



9M2016 ***Unaudited Earnings*** ***Presentation***

November 16, 2016



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



9M2016 Unaudited Results Highlights

1
**Robust
Blended
SSSG of
7.5%**

2
**1,541
stores plus
1,864 TGP
branches
nationwide**

3
**9.2% yoy
increase in
gross floor
area
(excl. TGP)**

4
**16.6%
yoy lift in
consolidated
net sales**

5
**10bps
expansion
in EBITDA
margin**

6
**17.1% yoy
increase in
Core Net
income**



Nationwide Presence

1,541 stores
 Plus **1,864 TGP branches**
Nationwide

Metro Manila

Business segment	# of stores
Supermarkets	42
Department stores	12
DIY stores	49
Convenience stores	321
Drug stores*	82
Specialty stores	125
Total	631

*excludes 474 TGP stores in MM

Visayas

Business segment	# of stores
Supermarkets	19
Department stores	8
DIY stores	38
Convenience stores	28
Drug stores*	35
Specialty stores	41
Total	169

*excludes 256 TGP stores in Visayas

Luzon²

Business segment	# of stores
Supermarkets	59
Department stores	17
DIY stores	70
Convenience stores	151
Drug stores*	260
Specialty stores	106
Total	663

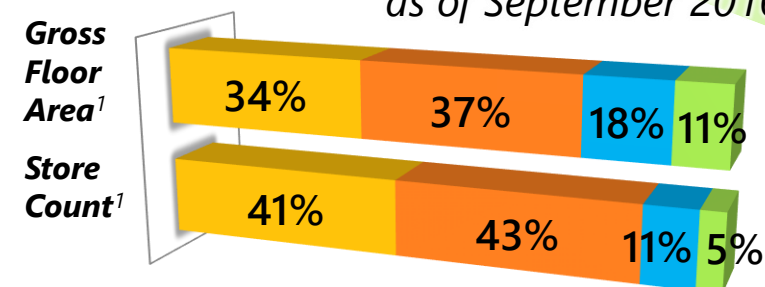
*excludes 968 TGP stores in Luzon

Mindanao

Business segment	# of stores
Supermarkets	11
Department stores	6
DIY stores	18
Convenience stores	0
Drug stores*	18
Specialty stores	25
Total	78

*excludes 180 TGP stores in Mindanao

with gross floor area of
1,025,000 sqm¹
 as of September 2016

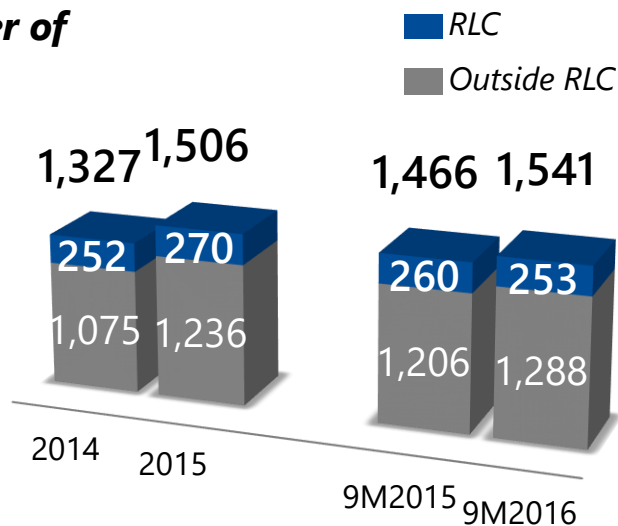


■ Metro Manila ■ Luzon ■ Visayas ■ Mindanao

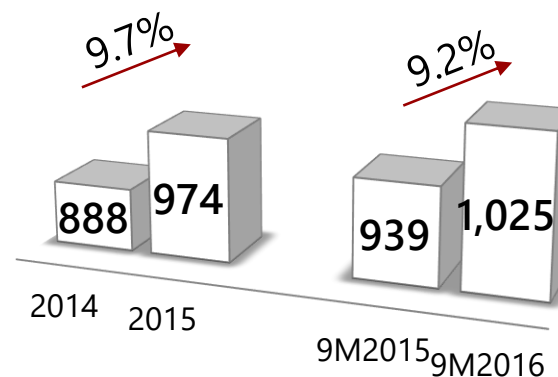
¹ excluding TGP; ² Outside of Metro Manila

9M2016 Stores and Gross Floor Area Statistics¹

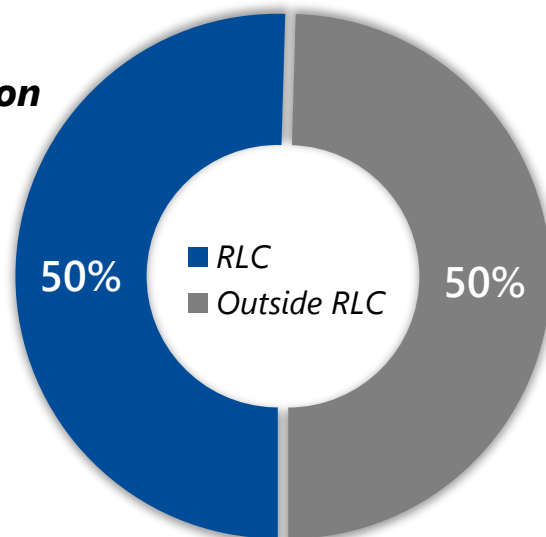
Number of Stores



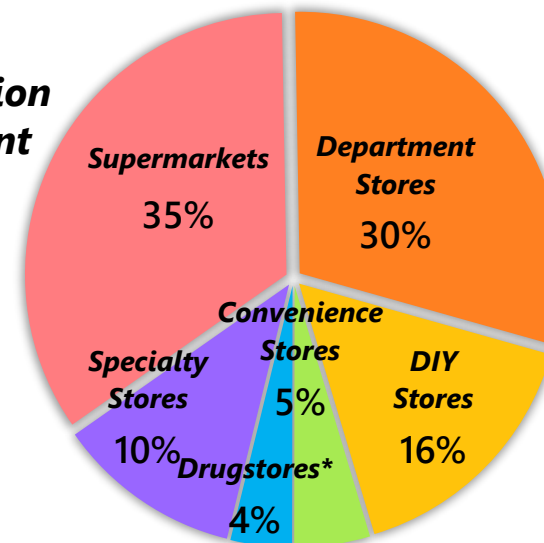
Gross Floor Area (GFA) (in '000 sqm)



GFA Contribution by Lessor (%)



GFA Contribution by Segment (%)

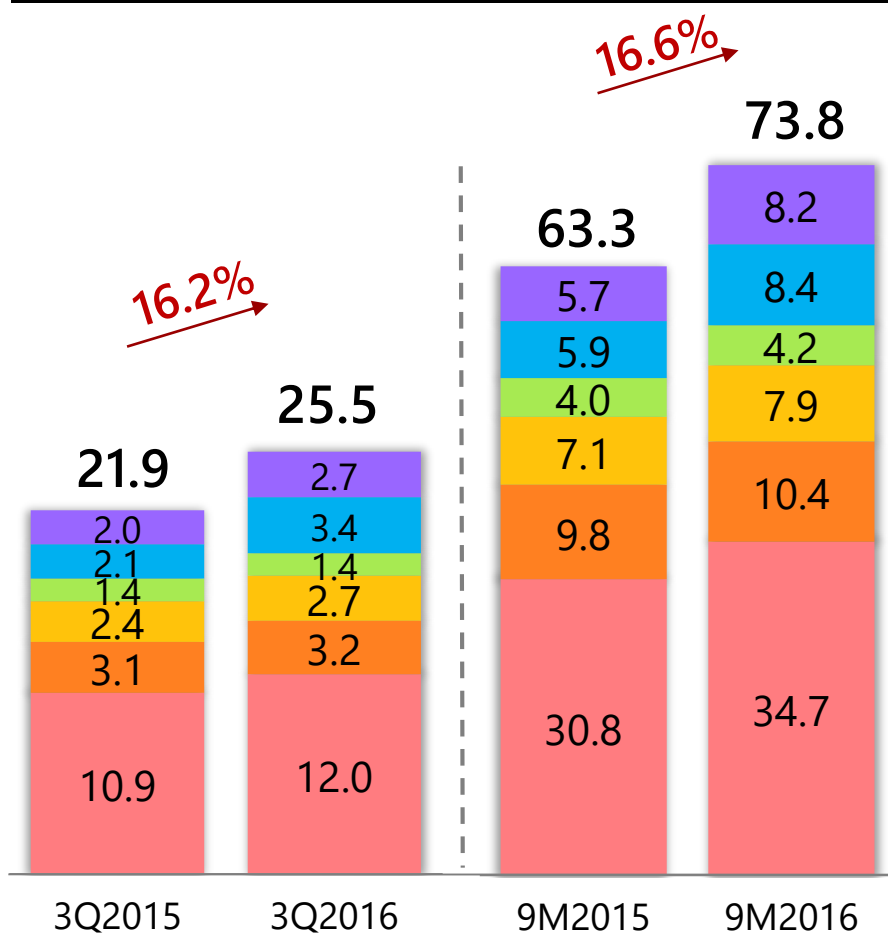


¹ excluding TGP stores (1,878 branches)

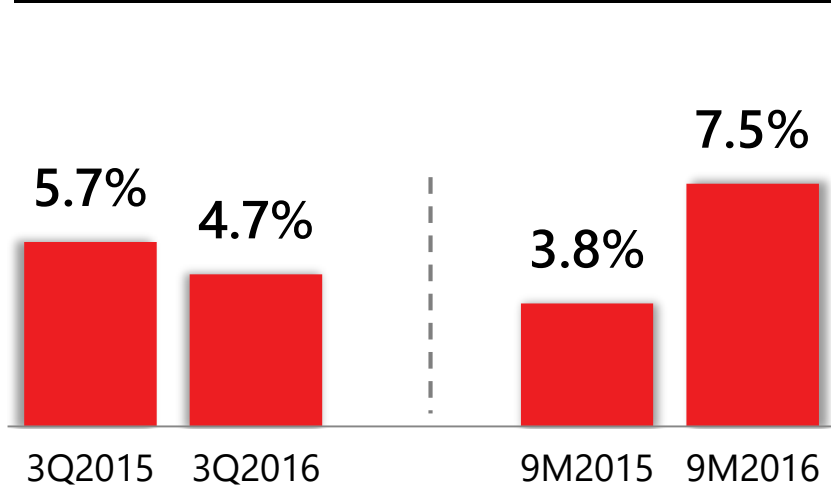


Consolidated Results

Net Sales¹ (₱ bn)



SSSG (%)



