



1Q 2014 Unaudited Earnings Presentation

MAY 2014



Agenda



Results Highlights

Store Network

Consolidated Results

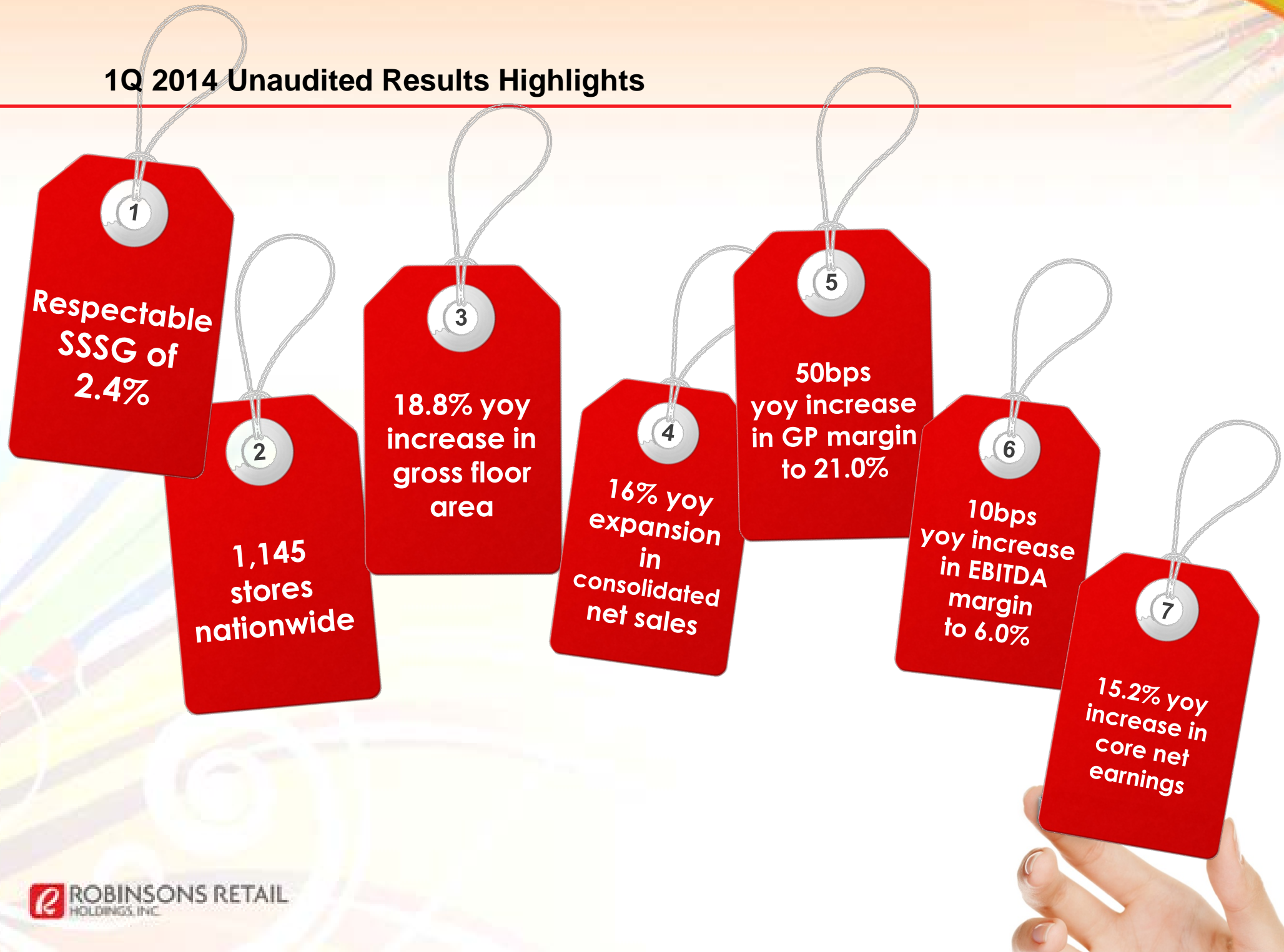
Business Segments

Working Capital

Capital Expenditure

Recent Developments

1Q 2014 Unaudited Results Highlights



Store Network

Metro Manila

Business units	No. of stores
Supermarkets	29
Department stores	11
DIY stores	46
Convenience stores	260
Drug stores	55
Specialty stores	113
Total	514

Luzon¹

Business units	No. of stores
Supermarkets	46
Department stores	18
DIY stores	56
Convenience stores	133
Drug stores	187
Specialty stores	52
Total	492

Visayas

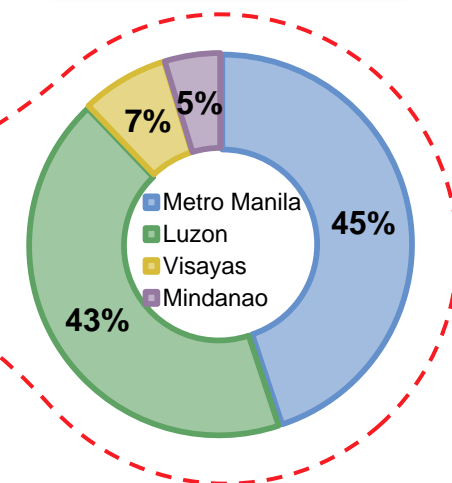
Business units	No. of stores
Supermarkets	13
Department stores	6
DIY stores	17
Convenience stores	9
Drug stores	16
Specialty stores	24
Total	85

Mindanao

Business units	No. of stores
Supermarkets	10
Department stores	5
DIY stores	13
Drug stores	7
Specialty stores	19
Total	54

1,145 stores

Nationwide
as of March 2014

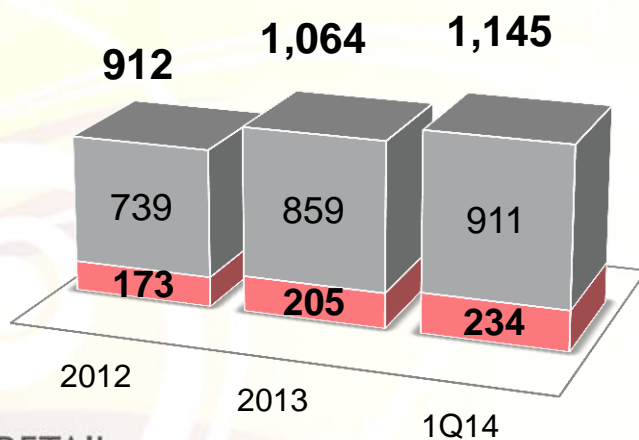


Store Network

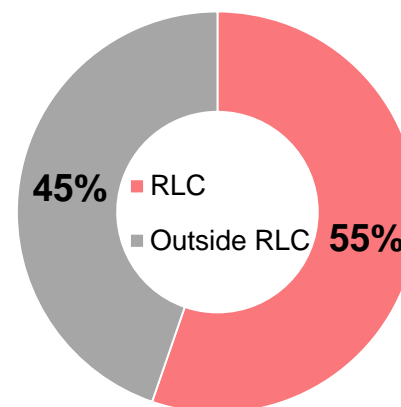
	2012	2013	Inc.	1Q 2013	1Q 2014	Inc.
Supermarkets	74	91	17	73	98	25
Department Stores	36	38	2	35	40	5
DIY Stores	111	126	15	112	132	20
Convenience Stores	336	386	50	344	402	58
Drug Stores*	218	239	21	221	265	44
Specialty Stores	137	184	47	138	208	70
Total	912	1,064	152	923	1,145	222

