



**ROBINSONS
RETAIL
HOLDINGS, INC.**

1H2018 UNAUDITED EARNINGS RESULTS

AUGUST 6, 2018



20180806

AGENDA

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

1H2018 FINANCIAL HIGHLIGHTS



*Strong
blended
SSSG of
6.5%*

*1,742
stores plus
2,031 TGP
branches
nationwide*

*10.3% yoy
increase in
gross floor
area
(excl. TGP)*

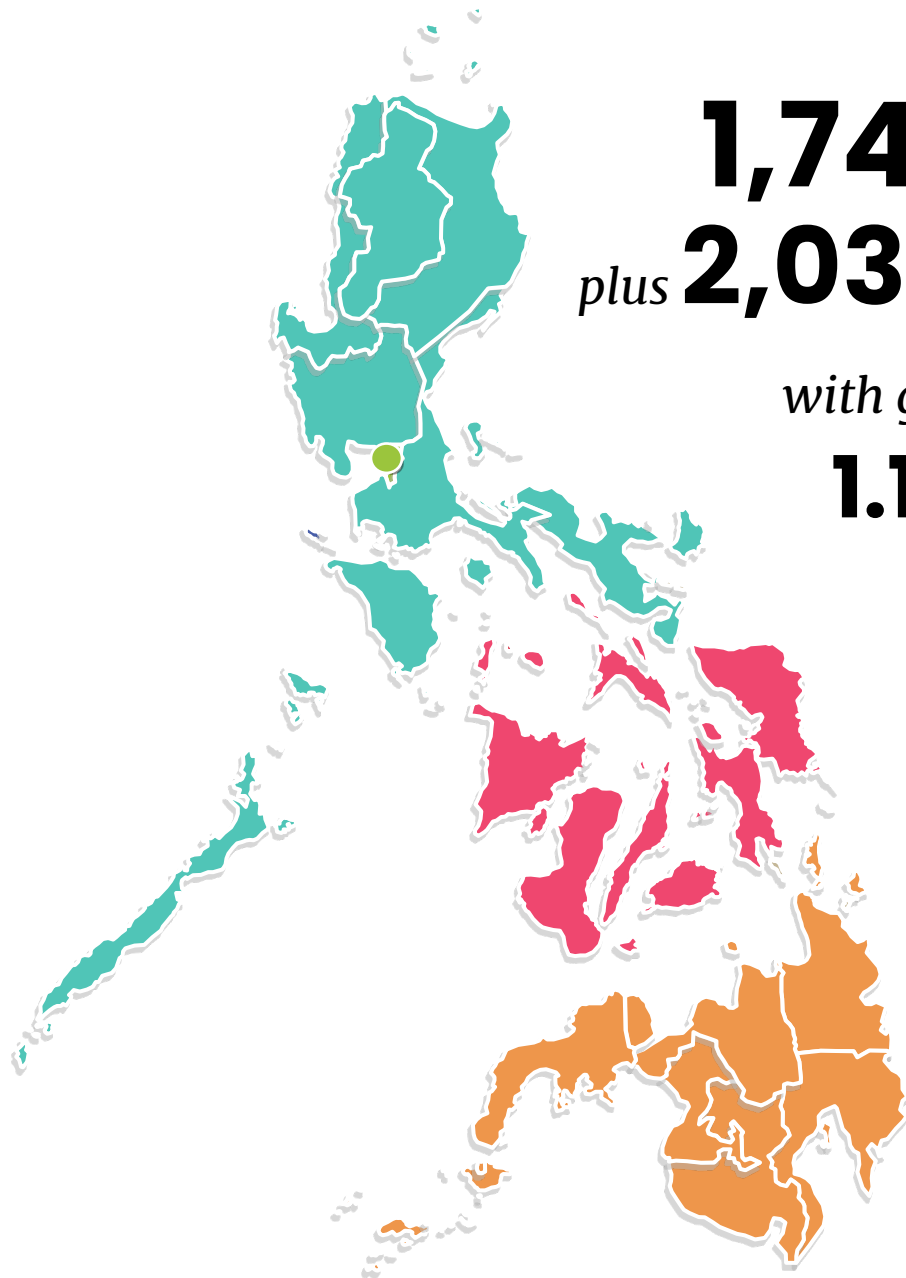
*13.0%
yoy lift in
consolidated
net sales*

