



**ROBINSONS  
RETAIL  
HOLDINGS, INC.**

# **2019 AUDITED EARNINGS RESULTS**

*April 2020*

*★ Day Buy Day*





**Financial Highlights**

**Store Network**

**Consolidated Results**

**Business Segments**

**Working Capital**

**Capital Expenditure**

**Recent Developments**

# 2019 FINANCIAL HIGHLIGHTS

Healthy  
blended  
SSSG of  
**3.4%**

**1,938**  
stores plus  
**2,001** TGP  
branches  
nationwide

**1.45M sqm**  
in gross  
floor area  
(excl. TGP)

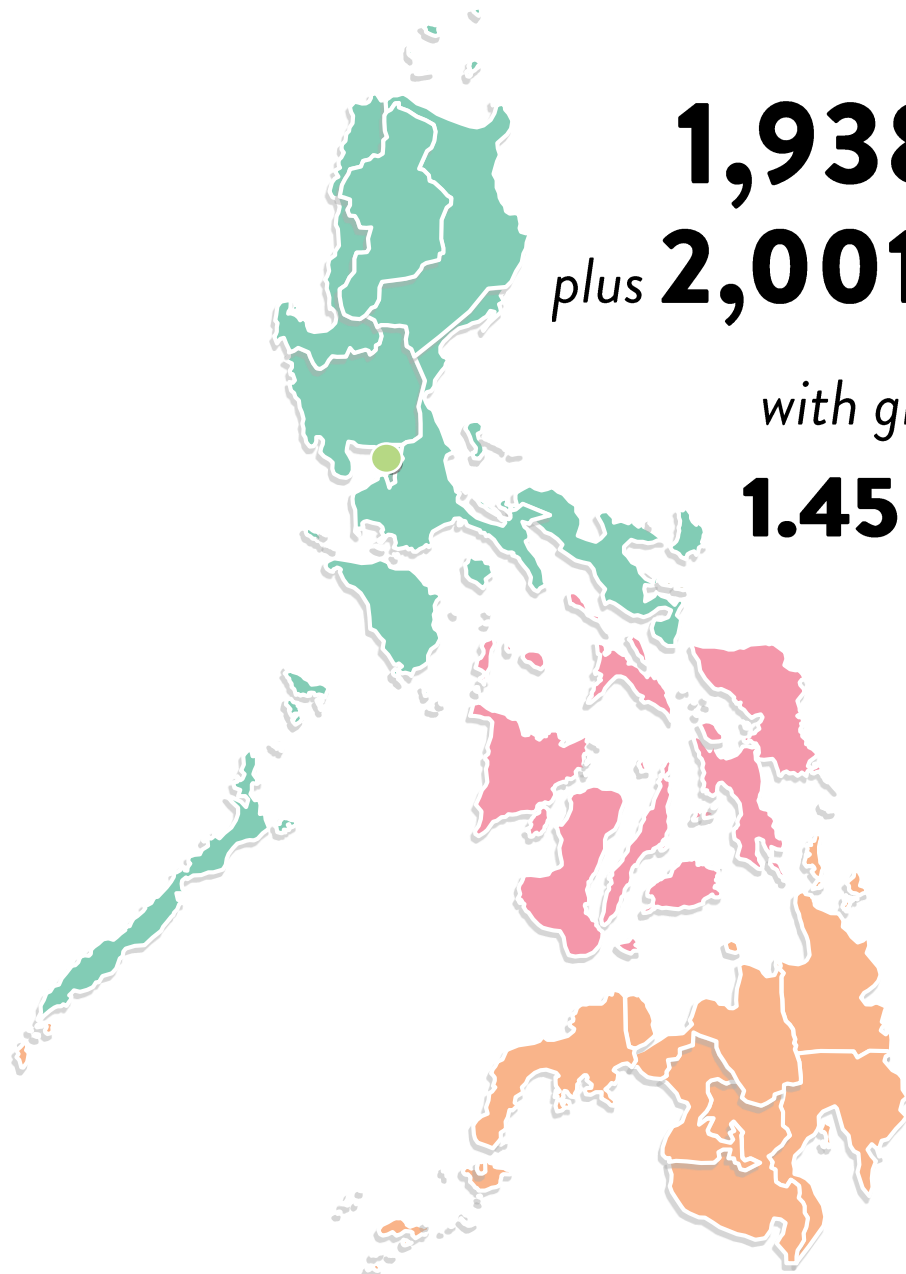
**22.8%**  
yoy lift in  
consolidated  
net sales

EBITDA  
margin  
before PFRS adj  
up by **10bps**  
**6.5%** in  
4Q19 vs LY

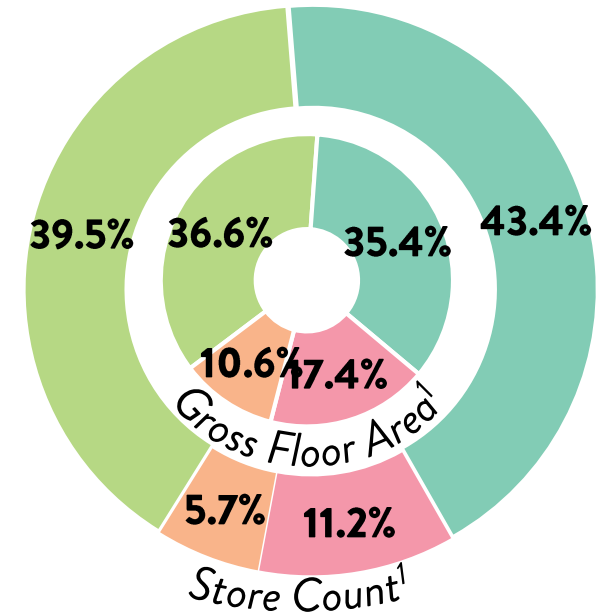
**30bps**  
expansion  
in GP  
margin


Core net  
income of  
**₱4.0bn**

# STORE NETWORK: 2019



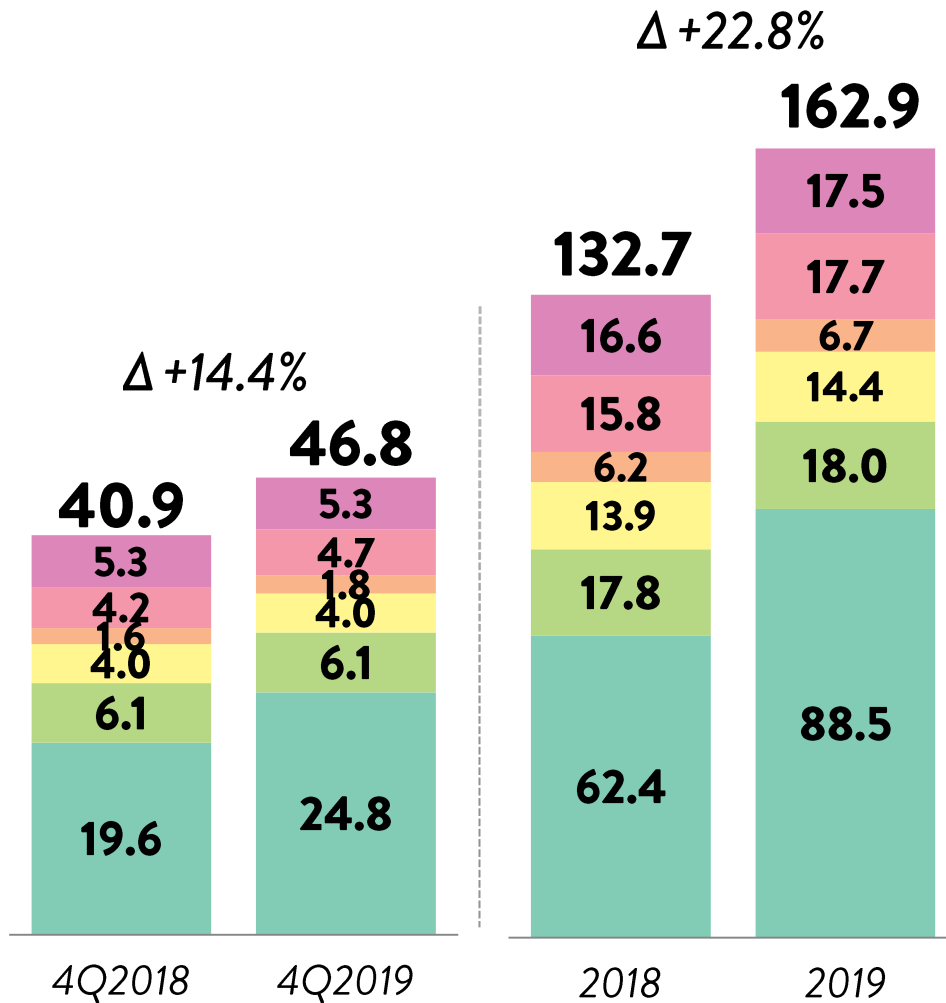
**1,938** stores  
 plus **2,001** TGP branches  
 with gross floor area of  
**1.45 million sqm<sup>1</sup>**



