



**ROBINSONS  
RETAIL  
HOLDINGS, INC.**

# 2018 AUDITED EARNINGS RESULTS

APRIL 2019



20190423

# AGENDA

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

# 2018 FINANCIAL HIGHLIGHTS



Strong  
blended  
SSSG of  
5.9%

1,910  
stores plus  
1,992 TGP  
branches  
nationwide

28.8% yoy  
increase in  
gross floor  
area  
(excl. TGP)

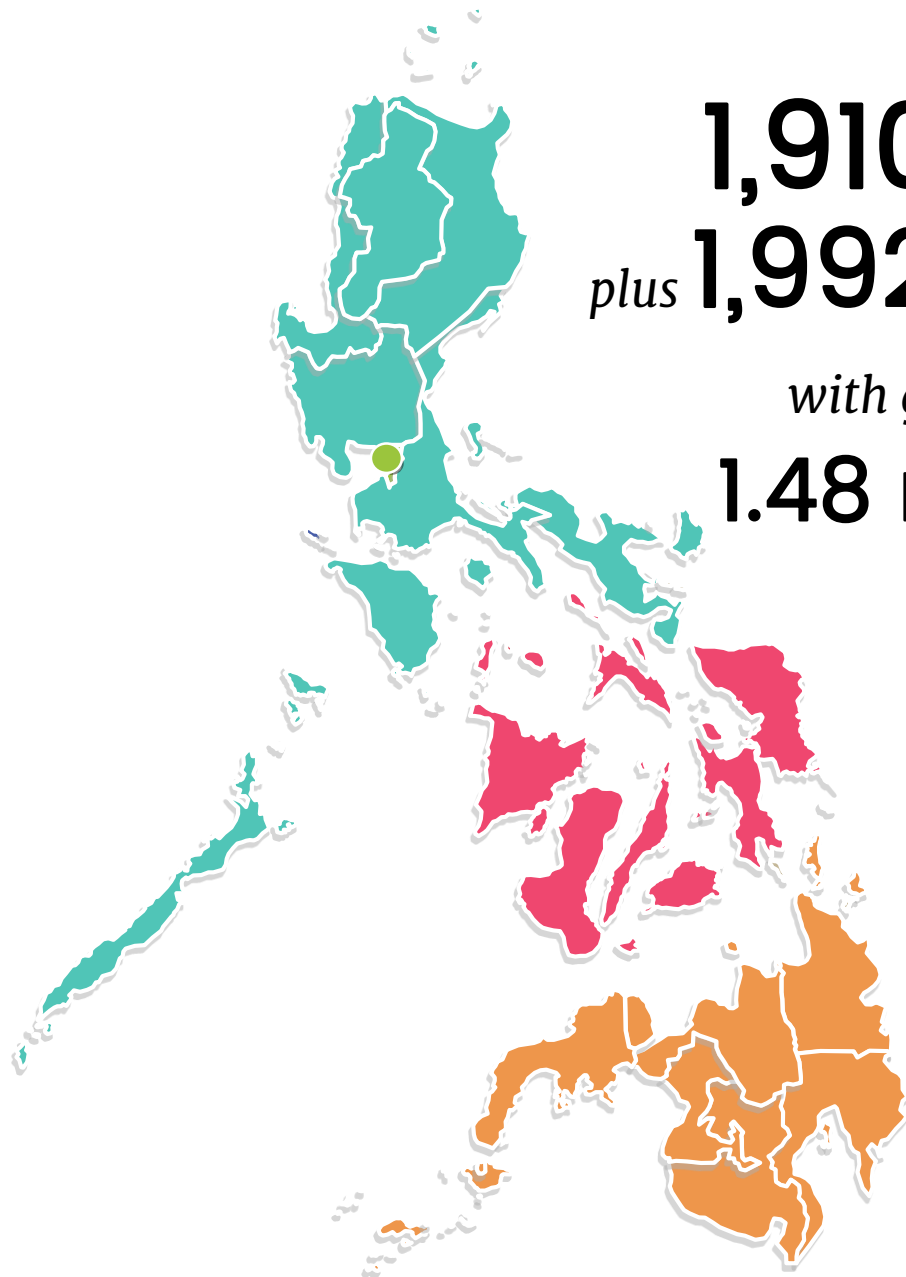
15.1%  
yoy lift in  
consolidated  
net sales