Number of Stores

■ RLC ■ Outside RLC

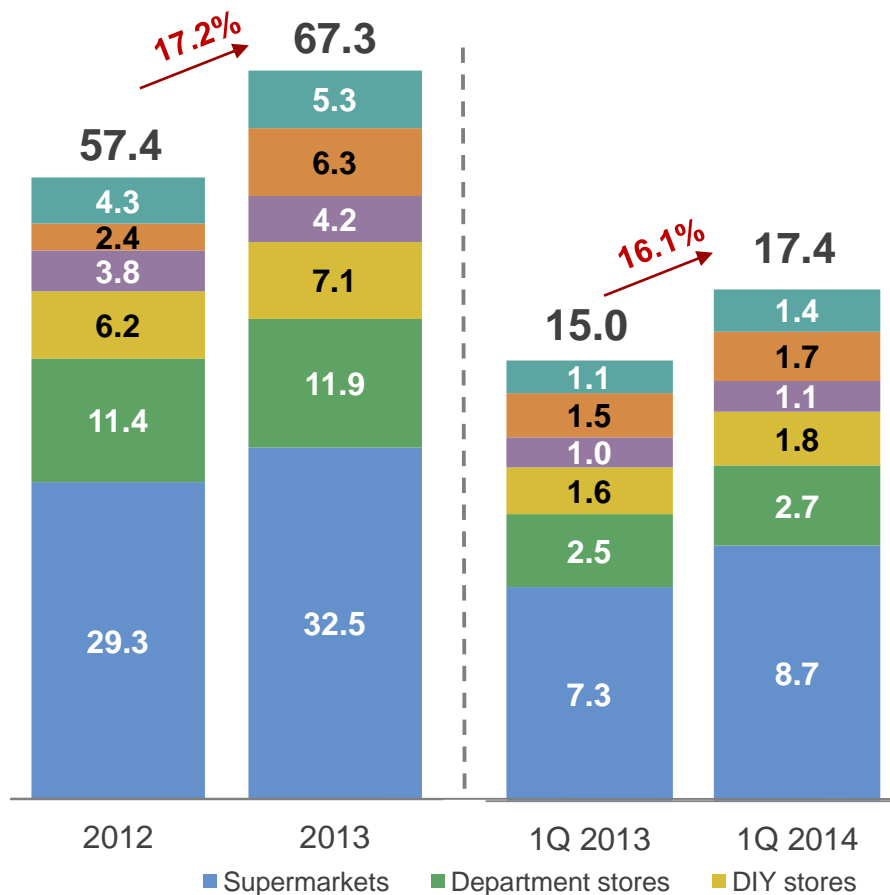


Gross Floor Area

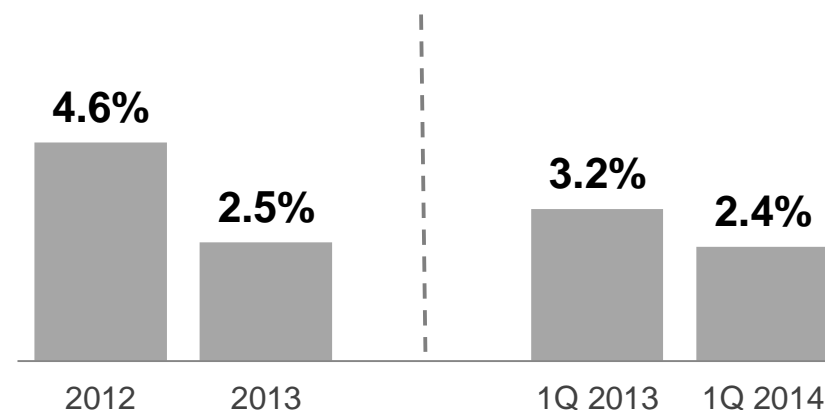


Robinsons Retail Holdings, Inc.

Net Sales¹ (PHP bn)



SSSG (%)

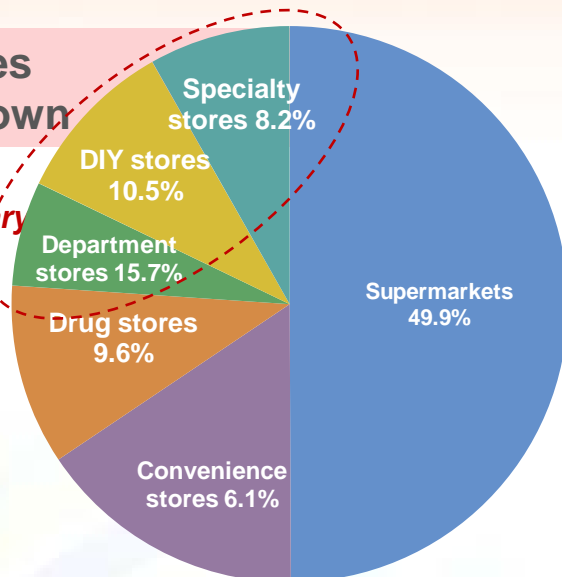


- **16.1% yoy growth in net sales** coming from:
 - 12.6% from **222 new stores** added for the period and;
 - 2.4% from SSSG and;
 - 1.1% from recent acquisitions

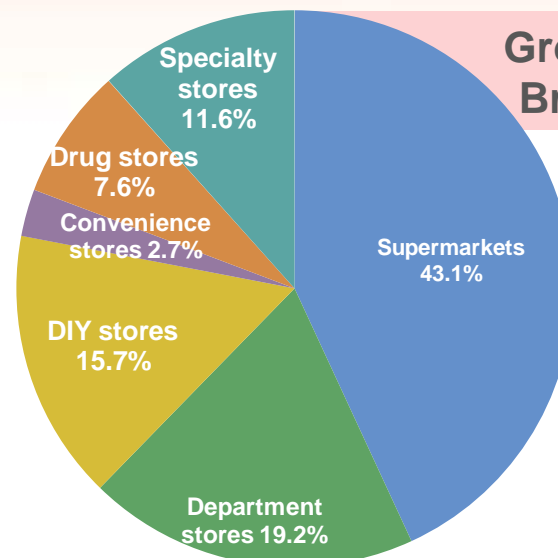
Robinsons Retail Holdings, Inc.

