



**ROBINSONS
RETAIL**
HOLDINGS, INC.

2017 Audited Earnings Results

April 2018



Agenda

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



2017 Financial Highlights



Resilient
blended
SSSG of
2.7%

1,718
stores plus
2,015 TGP
branches
nationwide

10.0% yoy
increase in
gross floor
area
(excl. TGP)

9.4%
yoy lift in
consolidated
net sales

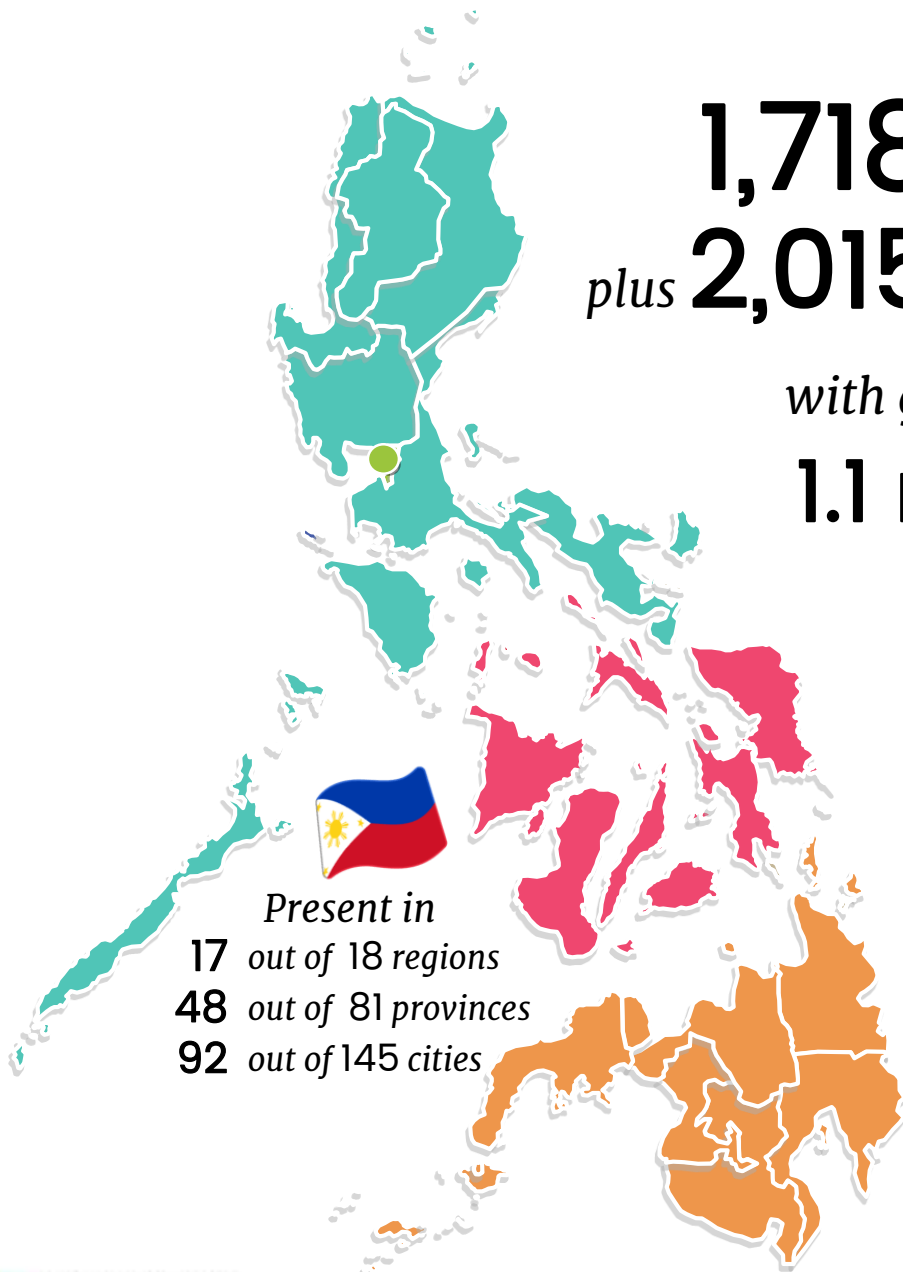
30bps
expansion
in EBIT
margin

50bps
expansion
in GP
margin

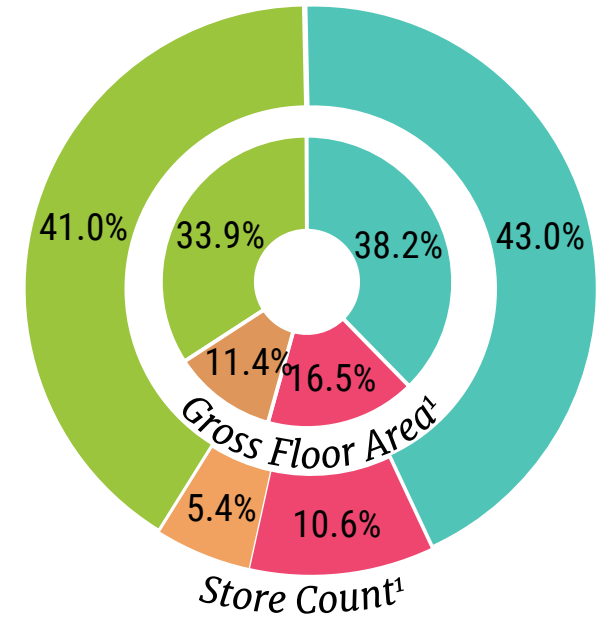
13.9% yoy
increase in
Core Net
income




Store Network: 2017

