



**ROBINSONS  
RETAIL**  
HOLDINGS, INC.



# 9M 2013 Earnings Presentation

November 2013

# Agenda



Results Highlights

Store Network

Consolidated Results

Business Segments

Working Capital

Capital Expenditure

Recent Developments &  
Plans and Prospects

# Results Highlights

1  
982 store network nationwide

2  
19.6% yoy increase in consolidated net sales

3  
Resilient same store sales growth of 2.1%

4  
210 bps yoy improvement in gross profit margin to 21.1%

5  
EBITDA margin expansion from 5.2% LY to 7.5% TY

6  
128.5% jump in net profit

7  
Acquisition of Eurogrocer Corp.

## Store Network

	2011	2012	<i>Inc.</i>	9M 2012	9M 2013	<i>Inc.</i>
Supermarkets	62	74	12	69	84	15
Department Stores	33	36	3	36	36	0
DIY Stores	92	111	19	103	119	16
Convenience Stores	326	336	10	326	354	28
Drug Stores*		218	218	210	228	18
Specialty Stores	118	137	19	127	161	34
<b>Total</b>	<b>631</b>	<b>912</b>	<b>281</b>	<b>871</b>	<b>982</b>	<b>111</b>

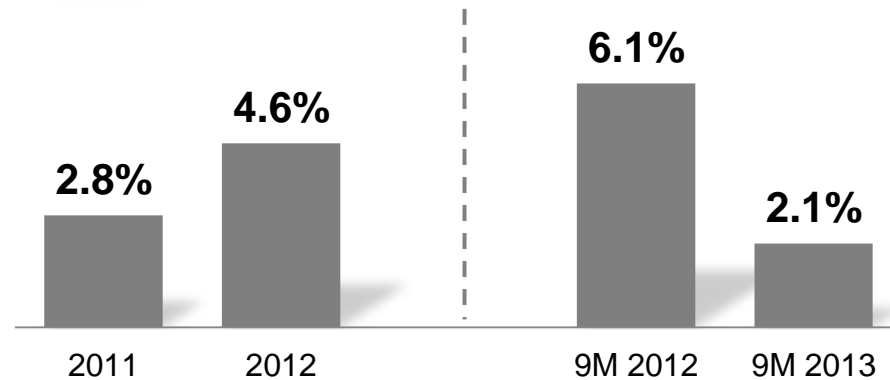
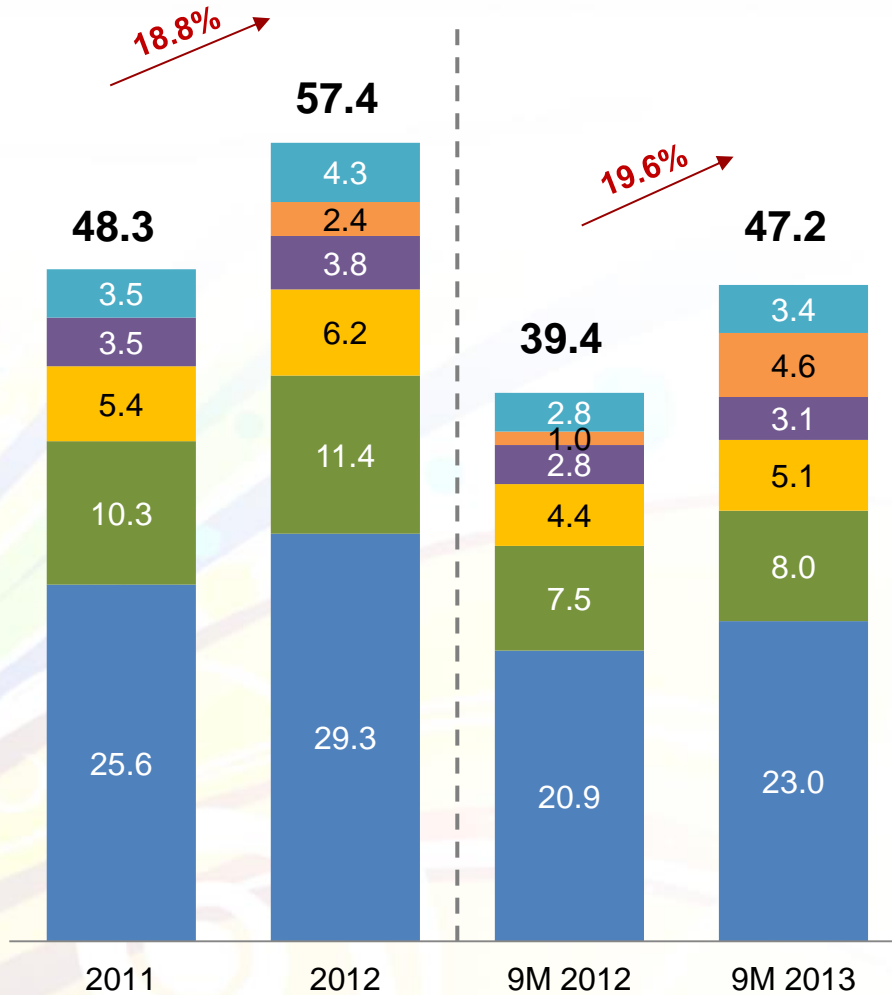
- **982** nationwide store network and **increasing**
- **111** yoy net store openings
- **45%** in Metro Manila, another **45%** located in Luzon (outside Metro Manila), with the balance situated in the Visayas and Mindanao regions
- **19% located inside RLC malls**



# Robinsons Retail Holdings, Inc.

## Net Sales<sup>1</sup> (PHP bn)

## SSSG (%)



- 19.6% yoy growth in net sales largely driven by the increase in sales from **111 new stores (8.5%)** and acquisition of **South Star Drug and Eurogrocer (9.0%)**
- **Resilient SSSG** of 2.1%

