



ROBINSONS RETAIL HOLDINGS, INC.

CY 2013 Audited Earnings Presentation

APRIL 2014



Agenda



Results Highlights

Store Network

Consolidated Results

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Working Capital

Capital Expenditure

Recent Developments &
Plans and Prospects

Results Highlights



Store Network

1,064 stores
Nationwide¹

Metro Manila

Business units	No. of stores
Supermarkets	27
Department stores	11
DIY stores	43
Convenience stores	248
Drug stores	54
Specialty stores	100
Total	483

Luzon²

Business units	No. of stores
Supermarkets	42
Department stores	17
DIY stores	54
Convenience stores	129
Drug stores	178
Specialty stores	48
Total	468

Visayas

Business units	No. of stores
Supermarkets	12
Department stores	5
DIY stores	16
Convenience stores	9
Drug stores	7
Specialty stores	19
Total	68

Mindanao

Business units	No. of stores
Supermarkets	10
Department stores	5
DIY stores	13
Specialty stores	17
Total	45

Of the total store count, **45%** are located in Metro Manila, **44%** in Luzon, and the balance of **11%** are in the Visayas and Mindanao regions.

Store Network

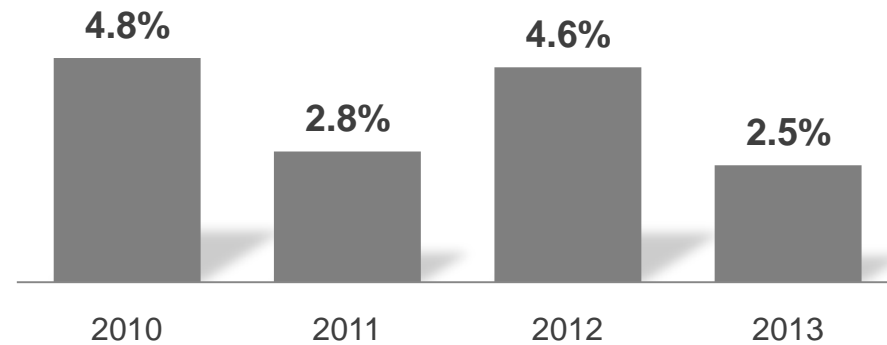
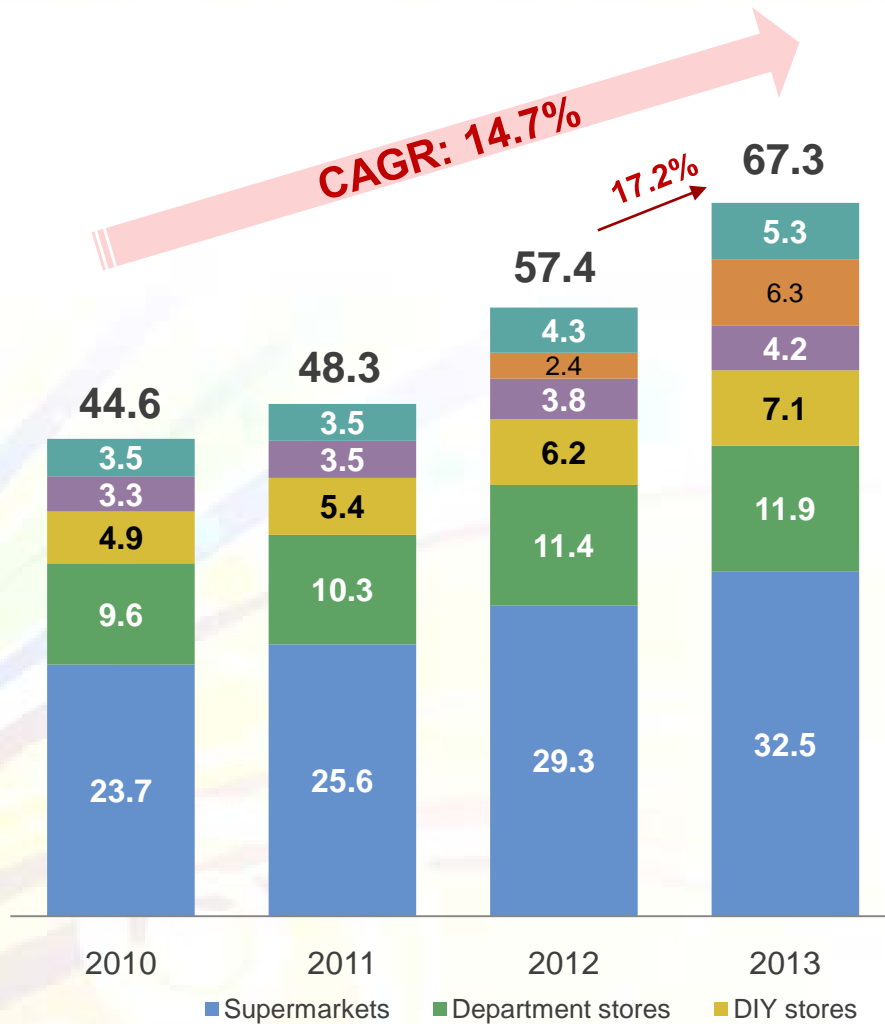
	2010	2011	Inc.	2012	Inc.	2013	Inc.
Supermarkets	55	62	7	74	12	91	17
Department Stores	29	33	4	36	3	38	2
DIY Stores	82	92	10	111	19	126	15
Convenience Stores	326	326	0	336	10	386	50
Drug Stores*				218	218	239	21
Specialty Stores	101	118	17	137	19	184	47
Total	593	631	38	912	281	1,064	152

- **1,064** stores nationwide and **increasing**
- **152** yoy net store openings (**35%** in Metro Manila, **41%** in Luzon outside Metro Manila, and the balance of **24%** are situated in the Visayas and Mindanao regions)
- **19%** located inside RLC malls

Robinsons Retail Holdings, Inc.

