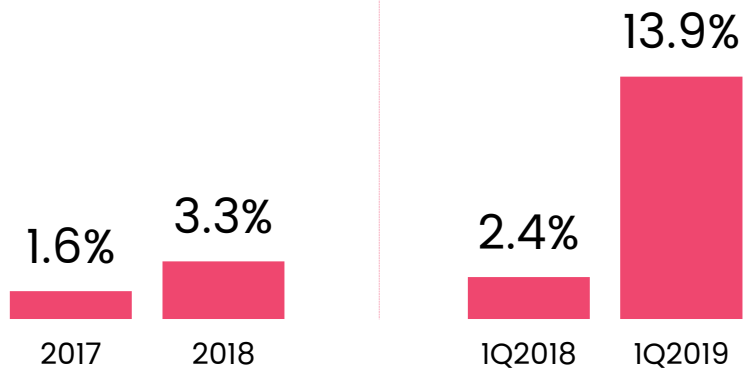
## Gross Profit (₹ mm)



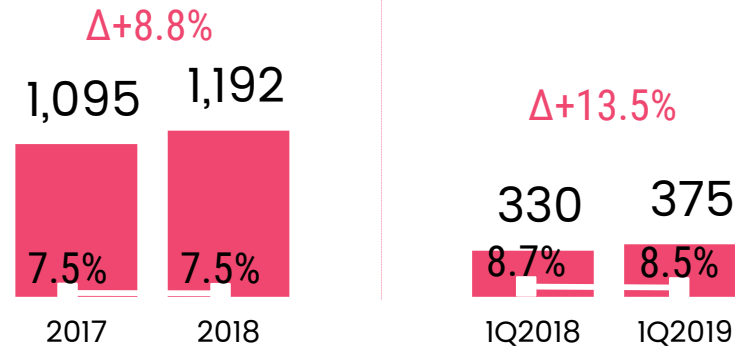
## Store Count



## Same Store Sales Growth



## EBITDA (₹ mm)

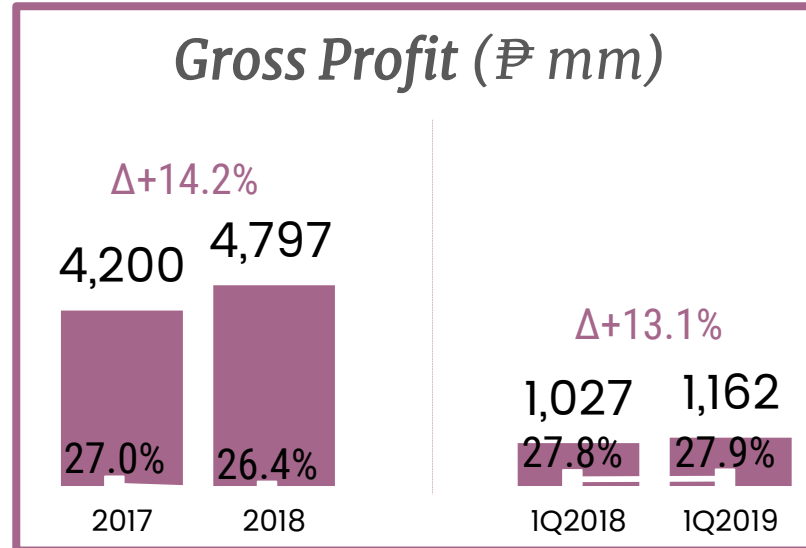
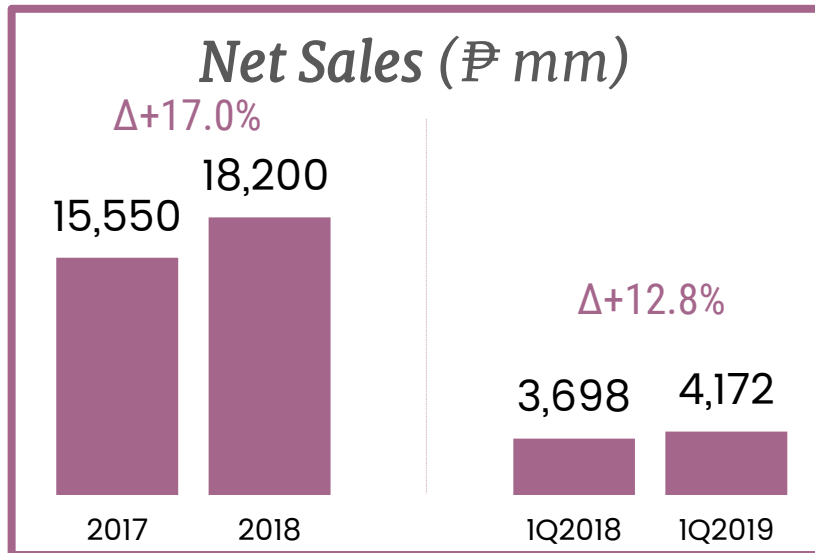