■ Supermarkets

■ Department stores

■ DIY stores

■ Convenience stores<sup>2</sup>

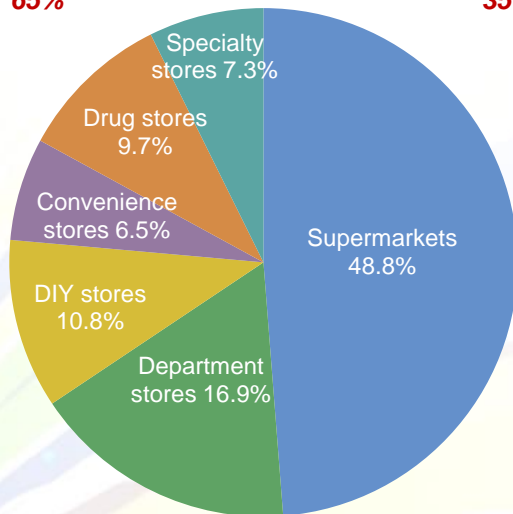
■ Drug stores

# Robinsons Retail Holdings, Inc.

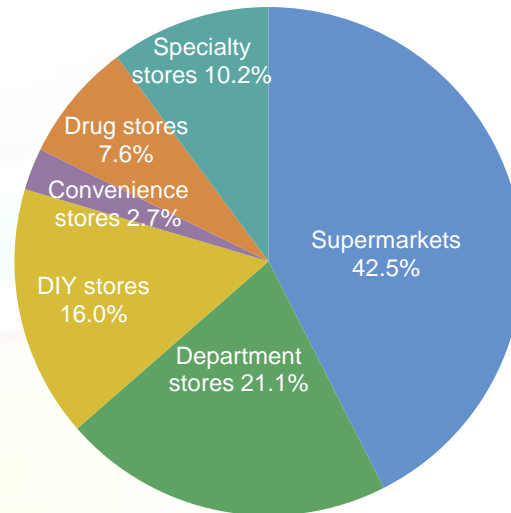
## Net Sales Breakdown

**Non-discretionary Retailing**  
65%

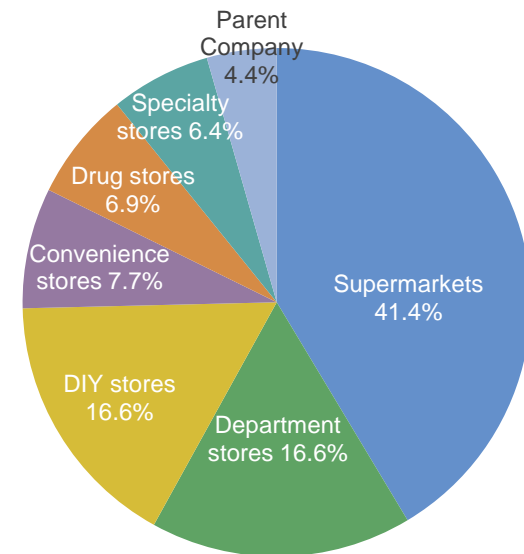
**Discretionary Retailing**  
35%



## Gross Profit Breakdown



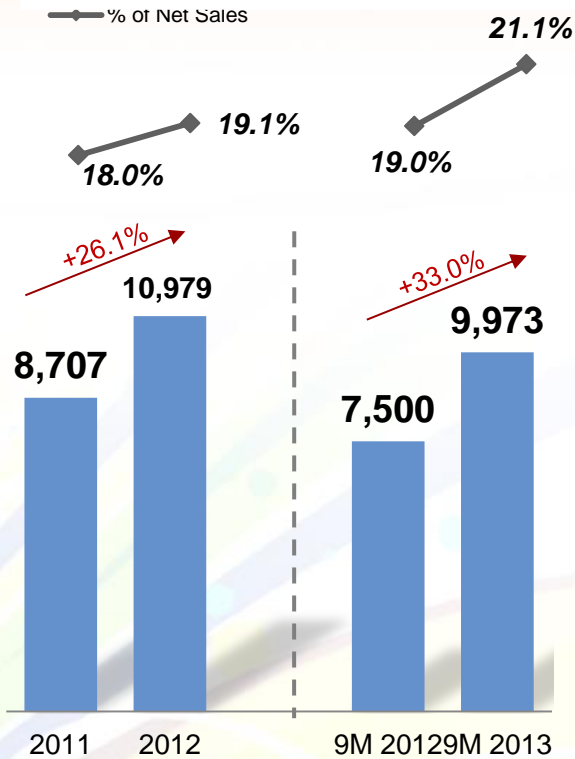
## EBITDA Breakdown



- **65%** of consolidated sales from **non-discretionary retail businesses**
- **SSD eating a bigger share** of the earnings in 2013 due to **full 9M contribution**

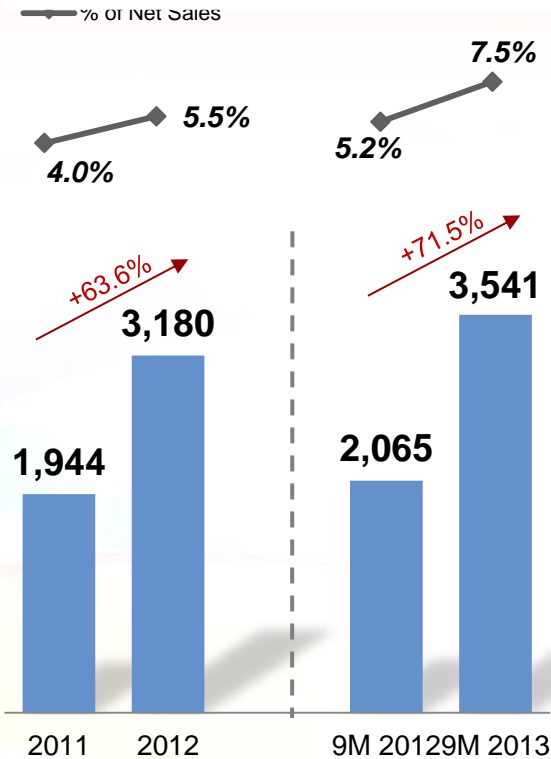
# Robinsons Retail Holdings, Inc.