Net Sales¹ (PHP bn)

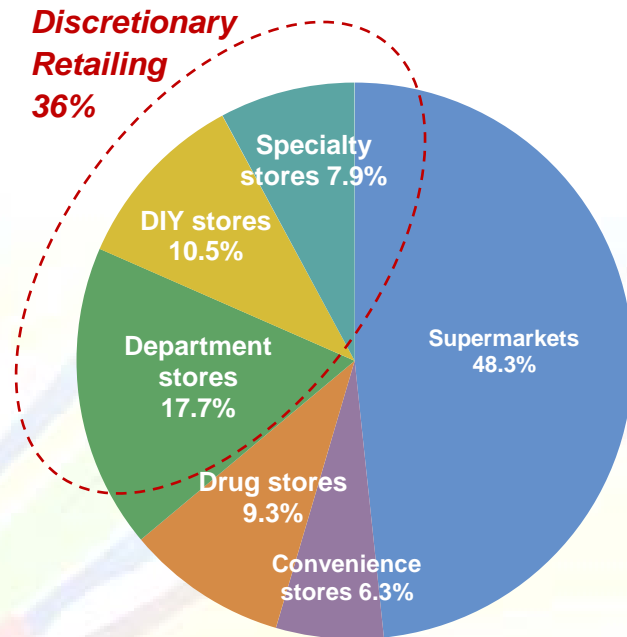
SSSG (%)



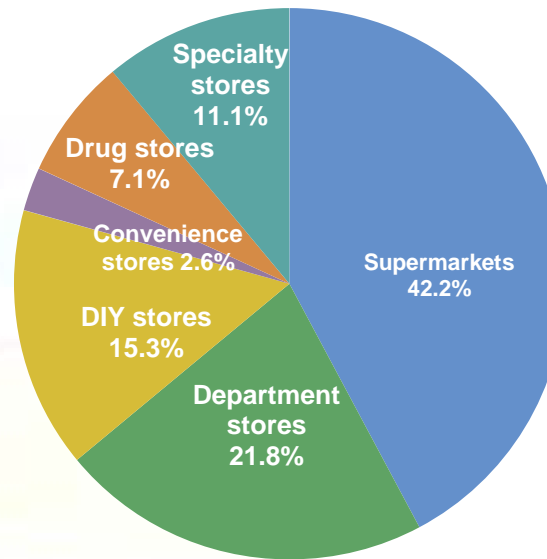
- 17% yoy growth in net sales largely driven by the increase in sales from **152 new stores** (7.5%) and **acquisition of South Star Drug and Eurogrocer** (7.0%)
- **Respectable SSSG** of 2.5%

Robinsons Retail Holdings, Inc.

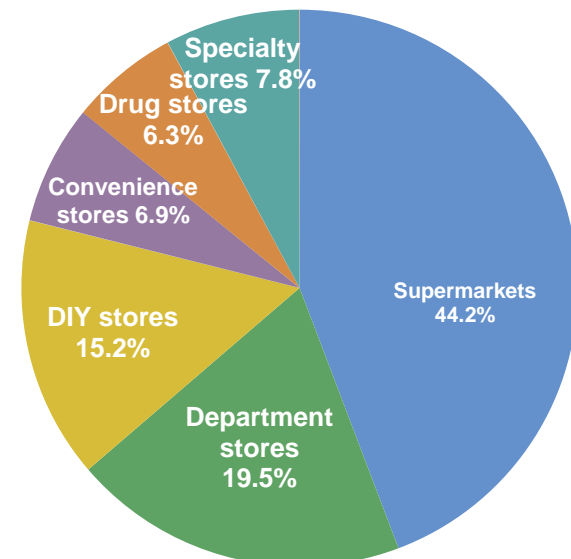
Net Sales Breakdown



Gross Profit Breakdown



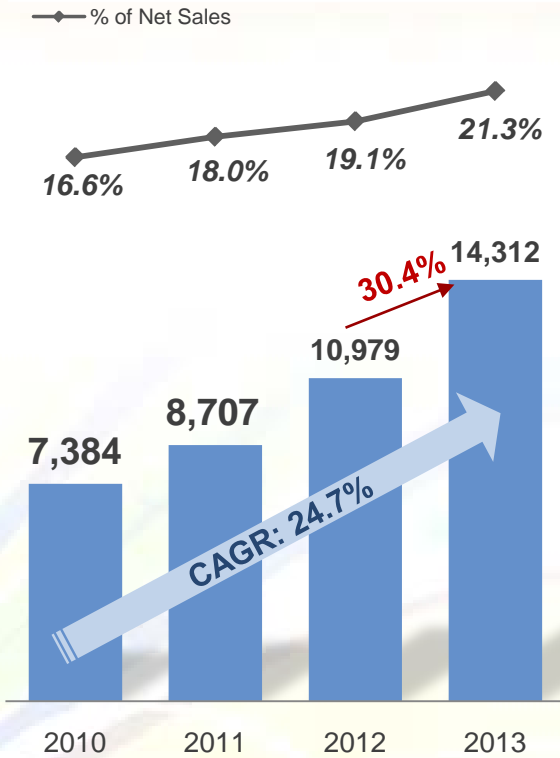
EBITDA Breakdown



- **36%** of consolidated sales from **discretionary retail businesses**
- **SSD captured a bigger share** of the earnings in 2013 due to **full year contribution** vs 5 months in 2012

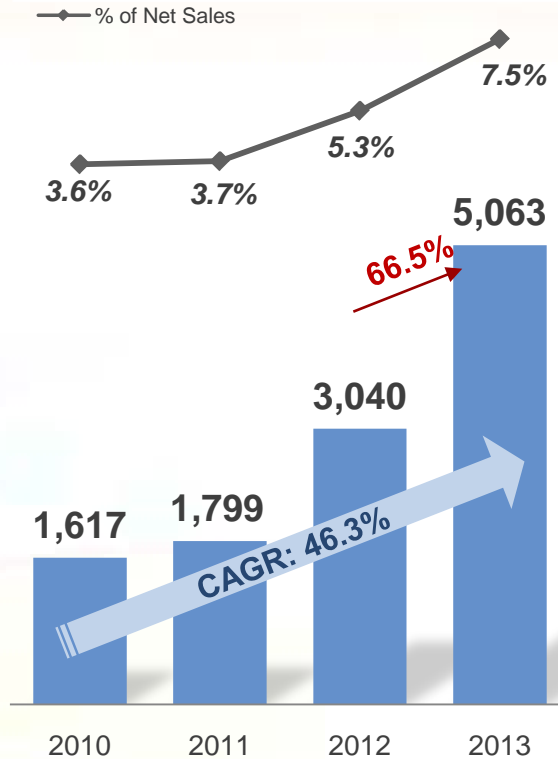
Robinsons Retail Holdings, Inc.