❖ **16.6% yoy net sales growth in 9M2016:**

- 9.1% from new stores
- 7.5% from SSSG

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

¹ Net sales after intersegment eliminating adjustments



9M2016 Contribution Per Segment

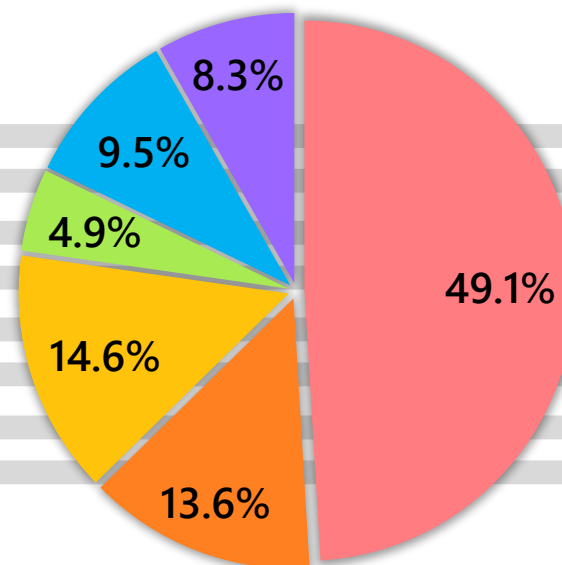
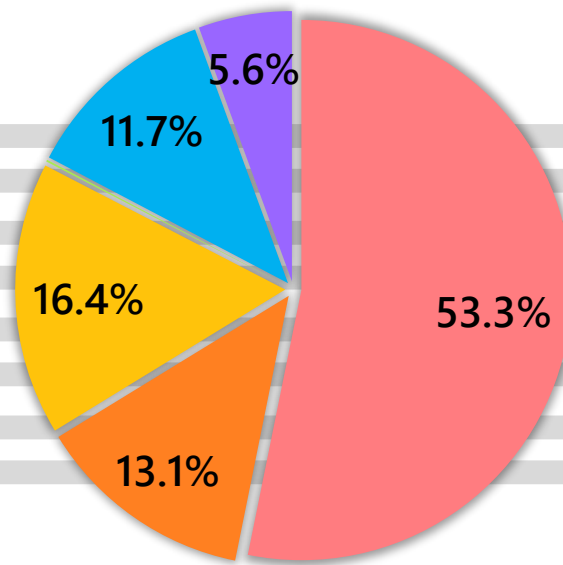
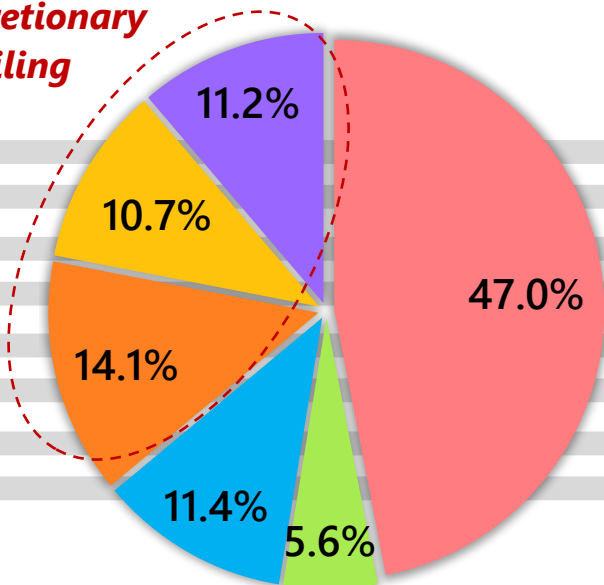


Net Sales Breakdown

EBIT Breakdown

EBITDA Breakdown

Discretionary Retailing
36%



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

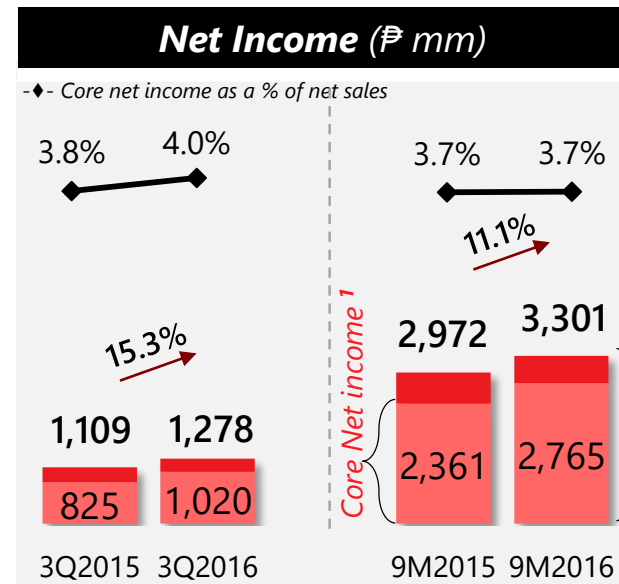
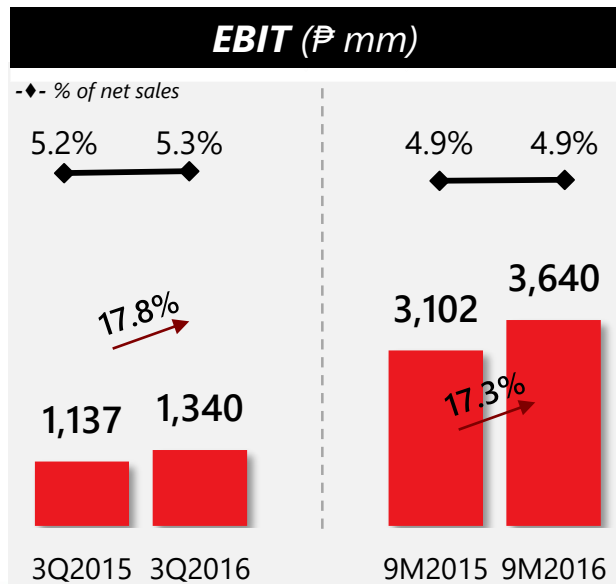
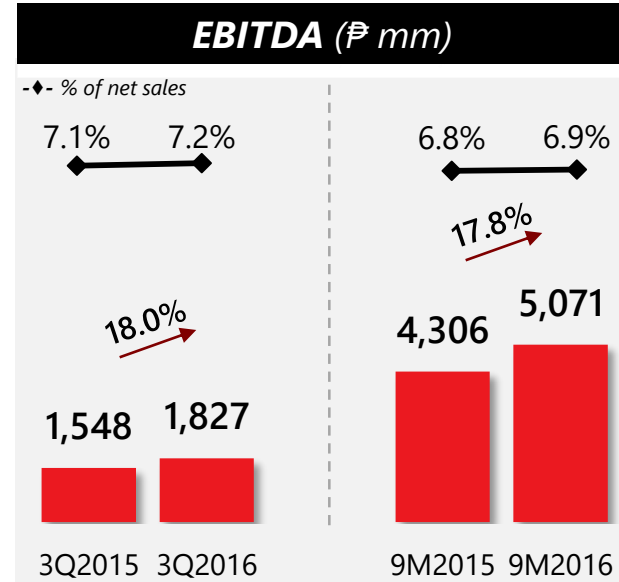
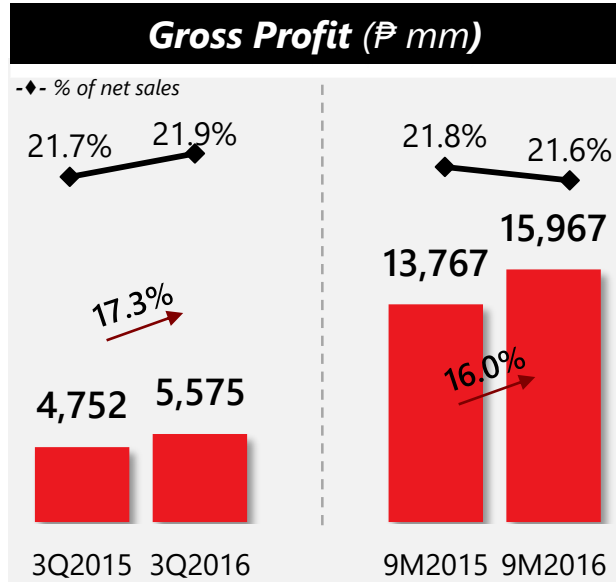


Consolidated Results



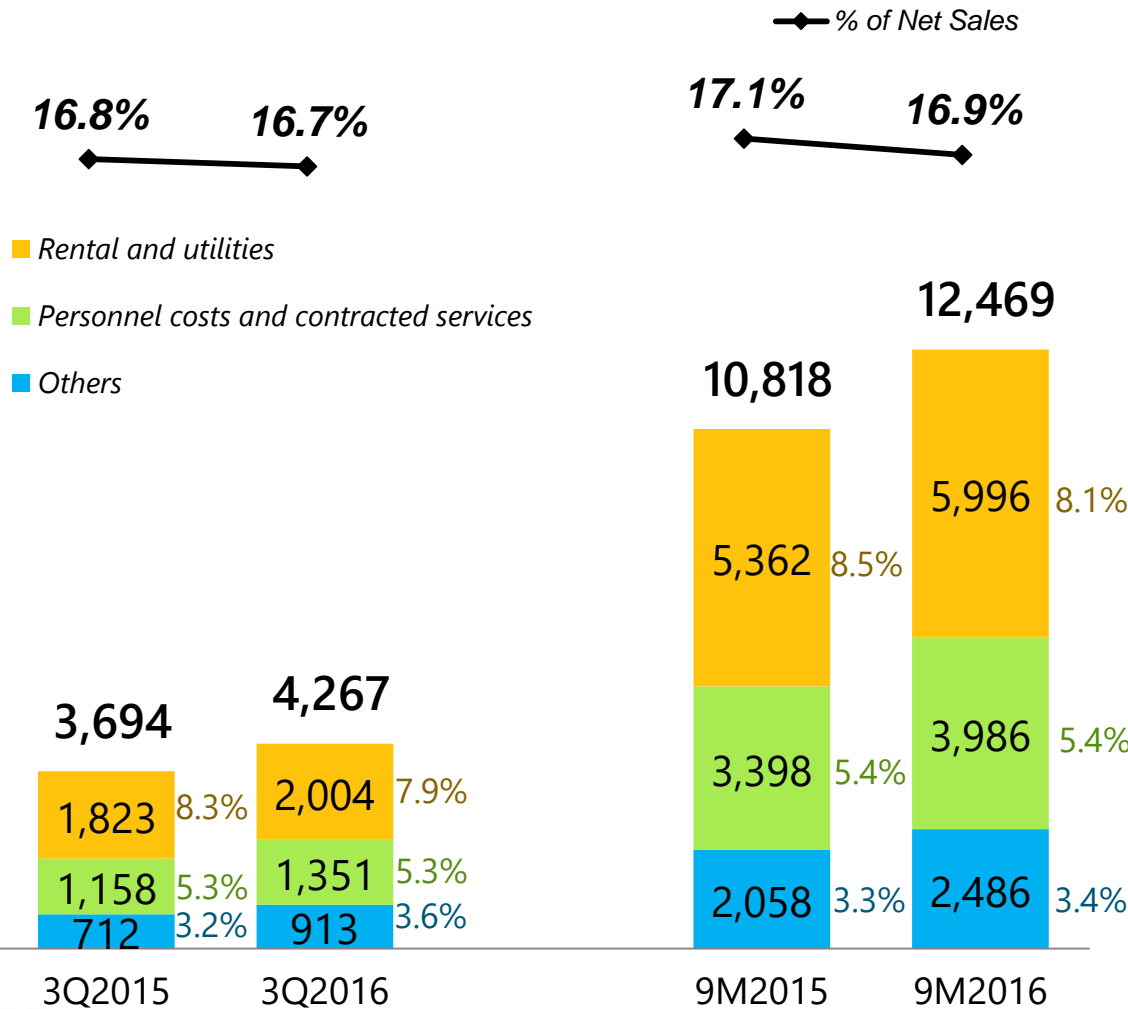
Net income attributable to equity holders of the parent company grew by **11.1%** in 9M2016