7.7% yoy  
increase in  
EBITDA

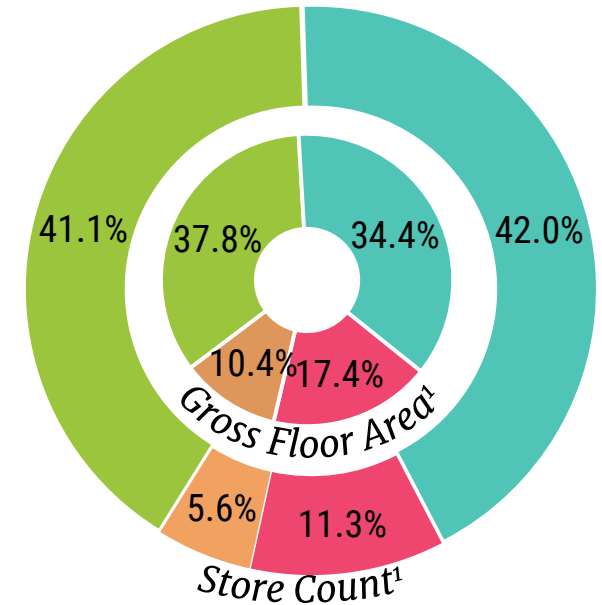
Gross  
margin at  
22.5%


6.5% yoy  
increase in  
Core Net  
income

# STORE NETWORK: 2018



**1,910** stores  
 plus **1,992** TGP branches  
 with gross floor area of  
**1.48 million sqm<sup>1</sup>**

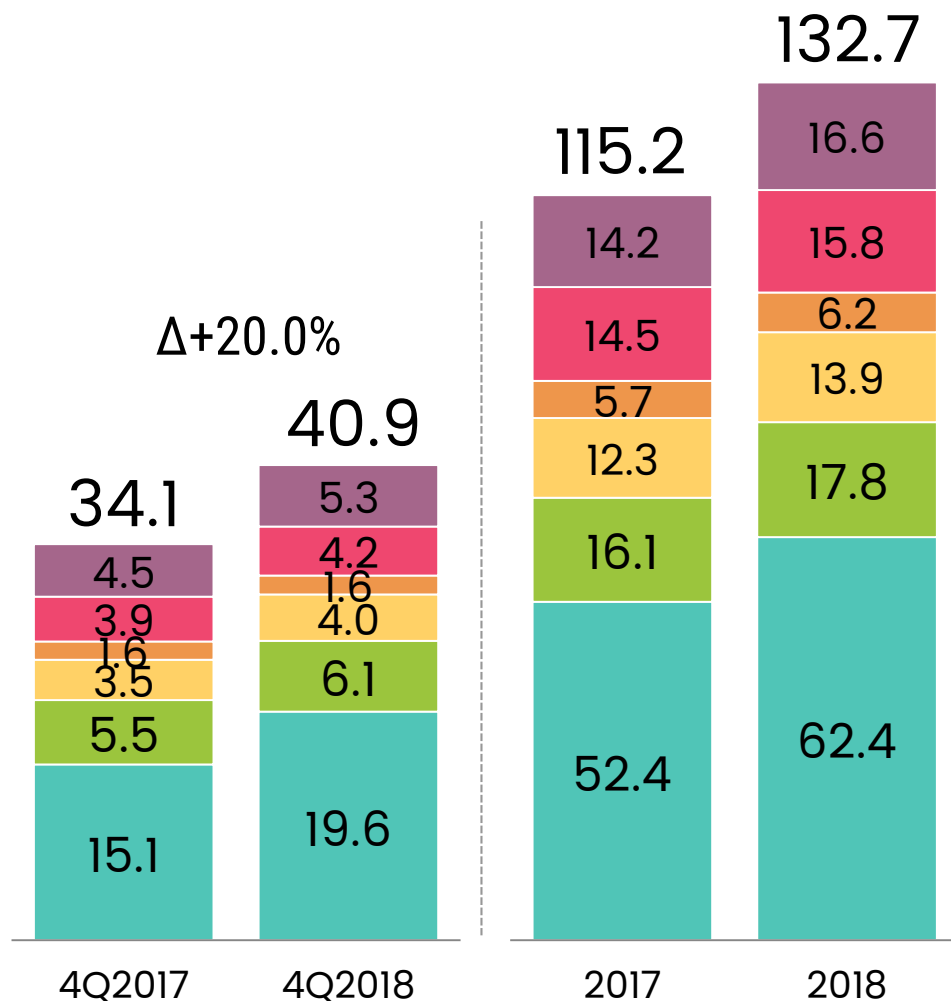


	Metro Manila	Luzon	Visayas	Mindanao
 Supermarkets	108	91	37	16
Department Stores	14	18	11	9
DIY Stores	59	88	41	22
Convenience Stores	328	149	22	-
Drugstores <sup>1</sup>	113	323	46	28
Specialty Stores	163	134	58	32
<b>Total</b>	<b>785</b>	<b>803</b>	<b>215</b>	<b>107</b>
<i>TGP</i>	<i>471</i>	<i>1,039</i>	<i>288</i>	<i>194</i>

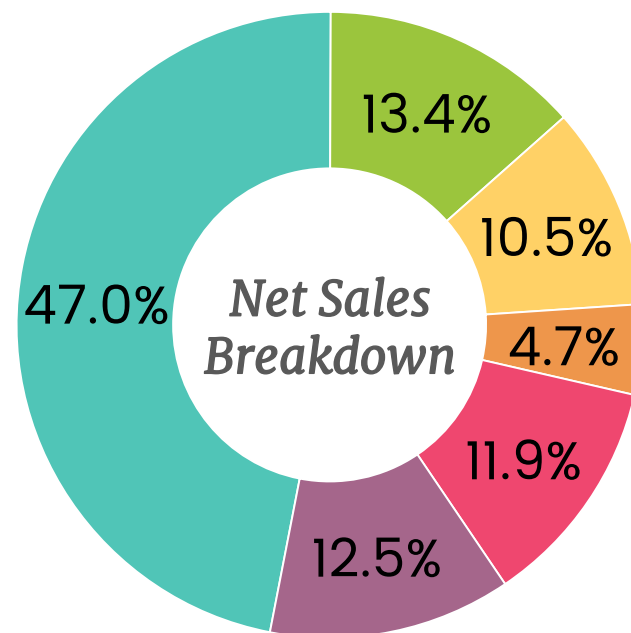
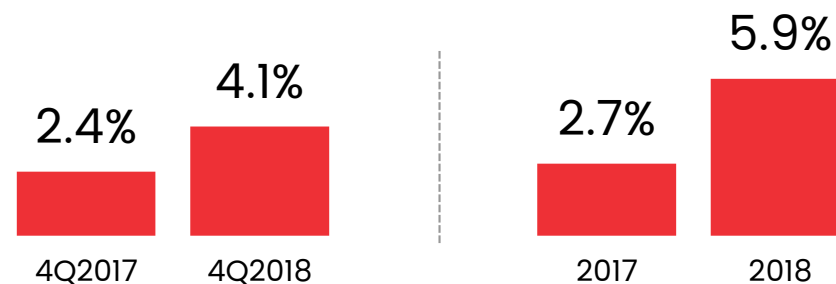
# 2018 CONSOLIDATED RESULTS

## Net Sales<sup>1</sup> (₹ bn)

Δ+15.1%



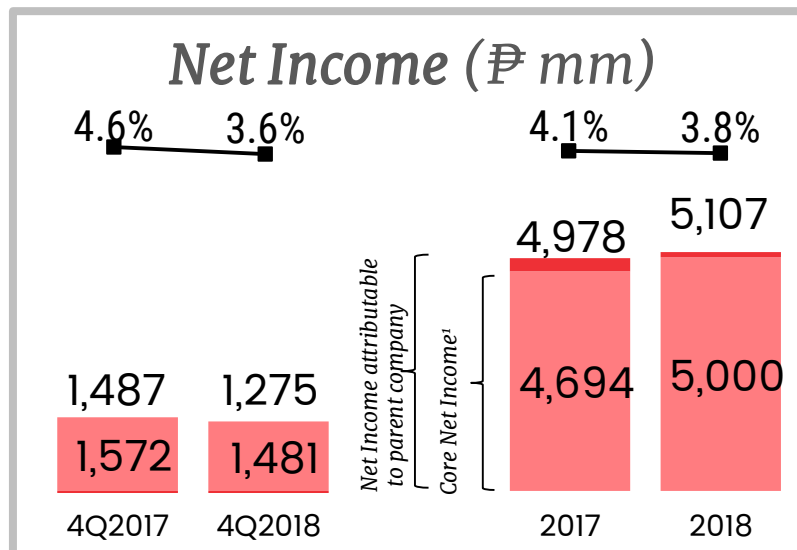
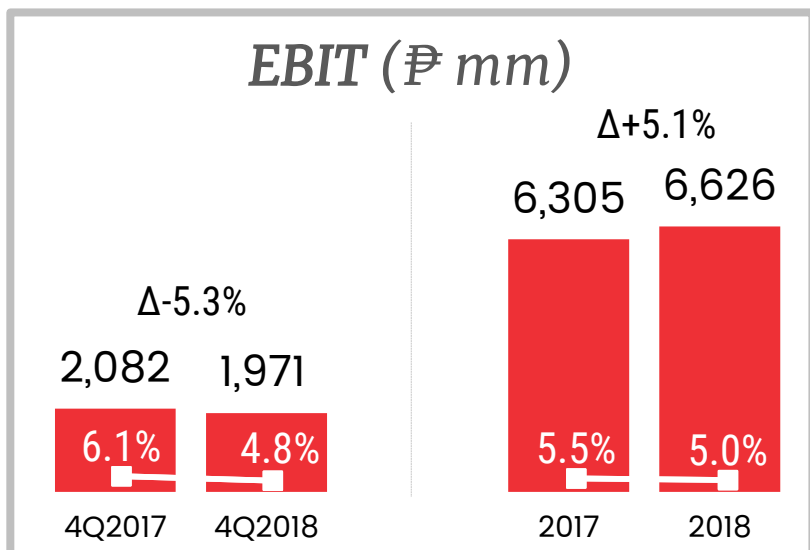
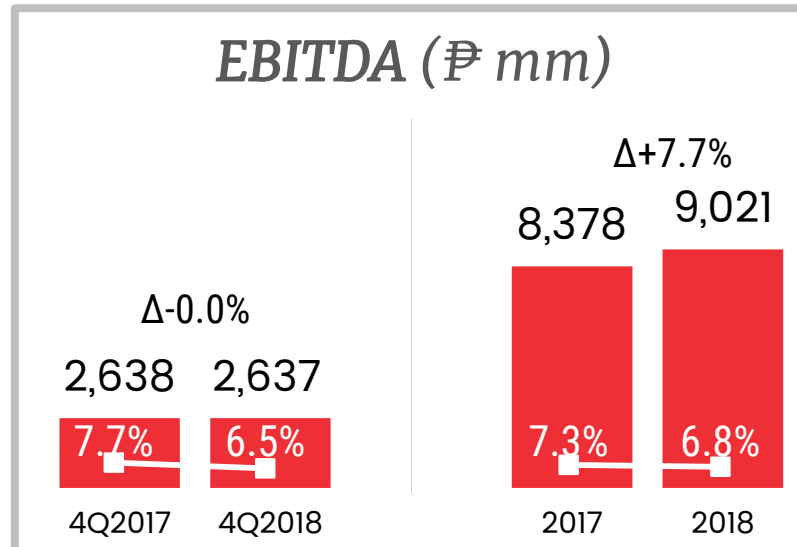
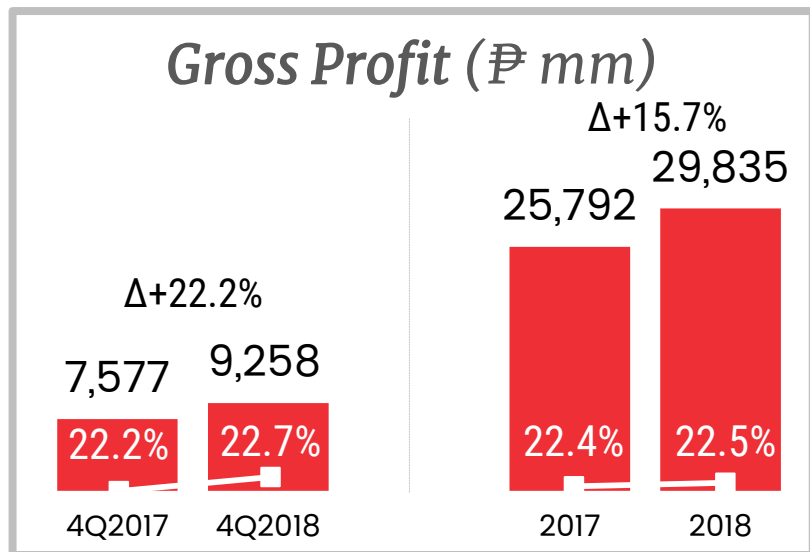
## Same Store Sales Growth