Gross profit¹ (PHP mm)



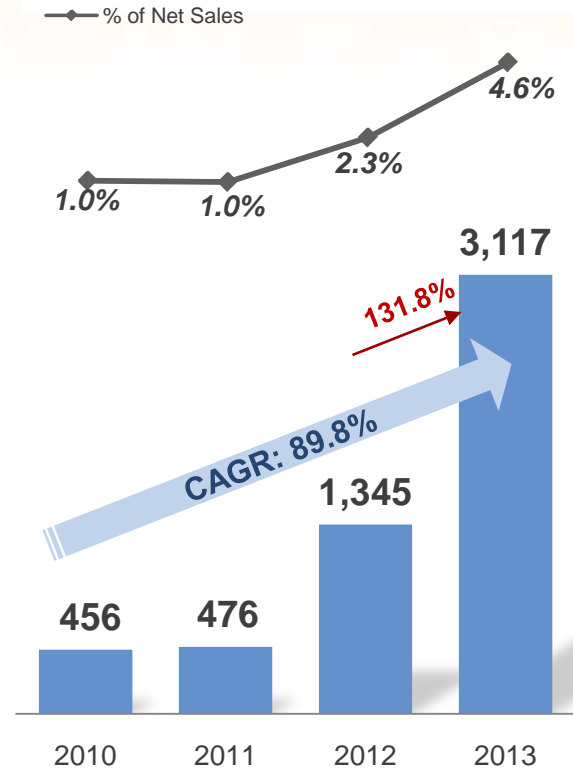
- Increasing scale drove GP margin higher
- Sustained gross margin improvements driven by suppliers' support and others

EBITDA² (PHP mm)



- Operating expenses (excluding depreciation & amortization) as a % of net sales remained stable at 15.7%
- EBITDA margin gained 220bps in 2013 vs 2012 or 390bps from 2010 to 2013

Net income (PHP mm)

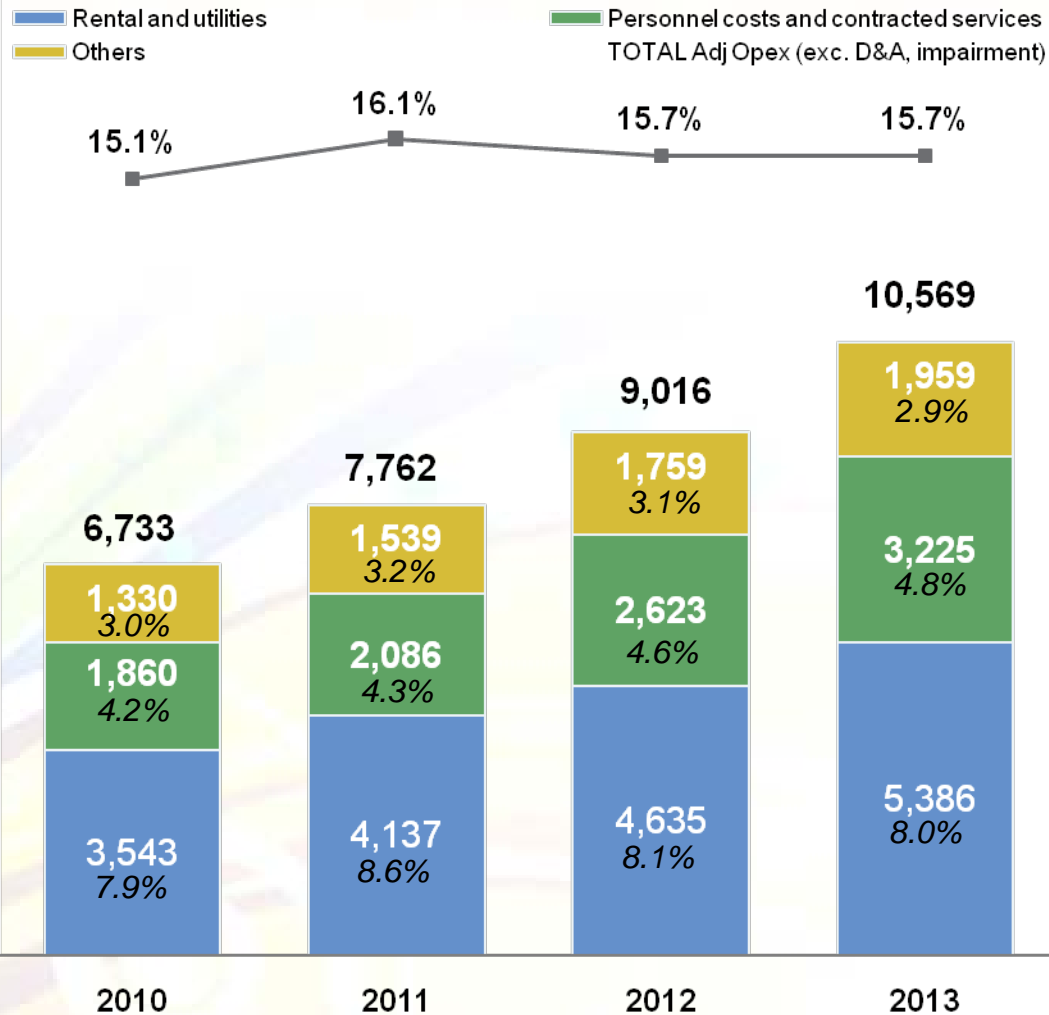


- Net margin expanded across all segments

¹ Gross profit = Net sales – Cost of merchandise sold (as a % of Net sales); ² EBITDA = Operating income + Depreciation and amortization + Provision for impairment losses

Stable operating expenses

Adjusted operating expenses¹ (PHP mm, % of Net Sales)

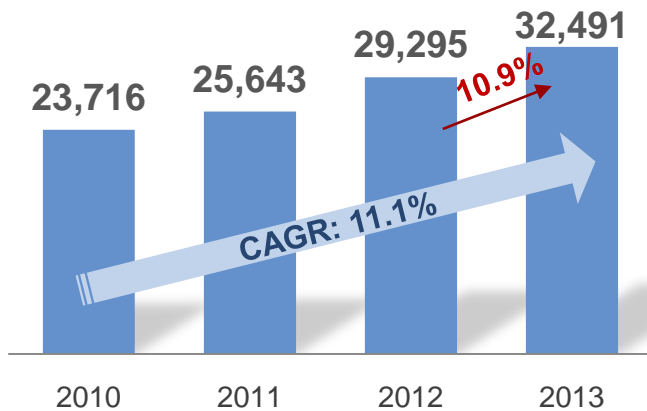


Commentary

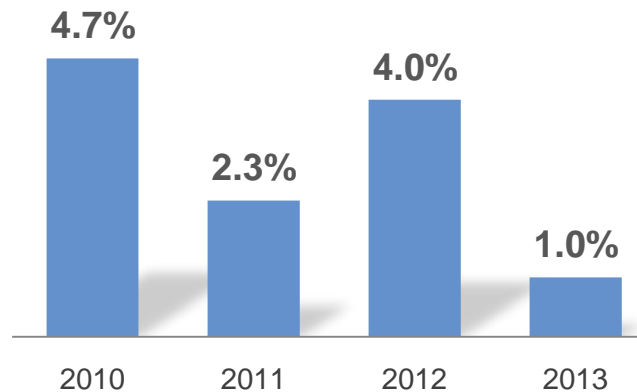
- **Stable operating expenses** as % of net sales over the last three years
- Increase in personnel costs as % of net sales due to full year **integration of South Star Drug** in 2013