¹ Core net income = Net income – Equity in net earnings of an associate – Interest income – Foreign currency exchange gain (loss)



Operating Expenses

Adjusted Operating Expenses¹ (₹ mm, % of Net Sales)

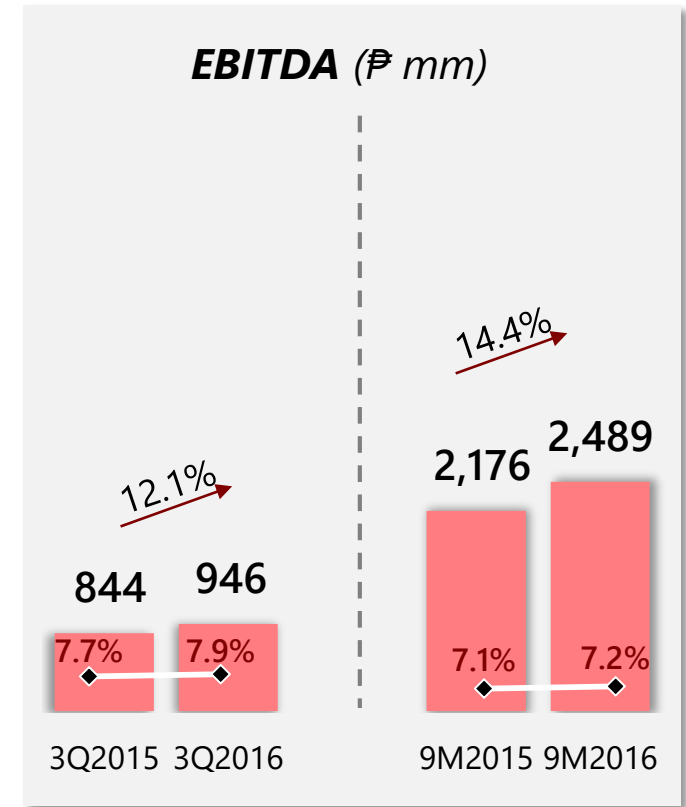
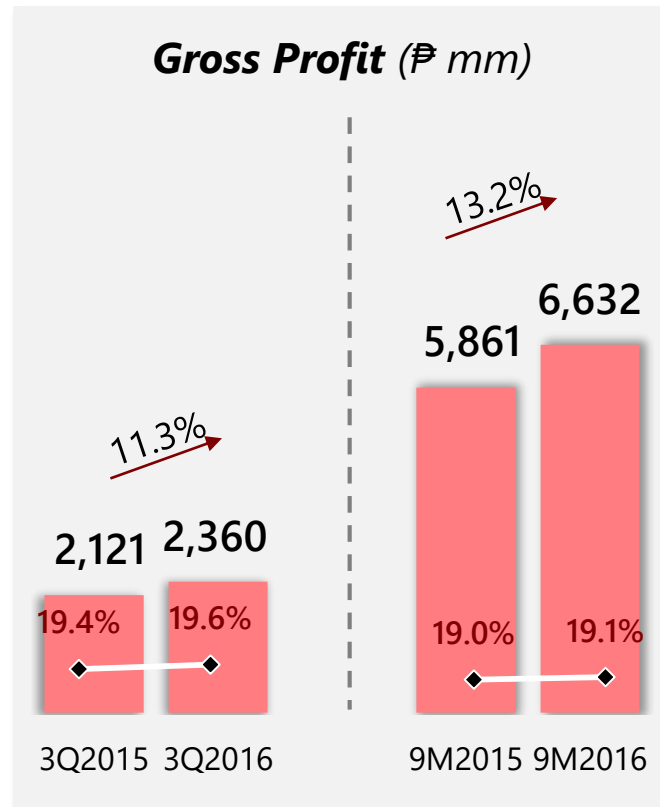
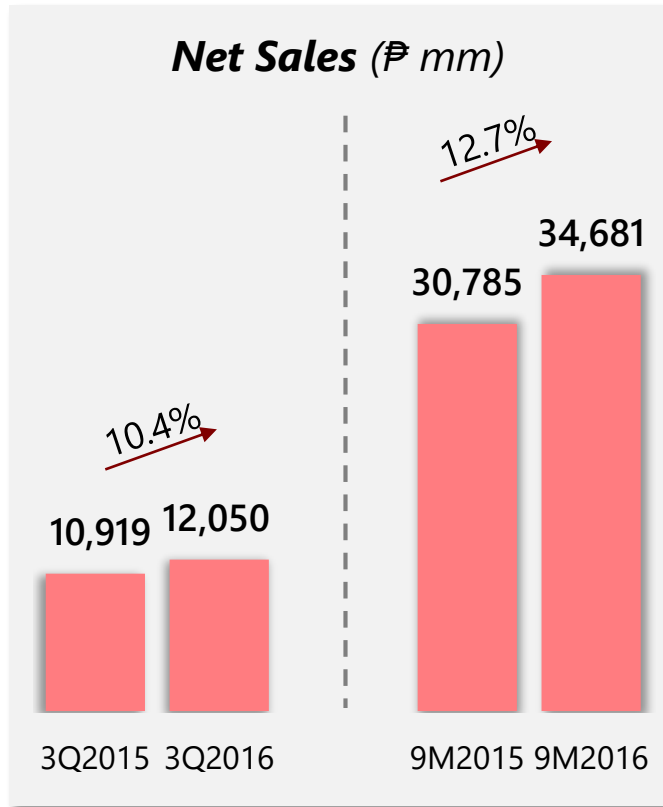


Operating expenses as a % of net sales improved due to strong SSSG

¹ Operating expenses excluding provision for impairment losses and depreciation and amortization expenses



Supermarket Business Segment

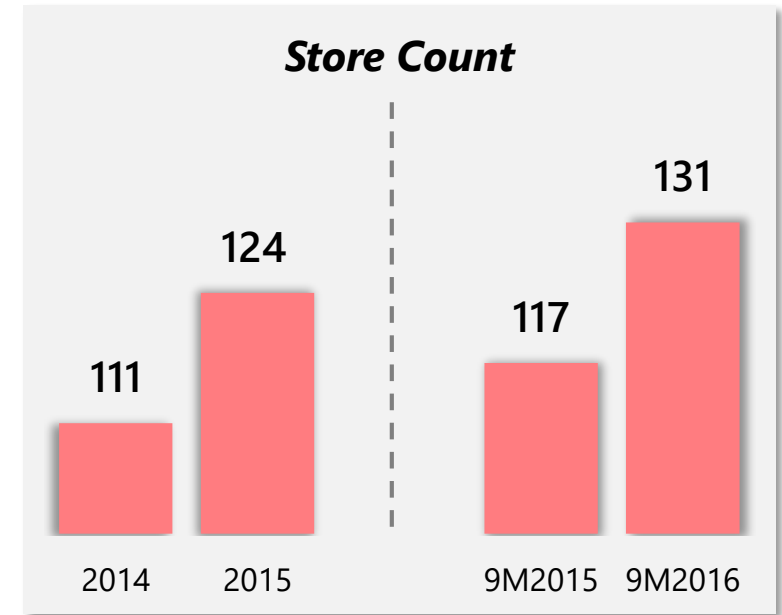
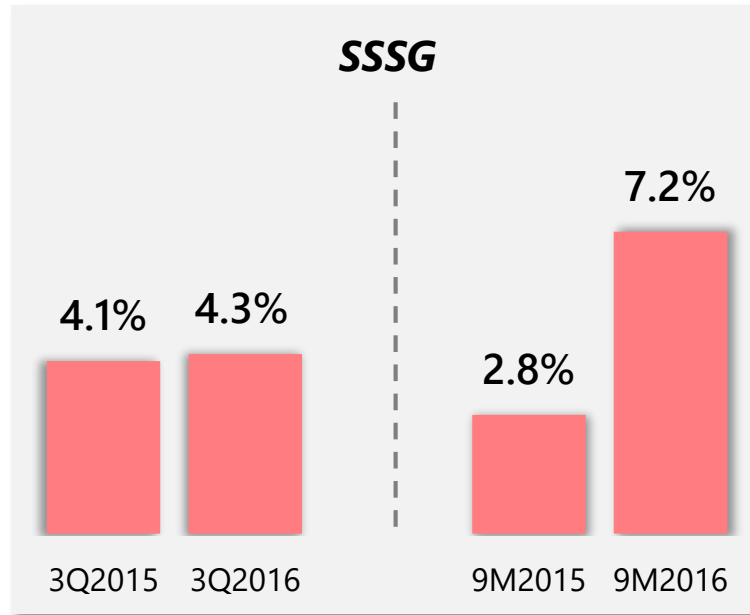


Increase in 9M2016 sales driven by **strong SSSG (7.2%)** and **new store additions (5.5%)**