### 1Q19 Highlights:

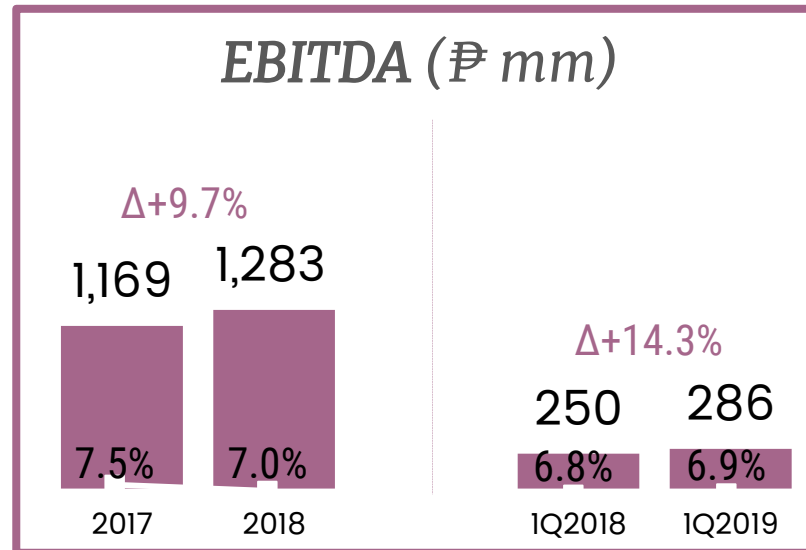
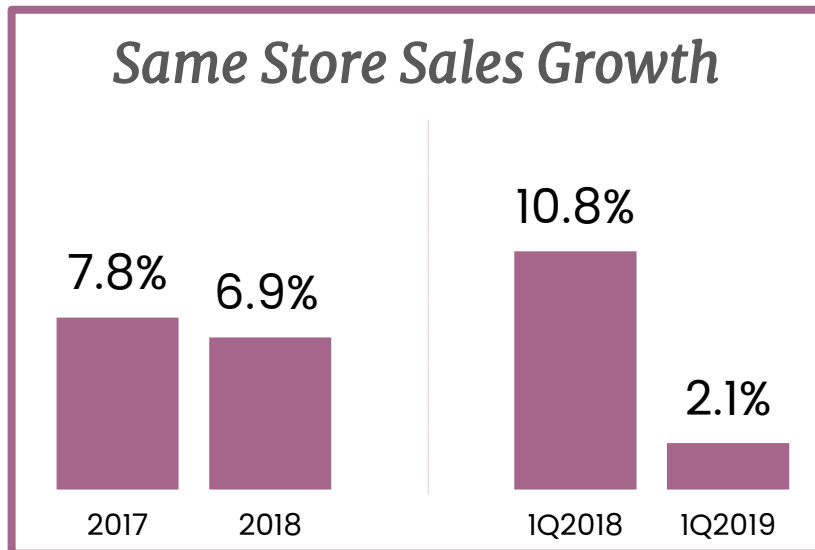
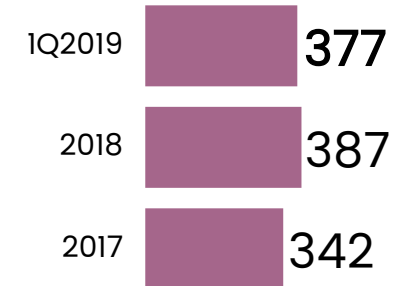
Increase in net sales propelled by strong SSSG (13.9%) and new store openings (1.9%);