*EBITDA
margin at
6.8%*

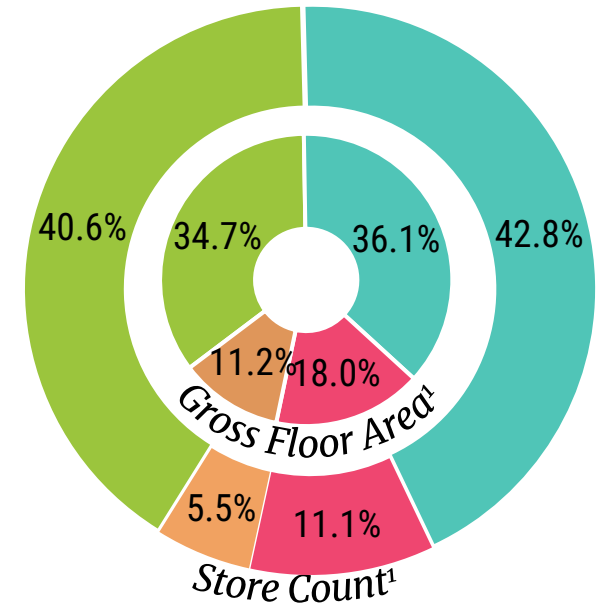
*20bps
expansion
in GP
margin*


*14.8% yoy
increase in
Core Net
income*

STORE NETWORK: 1H2018

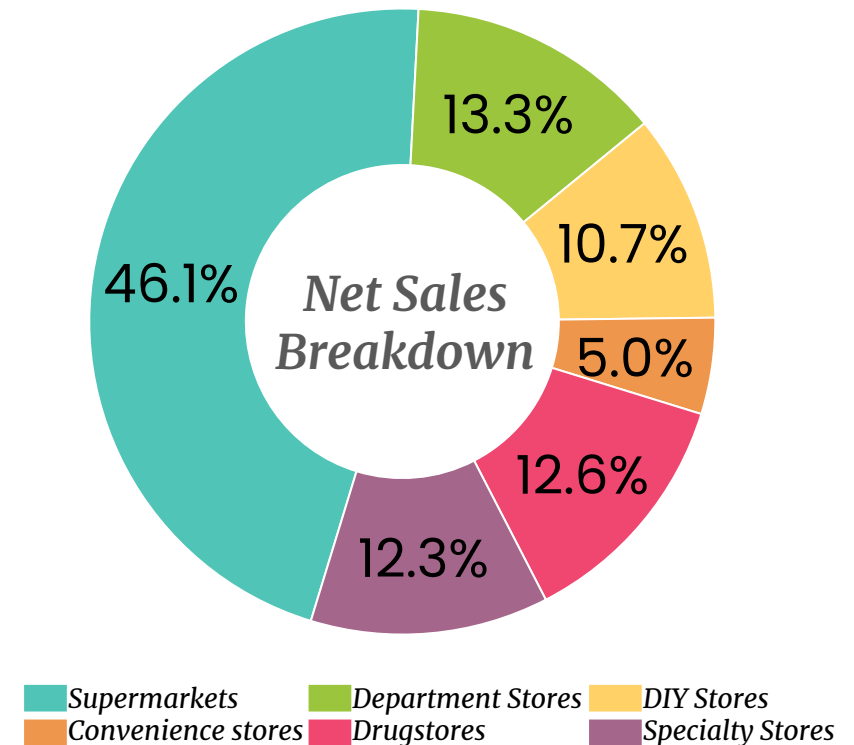
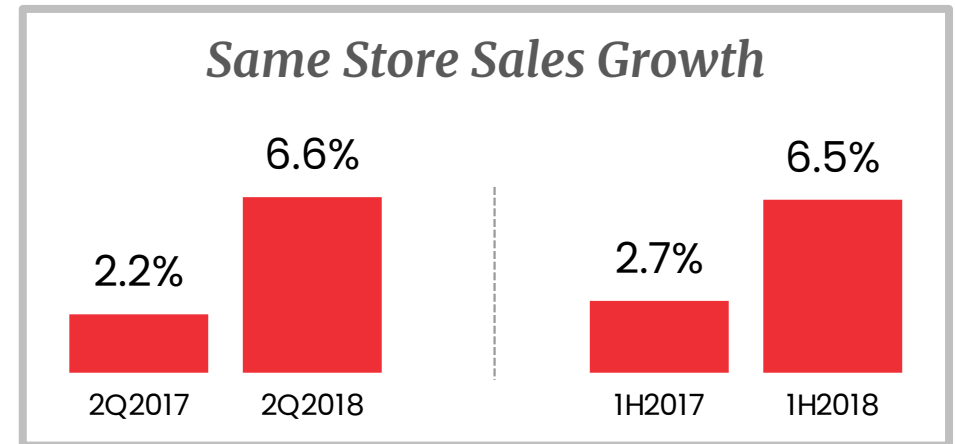
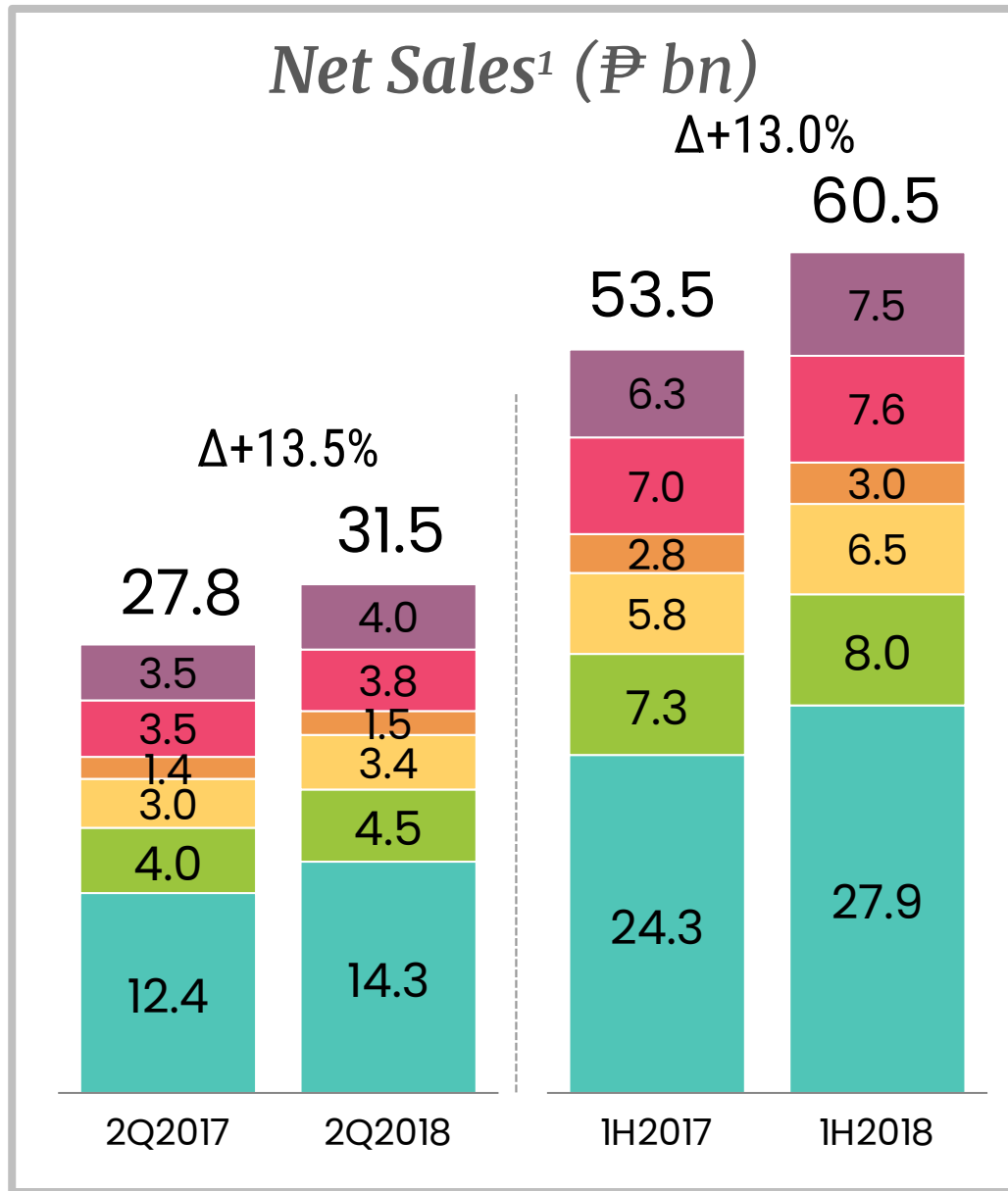


1,742 stores
 plus **2,031** TGP branches
 with gross floor area of
1.18 million
 sqm¹

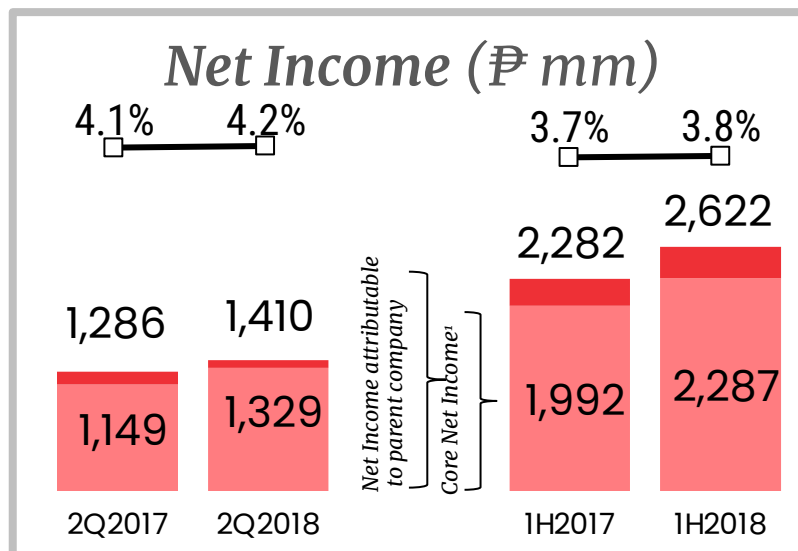
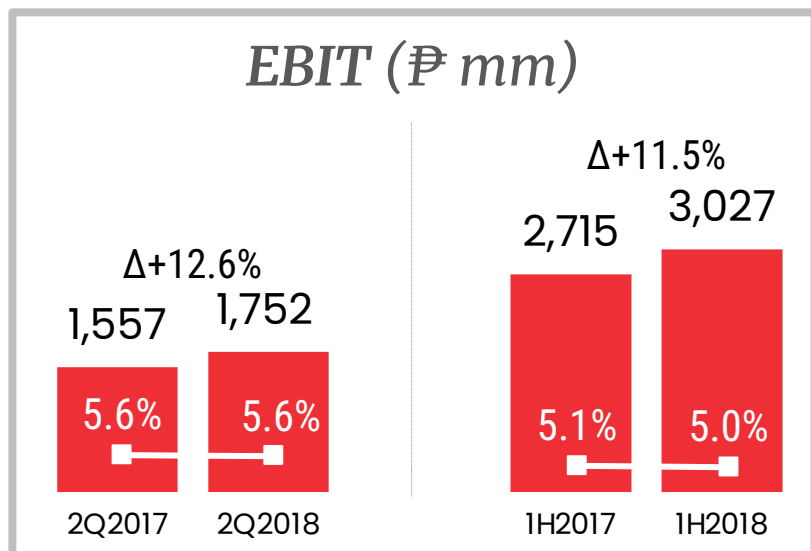
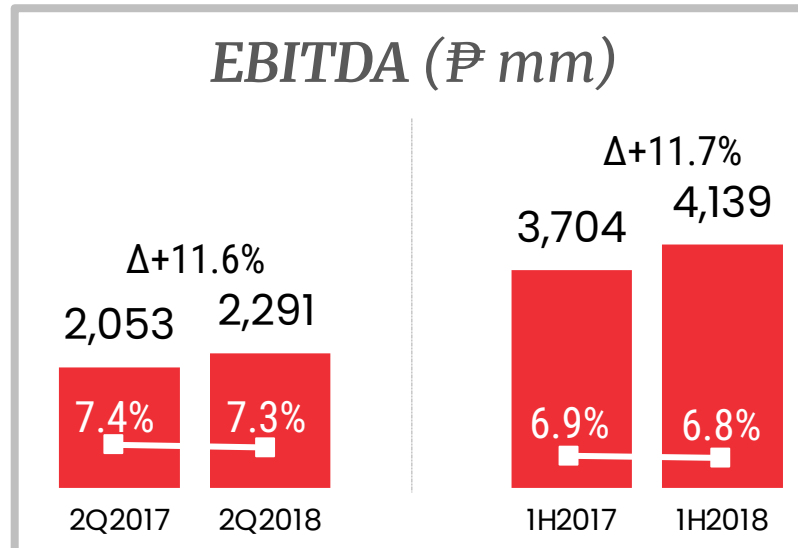
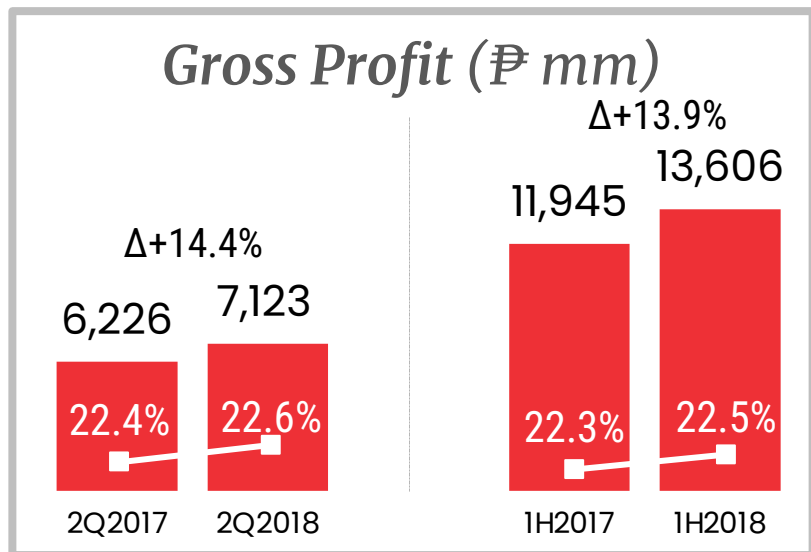


