



**ROBINSONS  
RETAIL  
HOLDINGS, INC.**

# 9M2019 UNAUDITED EARNINGS RESULTS

November 5, 2019

**★ Day Buy Day**





**Financial Highlights**

**Store Network**

**Consolidated Results**

**Business Segments**

**Working Capital**

**Capital Expenditure**

**Recent Developments**

# 9M2019 FINANCIAL HIGHLIGHTS

Healthy  
blended  
SSSG of  
**3.2%**

**1,918**  
stores plus  
**1,970** TGP  
branches  
nationwide

**20.3%** yoy  
increase in  
gross floor  
area  
(excl. TGP)

**26.5%**  
yoy lift in  
consolidated  
net sales

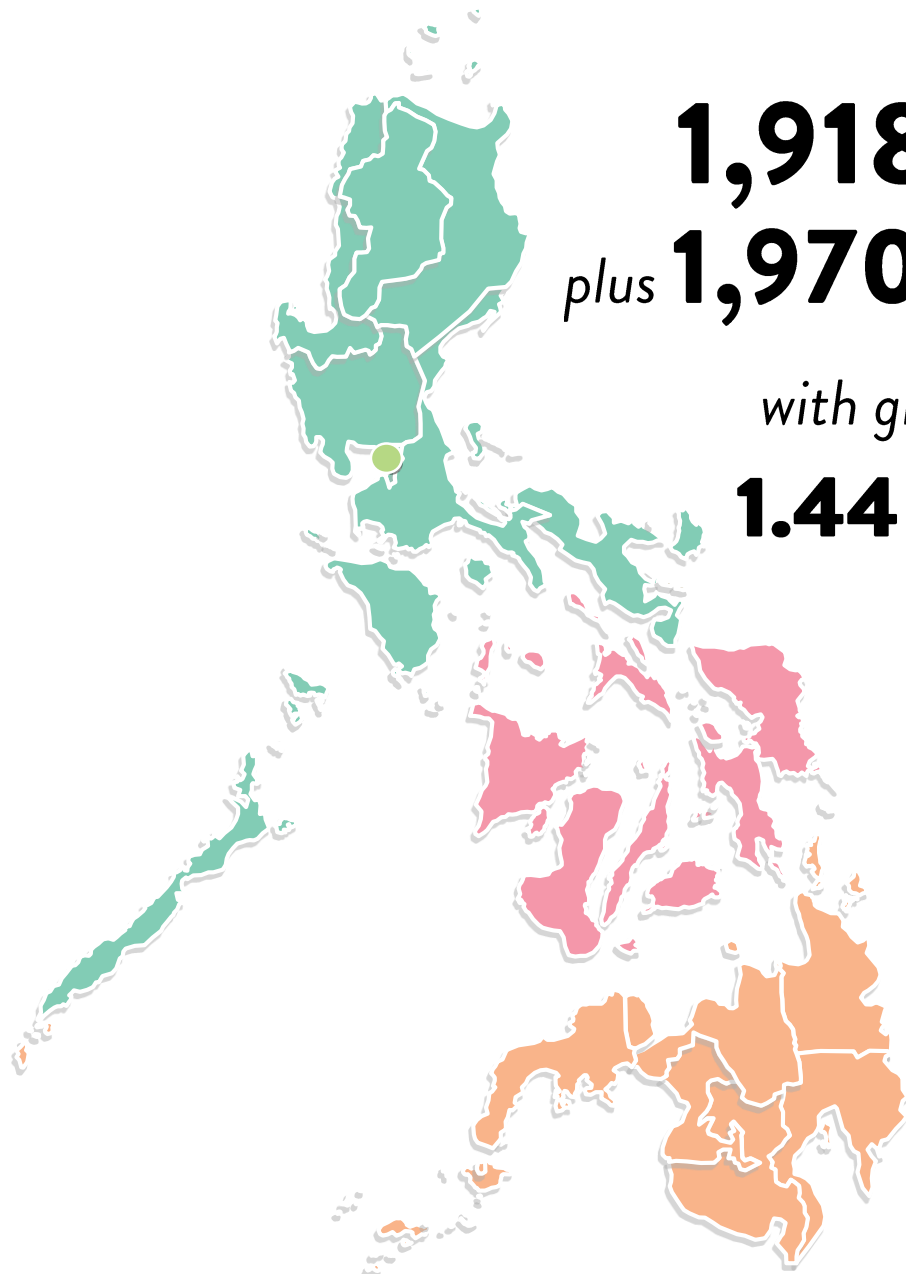
**200bps**  
increase in  
EBITDA  
margin  
after PFRS adj