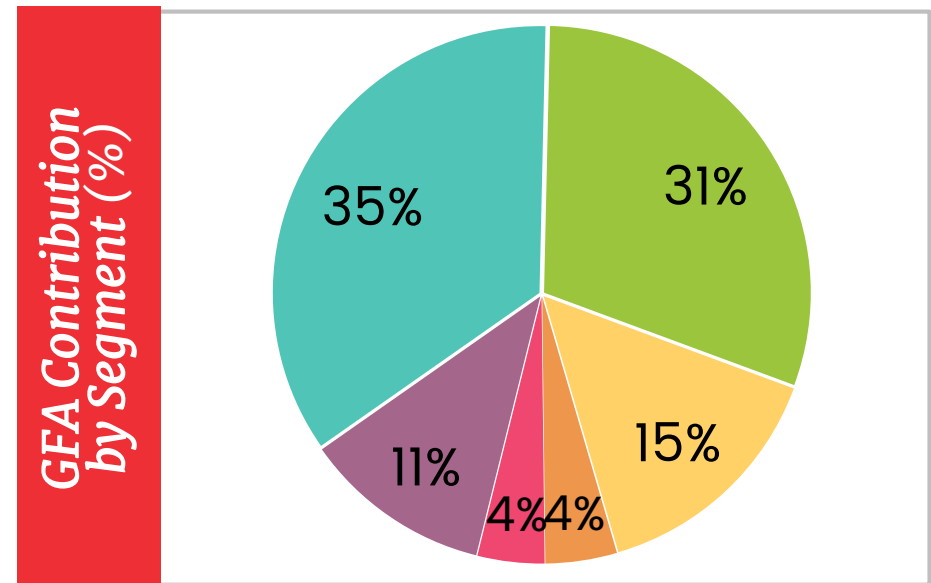
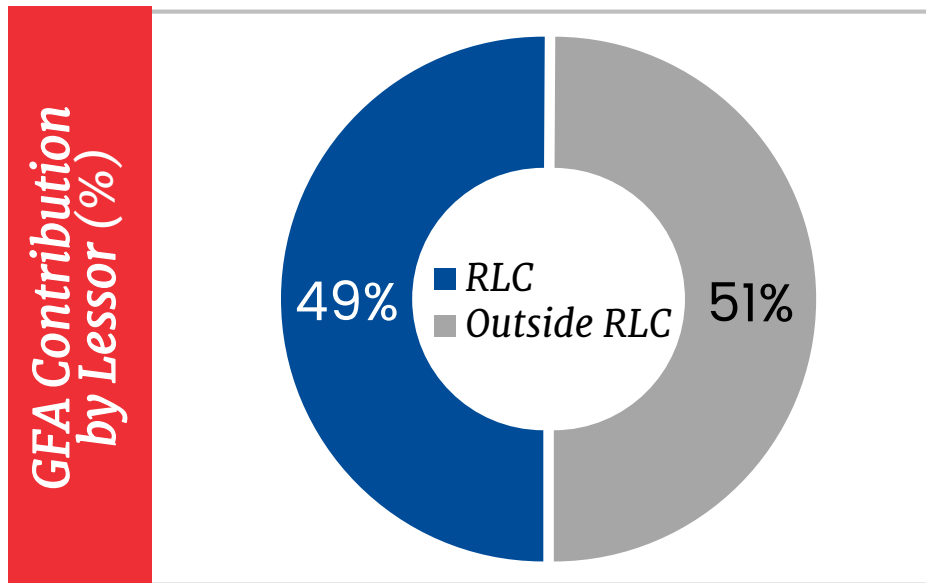
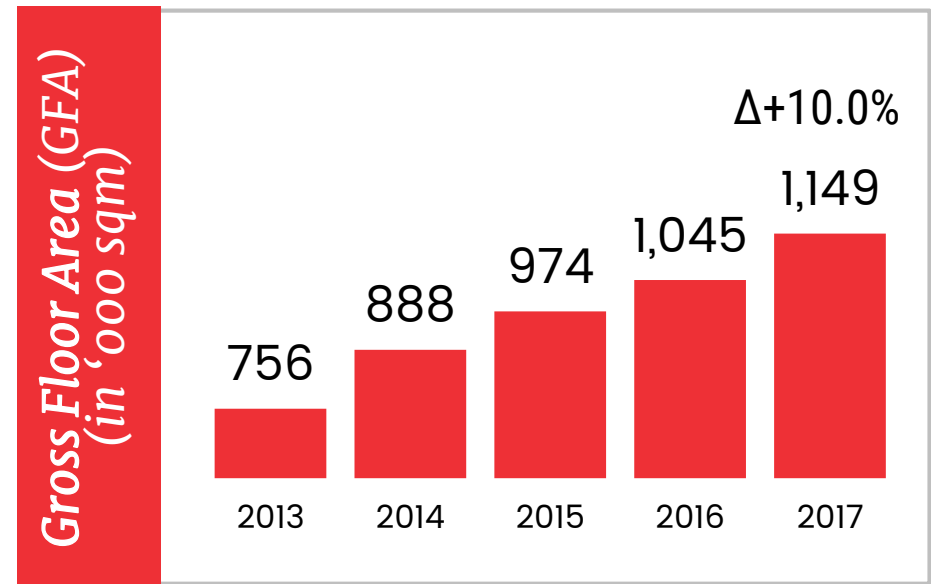
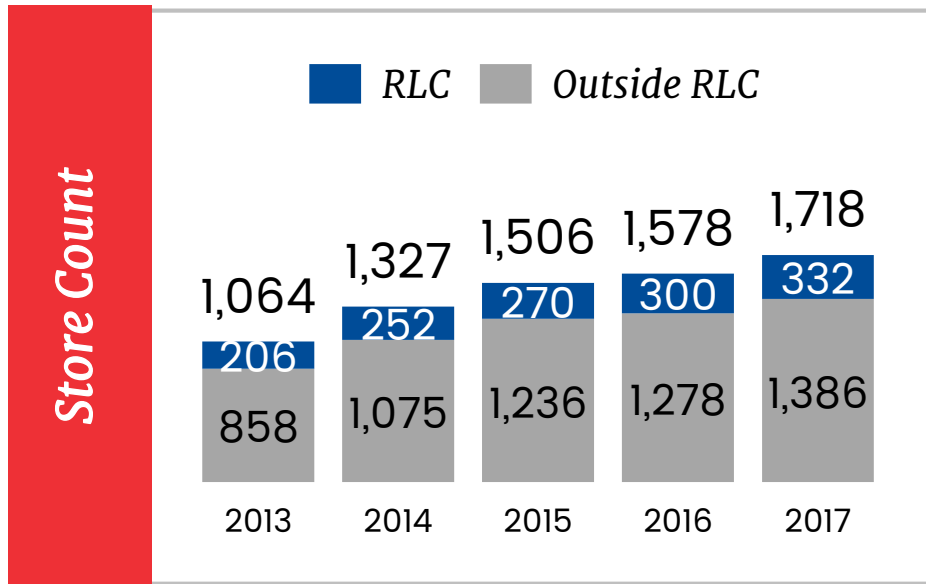


1,718 stores
 plus **2,015** TGP branches
 with gross floor area of
1.1 million sqm¹



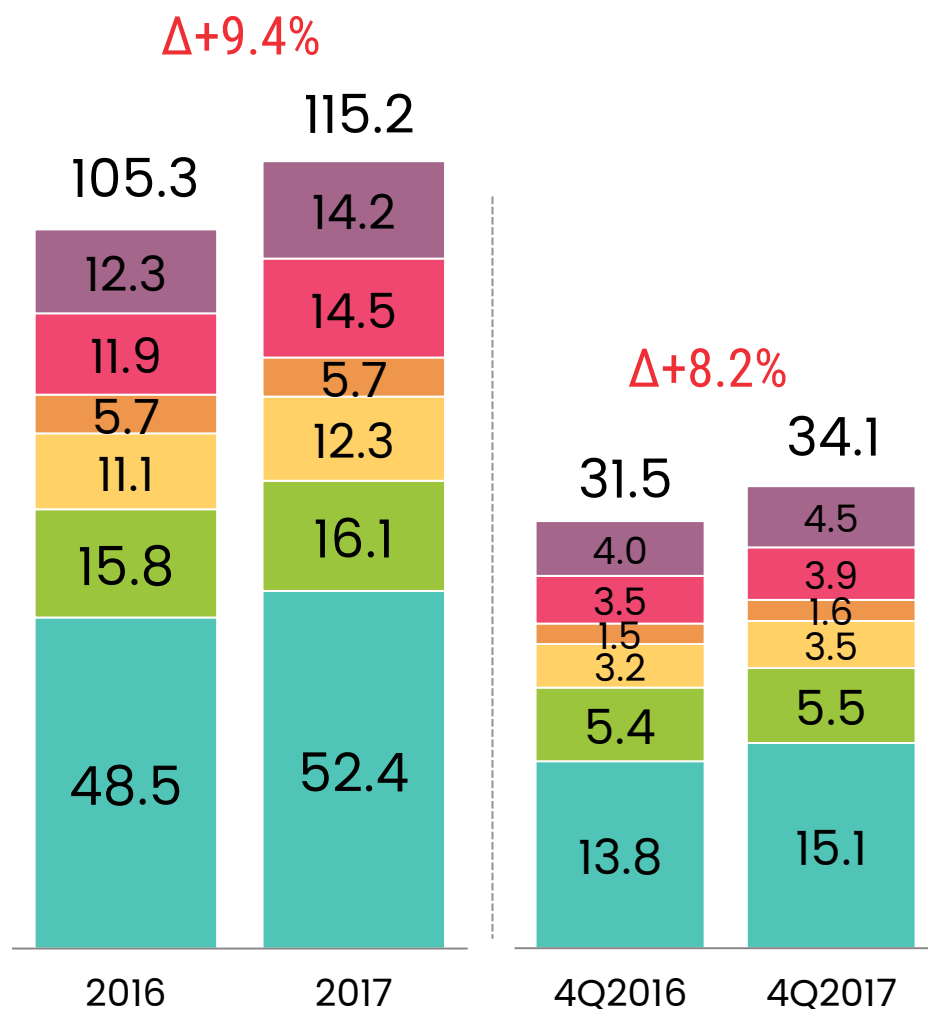
	Metro Manila	Luzon	Visayas	Mindanao
 Supermarkets	52	67	22	13
Department Stores	14	18	9	8
DIY Stores	54	82	37	20
Convenience Stores	319	150	27	-
Drugstores ¹	121	299	40	24
Specialty Stores	146	121	47	28
Total	706	737	182	93
<i>TGP</i>	492	1,036	288	199