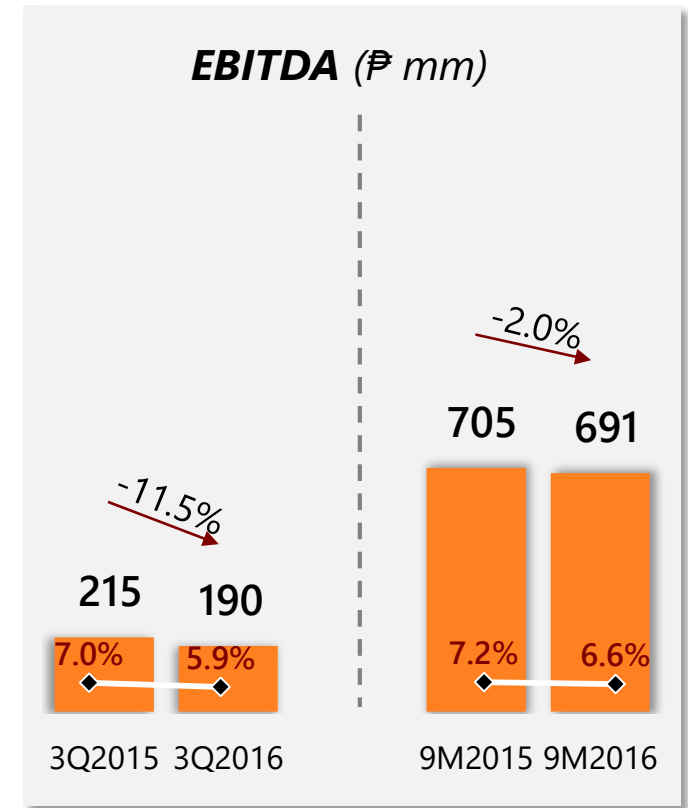
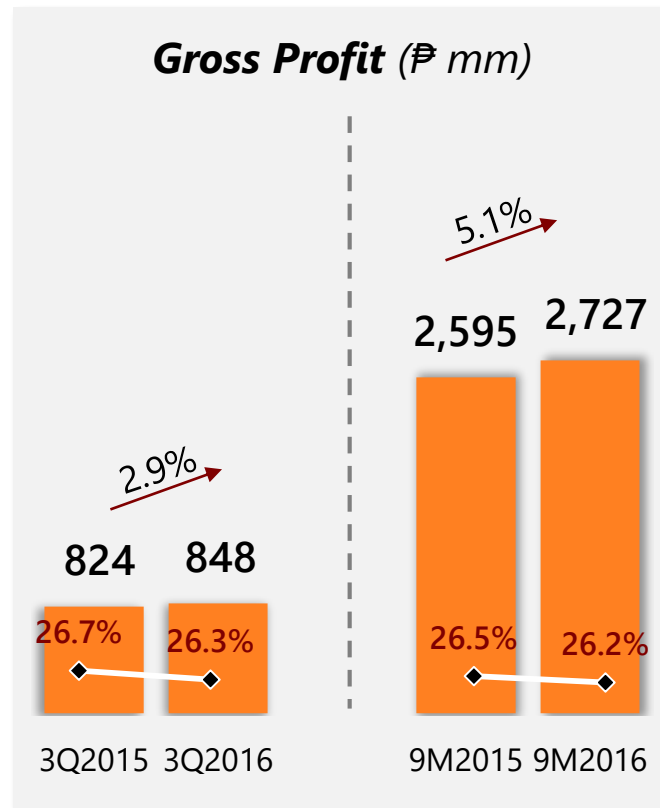
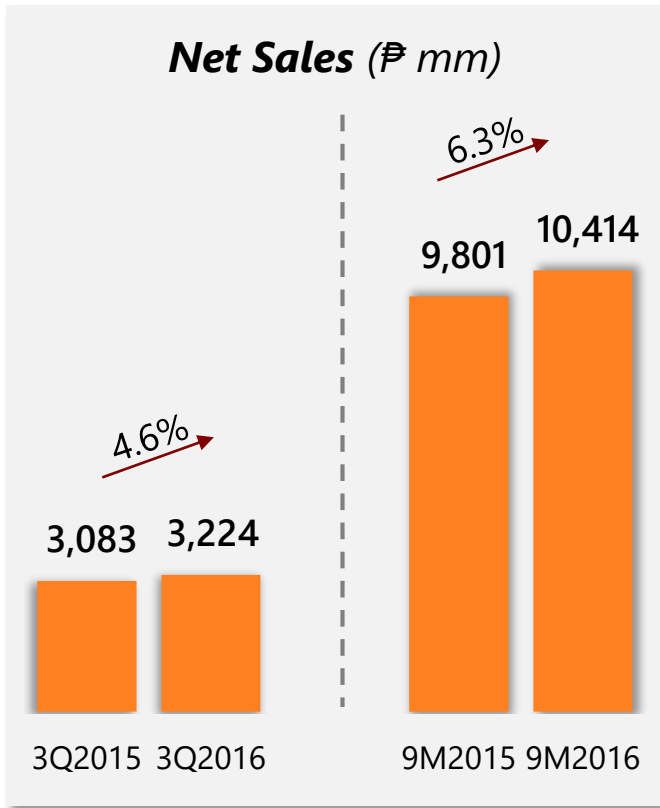


Supermarket Business Segment

Robust SSSG
mainly due to higher basket size



Department Store Business Segment

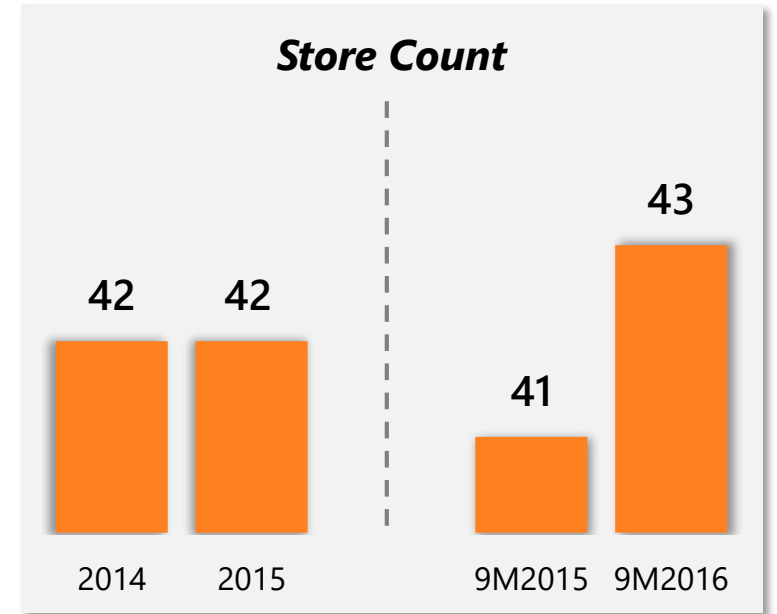
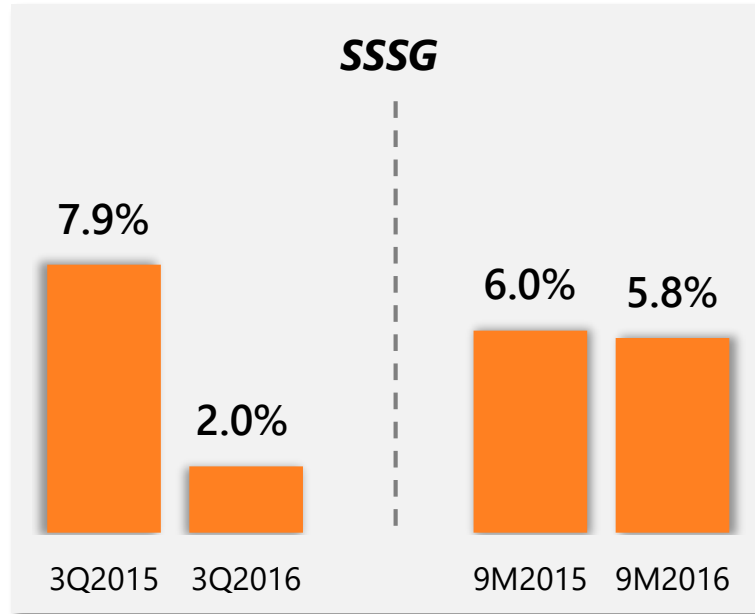


Increase in 9M2016 sales driven by **robust SSSG**

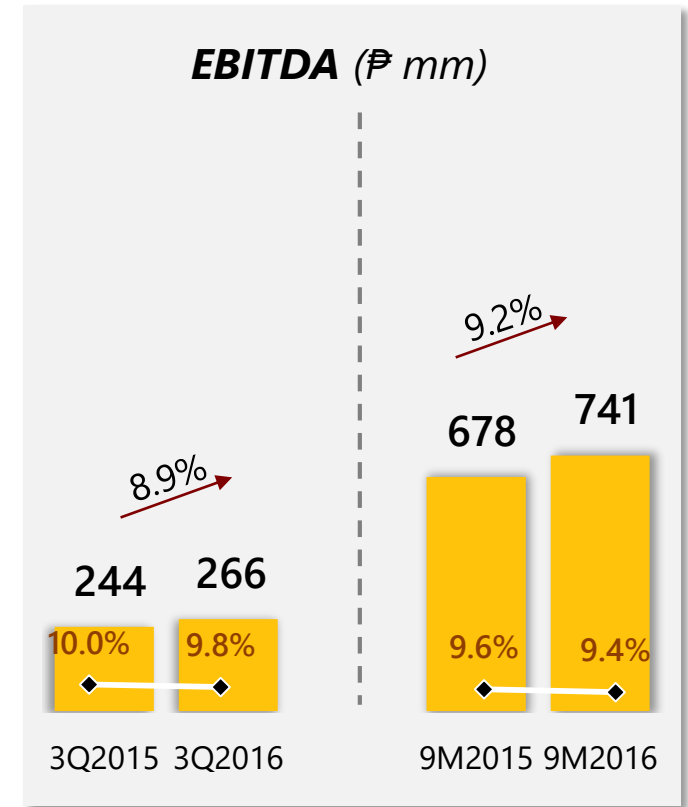
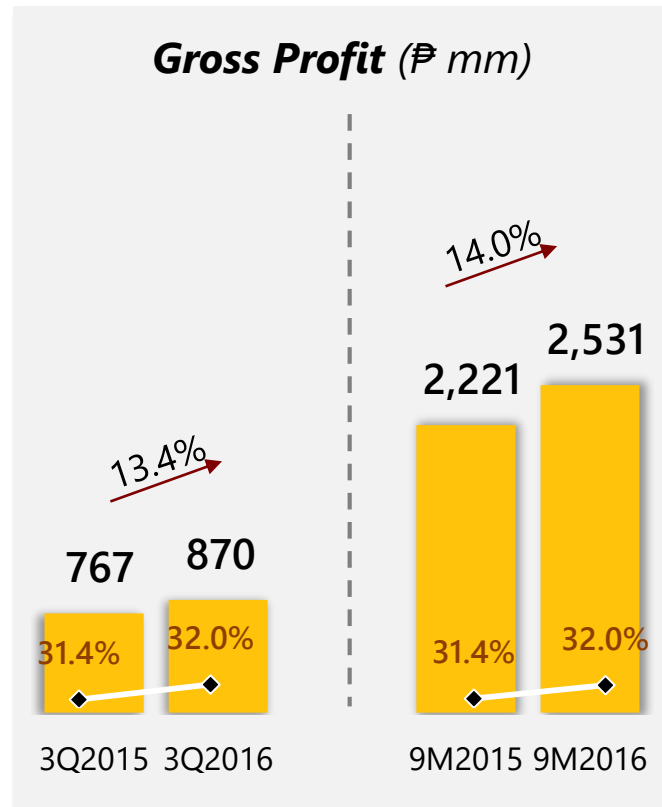
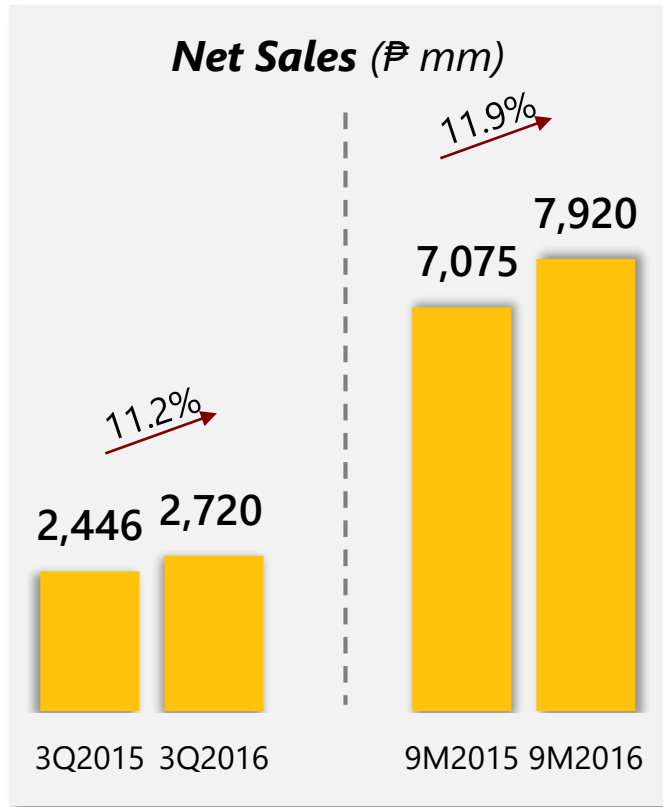


