



**ROBINSONS
RETAIL**
HOLDINGS, INC.

1H2017 Unaudited Earnings Results

14 August 2017



Agenda

-  *Financial Highlights*
-  *Store Network*
-  *Consolidated Results*
-  *Business Segments*
-  *Working Capital*
-  *Capital Expenditure*
-  *Plans and Prospects*



1H2017 Financial Highlights



Strong
blended
SSSG of
2.7%

1,619
stores plus
1,954 TGP
branches
nationwide

6.9% yoy
increase in
gross floor
area
(excl. TGP)

10.7%
yoy lift in
consolidated
net sales

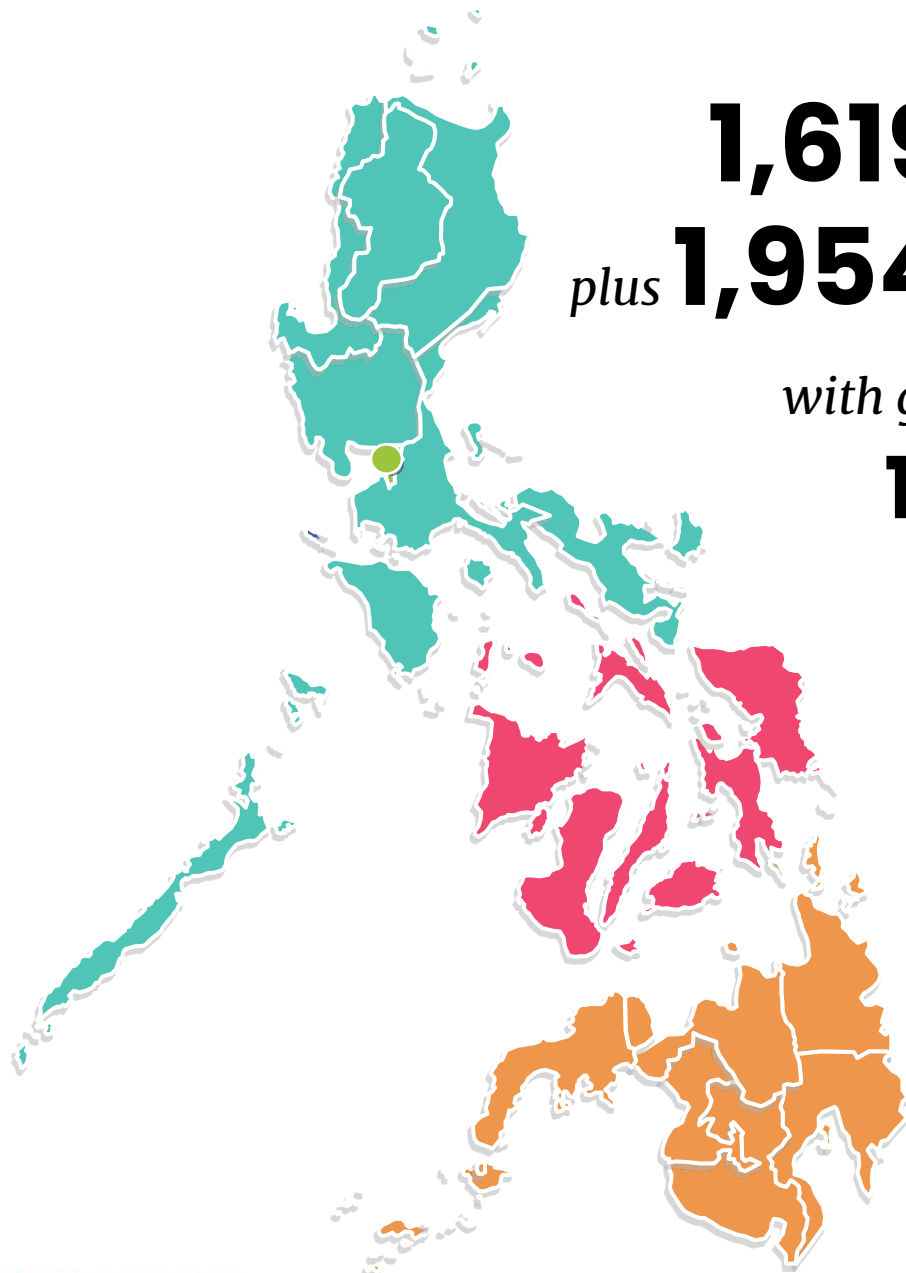
30bps
expansion
in EBIT
margin

80bps
expansion
in GP
margin

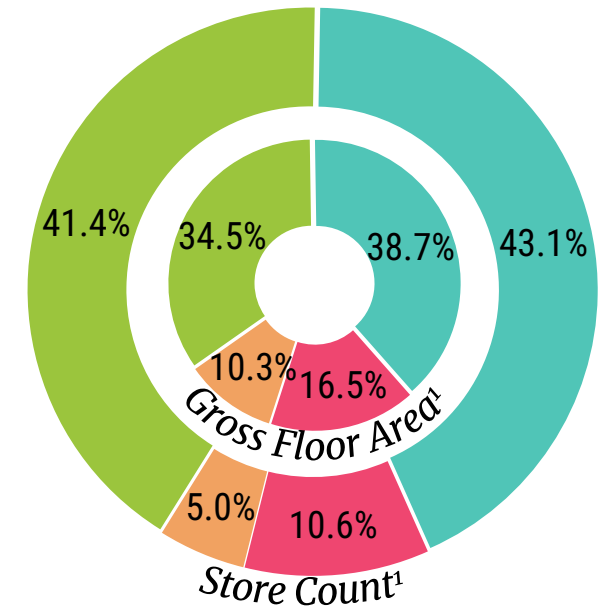
