



# **2016**

## ***Audited Earnings***

### ***Presentation***

*April 2017*



# 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.*







# 2016 Audited Results Highlights

1  
**Robust  
Blended  
SSSG of  
6.7%**

2  
**1,578  
stores plus  
1,912 TGP  
branches  
nationwide**

3  
**7.3% yoy  
increase in  
gross floor  
area  
(excl. TGP)**

4  
**15.9%  
yoy lift in  
consolidated  
net sales**

5  
**20bps  
expansion  
in GP  
margin**

5  
**20bps  
expansion  
in EBITDA  
margin**

6  
**13.7% yoy  
increase in  
Core Net  
income**



# Nationwide Presence

**1,578 stores**  
 Plus **1,912 TGP branches**  
**Nationwide**

### Metro Manila

| Business segment   | # of stores |
|--------------------|-------------|
| Supermarkets       | 47          |
| Department stores  | 12          |
| DIY stores         | 50          |
| Convenience stores | 319         |
| Drug stores*       | 86          |
| Specialty stores   | 129         |
| <b>Total</b>       | <b>643</b>  |

\*excludes 474 TGP stores in MM

### Visayas

| Business segment   | # of stores |
|--------------------|-------------|
| Supermarkets       | 20          |
| Department stores  | 8           |
| DIY stores         | 35          |
| Convenience stores | 28          |
| Drug stores*       | 35          |
| Specialty stores   | 43          |
| <b>Total</b>       | <b>169</b>  |

\*excludes 268 TGP stores in Visayas

### Luzon<sup>2</sup>

| Business segment   | # of stores |
|--------------------|-------------|
| Supermarkets       | 62          |
| Department stores  | 17          |
| DIY stores         | 74          |
| Convenience stores | 152         |
| Drug stores*       | 273         |
| Specialty stores   | 109         |
| <b>Total</b>       | <b>687</b>  |

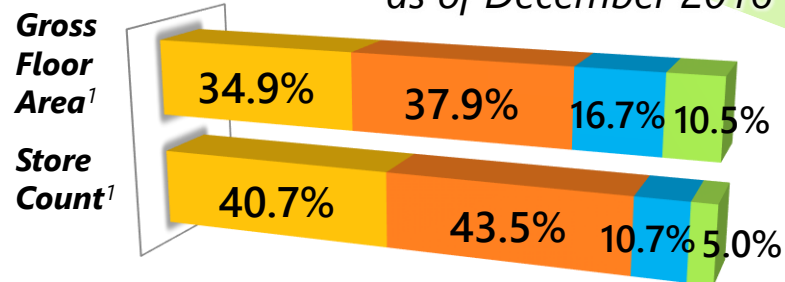
\*excludes 985 TGP stores in Luzon

### Mindanao

| Business segment   | # of stores |
|--------------------|-------------|
| Supermarkets       | 11          |
| Department stores  | 6           |
| DIY stores         | 19          |
| Convenience stores | 0           |
| Drug stores*       | 18          |
| Specialty stores   | 25          |
| <b>Total</b>       | <b>79</b>   |

\*excludes 185 TGP stores in Mindanao

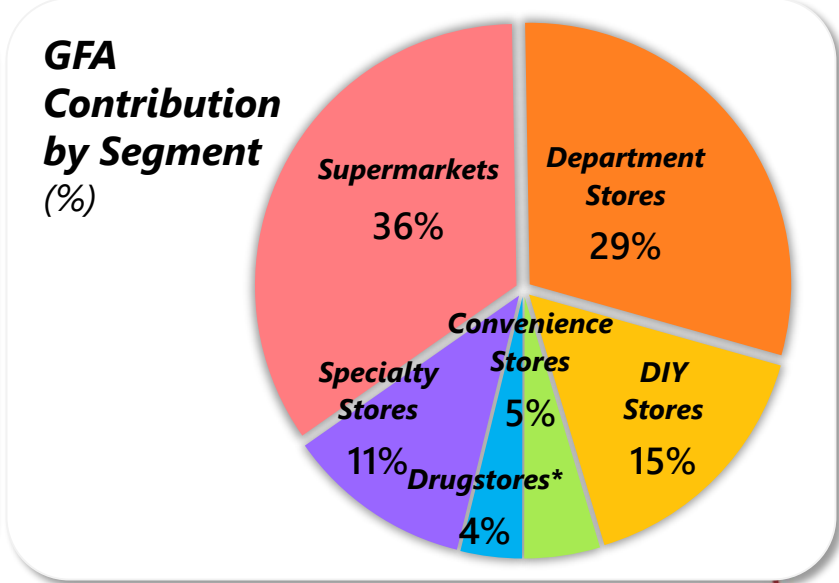
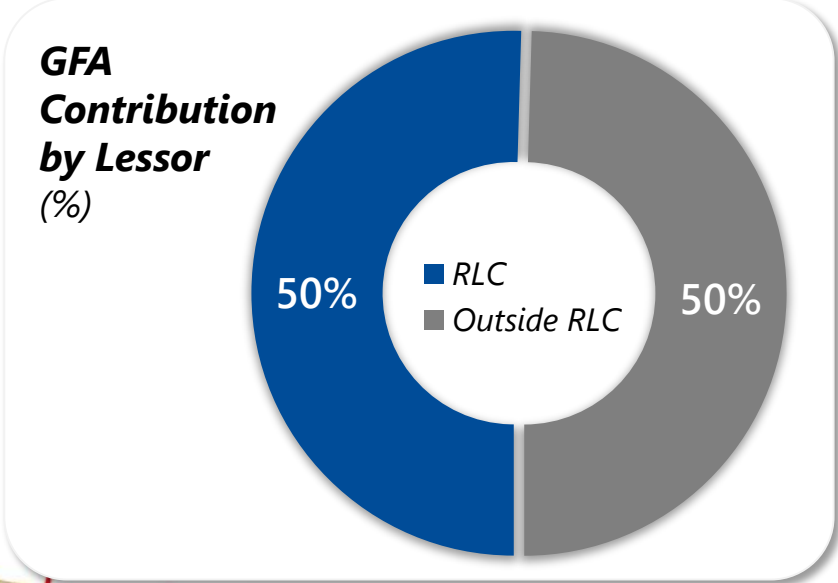
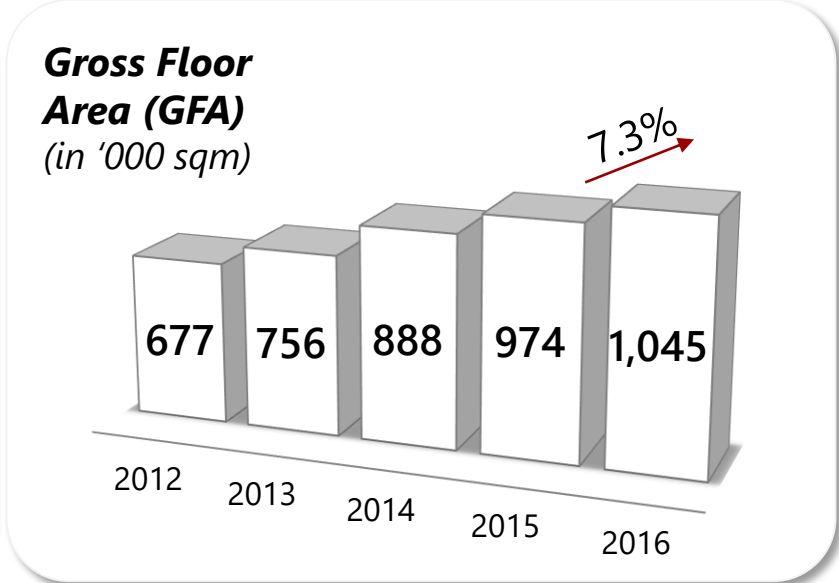
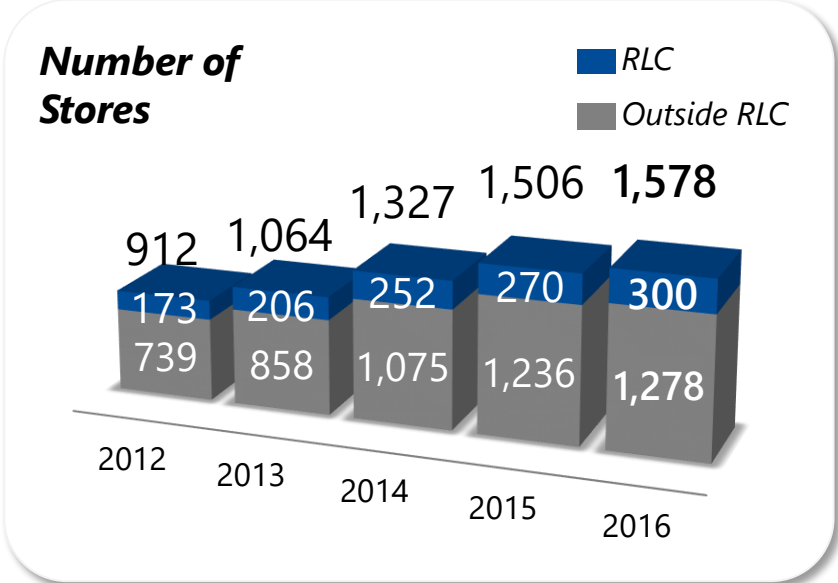
with gross floor area of  
**1,045,000 sqm<sup>1</sup>**  
 as of December 2016



■ Metro Manila ■ Luzon ■ Visayas ■ Mindanao

<sup>1</sup> excluding TGP; <sup>2</sup> Outside of Metro Manila

# 2016 Stores and Gross Floor Area Statistics<sup>1</sup>



<sup>1</sup> excluding TGP stores (1,912 branches)