Department Store Business Segment

Robust SSSG
mainly due to
increase in
transaction
count



DIY Store Business Segment



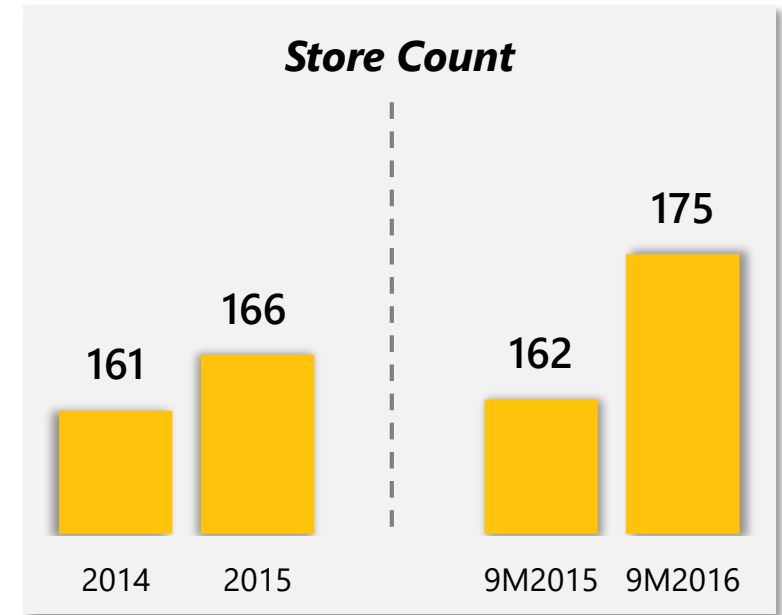
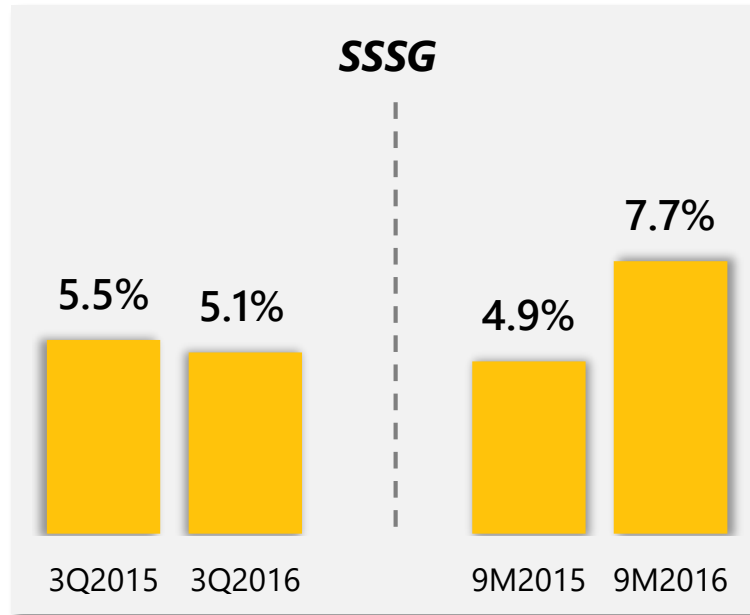
Growth in net sales driven by **strong SSSG** (7.7%) and **new store** sales contribution (4.2%)



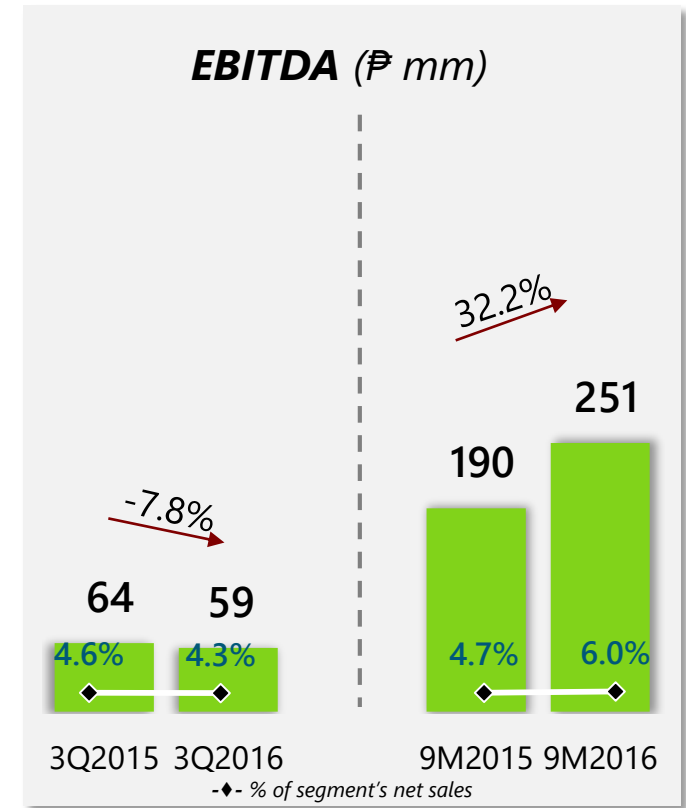
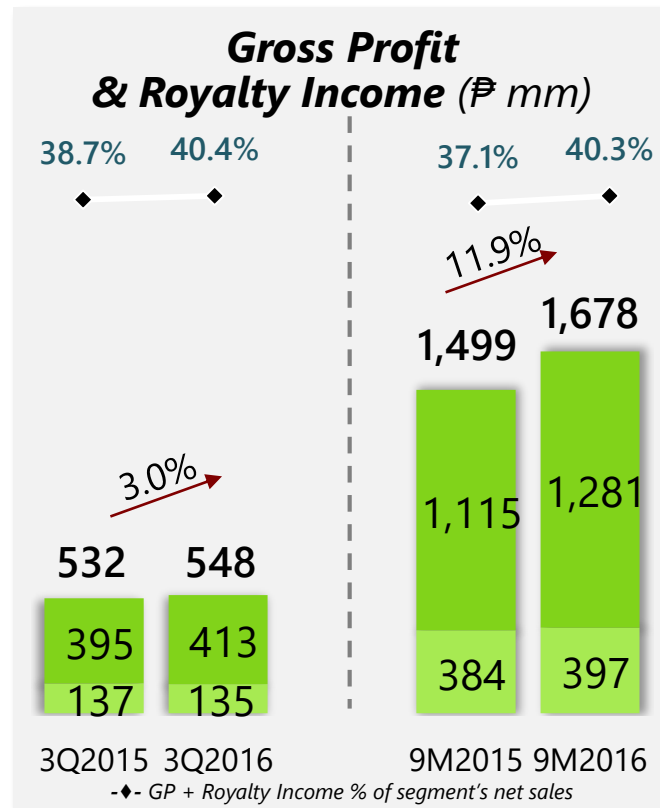
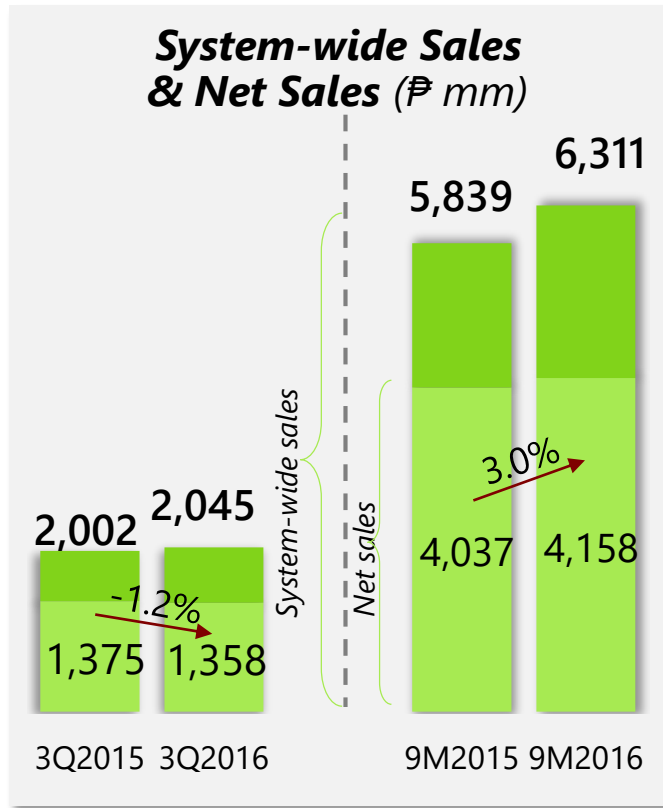
-♦- % of segment's net sales