**50bps**  
expansion  
in GP  
margin

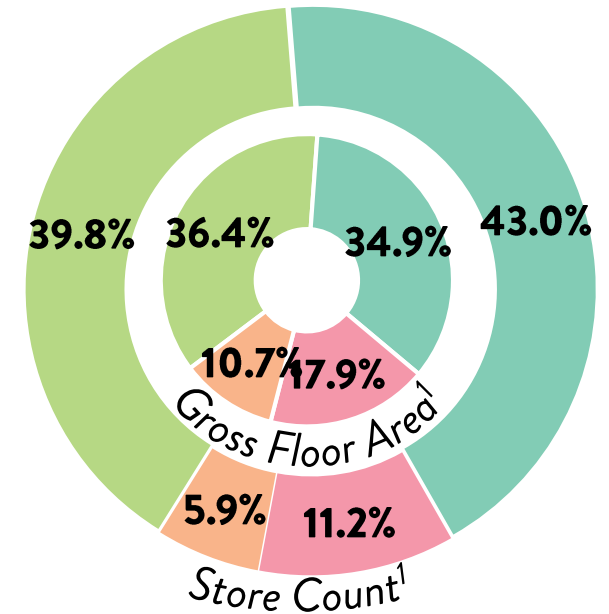
Core net  
income of  
**₱2.7bn**




# STORE NETWORK: 9M2019

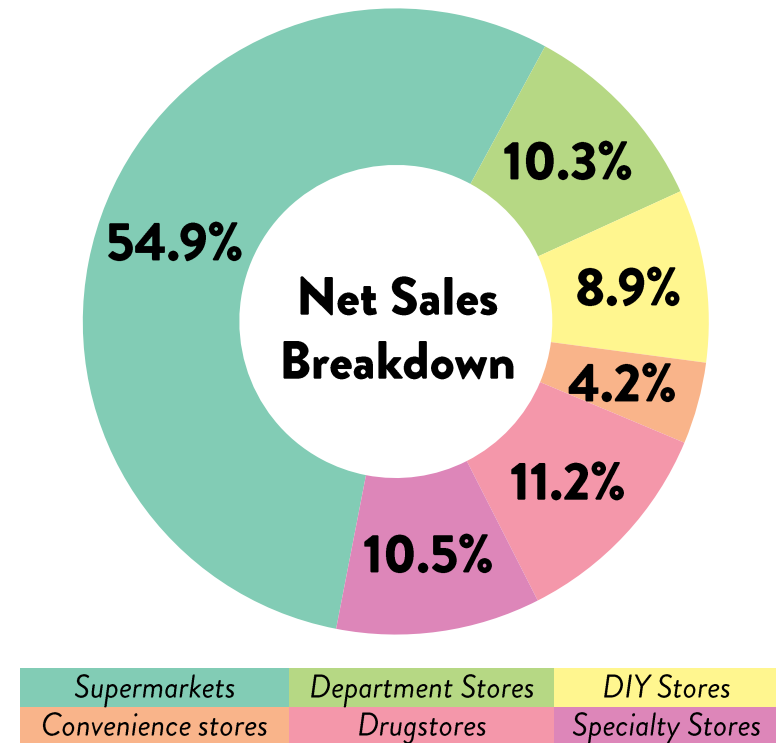
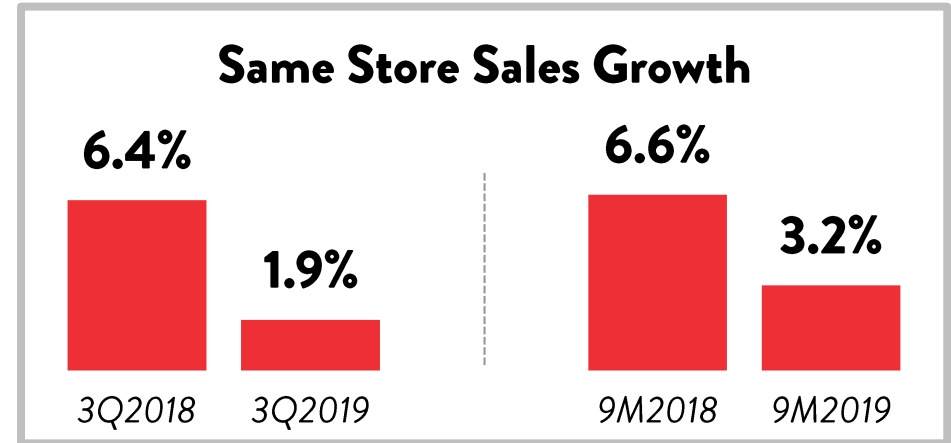
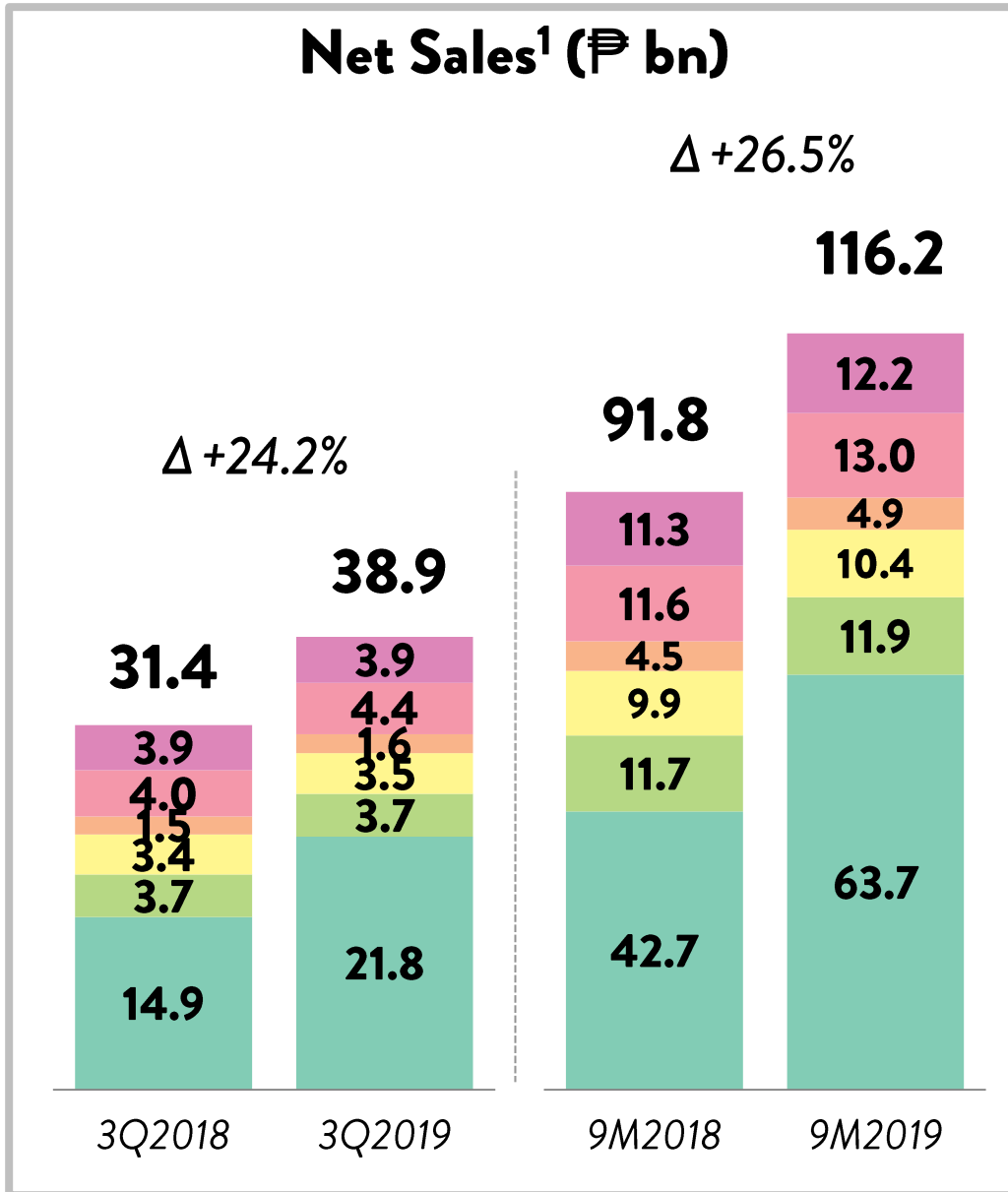


**1,918** stores  
 plus **1,970** TGP branches  
 with gross floor area of  
**1.44 million sqm<sup>1</sup>**



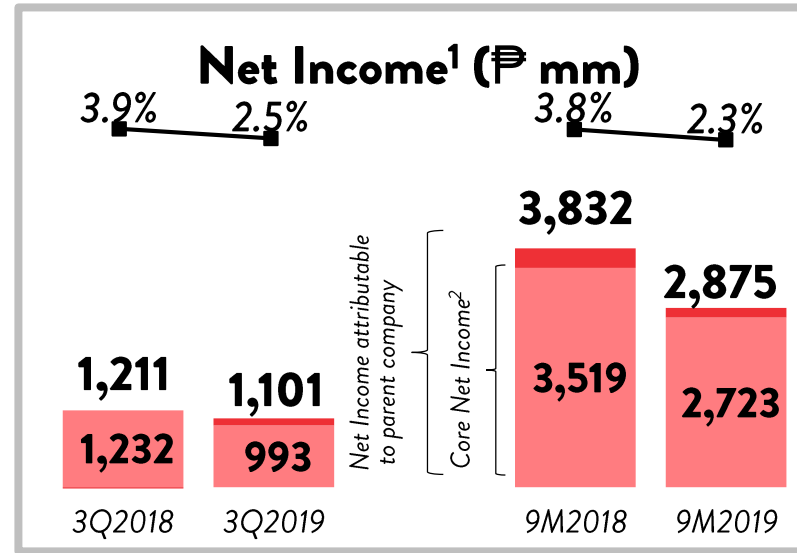
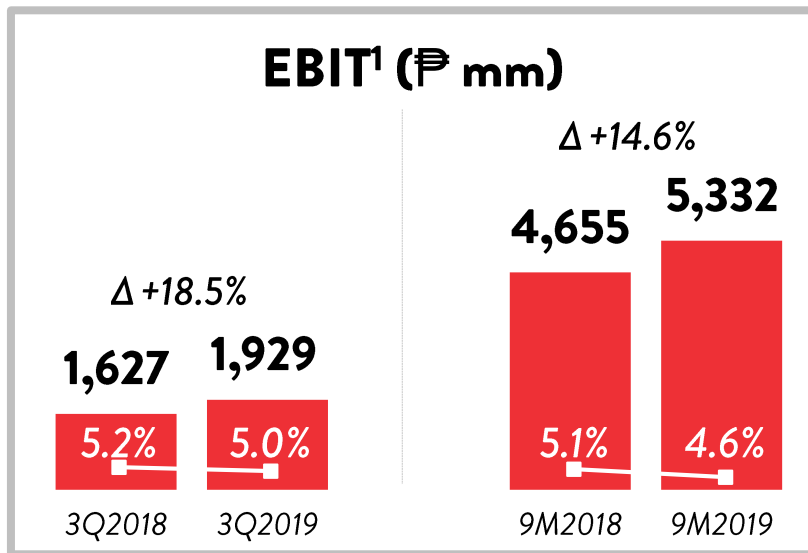
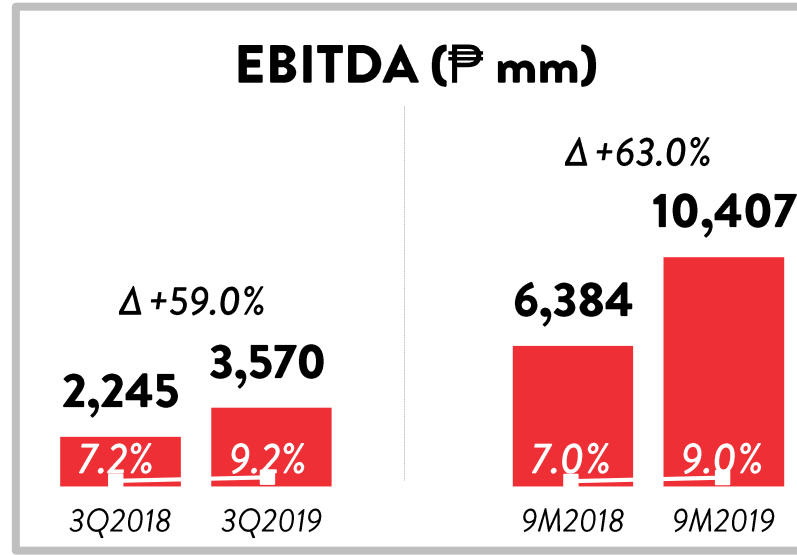
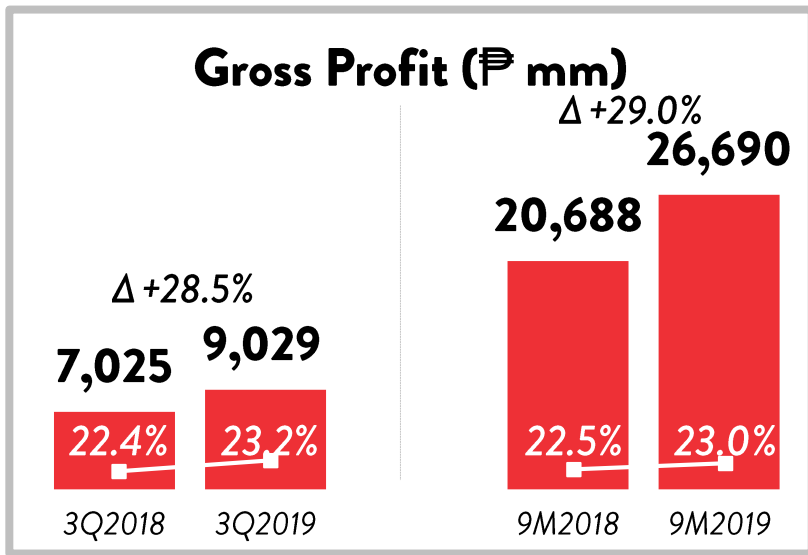
	Metro Manila	Luzon	Visayas	Mindanao
 Supermarkets	<b>109</b>	<b>95</b>	<b>38</b>	<b>16</b>
Department Stores	<b>11</b>	<b>19</b>	<b>11</b>	<b>9</b>
DIY Stores	<b>63</b>	<b>86</b>	<b>41</b>	<b>25</b>
Convenience Stores	<b>337</b>	<b>150</b>	<b>22</b>	-
Drugstores <sup>1</sup>	<b>110</b>	<b>332</b>	<b>45</b>	<b>30</b>
Specialty Stores	<b>133</b>	<b>144</b>	<b>58</b>	<b>34</b>
<b>Total</b>	<b>763</b>	<b>826</b>	<b>215</b>	<b>114</b>
TGP	<b>456</b>	<b>1,025</b>	<b>295</b>	<b>194</b>

