

November 10, 2017

Robinsons Retail's 9M 2017 Core Net Income Up 12.9%

Financial Highlights:

(In ₱ million)	For the Third Quarter ended September 30			For the First Nine Months ended September 30		
	2017	2016	% change	2017	2016	% change
Net Sales	27,695	25,479	8.7	81,180	73,812	10.0
Gross Profit	6,270	5,575	12.5	18,215	15,967	14.1
Operating Income	1,508	1,340	12.5	4,223	3,640	16.0
Net Income	1,357	1,362	-0.4	3,899	3,527	10.5
Net Income attributable to equity holders of the Parent company	1,210	1,278	-5.4	3,491	3,301	5.8
Core Net Earnings	1,130	1,020	10.8	3,122	2,765	12.9
EBITDA	2,036	1,827	11.5	5,740	5,071	13.2
Earnings per share (₱)*	0.87	0.92	-5.4	2.52	2.38	5.8

*Based on net income attributable to equity holders of the Parent company. Shares outstanding used in the calculation is 1,385m.

Robinsons Retail Holdings, Inc.'s core net earnings (net income excluding interest, equitized net earnings from the 40% stake in Robinsons Bank and unrealized forex gains/losses), increased by 12.9% year-on-year to ₱3.12 billion from ₱2.77 billion in the same period last year primarily due to the 16.0% increase in operating income.

Net income attributable to equity holders of the parent company posted slower growth at 5.8% in 9M 2017 to ₱3.49 billion from ₱3.30 billion last year due to lower foreign exchange gains and higher taxable income on the back of strong growth in operating profit.

Consolidated net sales for 9M 2017 reached ₱81.18 billion, an increase of 10.0% from ₱73.81 billion last year, brought about by the resilient same store sales growth (SSSG) and the sales contribution of the new stores.

Same store sales growth of the group was at 2.8% in 9M 2017, driven by the solid SSSG in the supermarket segment at 2.1%, convenience stores at 2.6%, DIY at 7.2%, drugstore at 2.0% and specialty stores at 8.4%.

Blended gross margins expanded by 80bps to 22.4% in 9M 2017 as a result of increasing scale across all segments and improvement in category mix.

Operating income increased at a much faster rate than topline growth in 9M 2017, gaining 16.0% growth year-on-year to ₱4.22 billion. EBITDA (earnings before interest, taxes, depreciation and amortization) increased by 13.2% to ₱5.74 billion, with EBITDA margin expanding by 20bps year-on-year to 7.1%.

Robinsons Retail's balance sheet remained solid with cash, cash equivalents and liquid marketable securities amounting to ₱28.19 billion as of end September 2017 versus borrowings of ₱3.85 billion. The company spent a total of ₱2.14 billion in capital expenditures for the first nine months of 2017.

The supermarket segment continued to account for the largest share of the group's consolidated net sales, contributing 46% to the total revenues in 9M 2017.

Robinsons Retail ended September 2017 with a total store count of 1,658 comprising of 146 supermarkets, 46 department stores, 185 DIY stores, 489 convenience stores, 467 drugstores and 325 specialty stores. Including the 1,982 franchised stores of The Generics Pharmacy, the store network of the group now totals 3,640 stores. Gross floor area increased by 7.3% year-on-year to approximately 1,100,000 square meters.

Signed:



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