Store Network: 2017

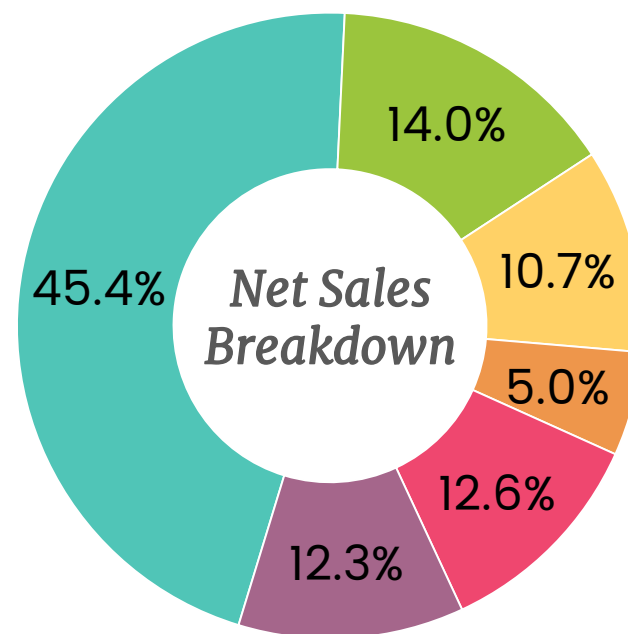


2017 Consolidated Results

Net Sales¹ (₹ bn)

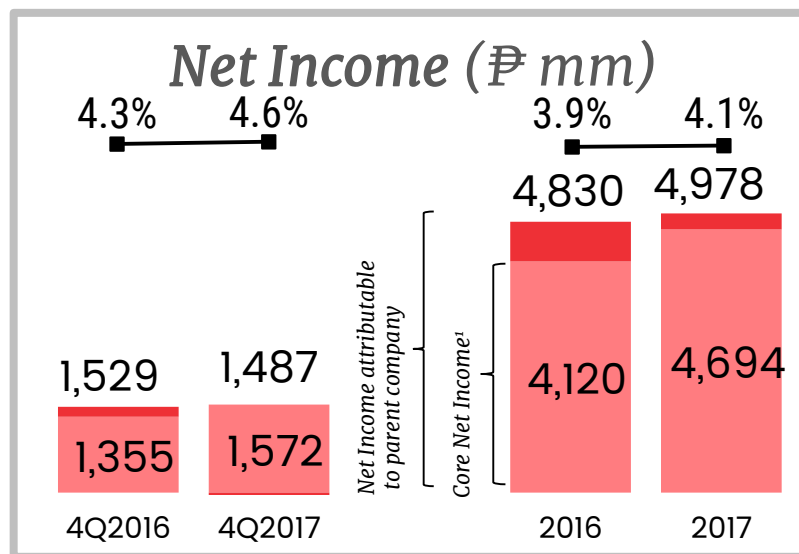
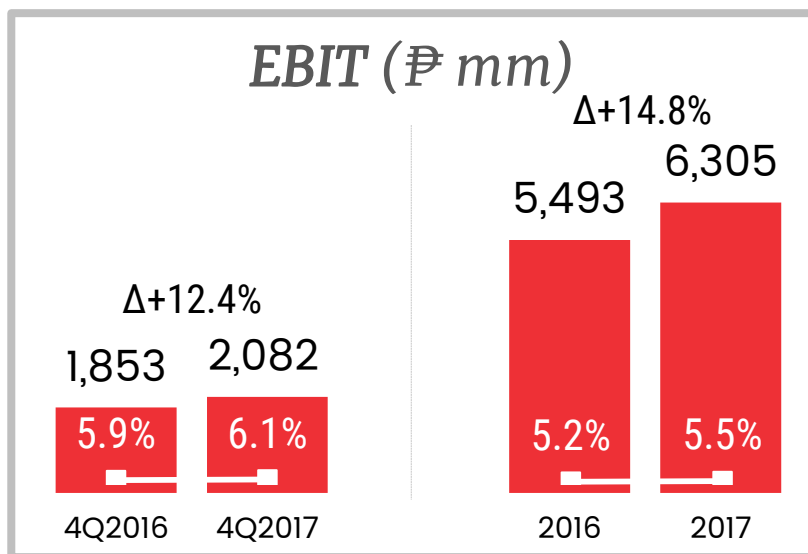
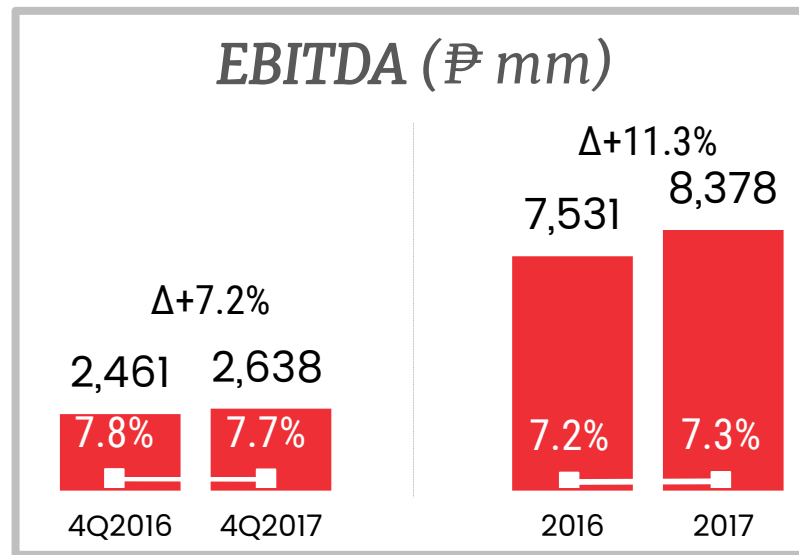
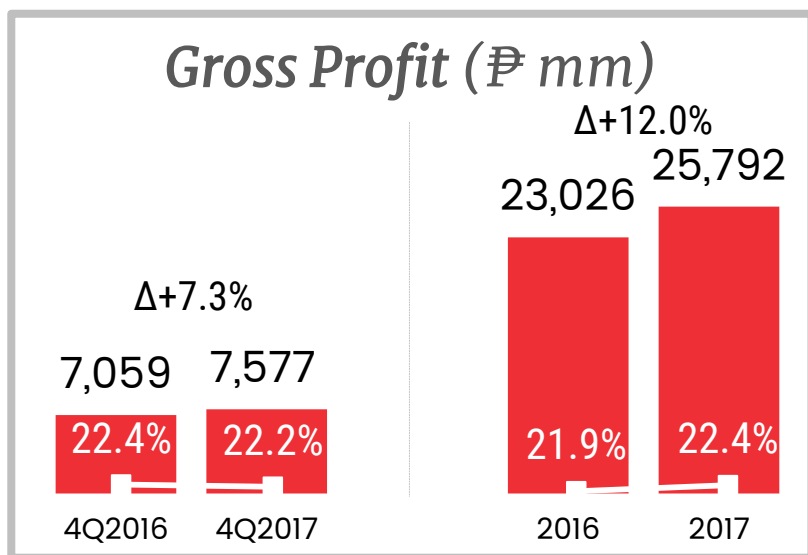