DIY Store Business Segment

Robust SSSG
due to
sustained
strong
residential
construction
activities



Convenience Store Business Segment

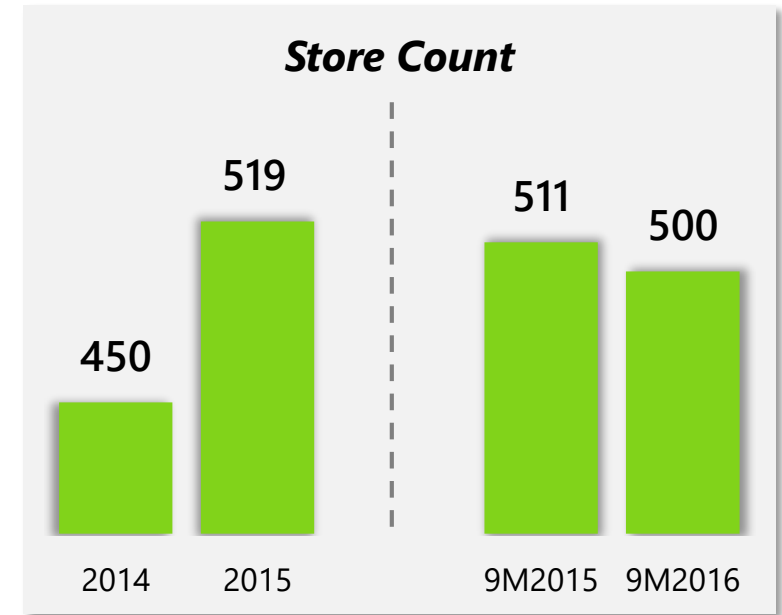
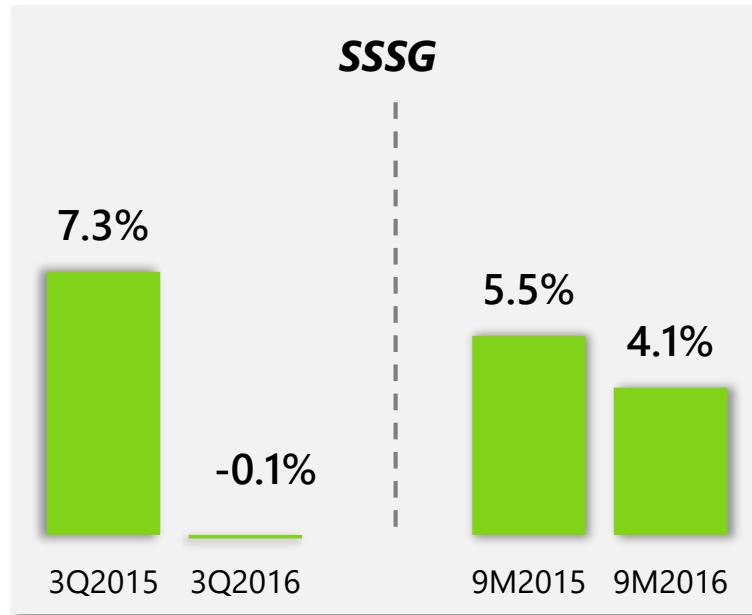


Increase in 9M2016 sales largely driven by the **ready-to-eat category**

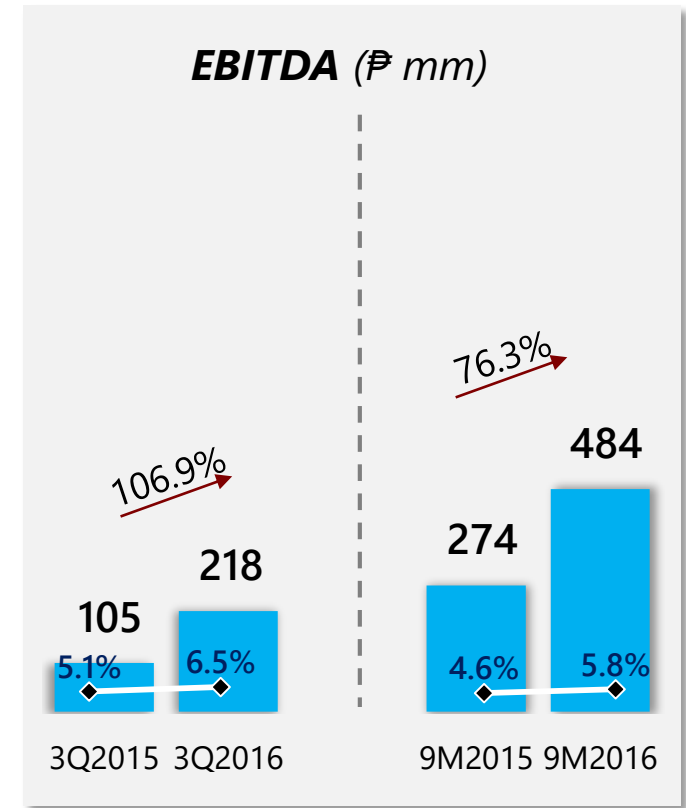
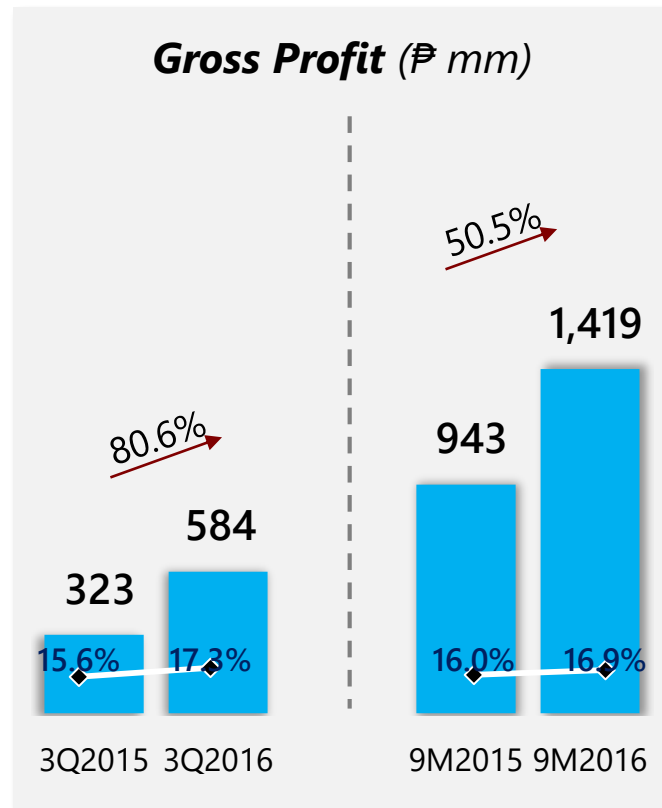
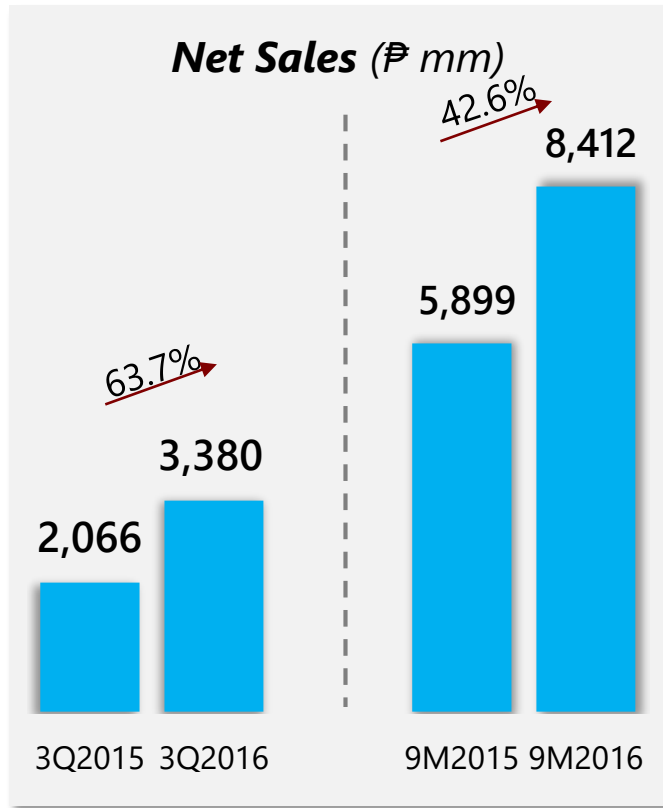


Convenience Store Business Segment

3Q SSSG was flat due to stricter gov't regulations on liquor and cigarettes



Drugstore Business Segment



Growth in 9M2016 sales propelled by the **strong SSSG** and the acquisition of **The Generics Pharmacy**

southstar drug⁺

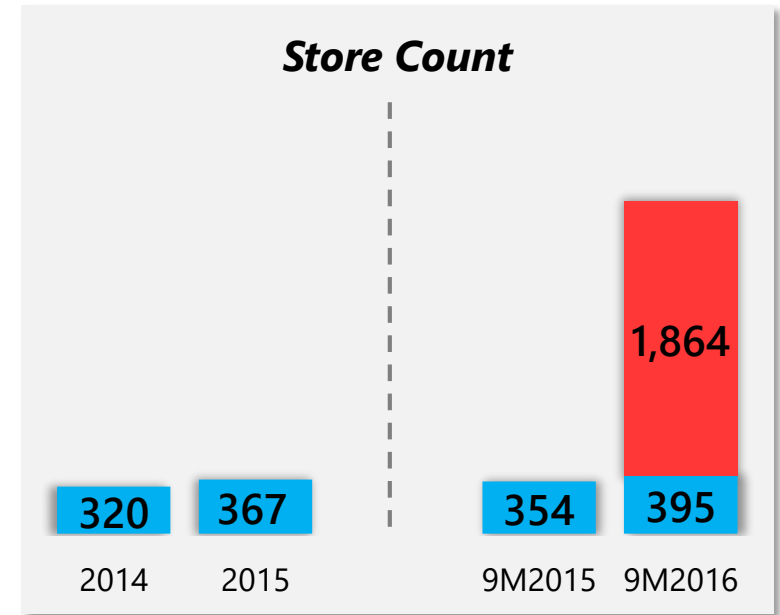
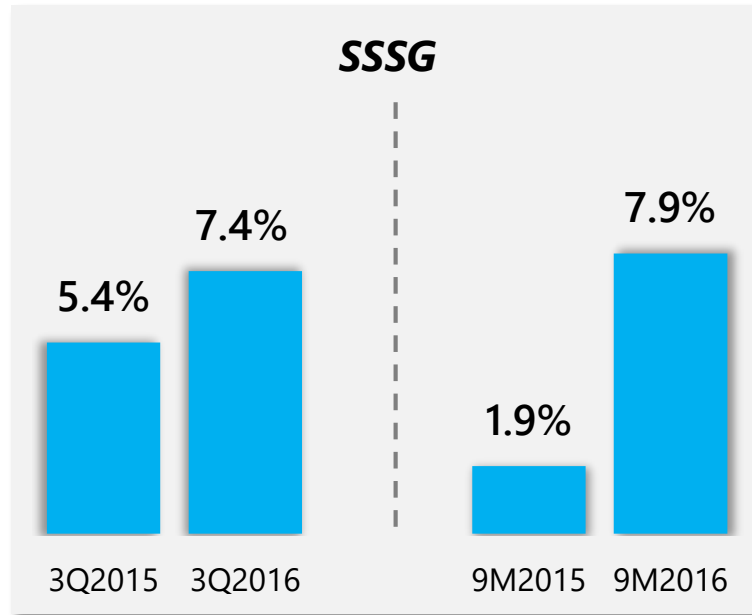
TGP THE[®] GENERICS PHARMACY