| | Metro Manila | Luzon | Visayas | Mindanao |
|--|--------------|------------|------------|-----------|
|  Supermarkets | 52 | 66 | 24 | 13 |
| Department Stores | 14 | 17 | 11 | 8 |
| DIY Stores | 59 | 81 | 39 | 20 |
| Convenience Stores | 316 | 147 | 25 | - |
| Drugstores ¹ | 115 | 312 | 42 | 26 |
| Specialty Stores | 151 | 123 | 53 | 28 |
| Total | 707 | 746 | 194 | 95 |
| TGP | 494 | 1,040 | 293 | 204 |

1H2018 CONSOLIDATED RESULTS



1H2018 CONSOLIDATED RESULTS



1H18

Highlights:

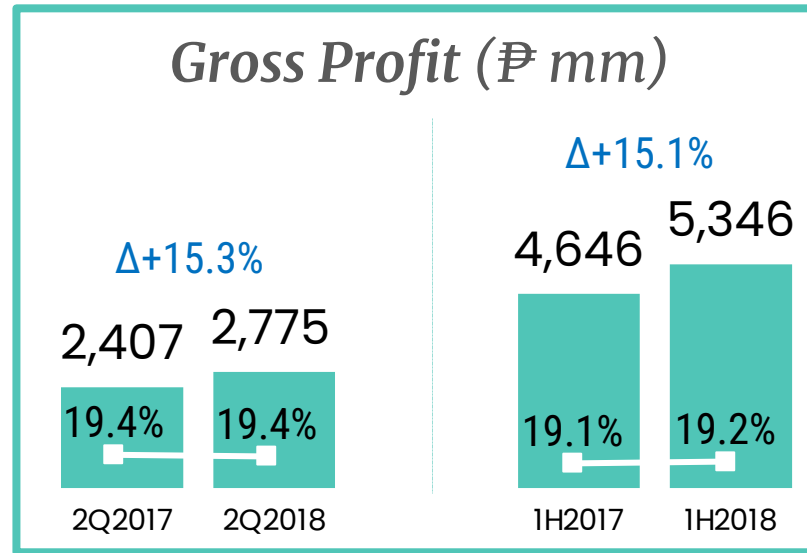
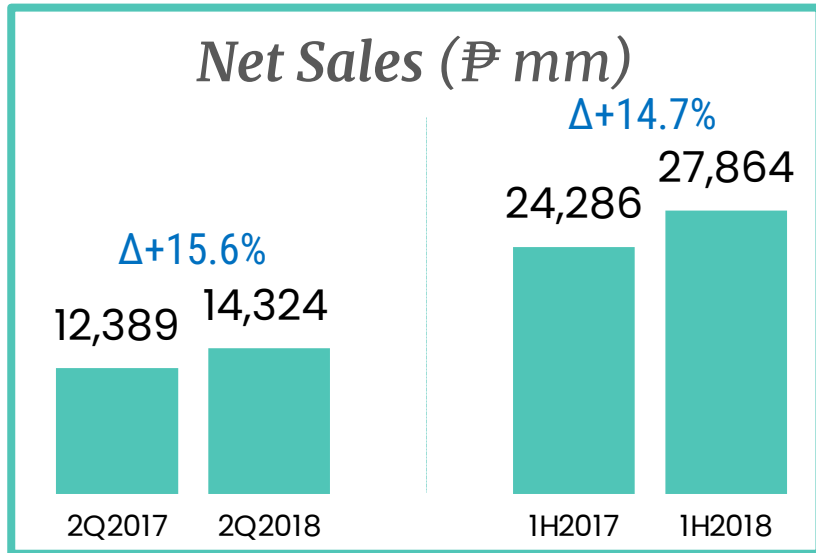
Gross profit margin expanded by 20bps;

EBITDA margin at 6.8% level;

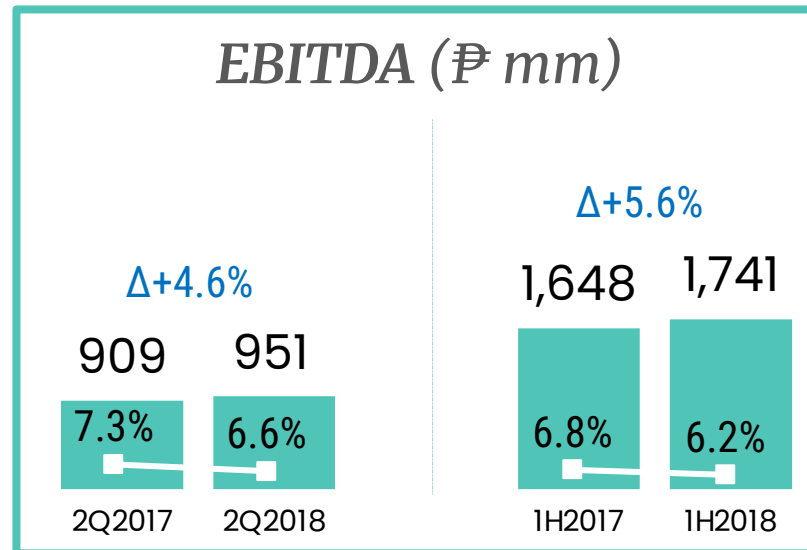
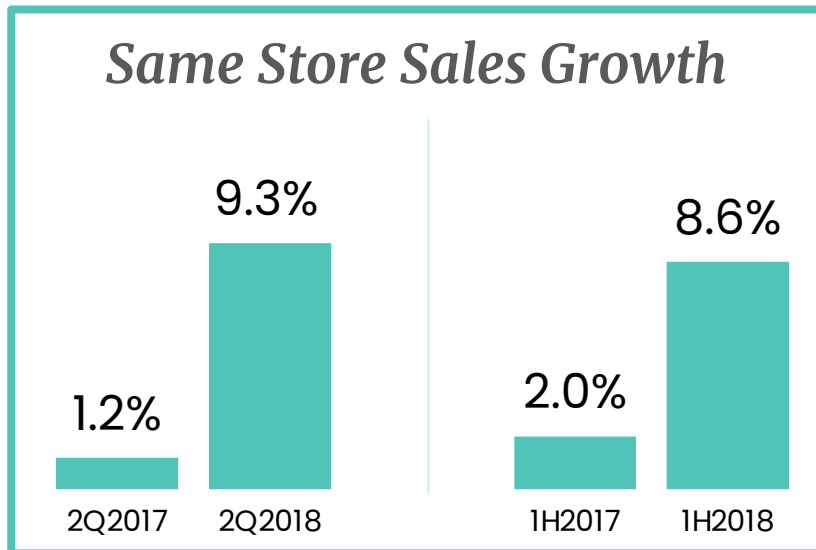
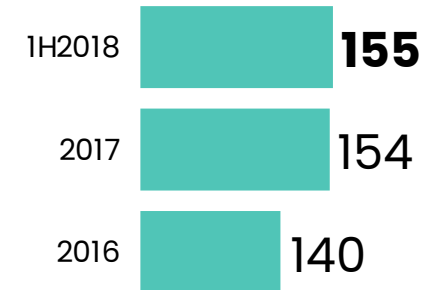
Net income attributable to parent up by 14.9%.