# 2016 Contribution Per Segment

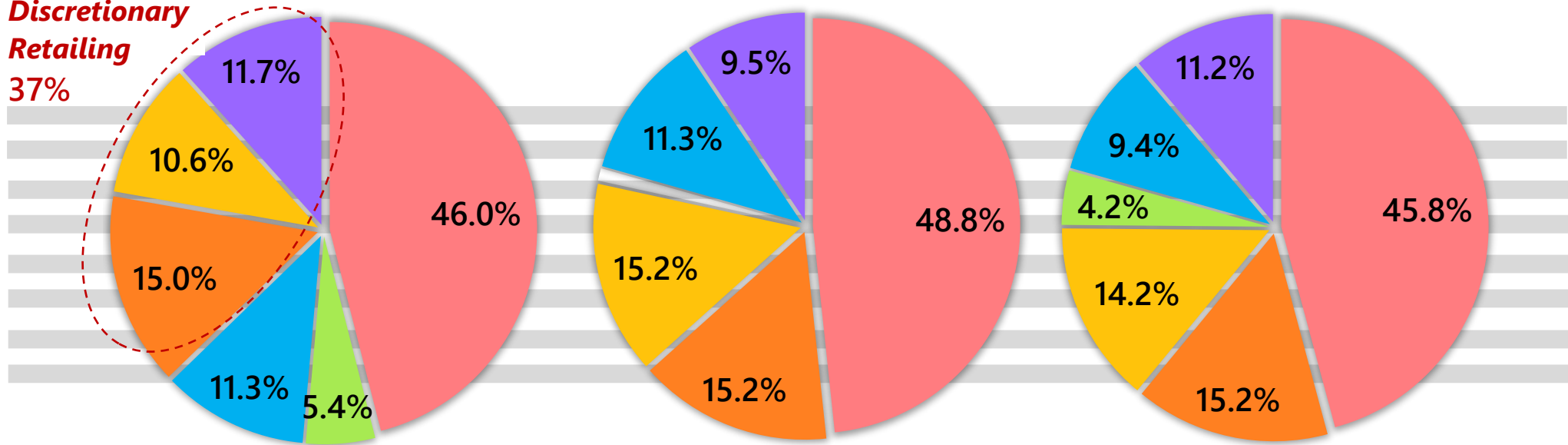


**Net Sales  
Breakdown**

**EBIT  
Breakdown**

**EBITDA  
Breakdown**

**Discretionary  
Retailing  
37%**



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



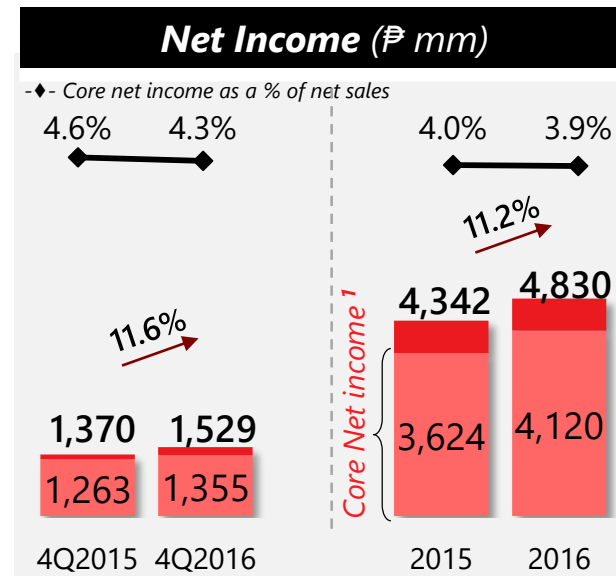
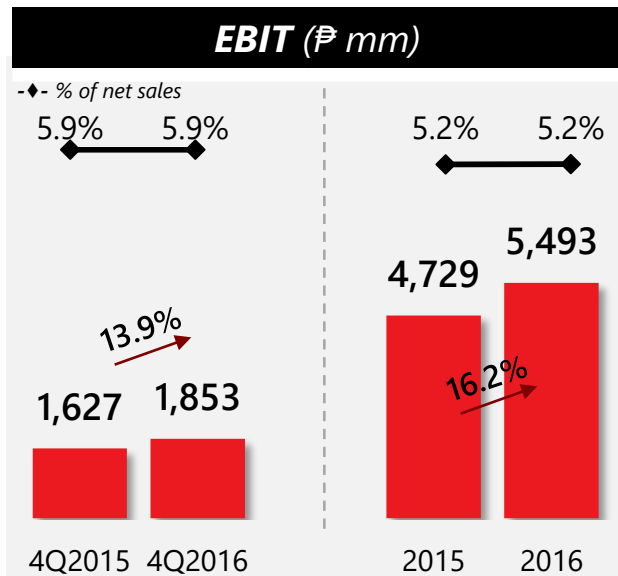
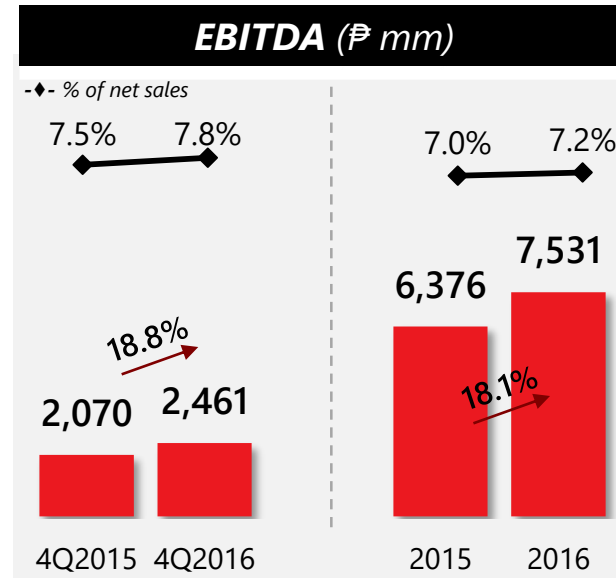
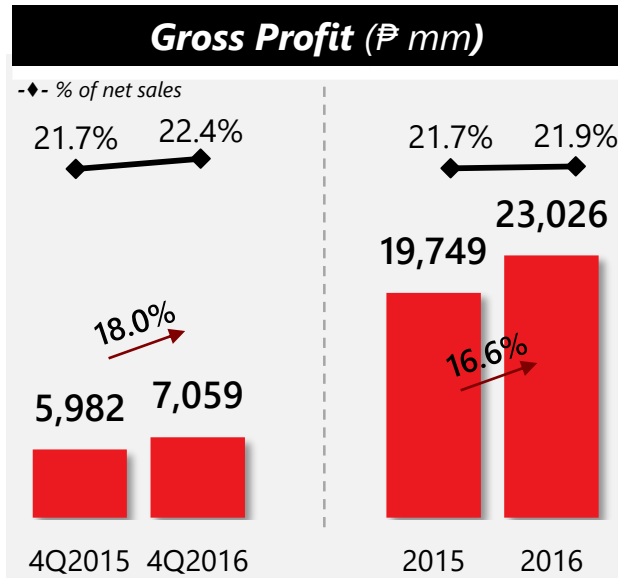


# Consolidated Results



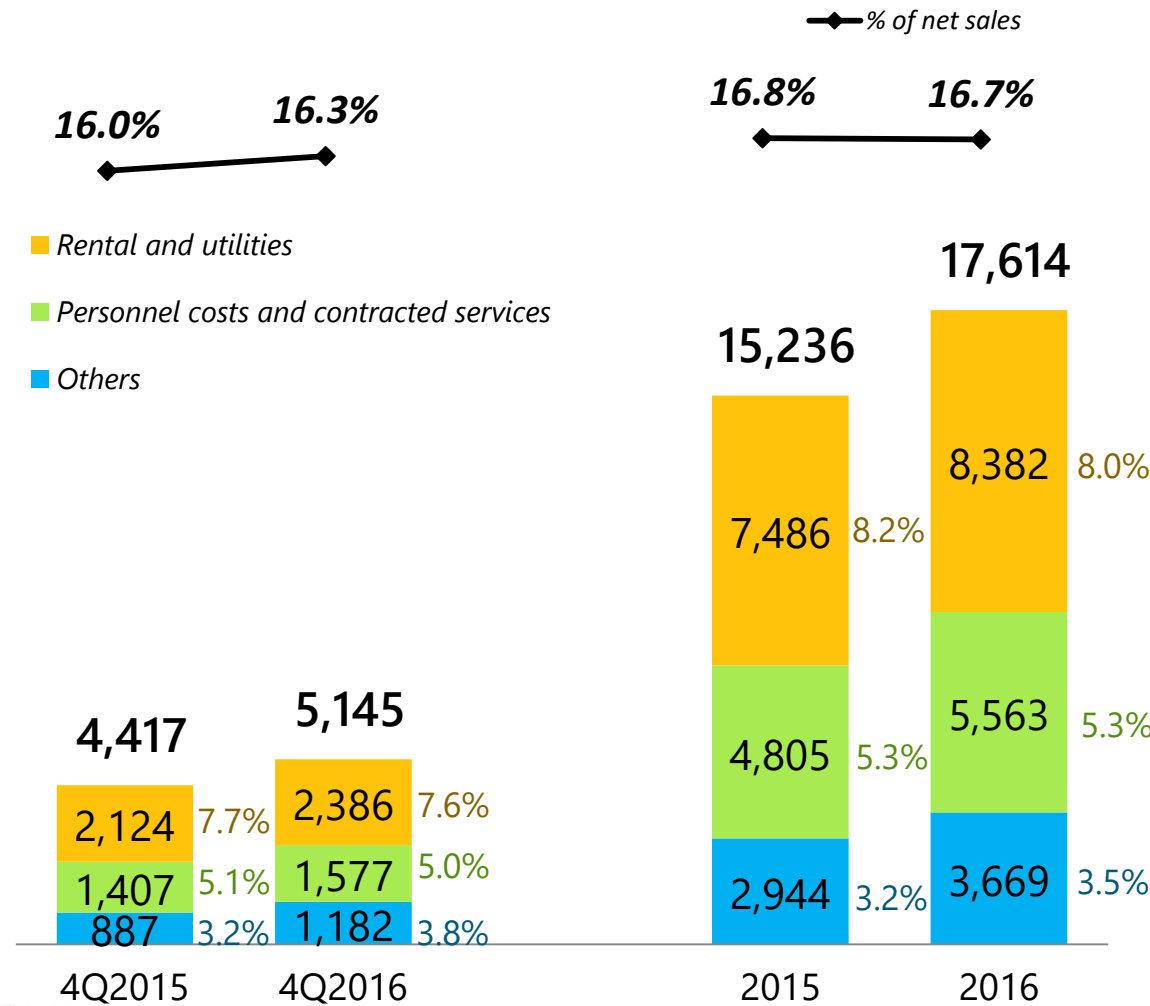
Net income attributable to equity holders of the parent company grew by **11.2%** in 2016

