

August 14, 2017

Robinsons Retail's 1H2017 Net Income Up 12.8%

Financial Highlights:

(In ₱ million)	For the Second Quarter ended June 30			For the First Half ended June 30		
	2017	2016	% change	2017	2016	% change
Net Sales	27,763	25,638	8.3	53,486	48,334	10.7
Gross Profit	6,226	5,587	11.4	11,945	10,392	14.9
Operating Income	1,557	1,396	11.5	2,715	2,300	18.1
Net Income	1,441	1,332	8.2	2,542	2,165	17.3
Net Income attributable to equity holders of the Parent company	1,286	1,238	3.9	2,282	2,023	12.8
Core Net Earnings	1,149	1,049	9.6	1,992	1,745	14.1
EBITDA	2,053	1,897	8.3	3,704	3,244	14.2
Earnings per share (₱)*	0.93	0.89	3.9	1.65	1.46	12.8

*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 net income attributable to equity holders of the parent company climbed by 12.8% in 1H 2017 to ₱2.28 billion from ₱2.02 billion last year buoyed by the 18.1% lift in operating income on the back of the 80bps improvement in gross margins.

Core net earnings (net income excluding interest, equitized net earnings from the 40% stake in Robinsons Bank and unrealized forex gains/losses), increased by 14.1% year-on-year to ₱1.99 billion from ₱1.75 billion in the same period last year.

Consolidated net sales for 1H 2017 reached ₱53.49 billion, an increase of 10.7% from ₱48.33 billion last year, brought about by the resilient SSSG and the sales contribution of the new stores.

SSSG in 1H 2017 normalized at 2.7%, coming from a high base of 8.9% last year due to election spending. The solid SSSG for the period was attributed to the healthy SSSG of supermarket at 2.0%, DIY stores at 7.1%, drugstores at 3.4% and specialty stores at 7.0%.

From July 2016 to June 2017, Robinsons Retail added a total of 91 net stores to end at 1,619 stores. GFA increased by 6.9% year-on-year to approximately 1,066,000 square meters. Including TGP's franchised store portfolio of 1,954 at end June 2017, the total store network of the group hit 3,573 stores.

Blended gross margins expanded by 80bps to 22.3% in 1H 2017 arising from the group's increased scale, and the consolidation of The Generics Pharmacy.

Operating income grew by 18.1% to ₱2.72 billion in 1H 2017 with EBIT margin increasing by 30bps year-on-year to 5.1%. EBITDA (earnings before interest, taxes, depreciation and amortization) expanded by 14.2% to ₱3.70 billion in 1H 2017. EBITDA margin expanded by 20bps from 6.7% to 6.9%.

Robinsons Retail's balance sheet remained solid with cash, cash equivalents and liquid marketable securities amounting to ₱28.41 billion as of end June 2017 versus borrowings of ₱3.74 billion. The company spent a total of ₱1.35 billion in capital expenditures for the first half of 2017.

Signed:



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