

May 6, 2019

Robinsons Retail's 1Q 2019 EBITDA Up 9.7%

Financial Highlights:

<i>(In ₱ million)</i>	For the First Quarter ended March 31		
	2019	2018	% change
Net Sales	37,350	28,961	29.0
Gross Profit	8,470	6,511	30.1
Operating Income	1,197	1,275	-6.1
Net Income	1,006	1,353	-25.6
Net Income attributable to equity holders of the Parent company	827	1,211	-31.7
Core Net Income	806	958	-15.8
EBITDA	2,026	1,847	9.7
Earnings per share (₱)*	0.52	0.87	-40.0

*Based on net income attributable to equity holders of the Parent company. Shares outstanding used in the calculation is 1,576 for 2019 and 1,385m for 2018.

Robinsons Retail Holdings, Inc.'s consolidated net sales expanded by 29.0% to ₱37.4 billion for the first quarter ending March 2019. This was driven by the full quarter consolidation of the Rustan Supercenters, Inc. (RSCI) and the healthy blended same store sales growth (SSSG) of 4.1%.

Supermarket remains the biggest segment accounting for 55.5% of consolidated sales with Robinsons Supermarket ending 1Q SSSG with 5.5%. Drugstores posted the highest SSSG at 13.9% due to high incidence of flu, cough, colds and measles. Other segments also posted healthy SSSG with DIY stores at 3.8% and specialty stores at 2.1%.

Blended gross profit increased by 30.1% to ₱8.5 billion, faster than topline growth, leading to margin expansion of 20bps year-on-year to 22.7%. This was buoyed by the consolidation of Rustan.

Operating income declined by 6.1% to ₱1.2 billion, weighed down by Rustan. Excluding Rustan, operating income would have increased by 7.3%, with EBIT margins steady at 4.4%.

Meanwhile, EBITDA (earnings before interest, taxes, depreciation and amortization), grew by 9.7% to ₱2.0 billion from ₱1.8 billion last year. Excluding Rustans, EBITDA margins would have been relatively stable at 6.3%.

Net income attributable to equity holders of the parent company was at ₱827 million for the first quarter ending March 2019. Core net earnings (net income excluding interest from bonds, equitized net earnings from the 40% stake in Robinsons Bank and unrealized forex gains/losses) declined by 15.8% to ₱806.1 million. Excluding Rustans, core net earnings would have registered positive growth of 8.0% to ₱1.0 billion.

Robinsons Retail continues to be in a net cash position of over ₱26.0 billion as of end March 2019. The company spent a total of ₱650.0 million in capital expenditures for the quarter.

Excluding the franchised stores of The Generics Pharmacy, Robinsons Retail ended the quarter with a total of 1,911 stores comprising of 253 supermarkets, 50 department stores, 209 do-it-yourself stores, 512 convenience stores, 510 drugstores and 377 specialty stores, with 196 stores added year-on-year. The group's gross floor area expanded by 27% year-on-year to 1.46 million square meters. We are keeping our target to add 120-150 stores this year but opening is skewed in the latter part of 2019.