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



# 2018 CONSOLIDATED RESULTS



## 2018 Highlights:

Gross profit margin at 22.5%;

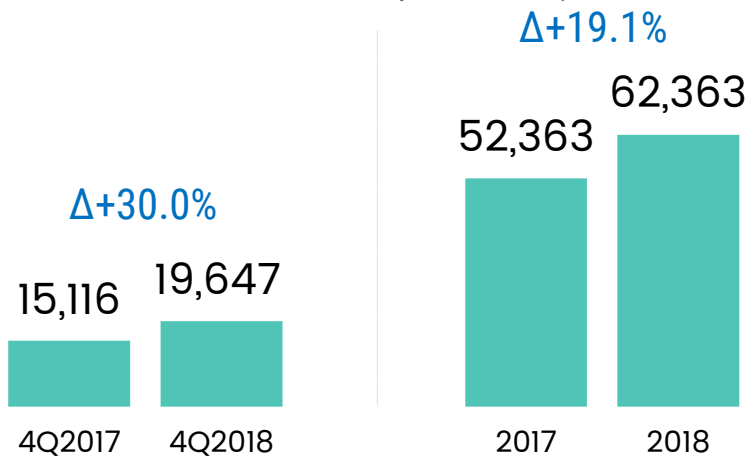
EBITDA margin at 6.8% level;

Core net income increased by 6.5%.

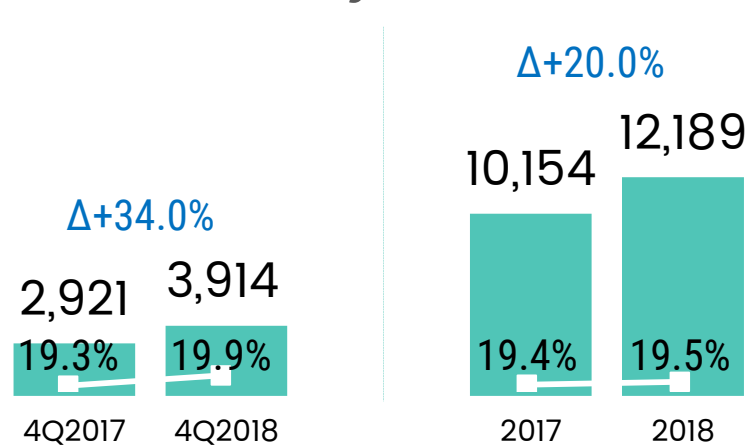
◆ Core net income as a % of net sales

# SUPERMARKET BUSINESS SEGMENT

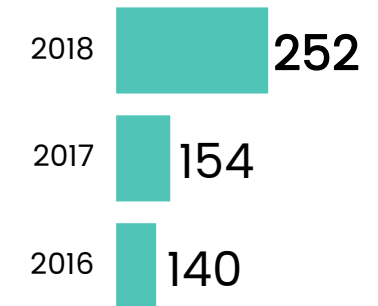
## Net Sales (₹ mm)



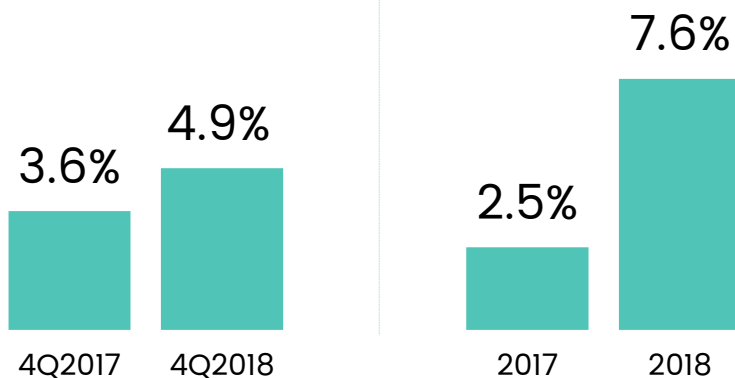
## Gross Profit (₹ mm)



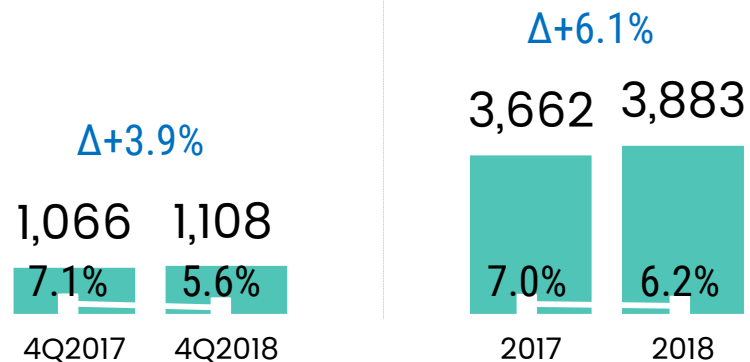
## Store Count



## Same Store Sales Growth



## EBITDA (₹ mm)



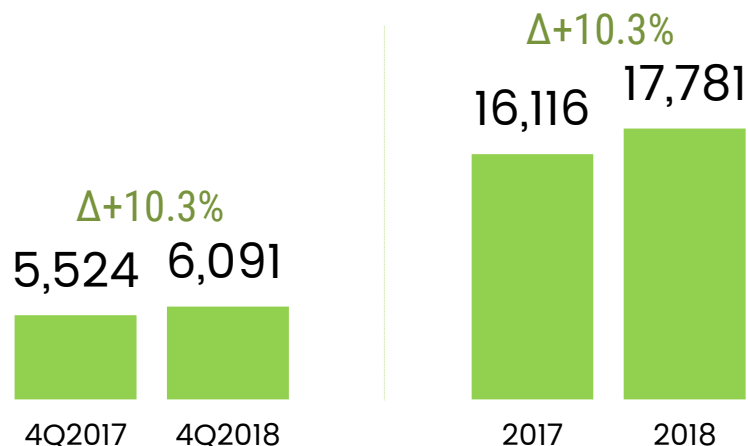
### 2018 Highlights:

Strong SSSG of 7.6% driven by 1.5% increase in transaction count and 6.1% increase in basket size;

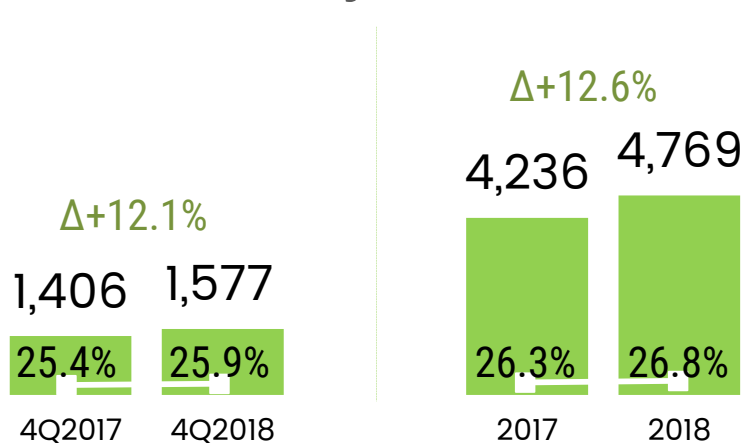
Figures include one-month results of Rustan Supercenters.

# DEPARTMENT STORE BUSINESS SEGMENT

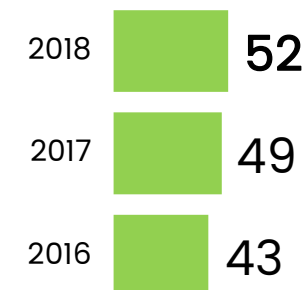
## Net Sales (₱ mm)



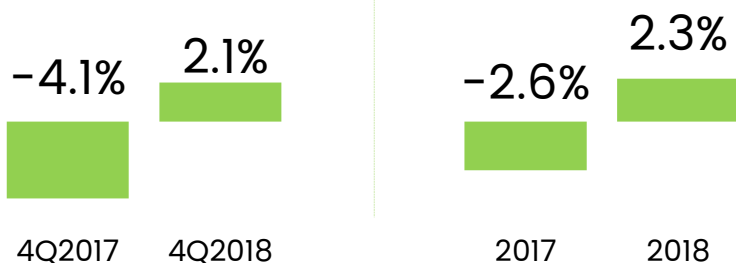
## Gross Profit (₱ mm)



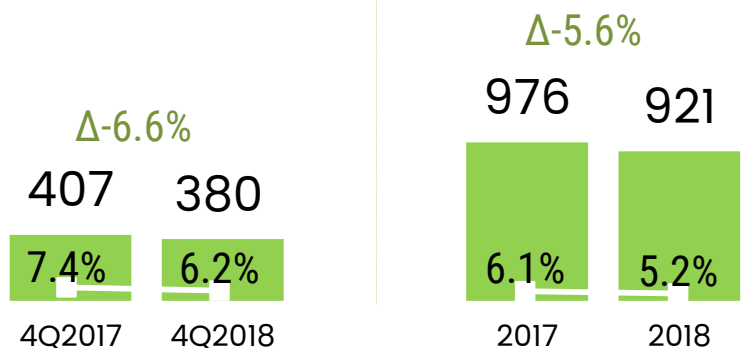
## Store Count



## Same Store Sales Growth



## EBITDA (₱ mm)



### 2018 Highlights:

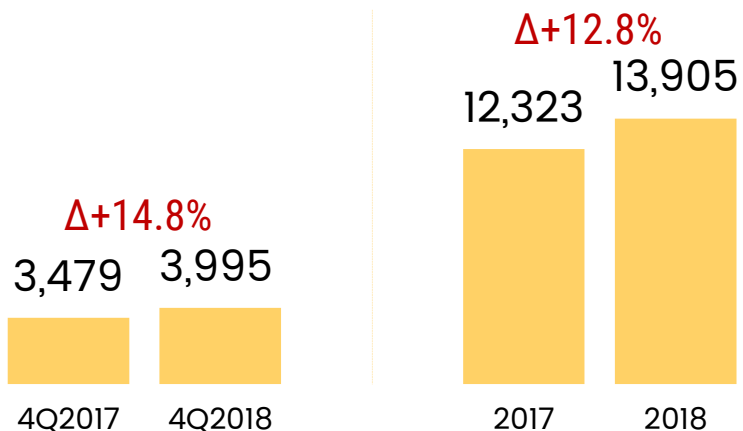
Increase in net sales driven by new store additions (8.0%) and healthy SSSG (2.3%);

Opened 4 new stores outside Metro Manila.

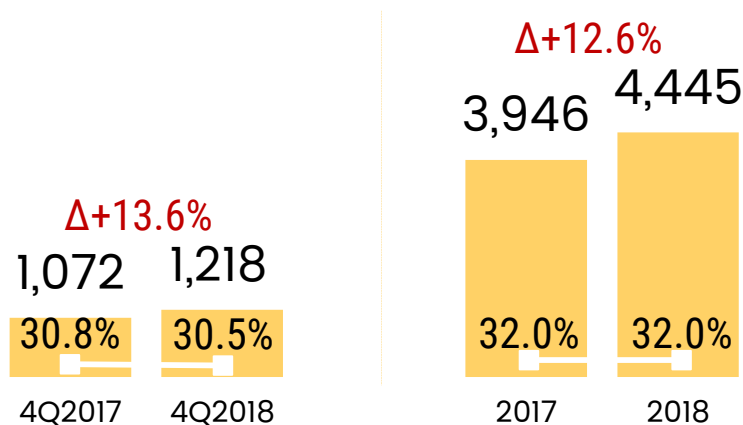


# DIY STORE BUSINESS SEGMENT

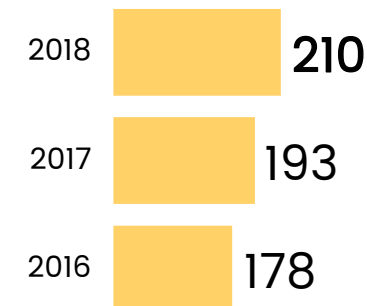
Net Sales (₹ mm)



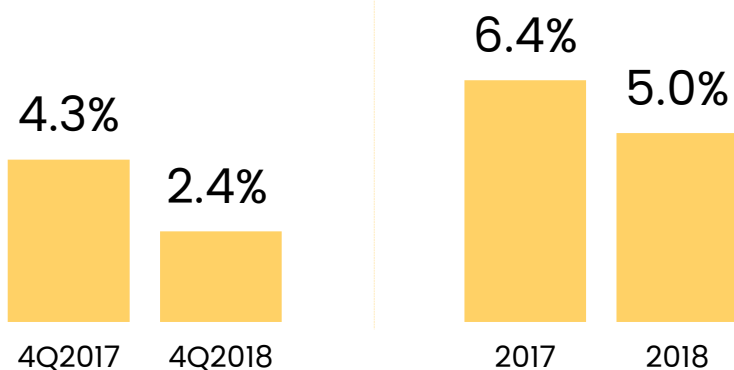
Gross Profit (₹ mm)