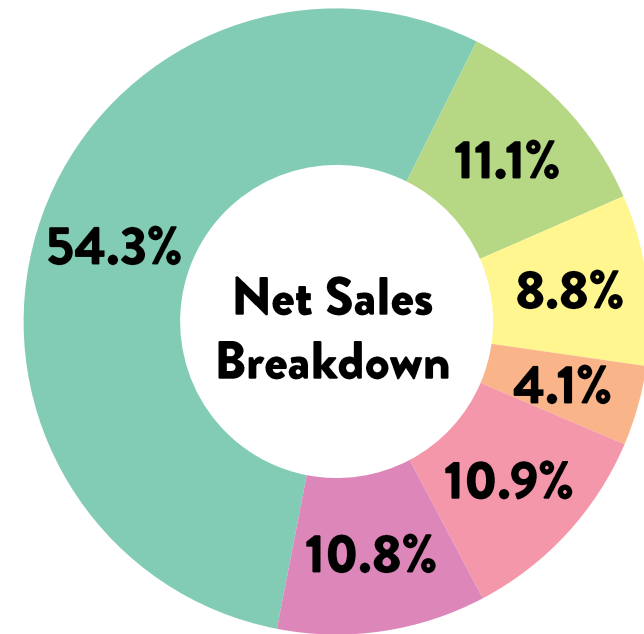
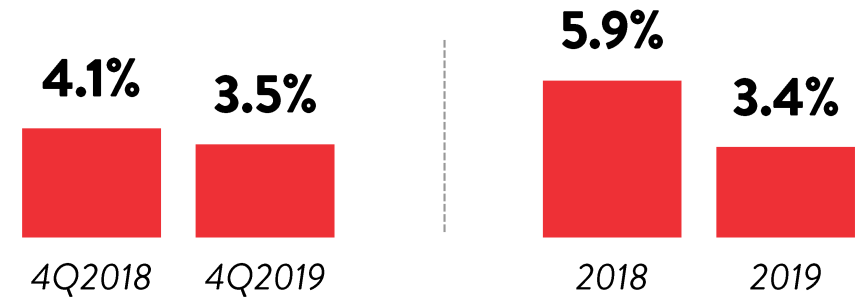
	Metro Manila	Luzon	Visayas	Mindanao
 Supermarkets	<b>111</b>	<b>102</b>	<b>36</b>	<b>16</b>
Department Stores	<b>11</b>	<b>19</b>	<b>10</b>	<b>9</b>
DIY Stores	<b>68</b>	<b>83</b>	<b>47</b>	<b>24</b>
Convenience Stores	<b>335</b>	<b>148</b>	<b>24</b>	-
Drugstores <sup>1</sup>	<b>110</b>	<b>336</b>	<b>45</b>	<b>28</b>
Specialty Stores	<b>129</b>	<b>155</b>	<b>59</b>	<b>33</b>
<b>Total</b>	<b>764</b>	<b>843</b>	<b>221</b>	<b>110</b>
TGP	<b>462</b>	<b>1,035</b>	<b>301</b>	<b>203</b>

# 2019 CONSOLIDATED RESULTS

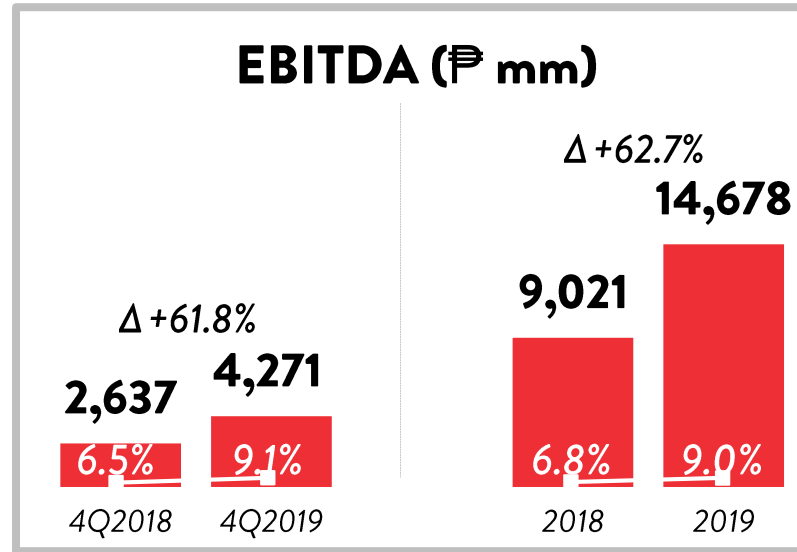
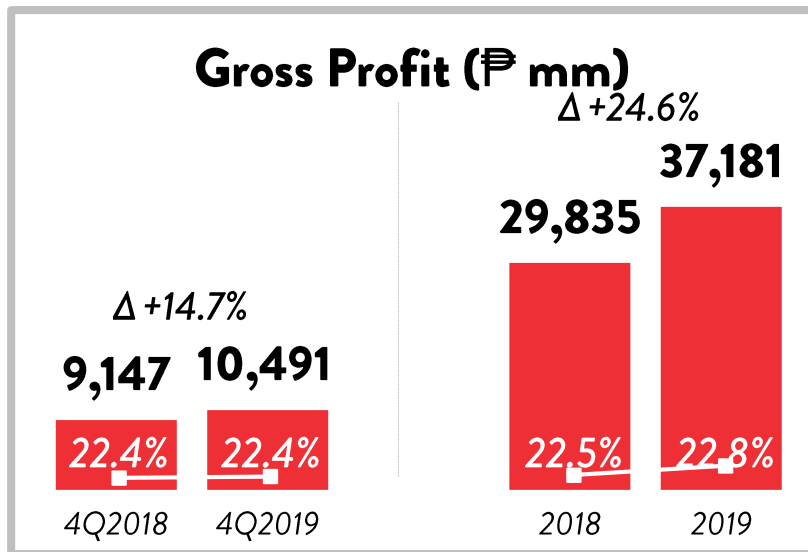
## Net Sales<sup>1</sup> (₱ bn)