Same Store Sales Growth



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

2017 Consolidated Results



2017 Highlights:

Gross profit margin expanded by 50bps;

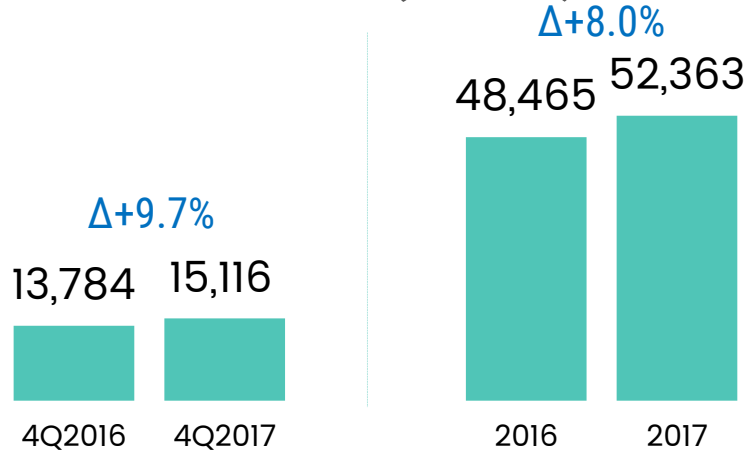
EBIT margin expanded by 30bps;

Core net margin expanded by 20bps

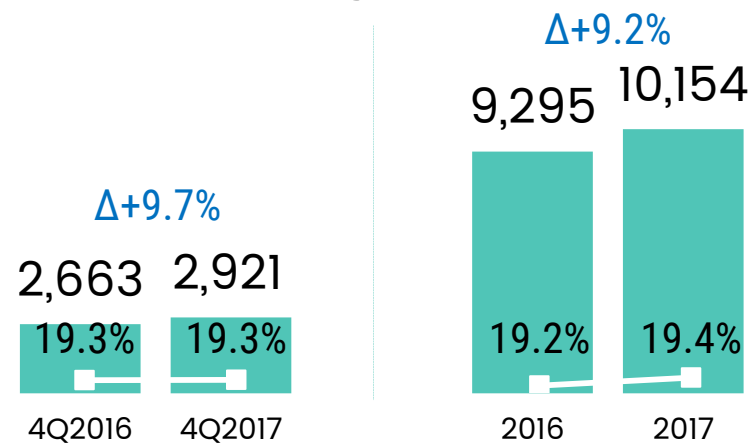
◆ Core net income as a % of net sales

Supermarket Business Segment

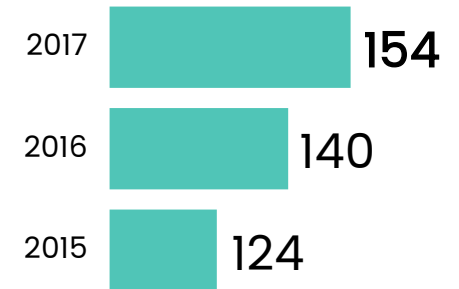
Net Sales (₱ mm)



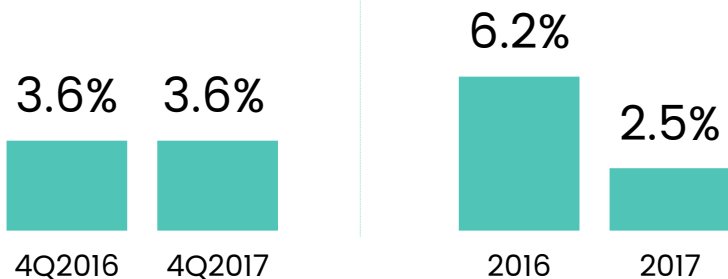
Gross Profit (₱ mm)



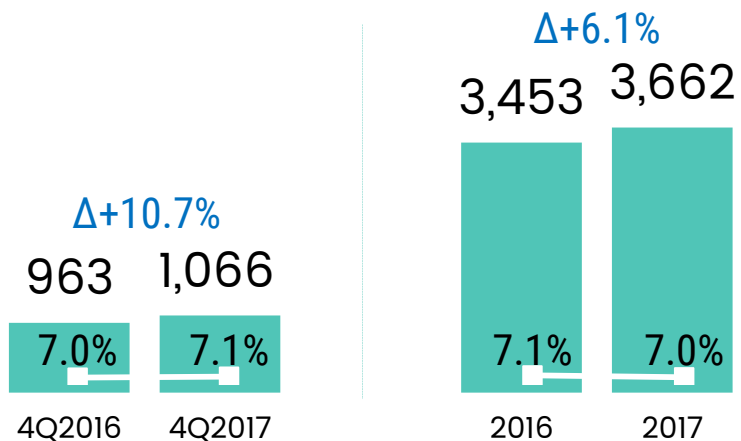
Store Count



Same Store Sales Growth



EBITDA (₱ mm)



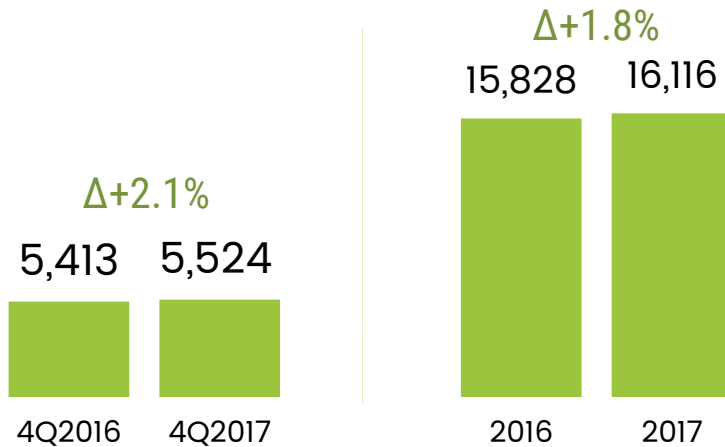
2017 Highlights:

Increase in net sales driven by new store additions (5.5%) and healthy SSSG (2.5%);

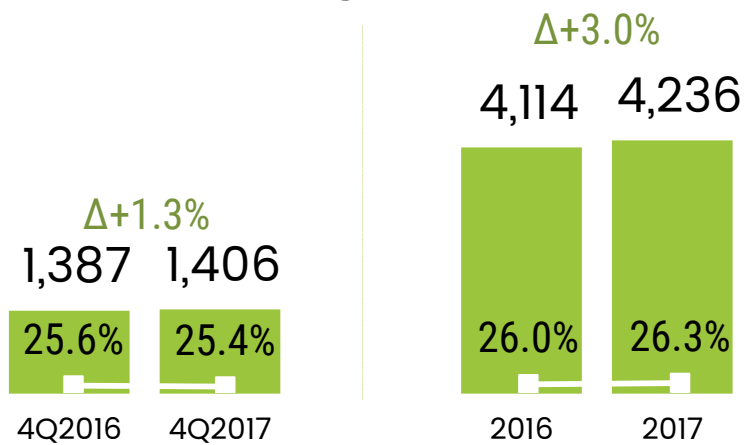
SSSG softened due to high base effect spiked by election spending