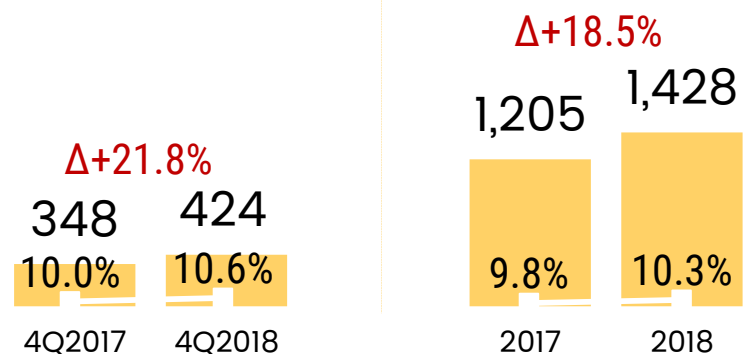
Store Count



Same Store Sales Growth



EBITDA (₹ mm)

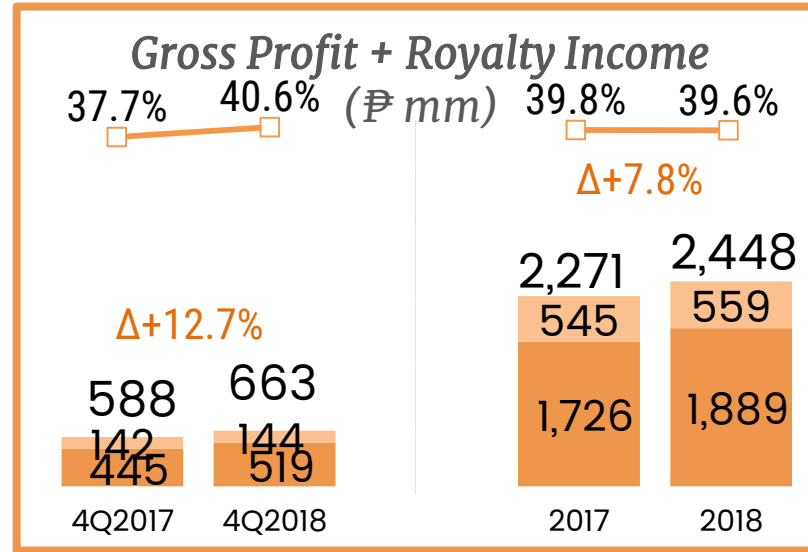
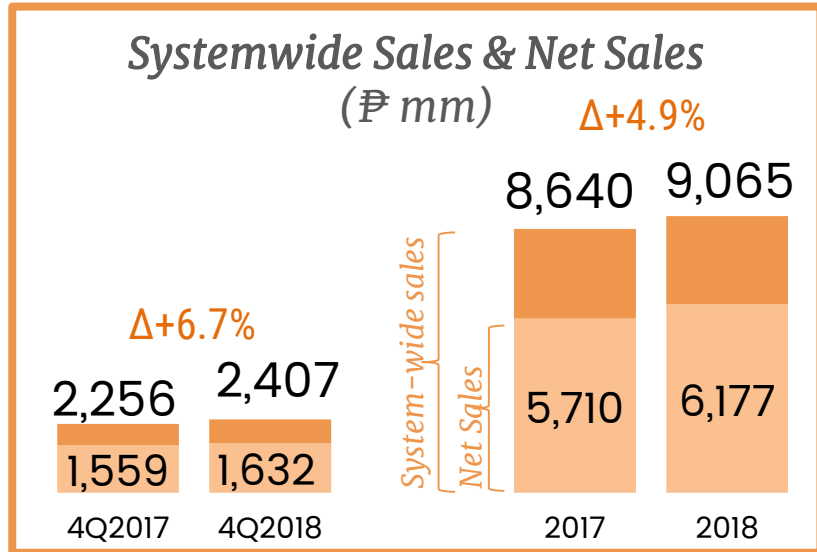


## 2018 Highlights:

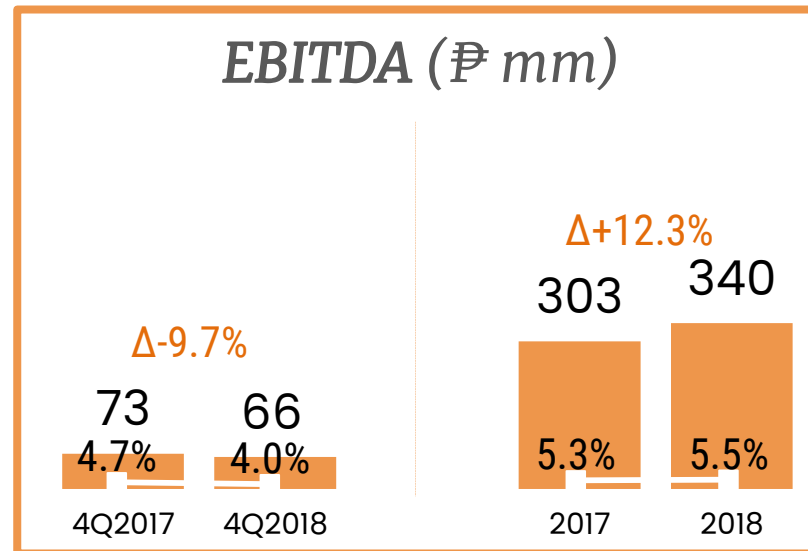
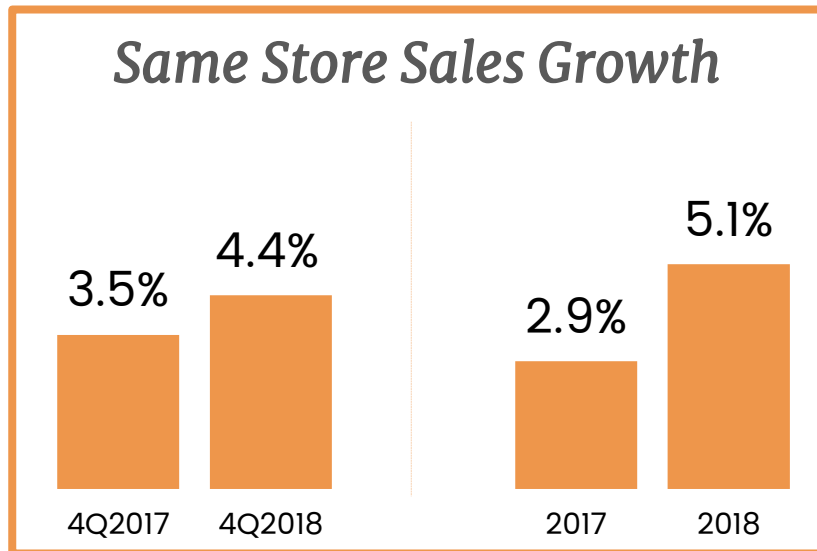
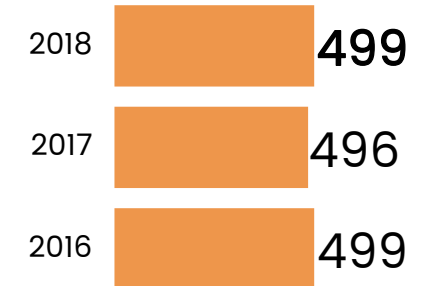
Double-digit sales growth due to healthy SSSG (5.0%) and sustained expansion (7.8%);