## Gross profit<sup>1</sup> (PHP mm)



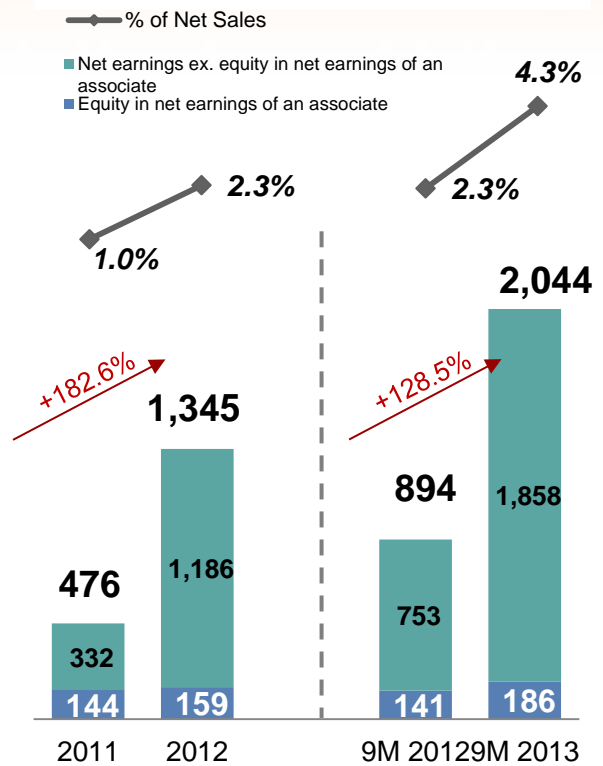
- Continuous **gross margin improvements** driven by **supplier supports** and others
- **Strong gross margin improvement** from 19.0% in 9M2012 to 21.1% in 9M2013

## EBITDA<sup>2</sup> (PHP mm)



- Operating expenses as a % of net sales **remained stable** at 16%
- **EBITDA margin increased** from 5.2% in 9M2012 to 7.5% in 9M2013

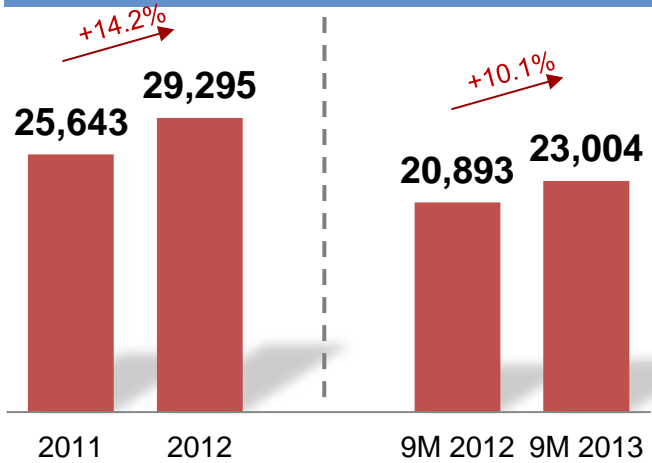
## Net income (PHP mm)



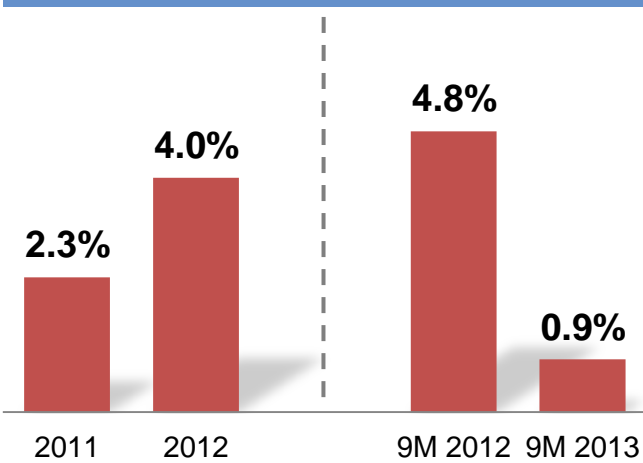
- Net margin expanded across all segments

# Supermarket Business Segment

**Net Sales (PHP mm)**

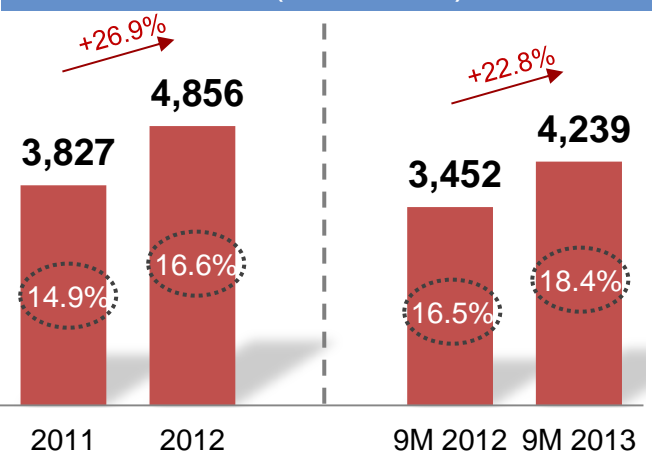


**SSSG (%)**

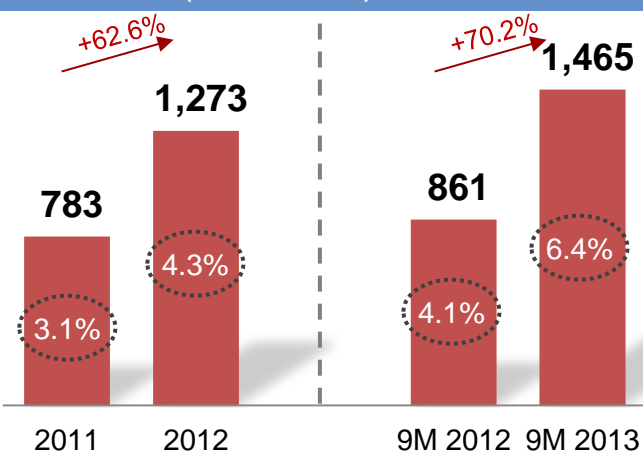


- 48.8% of consolidated net sales
- 10.1% net sales growth driven by new store openings
- Flattish SSSG on intense competition, coupled with deflationary trend of prices in key commodities
- 84 stores as of September 2013; up 15 stores yoy