Department Store Business Segment

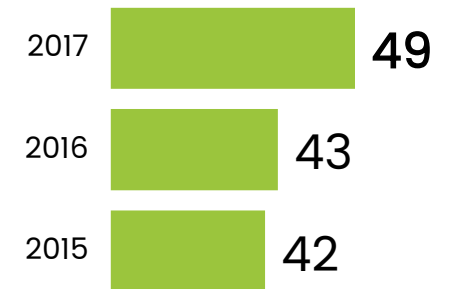
Net Sales (₱ mm)



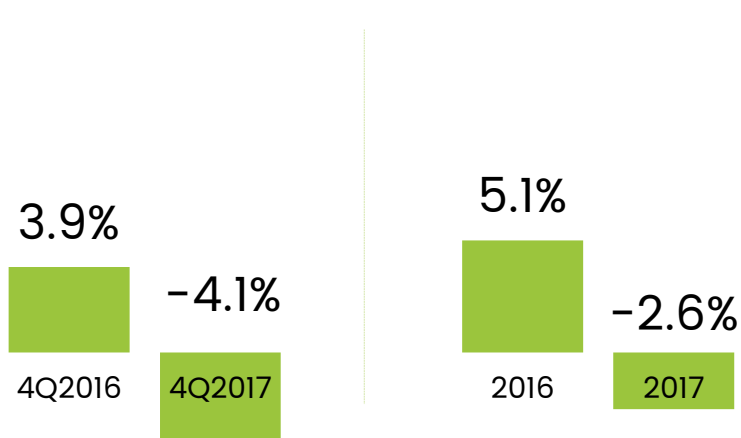
Gross Profit (₱ mm)



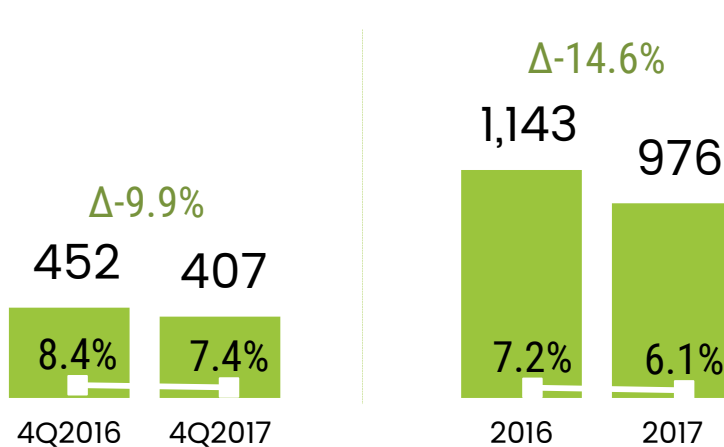
Store Count



Same Store Sales Growth



EBITDA (₱ mm)

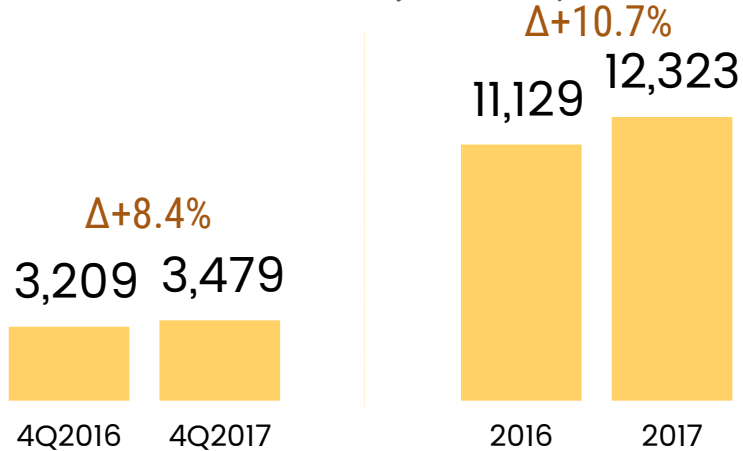


2017 Highlights:

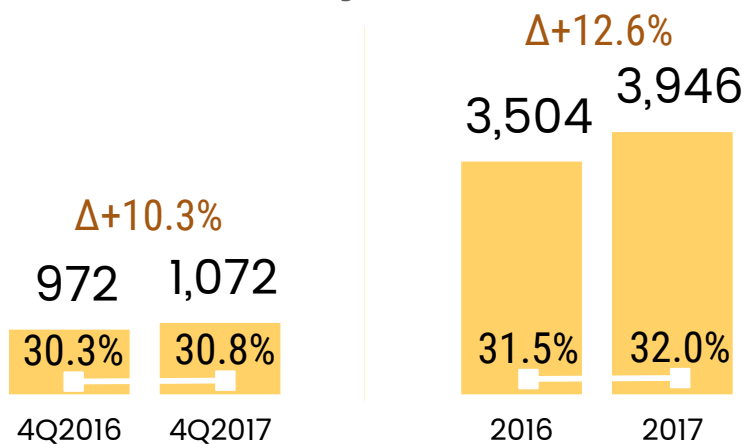
Massive renovation in Robinsons Galleria and competitive pressures in certain provinces dampened SSSG; 6 new stores were opened in 2017

DIY Store Business Segment

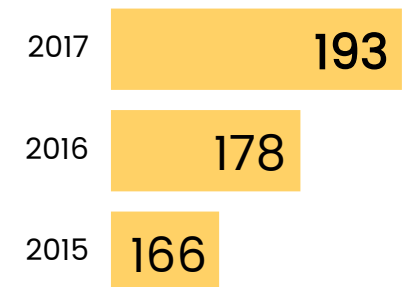
Net Sales (₱ mm)



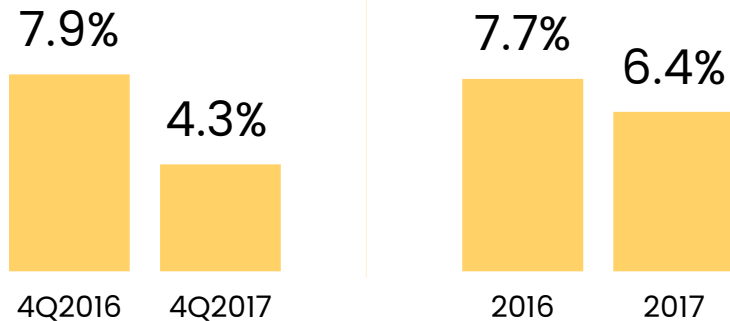
Gross Profit (₱ mm)