14.1% yoy
increase in
Core Net
income




Store Network: 1H2017

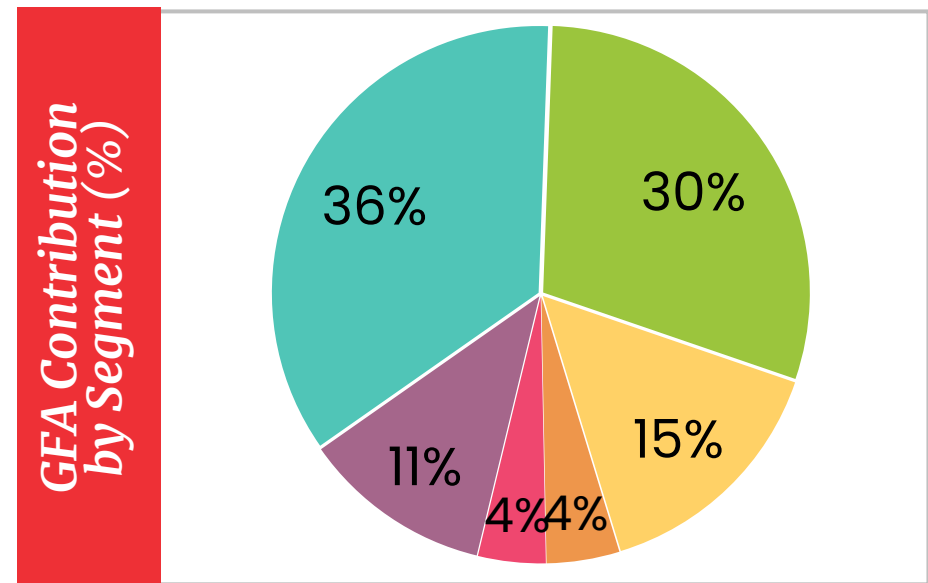
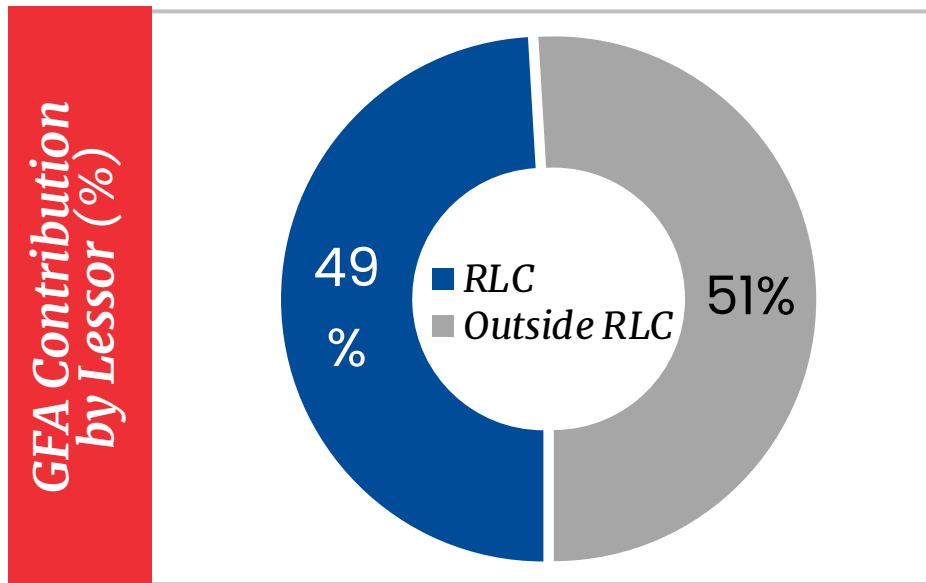
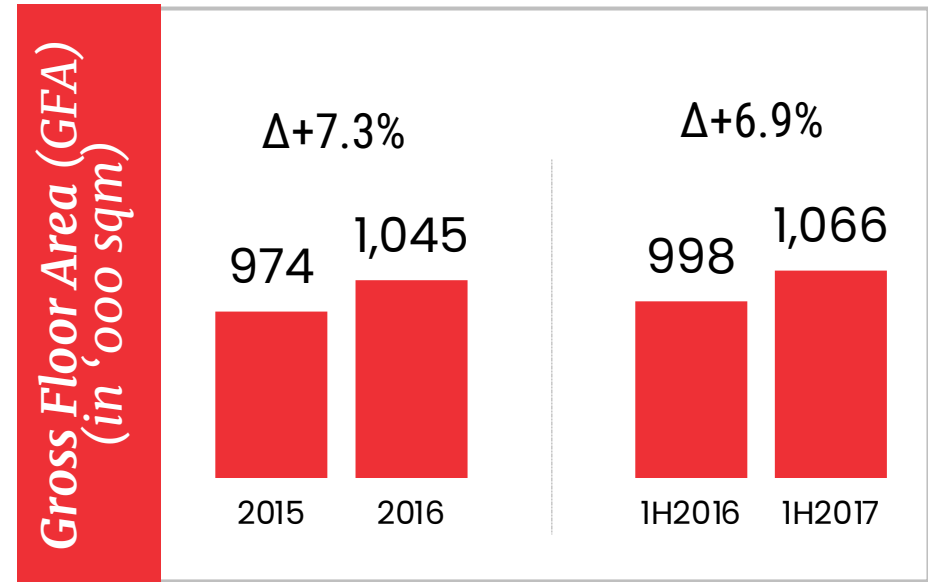
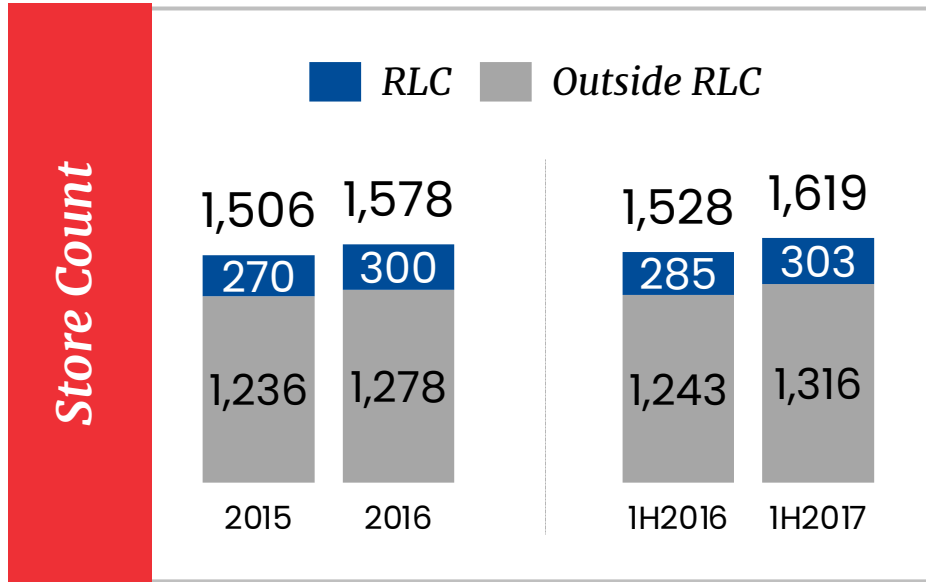


1,619 stores
 plus **1,954** TGP branches
 with gross floor area of
1,066,000 sqm¹



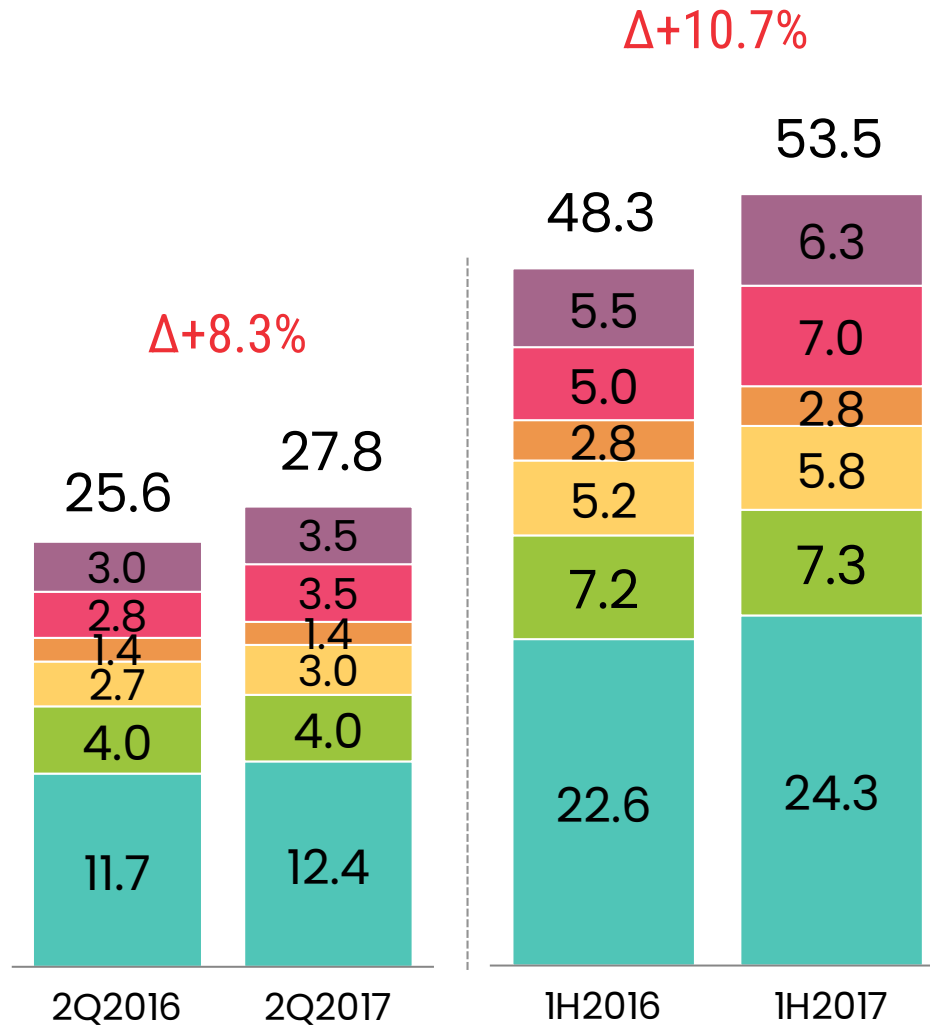
	Metro Manila	Luzon	Visayas	Mindanao
 Supermarkets	49	63	20	11
Department Stores	12	18	8	6
DIY Stores	49	76	35	19
Convenience Stores	313	150	28	-
Drugstores ¹	111	280	36	21
Specialty Stores	136	110	44	24
Total	670	697	171	81
TGP	480	1,005	275	194