Net Sales Breakdown

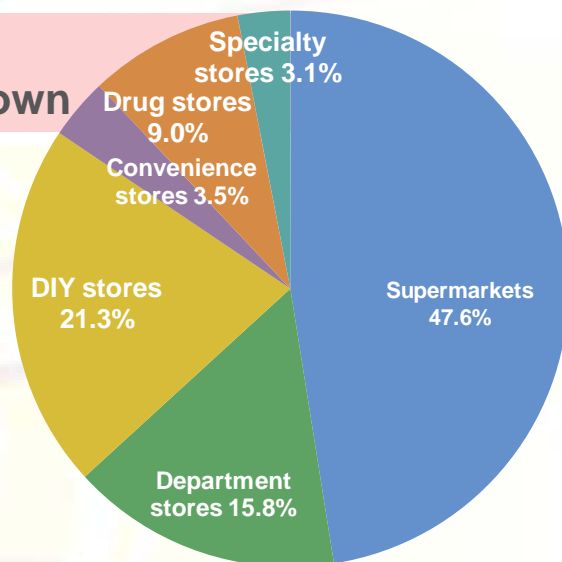
Discretionary Retailing 35%



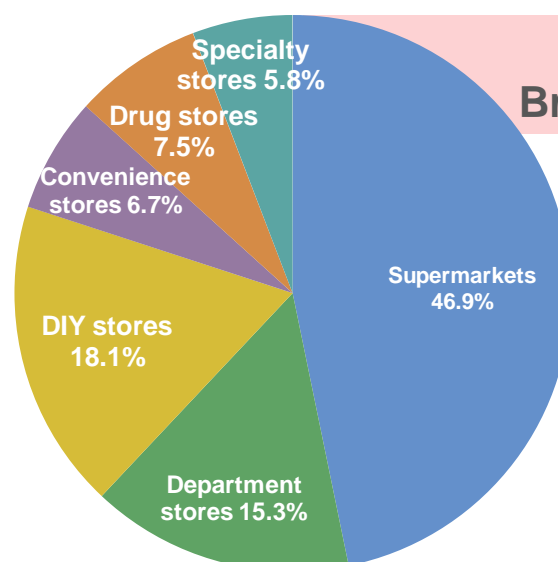
Gross Profit Breakdown



EBIT Breakdown

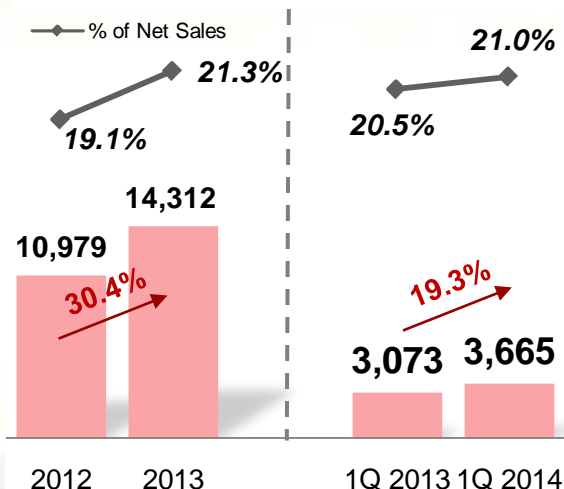


EBITDA Breakdown

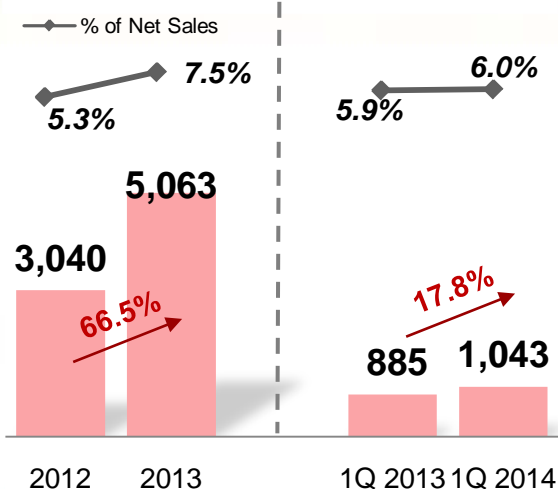


Robinsons Retail Holdings, Inc.

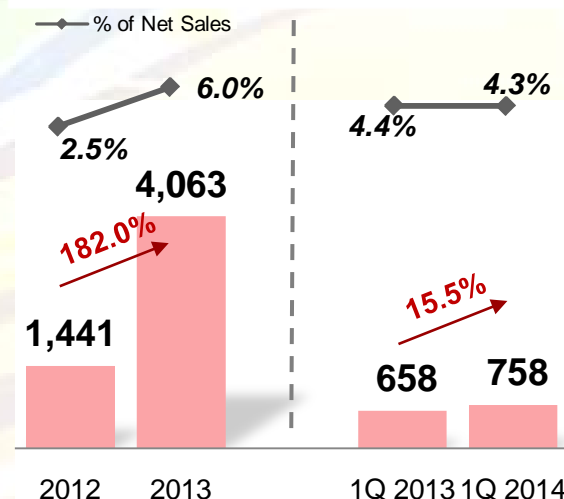
Gross profit¹ (PHP mm)



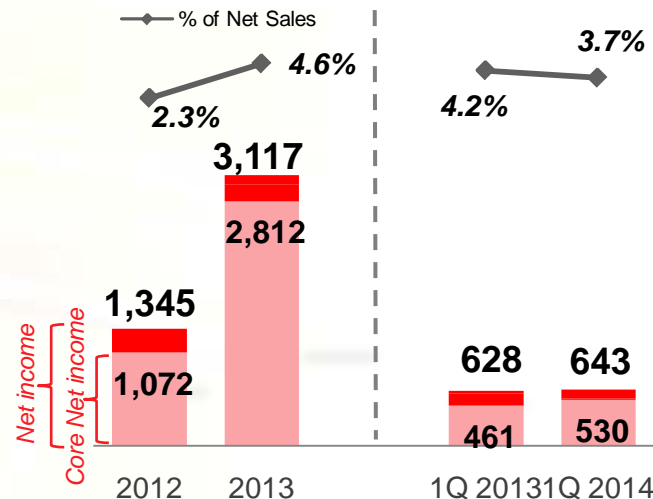
EBITDA² (PHP mm)



EBIT (PHP mm)



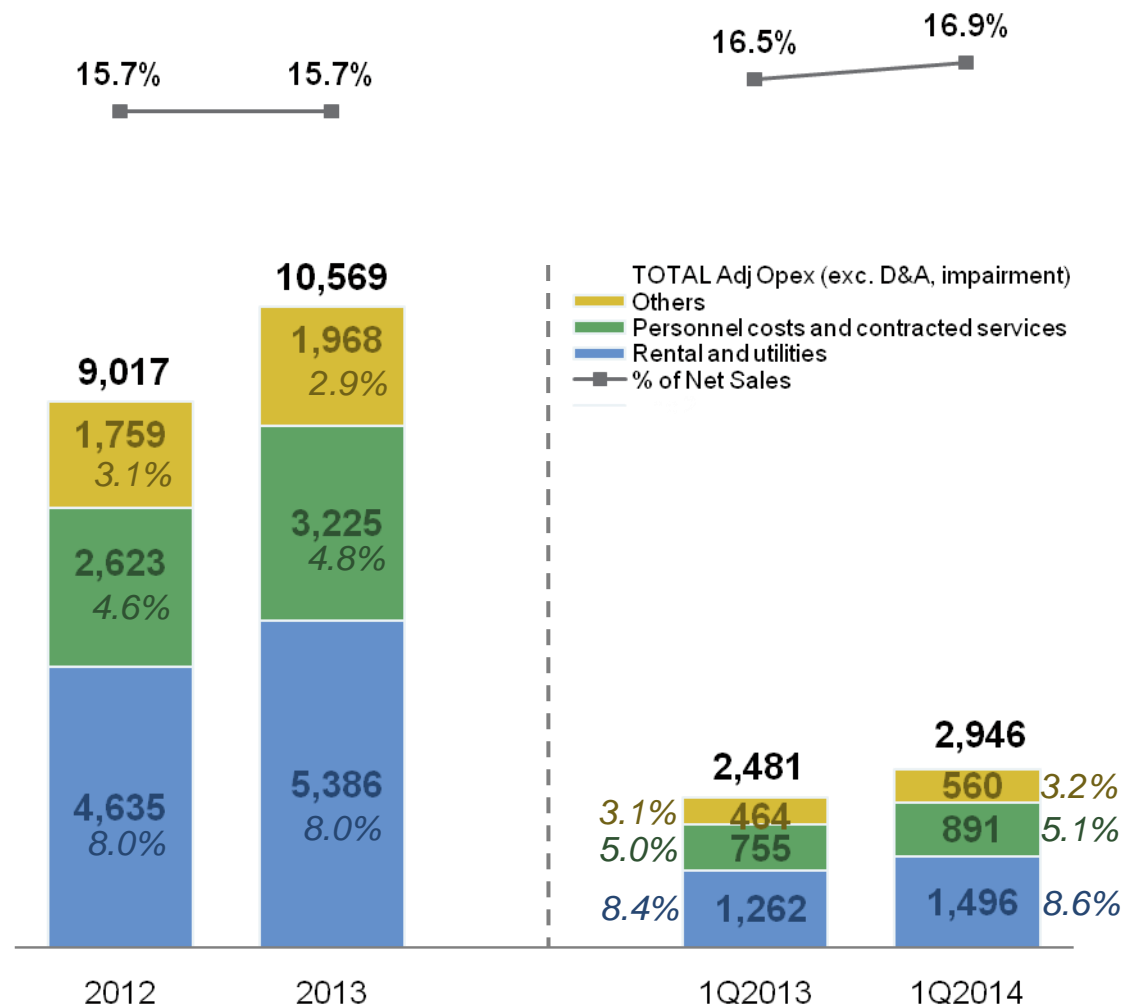
Net Income (PHP mm)



- **Growing scale** pushed GP margin higher
- **Sustained gross margin improvements** largely driven by suppliers' support
- **EBITDA margin** gained 10bps in 1Q2014 vs 1Q2013