Unprecedented SSSG due to high occurrence of flu and measles

# SPECIALTY STORE BUSINESS SEGMENT



Store Count



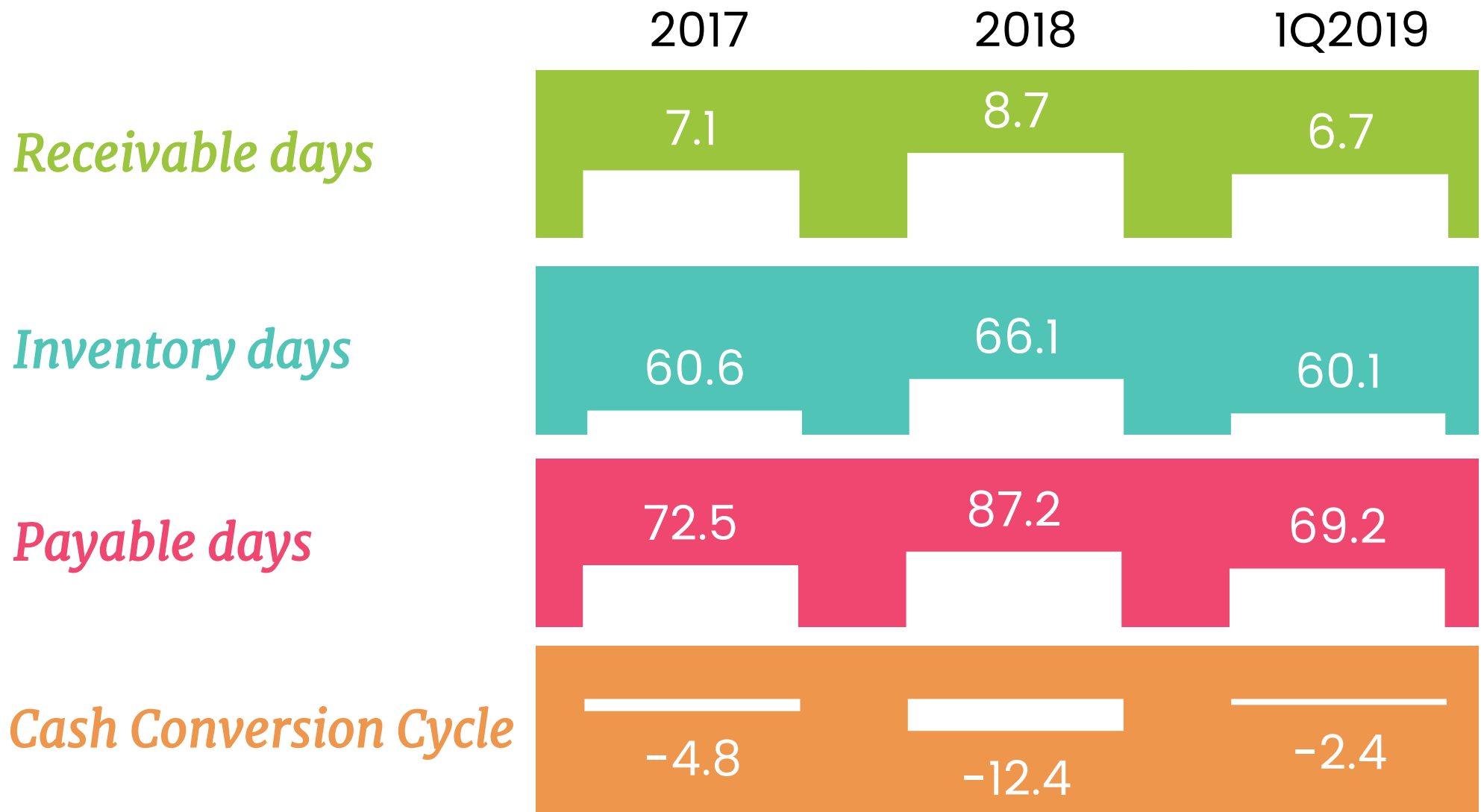
## 1Q19 Highlights:

Healthy SSSG driven by appliances, Daiso Japan and beauty formats;

New specialty brands include Arcova, Pet Lovers Centre and Super50



# WORKING CAPITAL


















# CAPITAL EXPENDITURE

	2017	2018	1Q2019
<i>Supermarkets</i>	41%	52%	47%
<i>Department stores</i>	24%	14%	12%
<i>DIY Stores</i>	11%	10%	8%
<i>Convenience Stores</i>	4%	5%	19%
<i>Drugstores</i>	8%	3%	4%
<i>Specialty Stores</i>	12%	16%	10%
<b>Total CAPEX (in ₱ mm)</b>	<b>3,105</b>	<b>4,419</b>	<b>650</b>
<i>% of net sales</i>	2.7%	3.3%	1.7%



# E-COMMERCE TIMELINE

Launch	Brand	Platform
Dec 2018		MetroMart
Dec 2018		honestbee
Oct 2018		honestbee
Sep 2018		honestbee
Sep 2018	 (convertible note)	GrowSari
Jun 2018	[ W A R E H O U S E ]	Zalora
May 2018		Shopee
Apr 2018		honestbee
Apr 2018		Lazada
Jan 2018		Lazada
Dec 2017	 (invested 20% stake)	BeautyMNL
Oct 2017	 	Lazada
May 2017		honestbee
Apr 2017	TOPSHOP TOPMAN BURTON MENSWEAR LONDON DOROTHY PERKINS	Zalora
Mar 2015	 	Lazada







# ROBINSONS APPLIANCES DC EXPANSION





# NEW FRANCHISES WITH EMART: NO BRAND AND SCENTENCE





**ROBINSONS  
RETAIL  
HOLDINGS, INC.**

**THANK YOU!**





# INCOME STATEMENT (UNAUDITED)

PHP mm	Three Months Ended March 31		Years Ended December 31	
	2019	2018	2018	2017
Sales - net of sales discounts and returns	37,350	28,961	132,681	115,238
Cost of merchandise sold	28,880	22,450	102,845	89,446
<b>Gross Profit</b>	<b>8,470</b>	<b>6,511</b>	<b>29,835</b>	<b>25,792</b>
Royalty, rent and other revenues	625	543	2,422	2,262
Gross profit including other revenue	<b>9,095</b>	<b>7,054</b>	<b>32,257</b>	<b>28,054</b>
Operating expenses	(7,898)	(5,779)	(25,631)	(21,749)
<b>Earnings before interest and taxes</b>	<b>1,197</b>	<b>1,275</b>	6,626	6,305
<b>OTHER INCOME (CHARGES)</b>				
Interest income	279	237	982	873
Foreign currency exchange gain - net	(8)	162	201	16
Dividend income	28	28	112	112
Equity in net earnings of an associate	10	38	109	124
Interest expense	(90)	(27)	(159)	(127)
Others	(2)	—	(273)	—
	<b>217</b>	<b>438</b>	<b>971</b>	<b>997</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,414</b>	<b>1,713</b>	<b>7,597</b>	<b>7,303</b>
Provision for income tax	408	360	1,772	1,703
<b>NET INCOME</b>	<b>1,006</b>	<b>1,353</b>	<b>5,825</b>	<b>5,599</b>
<b>Net income attributable to:</b>				
Equity holders of the Parent Company	827	1,212	5,107	4,978
Non-controlling interest in consolidated subsidiaries	179	141	718	621
	<b>1,006</b>	<b>1,353</b>	<b>5,825</b>	<b>5,599</b>
<b>Earnings Per Share</b>				
Basic	0.52	0.87	3.24	3.59
Weighted	0.52	0.87	3.65	3.59
<b>Shares Outstanding</b>				
End of Period	1,576	1,385	1,577	1,385
Weighted	1,576	1,385	1,401	1,385