◆ Core net income as a % of net sales

SUPERMARKET BUSINESS SEGMENT



Store Count

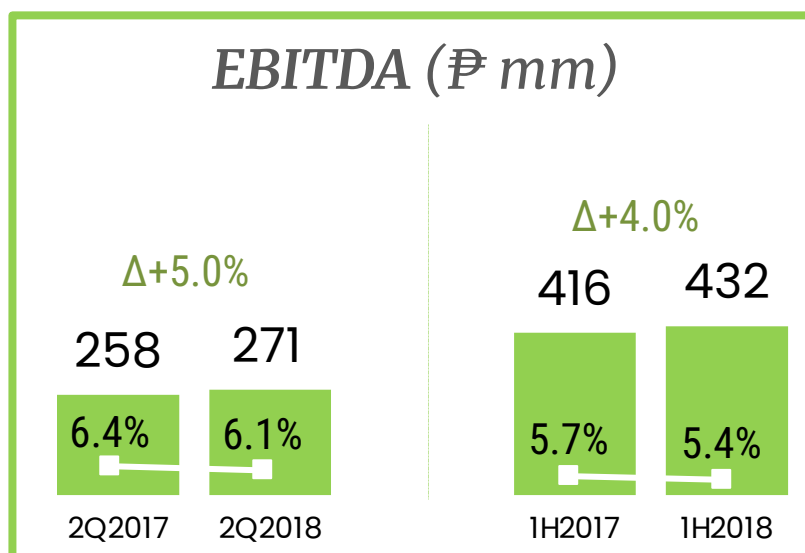
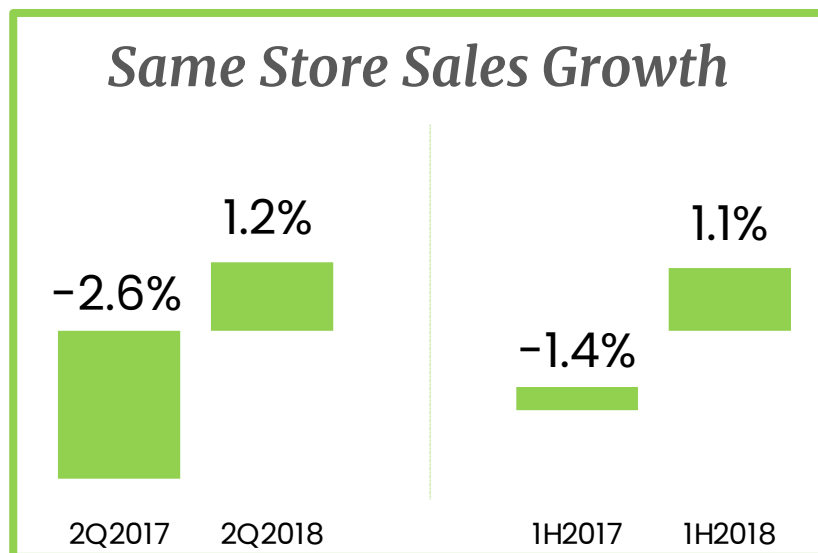
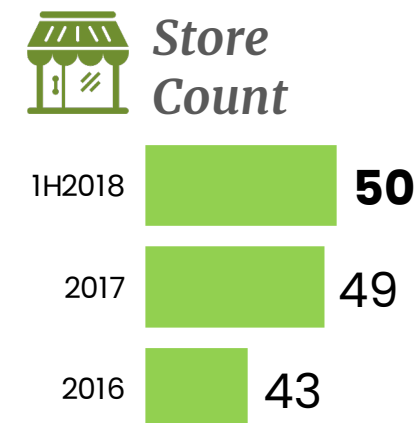
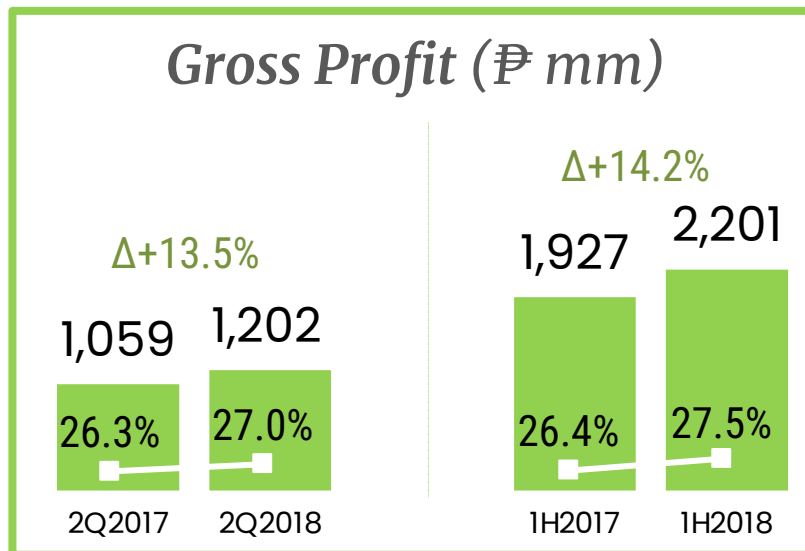
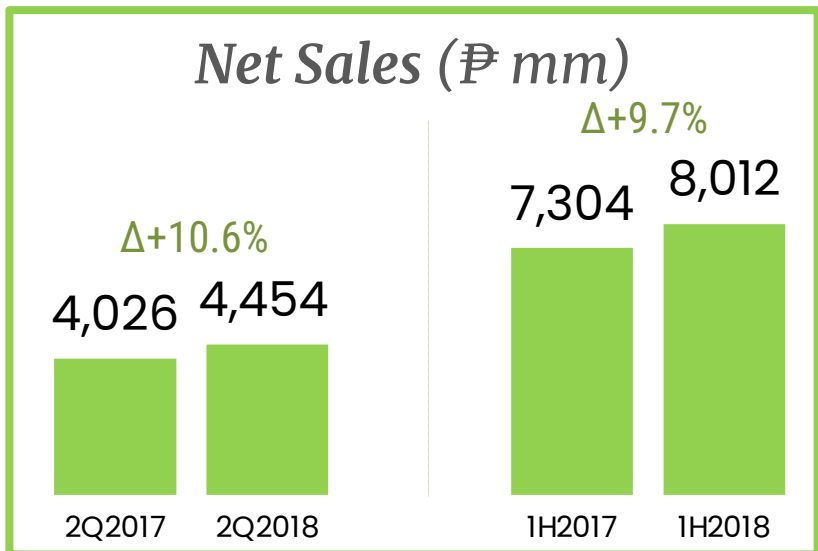