Supermarket Business Segment

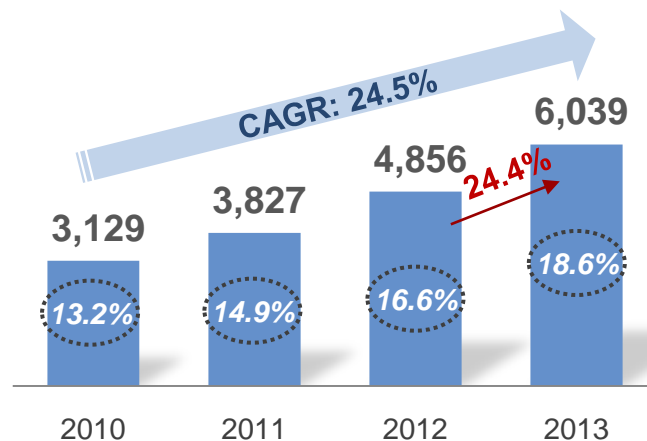
Net Sales (PHP mm)



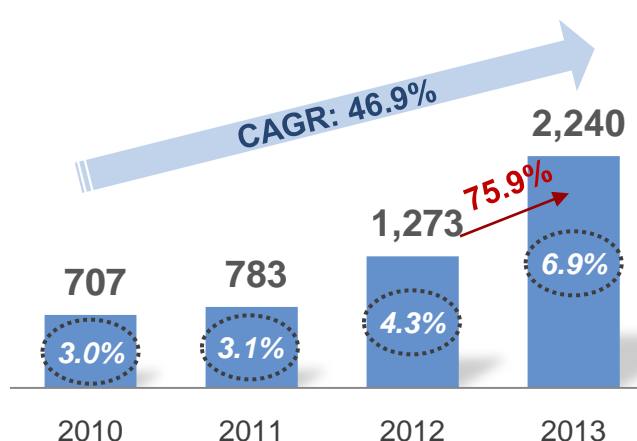
SSSG (%)



Gross Profit (PHP mm)



EBITDA (PHP mm)



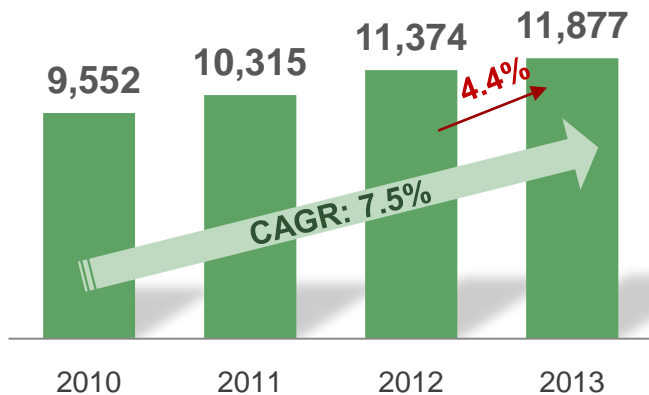
- 48.3% of consolidated net sales
- 10.9% growth in 2013 net sales driven mostly by new store openings
- SSSG at 1% despite intense competition
- Added 17 stores in 2013 for a total of 91 stores, including 6 from EZ Supermarket (Eurogrocer Corp.)

○ = % of segment's net sales

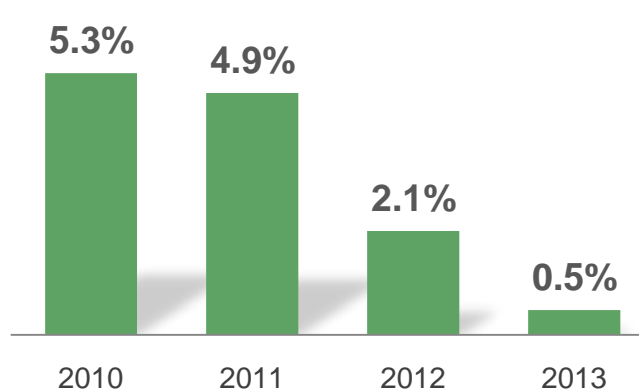
Department Store Business Segment



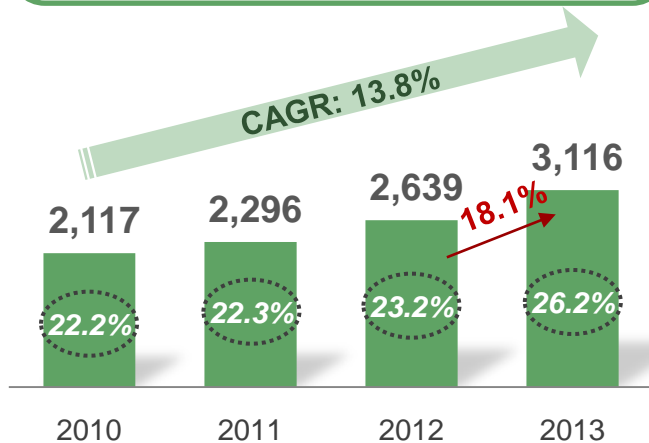
Net Sales (PHP mm)



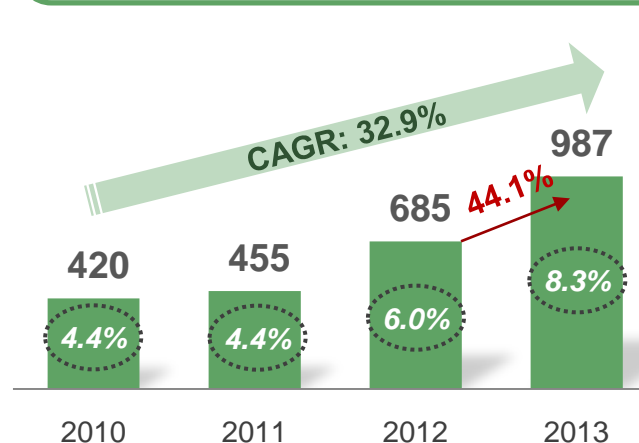
SSSG (%)



Gross Profit (PHP mm)



EBITDA (PHP mm)



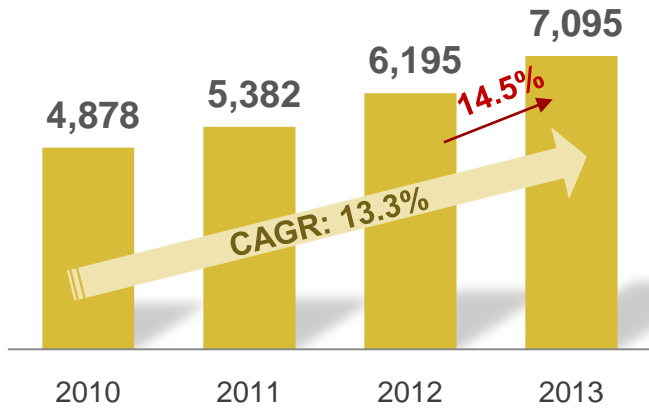
- 17.7% of consolidated net sales
- 4.4% growth in net sales largely on new store openings.
- **SSSG is flat**, challenged by competition from other department stores, int'l fashion specialty stores, and category killers
- **38 stores** as of Dec 2013; opened 2 new stores