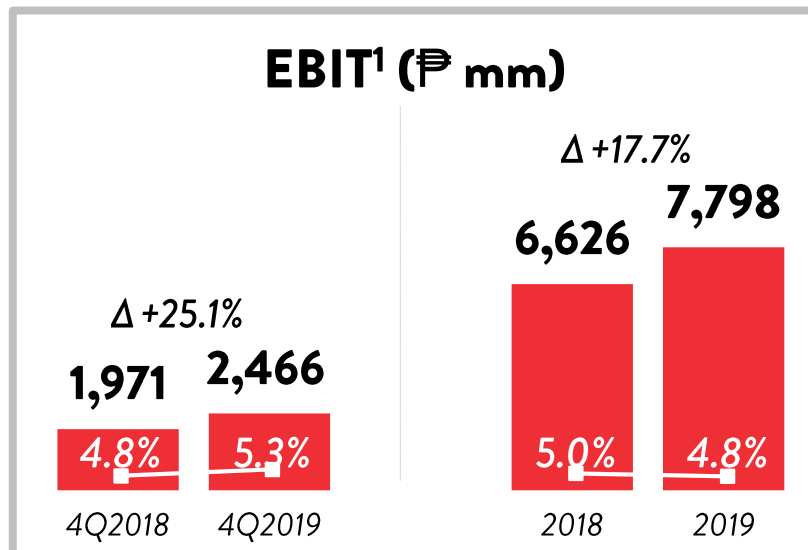
## Same Store Sales Growth



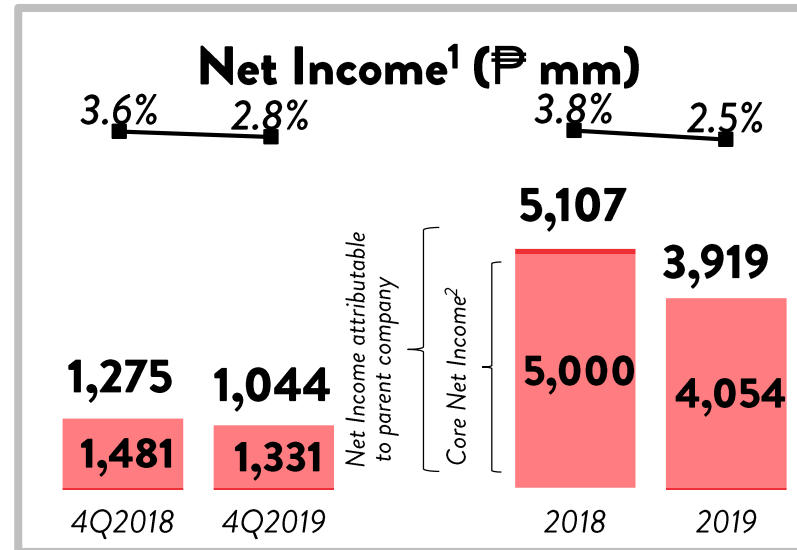
# 2019 CONSOLIDATED RESULTS



Pre-PFRS16 EBITDA- 4Q 2019: ₱3,071M, 2019: ₱10,236M



Pre-PFRS16 EBIT- 4Q 2019: ₱2,242M, 2019: ₱7,160M



Pre-PFRS16 Net income- 4Q 2019: ₱1,316M, 2019: ₱4,908M

Pre-PFRS16 Core earnings- 4Q 2019: ₱1,677M, 2019: ₱5,161M

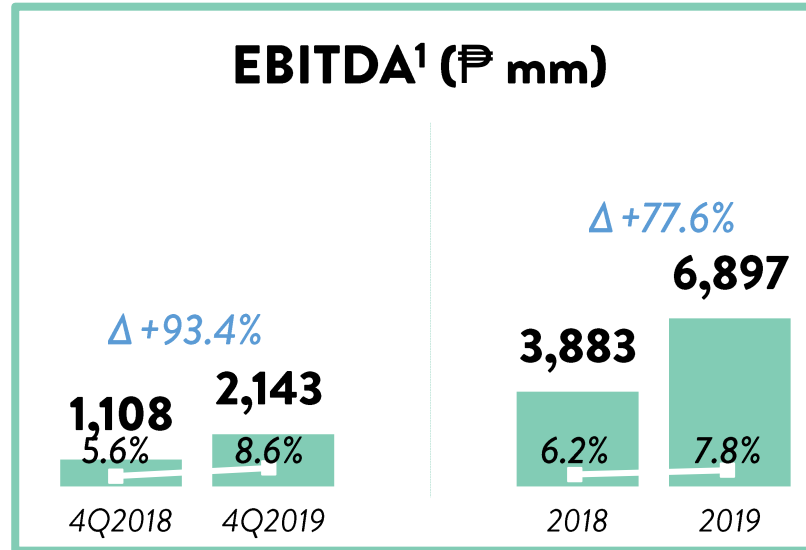
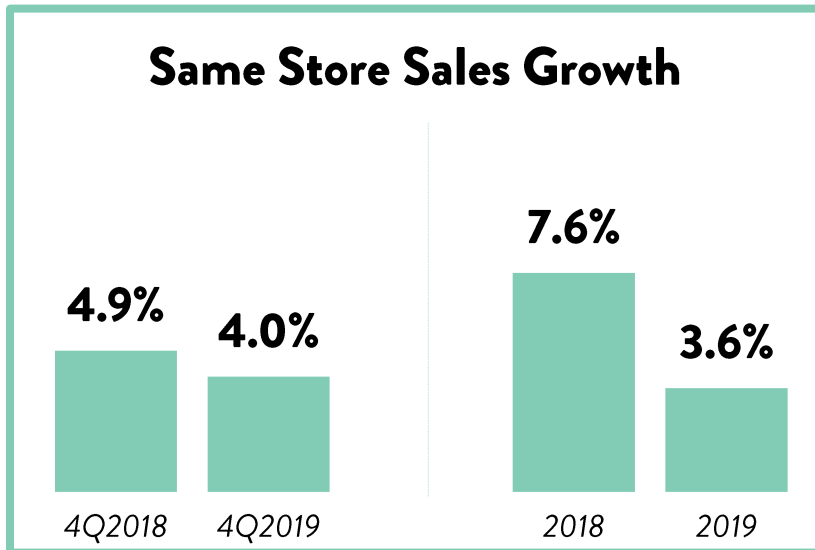
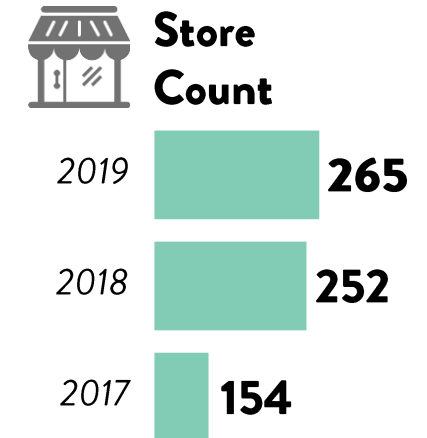
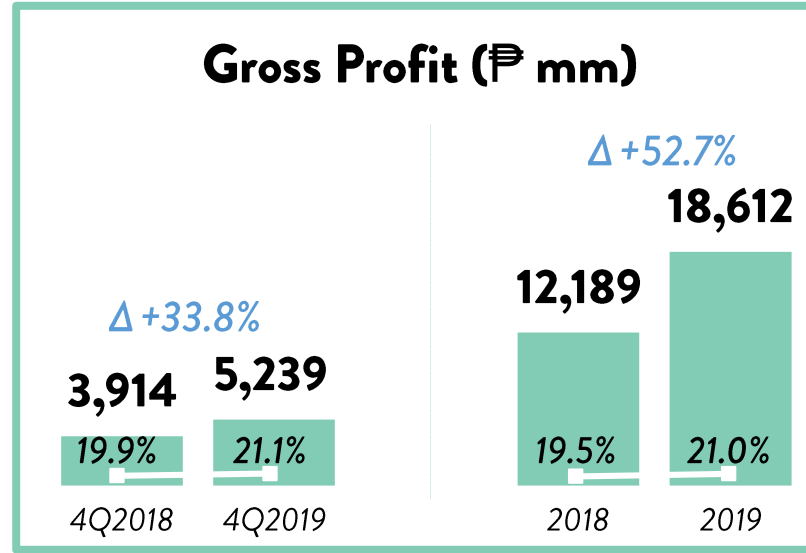
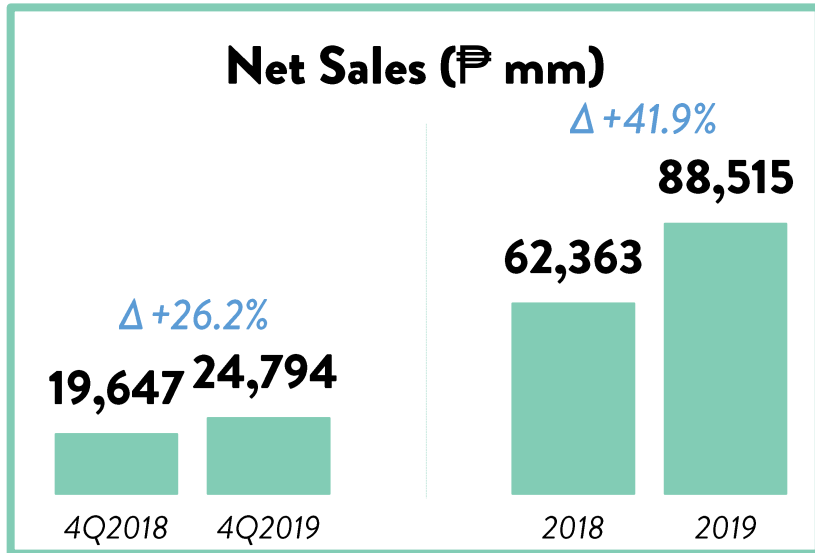
-♦- Core net income as a % of net sales