# 9M2019 CONSOLIDATED RESULTS



<sup>1</sup> Net sales after intersegment eliminating adjustments; Rustan Supercenters, Inc. was consolidated starting December 2018;

# 9M2019 CONSOLIDATED RESULTS



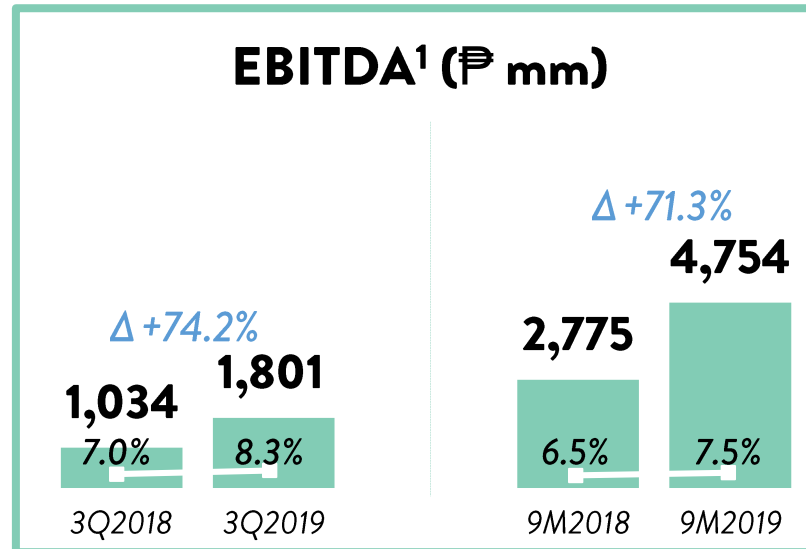
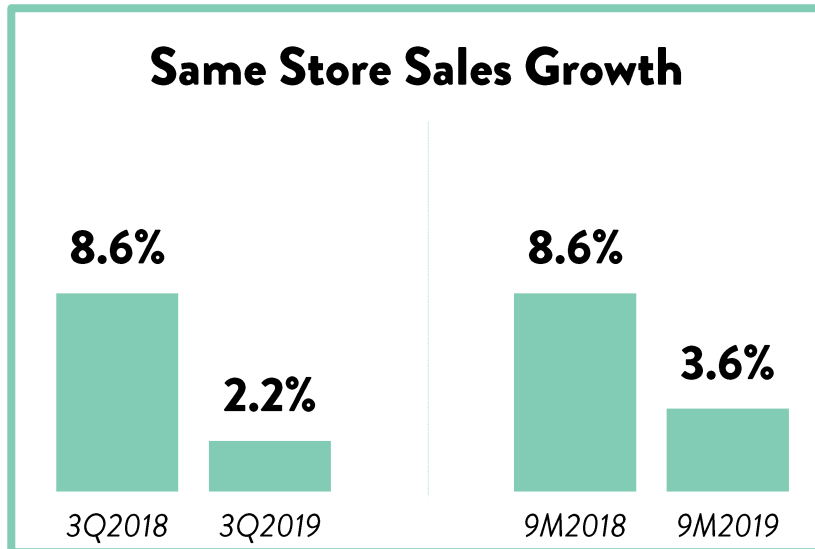
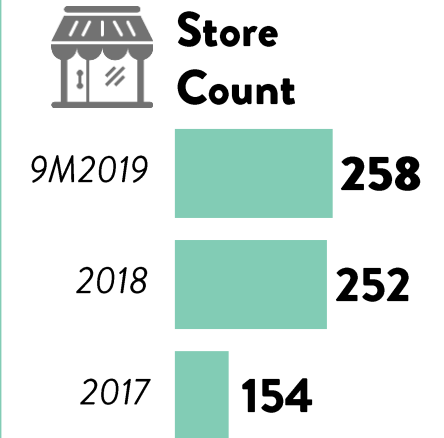
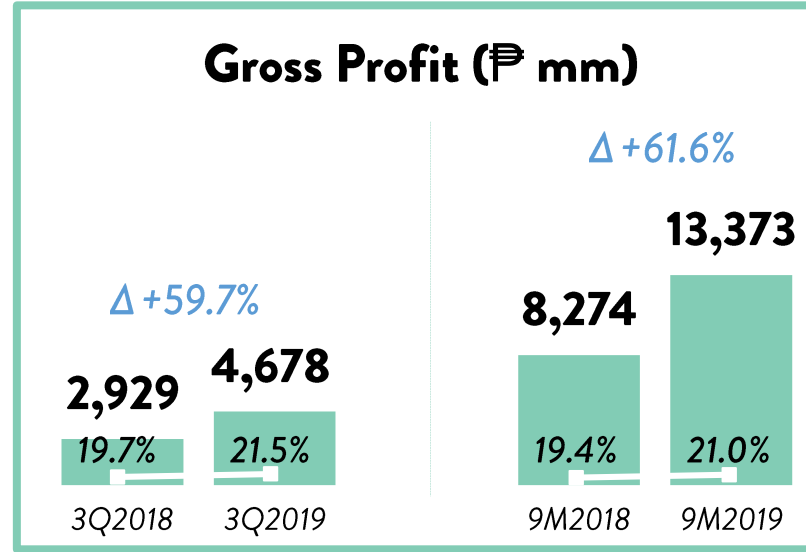
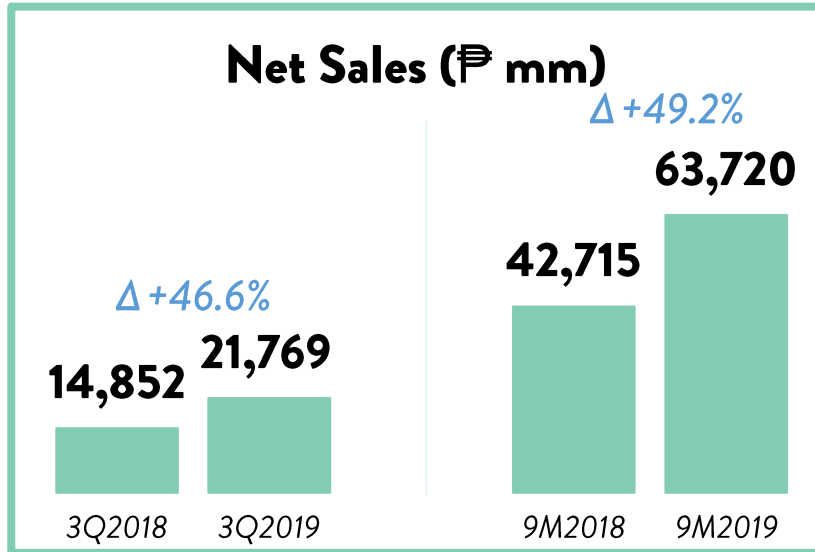
## 9M19 Highlights:

Gross profit margin expanded by 50bps;

In 2Q2019, we reflected the YTD impact of adapting PFRS 16 (Leases) effective January 1, 2019.

- ♦ - Core net income as a % of net sales

# SUPERMARKET SEGMENT



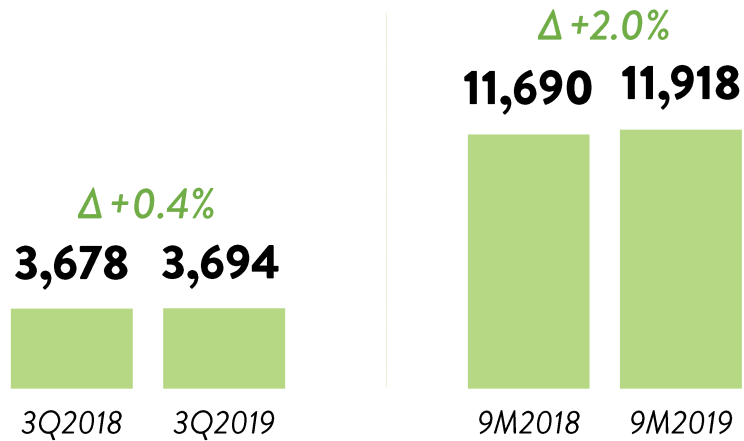
## 9M19 Highlights:

SSSG softened due to high base effect, honestbee closure and swine flu outbreak affecting pork sales;

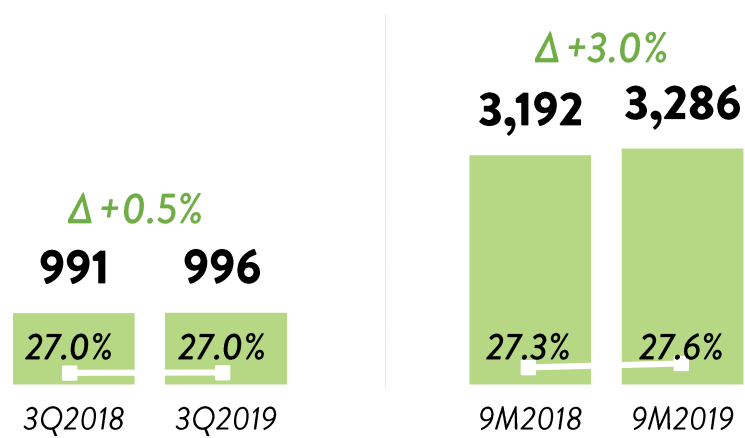
Rustan Supercenters was consolidated starting Dec 1, 2018.

# DEPARTMENT STORE SEGMENT

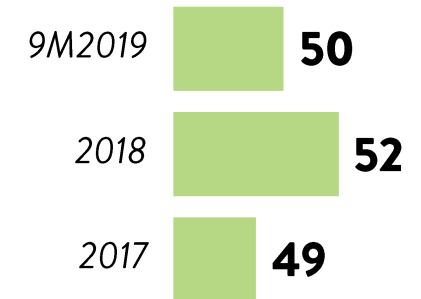
## Net Sales (₱ mm)



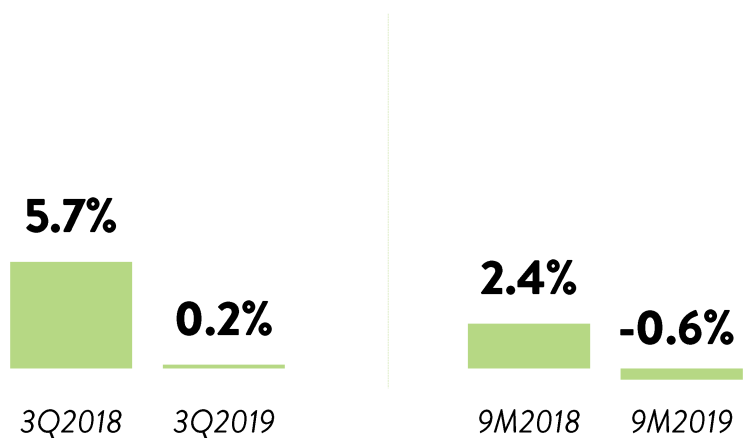
## Gross Profit (₱ mm)



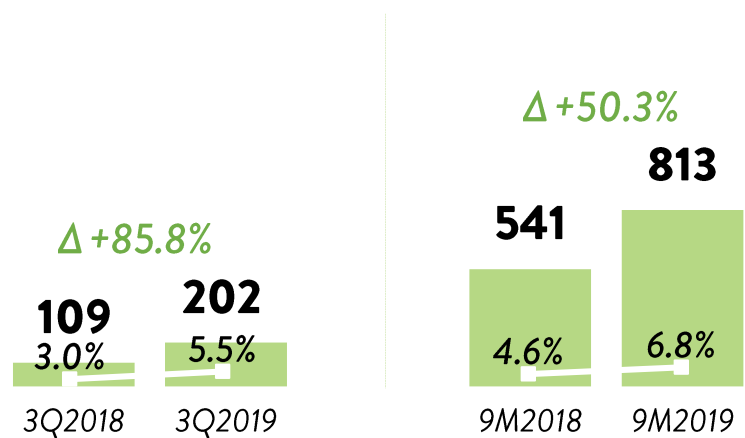
## Store Count



## Same Store Sales Growth



## EBITDA<sup>1</sup> (₱ mm)



### 9M19 Highlights:

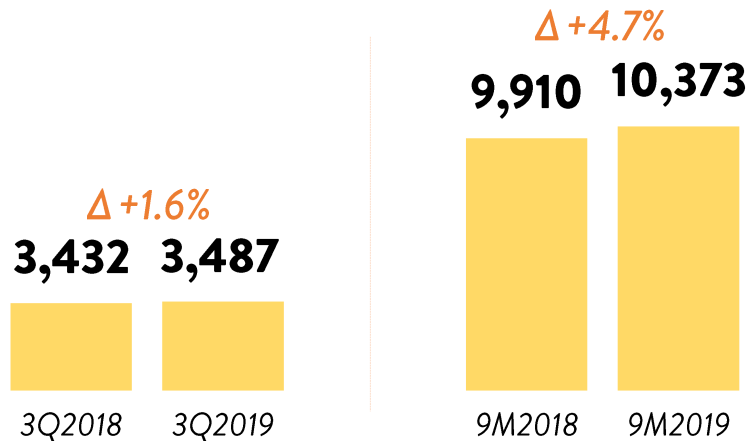
Minimal increase in net sales due to closure of 3 department stores;

SSSG was challenged by ongoing renovations in our top stores.