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



# Operating Expenses

## Adjusted Operating Expenses<sup>1</sup> (₹ mm, % of Net Sales)

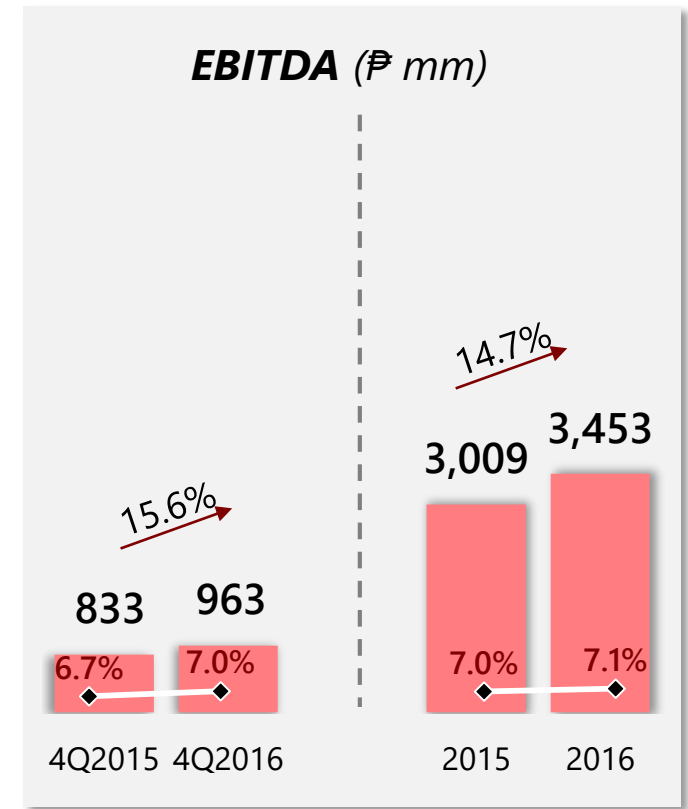
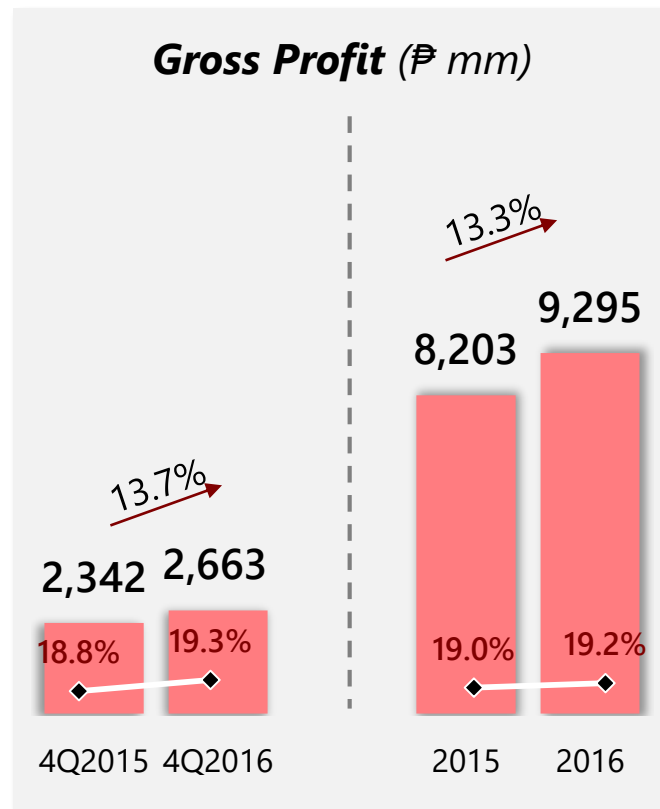
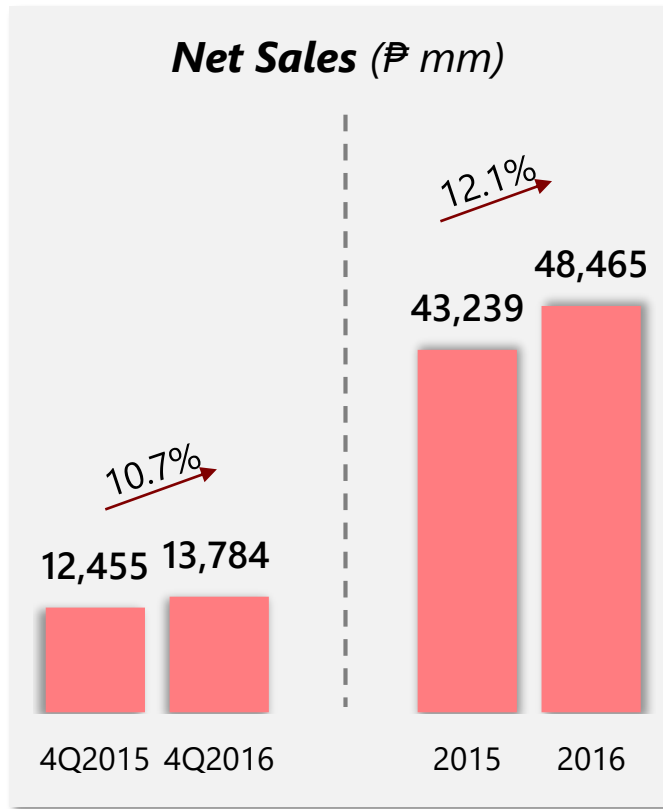


*Operating expenses as a % of net sales improved due to strong SSSG*

<sup>1</sup> Operating expenses excluding provision for impairment losses and depreciation and amortization expenses



# Supermarket Business Segment



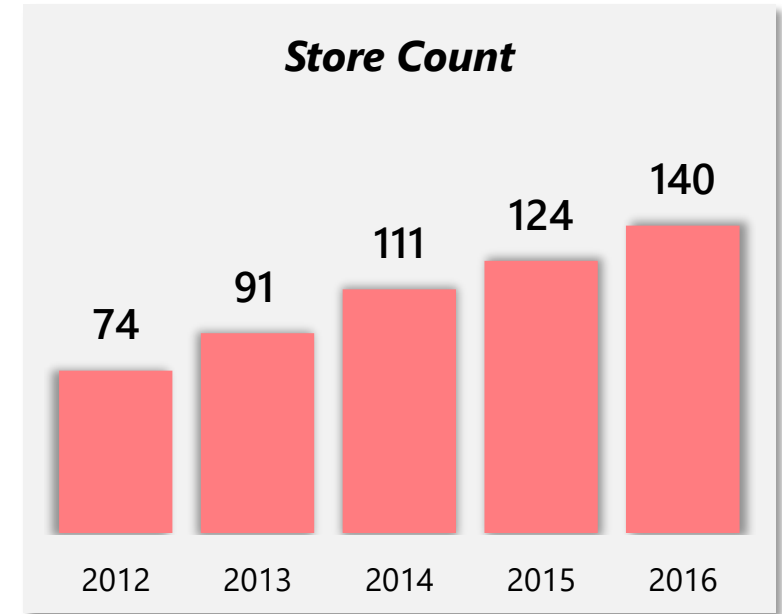
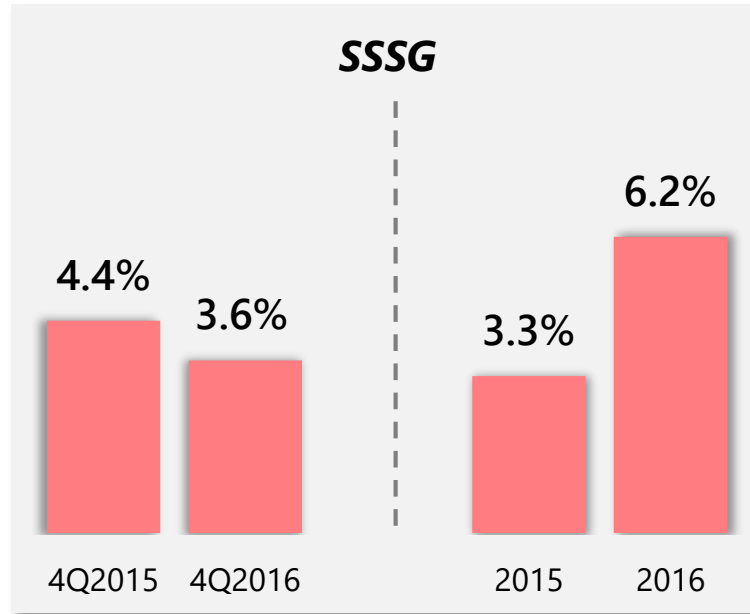
Increase in 2016 sales driven by **strong SSSG (6.2%)** and **new store additions (5.9%)**