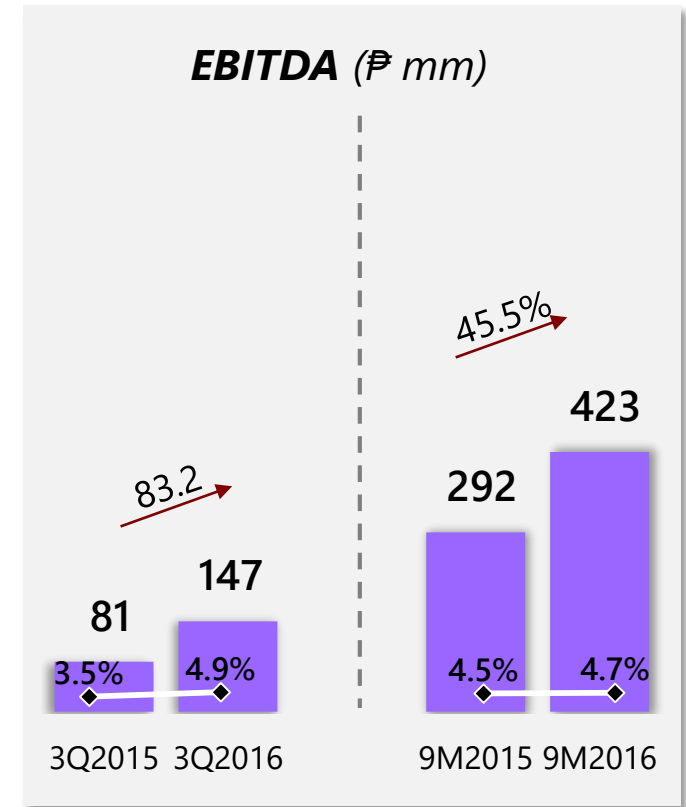
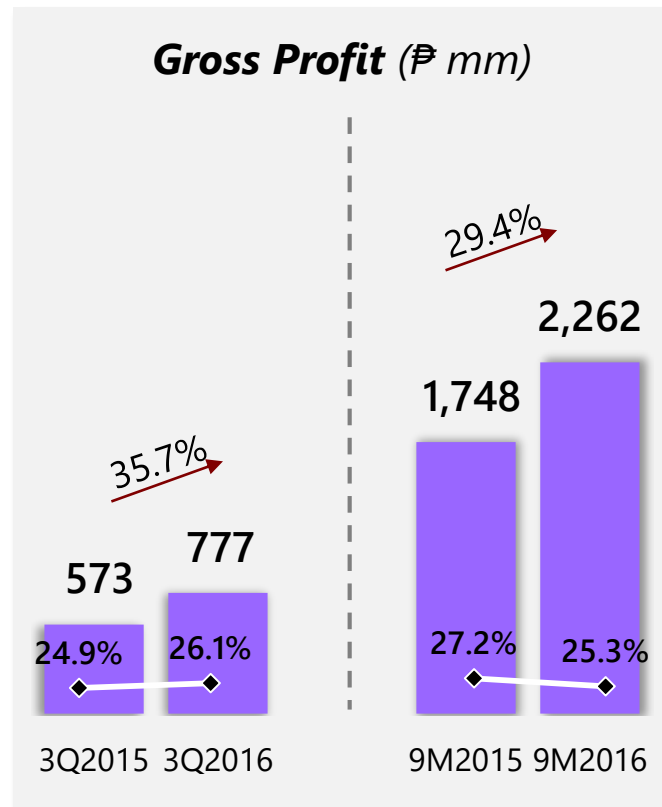
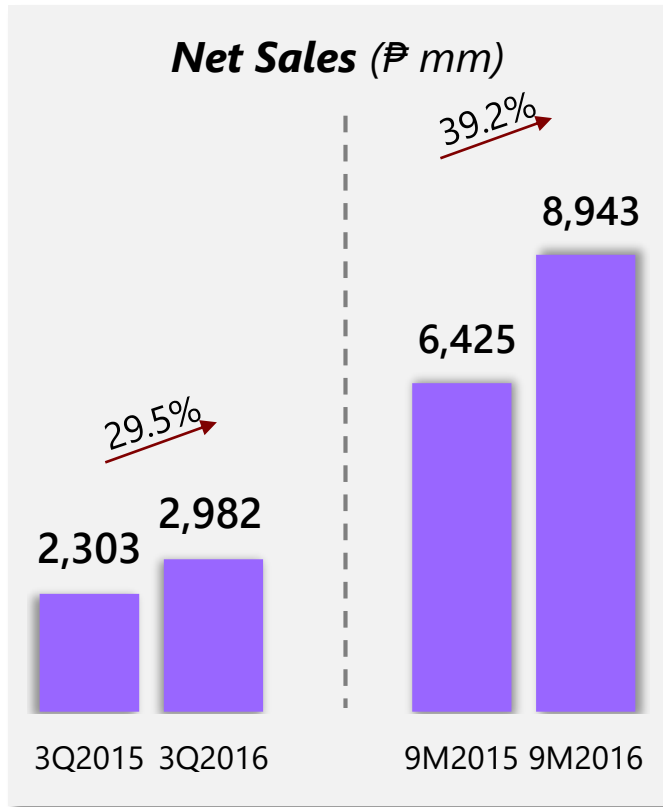
-♦- % of segment's net sales

Drugstore Business Segment

Strong SSSG
due to
higher
basket size



Specialty Store Business Segment



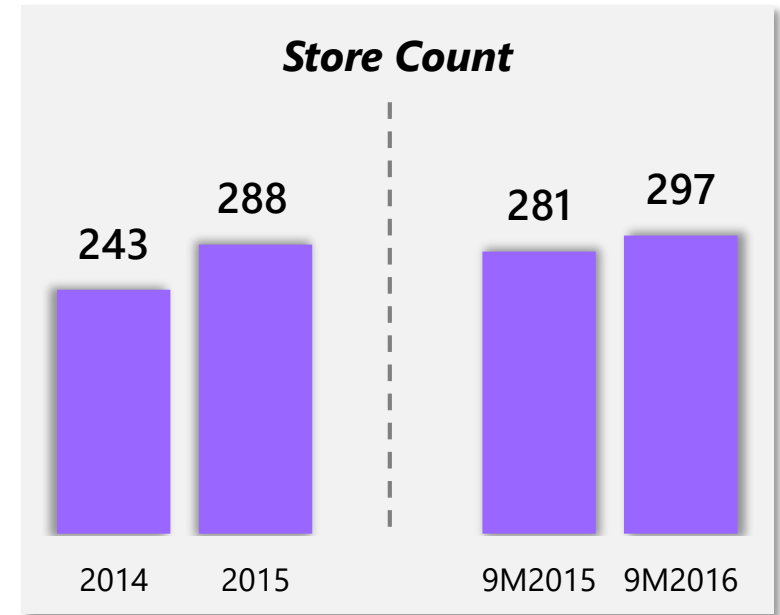
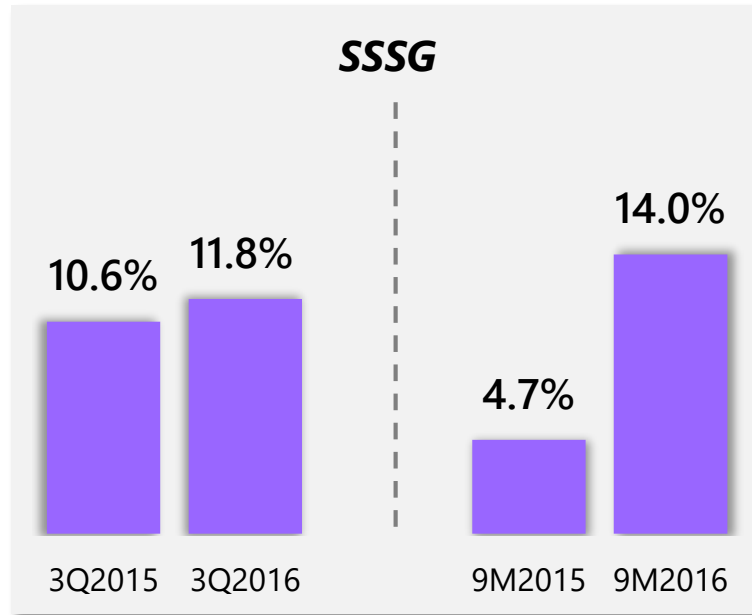
Growth in net sales driven by the **double-digit sales growth of most formats**