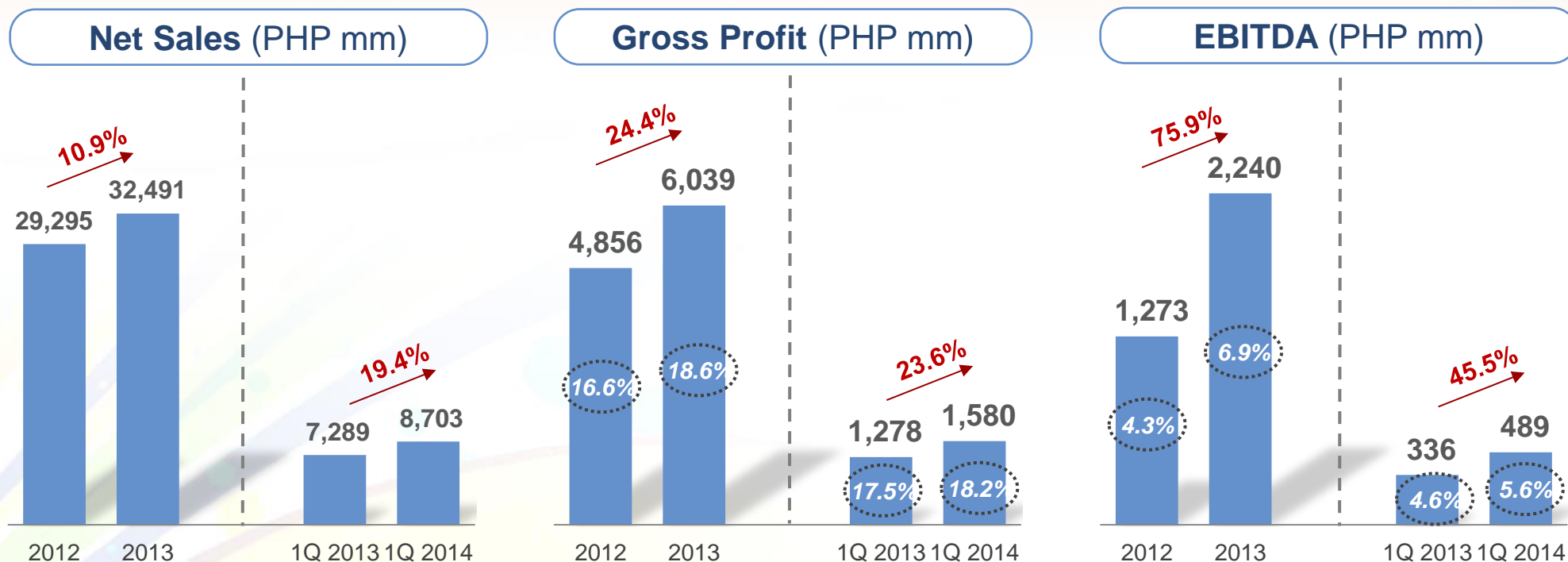
Operating expenses

Adjusted operating expenses¹ (PHP mm, % of Net Sales)



- Increase in operating expenses as % of net sales was due to **non-recurring carryover effects from Typhoon Haiyan**, coupled with weak SSSG of Ministop & specialty stores

Supermarket Business Segment

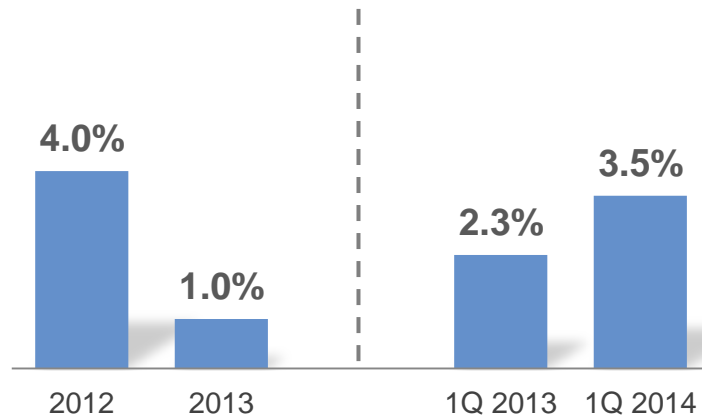


- Increase in sales largely driven by **new store openings** (13.8%), **robust SSSG** (3.5%), and **sales contribution** from EZ Supermarket & Jaynith's (2.1%)
- Gains in GP trickled down to EBITDA on **pro-active cost management**

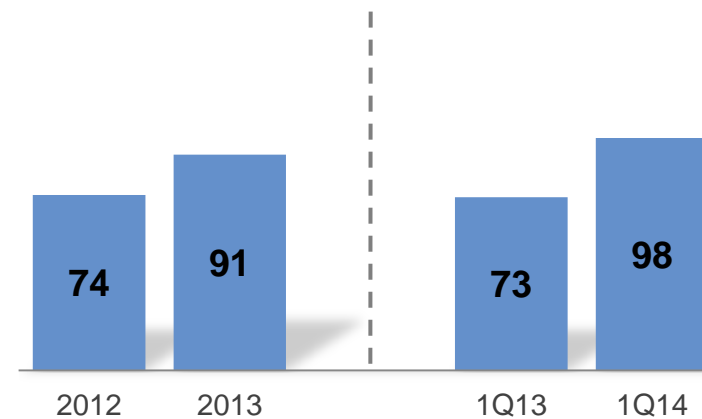


Supermarket Business Segment

SSSG (%)

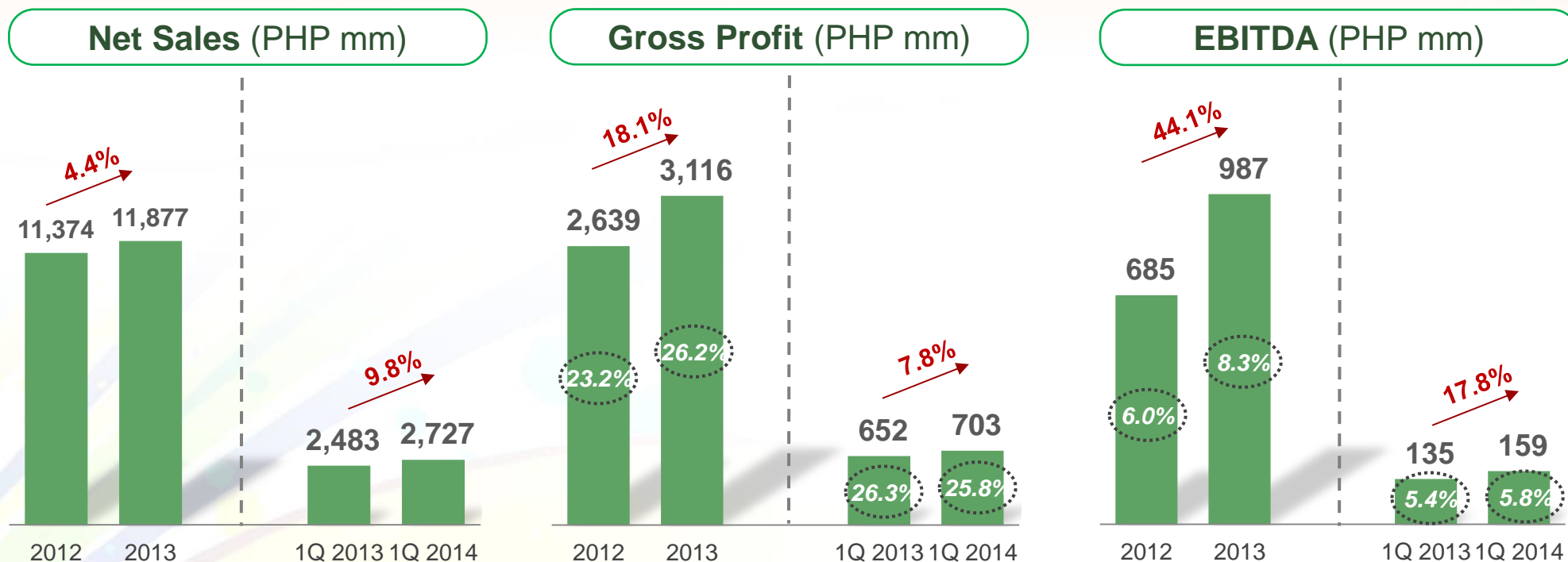


Store Count



- **Strong SSSG** due to **robust sales performance** of stores that were opened in 2012