-♦- % of segment's net sales

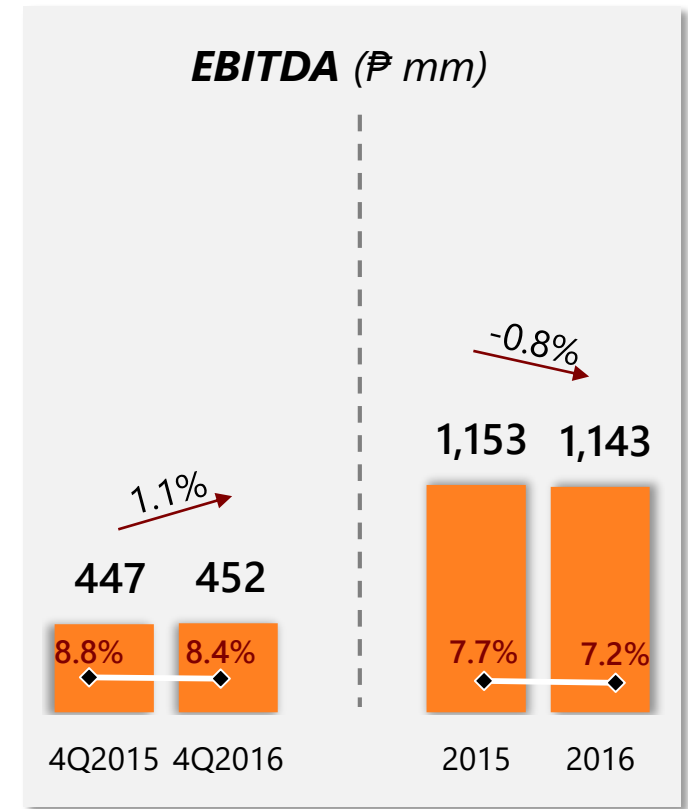
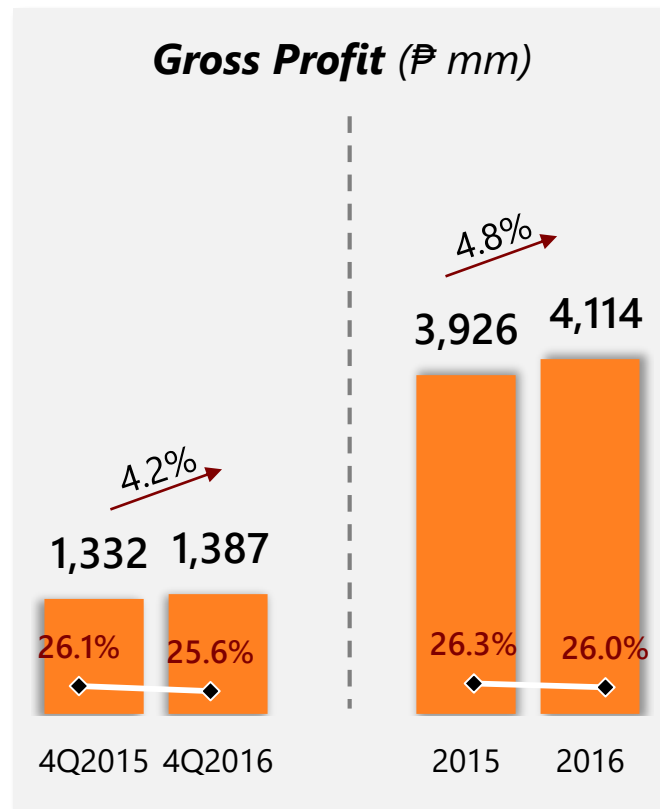
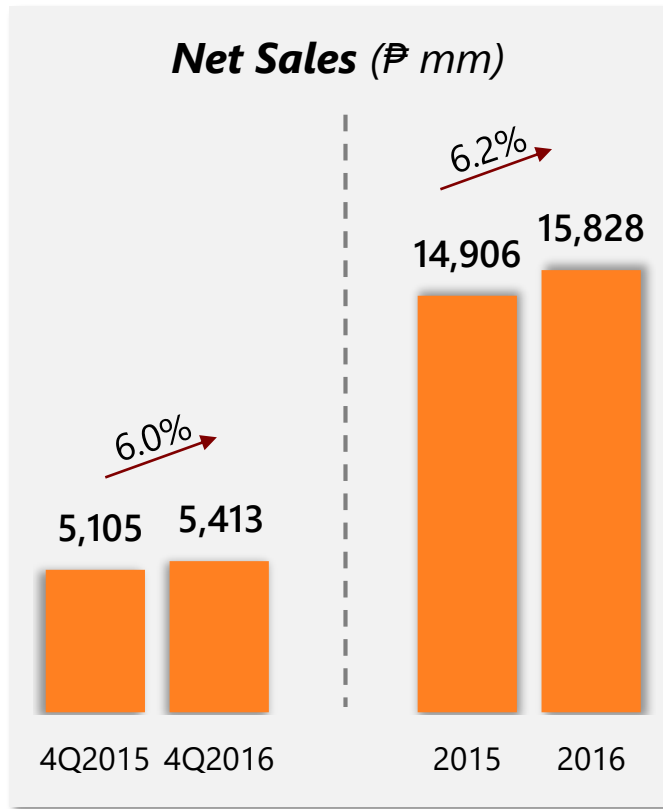
# Supermarket Business Segment

**Robust SSSG**  
mainly due to higher basket size





# Department Store Business Segment



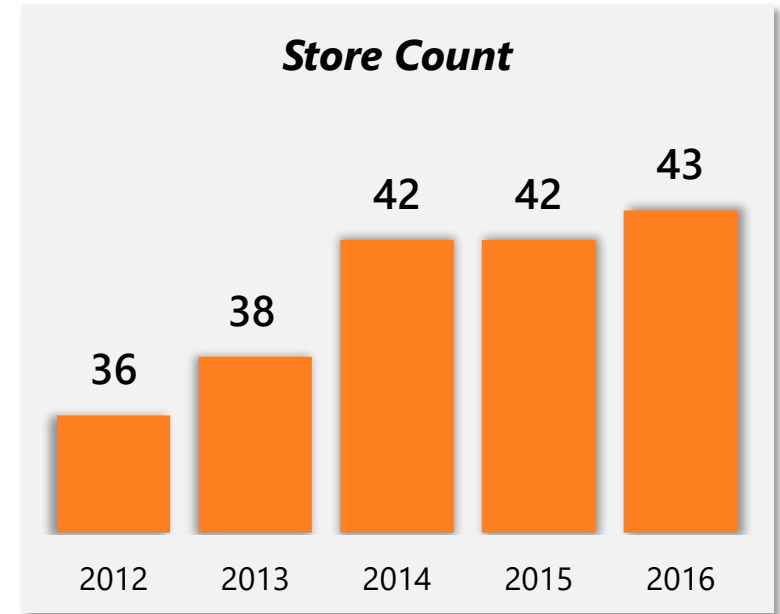
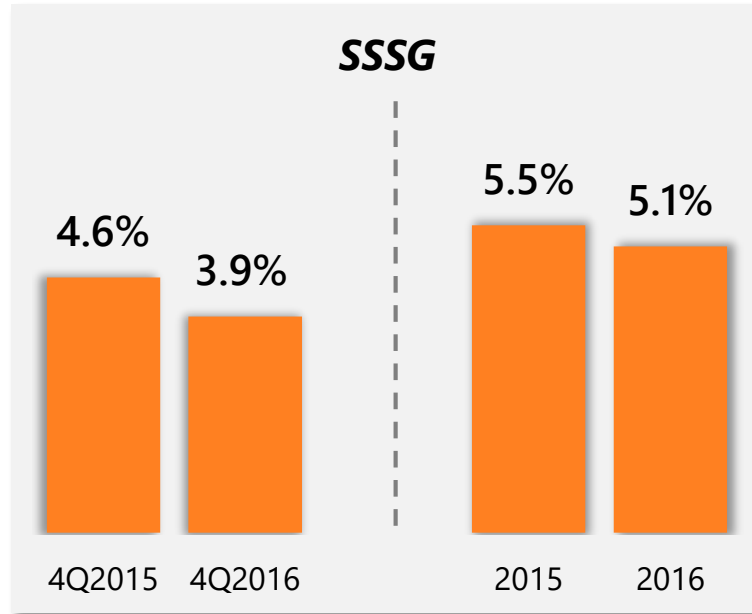
Increase in 2016 sales driven by **robust SSSG**



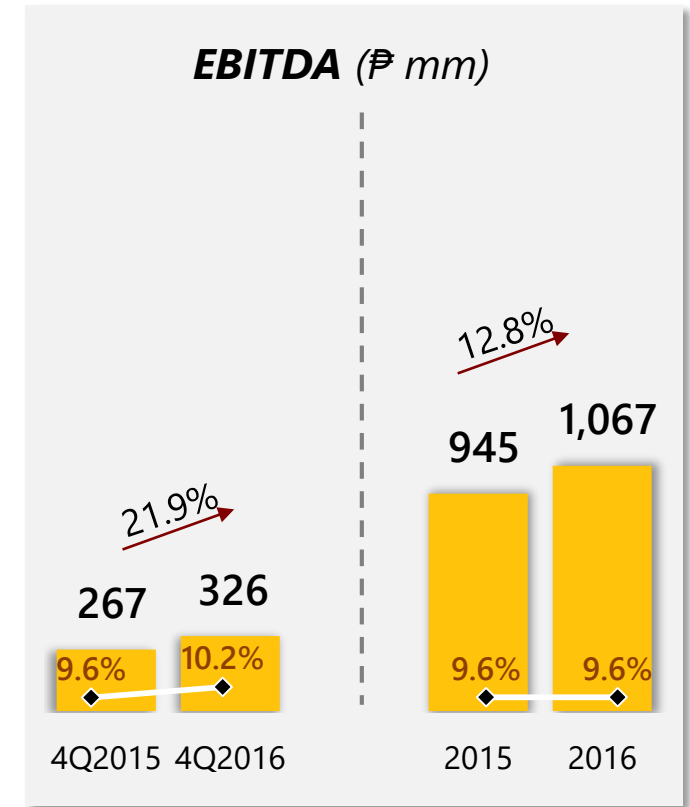
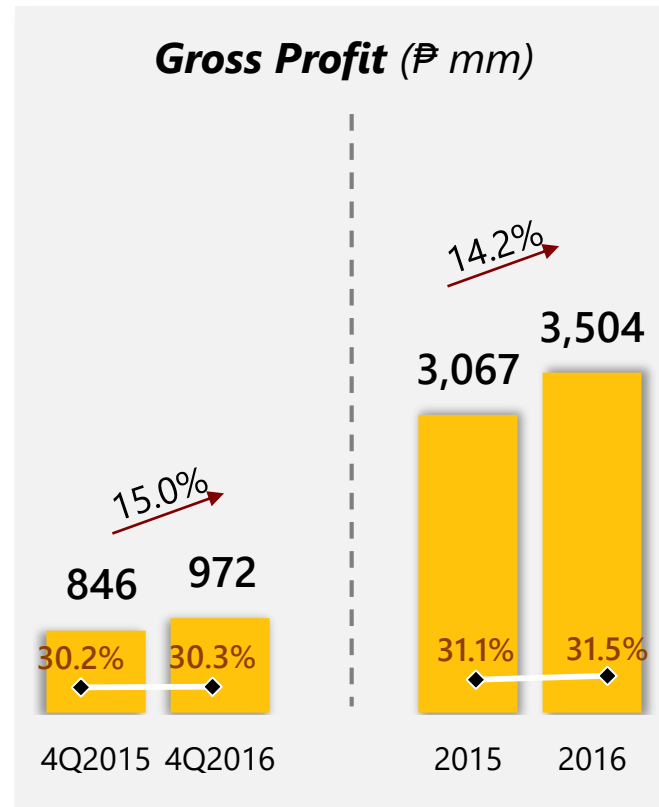
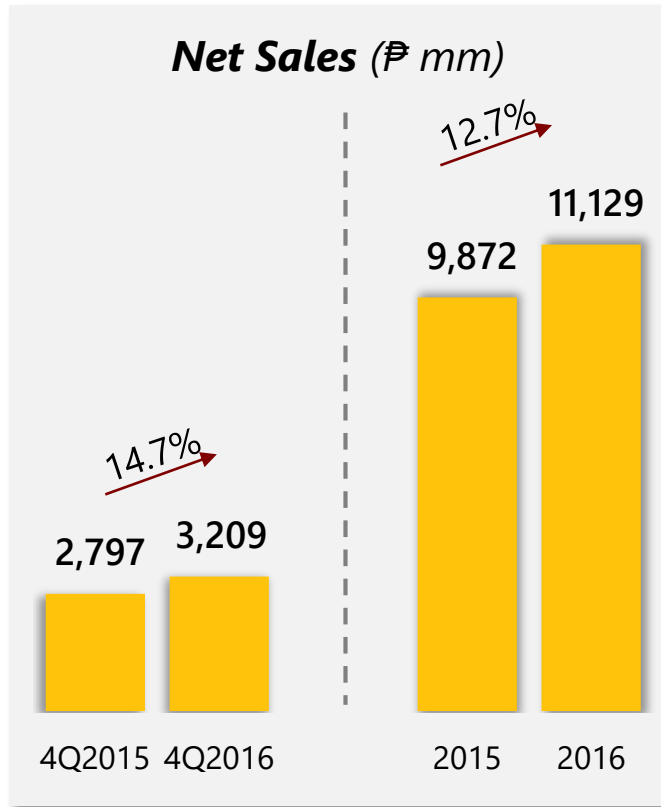
-◆- % of segment's net sales