Store Network: 1H2017

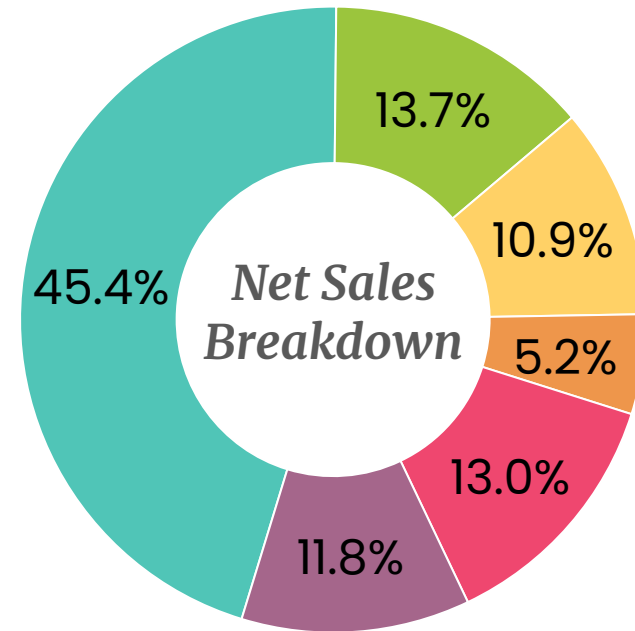


1H2017 Consolidated Results

Net Sales¹ (₹ bn)

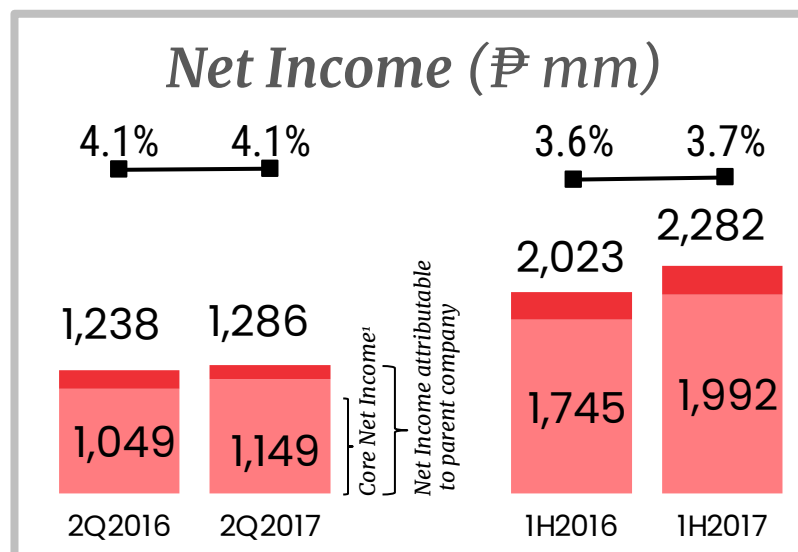
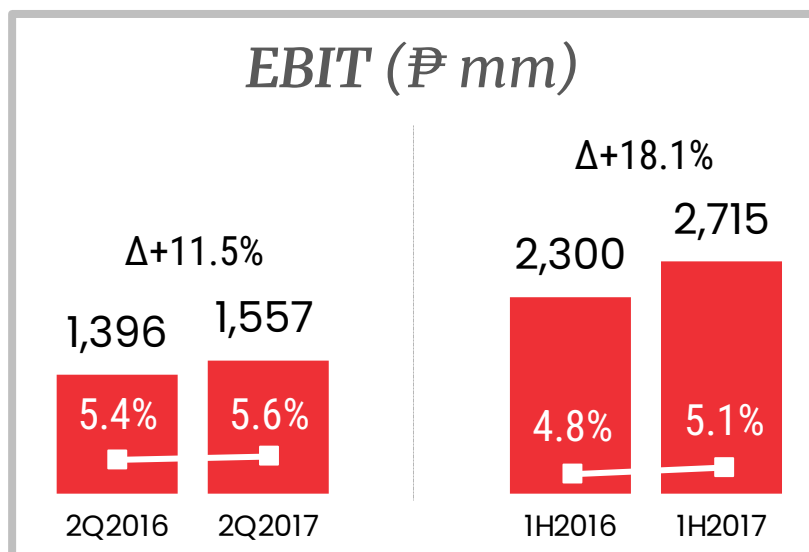
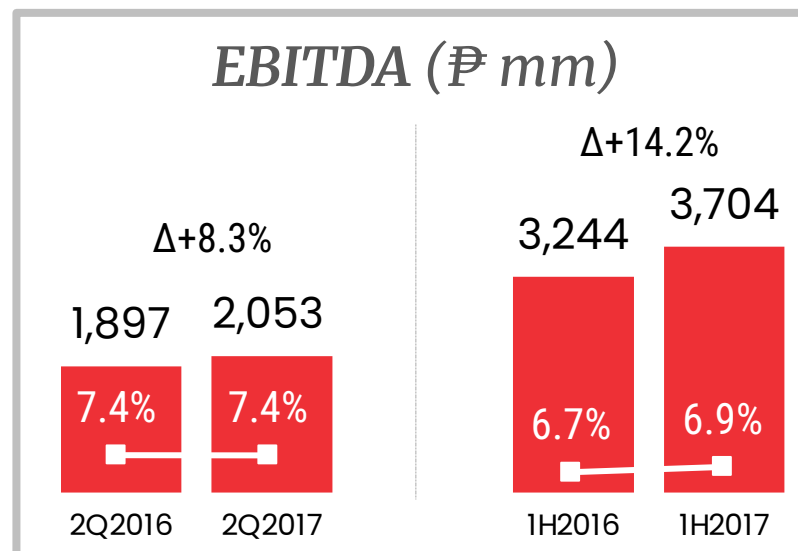
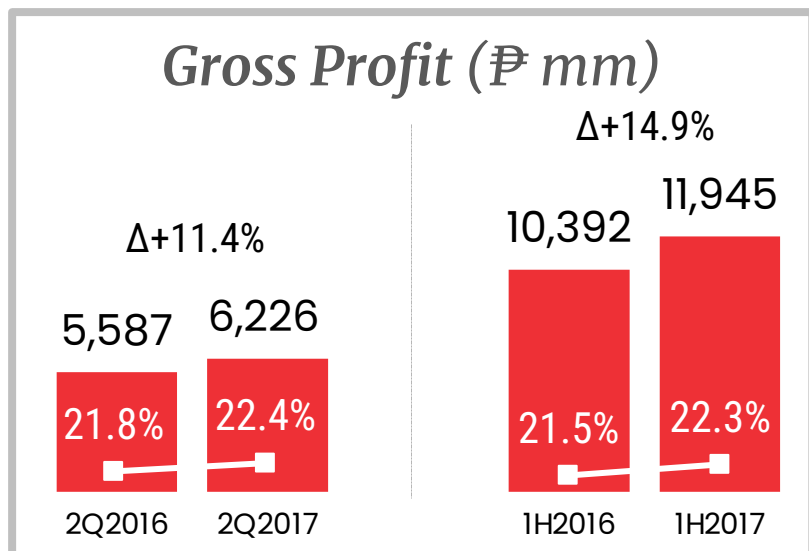