○ = % of segment's net sales

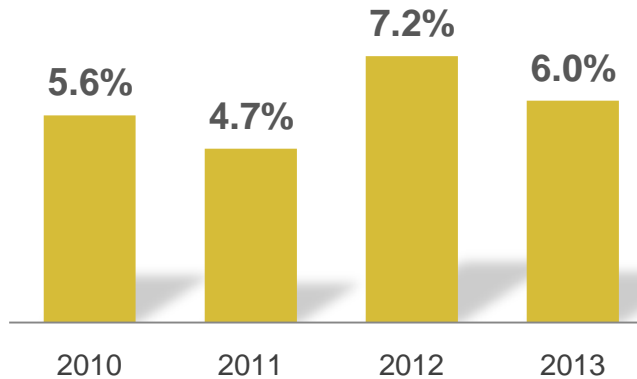
DIY Store Business Segment



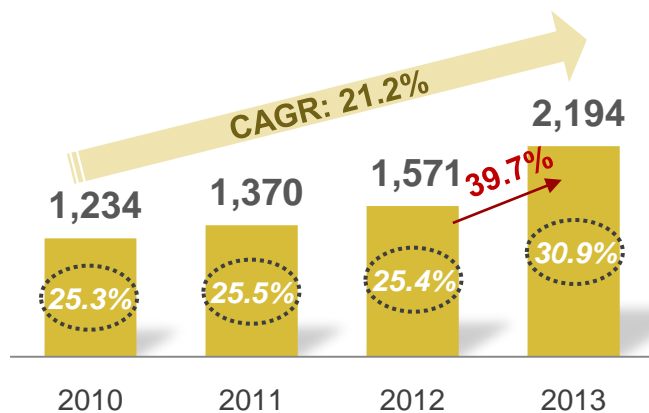
Net Sales (PHP mm)



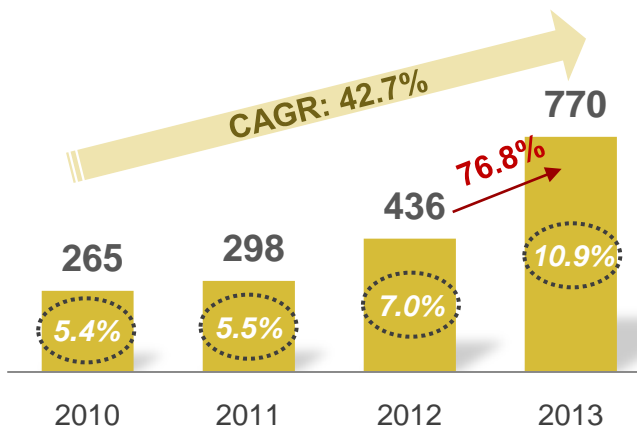
SSSG (%)



Gross Profit (PHP mm)



EBITDA (PHP mm)



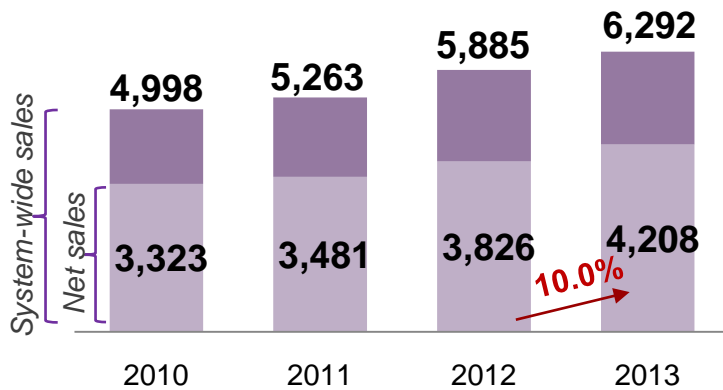
- 10.5% of consolidated net sales
- 14.5% increase in 2013 net sales attributed to robust SSSG and sales from new stores
- SSSG up due to sustained construction boom
- Opened 15 stores in 2013 to end the year with 126 stores

○ = % of segment's net sales

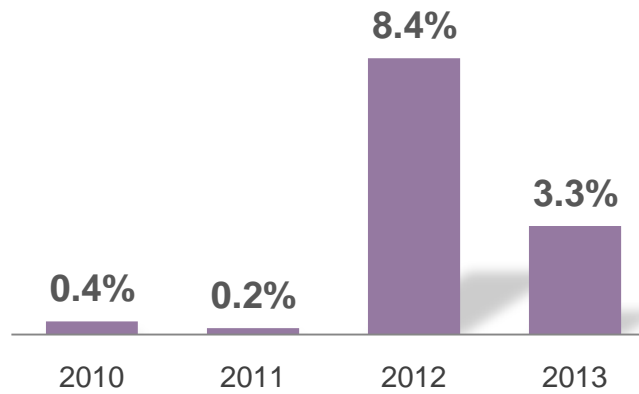
Convenience Store Business Segment



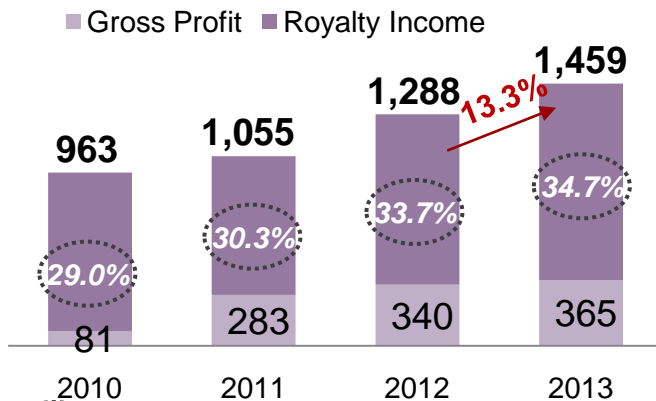
System-wide Sales & Net Sales
(PHP mm)



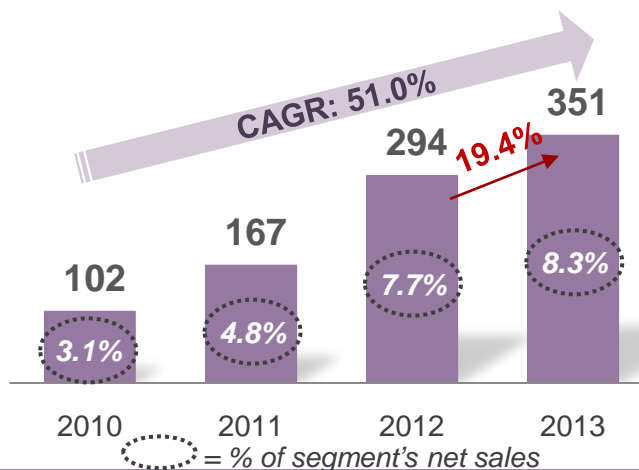
SSSG (%)