**Gross Profit (PHP mm)**



**EBITDA (PHP mm)**

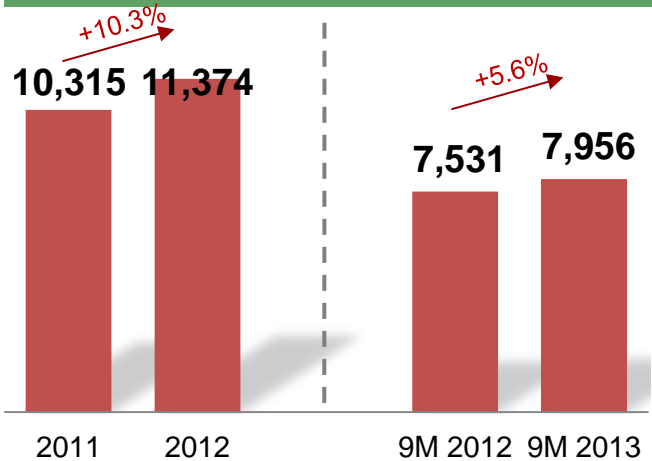


○ = % of net sales

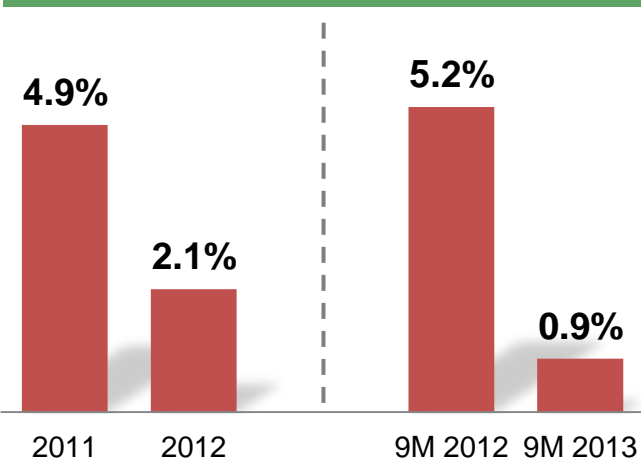


# Department Store Business Segment

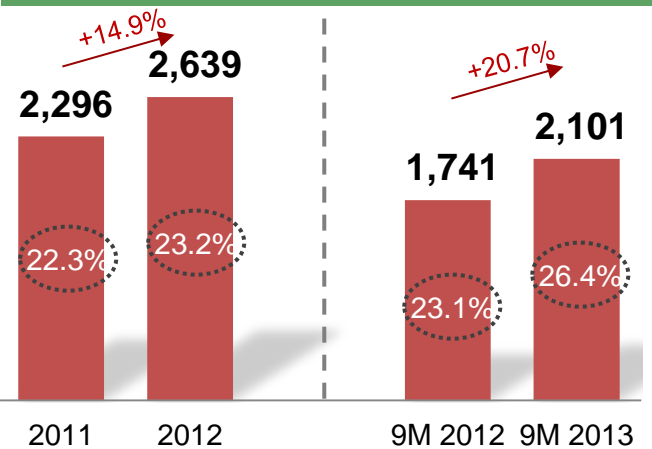
## Net Sales (PHP mm)



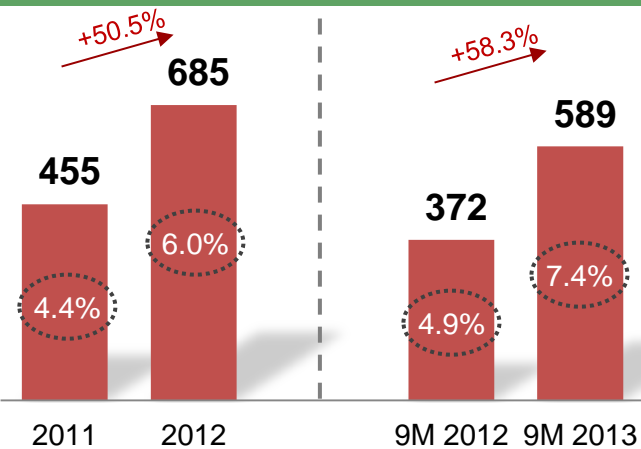
## SSSG (%)



## Gross Profit (PHP mm)



## EBITDA (PHP mm)

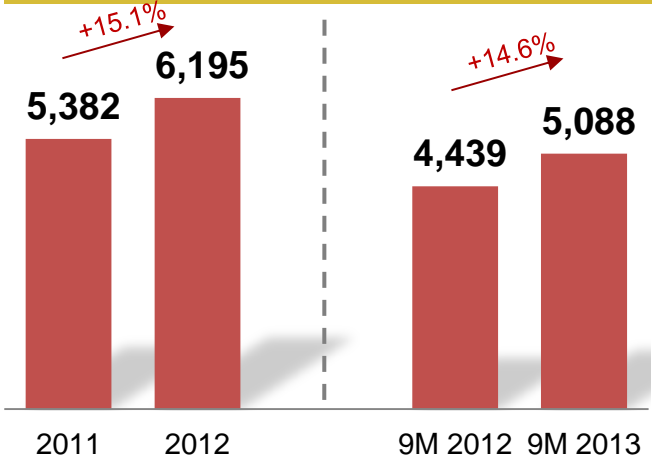


- **16.9%** of consolidated net sales
- **Flattish SSSG** due to new malls and new stores of competitors, aggravated by more payday weekends LY and torrential rains this quarter
- **36 stores** as of September 2013