## 2019 Highlights:

Gross profit margin expanded by 30bps;

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

# SUPERMARKET SEGMENT



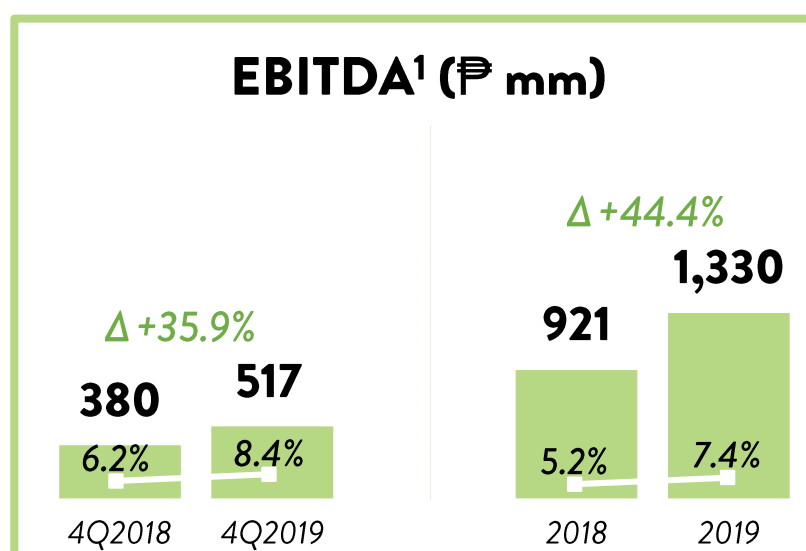
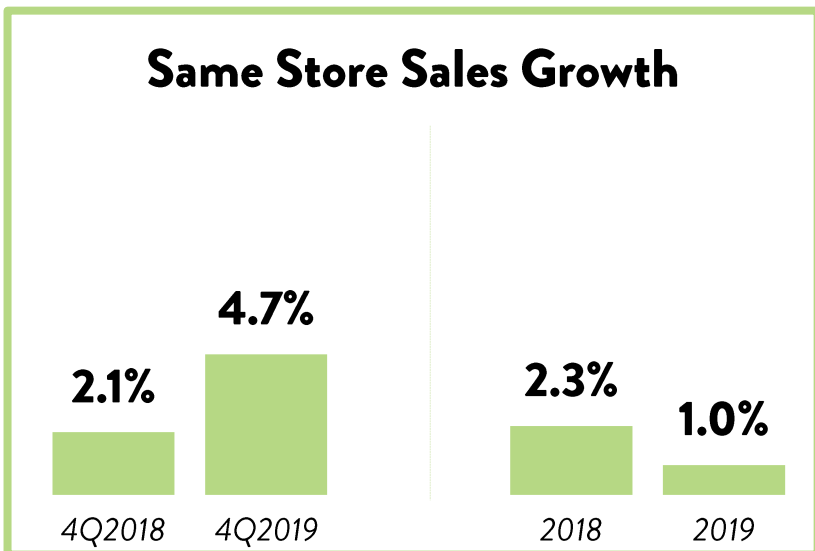
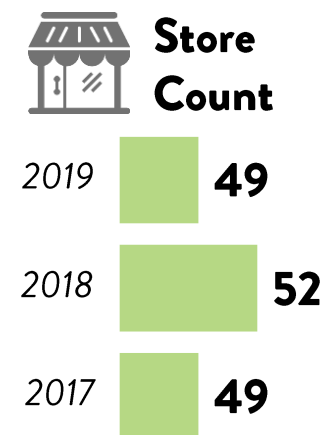
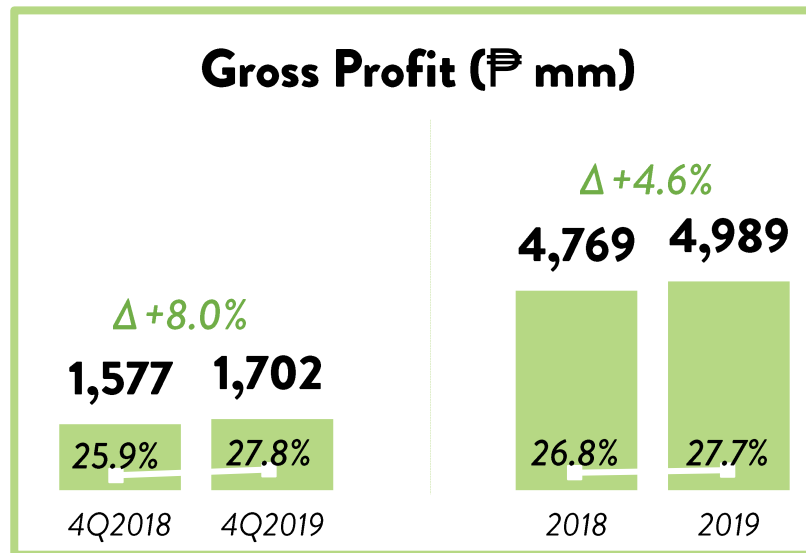
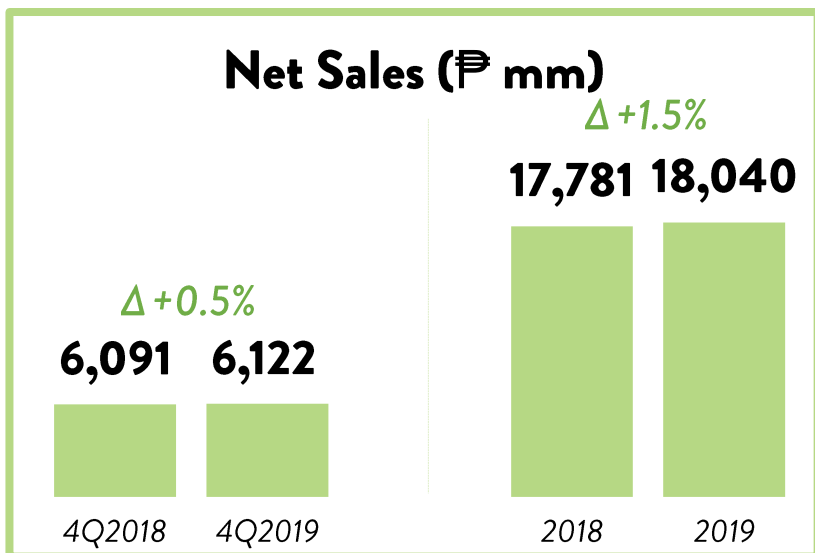
## 2019 Highlights:

SSSG was decent despite high base effect, honestbee closure and competition;

Rustan Supercenters was consolidated starting Dec 1, 2018.

Pre-PFRS16 EBITDA- 4Q 2019: ₱1,650M, 2019: ₱4,968M

# DEPARTMENT STORE SEGMENT



## 2019 Highlights:

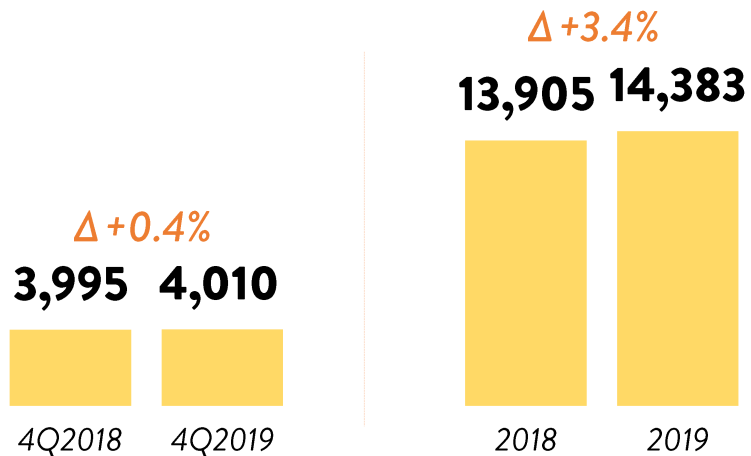
Minimal increase in net sales due to closure of 4 department stores; SSSG was challenged by ongoing renovations in our top stores.