Same Store Sales Growth



■ Supermarkets
 ■ Department Stores
 ■ DIY Stores
■ Convenience stores
 ■ Drugstores
 ■ Specialty Stores

1H2017 Consolidated Results



1H2017 Highlights:

Gross profit margin expanded by 80bps;

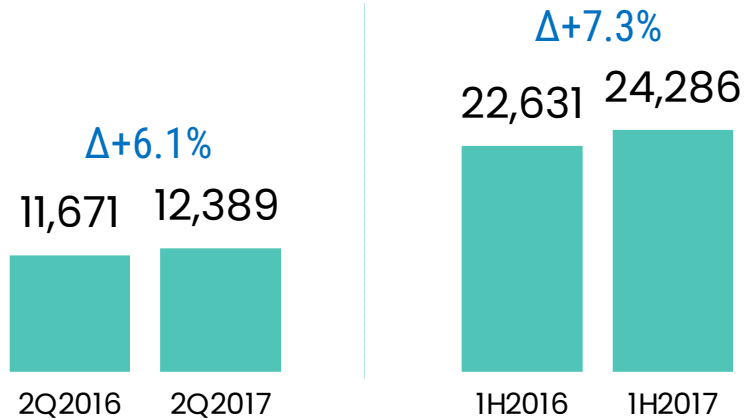
EBIT margin expanded by 30bps;

Net income attributable to equity holders of the parent company rose 12.8%

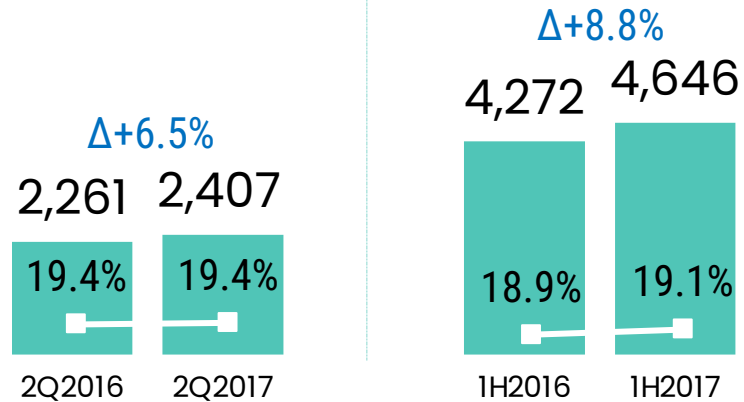
—◆— Core net income as a % of net sales

Supermarket Business Segment

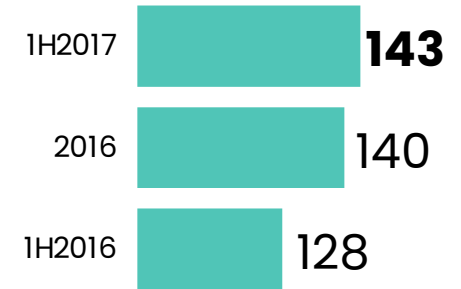
Net Sales (₱ mm)



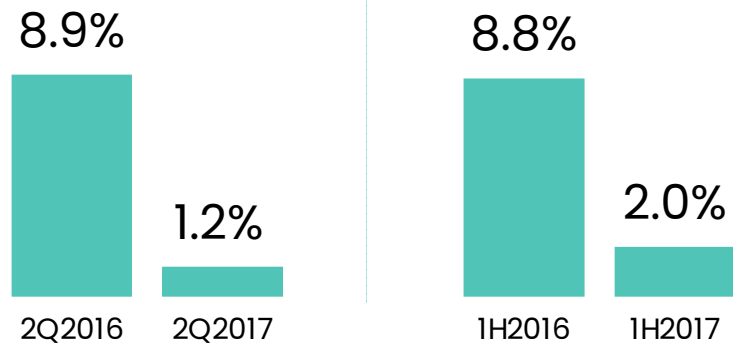
Gross Profit (₱ mm)



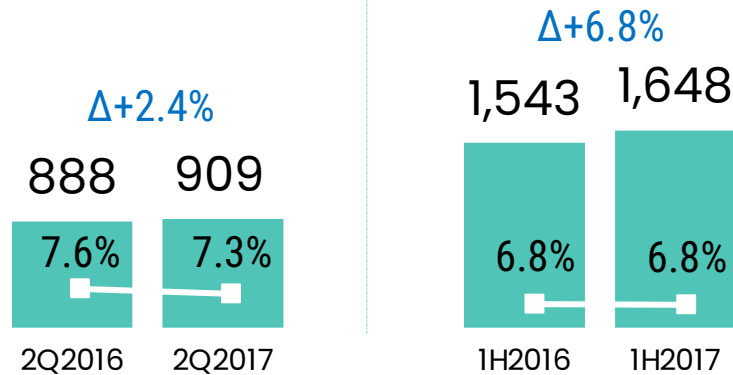
Store Count



Same Store Sales Growth



EBITDA (₱ mm)



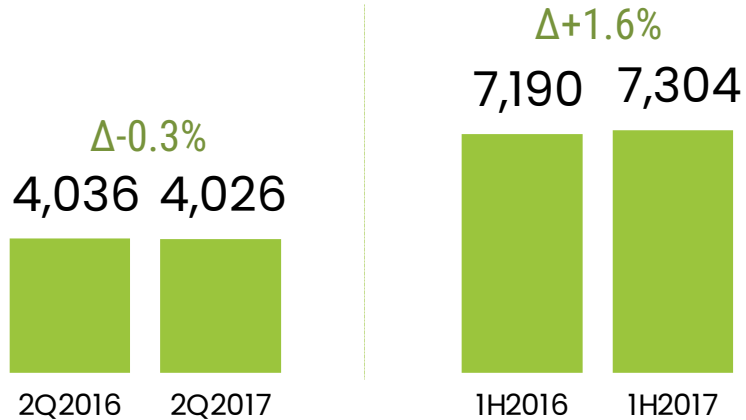
1H2017 Highlights:

Increase in net sales driven by new store additions (5.3%) and decent SSSG (2.0%);

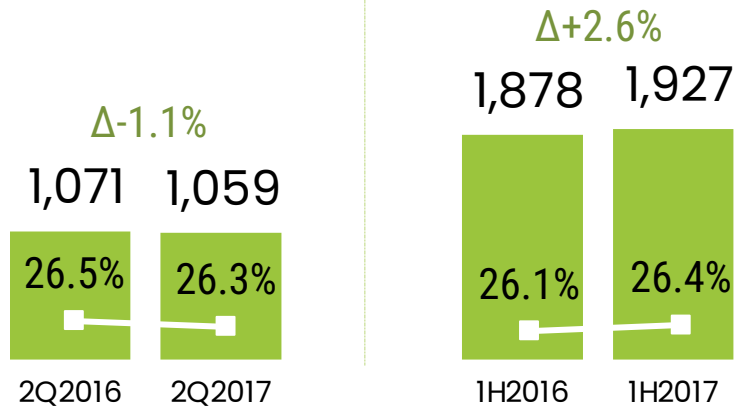
SSSG softened due to high base effect spiked by election spending