# Department Store Business Segment

**Robust SSSG**  
mainly due to  
increase in  
transaction  
count



# DIY Store Business Segment



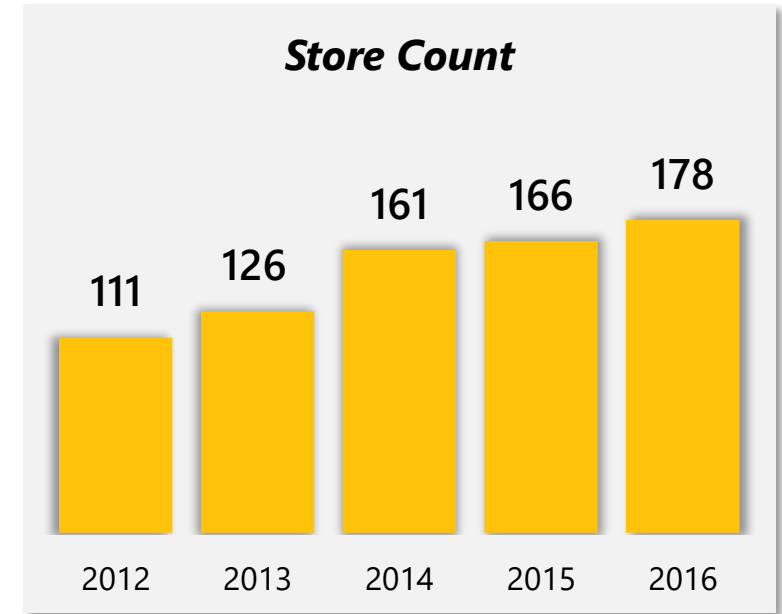
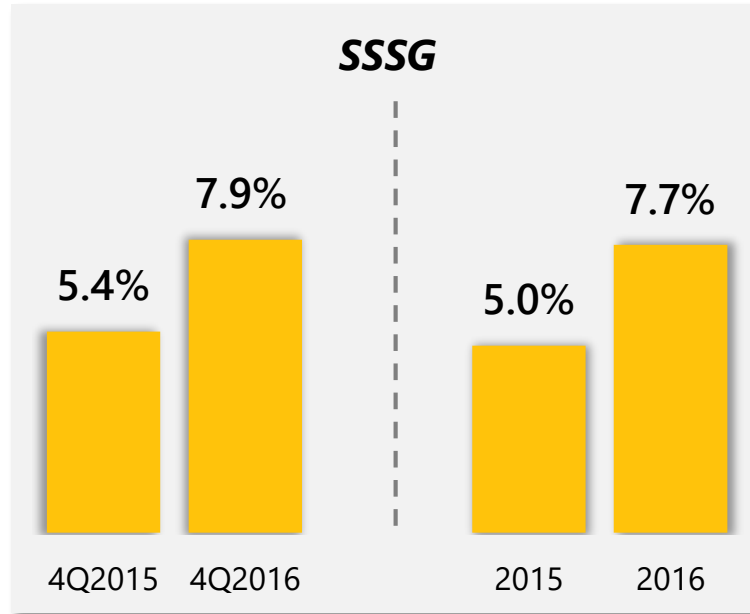
Growth in net sales driven by **strong SSSG** (7.7%) and **new store** sales contribution (5.0%)



-♦- % of segment's net sales

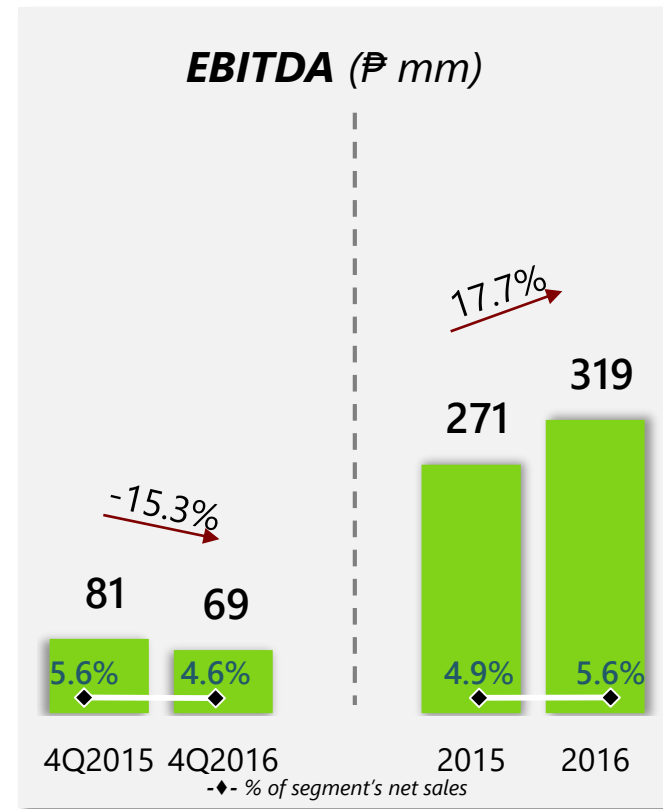
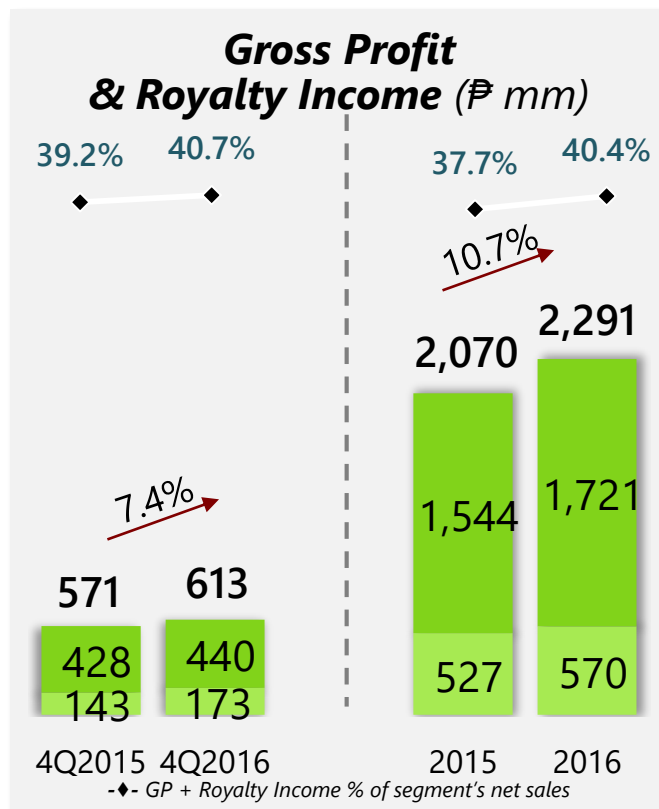
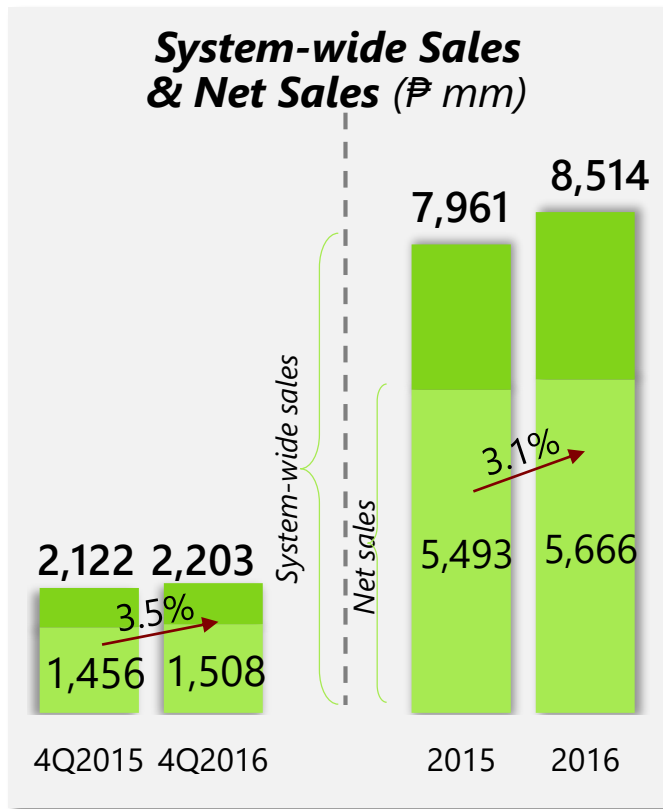
# DIY Store Business Segment