<sup>1</sup> Pre-PFRS16 EBITDA- 4Q 2019: ₱424M, 2019: ₱977M

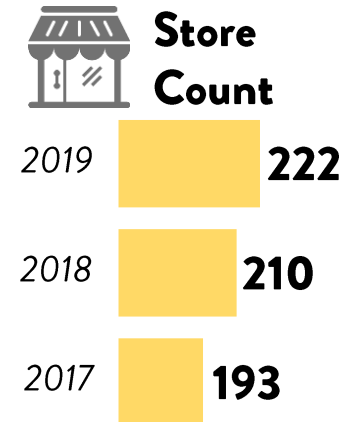
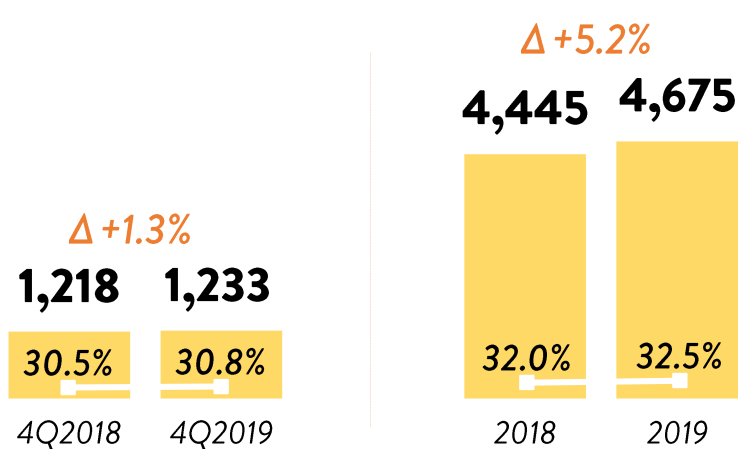


# DIY STORE SEGMENT

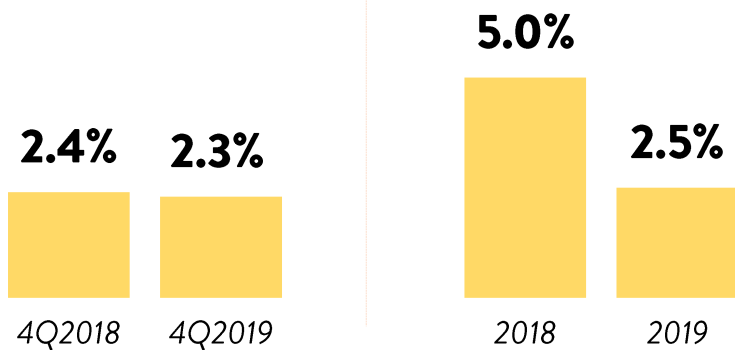
## Net Sales (₱ mm)



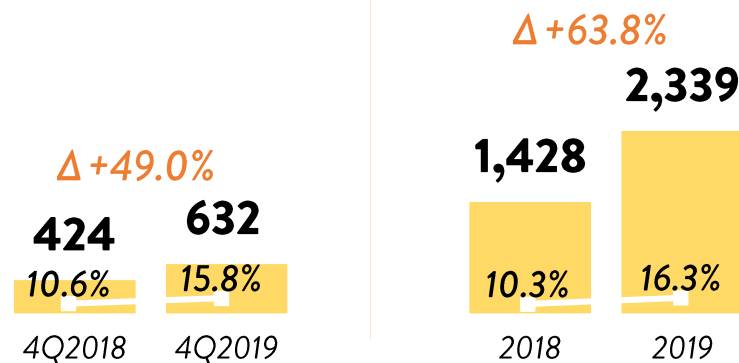
## Gross Profit (₱ mm)



## Same Store Sales Growth



## EBITDA<sup>1</sup> (₱ mm)

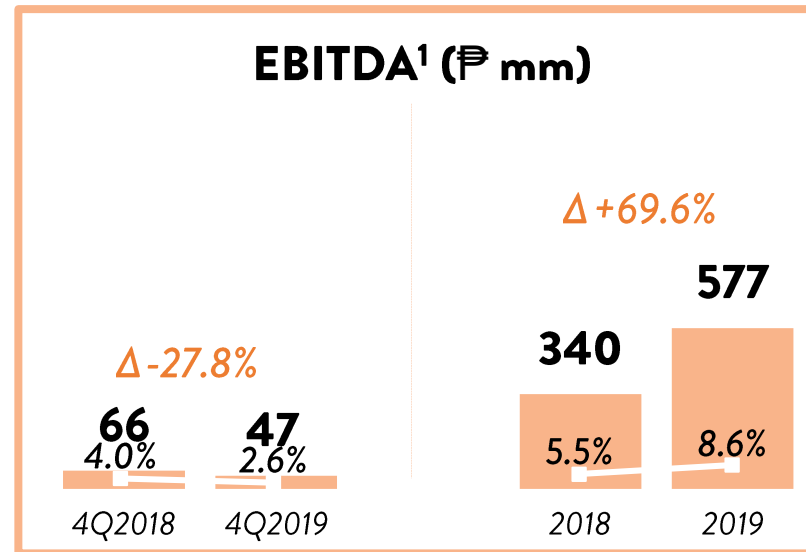
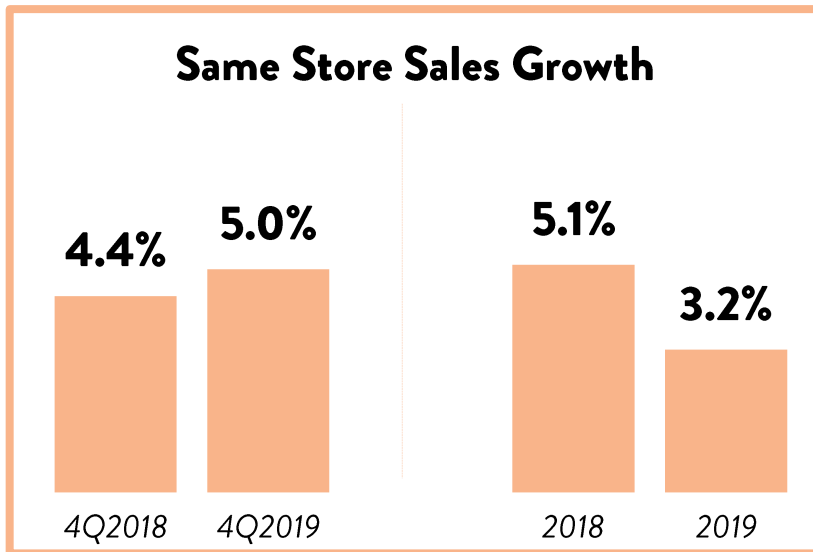
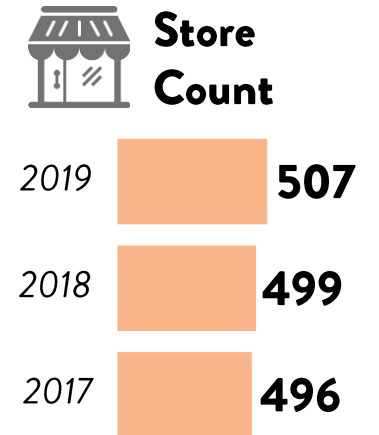
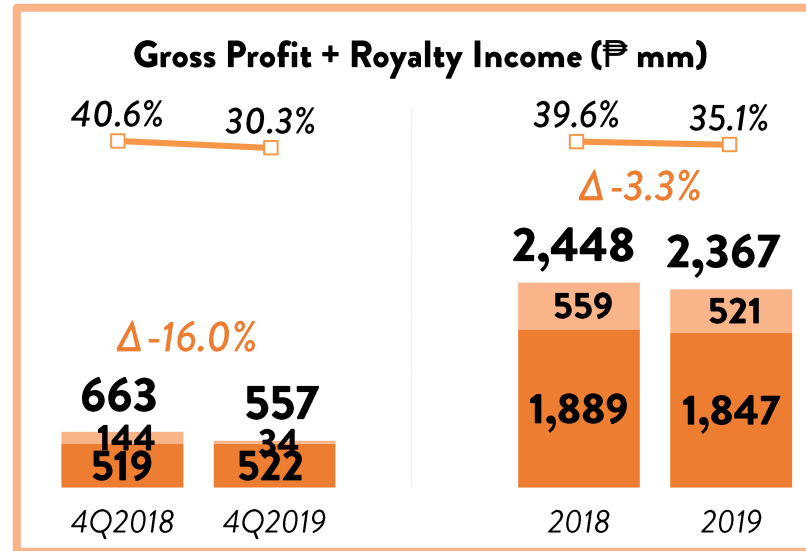
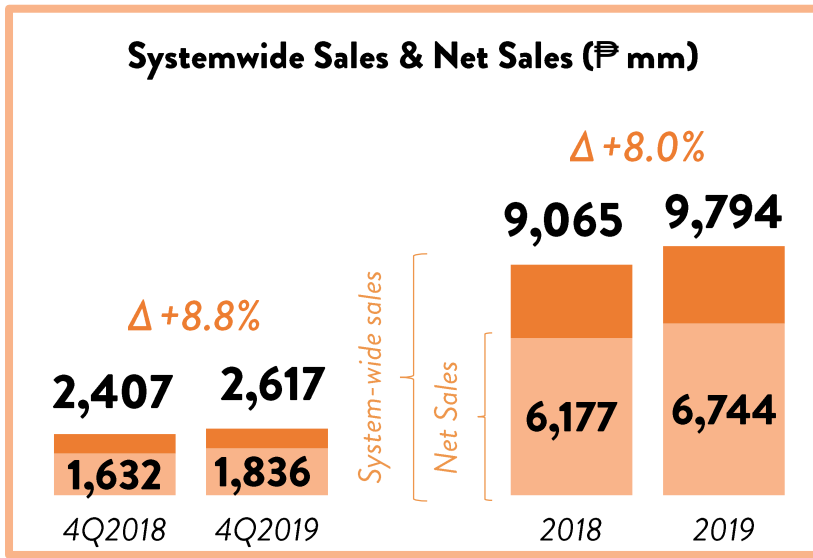