Notable category drivers include home organizers, pet food and hardware

# CONVENIENCE STORE BUSINESS SEGMENT



Store Count



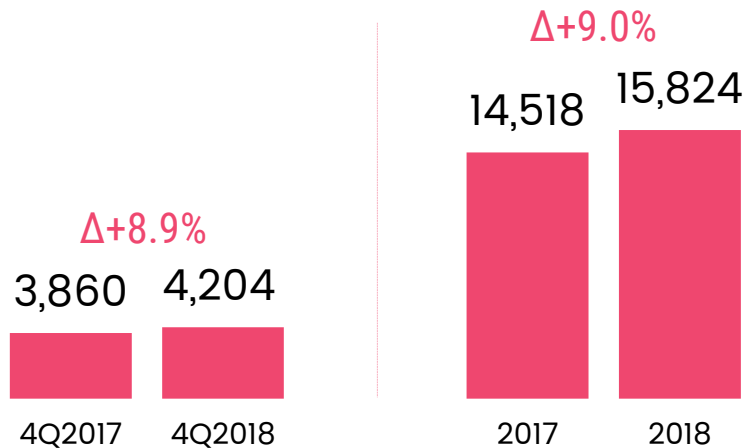
## 2018 Highlights:

Increase in purchasing power drives growth;

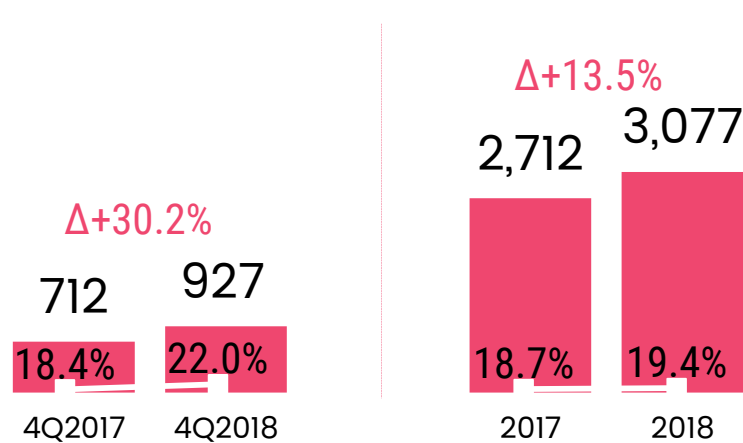
EBITDA margin up 20bps yoy on higher sales productivity.

# DRUGSTORE BUSINESS SEGMENT

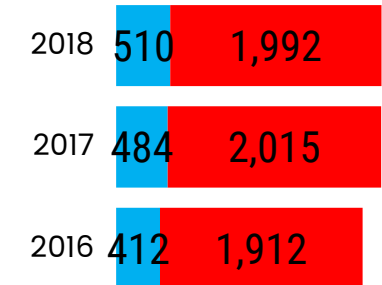
## Net Sales (₹ mm)



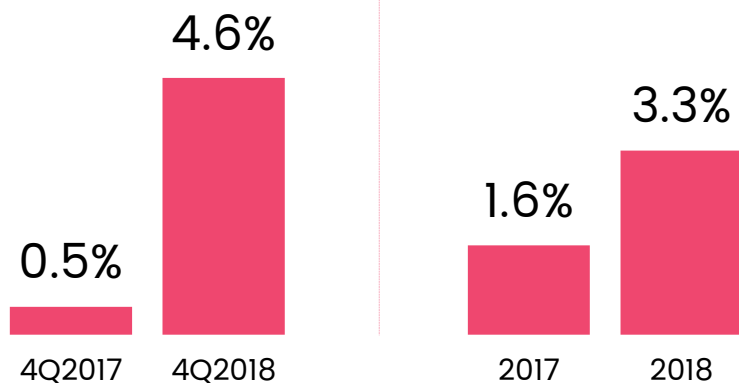
## Gross Profit (₹ mm)



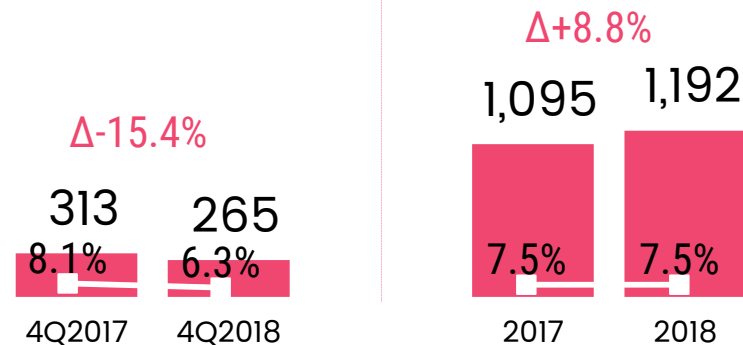
## Store Count



## Same Store Sales Growth



## EBITDA (₹ mm)



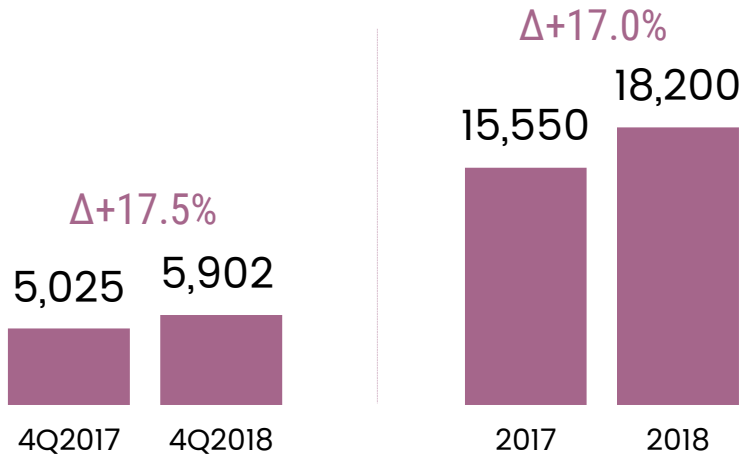
### 2018 Highlights:

Increase in net sales propelled by healthy SSSG and new store openings;

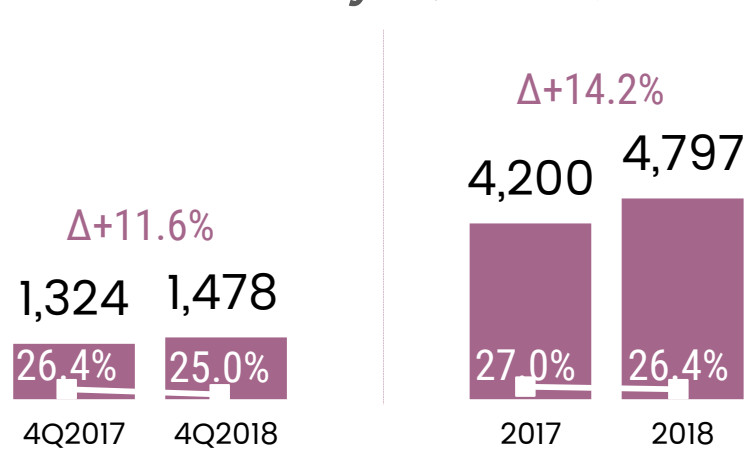
SSSG recovered from replenishment issues due to JDA migration