Gross Profit and Royalty Income
(PHP mm)



EBITDA (PHP mm)



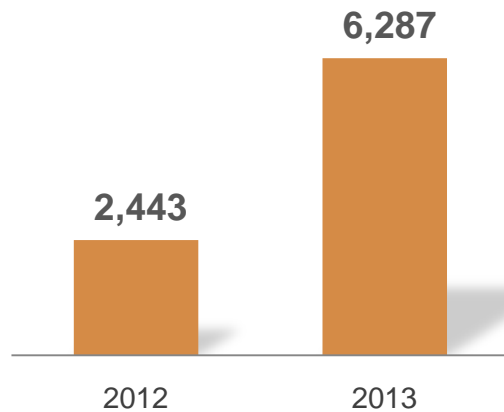
- 6.3% of consolidated net sales in 2013
- 10.0% net sales growth in 2013 attributed to sales contribution from new stores
- SSSG drop due to high base in 2012 but still up at 3.3%
- 386 stores as of Dec 2013; up 50 stores yoy

○ = GP & Royalty Inc, % of segment's net sales

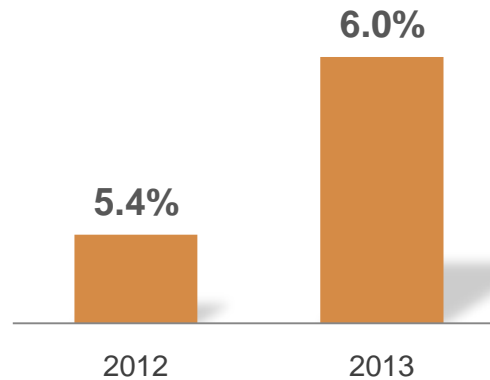
○ = % of segment's net sales

Drug Store Business Segment

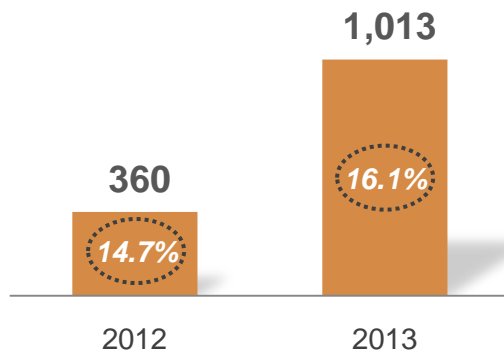
Net Sales (PHP mm)



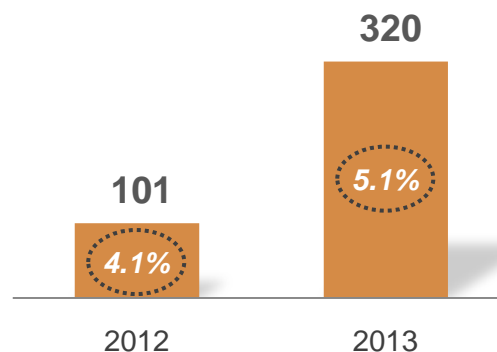
SSSG (%)



Gross Profit (PHP mm)



EBITDA (PHP mm)

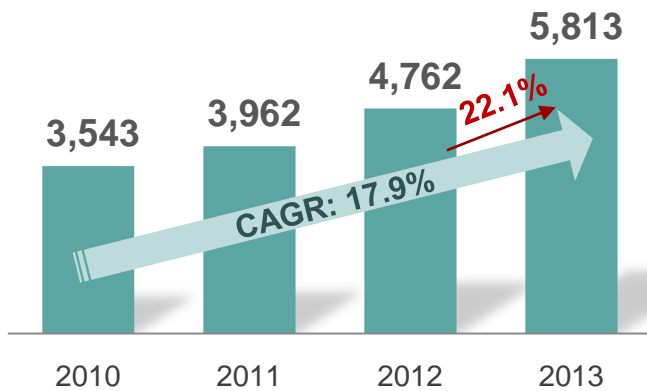


- **9.3%** of consolidated net sales
- Buoyant net sales performance in 2013 due to **surge in sales in 4Q2013**
- Robust SSSG up due to **improving service levels**
- **239 stores** as of Dec 2013; up 21 stores yoy

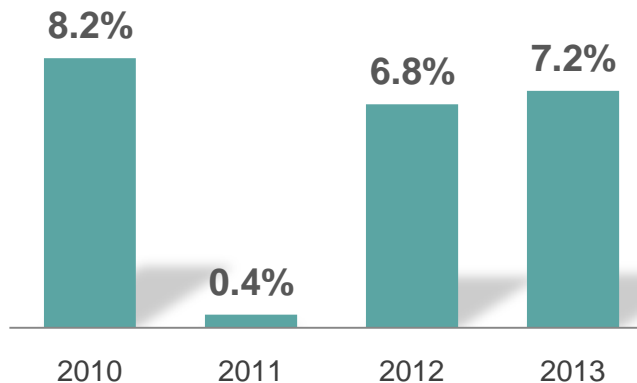
○ = % of segment's net sales

Specialty Store Business Segment

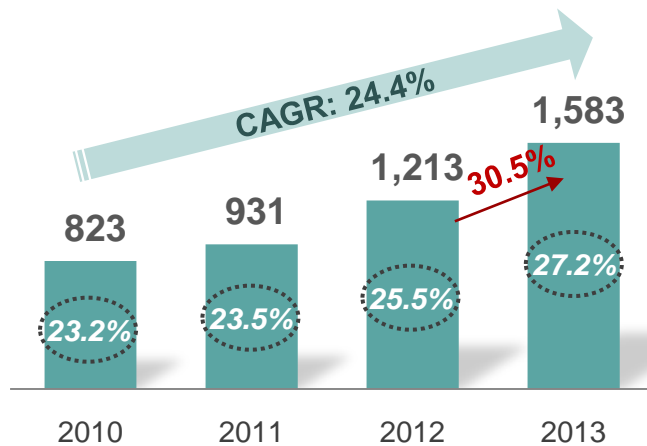
Net Sales (PHP mm)



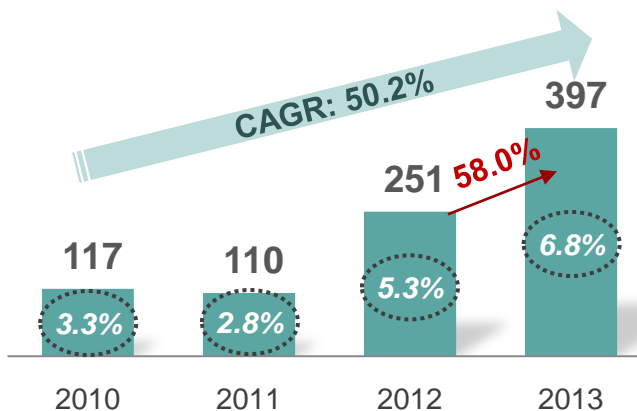
SSSG (%)