### 2019 Highlights:

SSSG softened due to stock replenishment issues in hardware category

Pre-PFRS16 EBITDA- 4Q 2019: ₱393M, 2019: ₱1,467M

# CONVENIENCE STORE SEGMENT



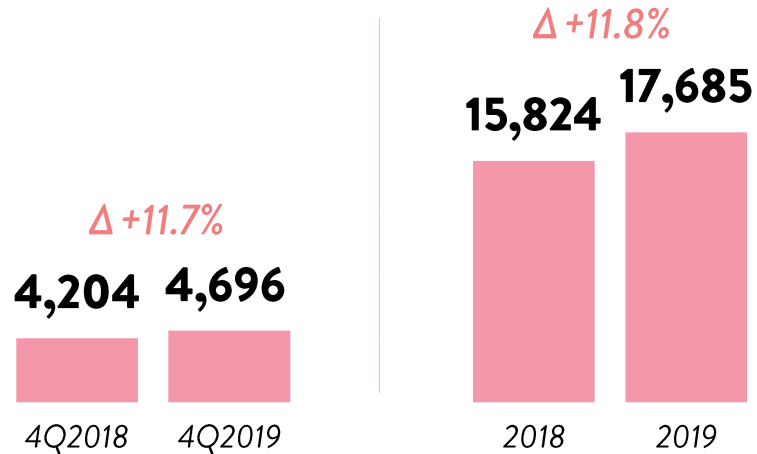
**2019 Highlights:**  
 Increase in sales driven by new store openings;  
 SSSG improved due to better demand forecasting and logistics planning.

Pre-PFRS16 EBITDA- 4Q 2019: (₱20M), 2019: ₱266M

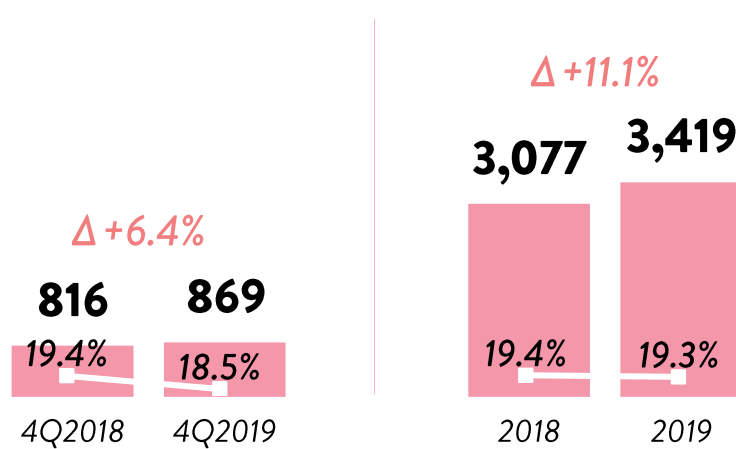
<sup>1</sup> In 2Q2019, we reflected the YTD impact of adapting PFRS 16 (Leases) effective January 1, 2019

# DRUGSTORE SEGMENT

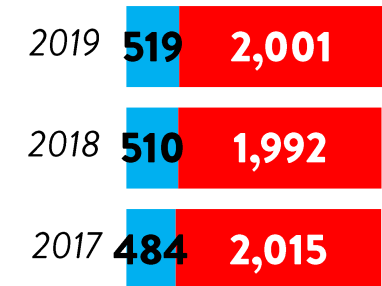
## Net Sales (₱ mm)



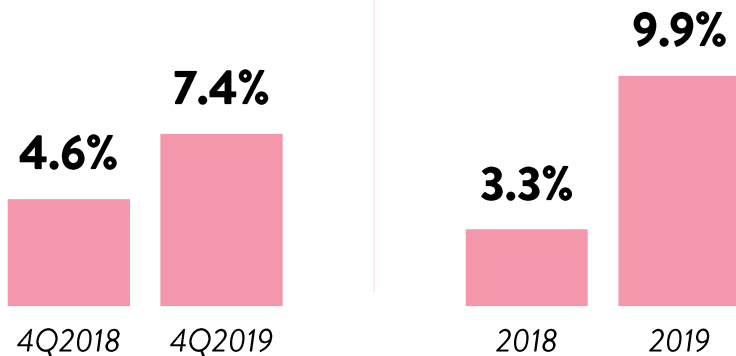
## Gross Profit (₱ mm)



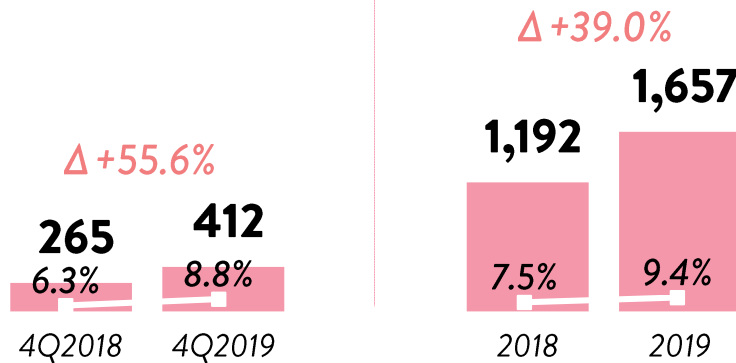
## Store Count



## Same Store Sales Growth



## EBITDA<sup>1</sup> (₱ mm)



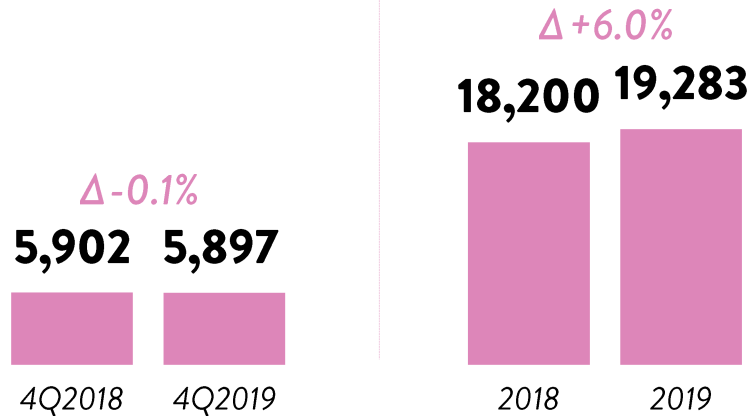
### 2019 Highlights:

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

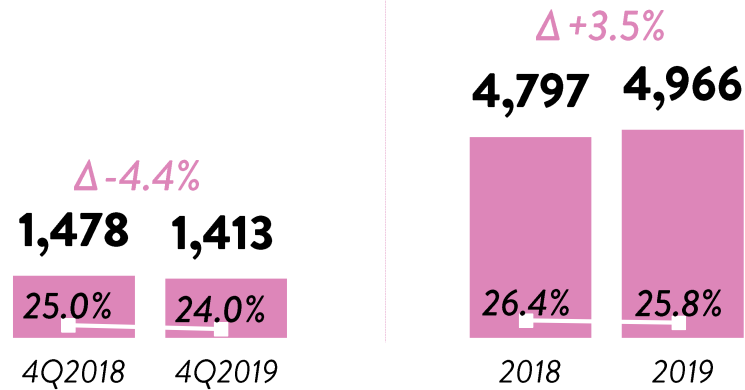
Pre-PFRS16 EBITDA- 4Q 2019: ₱296M, 2019: ₱1,344M

# SPECIALTY STORE SEGMENT

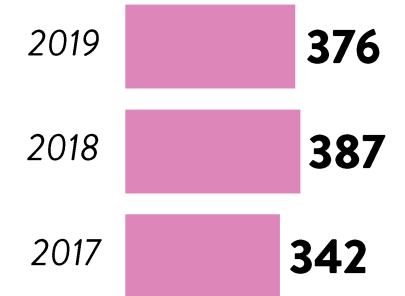
## Net Sales (₱ mm)



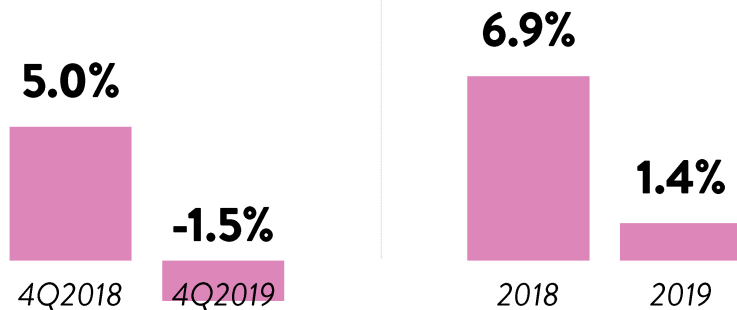
## Gross Profit (₱ mm)



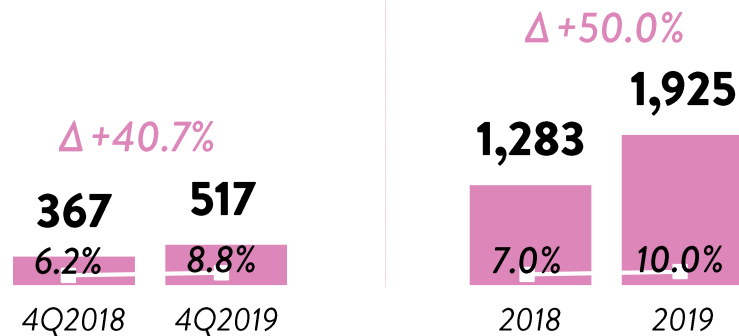
## Store Count



## Same Store Sales Growth



## EBITDA<sup>1</sup> (₱ mm)



## 2019 Highlights:

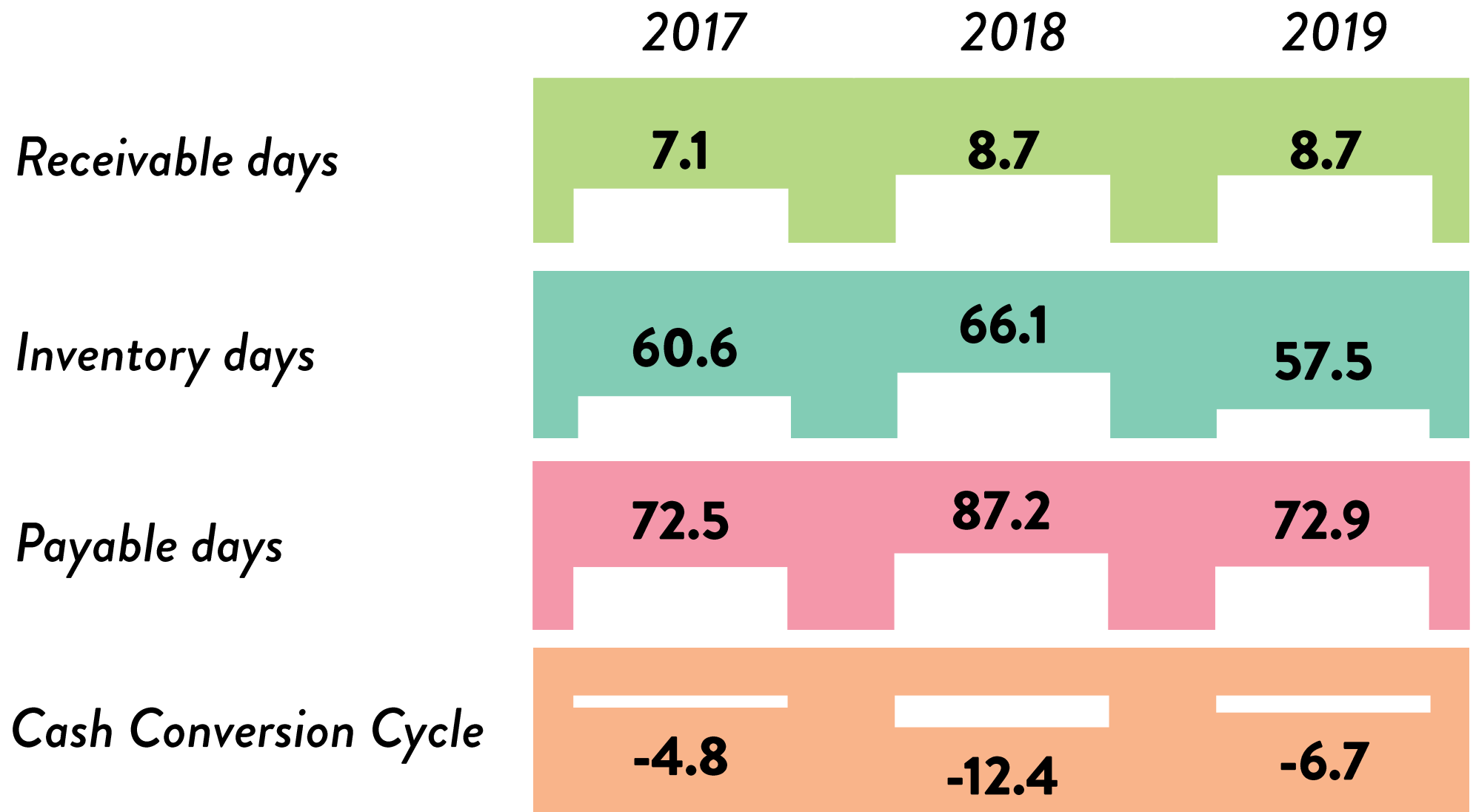
SSSG challenged particularly for appliances, Daiso Japan and toys;

Coffee business closed in August;