# SPECIALTY STORE BUSINESS SEGMENT

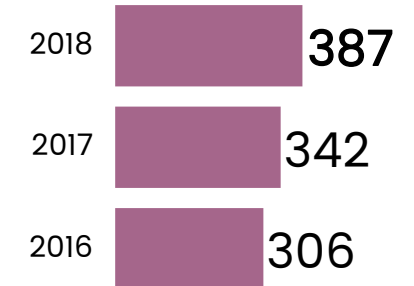
## Net Sales (₹ mm)



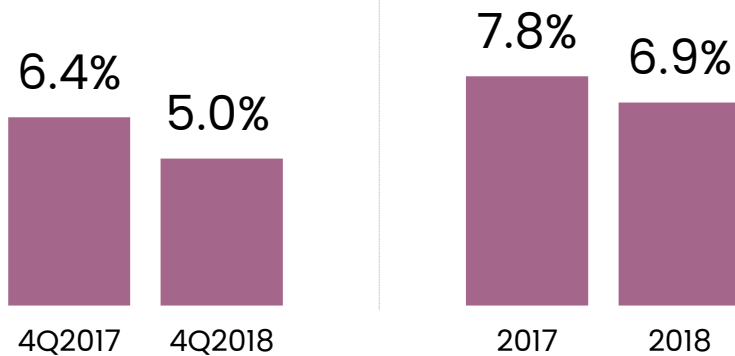
## Gross Profit (₹ mm)



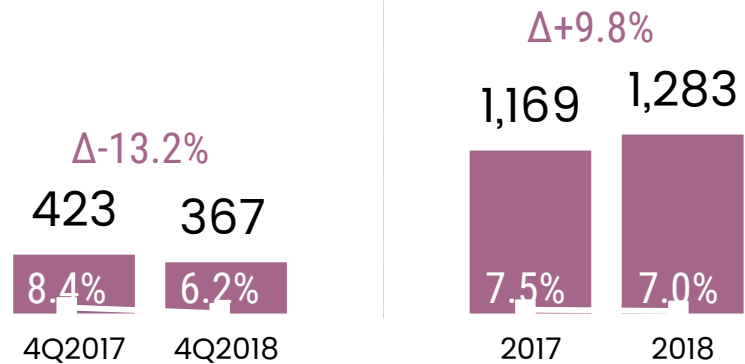
## Store Count



## Same Store Sales Growth



## EBITDA (₹ mm)

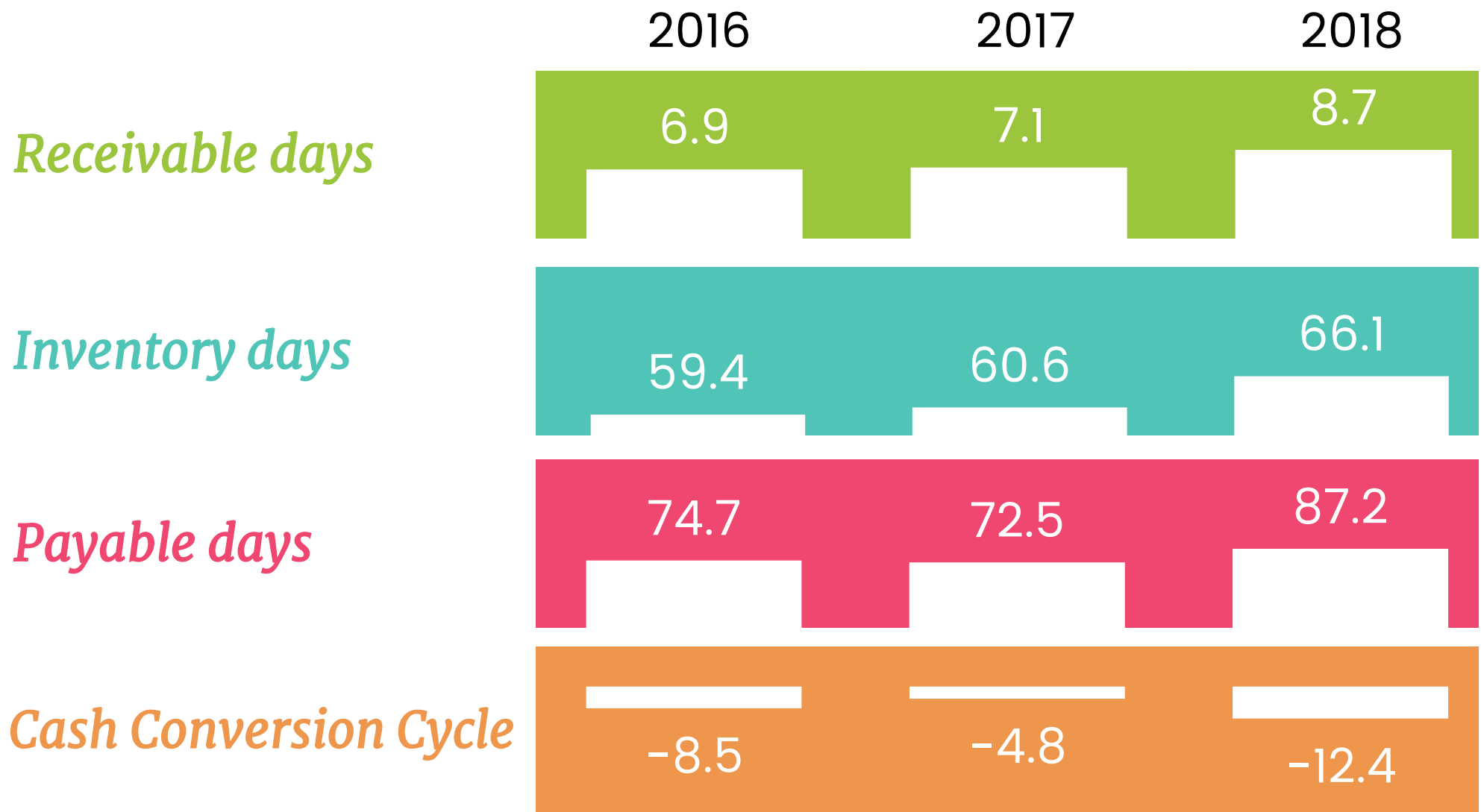


### 2018 Highlights:

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

Robust SSSG driven by appliances, Daiso Japan and beauty formats

















# WORKING CAPITAL



# CAPITAL EXPENDITURE

	2016	2017	2018
<i>Supermarkets</i>	26%	41%	52%
<i>Department stores</i>	10%	24%	14%
<i>DIY Stores</i>	7%	11%	10%
<i>Convenience Stores</i>	4%	4%	5%
<i>Drugstores</i>	43%	8%	3%
<i>Specialty Stores</i>	10%	12%	16%
<b>Total CAPEX (in ₱ mm)</b>	<b>5,620</b>	<b>3,105</b>	<b>4,406</b>
<i>% of net sales</i>	5.3%	2.7%	3.3%

# E-COMMERCE TIMELINE

Launch	Brand	Platform
Dec 2018	 Robinsons Supermarket	MetroMart
Dec 2018	 DAISO JAPAN	honestbee
Oct 2018	 True Value	honestbee
Sep 2018	 HANDYMAN Best	honestbee
Sep 2018	 growsari  (convertible note)	GrowSari
Jun 2018	[ W A R E H O U S E ]	Zalora
May 2018	 Robinsons Appliances	Shopee
Apr 2018	 southstar drug <sup>®</sup>	honestbee
Apr 2018	 Toys R Us	Lazada
Jan 2018	 Robinsons Department Store	Lazada
Dec 2017	 BEAUTY MNL (invested 20% stake)	BeautyMNL
Oct 2017	 HANDYMAN Best  True Value	Lazada
May 2017	 Robinsons Supermarket	honestbee
Apr 2017	TOPSHOP TOPMAN BURTON MENSWEAR LONDON DOROTHY PERKINS	Zalora
Mar 2015	 Robinsons Appliances  SAVERS	Lazada