Department Store Business Segment

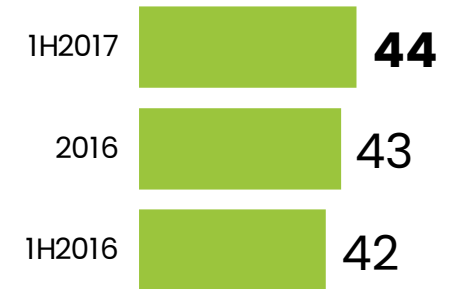
Net Sales (₱ mm)



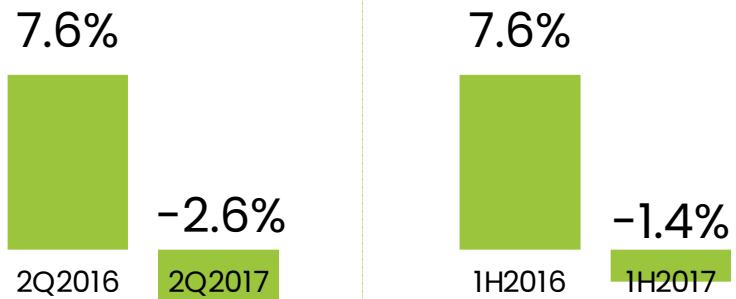
Gross Profit (₱ mm)



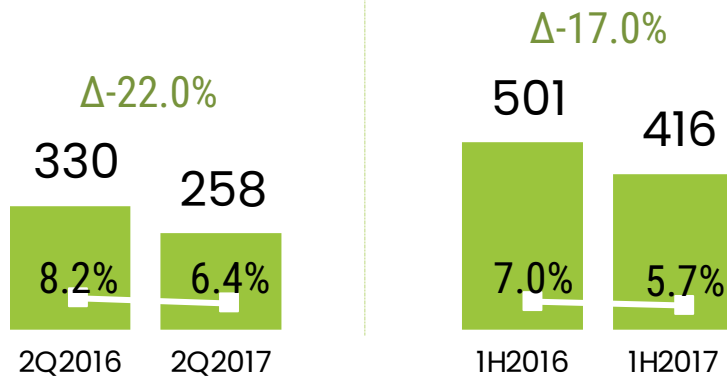
Store Count



Same Store Sales Growth



EBITDA (₱ mm)



1H2017 Highlights:

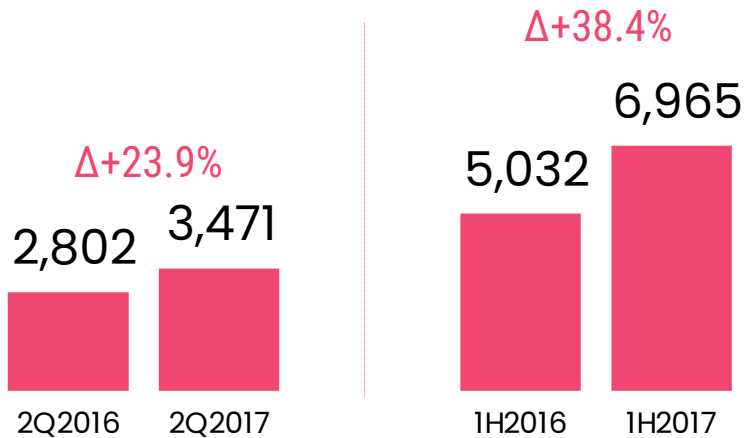
Slower growth in net sales due to decline in SSSG;

SSSG softened due to high base effect spiked by election spending;

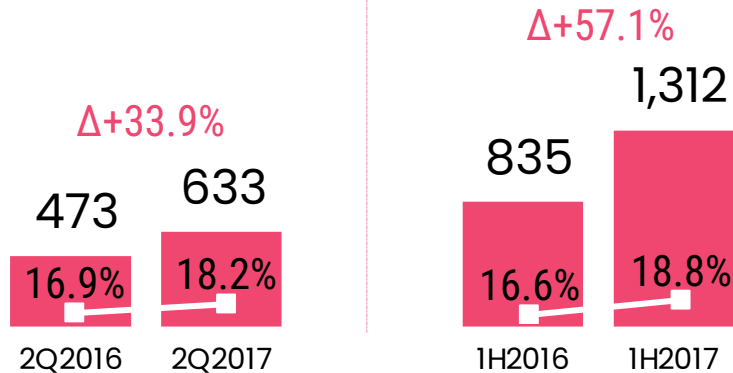
Competitive pressures from global retailers

Drugstore Business Segment

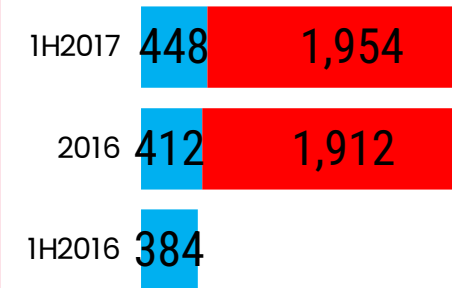
Net Sales (₱ mm)



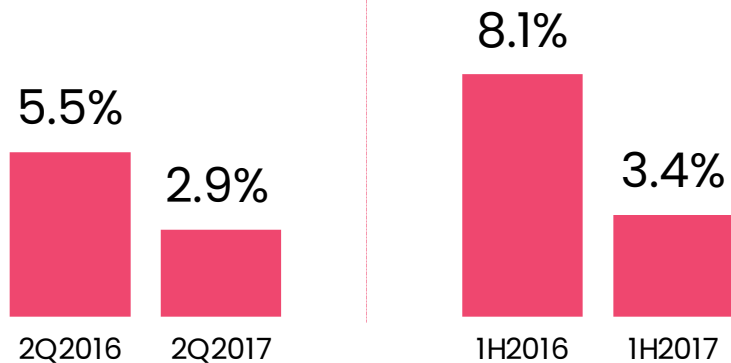
Gross Profit (₱ mm)



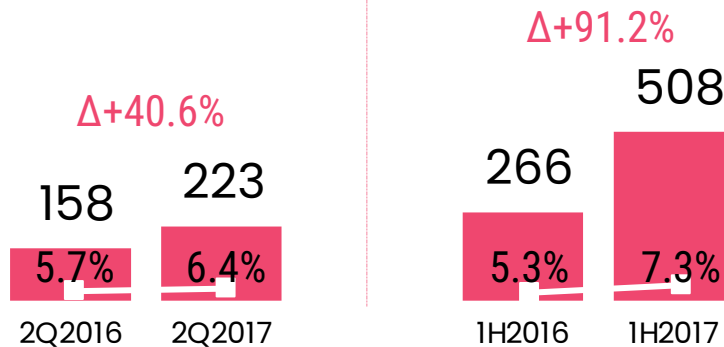
Store Count



Same Store Sales Growth (South Star Drug onLY)



EBITDA (₱ mm)



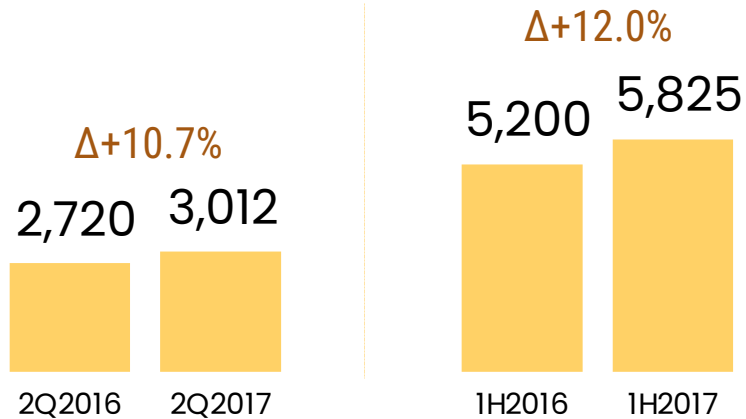
1H2017 Highlights:

Increase in net sales propelled by the acquisition of The Generics Pharmacy;

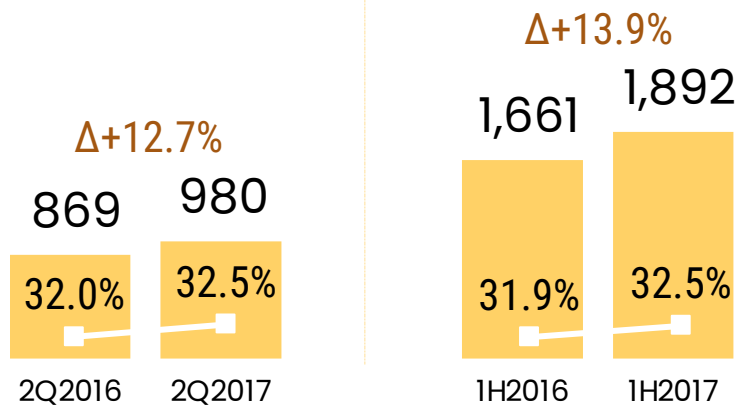
Personal care and food supplements categories boosted SSSG

DIY Store Business Segment

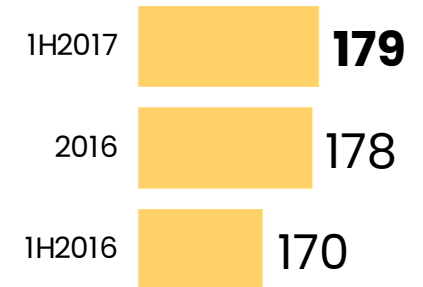
Net Sales (₱ mm)



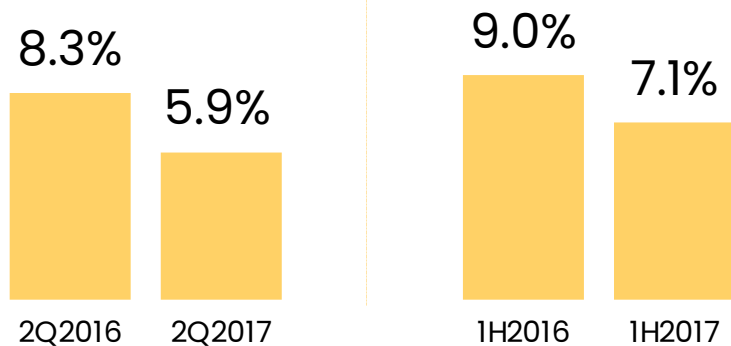
Gross Profit (₱ mm)



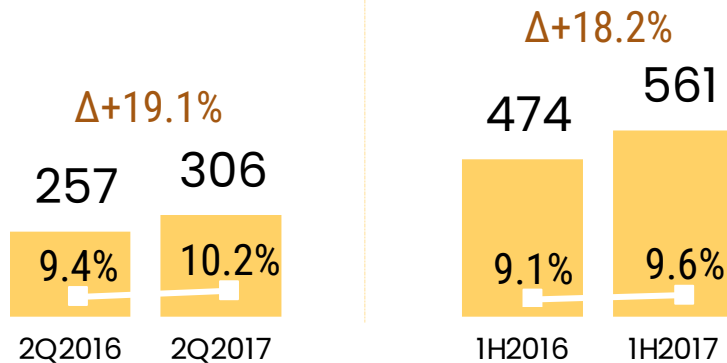
Store Count



Same Store Sales Growth



EBITDA (₱ mm)



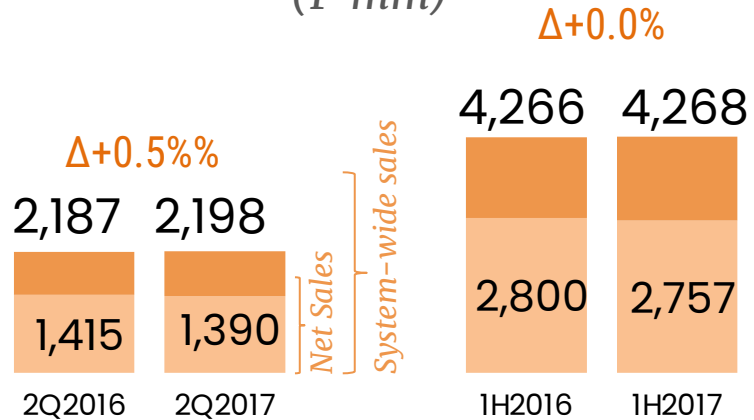
1H2017 Highlights:

Double-digit sales growth due to strong SSSG (7.1%) and sustained expansion (4.9%);

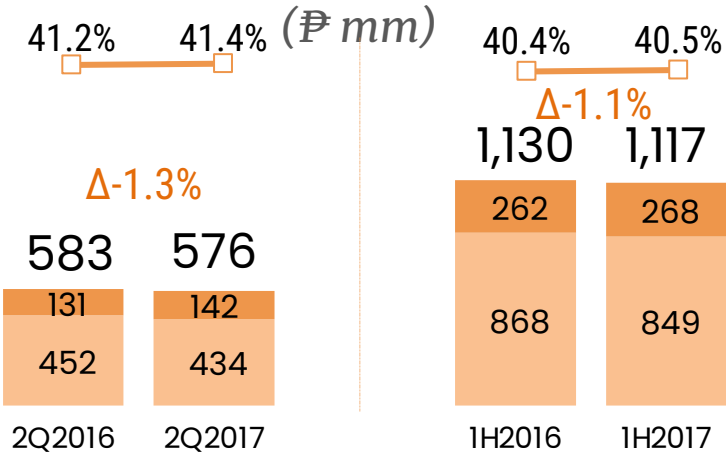
Continued to benefit from the growing residential market

Convenience Store Business Segment

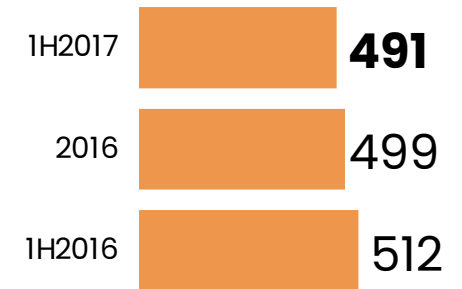
Systemwide Sales & Net Sales (₱ mm)



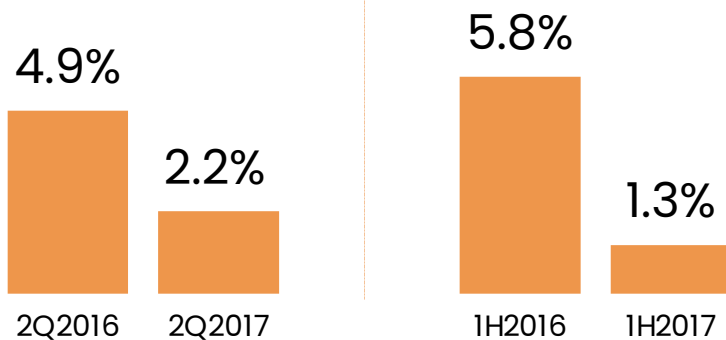
Gross Profit + Royalty Income



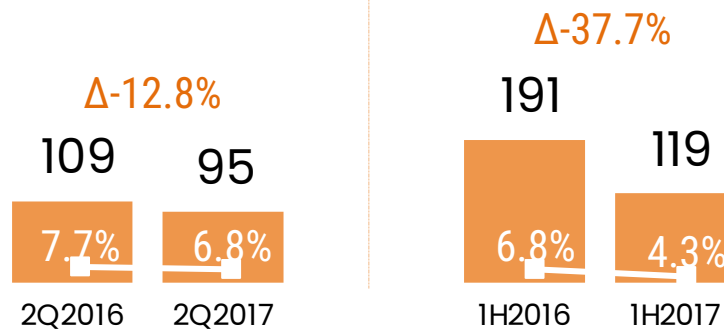
Store Count



Same Store Sales Growth



EBITDA (₱ mm)