1H18 Highlights:

Increase in net sales driven by new store additions (6.1%) and strong SSSG (8.6%);

SSSG was robust due to higher consumption among salaried employees

DEPARTMENT STORE BUSINESS SEGMENT



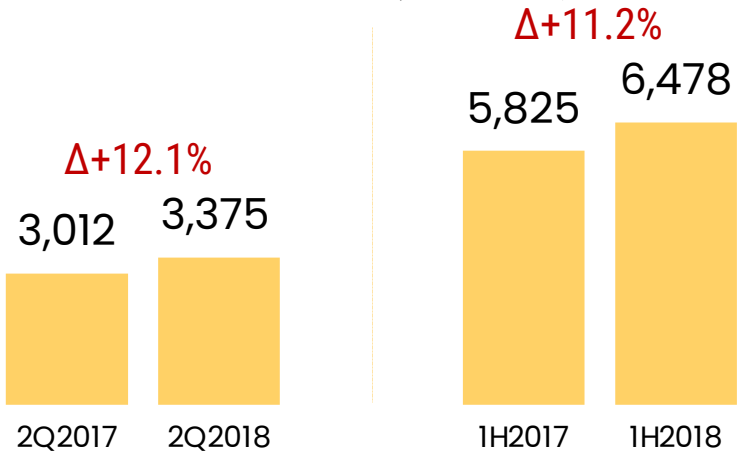
1H18 Highlights:

Increase in net sales driven by new store additions (8.6%) and strong SSSG (1.1%);

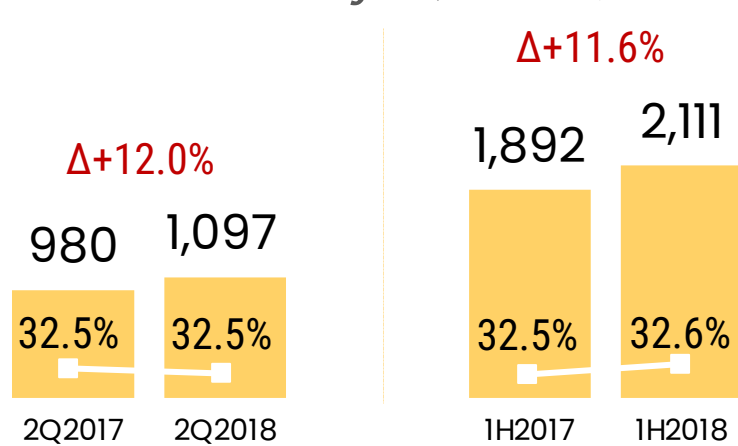
Opened 2 new stores in Robinsons Place Ormoc and Robinsons Place Pavia Iloilo.

DIY STORE BUSINESS SEGMENT

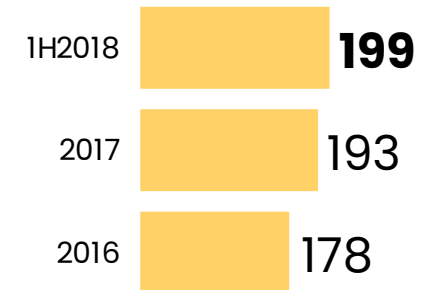
Net Sales (₱ mm)



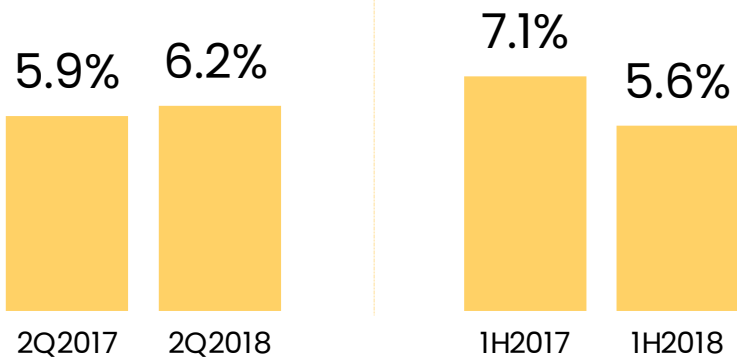
Gross Profit (₱ mm)



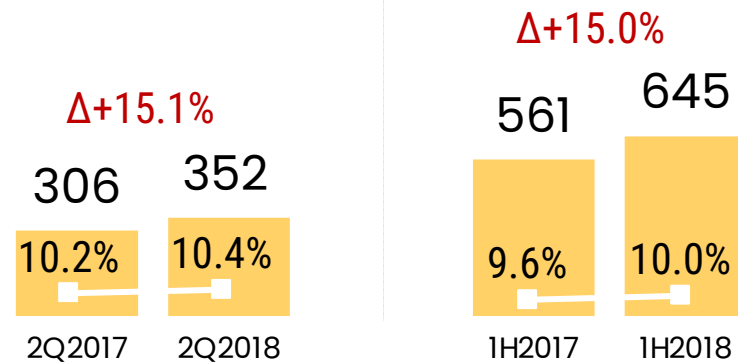
Store Count



Same Store Sales Growth



EBITDA (₱ mm)

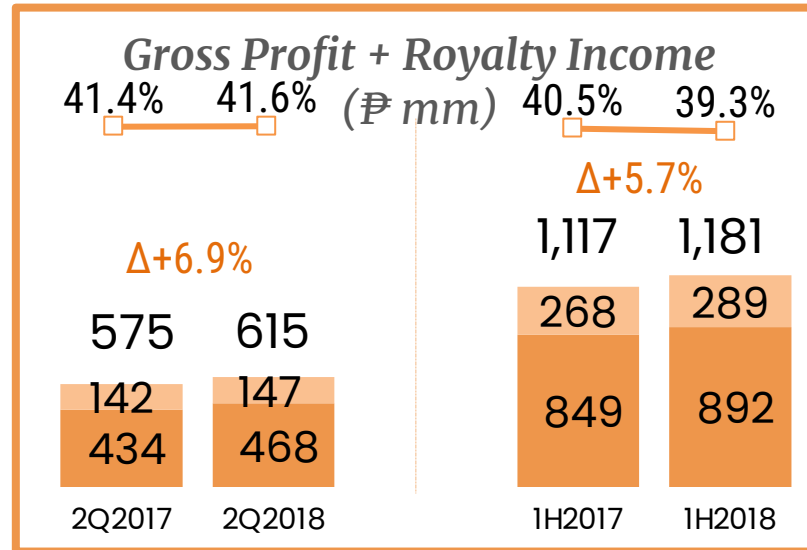
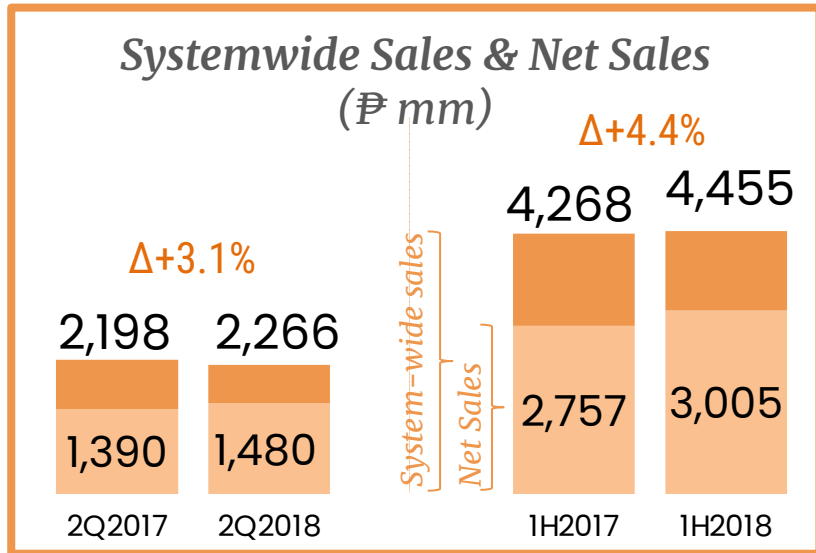


