

Robinsons Retail 9M2023 Core Earnings Up 4%

Unaudited Financial Highlights:

In ₱ millions	For the Nine Months ended September 30		
	2023	2022	% change
Net Sales	138,200	127,091	8.7
Gross Profit	32,894	30,065	9.4
EBITDA	11,651	11,283	3.3
Operating Income	6,136	5,919	3.7
NET INCOME	3,000	4,813	-37.7
Net Income attributable to equity holders of the parent company	2,582	4,409	-41.4
Core Net Earnings	3,786	3,639	4.0
Earnings per share (₱/share) *	1.75	2.95	-40.7

* Based on net income attributable to equity holders of the Parent company. Shares outstanding used in the calculation are 1,473m for 9M2023 and 1,492m for 9M2022.

Robinsons Retail Holdings, Inc. proved to be resilient in the first nine months of 2023 (9M2023) with core net earnings of Php3.8 billion, up 4.0% year-on-year on net sales of Php138.2 billion, which rose by 8.7% year-on-year. The company was able to generate growth in net sales and core net earnings despite the impact of inflation on consumption and a challenging base last year which benefitted from economic reopening and election-related spending. Core net earnings exclude foreign exchange gains/losses, interest income from bonds, equity in earnings from associates, interest expense related to the BPI acquisition financing, BPI cash dividends, and others.

The growth in net sales was supported by blended same store sales growth (SSSG) of 5.0% and store expansion initiatives. The core staples businesses – supermarkets and drugstores in particular were the main revenue growth drivers in 9M2023. These two segments accounted for almost 75% of Robinsons Retail’s revenues for the period. Meanwhile, a bright spot in the discretionary portfolio was the department store segment, which was able to deliver double-digit topline growth in 9M2023 due to back-to-school and continued out-of-home activities.

The company’s consolidated gross profit continued to grow faster than revenues, increasing by 9.4% year-on-year to Php32.9 billion in 9M2023. This was enabled by improvements in category mix and higher penetration of private label brands. Meanwhile, operating income grew by 3.7% year-on-year to Php6.1 billion in 9M2023.

Net income attributable to equity holders of the parent company fell by 41.4% year-on-year to Php2.6 billion in 9M2023. The decline in net income to parent was weighed by equitized losses from minority start up investments which continue to ramp up, the derecognition of Robinsons Bank's net income under equitized earnings following the ongoing merger with the Bank of the Philippine Islands (BPI), interest expense from the acquisition financing of the BPI shares that were purchased earlier this year, and the absence of cash dividends from BPI in the third quarter of 2023. BPI has historically paid dividends in the second and fourth quarters of each year. The expected cash dividends from BPI in the fourth quarter should fully cover for the acquisition related financing interest expense for the purchase of the BPI shares.

“Our defensible business model has enabled us to continue growing and remain relevant among Filipino consumers. This is notwithstanding near-term macroeconomic challenges, particularly the impact of inflation on consumer sentiment. These headwinds are temporary, in our view, and we thus remain positive on the long-term potential of the domestic retail industry given the Philippines’ attractive demographics. We will continue to invest with a long-term view and in a sustainable manner – core strategies that we firmly believe will translate to greater stakeholder value,” said Robina Gokongwei-Pe, President and CEO of Robinsons Retail Holdings, Inc.

As of end September 2023, Robinsons Retail has a total of 2,368 stores comprising of 341 supermarkets, 1,033 drugstores, 50 department stores, 230 DIY stores, 416 convenience stores, and 298 specialty stores. It also has over 2,000 franchised stores of TGP.

Signed:



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