**Robust SSSG**  
due to sustained strong residential construction activities





# Convenience Store Business Segment

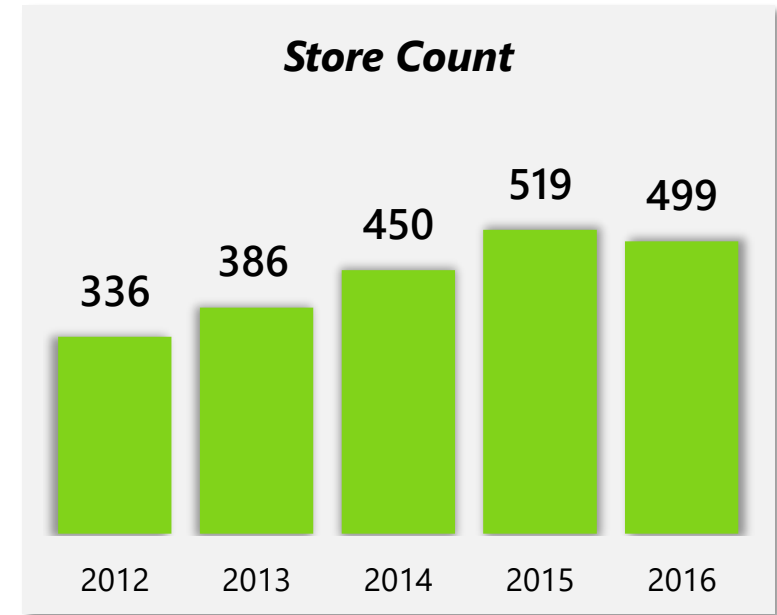
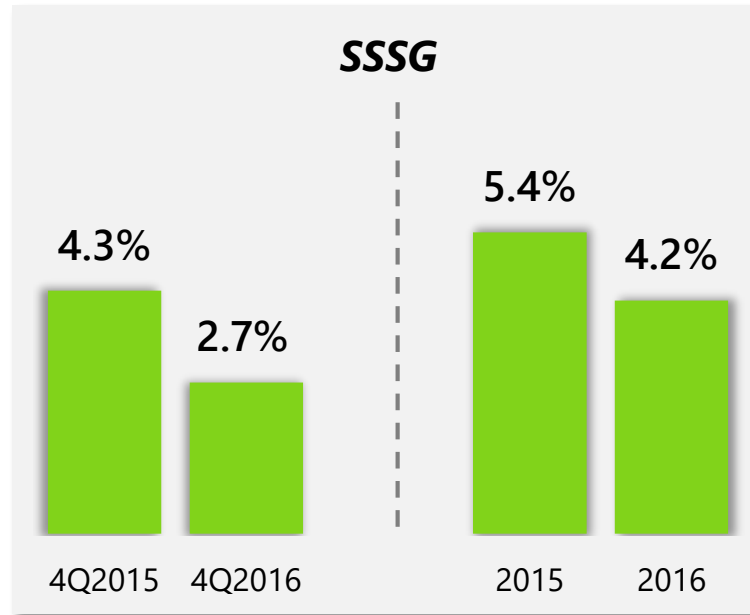


Increase in 2016 sales largely driven by the **ready-to-eat category**

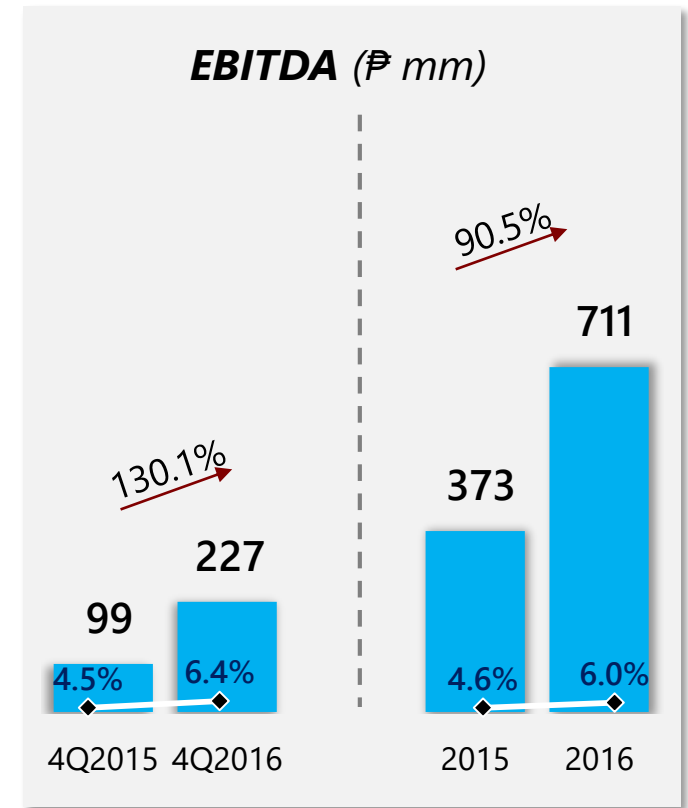
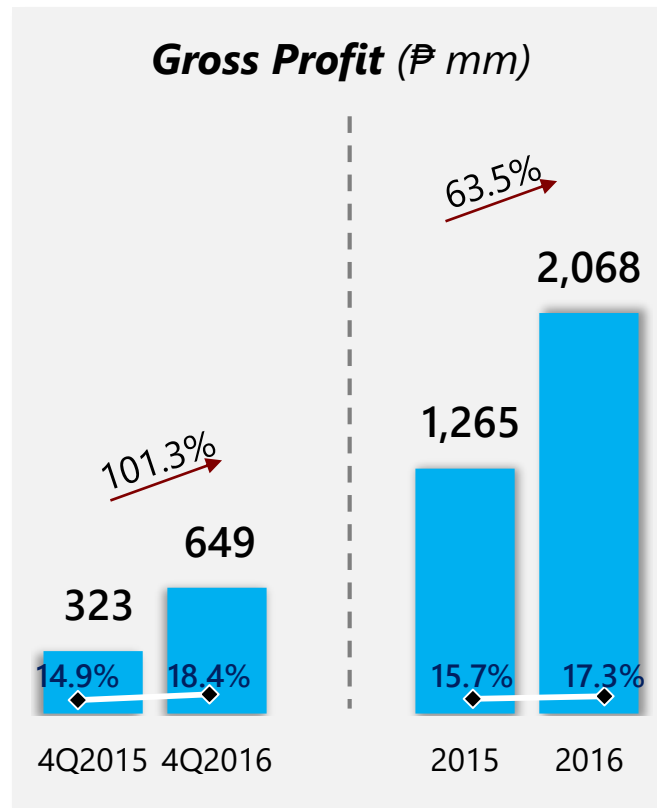
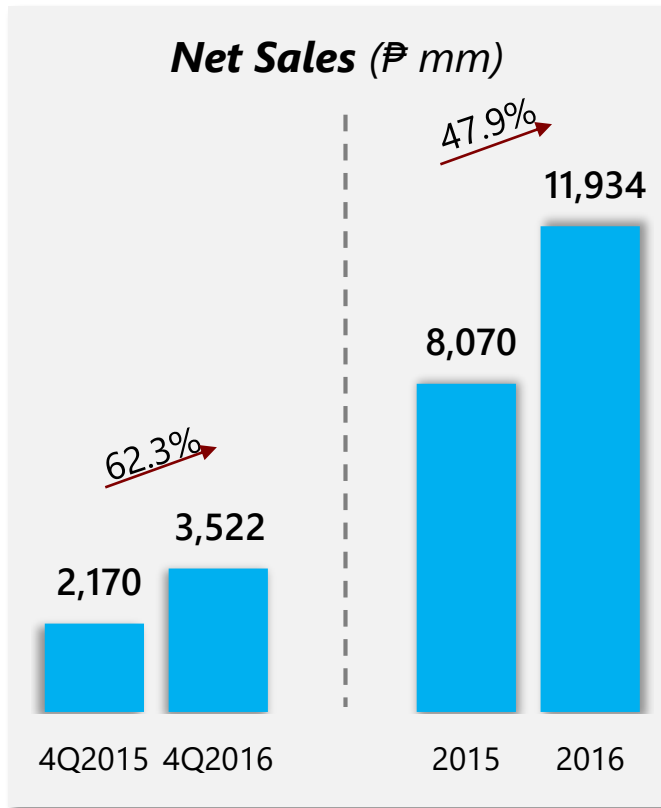


# Convenience Store Business Segment

*SSSG remained strong despite stricter gov't regulations on liquor and cigarettes*



# Drugstore Business Segment



Growth in 2016 sales propelled by the **strong SSSG** and the acquisition of **The Generics Pharmacy**

southstar drug<sup>+</sup>

TGP THE<sup>®</sup> GENERICS PHARMACY

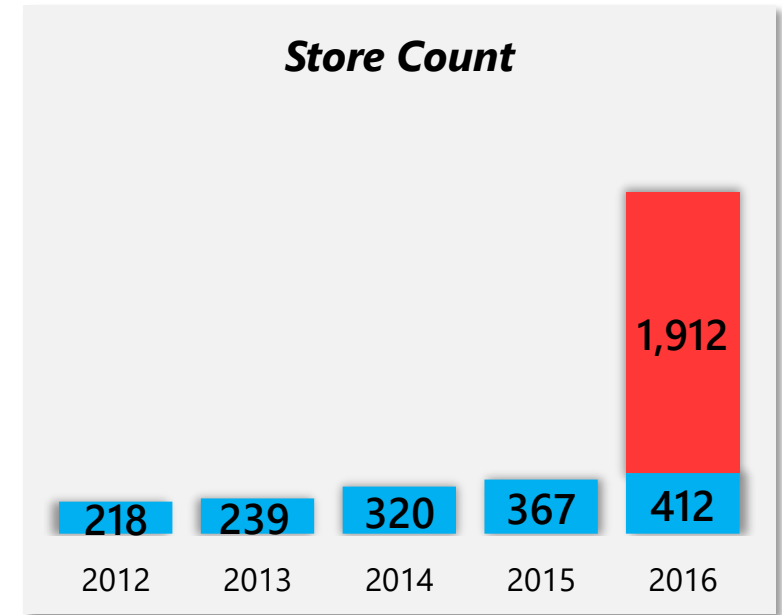
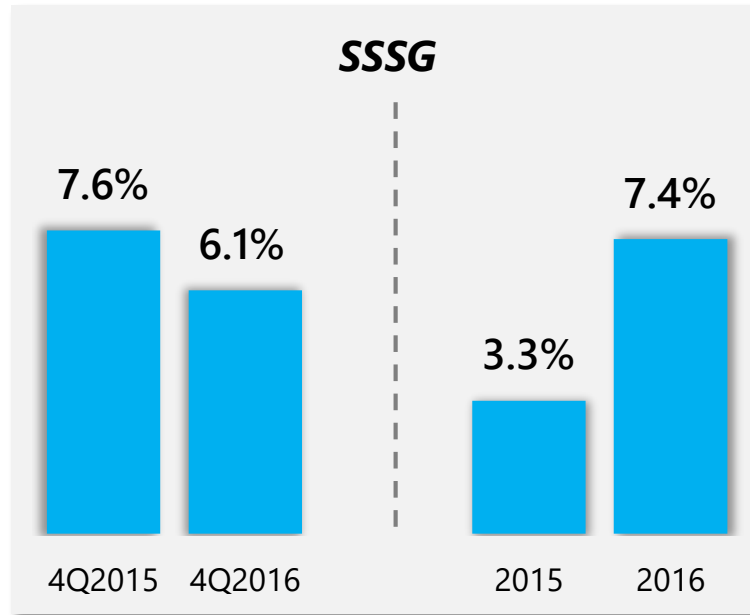