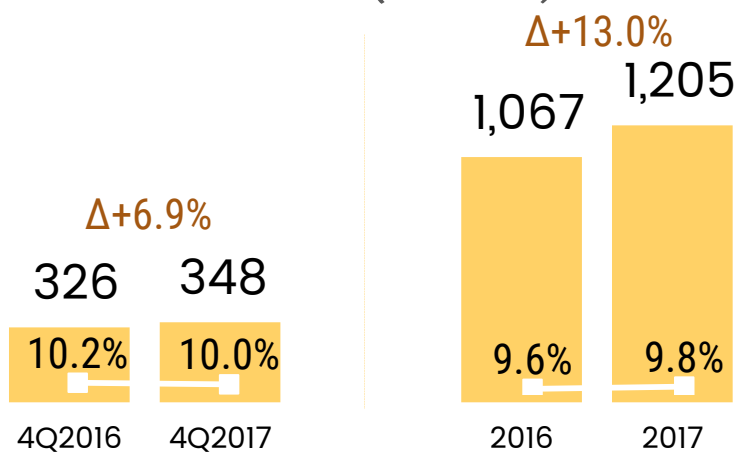
Store Count



Same Store Sales Growth



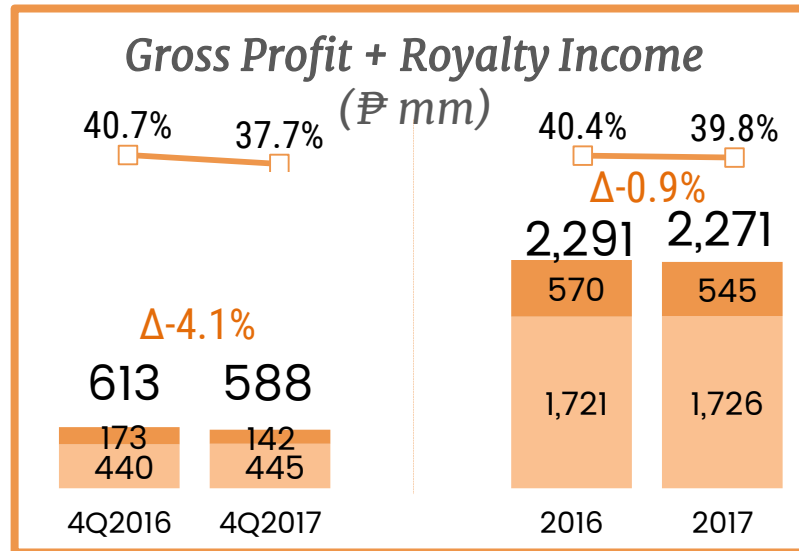
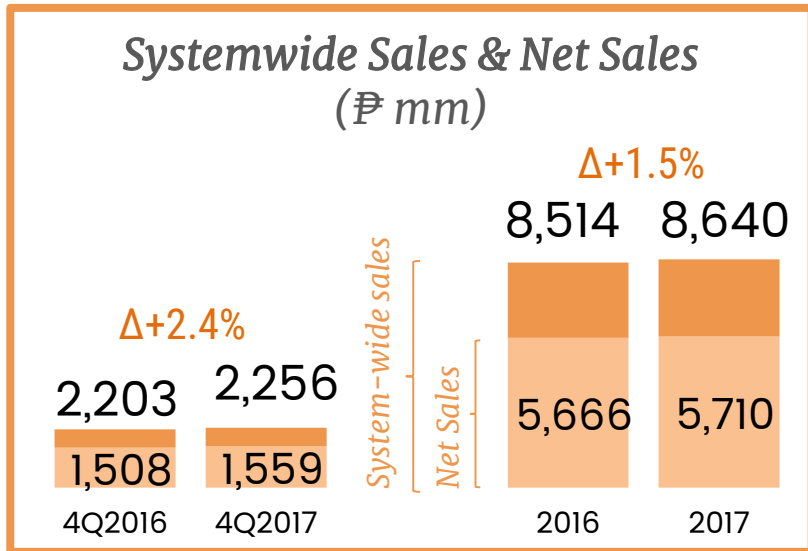
EBITDA (₱ mm)



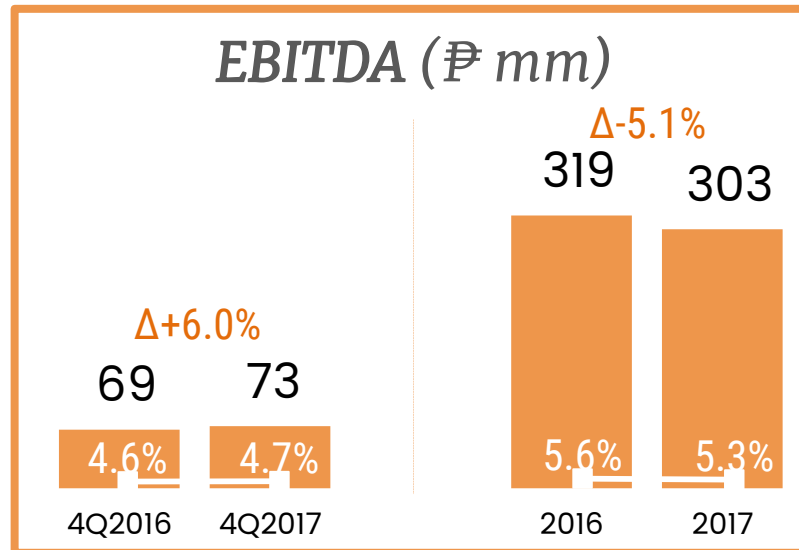
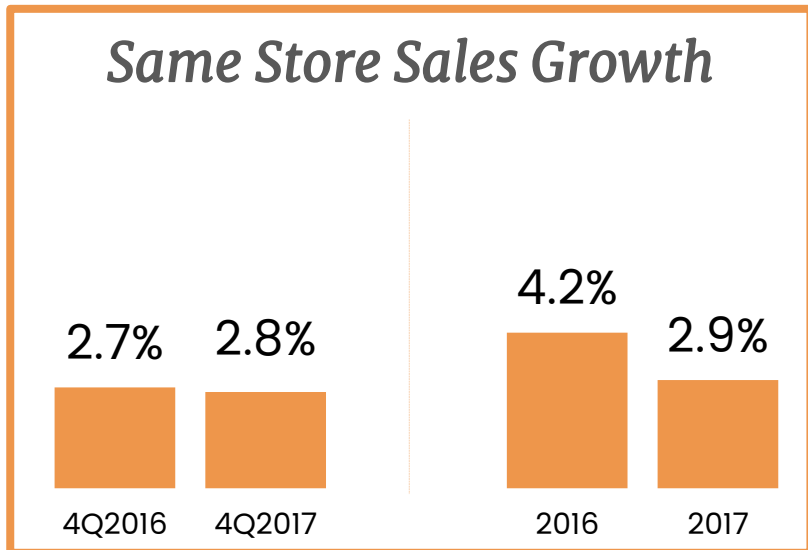
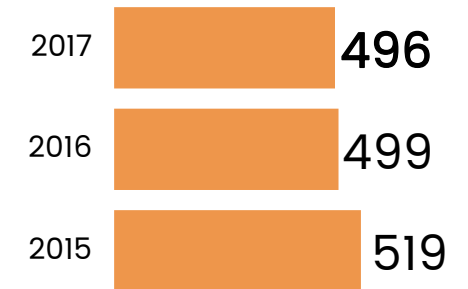
2017 Highlights:

Double-digit sales growth due to strong SSSG (6.4%) and sustained expansion (4.3%); Continued to benefit from the growing residential market

Convenience Store Business Segment



Store Count

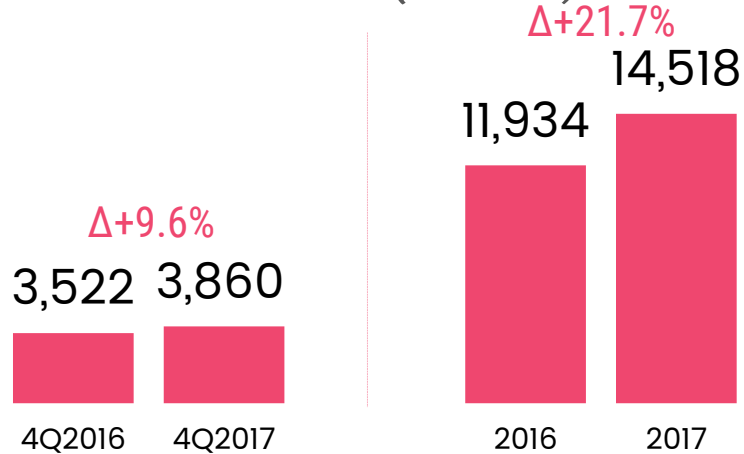


2017 Highlights:

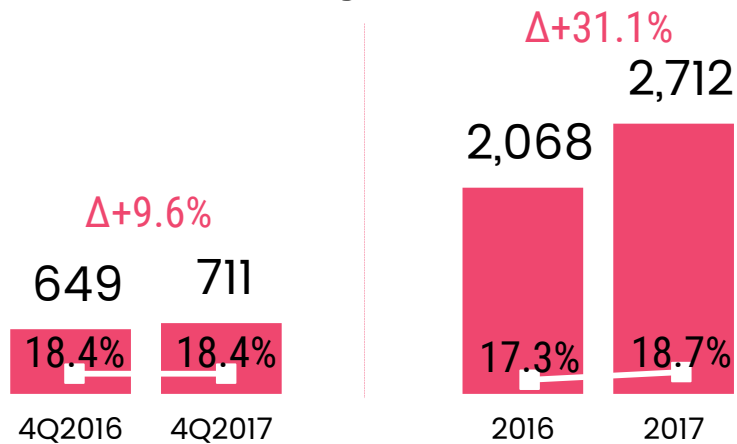
- Ready-to-eat category continued to drive growth;
- Ratio of franchised to company-managed stores improved to 46:54