# BALANCE SHEET (UNAUDITED)

PHP mm	March 31 2019	December 31 2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	11,797	14,788
Trade and other receivables	2,787	3,172
Merchandise inventories	19,280	18,628
Other current assets	3,310	3,160
<b>Total Current Assets</b>	<b>37,174</b>	<b>39,747</b>
<b>Noncurrent assets</b>		
Debt and equity instrument financial assets	20,268	19,752
Property and equipment	19,096	19,269
Investment in associates	7,369	6,814
Intangible assets	19,096	19,106
Other noncurrent assets	3,183	3,088
<b>Total Noncurrent Assets</b>	<b>69,012</b>	<b>68,030</b>
<b>Total Assets</b>	<b>106,186</b>	<b>107,777</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	22,193	24,577
Short-term loans payable	6,084	6,794
Other current liabilities	1,201	1,118
<b>Total Current Liabilities</b>	<b>29,477</b>	<b>32,489</b>
<b>Total Noncurrent Liabilities</b>	<b>2,566</b>	<b>2,584</b>
<b>Total Liabilities</b>	<b>32,043</b>	<b>35,073</b>
<b>Equity</b>		
Capital stock	1,576	1,577
Additional paid-in capital	40,768	40,768
Equity reserve	(970)	(970)
Retained earnings	28,538	27,710
Others	(131)	(564)
<b>Total equity attributable to equity holders</b>	<b>69,781</b>	<b>68,521</b>
Non-controlling interest in consolidated	4,362	4,183
<b>Total Equity</b>	<b>74,143</b>	<b>72,704</b>
<b>Total Liabilities and Equity</b>	<b>106,186</b>	<b>107,777</b>

# CASH FLOW STATEMENT (UNAUDITED)

PHP mm	Three Months Ended March 31		Years Ended December 31	
	2019	2018	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax	1,414	1,713	7,597	7,303
<b>Adjustments for:</b>				
Depreciation and amortization	829	572	2,395	2,073
Retirement expense	38	38	156	171
Interest expense	90	27	159	127
Equity in net earnings in associates	(10)	(38)	(109)	(124)
Dividend income	(28)	(28)	(112)	(112)
Interest income	(279)	(237)	(982)	(873)
Others	10	(160)	16	10
<b>Operating income before working capital changes</b>	<b>2,064</b>	<b>1,887</b>	<b>9,122</b>	<b>8,575</b>
Working capital changes	(2,749)	(2,486)	1,311	(740)
Interest received	285	261	997	864
Retirement	(119)	–	(409)	(239)
Income tax paid	(363)	(115)	(1,934)	(1,657)
<b>Net cash flows generated from (used in) operations</b>	<b>(882)</b>	<b>(453)</b>	<b>9,087</b>	<b>6,804</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment in associate	(280)	–	(1,466)	(125)
Debt and equity instrument financial assets	(276)	67	(112)	(267)
Property and equipment	(650)	(683)	(4,419)	(3,105)
Acquisition through business combination	–	–	39	–
Others	(83)	1	(415)	(16)
<b>Net cash flows used in investing activities</b>	<b>(1,289)</b>	<b>(615)</b>	<b>(6,374)</b>	<b>(3,512)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Availment of loans	1,030	28	7,508	3,725
Payment of loans	(1,740)	(2,675)	(8,592)	(3,923)
Dividends paid	(12)	–	(1,266)	(1,624)
Others	(90)	(27)	(144)	363
<b>Net cash flows used in financing activities</b>	<b>(812)</b>	<b>(2,674)</b>	<b>(2,495)</b>	<b>(1,459)</b>
Effect of forex on cash and cash equivalents	(8)	–	4	14
Net increase (decrease) in cash and cash equivalents	(2,991)	(3,742)	223	1,847
Cash and cash equivalents at beginning of year	14,788	14,565	14,565	12,718
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>11,797</b>	<b>10,823</b>	<b>14,788</b>	<b>14,565</b>