New specialty brands include Pet Lovers Centre and Super50

Pre-PFRS16 EBITDA- 4Q 2019: ₱324M, 2019: ₱1,262M

# WORKING CAPITAL



# CAPITAL EXPENDITURE

	2017	2018	2019
<i>Supermarkets</i>	<b>41%</b>	<b>52%</b>	<b>44%</b>
<i>Department stores</i>	<b>24%</b>	<b>14%</b>	<b>10%</b>
<i>DIY Stores</i>	<b>11%</b>	<b>10%</b>	<b>14%</b>
<i>Convenience Stores</i>	<b>4%</b>	<b>5%</b>	<b>14%</b>
<i>Drugstores</i>	<b>8%</b>	<b>3%</b>	<b>4%</b>
<i>Specialty Stores</i>	<b>12%</b>	<b>16%</b>	<b>14%</b>
<b>Total CAPEX (in ₱ mm)</b>	<b>3,105</b>	<b>4,419</b>	<b>3,346</b>
<i>% of net sales</i>	2.7%	3.3%	2.1%

# BEAUTYMNL AND GROWSARI

↑ 1.2x

GMV

↑ 5.7x

BEAUTY MNL

growsari

# NO BRAND LAUNCH

# No Brand



and  
다. 소비자다

**No Brand**  
브랜드가 아니다. 소비자다

**No Brand**  
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**N**  
브랜



# CHIC CENTRE DIVESTMENT



CENTRE CORPORATION

# GLOBAL REPORTING INITIATIVE APPOINTMENT



# PLANS AND PROSPECTS FOR 2020

**Organic  
expansion of  
100-150  
new stores**

**SSSG  
target of  
3%-5%**

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

**CAPEX of  
₱3.5 - ₱5.0  
billion**

**Mergers &  
acquisitions**

**Phase III of  
Rustan  
integration**

**THANK YOU**



# INCOME STATEMENT (AUDITED)

PHP mm	Years Ended Dec 31 (Audited)		Years Ended Dec 31 (Audited)	
	2017	2018	2019 (Pre-PFRS)	2019 (Post-PFRS)
Sales - net of sales discounts and returns	115,238	132,681	162,916	162,916
Cost of merchandise sold	89,446	102,845	125,735	125,735
<b>Gross Profit</b>	<b>25,792</b>	<b>29,835</b>	<b>37,181</b>	<b>37,181</b>
Royalty, rent and other revenues	2,262	2,422	2,740	2,740
Gross profit including other revenue	<b>28,054</b>	<b>32,257</b>	<b>39,921</b>	<b>39,921</b>
Operating expenses	-21,749	-25,631	-32,761	-32,123
<b>EBIT</b>	<b>6,305</b>	<b>6,626</b>	<b>7,160</b>	<b>7,798</b>
<b>EBITDA</b>	<b>8,378</b>	<b>9,021</b>	<b>10,236</b>	<b>14,678</b>
<b>OTHER INCOME (CHARGES)</b>				
Interest income	873	982	1,016	1,016
Foreign currency exchange gain (loss)	16	201	-135	-135
Dividend income	112	112	100	100
Equity in net earnings of an associate	124	109	105	105
Interest expense	-127	-159	-301	-2,578
Others	-	-273	-196	-196
	<b>997</b>	<b>971</b>	<b>589</b>	<b>-1,689</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>7,303</b>	<b>7,597</b>	<b>7,749</b>	<b>6,110</b>
Provision for income tax	1,703	1,772	2,092	1,559
<b>NET INCOME</b>	<b>5,599</b>	<b>5,825</b>	<b>5,658</b>	<b>4,550</b>
<b>Net income attributable to:</b>				
Equity holders of the Parent Company	4,978	5,107	4,908	3,919
Non-controlling interest in consolidated subs	621	718	750	632
	<b>5,599</b>	<b>5,825</b>	<b>5,658</b>	<b>4,550</b>
<b>Earnings Per Share</b>				
Basic	3.59	3.24	3.11	2.49
Weighted	3.59	3.65	3.11	2.49
<b>Shares Outstanding</b>				
End of Period	1,385	1,576	1,576	1,576
Weighted	1,385	1,401	1,576	1,576

# BALANCE SHEET (AUDITED)

	December 31 (Audited)	December 31 (Unaudited)	December 31 (Audited)
PHP mm	2018	2019 (Pre-PFRS)	2019 (Post-PFRS)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14,788	20,293	20,293
Trade and other receivables	3,172	3,865	3,865
Merchandise inventories	18,628	19,810	19,810
Other current assets	3,160	2,991	2,951
<b>Total Current Assets</b>	<b>39,747</b>	<b>46,960</b>	<b>46,920</b>
<b>Noncurrent assets</b>			
Debt and equity instrument financial assets	19,752	14,857	14,857
Property and equipment	19,269	19,290	19,290
Right-of-use asset	–	–	26,318
Investment in shares of stocks	6,814	7,845	7,845
Intangible assets	19,106	19,039	19,039
Other noncurrent assets	3,088	3,064	3,597
<b>Total Noncurrent Assets</b>	<b>68,030</b>	<b>64,096</b>	<b>90,946</b>
<b>Total Assets</b>	<b>107,777</b>	<b>111,055</b>	<b>137,866</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	24,577	25,102	25,102
Short-term loans payable	6,794	4,634	4,634
Current portion of lease liability	–	–	2,164
Other current liabilities	1,118	1,065	1,065
<b>Total Current Liabilities</b>	<b>32,489</b>	<b>30,801</b>	<b>32,965</b>
<b>Total Noncurrent Liabilities</b>	<b>2,584</b>	<b>2,621</b>	<b>28,375</b>
<b>Total Liabilities</b>	<b>35,073</b>	<b>33,422</b>	<b>61,340</b>
<b>Equity</b>			
Capital stock	1,576	1,576	1,576
Additional paid-in capital	40,768	40,768	40,768
Equity reserve	-970	-990	-990
Retained earnings	27,710	31,483	30,494
Others	-564	273	273
<b>Total equity attributable to equity holders of Parent Company</b>	<b>68,521</b>	<b>73,111</b>	<b>72,122</b>
Non-controlling interest in consolidated subsidiaries	4,183	4,523	4,405
<b>Total Equity</b>	<b>72,704</b>	<b>77,634</b>	<b>76,526</b>
<b>Total Liabilities and Equity</b>	<b>107,777</b>	<b>111,055</b>	<b>137,866</b>

# CASH FLOW STATEMENT (AUDITED)

PHP mm	Years Ended Dec 31 (Audited)		Years Ended Dec 31 (Audited)	
	2017	2018	2019 (Pre-PFRS)	2019 (Post-PFRS)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax	7,303	7,597	7,749	6,110
Depreciation and amortization	2,073	2,395	3,076	6,880
Retirement expense	171	156	192	192
Interest expense	127	159	301	2,578
Equity in net earnings in associates	-124	-109	-105	-105
Dividend income	-112	-112	-100	-100
Interest income	-873	-982	-1,016	-1,016
Others	10	16	117	117
<b>Operating income before working capital changes</b>	<b>8,575</b>	<b>9,122</b>	<b>10,214</b>	<b>14,656</b>
Working capital changes	-740	1,311	-1,124	-1,124
Interest received	864	997	1,053	1,053
Retirement contributions and benefits paid	-239	-409	-439	-439
Income tax paid	-1,657	-1,934	-2,097	-2,097
<b>Net cash flows generated from (used in) operations</b>	<b>6,804</b>	<b>9,087</b>	<b>7,607</b>	<b>12,049</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment in associate	-125	-1,466	-520	-520
Debt and equity instrument financial assets	-267	-112	5,584	5,584
Property and equipment	-3,105	-4,419	-3,346	-3,346
Others	-16	-376	100	100
<b>Net cash flows generated from (used in) investing activities</b>	<b>-3,512</b>	<b>-6,374</b>	<b>1,818</b>	<b>1,818</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Availment of loans	3,725	7,508	915	915
Payment of loans	-3,923	-8,592	-3,075	-3,075
Dividends paid	-1,624	-1,266	-1,457	-1,457
Payment of lease liabilities	—	—	—	-4,442
Others	363	-144	-301	-301
<b>Net cash flows used in financing activities</b>	<b>-1,459</b>	<b>-2,495</b>	<b>-3,918</b>	<b>-8,360</b>
Effect of forex on cash and cash equivalents	14	4	-2	-2
Net increase (decrease) in cash and cash equivalents	1,847	223	5,505	5,505
Cash and cash equivalents at beginning of year	12,717	14,565	14,788	14,788
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>14,565</b>	<b>14,788</b>	<b>20,293</b>	<b>20,293</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.*