Drugstore Business Segment

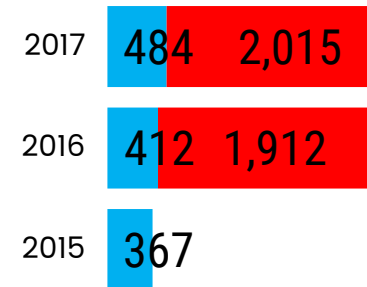
Net Sales (₱ mm)



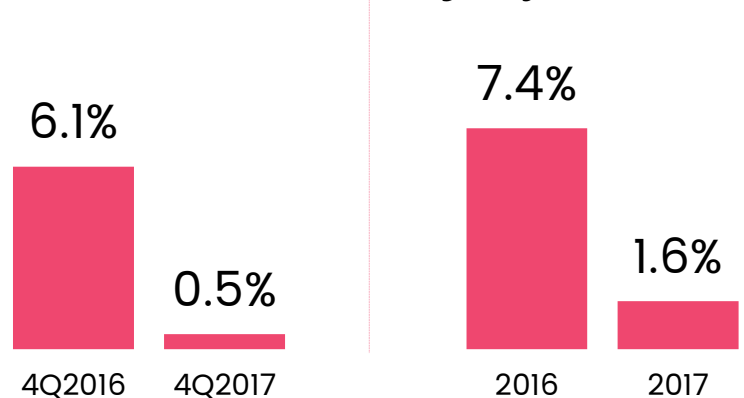
Gross Profit (₱ mm)



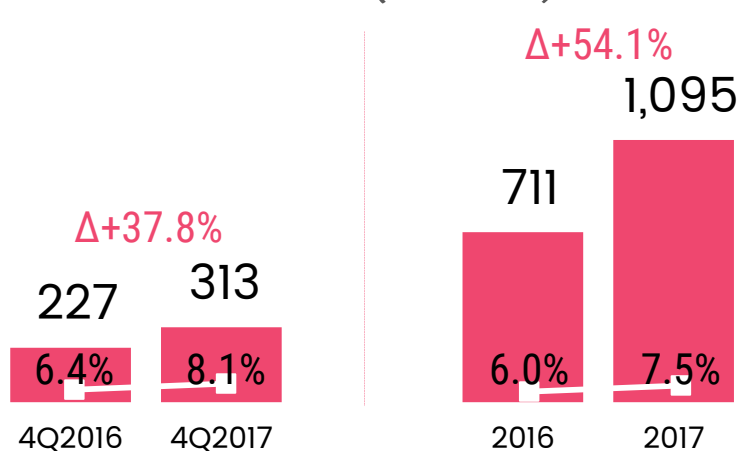
Store Count



Same Store Sales Growth (South Star Drug only)



EBITDA (₱ mm)



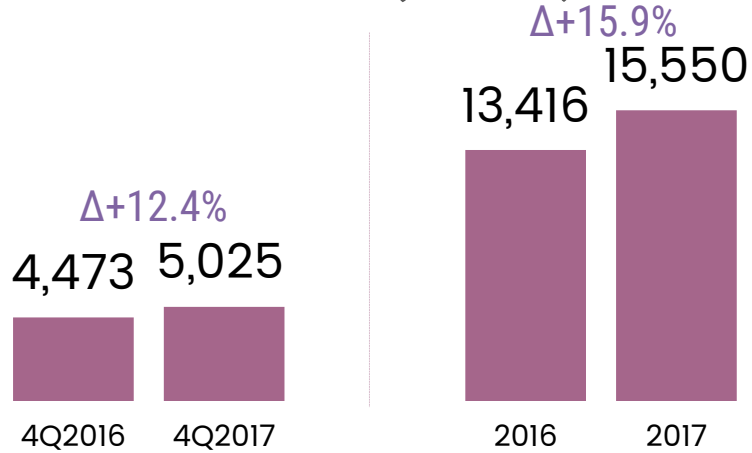
2017 Highlights:

Increase in net sales propelled by the acquisition of The Generics Pharmacy;

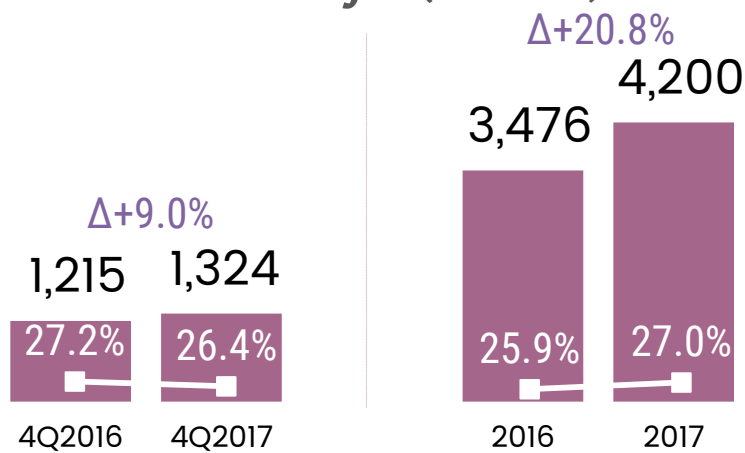
Replenishment issues in 2H due to migration to a new merchandising system

Specialty Store Business Segment

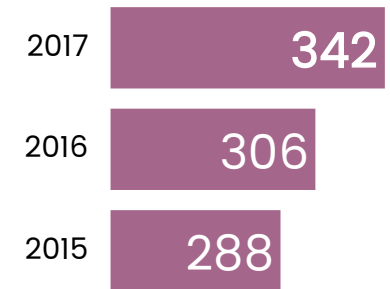
Net Sales (₹ mm)



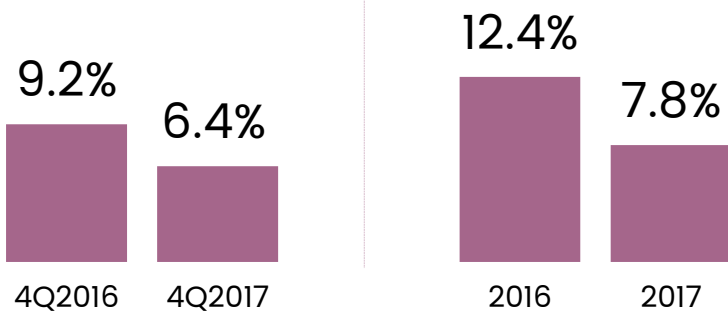
Gross Profit (₹ mm)