Department Store Business Segment

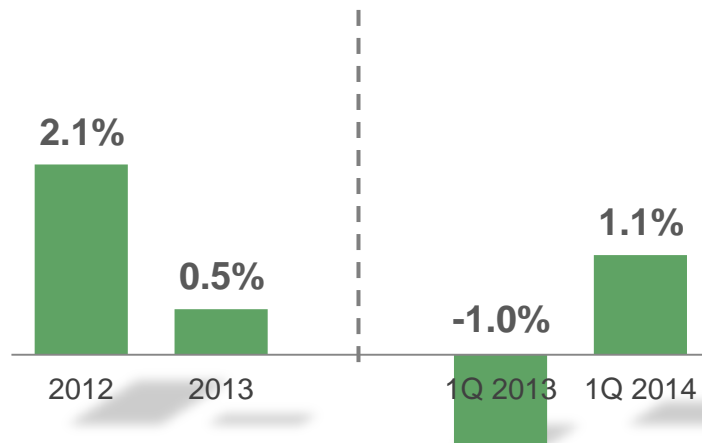


- GP margin declined due to **markdowns**
- On **better cost management**, EBITDA posted stronger growth than sales

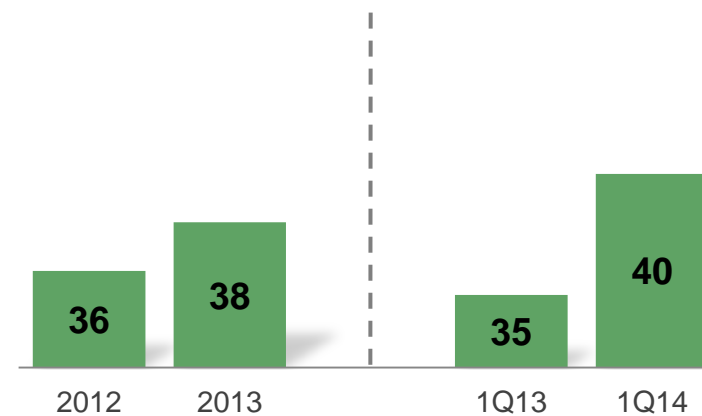


Department Store Business Segment

SSSG (%)

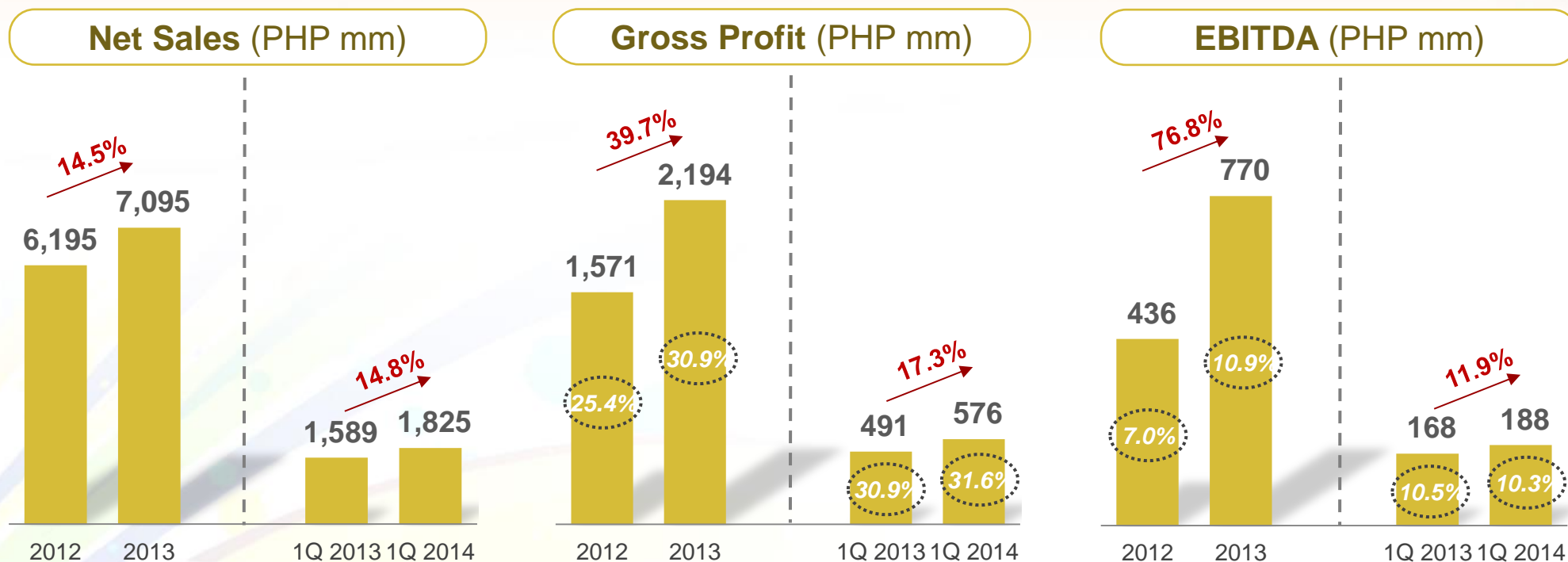


Store Count



■ **SSSG recovered**
to a modest
growth of **1.1%**

DIY Store Business Segment

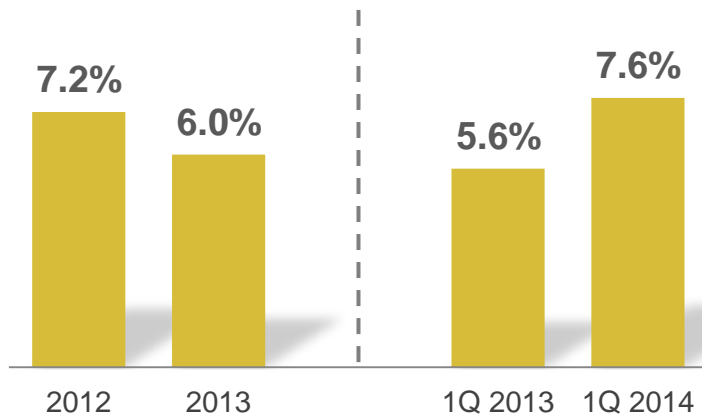


- Growth in net sales driven by **new store sales contribution** (7.2%) and **robust SSSG** (7.6%)
- EBITDA affected by **exceptionally high freight costs**

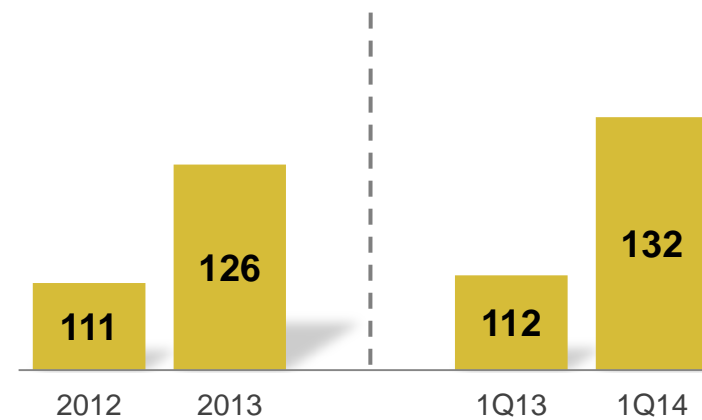
HANDYMAN
True Value
howards
storage world

DIY Store Business Segment

SSSG (%)