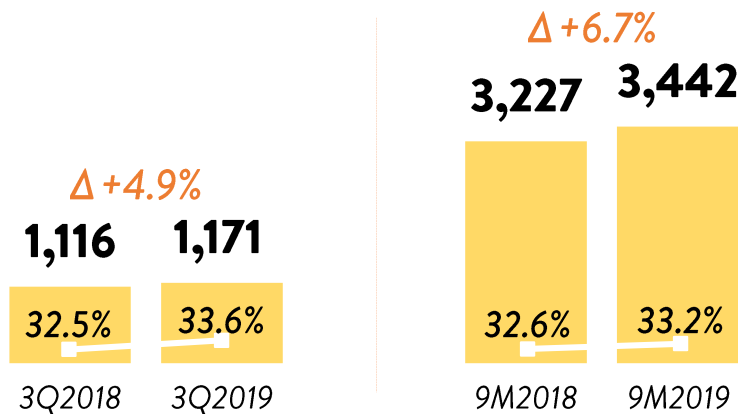


# DIY STORE SEGMENT

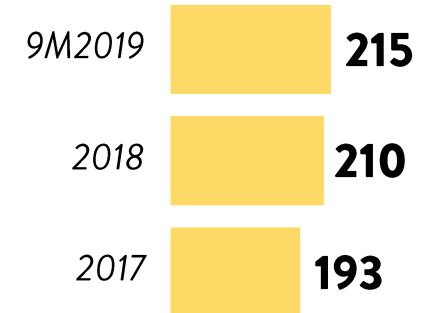
## Net Sales (₱ mm)



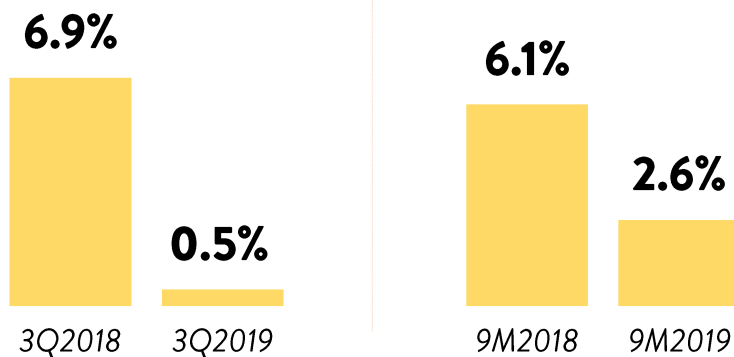
## Gross Profit (₱ mm)



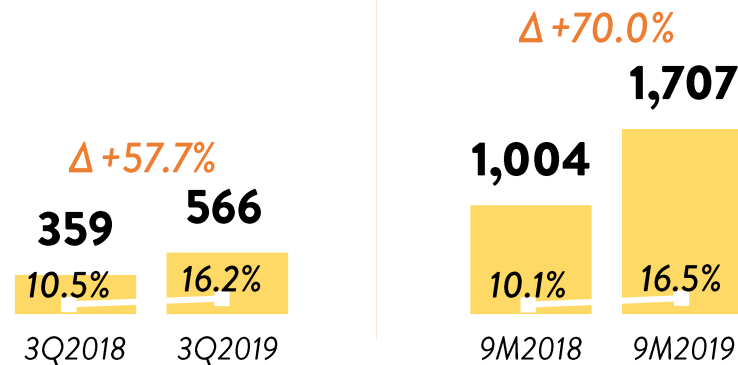
## Store Count



## Same Store Sales Growth



## EBITDA<sup>1</sup> (₱ mm)

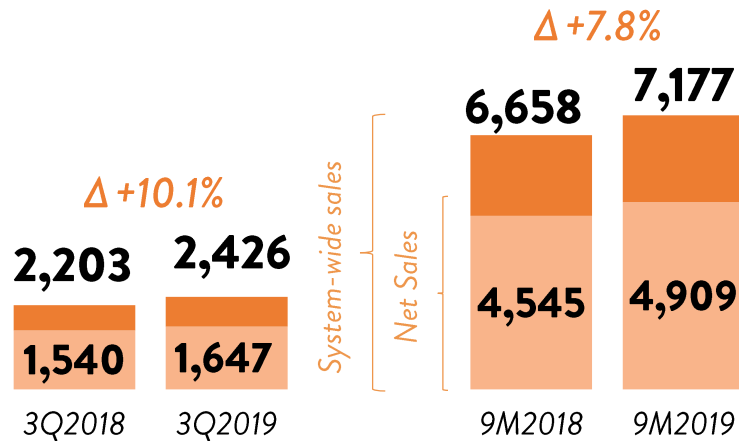


## 9M19 Highlights:

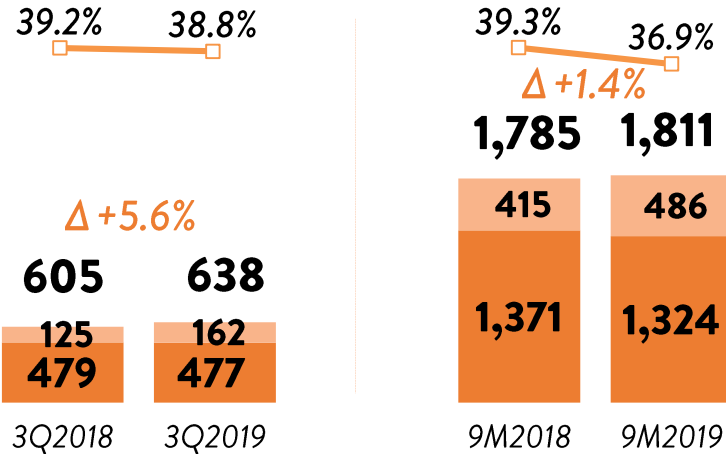
SSSG softened due to stock replenishment issues in hardware category and high sales base in lighting category LY due to Typhoon Mangkhut

# CONVENIENCE STORE SEGMENT

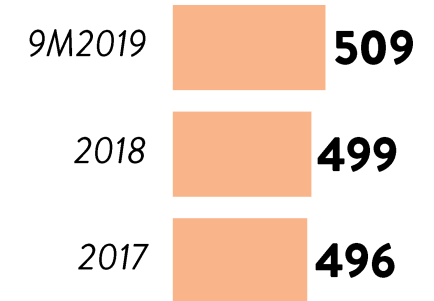
## Systemwide Sales & Net Sales (₱ mm)



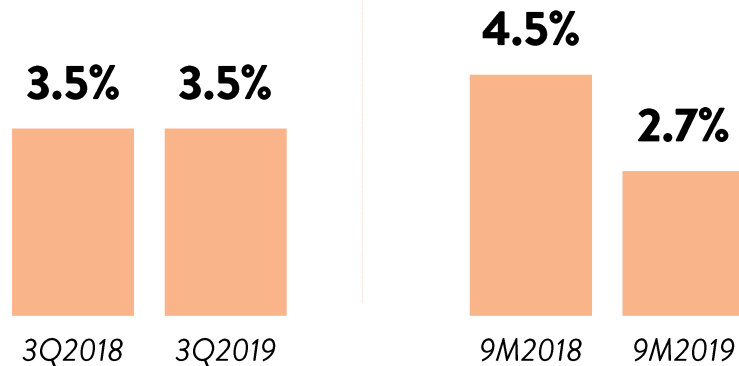
## Gross Profit + Royalty Income (₱ mm)



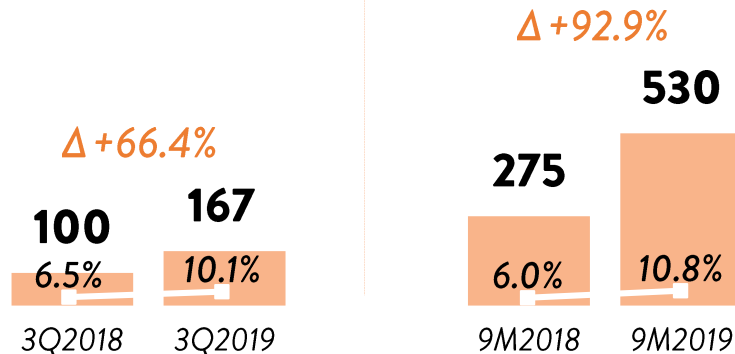
## Store Count



## Same Store Sales Growth



## EBITDA<sup>1</sup> (₱ mm)



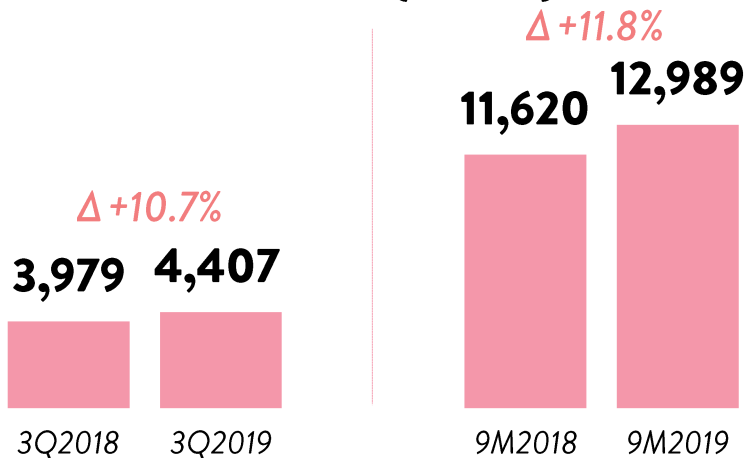
## 9M19 Highlights:

Increase in sales driven by new store openings;

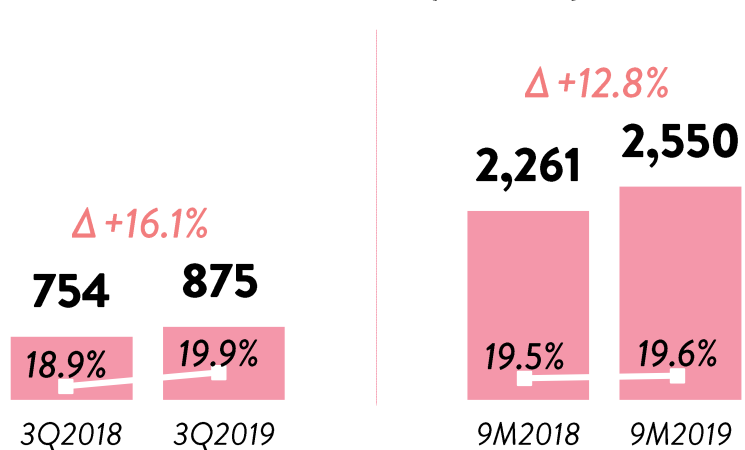
SSSG improved as most supply chain disruptions that we encountered in Q1 have been progressively resolved.

# DRUGSTORE SEGMENT

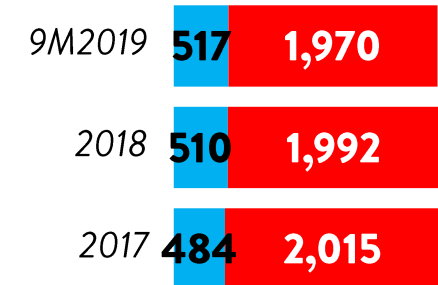
## Net Sales (₱ mm)



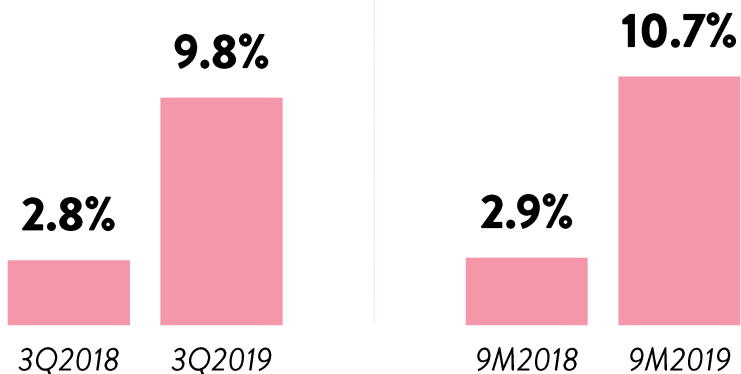
## Gross Profit (₱ mm)



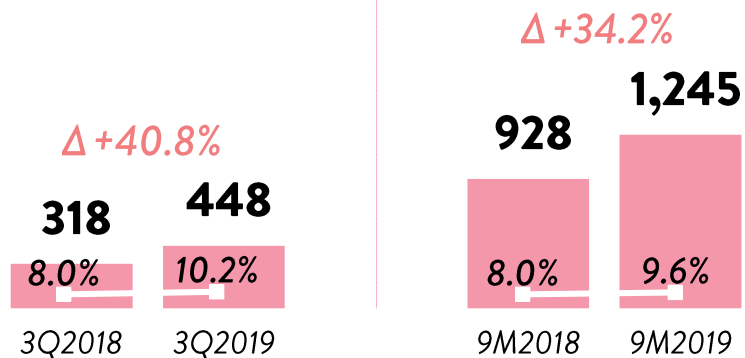
## Store Count



## Same Store Sales Growth



## EBITDA<sup>1</sup> (₱ mm)

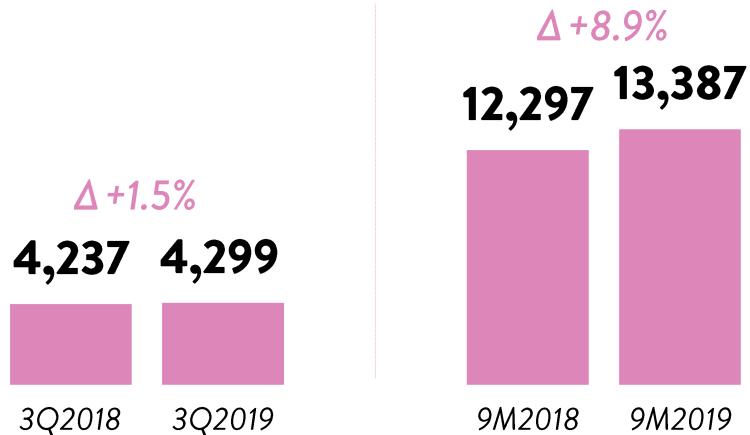


### 9M19 Highlights:

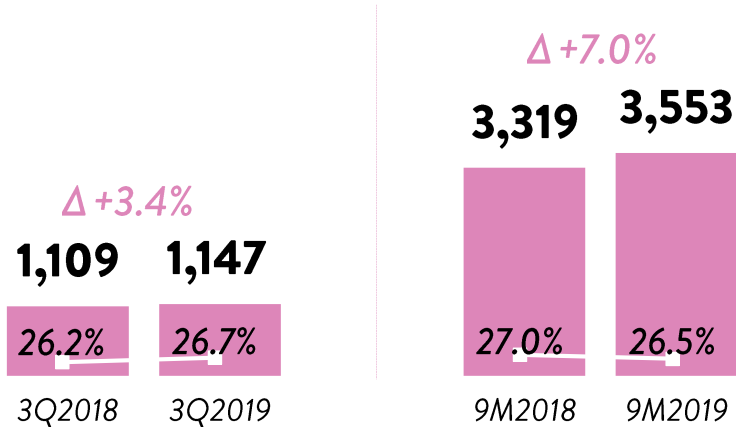
Three consecutive quarters of high-single digit to low-teens SSSG due to surge in various epidemics starting 1Q2019 and improvement in stock availability

# SPECIALTY STORE SEGMENT

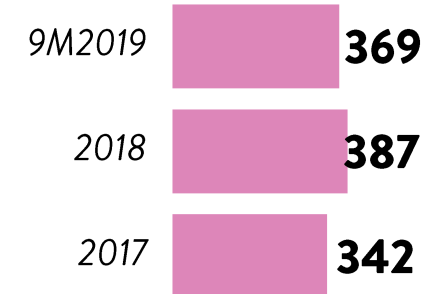
## Net Sales (₱ mm)



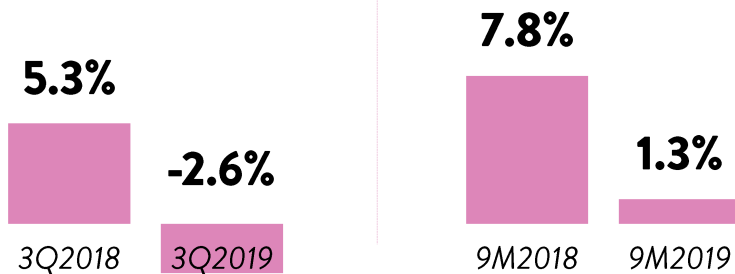
## Gross Profit (₱ mm)