-♦- % of segment's net sales



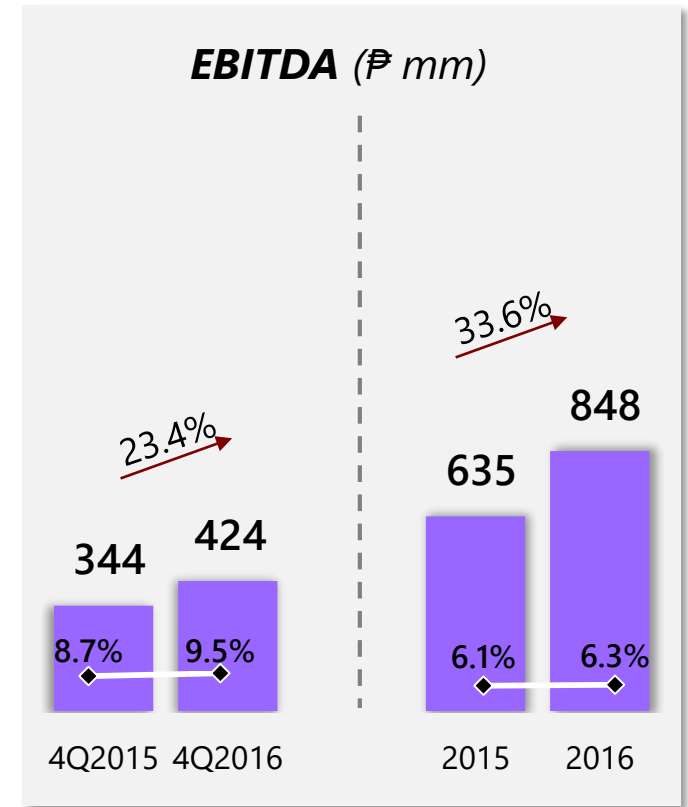
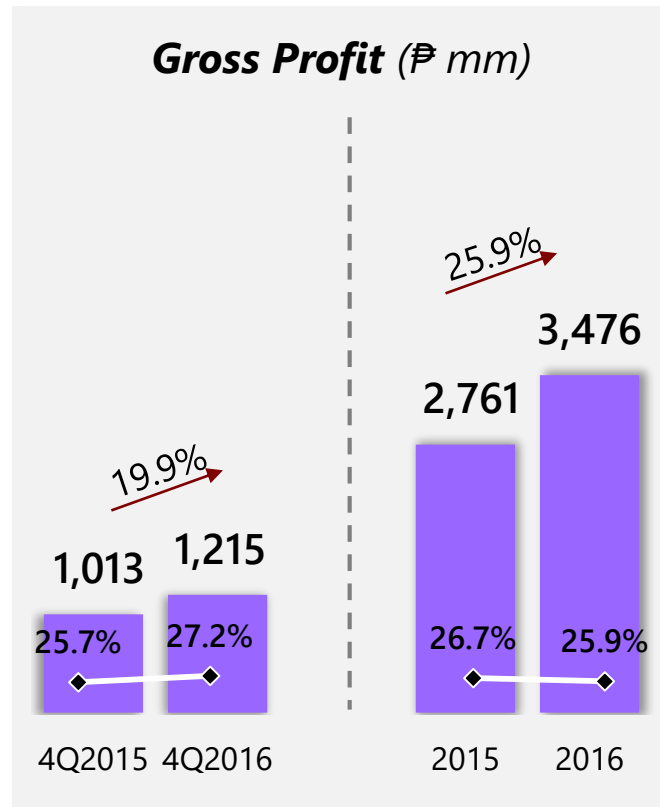
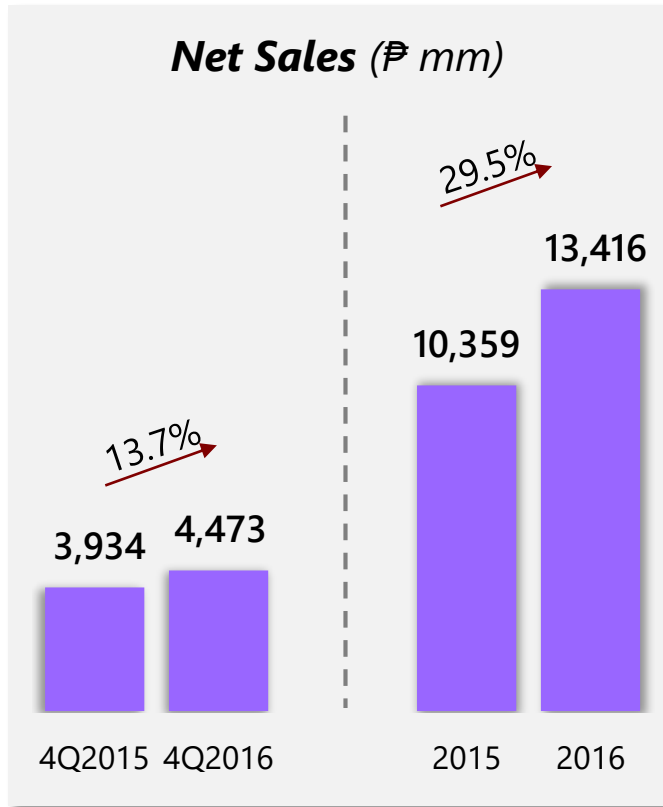
# Drugstore Business Segment

**Strong SSSG**  
due to  
higher  
basket size





# Specialty Store Business Segment



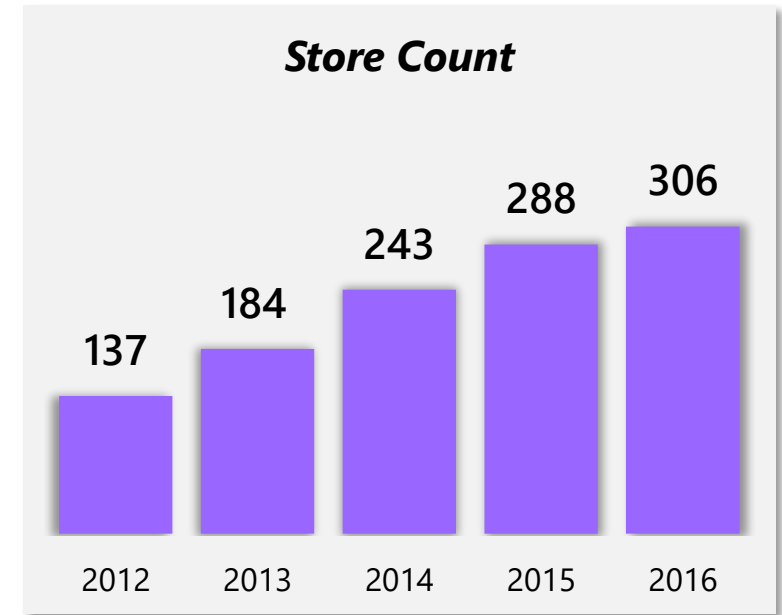
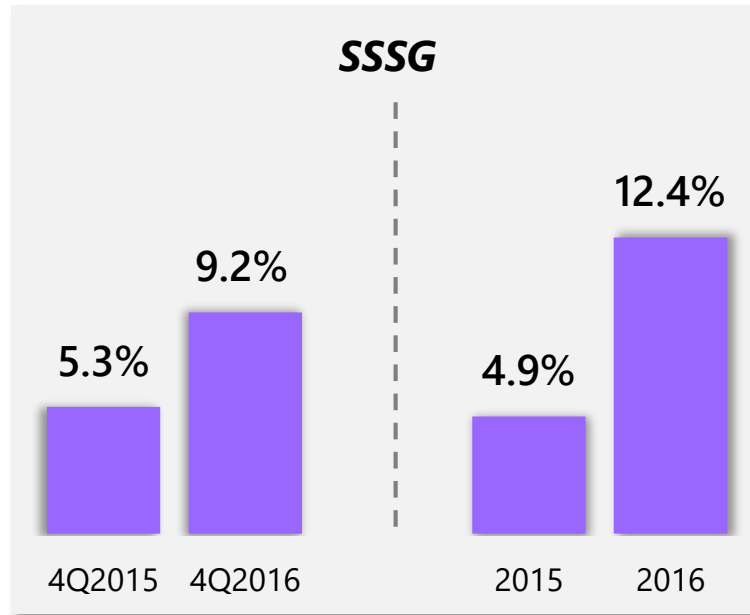
Growth in net sales driven by the double-digit sales growth of most formats