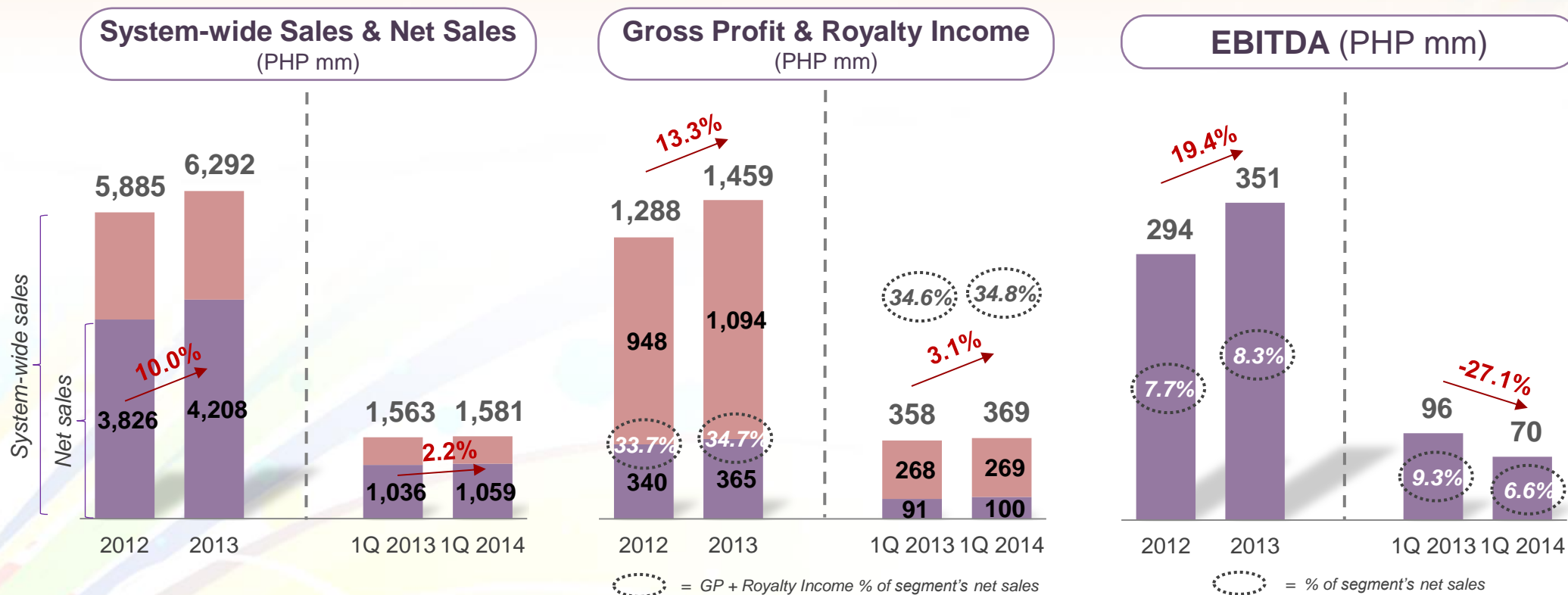


Store Count



■ SSSG benefited from **sustained residential construction boom**

Convenience Store Business Segment

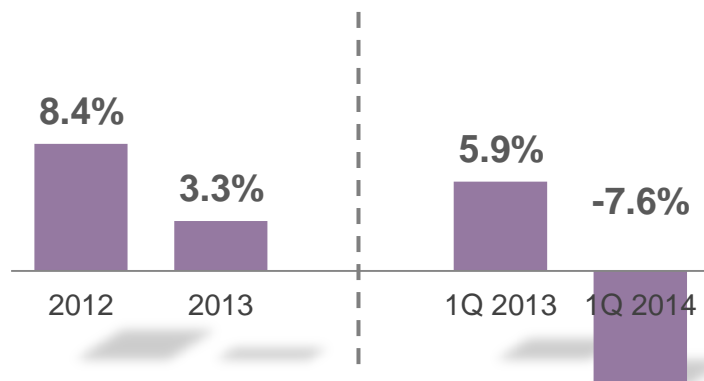


- System-wide sales affected by the **big drop in cigarette sales**
- Despite weak sales performance, gross profit & royalty income margin managed to post a 20bps increase

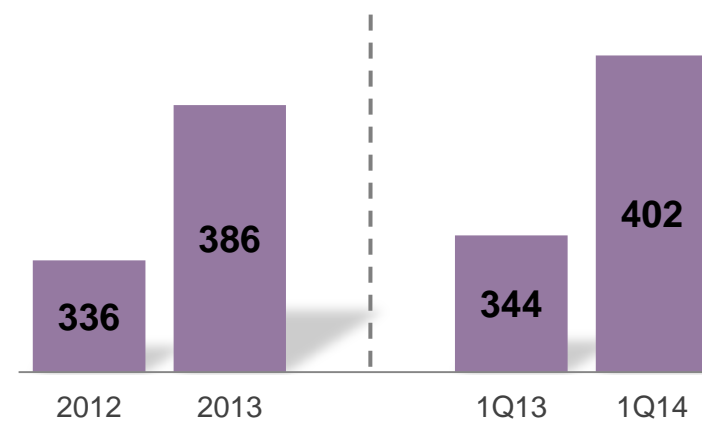


Convenience Store Business Segment

SSSG (%)

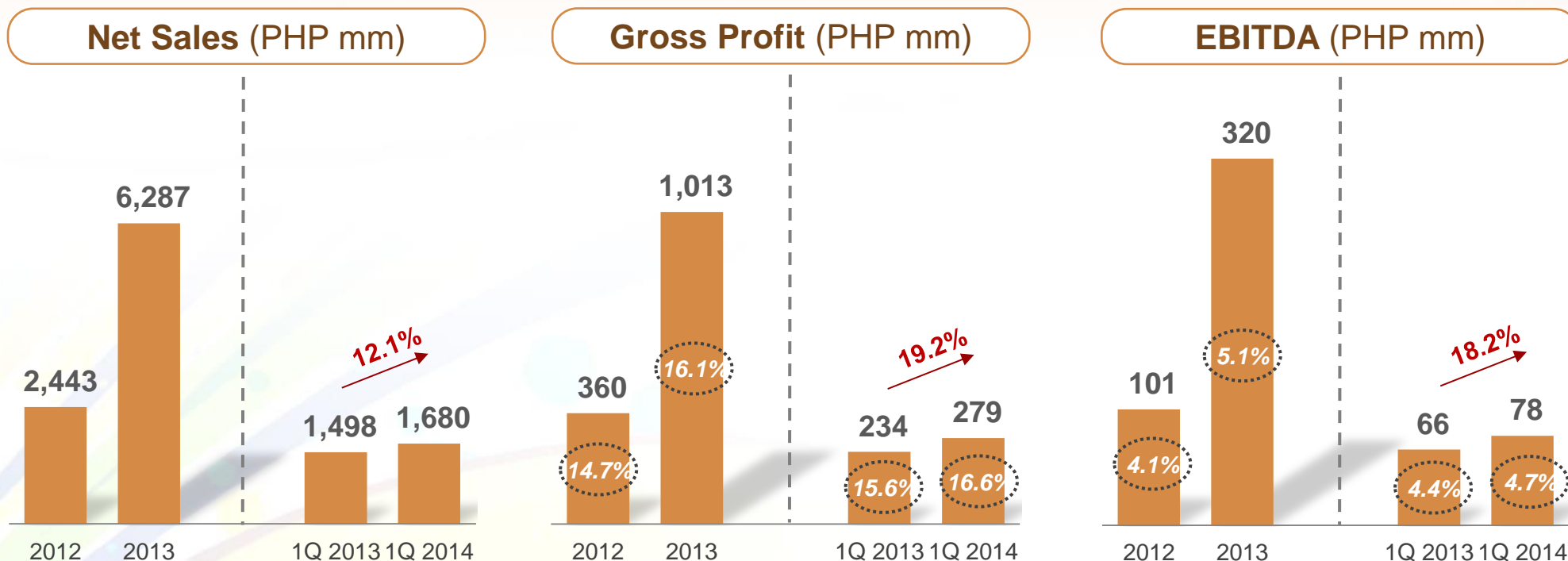


Store Count



■ Weaker SSSG due to **lower cigarette sales**

Drug Store Business Segment



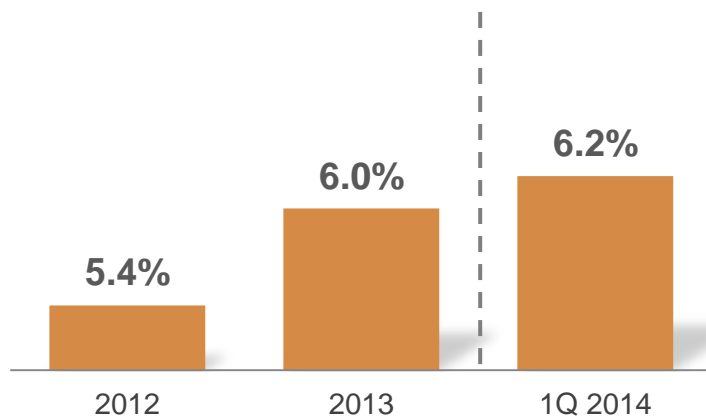
- Growth in sales came from **new store openings** (5.9%) and **strong SSSG** (6.2%)
- Margins increased due to **stronger negotiating leverage**



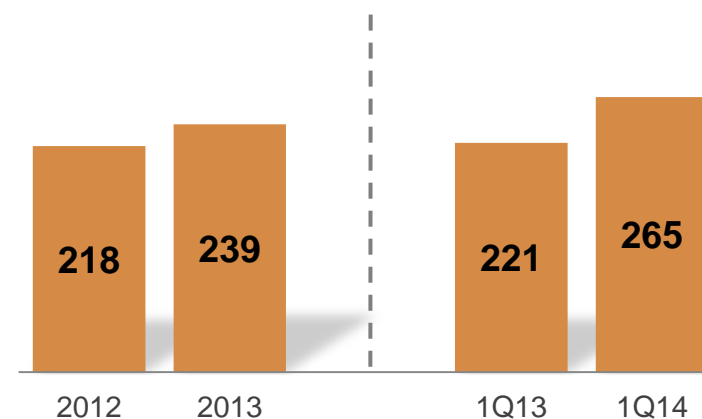
* SSD was only acquired in July 2012 and consolidated into Robinsons Retail beginning August 2012.