Gross Profit (PHP mm)



EBITDA (PHP mm)

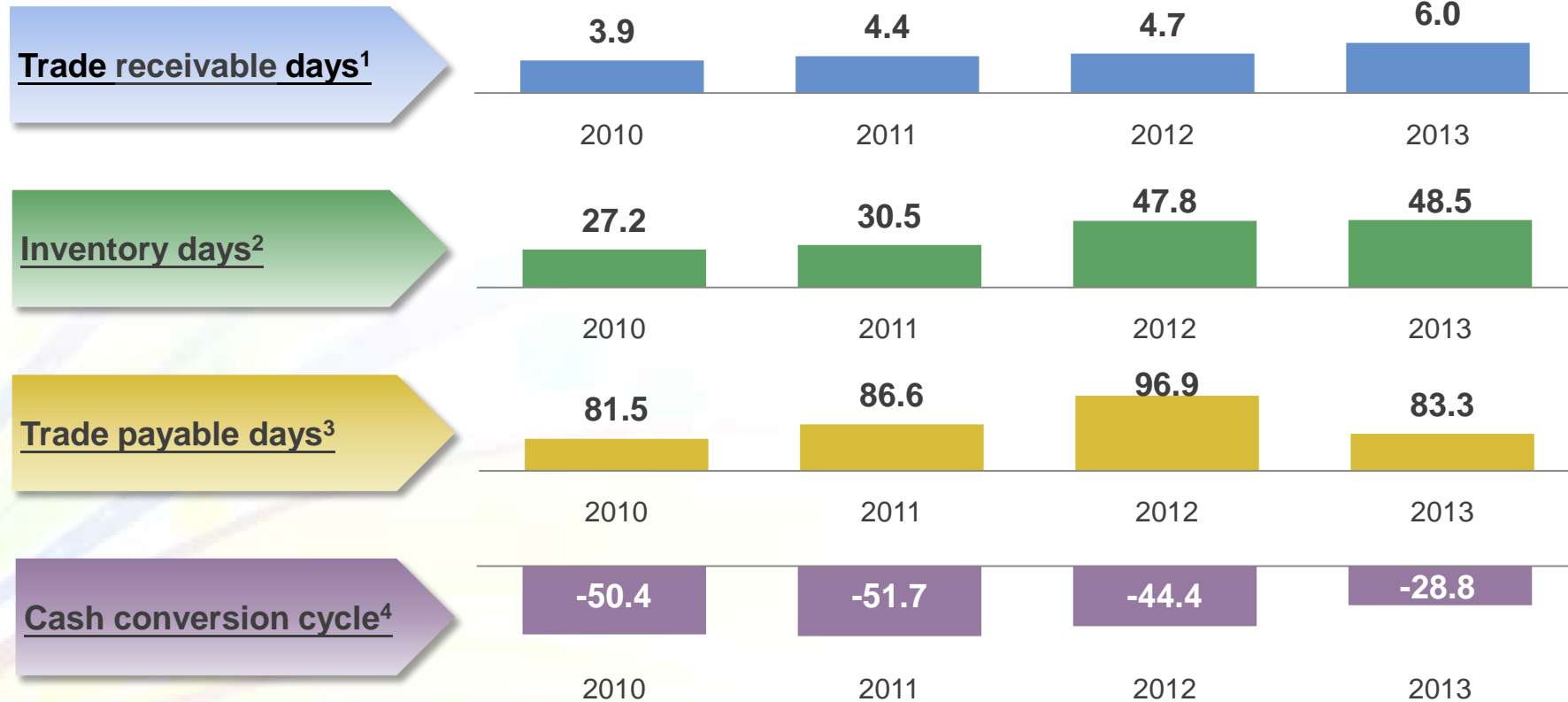


- 7.9% of consolidated net sales
- 22.1% net sales growth largely on **Robinsons Appliances' robust sales performance**
- **High SSSG** due to RApp's 13.6% SSSG brought by higher sales volume of high-end products
- **184 stores** as of Dec 2013; up 47 stores yoy

○ = % of segment's net sales

Working capital

Working capital days trend



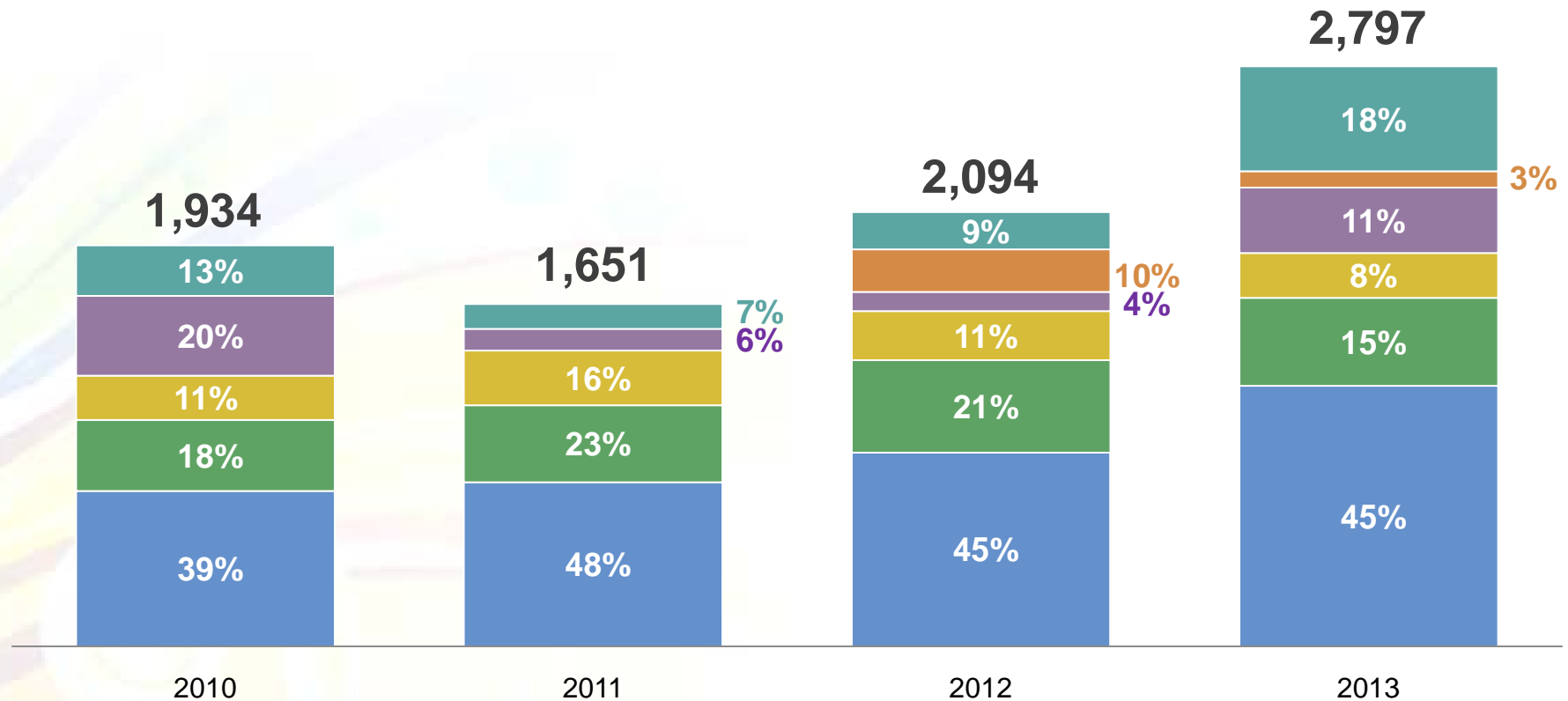
- Proactive and efficient working capital management
- Increase in 2012 inventory days due to the consolidation of South Star Drug