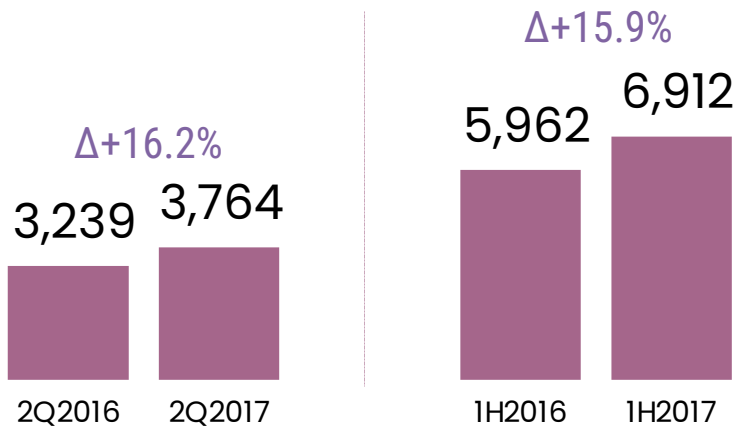
1H2017 Highlights:

Ready-to-eat category continued to drive growth;

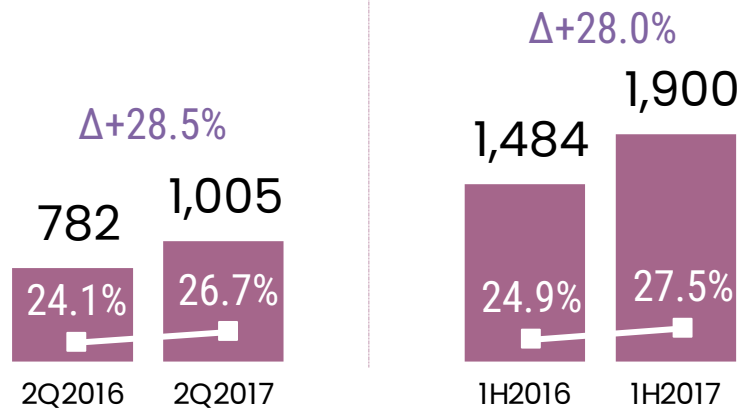
Ratio of franchised to company-managed stores improved to 46:54 this year from 41:59 last year

Specialty Store Business Segment

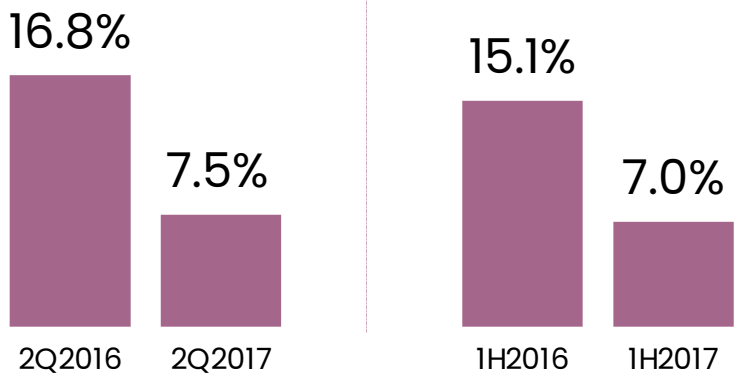
Net Sales (₱ mm)



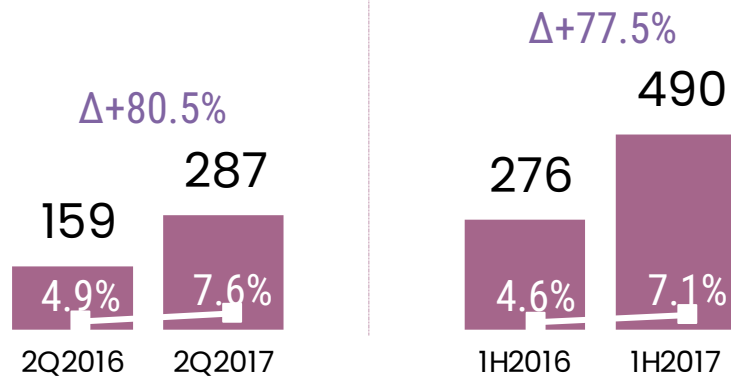
Gross Profit (₱ mm)



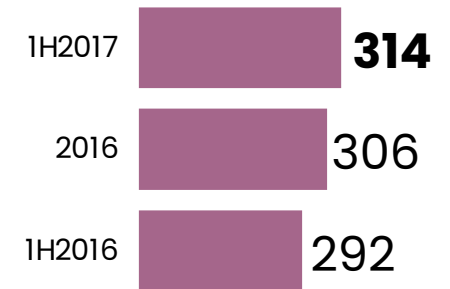
Same Store Sales Growth



EBITDA (₱ mm)



