

April 29, 2020

Robinsons Retail's 1Q 2020 Net income to Parent Up 45.0%

Financial Highlights:

<i>(In ₱ million)</i>	For the First Quarter ended March 31		
	2020	2019 Restated*	% change
Net Sales	40,062	37,350	7.3
Gross Profit	8,736	8,470	3.1
Operating Income	1,673	1,425	17.4
Net Income	1,017	794	28.1
Net Income attributable to equity holders of the Parent company	923	637	45.0
Core Net Income	784	591	32.7
EBITDA	3,337	3,101	7.6
Earnings per share (₱)**	0.59	0.40	45.0

*1Q2019 financials are restated to reflect the PFRS16 accounting standard and the alignment of Rustan's depreciation policy for like to like comparison.

** Based on net income attributable to equity holders of the Parent company and 1,576m common shares outstanding.

Robinsons Retail Holdings, Inc.'s net income attributable to equity holders of the parent company surged by 45.0% to ₱923 million for the first quarter ending March 2020. This was driven by the 40bps gain in operating income margin mainly lifted by the strong performance in Rustan. Core net earnings (net income excluding interest from bonds, equitized net earnings from the 40% stake in Robinsons Bank and unrealized forex gains/losses) increased by 32.7% to ₱784 million.

Consolidated net sales expanded by 7.3% to ₱40.1 billion despite the temporary store closure of the discretionary formats starting March 17, 2020 after the implementation of the enhanced community quarantine in Metro Manila and Luzon. Only the essential retail formats, namely, supermarkets, drugstores and convenience stores which are establishments providing basic necessities are allowed to operate by the government during this period. These three segments comprised 77% of consolidated sales.

Blended SSSG for the first quarter ending March 2020 was strong at 6.9% as evidenced by the high sales induced by panic buying for essential goods such as food and medicines, most especially in March. Supermarkets generated a record high SSSG of 18.7% and the drugstore segment sustained a double-digit growth of 13.7% coming from an already high base in the comparable period last year. Both segments significantly drove SSSG while the rest of the formats are in the negative territory.

Gross profit increased by 3.1% to ₱8.7 billion, with gross margins down by 90bps to 21.8% primarily due lower back-end margins caused by the temporary closure of stores.

Operating income surged by 17.4% to ₱1.7 billion with EBIT margins up by 40bps to 4.2%, lifted by the better performance in Rustan. Meanwhile, EBITDA (earnings before interest, taxes, depreciation and amortization), grew by 7.6% to ₱3.3 billion from ₱3.1 billion last year, with EBITDA margins at 8.3%.

Robinsons Retail continues to be in a net cash position of over ₱27.7 billion as of end March 2020. The company spent a total of ₱558 million in capital expenditures for the quarter.

Excluding the franchised stores of The Generics Pharmacy, Robinsons Retail ended the quarter with a total of 1,891 stores comprising of 262 supermarkets, 49 department stores, 223 do-it-yourself stores, 511 convenience stores, 518 drugstores and 328 specialty stores¹. Approximately 40% of our stores (excluding TGP) are temporarily closed during the enhanced community quarantine.

¹ Excluding the 46 Toybox stores inside the Robinsons Department Store.