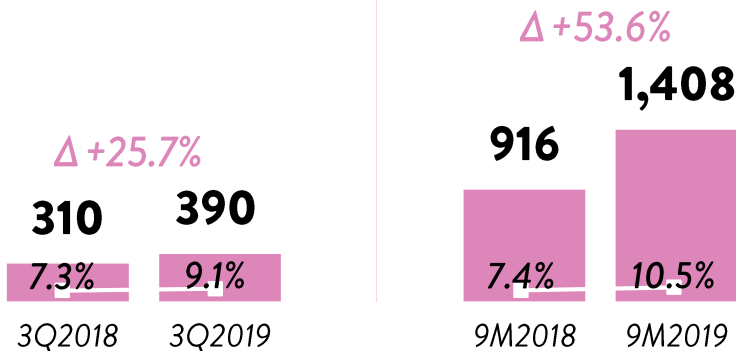
## Store Count



## Same Store Sales Growth



## EBITDA<sup>1</sup> (₱ mm)

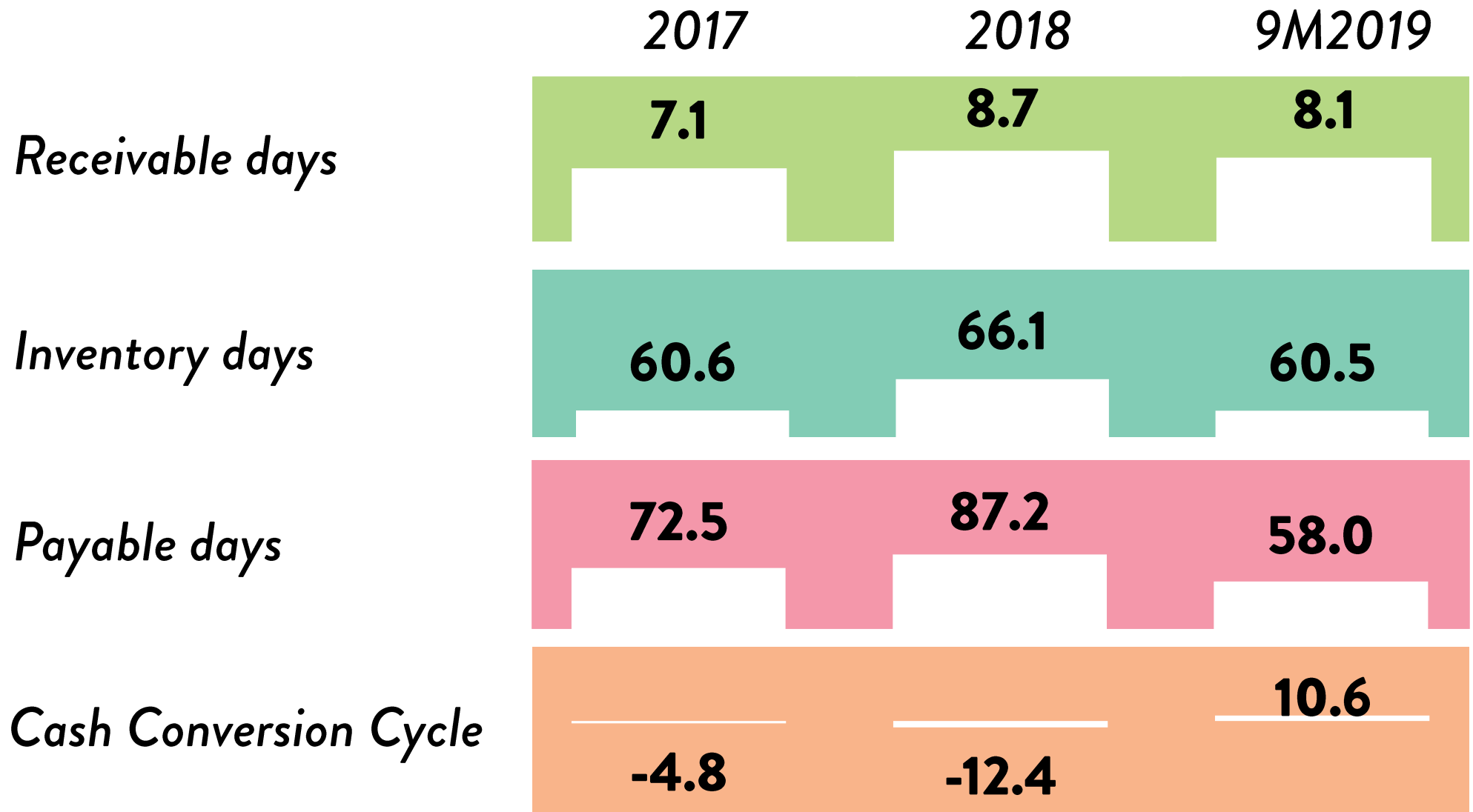


## 9M19 Highlights:

3Q SSSG challenged by availability issues in appliances and Daiso and absence of hit character movies for toys;

New specialty brands include Pet Lovers Centre and Super50

# WORKING CAPITAL

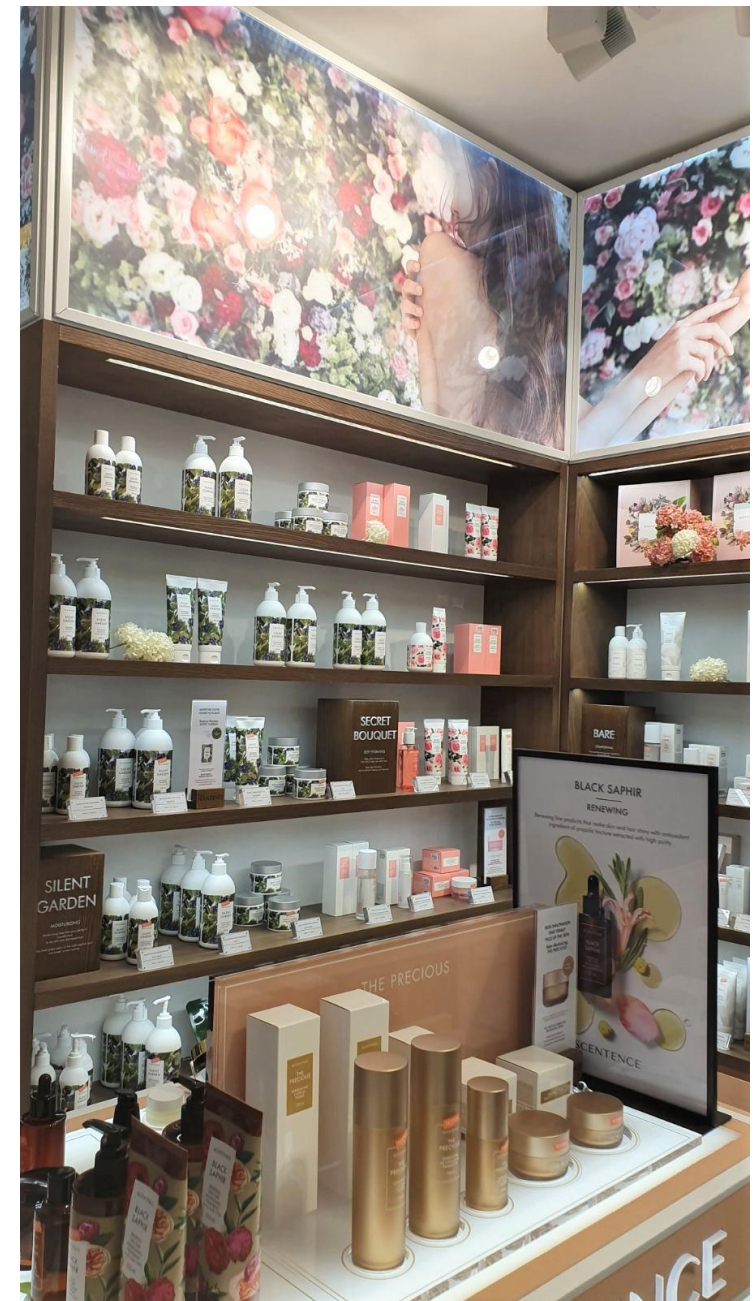




# CAPITAL EXPENDITURE

	2017	2018	9M2019
<i>Supermarkets</i>	<b>41%</b>	<b>52%</b>	<b>41%</b>
<i>Department stores</i>	<b>24%</b>	<b>14%</b>	<b>11%</b>
<i>DIY Stores</i>	<b>11%</b>	<b>10%</b>	<b>10%</b>
<i>Convenience Stores</i>	<b>4%</b>	<b>5%</b>	<b>17%</b>
<i>Drugstores</i>	<b>8%</b>	<b>3%</b>	<b>4%</b>
<i>Specialty Stores</i>	<b>12%</b>	<b>16%</b>	<b>16%</b>
<b>Total CAPEX (in ₱ mm)</b>	<b>3,105</b>	<b>4,419</b>	<b>2,242</b>
<i>% of net sales</i>	2.7%	3.3%	1.9%