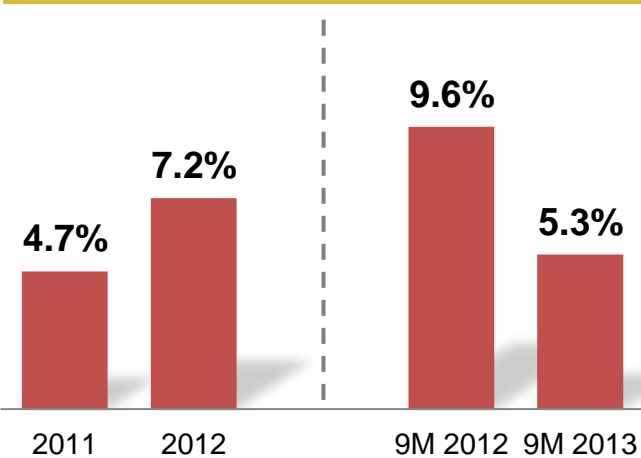
○ = % of net sales

# DIY Store Business Segment

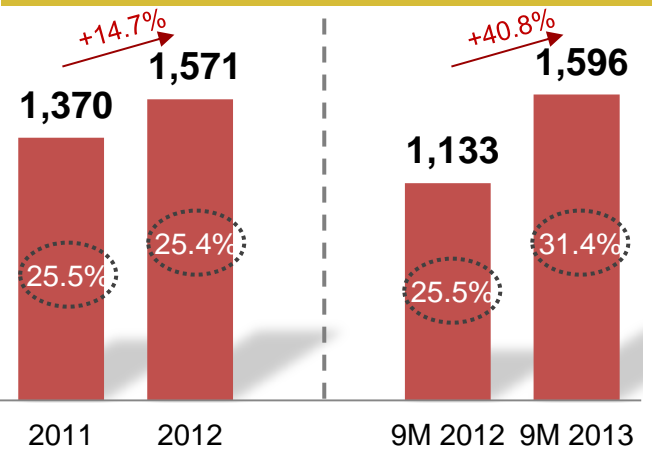
## Net Sales (PHP mm)



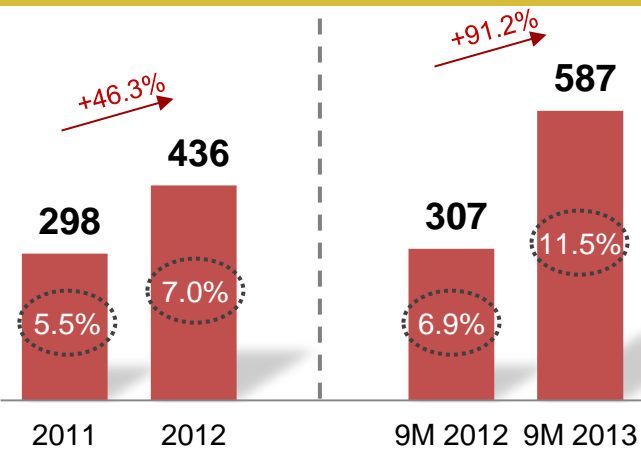
## SSSG (%)



## Gross Profit (PHP mm)



## EBITDA (PHP mm)

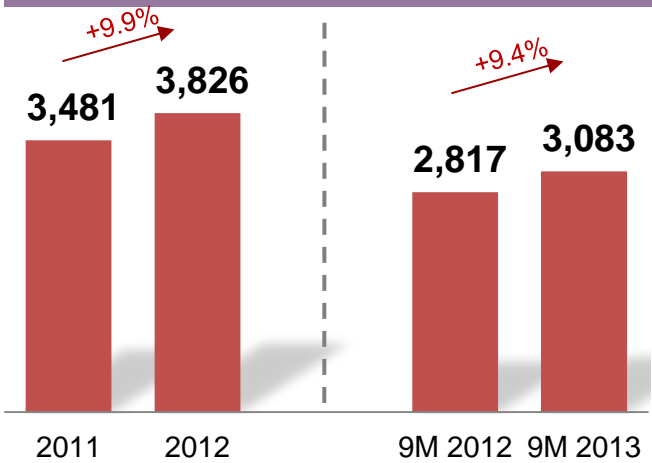


- 10.8% of consolidated net sales
- 14.6% net sales growth attributed to **relatively strong SSSG** and sales contribution from **new stores**
- **Lower SSSG** of 5.3% vs 2012 due to torrential rains and renovation of key stores and
- **119 stores** as of September 2013 ; up 16 stores yoy

