

October 29, 2018

## Robinsons Retail's 9M 2018 Net Income Up 9.8%

### *Financial Highlights:*

<i>(In ₱ million)</i>	For the Third Quarter ended September 30			For the First Nine Months ended September 30		
	2018	2017	% change	2018	2017	% change
<b>Net Sales</b>	<b>31,358</b>	<b>27,695</b>	<b>13.2</b>	<b>91,817</b>	<b>81,180</b>	<b>13.1</b>
Gross Profit	6,971	6,270	11.2	20,577	18,215	13.0
<b>Operating Income</b>	<b>1,627</b>	<b>1,508</b>	<b>7.9</b>	<b>4,655</b>	<b>4,223</b>	<b>10.2</b>
Net Income	1,387	1,357	2.2	4,335	3,899	11.2
<b>Net Income attributable to equity holders of the Parent company</b>	<b>1,211</b>	<b>1,210</b>	<b>0.1</b>	<b>3,832</b>	<b>3,491</b>	<b>9.8</b>
Core Net Earnings	1,232	1,130	9.0	3,519	3,122	12.7
<b>EBITDA</b>	<b>2,245</b>	<b>2,036</b>	<b>10.3</b>	<b>6,384</b>	<b>5,740</b>	<b>11.2</b>
Earnings per share (₱)*	0.87	0.87	0.1	2.77	2.52	9.8

\*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 posted a growth of 9.8% to ₱3.8 billion for the first nine months of 2018. This was primarily due to the 10.2% lift in operating income, which reached ₱4.7 billion from ₱4.2 billion in the same period last year. Likewise, EBITDA (earnings before interest, taxes, depreciation and amortization) increased 11.2% year-on-year to ₱6.4 billion from ₱5.7 billion.

Core net earnings (net income excluding interest, equitized net earnings from the 40% stake in Robinsons Bank and unrealized forex gains/losses, and others), increased 12.7% year-on-year to ₱3.5 billion from ₱3.1 billion in 9M 2017.

Consolidated net sales grew by 13.2% to ₱31.4 billion in 3Q and 13.1% to ₱91.8 billion in 9M 2018, driven by robust same store sales growth (SSSG) across all formats and the sales contribution of new stores. High consumption was sustained through the first nine months of 2018, coming from the rise in take-home pay among salaried workers with the TRAIN Law's implementation at the beginning of the year.

Same store sales growth for the group was above target at 6.6% in 9M 2018. The supermarket segment, which contributed 46.5% to consolidated net sales and 43.5% to EBITDA, led with a strong SSSG of 8.6% in 9M 2018. Likewise, SSSG was healthy across other segments during the same period, with SSSG for specialty stores at 7.8%, DIY at 6.1%, convenience stores at 4.5%, drugstores at 2.9%, and department stores at 2.4%.

Blended gross margins for 9M was kept at 22.4% level. EBITDA margin slightly declined by 10bps to 7.0% in 9M, due to the increase in operating expenses as a percentage of sales and the gradual ramp up of newly opened stores.

Excluding franchised branches of The Generics Pharmacy, Robinsons Retail ended September 2018 with a total store count of 1,778, comprising of 158 supermarkets, 51 department stores, 206 DIY stores, 496 convenience stores, 499 drugstores and 368 specialty stores. Gross floor area increased by 9.0% year-on-year to approximately 1,199,000 square meters.

Robinsons Retail's balance sheet remained solid with net cash amounting to ₱23.5 billion as of end September 2018. The company spent a total of ₱2.9 billion in capital expenditures for the first nine months of 2018.

Signed:



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