Store Count

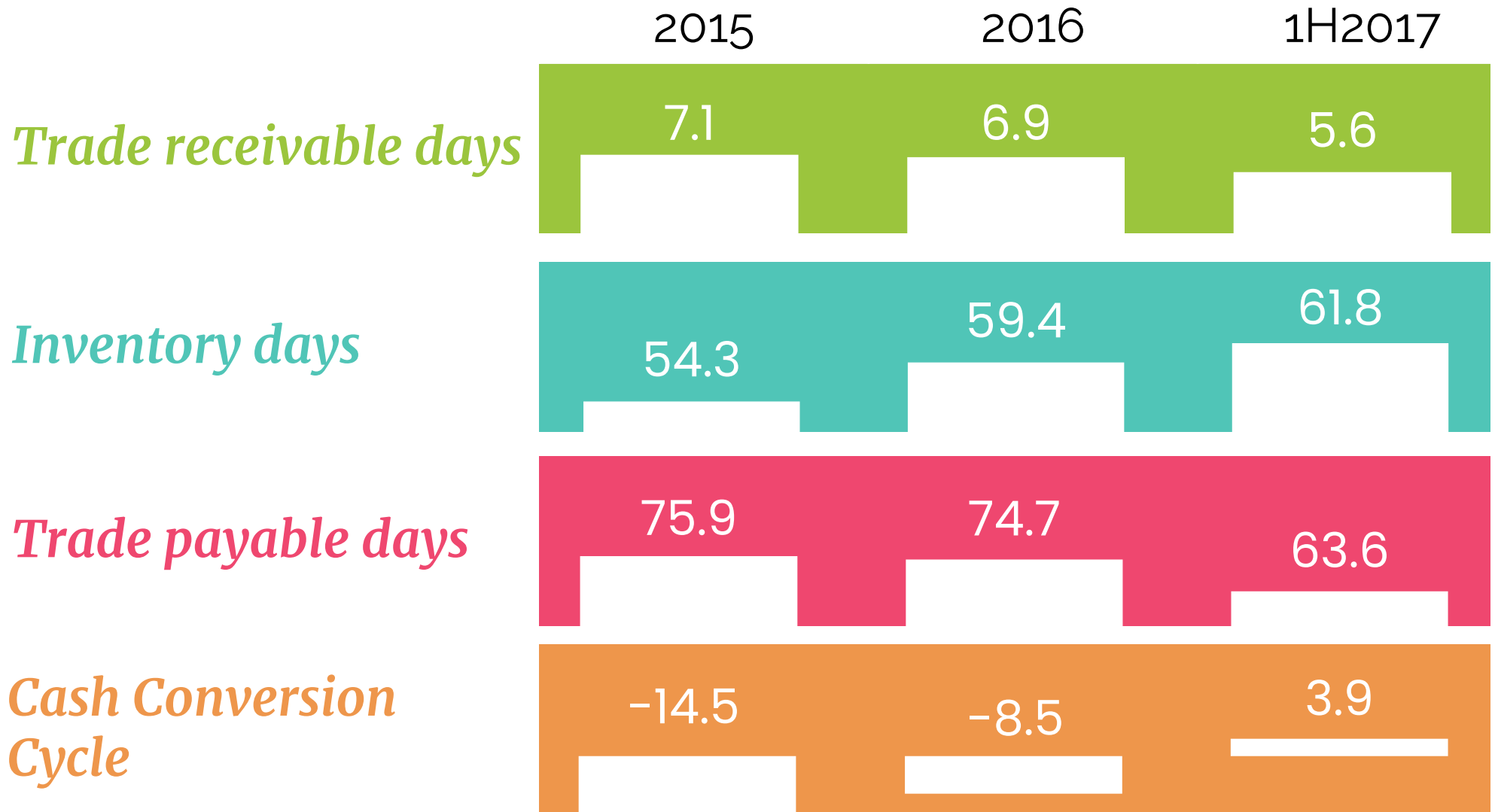


1H2017 Highlights:

Expansion in net sales driven by the strong sales performance of most formats;

Strong SSSG driven by Robinsons Appliances and Daiso Japan

Working Capital



Capital Expenditure

	2015	2016	1H2017
<i>Supermarkets</i>	32%	26%	41%
<i>Department stores</i>	10%	10%	24%
<i>DIY Stores</i>	7%	7%	10%
<i>Convenience Stores</i>	10%	4%	3%
<i>Drugstores</i>	3%	43%	11%
<i>Specialty Stores</i>	37%	10%	11%
Total CAPEX (in ₱ mm)	4,089	5,620	1,352
% of net sales	4.5%	5.3%	2.5%

Plans and Prospects

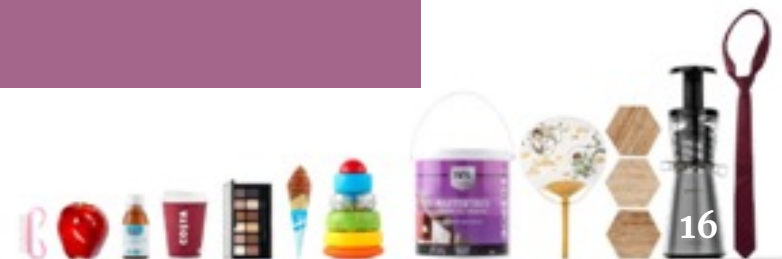
Organic expansion of 140-150 new stores

Same store sales growth of 2-4%

GP margin expansion of 10-20bps

Mergers & acquisitions

E-commerce





ROBINSONS
RETAIL
HOLDINGS, INC.

Thank you!



Income Statement (Unaudited)

PHP mm	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
Sales - net of sales discounts and returns	27,763	25,638	53,486	48,334
Cost of merchandise sold	21,537	20,051	41,541	37,941
Gross Profit	6,226	5,587	11,945	10,392
Royalty, rent and other revenues	602	565	1,114	1,053
Gross profit including other revenue	6,828	6,152	13,059	11,446
Operating expenses	(5,271)	(4,756)	(10,343)	(9,146)
Earnings before interest and taxes	1,557	1,396	2,715	2,300
OTHER INCOME (CHARGES)				
Interest income	221	185	449	389
Foreign currency exchange gain (losses) - net	34	70	67	(3)
Dividend income	28	28	56	56
Equity in net earnings of an associate	40	27	65	54
Interest expense	(29)	(9)	(72)	(26)
	294	301	564	470
INCOME BEFORE INCOME TAX	1,851	1,697	3,279	2,769
Provision for income tax	410	365	738	604
NET INCOME	1,441	1,332	2,542	2,165
Net income attributable to:				
Equity holders of the Parent Company	1,286	1,238	2,282	2,023
Non-controlling interest in consolidated subsidiaries	155	94	260	143
	1,441	1,332	2,542	2,165
Earnings Per Share				
Basic	0.93	0.89	1.65	1.46
Weighted	0.93	0.89	1.65	1.46
Shares Outstanding				
End of Period	1,385	1,385	1,385	1,385
Weighted	1,385	1,385	1,385	1,385

Balance Sheet (Unaudited)

PHP mm	June 30 2017	December 31 2016
ASSETS		
Current Assets		
Cash and cash equivalents	7,964	12,718
Trade and other receivables	1,663	1,988
Merchandise inventories	14,191	13,342
Other current assets	2,374	2,185
Total Current Assets	26,192	30,232
Noncurrent assets		
Available-for-sale (AFS) financial assets	20,445	20,430
Property and equipment - net	12,931	12,562
Investment in shares of stocks	5,211	5,078
Other noncurrent assets	8,524	8,393
Total Noncurrent Assets	47,111	46,463
Total Assets	73,304	76,695
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	14,599	16,797
Current portion of loans payable	3,741	6,576
Other current liabilities	803	1,106
Total Current Liabilities	19,142	24,478
Total Noncurrent Liabilities	1,729	1,652
Total Liabilities	20,871	26,129
Equity		
Capital stock	1,385	1,385
Additional paid-in capital	27,227	27,227
Equity reserve	(1,022)	(1,022)
Retained earnings	20,957	19,645
Others	339	352
Total equity attributable to equity holders	48,886	47,587
Non-controlling interest in consolidated	3,546	2,978
Total Equity	52,432	50,566
Total Liabilities and Equity	73,304	76,695

Cash Flow Statement (Unaudited)

PHP mm	Six Months Ended June 30		Years Ended December 31	
	2017	2016	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	3,279	2,769	6,667	5,848
Adjustments for:				
Depreciation and amortization	989	944	2,038	1,647
Interest expense	72	26	87	15
Equity in net earnings of an associate	(65)	(54)	(103)	(40)
Dividend income	(56)	(56)	(112)	(112)
Interest income	(449)	(396)	(827)	(799)
Others	(67)	3	(112)	(238)
Operating income before working capital changes	3,704	3,236	7,639	6,321
Working capital changes	(4,023)	(2,698)	(1,039)	(1,311)
Interest received	450	291	962	707
Income tax paid	(1,043)	(875)	(1,393)	(1,268)
Net cash flows generated from (used in) operations	(911)	(46)	6,169	4,449
CASH FLOWS FROM INVESTING ACTIVITIES				
AFS investments	(137)	(150)	(531)	(1,359)
Property and equipment - net	(1,352)	(1,505)	(3,244)	(3,099)
Acquisition through business combination	—	(2,024)	(2,180)	(988)
Others	63	(24)	30	(1,388)
Net cash flows used in investing activities	(1,425)	(3,703)	(5,924)	(6,834)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment of loans	250	2,195	4,398	2,939
Payment of loans	(3,085)	(614)	(667)	(206)
Dividends paid	—	—	(936)	(729)
Others	418	(13)	(87)	167
Net cash flows used in financing activities	(2,417)	1,568	2,709	2,172
Net increase (decrease) in cash and cash equivalents	(4,754)	(2,181)	2,961	(212)
Cash and cash equivalents at beginning of year	12,718	9,757	9,757	9,970
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,964	7,577	12,718	9,757

Disclaimer

This presentation contains certain forward looking statements with respect to the financial condition, results of operations and businesses of Robinsons Retail Holdings, Inc. (RRHI). Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of RRHI to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements were based on numerous assumptions regarding RRHI's present and future business strategies and the political and economic environment in which RRHI will operate in the future.