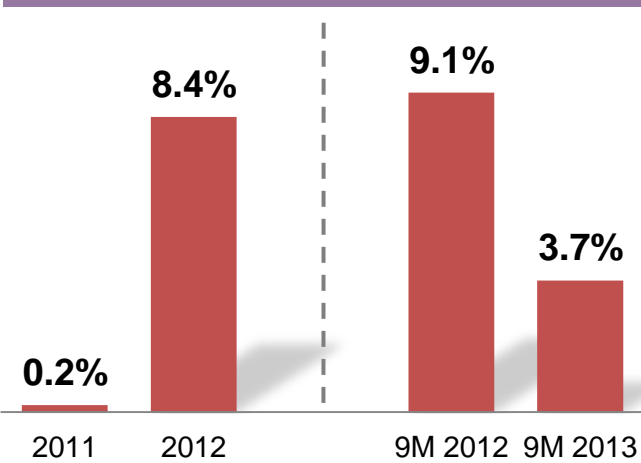
○ = % of net sales

# Convenience Store Business Segment

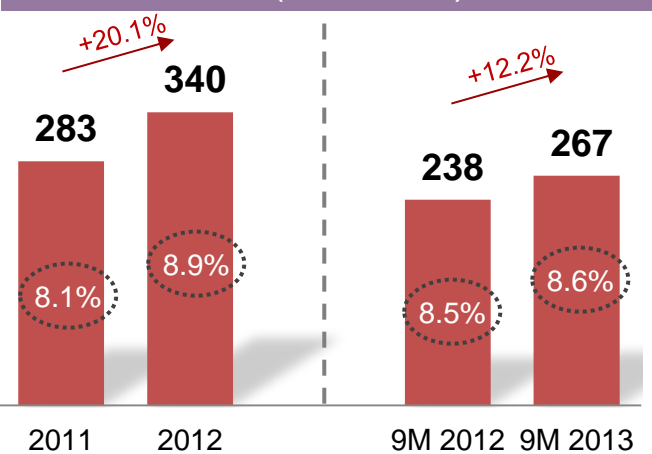
**Net Sales (PHP mm)**



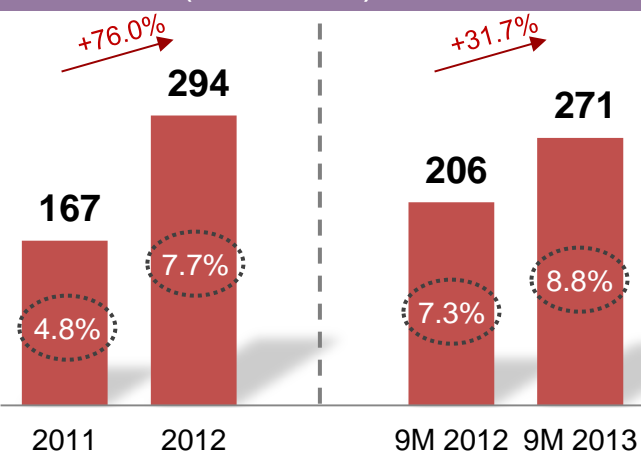
**SSSG (%)**



**Gross Profit (PHP mm)**



**EBITDA (PHP mm)**

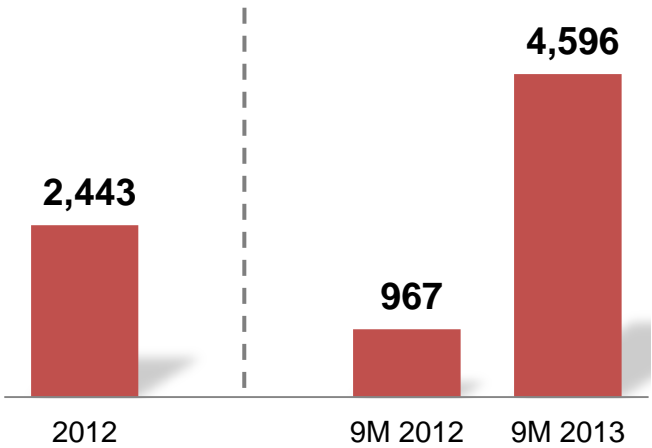


- 6.5% of consolidated net sales
- 9.4% net sales growth attributed to **sales contribution from new stores**
- SSSG drop due to holidays/ long weekends and torrential rains/ inclement weather
- **354 stores** as of September 2013; up 28 stores yoy

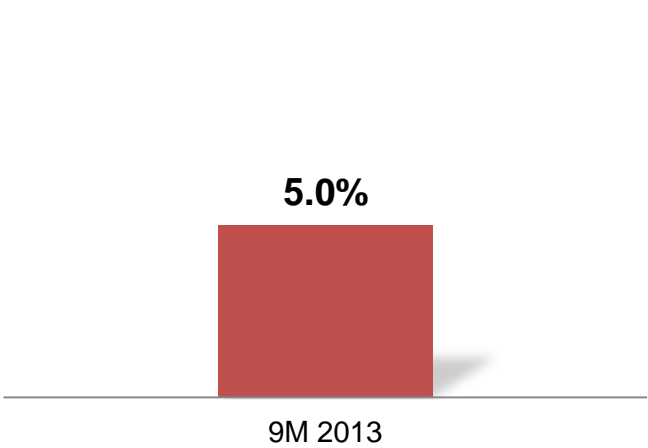
○ = % of net sales

# Drug Store Business Segment

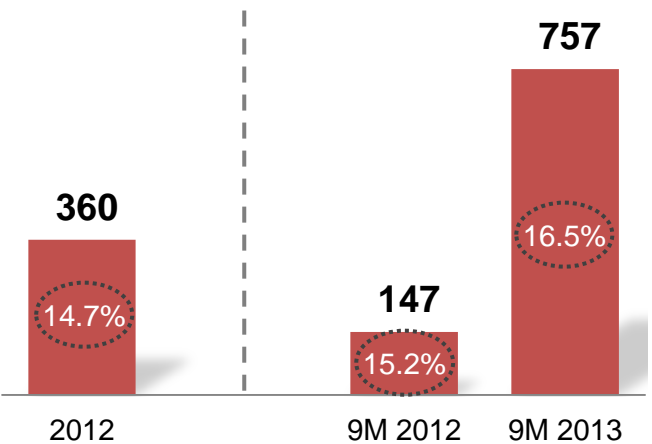
**Net Sales (PHP mm)**



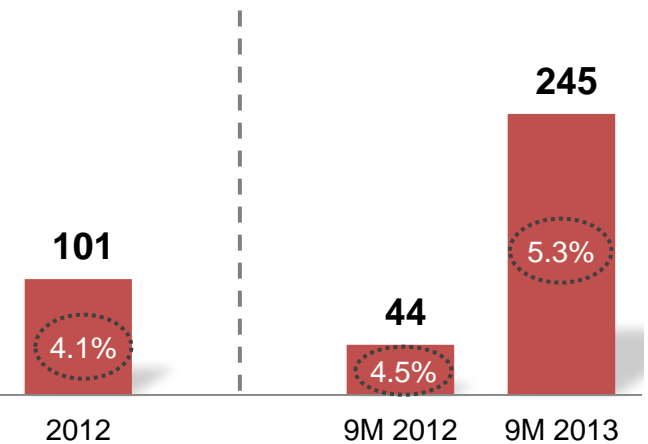
**SSSG (%)**



**Gross Profit (PHP mm)**



**EBITDA (PHP mm)**

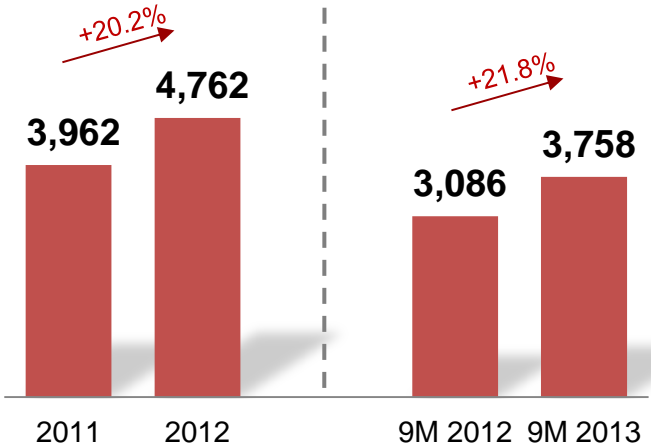


- South Star Drug was only acquired in July 2012 and consolidated into Robinsons Retail beginning Aug 2012
- 9.7% of consolidated net sales
- 228 stores as of September 2013; up 18 stores yoy