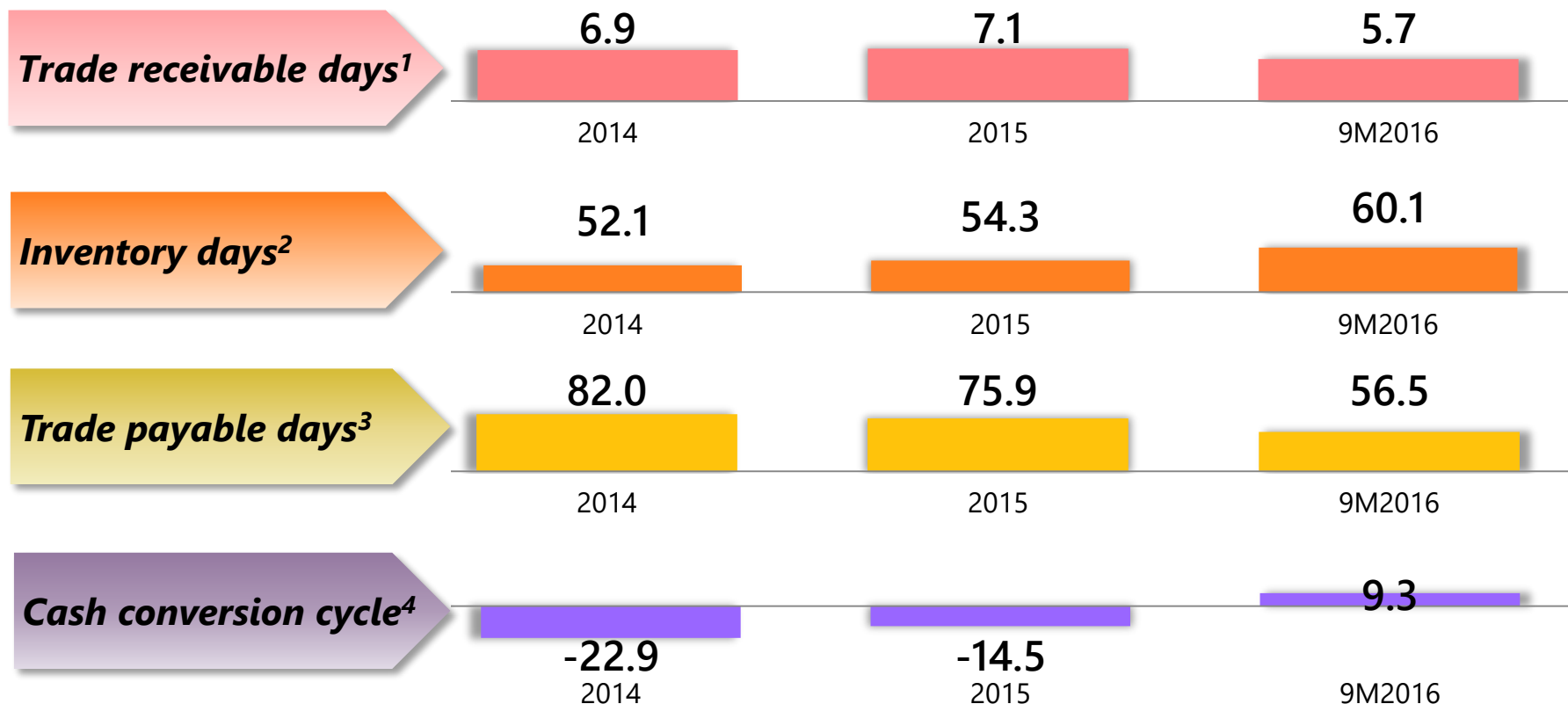
◆ - % of segment's net sales

Specialty Store Business Segment

Strong SSSG
due to robust
SSSG of
appliances and
one-price point
formats



Working capital days trend



¹ Trade receivable days = No. of days x Trade and other receivables / Net sales; ² Inventory days = No. of days x Merchandise inventories / Cost of merchandise sold; ³ Trade payable days = No. of days x Trade and other payables / Cost of merchandise sold, ⁴ Cash conversion cycle = Trade receivable days + Inventory days – Trade payable days



Capital Expenditure

Capital expenditure breakdown (₱ mm)¹

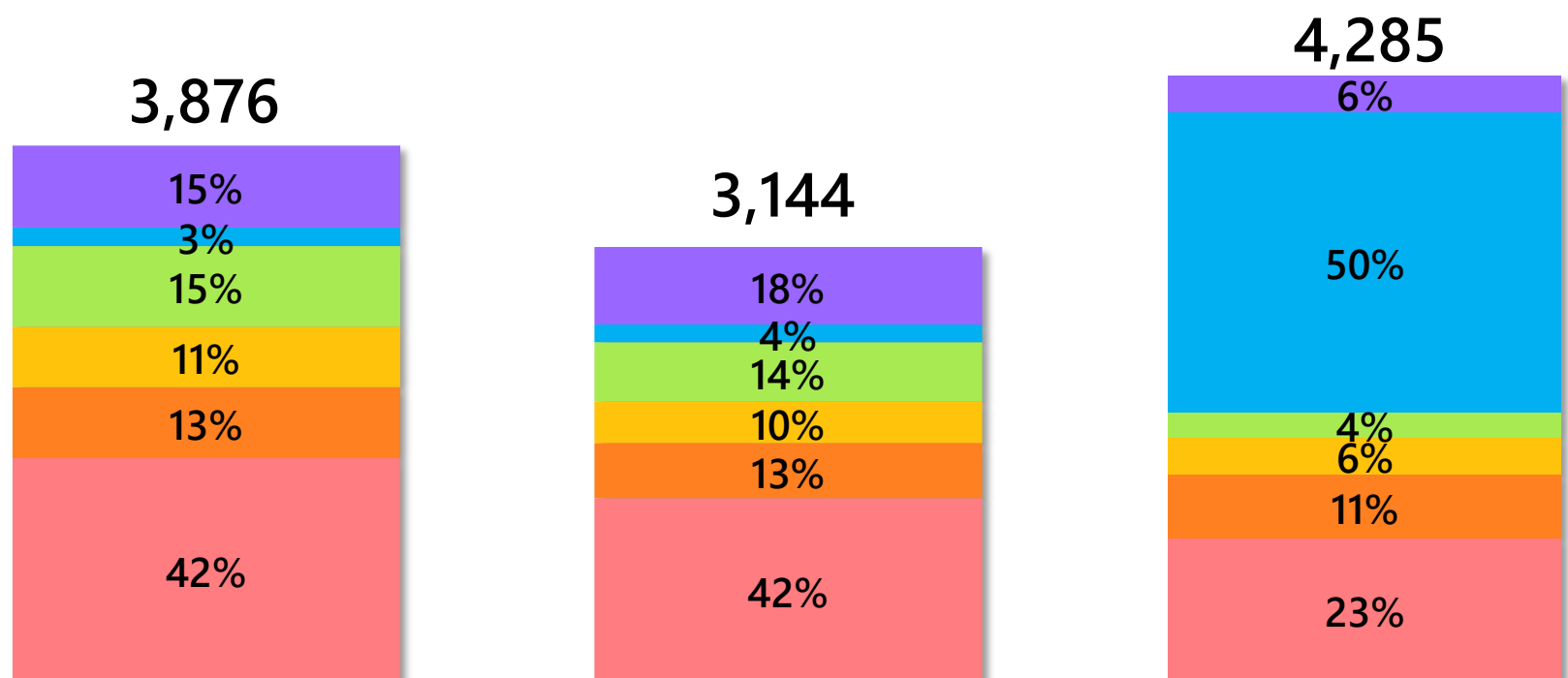
■ Supermarkets
 ■ Department stores
 ■ DIY stores
 ■ Convenience stores
 ■ Drugstores
 ■ Specialty stores

% of group's net sales

4.8%

3.5%

5.8%



2014

2015

9M2016

¹ 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



Chic
CENTRE

We acquired 100% stake of **Chic Centre Corporation**, a manufacturer and distributor of cosmetic products in the Philippines.



Thank you!



Consolidated Statements of Financial Position (Unaudited)

PHP mm	September 30 2016	December 31 2015
ASSETS		
Current Assets		
Cash and cash equivalents	6,371	9,757
Trade and other receivables	1,543	1,774
Merchandise inventories	12,684	10,576
Other current assets	2,096	1,695
Total Current Assets	22,694	23,802
Noncurrent assets		
Available-for-sale (AFS) financial assets	20,537	19,511
Property and equipment - net	12,078	11,149
Investment in shares of stocks	5,355	5,079
Other noncurrent assets	8,352	5,617
Total Noncurrent Assets	46,321	41,357
Total Assets	69,015	65,160
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	11,930	14,796
Current portion of loans payable	4,812	2,845
Other current liabilities	831	885
Total Current Liabilities	17,573	18,526
Total Noncurrent Liabilities	1,646	1,129
Total Liabilities	19,220	19,654
Equity		
Capital stock	1,385	1,385
Additional paid-in capital	27,227	27,227
Equity reserve	(1,027)	(1,027)
Retained earnings	18,116	15,687
Others	842	252
Total equity attributable to equity holders	46,543	43,524
Non-controlling interest in consolidated	3,253	1,982
Total Equity	49,796	45,505
Total Liabilities and Equity	69,015	65,160



Consolidated Statements of Comprehensive Income (Unaudited)

PHP mm	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2016	2015	2016	2015
Sales - net of sales discounts and returns	25,479	21,935	73,812	63,289
Cost of merchandise sold	19,904	17,184	57,845	49,522
Gross Profit	5,575	4,752	15,967	13,767
Royalty, rent and other revenues	519	490	1,572	1,357
Gross profit including other revenue	6,094	5,242	17,539	15,124
Operating expenses	(4,754)	(4,105)	(13,900)	(12,023)
Earnings before interest and taxes	1,340	1,136	3,639	3,101
OTHER INCOME (CHARGES)				
Interest income	225	196	614	597
Foreign currency exchange gain (losses) - net	118	129	115	160
Dividend income	28	28	84	84
Equity in net earnings of an associate	34	25	87	51
Interest expense	(29)	(4)	(54)	(7)
	376	374	846	885
INCOME BEFORE INCOME TAX	1,716	1,511	4,485	3,986
Provision for income tax	354	348	958	871
NET INCOME	1,362	1,163	3,527	3,115
Net income attributable to:				
Equity holders of the Parent Company	1,278	1,109	3,301	2,972
Non-controlling interest in consolidated subsidiaries	83	54	226	143
	1,362	1,163	3,527	3,116
Earnings Per Share				
Basic	0.92	0.80	2.38	2.15
Weighted	0.92	0.80	2.38	2.15
Shares Outstanding				
End of Period	1,385	1,385	1,385	1,385
Weighted	1,385	1,385	1,385	1,385



Consolidated Statements of Cash Flows (Unaudited)

PHP mm	Nine Months Ended Sept 30		Years Ended December 31	
	2016	2015	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	4,485	3,986	5,848	5,219
Adjustments for:				
Depreciation and amortization	1,431	1,204	1,647	1,280
Interest expense	54	7	15	12
Equity in net earnings of an associate	(87)	(51)	(40)	(57)
Dividend income	(84)	(84)	(112)	(28)
Interest income	(614)	(597)	(799)	(634)
Others	(120)	(160)	(183)	(25)
Working capital changes	(4,110)	(4,664)	(1,366)	(502)
Interest received	517	503	707	503
Income tax paid	(1,158)	(1,007)	(1,268)	(1,385)
Net cash flows generated from (used in) operations	315	(862)	4,449	4,384
CASH FLOWS FROM INVESTING ACTIVITIES				
AFS investments	(455)	(1,264)	(1,359)	(17,704)
Property and equipment - net	(2,208)	(2,324)	(3,099)	(3,696)
Acquisition through business combination	(2,076)	(945)	(988)	(462)
Others	(24)	(60)	(1,388)	(3,104)
Net cash flows used in investing activities	(4,763)	(4,594)	(6,834)	(24,966)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(873)	(706)	(729)	(561)
Payment of loans	(478)	(42)	(206)	(396)
Availment of loans	2,445	1,793	2,939	—
Interest paid	(33)	(7)	(16)	(12)
Others	0	161	183	1,391
Net cash flows used in financing activities	1,061	1,198	2,172	422
Net increase (decrease) in cash and cash equivalents	(3,386)	(4,258)	(213)	(20,160)
Cash and cash equivalents at beginning of year	9,757	9,970	9,970	30,129
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,371	5,712	9,757	9,970