# INVESTMENT IN GROWSARI



*Robinsons Supermarket invested in a convertible note issued by Growsari Inc., a local tech start-up company that provides grocery delivery service to sari-sari stores.*



# NEW FRANCHISES

*Pet Lovers Centre*

*Arcova*

*Club Clio*



<i>Agreement</i>	<i>Master Franchise (Singapore)</i>	<i>Master Franchise (Hong Kong)</i>	<i>Supply and Trading (Singapore)</i>
<i>Retail format</i>	<i>Pet retail</i>	<i>Mass merchandise</i>	<i>Beauty</i>
<i>Launch</i>	<i>Oct 19, 2018</i>	<i>Dec 7, 2018</i>	<i>Dec 10, 2018</i>
<i>Stores opened</i>	<i>Robinsons Galleria Ortigas</i>	<i>RP Antipolo &amp; Forum Robinsons</i>	<i>Robinsons Galleria Ortigas</i>

# PLANS AND PROSPECTS FOR 2019

Organic  
expansion of  
120-150  
new stores

SSSG  
target of  
2%-4%

GP margin  
expansion  
of 10-20bps

CAPEX of  
₱3.5 - ₱5.0  
billion

Mergers &  
acquisitions

Rationalization  
& integration  
of Rustan

# KEY AREAS OF ALIGNMENT IN RUSTAN

## *Merchandising*

*Trading terms  
and other  
income*

*Gondola  
rentals and  
other income*

## *Human Resources*

*Headcount  
rationalization*

## *Supply Chain and Inventory Control*

*Shipping  
rates*

*Trucking  
rates*

*Distribution  
center fees*

## *Procurement*

*Office supplies*

*Air-conditioning  
units*

*Refrigeration PM  
systems*

*Managed print  
services*

*IT equipment*



 **ROBINSONS  
RETAIL  
HOLDINGS, INC.**

**THANK YOU!**



# INCOME STATEMENT (AUDITED)

PHP mm	Years Ended December 31		
	2018	2017	2016
Sales - net of sales discounts and returns	132,681	115,238	105,293
Cost of merchandise sold	102,845	89,446	82,267
<b>Gross Profit</b>	<b>29,835</b>	<b>25,792</b>	<b>23,026</b>
Royalty, rent and other revenues	2,422	2,262	2,118
Gross profit including other revenue	<b>32,257</b>	<b>28,054</b>	<b>25,145</b>
Operating expenses	(25,631)	(21,749)	(19,652)
<b>Earnings before interest and taxes</b>	<b>6,626</b>	<b>6,305</b>	<b>5,493</b>
<b>OTHER INCOME (CHARGES)</b>			
Interest income	982	873	827
Foreign currency exchange gain - net	201	16	219
Dividend income	112	112	112
Equity in net earnings of an associate	109	124	103
Interest expense	(159)	(127)	(87)
Others	(273)	0	0
	<b>971</b>	<b>997</b>	<b>1,174</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>7,597</b>	<b>7,303</b>	<b>6,667</b>
Provision for income tax	1,772	1,703	1,471
<b>NET INCOME</b>	<b>5,825</b>	<b>5,599</b>	<b>5,196</b>
<b>Net income attributable to:</b>			
Equity holders of the Parent Company	5,107	4,978	4,830
Non-controlling interest in consolidated subsidiaries	718	621	366
	<b>5,825</b>	<b>5,599</b>	<b>5,196</b>
<b>Earnings Per Share</b>			
Basic	3.24	3.59	3.49
Weighted	3.65	3.59	3.49
<b>Shares Outstanding</b>			
End of Period	1,577	1,385	1,385
Weighted	1,401	1,385	1,385

# BALANCE SHEET (AUDITED)

PHP mm	December 31 2018	December 31 2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	14,788	14,565
Trade and other receivables	3,172	2,235
Merchandise inventories	18,628	14,847
Other current assets	3,160	2,424
<b>Total Current Assets</b>	<b>39,747</b>	<b>34,070</b>
<b>Noncurrent assets</b>		
Debt and equity instrument financial assets	19,752	20,667
Property and equipment	19,269	13,601
Investment in associates	6,814	5,272
Intangible assets	19,106	6,657
Other noncurrent assets	3,088	1,913
<b>Total Noncurrent Assets</b>	<b>68,030</b>	<b>48,111</b>
<b>Total Assets</b>	<b>107,777</b>	<b>82,181</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	24,577	17,774
Short-term loans payable	6,794	6,378
Other current liabilities	1,118	1,204
<b>Total Current Liabilities</b>	<b>32,489</b>	<b>25,356</b>
<b>Total Noncurrent Liabilities</b>	<b>2,584</b>	<b>1,558</b>
<b>Total Liabilities</b>	<b>35,073</b>	<b>26,914</b>
<b>Equity</b>		
Capital stock	1,577	1,385
Additional paid-in capital	40,768	27,227
Equity reserve	(970)	(1,022)
Retained earnings	27,710	23,653
Others	(564)	290
<b>Total equity attributable to equity holders</b>	<b>68,521</b>	<b>51,533</b>
Non-controlling interest in consolidated	4,183	3,733
<b>Total Equity</b>	<b>72,704</b>	<b>55,267</b>
<b>Total Liabilities and Equity</b>	<b>107,777</b>	<b>82,181</b>

# CASH FLOW STATEMENT (AUDITED)

PHP mm	Years Ended December 31		
	2018	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	7,597	7,303	6,667
<b>Adjustments for:</b>			
Depreciation and amortization	2,395	2,073	2,038
Retirement expense	156	171	117
Interest expense	159	127	87
Equity in net earnings in associates	(109)	(124)	(103)
Dividend income	(112)	(112)	(112)
Interest income	(982)	(873)	(827)
Others	16	10	(160)
<b>Operating income before working capital changes</b>	<b>9,122</b>	<b>8,575</b>	<b>7,707</b>
Working capital changes	1,311	(740)	(1,098)
Interest received	997	864	962
Retirement	(409)	(239)	(9)
Income tax paid	(1,934)	(1,657)	(1,393)
<b>Net cash flows generated from (used in) operations</b>	<b>9,087</b>	<b>6,804</b>	<b>6,169</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in associate	(1,466)	(125)	–
Debt and equity instrument financial assets	(112)	(267)	(531)
Property and equipment	(4,419)	(3,105)	(3,244)
Acquisition through business combination	39	–	(2,180)
Others	(415)	(16)	30
<b>Net cash flows used in investing activities</b>	<b>(6,374)</b>	<b>(3,512)</b>	<b>(5,924)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Availment of loans	7,508	3,725	4,398
Payment of loans	(8,592)	(3,923)	(667)
Dividends paid	(1,266)	(1,624)	(936)
Others	(144)	363	(87)
<b>Net cash flows used in financing activities</b>	<b>(2,495)</b>	<b>(1,459)</b>	<b>2,709</b>
Effect of forex on cash and cash equivalents	4	14	8
Net increase (decrease) in cash and cash equivalents	223	1,847	2,961
Cash and cash equivalents at beginning of year	14,565	12,718	9,757
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>14,788</b>	<b>14,565</b>	<b>12,718</b>