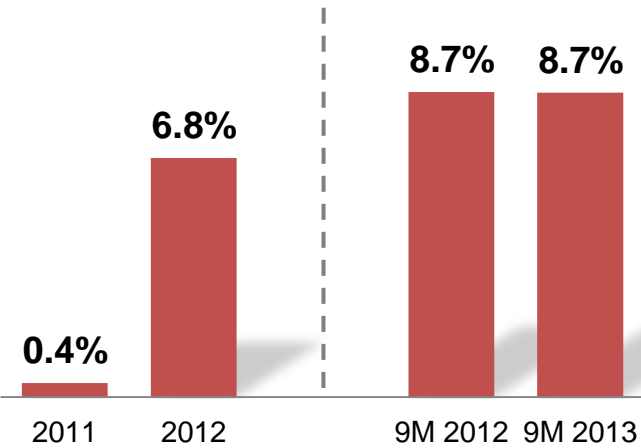
○ = % of net sales

# Specialty Store Business Segment

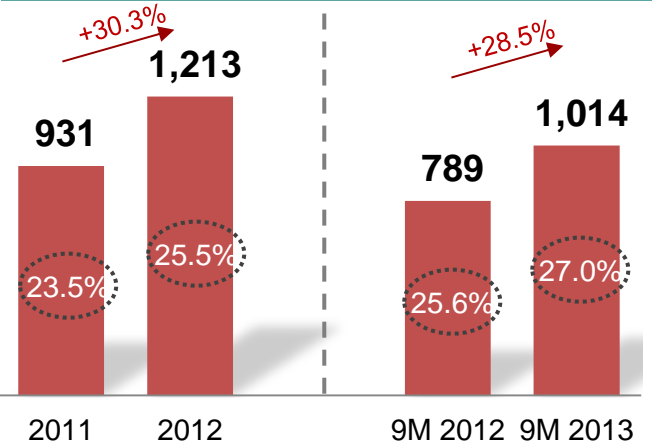
## Net Sales<sup>1</sup> (PHP mm)



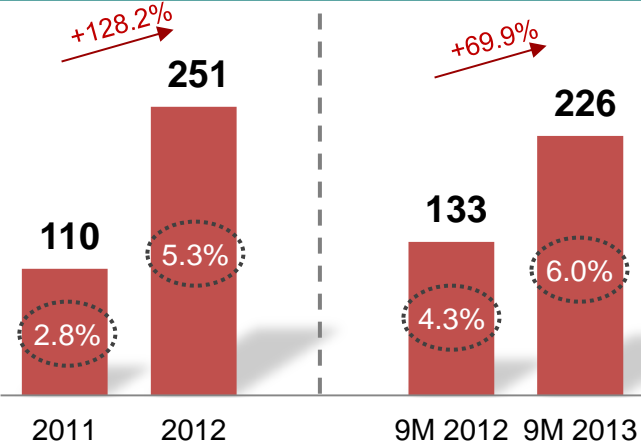
## SSSG (%)



## Gross Profit (PHP mm)



## EBITDA (PHP mm)



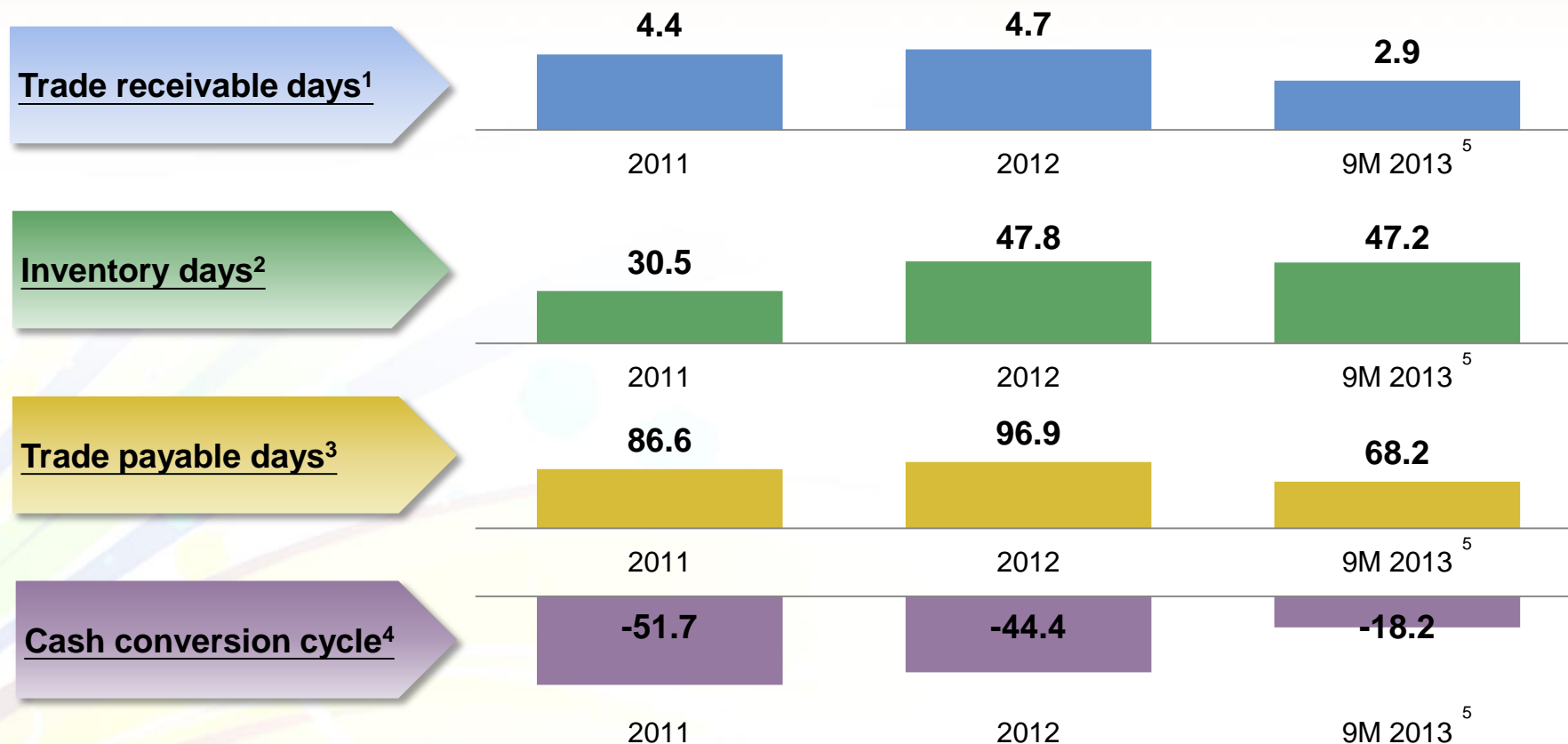
- 8.0% of consolidated net sales<sup>1</sup>
- 21.8% net sales growth largely on **Robinsons Appliances'** robust sales performance
- **Stable SSSG** due to RApp's 16.6% SSSG brought by higher sales volume of high-end products
- **161 stores** as of September 2013; up 34 stores yoy