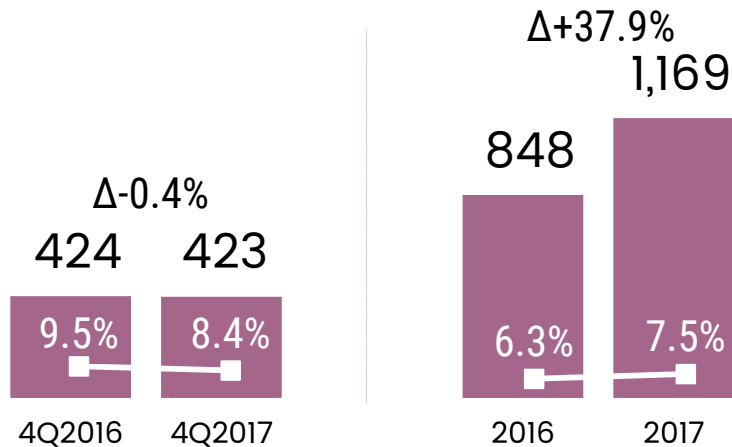
Store Count



Same Store Sales Growth



EBITDA (₹ mm)



2017 Highlights:

Expansion in net sales driven by the strong sales performance of most formats;

Strong SSSG driven by appliances, beauty and Daiso Japan

Working Capital

	2015	2016	2017
<i>Trade receivable days</i>	7.1	6.9	7.1
<i>Inventory days</i>	54.3	59.4	60.6
<i>Trade payable days</i>	75.9	74.7	72.5
<i>Cash Conversion Cycle</i>	-14.5	-8.5	-4.8



Capital Expenditure

	2015	2016	2017
<i>Supermarkets</i>	32%	26%	41%
<i>Department stores</i>	10%	10%	24%
<i>DIY Stores</i>	7%	7%	11%
<i>Convenience Stores</i>	10%	4%	4%
<i>Drugstores</i>	3%	43%	8%
<i>Specialty Stores</i>	37%	10%	12%
Total CAPEX (in ₱ mm)	4,089	5,620	3,105
<i>% of net sales</i>	4.5%	5.3%	2.7%

Expanded E-commerce Presence

LAZADA
•COM•PH

 Robinsons
Appliances



HANDYMAN
Shop Best

True Value

 Robinsons
Department Store

ZALORA
PHILIPPINES

TOPSHOP

TOPMAN

DOROTHY PERKINS

BURTON
MENSWEAR
L O N D O N



honestbee

 Robinsons
Supermarket

Acquisition of BeautyMNL



Launch of Mobile Payments



GCash



PayMaya








Toys "R" Us Philippines Unaffected by US Store Closures



Partnership of RRHI and Dairy Farm: Acquisition of Rustan Supercenters, Inc. (RSCI)

- ❑ RRHI will acquire 100% stake in RSCI, owned by Mulgrave Corporation B.V., a wholly-owned member of Dairy Farm International Holdings Ltd. group of companies, in exchange for new shares in RRHI. The value of Dairy Farm's 100% ownership of RSCI is approximately ₱18 billion;
- ❑ RSCI operates the following retail brands in the Philippines:

				
"Marketplace by Rustan's" (premium)	"Rustan's Supermarket" (middle)	"Shopwise" (hypermarket)	"Shopwise Express" (minimart)	"Wellcome" (affordable)

- ❑ The transaction also involves a secondary sale of shares owned by certain members of the Gokongwei family, who will continue to hold 51% interest in RRHI after the transaction. Dairy Farm is estimated to own 18.25% of RRHI after the deal is closed;
- ❑ Sales of RCSI reached ₱23.61 billion in FY 2017 and it operated a total of 73 stores, most of which are located in Metro Manila.





ROBINSONS
RETAIL
HOLDINGS, INC.

Thank you!



Income Statement (Audited)

PHP mm	Years Ended December 31		
	2017	2016	2015
Sales - net of sales discounts and returns	115,238	105,293	90,883
Cost of merchandise sold	89,446	82,267	71,134
Gross Profit	25,792	23,026	19,749
Royalty, rent and other revenues	2,262	2,118	1,863
Gross profit including other revenue	28,054	25,145	21,612
Operating expenses	(21,749)	(19,652)	(16,883)
Earnings before interest and taxes	6,305	5,493	4,729
OTHER INCOME (CHARGES)			
Interest income	873	827	799
Foreign currency exchange gain (losses) - net	16	219	184
Dividend income	112	112	112
Equity in net earnings of an associate	124	103	40
Interest expense	(127)	(87)	(15)
	997	1,174	1,119
INCOME BEFORE INCOME TAX	7,303	6,667	5,848
Provision for income tax	1,703	1,471	1,271
NET INCOME	5,599	5,196	4,577
Net income attributable to:			
Equity holders of the Parent Company	4,978	4,830	4,342
Non-controlling interest in consolidated subsidiaries	621	366	235
	5,599	5,196	4,577
Earnings Per Share			
Basic	3.59	3.49	3.13
Weighted	3.59	3.49	3.13
Shares Outstanding			
End of Period	1,385	1,385	1,385
Weighted	1,385	1,385	1,385

Balance Sheet (Audited)

PHP mm	December 31 2017	December 31 2016
ASSETS		
Current Assets		
Cash and cash equivalents	14,565	12,718
Trade and other receivables	2,235	1,988
Merchandise inventories	14,847	13,342
Other current assets	2,424	2,185
Total Current Assets	34,070	30,232
Noncurrent assets		
Available-for-sale (AFS) financial assets	20,667	20,430
Property and equipment - net	13,601	12,562
Investment in shares of stocks	5,272	5,078
Other noncurrent assets	8,571	8,393
Total Noncurrent Assets	48,111	46,463
Total Assets	82,181	76,695
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	17,774	16,797
Current portion of loans payable	6,378	6,576
Other current liabilities	1,204	1,106
Total Current Liabilities	25,356	24,478
Other noncurrent liabilities	1,558	1,652
Total Noncurrent Liabilities	1,558	1,652
Total Liabilities	26,914	26,129
Equity		
Capital stock	1,385	1,385
Additional paid-in capital	27,227	27,227
Equity reserve	(1,022)	(1,022)
Retained earnings	23,653	19,645
Others	290	352
Total equity attributable to equity holders	51,533	47,587
Non-controlling interest in consolidated	3,733	2,978
Total Equity	55,267	50,566
Total Liabilities and Equity	82,181	76,695

Cash Flow Statement (Audited)

PHP mm	Years Ended December 31		
	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	7,303	6,667	5,848
Adjustments for:			
Depreciation and amortization	2,073	2,038	1,647
Retirement expense	171	117	116
Interest expense	127	87	15
Equity in net earnings of an associate	(124)	(103)	(40)
Dividend income	(112)	(112)	(112)
Interest income	(873)	(827)	(799)
Others	10	(160)	(184)
Operating income before working capital changes	8,575	7,707	6,492
Working capital changes	(740)	(1,098)	(1,311)
Interest received	864	962	707
Retirement	(239)	(9)	(171)
Income tax paid	(1,657)	(1,393)	(1,268)
Net cash flows generated from (used in) operations	6,804	6,169	4,449
CASH FLOWS FROM INVESTING ACTIVITIES			
AFS investments	(267)	(531)	(1,359)
Property and equipment - net	(3,105)	(3,244)	(3,099)
Acquisition through business combination	—	(2,180)	(988)
Others	(141)	30	(1,388)
Net cash flows used in investing activities	(3,512)	(5,924)	(6,834)
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans	3,725	4,398	2,939
Payment of loans	(3,923)	(667)	(206)
Dividends paid	(1,624)	(936)	(729)
Others	363	(87)	167
Net cash flows used in financing activities	(1,459)	2,709	2,172
Effect of forex on cash and cash equivalents	14	8	1
Net increase (decrease) in cash and cash equivalents	1,847	2,961	(212)
Cash and cash equivalents at beginning of year	12,718	9,757	9,970
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14,565	12,718	9,757

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.