Drug Store Business Segment

SSSG (%)

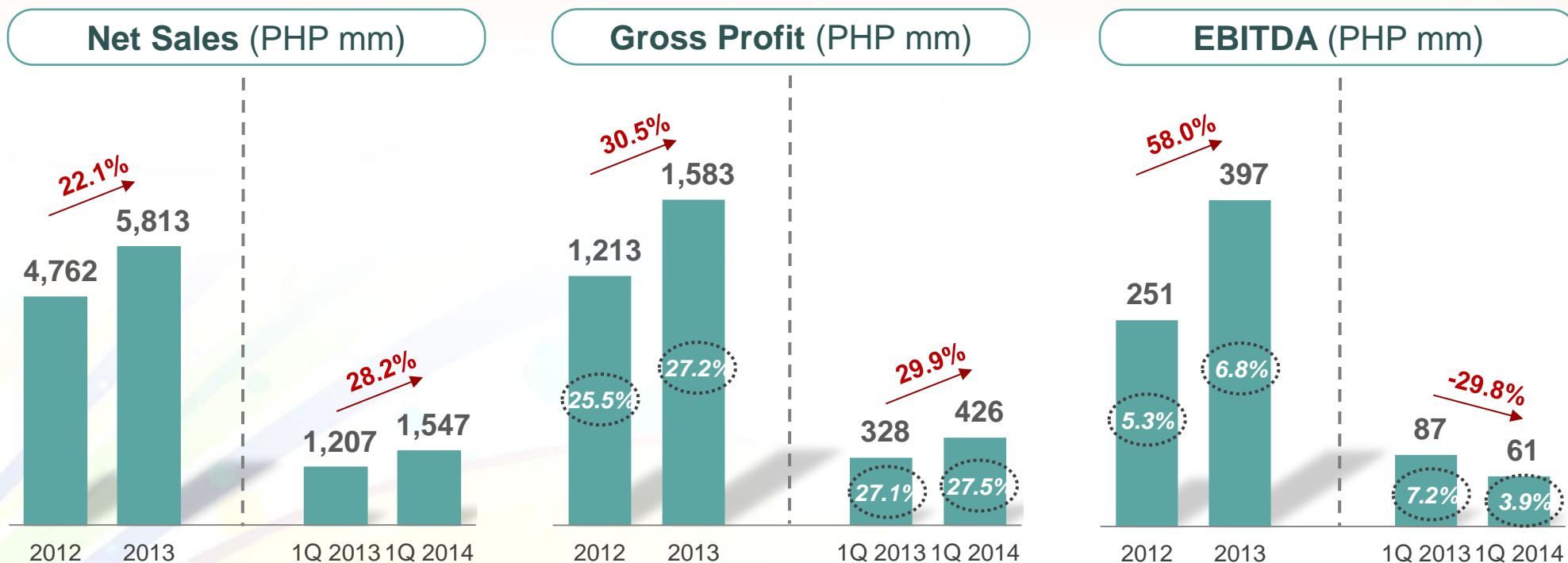


Store Count



■ **Strong SSSG at 6.2%** due to the unusually cold weather conditions early this year

Specialty Store Business Segment

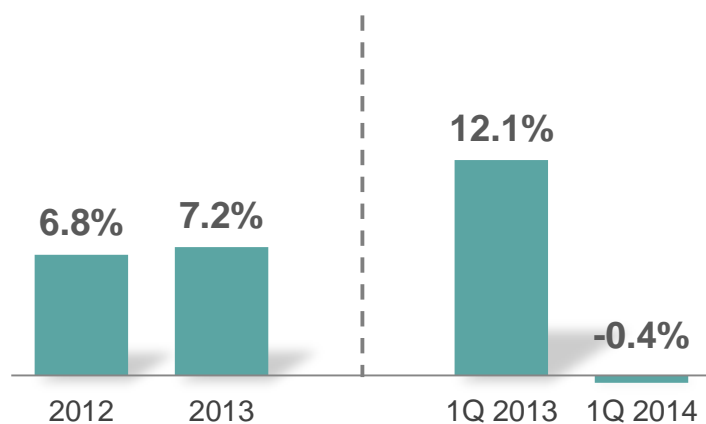


- Growth in net sales mainly driven by **new store openings**
- EBITDA margin affected by **weak SSSG**

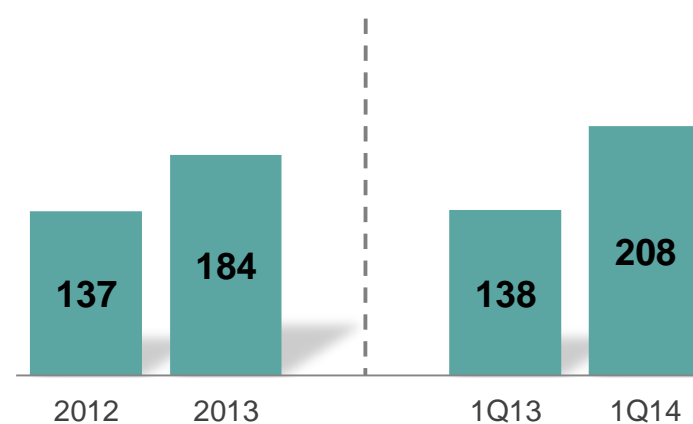


Specialty Store Business Segment

SSSG (%)



Store Count



- **Lower SSSG** due to:
 - ❖ **continued stiff competition** with the entry of more int'l fast fashion brands;
 - ❖ **lower discretionary spending**, particularly in fashion apparel, as a result of Typhoon Haiyan