○ = % of net sales



# Working capital

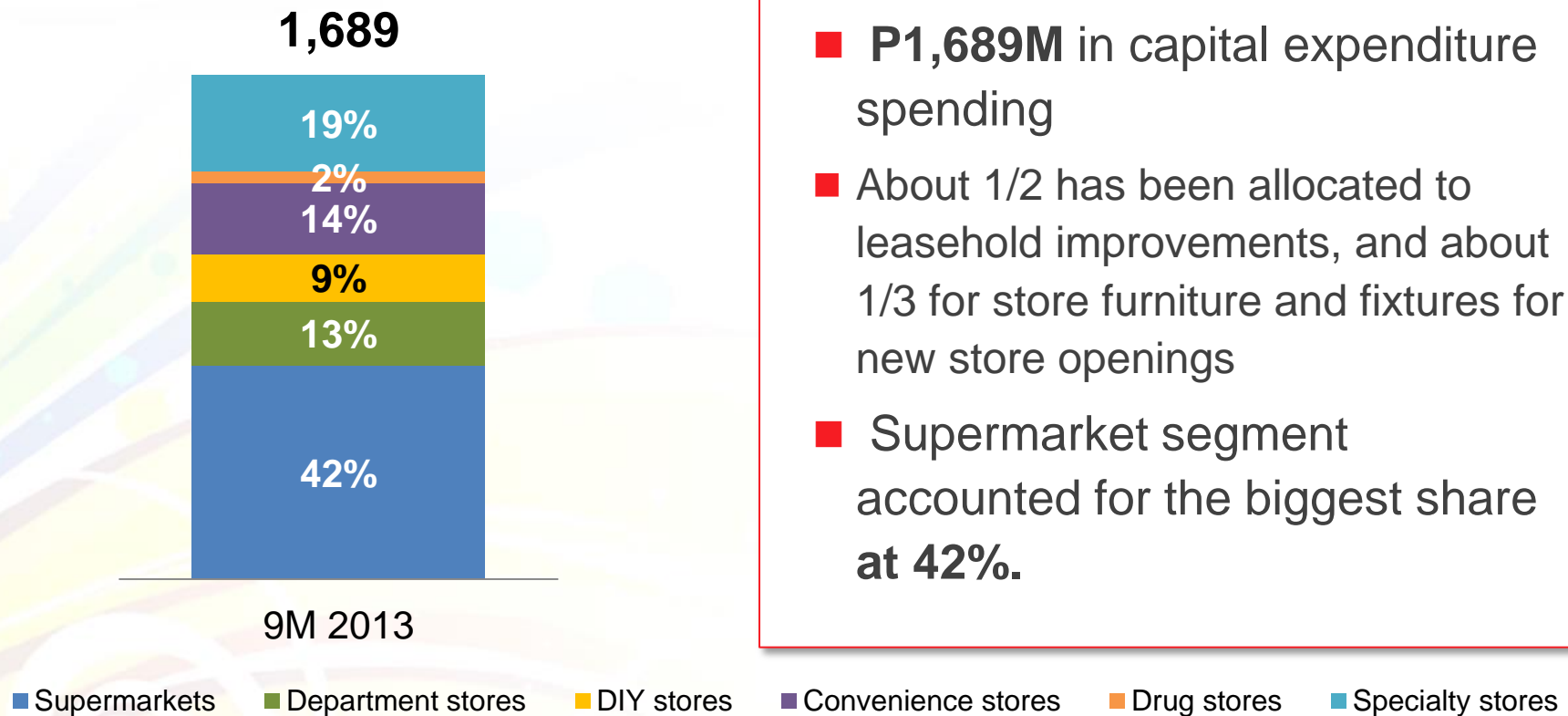
## Working capital days trend



- Proactive and efficient working capital management
- Increase in 2012 inventory days due to the consolidation of South Star Drug in July 2012
- Higher inventory days for 9M 2013 due to inventory build up for the holiday season

# Capital expenditure

## Capital expenditure breakdown (PHP mm)<sup>1</sup>



<sup>1</sup> Capital expenditure includes expenses on leasehold improvements, store and furniture fixtures, office furniture and fixtures, transportation equipment, building and other equipment and computer equipment

## Recent Developments & Plans and Prospects

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Fire at RDS store in Robinsons Galleria

Typhoon Haiyan

### Eurogrocer Acquisition



- ❑ **RSC acquired 100% ownership in Eurogrocer Corp. for P290M**
  - In 2012, Eurogrocer generated net sales of approx. **P750M**
  - **Additional 6 supermarket stores** to our store portfolio
    - **2 EZ Supermarket** and **4 EZ Mart stores** in Tarlac, Northern Luzon
    - Total net selling space (NSA): **4,800 sqm** (3% of RSC's total NSA)
    - Brings supermarket store count in N. Luzon to **20** (24% of total)

### Other business segments' plans and prospects