# SCENTENCE LAUNCH





# ROBINSONS CASHBACK CREDIT CARD



Robinsons Cashback

5203 1530 0000 1234

10/19 10/24

3%

GET UP TO **3%** REBATE  
AT ROBINSONS STORES

IT PAYS TO SHOP WITH THE NEW  
ROBINSONS CASHBACK CREDIT CARD



# 2018 SUSTAINABILITY REPORT



Better Lives  
through Better Choices



## Sustainability Framework

Value creation for stakeholders

Enablers



**BUSINESS  
INTEGRITY**



**RESOURCE  
MANAGEMENT**



**COMMUNITY  
PROGRAMS**



**Product diversity  
for customers**



**Economic  
opportunities for  
suppliers and  
entrepreneurs**



**Employment  
opportunities**

**THANK YOU**



*Day Buy Day*



# INCOME STATEMENT (UNAUDITED)

PHP mm	Three Months Ended Sept 30 (Unaudited)			Nine Months Ended Sept 30 (Unaudited)		
	2019 (Pre-PFRS 16)	2019 (Post-PFRS 16)	2018	2019 (Pre-PFRS 16)	2019 (Post-PFRS 16)	2018
Sales - net of sales discounts and returns	38,948	38,948	31,358	116,159	116,159	91,817
Cost of merchandise sold	29,919	29,919	24,334	89,469	89,469	71,129
<b>Gross Profit</b>	<b>9,029</b>	<b>9,029</b>	<b>7,025</b>	<b>26,690</b>	<b>26,690</b>	<b>20,688</b>
Royalty, rent and other revenues	726	726	652	1,978	1,978	1,770
Gross profit including other revenue	9,754	9,754	7,677	28,668	<b>28,668</b>	<b>22,458</b>
Operating expenses	-7,958	-7,825	-6,049	-23,750	-23,336	-17,803
<b>EBIT</b>	<b>1,796</b>	<b>1,929</b>	<b>1,627</b>	<b>4,918</b>	<b>5,332</b>	<b>4,655</b>
<b>EBITDA</b>	<b>2,557</b>	<b>3,570</b>	<b>2,245</b>	<b>7,165</b>	<b>10,407</b>	<b>6,384</b>
<b>OTHER INCOME (CHARGES)</b>						
Interest income	246	246	240	808	808	715
Foreign currency exchange gain (loss)	48	48	59	-44	-44	305
Dividend income	28	28	28	84	84	84
Equity in net earnings of an associate	85	85	29	143	143	110
Interest expense	-78	-571	-37	-266	-1,766	-92
Others	-50	-50	-139	-44	-44	-192
	<b>278</b>	<b>-215</b>	<b>181</b>	<b>681</b>	<b>-819</b>	<b>930</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>2,075</b>	<b>1,714</b>	<b>1,808</b>	<b>5,599</b>	<b>4,513</b>	<b>5,584</b>
Provision for income tax	570	462	421	1,481	1,155	1,251
<b>NET INCOME</b>	<b>1,505</b>	<b>1,252</b>	<b>1,387</b>	<b>4,119</b>	<b>3,358</b>	<b>4,334</b>
<b>Net income attributable to:</b>						
Equity holders of the Parent Company	1,338	1,101	1,211	3,592	2,875	3,832
Non-controlling interest in consolidated subs	168	151	176	527	484	503
	<b>1,506</b>	<b>1,252</b>	<b>1,387</b>	<b>4,119</b>	<b>3,358</b>	<b>4,335</b>
<b>Earnings Per Share</b>						
Basic	0.85	0.70	0.87	2.28	1.82	2.77
Weighted	0.85	0.70	0.87	2.28	1.82	2.77
<b>Shares Outstanding</b>						
End of Period	1,576	1,576	1,385	1,576	1,576	1,385
Weighted	1,576	1,576	1,385	1,576	1,576	1,385

# BALANCE SHEET (UNAUDITED)

	September 30 (Unaudited)	December 31 (Audited)
PHP mm	2019	2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	10,543	14,788
Trade and other receivables	3,475	3,172
Merchandise inventories	20,055	18,628
Other current assets	3,055	3,160
<b>Total Current Assets</b>	<b>37,128</b>	<b>39,747</b>
<b>Noncurrent assets</b>		
Debt and equity instrument financial assets	15,691	19,752
Property and equipment	19,247	19,269
Right-of-use asset	23,038	-
Investment in shares of stocks	7,906	6,814
Intangible assets	19,052	19,106
Other noncurrent assets	3,239	3,088
<b>Total Noncurrent Assets</b>	<b>88,174</b>	<b>68,030</b>
<b>Total Assets</b>	<b>125,302</b>	<b>107,777</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	19,208	24,577
Short-term loans payable	2,679	6,794
Current portion of lease liability	2,122	-
Other current liabilities	919	1,118
<b>Total Current Liabilities</b>	<b>24,927</b>	<b>32,489</b>
<b>Total Noncurrent Liabilities</b>	<b>24,631</b>	<b>2,584</b>
<b>Total Liabilities</b>	<b>49,558</b>	<b>35,073</b>
<b>Equity</b>		
Capital stock	1,576	1,576
Additional paid-in capital	40,768	40,768
Equity reserve	-988	-970
Retained earnings	29,450	27,710
Others	475	-564
<b>Total equity attributable to equity holders of Parent Company</b>	<b>71,281</b>	<b>68,521</b>
Non-controlling interest in consolidated subsidiaries	4,463	4,183
<b>Total Equity</b>	<b>75,744</b>	<b>72,704</b>
<b>Total Liabilities and Equity</b>	<b>125,302</b>	<b>107,777</b>

# CASH FLOW STATEMENT (UNAUDITED)

PHP mm	Nine Months Ended Sept 30 (Unaudited)			Years Ended Dec 31 (Audited)	
	2019 (Pre-PFRS 16)	2019 (Post-PFRS 16)	2018	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Income before income tax	5,599	4,513	5,584	7,597	7,303
Depreciation and amortization	2,247	5,075	1,729	2,395	2,073
Retirement expense	107	107	115	156	171
Interest expense	266	1,766	92	159	127
Equity in net earnings in associates	-143	-143	-110	-109	-124
Dividend income	-84	-84	-84	-112	-112
Interest income	-808	-808	-715	-982	-873
Others	13	13	-224	16	10
<b>Operating income before working capital changes</b>	<b>7,197</b>	<b>10,437</b>	<b>6,388</b>	<b>9,122</b>	<b>8,575</b>
Working capital changes	-6,909	-6,909	-4,827	1,311	-740
Interest received	809	809	884	997	864
Retirement contributions and benefits paid	-171	-171	—	-409	-239
Income tax paid	-1,646	-1,646	-1,708	-1,934	-1,657
<b>Net cash flows generated from (used in) operations</b>	<b>-719</b>	<b>2,521</b>	<b>737</b>	<b>9,087</b>	<b>6,804</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment in associate	-530	-530	-1,305	-1,466	-125
Debt and equity instrument financial assets	4,789	4,789	-91	-112	-267
Property and equipment	-2,242	-2,242	-2,865	-4,419	-3,105
Others	239	239	-150	-376	-16
<b>Net cash flows generated from (used in) investing activities</b>	<b>2,256</b>	<b>2,256</b>	<b>-4,410</b>	<b>-6,374</b>	<b>-3,512</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Availment of loans	1,285	1,285	2,488	7,508	3,725
Payment of loans	-5,400	-5,400	-4,632	-8,592	-3,923
Dividends paid	-1,357	-1,357	-1,133	-1,266	-1,624
Payment of lease liabilities	—	-3,242	—	—	—
Others	-266	-266	-92	-144	363
<b>Net cash flows used in financing activities</b>	<b>-5,738</b>	<b>-8,980</b>	<b>-3,370</b>	<b>-2,495</b>	<b>-1,459</b>
Effect of forex on cash and cash equivalents	-44	-44	—	4	14
Net increase (decrease) in cash and cash equivalents	-4,245	-4,246	-7,043	223	1,847
Cash and cash equivalents at beginning of year	14,788	14,788	14,565	14,565	12,718
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>10,543</b>	<b>10,542</b>	<b>7,522</b>	<b>14,788</b>	<b>14,565</b>

# 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.*