

Core Net Income Surges by 20.5% in 1Q2023

Unaudited Financial Highlights:

<i>(In million)</i>	For the Quarter ended March 31		
	2023	2022	% change
Net Sales	44,593	39,423	13.1
Gross Profit	10,529	9,085	15.9
EBITDA	3,641	3,363	8.3
Operating Income	1,824	1,589	14.8
NET INCOME	683	1,276	-46.5
Net Income attributable to equity holders of the parent company	537	1,180	-54.5
Core Net Income	1,094	907	20.5
Earnings per share (₱/share)*	0.36	0.78	-53.7

* Based on net income attributable to equity holders of the Parent company. Shares outstanding used in the calculation are 1,478 for 1Q2023 and 1,503 for 1Q2022.

Robinsons Retail Holdings, Inc. kicked off the new year on a positive note, building on the strong momentum that the business achieved in 2022. Core net income (net income excluding foreign exchange gains/losses, interest income from bonds, equity in earnings from associates, interest expense related to the BPI shares, and others) surged by 20.5% to ₱1.1 billion in the first quarter of 2023 on the back of the company's solid operating performance.

Consolidated net sales came in ₱44.6 billion in the first quarter, 13.1% higher year-on-year. This was underpinned by healthy blended same store sales growth (SSSG) of 9.2% augmented by fresh revenue contributions from new stores. The supermarkets, drugstores, department stores, and convenience stores segments all delivered double-digit revenue growth for the period. The reopening theme continues to work in the company's favor while consumer demand – especially from the middle-class target market has been largely resilient.

The business also continued to see its gross profit and operating income accelerate relative to the topline, growing by 15.9% to ₱10.5 billion and 14.8% to ₱1.8 billion, respectively, in the first quarter. This was aided by improvements in category mix, economies of scale, better operating leverage, and various cost saving initiatives.

Meanwhile, net income attributable to equity holders of the parent company (NIAT) declined by 54.5% to Php537 million weighed down by higher interest expense resulting from the acquisition financing of the Bank of the Philippine Islands (BPI) shares earlier this year, foreign exchange losses, and lower earnings from associates. The higher interest expense for the purchase of the BPI shares should be offset by the expected cash dividends from BPI when declared.

“Our dynamic growth strategies and multi-format business model has enabled us to capture the resilience in consumer spending. As such, we will continue to open stores in underserved areas, improve efficiency within our stores through assortment changes and streamlining expenses, and capitalize on our growing digital presence to reach more shoppers,” said Robina Gokongwei Pe, President and CEO of Robinsons Retail Holdings, Inc.

Signed:



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