1H18 Highlights:

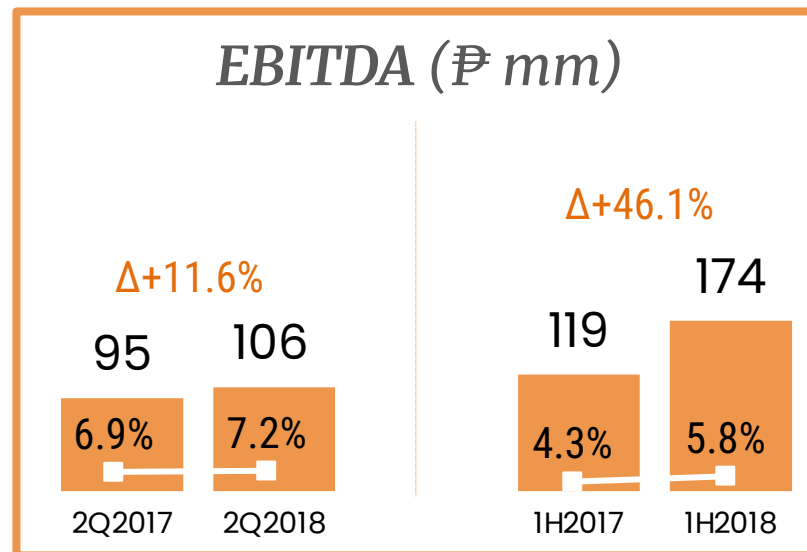
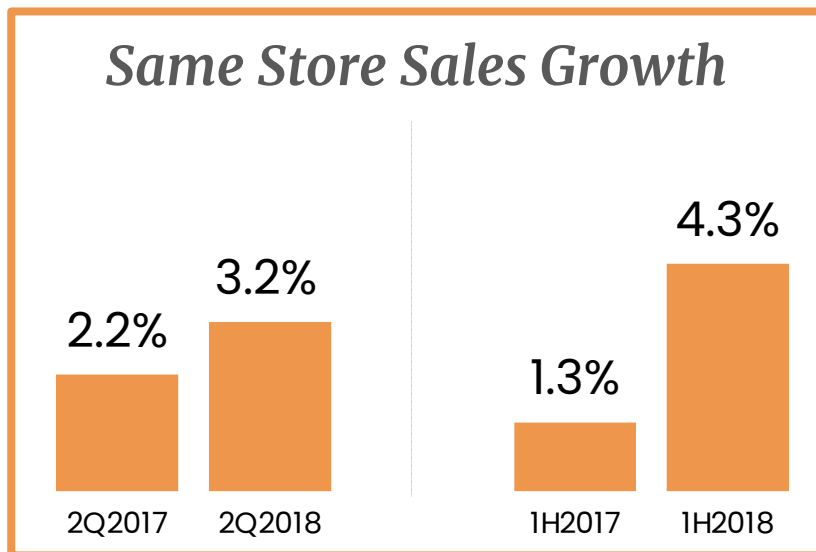
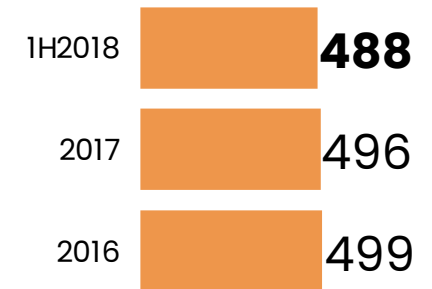
Double-digit sales growth equally due to healthy SSSG and sustained expansion;

Continued to benefit from the growing residential market

CONVENIENCE STORE BUSINESS SEGMENT



Store Count



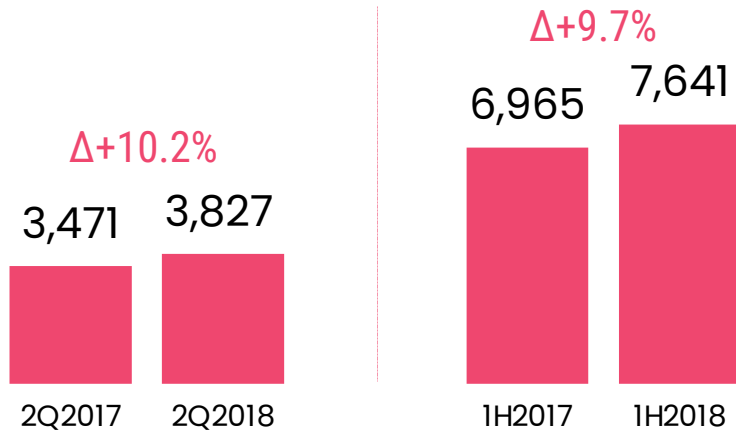
1H18 Highlights:

Increased in purchasing power drives growth;

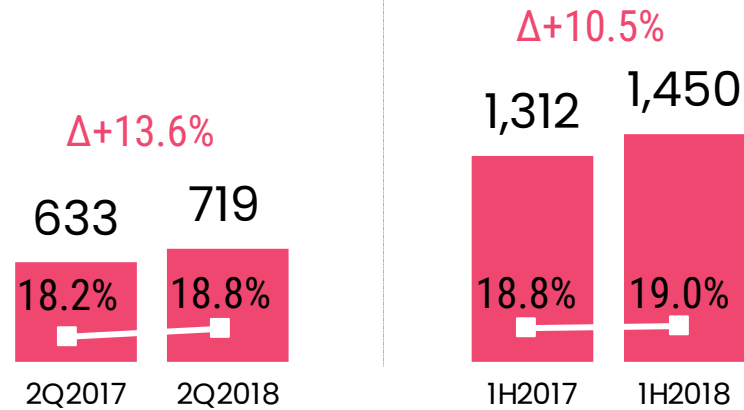
Ratio of franchised to company-managed stores is now at 45:55.

DRUGSTORE BUSINESS SEGMENT

Net Sales (₹ mm)



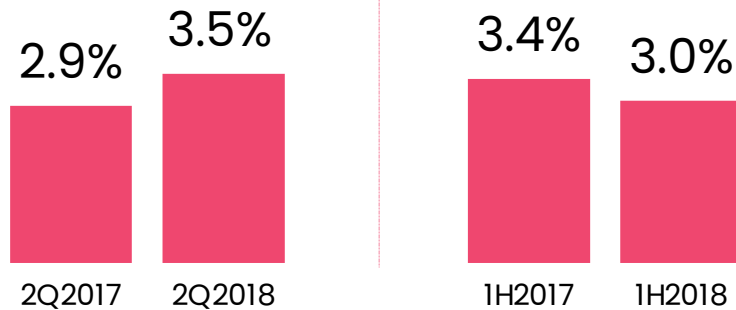
Gross Profit (₹ mm)



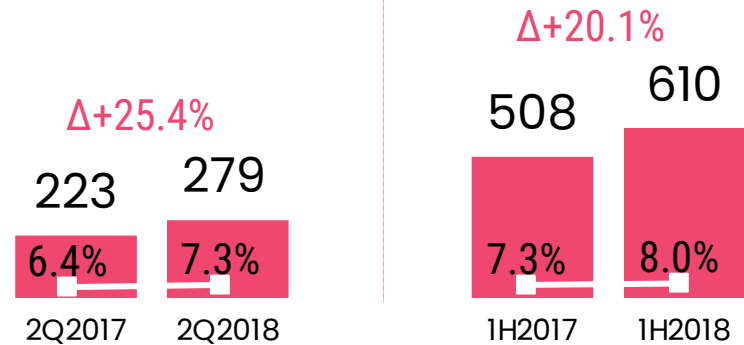
Store Count

| | | |
|--------|-----|-------|
| 1H2018 | 495 | 2,031 |
| 2017 | 484 | 2,015 |
| 2016 | 412 | 1,912 |

Same Store Sales Growth



EBITDA (₹ mm)