Capital expenditure

Capital expenditure breakdown (PHP mm)¹

- Supermarkets
- Department stores
- DIY stores
- Convenience stores
- Drug stores
- Specialty stores

% of group's net sales



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

Supermarket Acquisitions



- ❑ **RSC acquired Jaynith's Supermarket** (JAS 8 Retailing Mngt. Corporation) in January 2014
 - a **3-store** supermarket chain w/ approx. total selling area of **1,200sqm**
- ❑ **RSC acquired EZ Supermarket (Eurogrocer Corp.)**
 - A **6-store** supermarket chain w/ around **3,800sqm** selling area in North Luzon

Specialty Store Acquisition



- ❑ **RSSI acquired the assets of Beauty Skininnovations Retail, Inc.**
 - Includes the right to sell Shiseido and Benefits cosmetics products under a distribution agreement with Luxasia Inc., and L Beauty Luxury Asia, Inc.
 - **Additional 8 Shiseido and 2 Benefit stores** in various leading malls in Metro Manila, Cebu and Davao

Consolidated financial statements

Consolidated statements of financial position

PHP mm	31-Dec		
	2011	2012	2013
ASSETS			
Current assets			
Cash and cash equivalents	5,242	6,052	30,136
Short-term investments & AFS	356	362	335
Merchandise inventories	3,310	6,082	7,029
Other current assets	1,184	1,609	2,117
Total Current Assets	10,092	14,105	39,616
Noncurrent assets			
Property and equipment - net	4,681	5,164	6,897
Investment in shares of stocks	1,395	1,549	1,803
Intangible assets	85	2,519	2,907
Other noncurrent assets	724	895	1,078
Total Current Assets	6,885	10,127	12,685
Total Assets	16,977	24,232	52,301
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	9,395	12,320	12,075
Current portion of loans payable	540	412	396
Other current liabilities	337	571	904
Total Current Liabilities	10,272	13,302	13,375
Noncurrent Liabilities			
Loans payable - net of current portion	0	2,117	112
Others	215	755	831
Total Noncurrent Liabilities	215	2,872	943
Total Liabilities	10,488	16,174	14,318
Equity			
Capital stock	415	415	1,385
Treasury shares	0	0	(1,100)
Additional paid-in capital	142	142	27,027
Retained earnings	5,109	6,309	9,051
Others	94	86	144
Total equity attributable to equity holders of Parent Company	5,760	6,952	36,507
Non-controlling interest in consolidated subsidiaries	729	1,106	1,476
Total Equity	6,489	8,057	37,982
Total Liabilities and Equity	16,977	24,232	52,301

Consolidated financial statements (cont'd)

Consolidated statements of comprehensive income

PHP mm	Twelve Months Ended Dec 31		
	2011	2012	2013
Sales - net of sales discounts and returns	48,303	57,393	67,254
Cost of merchandise sold	39,596	46,414	52,942
Gross Profit	8,707	10,979	14,312
Royalty, rent and other revenues	854	1,079	1,321
Gross profit including other revenue	9,561	12,057	15,632
Operating expenses	(9,126)	(10,617)	(11,569)
OTHER INCOME (CHARGES)			
Investment income	0	130	0
Interest income	107	114	113
Dividend income	11	4	3
Interest expense	(35)	(58)	(77)
Unrealized foreign currency exchange gain (loss)	0	(19)	25
Equity in net earnings of an associate	144	159	191
	227	330	256
INCOME BEFORE INCOME TAX	662	1,771	4,320
Provision for (benefit from) income tax	186	426	1,202
NET INCOME	476	1,345	3,117
Net income attributable to:			
Equity holders of the Parent Company	483	1,200	2,745
Non-controlling interest in consolidated subsidiaries	(7)	145	372
	476	1,345	3,117
Earnings Per Share			
Basic	1.16	2.89	2.01
Weighted	1.16	2.89	3.79
Shares Outstanding			
End of Period	415	415	1,366
Weighted	415	415	724

Consolidated financial statements (cont'd)

Consolidated statements of cash flows			
PHP mm	Twelve Months Ended Dec 31		
	2011	2012	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	662	1,771	4,320
Adjustments for:			
Depreciation and amortization	1,259	1,578	1,000
Interest expense	35	58	77
Interest income	(107)	(114)	(113)
Equity in net earnings of an associate	(144)	(159)	(191)
Others	94	(92)	(29)
Operating income before working capital changes	1,800	3,041	5,063
Working capital changes	570	298	(1,735)
Interest received	108	113	56
Income tax paid	(203)	(215)	(638)
Net cash flows generated from (used in) operations	2,275	3,238	2,747
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received	11	4	3
Property and equipment - net	(1,642)	(1,899)	(2,754)
License	0	(121)	0
Acquisition through business combination - net of cash received	0	(2,152)	(409)
Others	12	10	(163)
Net cash flows used in investing activities	(1,619)	(4,158)	(3,322)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from stock issuance	299	47	28,601
Payment of transaction costs	0	0	(1,100)
Acquisition of treasury shares	0	0	(746)
Availment of loans - net of payments	0	1,742	(2,021)
Interest paid	(35)	(58)	(72)
Dividends paid	(5)	0	(3)
Net cash flows used in financing activities	259	1,730	24,660
Net increase (decrease) in cash and cash equivalents	915	810	24,084
Cash and cash equivalents at beginning of period	4,327	5,242	6,052
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,242	6,052	30,136

Earnings Guidance

2014E	
Net Selling Area	↑ Mid to high teens
Revenue	↑ Mid to high teens
GP Margin	↑ Around 40 bps