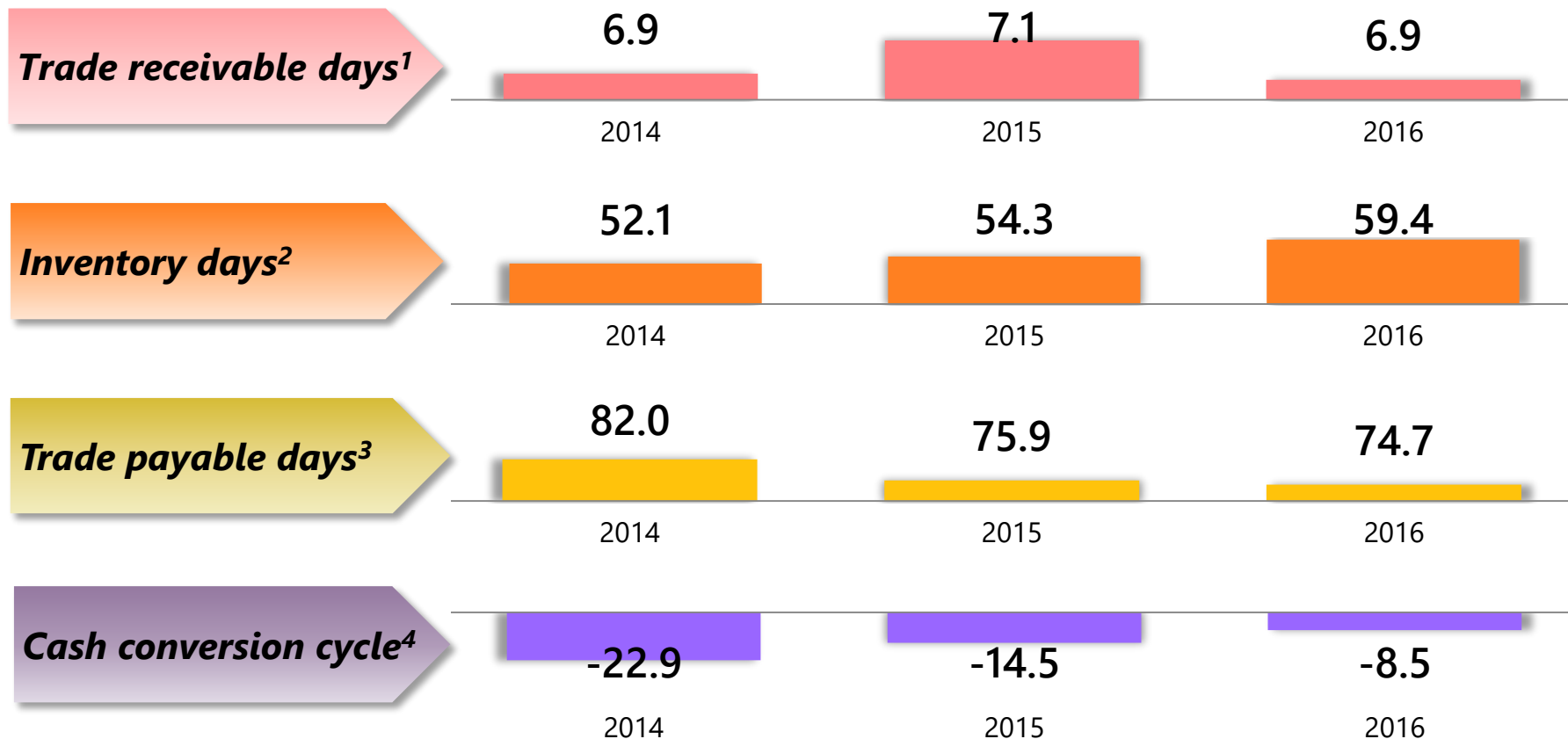
◆ - % of segment's net sales

# Specialty Store Business Segment

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



## Working capital days trend



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

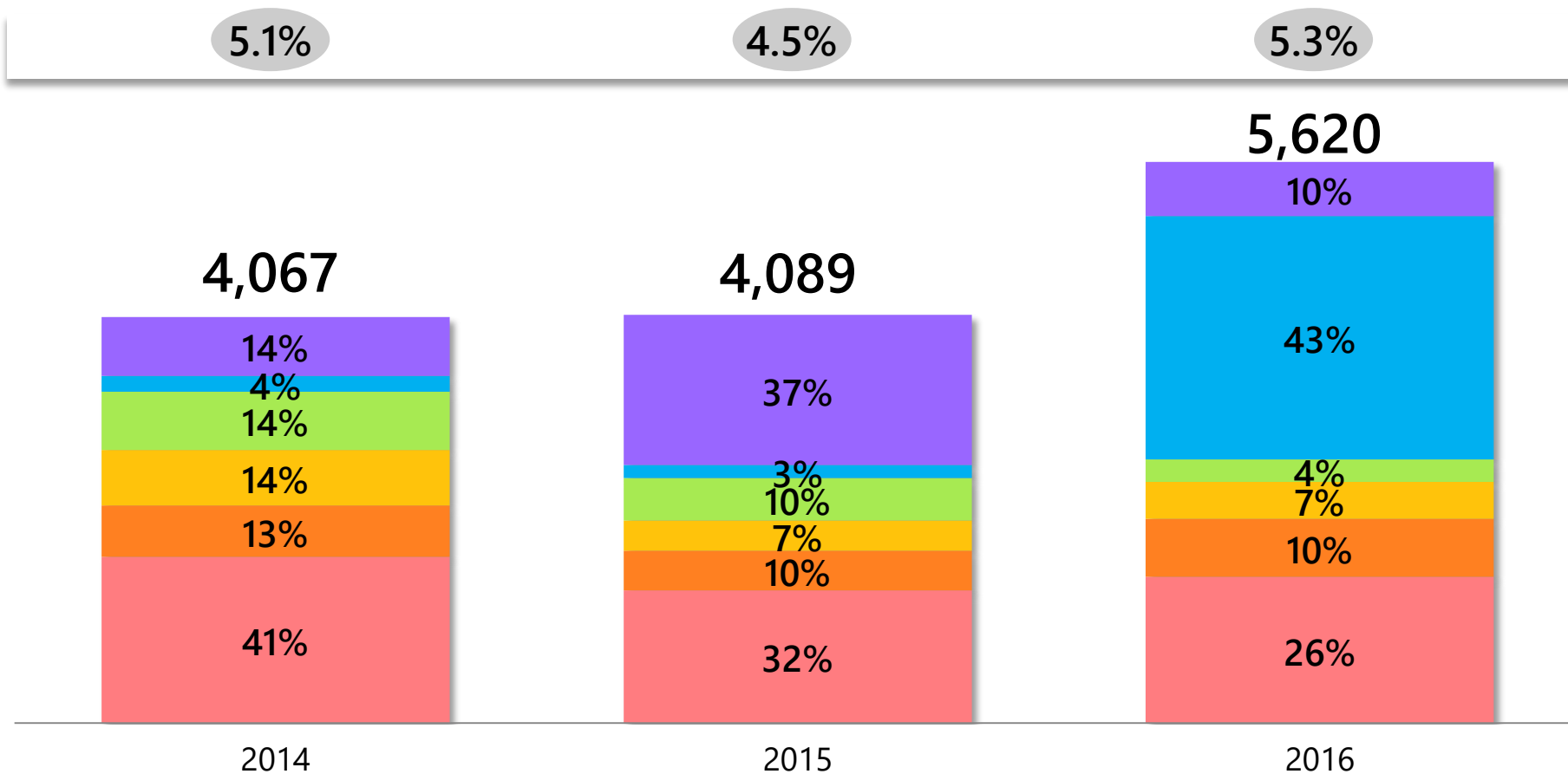


# Capital Expenditure

## Breakdown of Capital Expenditure including Acquisitions (₱ mm)<sup>1</sup>

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

**% of group's net sales**



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





 **Organic expansion of 150 new stores**

 **Gross floor area increase of 8-10%**

 **Total CAPEX of ₱4bn**

 **GP margin increase of 10-20 bps**

 **Same store sales growth of 2-4%**

 **Mergers and acquisitions**



***Thank you!***



# Consolidated Statements of Financial Position (Audited)

| PHP mm   | December 31<br>2016 | December 31<br>2015 |
|--|---------------------|---------------------|
| <b>ASSETS</b>                                      |                     |                     |
| <b>Current Assets</b>                              |                     |                     |
| Cash and cash equivalents                          | 12,718              | 9,764               |
| Trade and other receivables                        | 1,988               | 1,774               |
| Merchandise inventories                            | 13,342              | 10,576              |
| Other current assets                               | 2,185               | 1,688               |
| <b>Total Current Assets</b>                        | <b>30,232</b>       | <b>23,802</b>       |
| <b>Noncurrent assets</b>                           |                     |                     |
| Available-for-sale (AFS) financial assets          | 20,430              | 19,511              |
| Property and equipment - net                       | 12,562              | 11,149              |
| Investment in shares of stocks                     | 5,078               | 5,079               |
| Other noncurrent assets                            | 8,393               | 5,617               |
| <b>Total Noncurrent Assets</b>                     | <b>46,463</b>       | <b>41,357</b>       |
| <b>Total Assets</b>                                | <b>76,695</b>       | <b>65,160</b>       |
| <b>LIABILITIES AND EQUITY</b>                      |                     |                     |
| <b>Current Liabilities</b>                         |                     |                     |
| Trade and other payables                           | 16,797              | 14,796              |
| Current portion of loans payable                   | 6,576               | 2,845               |
| Other current liabilities                          | 1,106               | 885                 |
| <b>Total Current Liabilities</b>                   | <b>24,478</b>       | <b>18,526</b>       |
| <b>Total Noncurrent Liabilities</b>                | <b>1,652</b>        | <b>1,129</b>        |
| <b>Total Liabilities</b>                           | <b>26,129</b>       | <b>19,654</b>       |
| <b>Equity</b>                                      |                     |                     |
| Capital stock                                      | 1,385               | 1,385               |
| Additional paid-in capital                         | 27,227              | 27,227              |
| Equity reserve                                     | (1,022)             | (1,027)             |
| Retained earnings                                  | 19,645              | 15,687              |
| Others   | 352                 | 252                 |
| <b>Total equity attributable to equity holders</b> | <b>47,587</b>       | <b>43,524</b>       |
| Non-controlling interest in consolidated           | 2,978               | 1,982               |
| <b>Total Equity</b>                                | <b>50,566</b>       | <b>45,505</b>       |
| <b>Total Liabilities and Equity</b>                | <b>76,695</b>       | <b>65,160</b>       |





# Consolidated Statements of Comprehensive Income (Audited)

| PHP mm  | Years Ended December 31 |               |               |
|---|-------------------------|---------------|---------------|
|   | 2016                    | 2015          | 2014          |
| Sales - net of sales discounts and returns            | 105,293                 | 90,883        | 80,401        |
| Cost of merchandise sold                              | 82,267                  | 71,134        | 62,972        |
| <b>Gross Profit</b>                                   | <b>23,026</b>           | <b>19,749</b> | <b>17,429</b> |
| Royalty, rent and other revenues                      | 2,118                   | 1,863         | 1,433         |
| Gross profit including other revenue                  | <b>25,145</b>           | <b>21,612</b> | <b>18,862</b> |
| Operating expenses                                    | (19,652)                | (16,883)      | (14,375)      |
| <b>Earnings before interest and taxes</b>             | <b>5,493</b>            | <b>4,729</b>  | <b>4,487</b>  |
| <b>OTHER INCOME (CHARGES)</b>                         |                         |               |               |
| Interest income                                       | 827                     | 799           | 634           |
| Foreign currency exchange gain (losses) - net         | 219                     | 184           | 25            |
| Dividend income                                       | 112                     | 112           | 28            |
| Equity in net earnings of an associate                | 103                     | 40            | 57            |
| Interest expense                                      | (87)                    | (15)          | (12)          |
|   | <b>1,174</b>            | <b>1,119</b>  | <b>732</b>    |
| <b>INCOME BEFORE INCOME TAX</b>                       | <b>6,667</b>            | <b>5,848</b>  | <b>5,219</b>  |
| Provision for income tax                              | 1,471                   | 1,271         | 1,286         |
| <b>NET INCOME</b>                                     | <b>5,196</b>            | <b>4,577</b>  | <b>3,933</b>  |
| <b>Net income attributable to:</b>                    |                         |               |               |
| Equity holders of the Parent Company                  | 4,830                   | 4,342         | 3,561         |
| Non-controlling interest in consolidated subsidiaries | 366                     | 235           | 372           |
|   | <b>5,196</b>            | <b>4,577</b>  | <b>3,933</b>  |
| <b>Earnings Per Share</b>                             |                         |               |               |
| Basic   | 3.49                    | 3.13          | 2.57          |
| Weighted  | 3.49                    | 3.13          | 2.60          |
| <b>Shares Outstanding</b>                             |                         |               |               |
| End of Period   | 1,385                   | 1,385         | 1,385         |
| Weighted  | 1,385                   | 1,385         | 1,367         |