Working capital

Working capital days trend



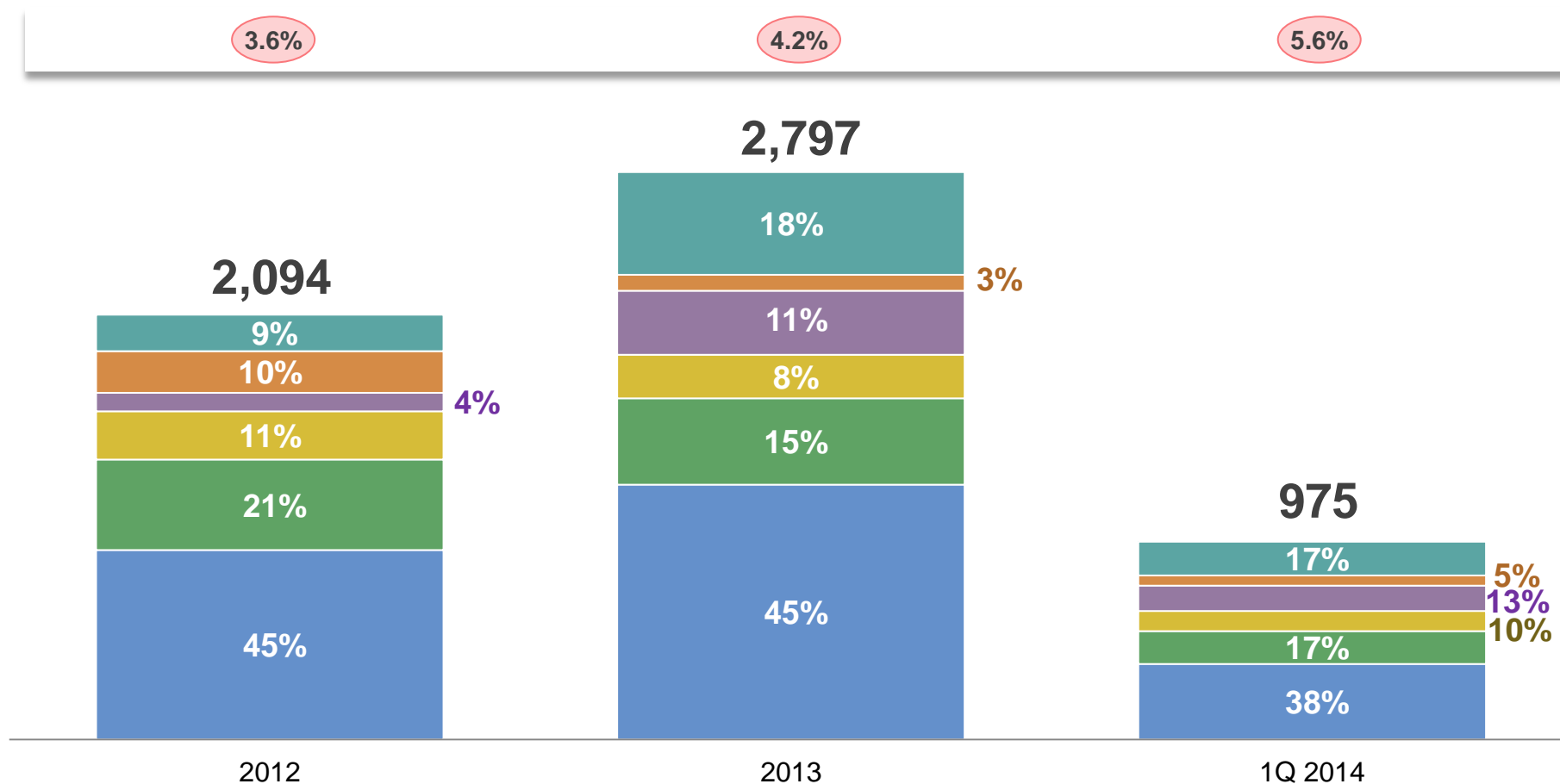
- Increase in 1Q 2014 inventory days due to the **unprecedented opening of South Star Drug stores** (26 stores from Jan-Mar 2014)

Capital expenditure

Capital expenditure breakdown (PHP mm)¹

■ Supermarkets ■ Department stores ■ DIY stores ■ Convenience stores ■ Drug stores ■ Specialty stores

% of group's net sales



Recent Developments

DIY Store Acquisition – A.M. Builders' Depot



- ❑ **Robinson's Handyman, Inc. signed a Memorandum of Agreement allowing it to acquire 67% stake in A.M. Builders' Depot**
 - a **17-store** chain of builders (big box) hardware stores
 - Total gross selling area is estimated at **35,000 sqm**
 - Stores are located in Cebu, Iloilo, Bacolod, Dumaguete and other key cities in the Visayas region

Consolidated financial statements

Consolidated statements of financial position (Unaudited)			
PHP mm	2012	2013	1Q 2014U
ASSETS			
Current assets			
Cash and cash equivalents	6,052	30,136	22,273
Short-term investments & AFS	362	335	5,712
Merchandise inventories	6,082	7,029	7,715
Other current assets	1,609	2,117	1,927
Total Current Assets	14,105	39,616	37,627
Noncurrent assets			
Property and equipment - net	5,164	6,897	7,587
Investment in shares of stocks	1,549	1,803	1,785
Intangible assets	2,519	2,907	3,067
Other noncurrent assets	895	1,078	1,156
Total Noncurrent Assets	10,127	12,685	13,595
Total Assets	24,232	52,301	51,222
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12,320	12,075	10,127
Current portion of loans payable	412	396	396
Other current liabilities	571	904	1,150
Total Current Liabilities	13,302	13,375	11,672
Noncurrent Liabilities			
Loans payable - net of current portion	2,117	112	98
Others	755	831	847
Total Noncurrent Liabilities	2,872	943	945
Total Liabilities	16,174	14,318	12,617
Equity			
Capital stock	415	1,385	1,385
Treasury shares	0	(1,100)	(1,100)
Additional paid-in capital	142	27,027	27,027
Retained earnings	6,309	9,051	9,610
Others	86	144	126
Total equity attributable to equity holders of Parent Company	6,952	36,507	37,048
Non-controlling interest in consolidated subsidiaries	1,106	1,476	1,557
Total Equity	8,057	37,982	38,605
Total Liabilities and Equity	24,232	52,301	51,222

Consolidated financial statements (cont'd)

Consolidated statements of comprehensive income (Unaudited)

PHP mm	Twelve Months Ended Dec 31		Three Months Ended Mar 31	
	2012	2013	1Q 2013	1Q 2014U
Sales - net of sales discounts and returns	57,393	67,254	15,013	17,426
Cost of merchandise sold	46,414	52,942	11,940	13,761
Gross Profit	10,979	14,312	3,073	3,665
Royalty, rent and other revenues	1,079	1,321	293	324
Gross profit including other revenue	12,057	15,632	3,366	3,989
Operating expenses	(10,617)	(11,569)	(2,709)	(3,232)
OTHER INCOME (CHARGES)				
Investment income	130	0	0	0
Interest income	114	113	24	100
Dividend income	4	3	2	0
Interest expense	(58)	(77)	(25)	(5)
Unrealized foreign currency exchange gain (loss)	(19)	25	(2)	0
Equity in net earnings of an associate	159	191	143	12
	330	256	143	107
INCOME BEFORE INCOME TAX	1,771	4,320	800	865
Provision for (benefit from) income tax	426	1,202	173	222
NET INCOME	1,345	3,117	628	643
Net income attributable to:				
Equity holders of the Parent Company	1,200	2,745	532	562
Non-controlling interest in consolidated subsidiaries	145	372	96	81
	1,345	3,117	628	643
Earnings Per Share				
Basic	2.89	2.01	1.28	0.41
Weighted	2.89	3.79	1.28	0.41
Shares Outstanding				
End of Period	415	1,366	415	1,366
Weighted	415	724	415	1,366

Consolidated financial statements (cont'd)

Consolidated statements of cash flows (Unaudited)

PHP mm	Twelve Months Ended Dec 31		Three Months Ended Mar 31	
	2012	2013	1Q 2013	1Q 2014U
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	1,771	4,320	800	865
Adjustments for:				
Depreciation and amortization	1,578	1,000	228	285
Interest expense	58	77	25	5
Interest income	(114)	(113)	(24)	(100)
Equity in net earnings of an associate	(159)	(191)	(143)	(12)
Others	(92)	(29)	(0)	0
Operating income before working capital changes	3,041	5,063	885	1,043
Working capital changes	298	(1,735)	(2,597)	(2,463)
Interest received	113	56	27	155
Income tax paid	(215)	(638)	(38)	(32)
Net cash flows generated from (used in) operations	3,238	2,747	(1,722)	(1,296)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received	4	3	2	0
Property and equipment - net	(1,899)	(2,754)	(491)	(975)
Acquisitions of goodwill	0	0	0	(129)
Acquisitions of AFS investments	0	0	0	(5,360)
License	(121)	0	2	0
Acquisition through business combination - net of cash received	(2,152)	(409)	0	0
Others	10	(163)	(52)	(80)
Net cash flows used in investing activities	(4,158)	(3,322)	(539)	(6,544)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from stock issuance	47	28,601	0	0
Payment of transaction costs	0	(1,100)	0	0
Acquisition of treasury shares	0	(746)	0	0
Availment of loans - net of payments	1,742	(2,021)	(504)	(14)
Interest paid	(58)	(72)	(25)	(5)
Dividends paid	0	(3)	(3)	(3)
Net cash flows used in financing activities	1,730	24,660	(531)	(22)
Net increase (decrease) in cash and cash equivalents	810	24,084	(2,793)	(7,862)
Cash and cash equivalents at beginning of period	5,242	6,052	6,052	30,136
CASH AND CASH EQUIVALENTS AT END OF YEAR	6,052	30,136	3,259	22,273