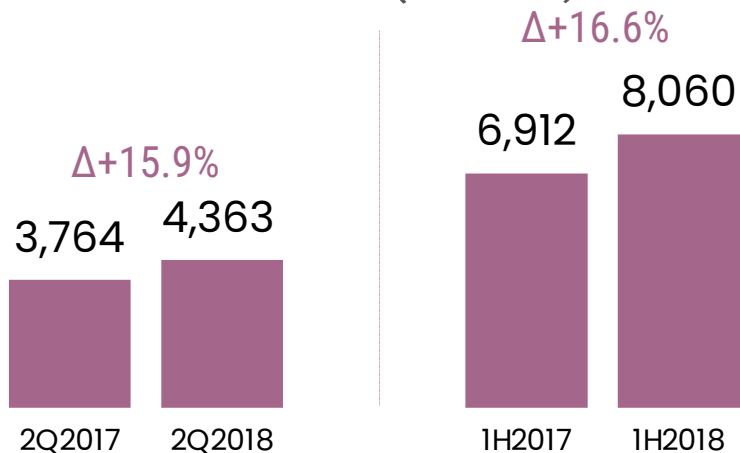
1H18 Highlights:

Increase in net sales propelled by new store openings and addition of The Generics Pharmacy;

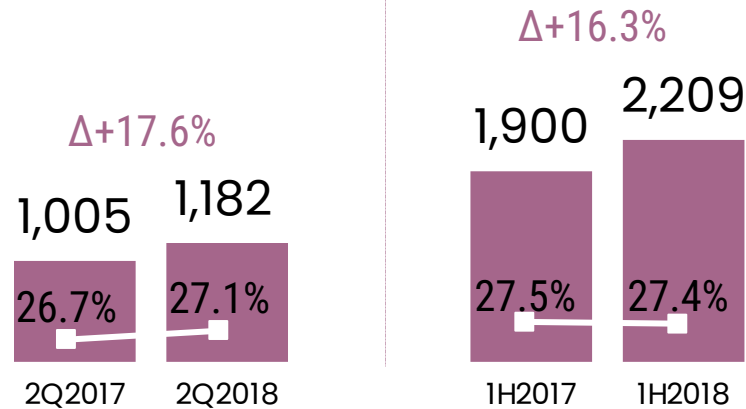
SSSG improved due to continuous efforts to address stock availability

SPECIALTY STORE BUSINESS SEGMENT

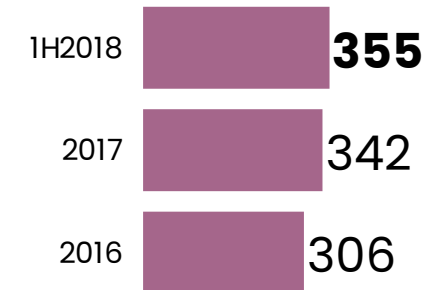
Net Sales (₹ mm)



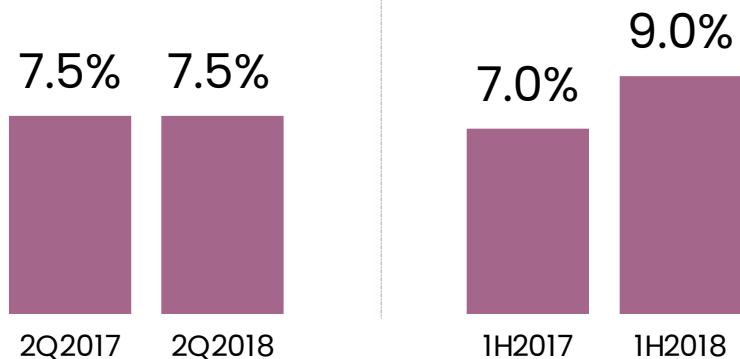
Gross Profit (₹ mm)



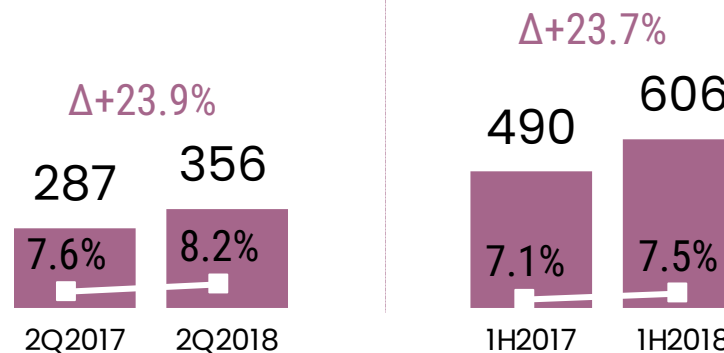
Store Count



Same Store Sales Growth



EBITDA (₹ mm)

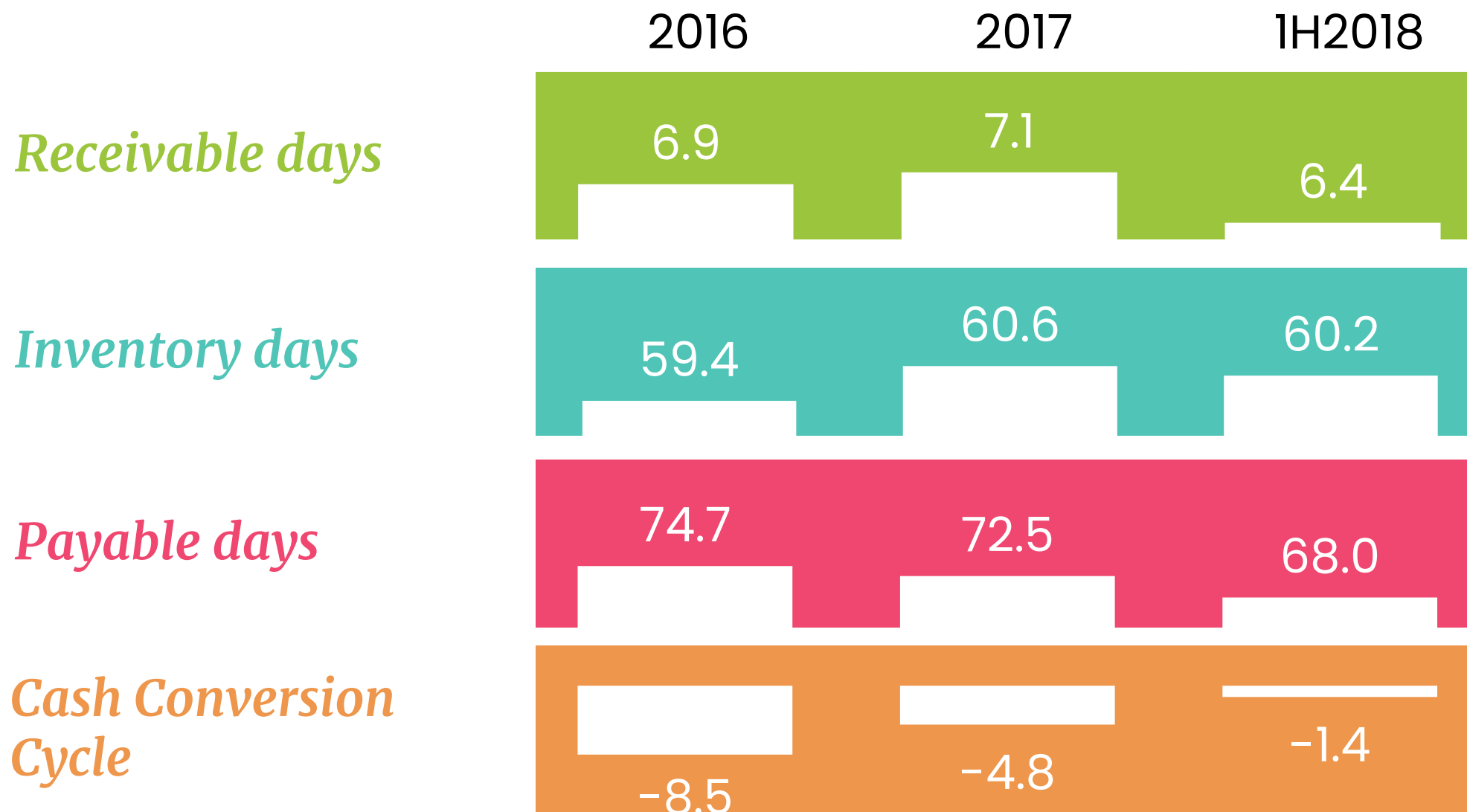


1H18 Highlights:

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

Strong SSSG driven by appliances, Daiso Japan, beauty and Costa Coffee











WORKING CAPITAL



CAPITAL EXPENDITURE

| | 2016 | 2017 | 1H2018 |
|------------------------------|-------|-------|--------------|
| <i>Supermarkets</i> | 26% | 41% | 57% |
| <i>Department stores</i> | 10% | 24% | 16% |
| <i>DIY Stores</i> | 7% | 11% | 11% |
| <i>Convenience Stores</i> | 4% | 4% | 2% |
| <i>Drugstores</i> | 43% | 8% | 4% |
| <i>Specialty Stores</i> | 10% | 12% | 10% |
| <i>Total CAPEX (in ₱ mm)</i> | 5,620 | 3,105 | 1,874 |
| <i>% of net sales</i> | 5.3% | 2.7% | 3.1% |

E-COMMERCE TIMELINE

| Launch | Brand | Platform |
|-----------|---|-----------|
| June 2018 | [W A R E H O U S E] | Zalora |
| May 2018 |  Robinsons Appliances | Shopee |
| Apr 2018 |  southstar drug ⁺ | honestbee |
| Apr 2018 |  Toys R Us | Lazada |
| Jan 2018 |  Robinsons Department Store | Lazada |
| Dec 2017 |  BEAUTY MNL (invested 20% stake) | BeautyMNL |
| Oct 2017 |  HANDYMAN  True Value | Lazada |
| May 2017 |  Robinsons Supermarket | honestbee |
| Apr 2017 | TOPSHOP TOPMAN BURTON MENSWEAR DOROTHY PERKINS L O N D O N | Zalora |
| Mar 2015 |  Robinsons Appliances  SAVERS APPLIANCES | Lazada |

OPENING OF PET LOVERS CENTRE

We are venturing into pet care retail through a franchise agreement with Pet Lovers Centre of Singapore



UPDATE ON THE ACQUISITION OF RUSTAN SUPERCENTERS, INC.





 **ROBINSONS
RETAIL
HOLDINGS, INC.**

THANK YOU!



INCOME STATEMENT (UNAUDITED)

| PHP mm | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|----------------------------|--------------|--------------------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| Sales - net of sales discounts and returns | 31,498 | 27,763 | 60,459 | 53,486 |
| Cost of merchandise sold | 24,376 | 21,537 | 46,852 | 41,541 |
| Gross Profit | 7,122 | 6,226 | 13,606 | 11,945 |
| Royalty, rent and other revenues | 605 | 602 | 1,175 | 1,114 |
| Gross profit including other revenue | 7,727 | 6,828 | 14,781 | 13,059 |
| Operating expenses | (5,975) | (5,271) | (11,754) | (10,343) |
| Earnings before interest and taxes | 1,752 | 1,557 | 3,027 | 2,715 |
| OTHER INCOME (CHARGES) | | | | |
| Interest income | 238 | 221 | 475 | 449 |
| Foreign currency exchange gain - net | 85 | 34 | 246 | 67 |
| Dividend income | 28 | 28 | 56 | 56 |
| Equity in net earnings of an associate | 42 | 40 | 81 | 65 |
| Interest expense | (29) | (29) | (55) | (72) |
| Others | (53) | - | (53) | - |
| | 312 | 294 | 749 | 564 |
| INCOME BEFORE INCOME TAX | 2,064 | 1,851 | 3,777 | 3,279 |
| Provision for income tax | 469 | 410 | 829 | 738 |
| NET INCOME | 1,595 | 1,441 | 2,948 | 2,542 |
| Net income attributable to: | | | | |
| Equity holders of the Parent Company | 1,410 | 1,286 | 2,622 | 2,282 |
| Non-controlling interest in consolidated subsidiaries | 185 | 155 | 326 | 260 |
| | 1,595 | 1,441 | 2,948 | 2,542 |
| Earnings Per Share | | | | |
| Basic | 1.02 | 0.93 | 1.89 | 1.65 |
| Weighted | 1.02 | 0.93 | 1.89 | 1.65 |
| 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 2018 | December 31 2017 |
|--|-----------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 10,897 | 14,565 |
| Trade and other receivables | 2,127 | 2,235 |
| Merchandise inventories | 15,592 | 14,847 |
| Other current assets | 2,468 | 2,424 |
| Total Current Assets | 31,084 | 34,070 |
| Noncurrent assets | | |
| Available-for-sale (AFS) financial assets | 20,274 | 20,667 |
| Property and equipment | 14,404 | 13,601 |
| Investment in associates | 5,451 | 5,272 |
| Other noncurrent assets | 8,612 | 8,571 |
| Total Noncurrent Assets | 48,740 | 48,111 |
| Total Assets | 79,824 | 82,181 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Trade and other payables | 17,598 | 17,774 |
| Short-term loans payable | 3,255 | 6,378 |
| Other current liabilities | 696 | 1,204 |
| Total Current Liabilities | 21,549 | 25,356 |
| Total Noncurrent Liabilities | 1,659 | 1,558 |
| Total Liabilities | 23,208 | 26,914 |
| Equity | | |
| Capital stock | 1,385 | 1,385 |
| Additional paid-in capital | 27,227 | 27,227 |
| Equity reserve | (1,022) | (1,022) |
| Retained earnings | 25,278 | 23,653 |
| Others | (210) | 290 |
| Total equity attributable to equity holders | 52,658 | 51,533 |
| Non-controlling interest in consolidated | 3,958 | 3,733 |
| Total Equity | 56,616 | 55,267 |
| Total Liabilities and Equity | 79,824 | 82,181 |

CASH FLOW STATEMENT (UNAUDITED)

| PHP mm | Six Months Ended June 30 | | Years Ended December 31 | |
|---|--------------------------|----------------|-------------------------|----------------|
| | 2018 | 2017 | 2017 | 2016 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Income before income tax | 3,777 | 3,279 | 7,303 | 6,667 |
| Adjustments for: | | | | |
| Depreciation and amortization | 1,111 | 989 | 2,073 | 2,038 |
| Retirement expense | 77 | 62 | 171 | 117 |
| Interest expense | 55 | 72 | 127 | 87 |
| Equity in net earnings in associates | (81) | (65) | (124) | (103) |
| Dividend income | (56) | (56) | (112) | (112) |
| Interest income | (475) | (449) | (873) | (827) |
| Others | (191) | (67) | 10 | (160) |
| Operating income before working capital changes | 4,218 | 3,766 | 8,575 | 7,707 |
| Working capital changes | (2,066) | (4,085) | (740) | (1,098) |
| Interest received | 792 | 450 | 864 | 962 |
| Retirement | — | — | (239) | (9) |
| Income tax paid | (1,375) | (1,043) | (1,657) | (1,393) |
| Net cash flows generated from (used in) operations | 1,569 | (911) | 6,804 | 6,169 |
| Investment in associate | | | | |
| AFS investments | (63) | (37) | (267) | (531) |
| Property and equipment | (1,874) | (1,352) | (3,105) | (3,244) |
| Acquisition through business combination | — | — | — | (2,180) |
| Others | (6) | (36) | (141) | 30 |
| Net cash flows used in investing activities | (1,943) | (1,425) | (3,512) | (5,924) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Availment of loans | 738 | 250 | 3,725 | 4,398 |
| Payment of loans | (3,861) | (3,085) | (3,923) | (667) |
| Dividends paid | (116) | — | (1,624) | (936) |
| Others | (55) | 418 | 363 | (87) |
| Net cash flows used in financing activities | (3,294) | (2,417) | (1,459) | 2,709 |
| Effect of forex on cash and cash equivalents | | | 14 | 8 |
| Net increase (decrease) in cash and cash equivalents | (3,668) | (4,754) | 1,847 | 2,961 |
| Cash and cash equivalents at beginning of year | 14,565 | 12,718 | 12,718 | 9,757 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 10,897 | 7,964 | 14,565 | 12,718 |