



9M 2014 Unaudited Earnings Presentation

Agenda



Results Highlights

Store Network

Consolidated Results

Business Segments

Working Capital

Capital Expenditure

Recent Developments

9M 2014 Unaudited Results Highlights

1

**Robust
SSSG of
3.7%**

2

**1,258
stores
nationwide**

3

**19.9% yoy
increase in
gross floor
area**

4

**19.1% yoy
expansion
in
consolidated
net sales**

5

**40bps
yoy increase
in GP margin
to 21.5%**

6

**15.2% yoy
increase
in EBITDA**

7

**13.3% yoy
increase in
core net
earnings**

9M 2014 Store Network

Metro Manila

Business units	No. of stores
Supermarkets	32
Department stores	11
DIY stores	47
Convenience stores	278
Drug stores	62
Specialty stores	126
Total	556

Luzon¹

Business units	No. of stores
Supermarkets	47
Department stores	18
DIY stores	61
Convenience stores	146
Drug stores	207
Specialty stores	56
Total	535

Visayas

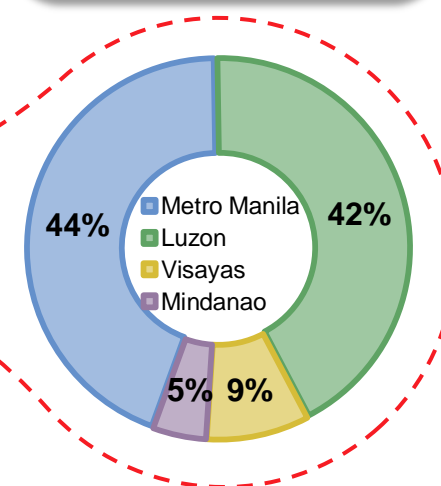
Business units	No. of stores
Supermarkets	13
Department stores	6
DIY stores	32
Convenience stores	16
Drug stores	19
Specialty stores	24
Total	110

Mindanao

Business units	No. of stores
Supermarkets	10
Department stores	5
DIY stores	13
Drug stores	8
Specialty stores	21
Total	57

1,258 stores

Nationwide
as of September 2014

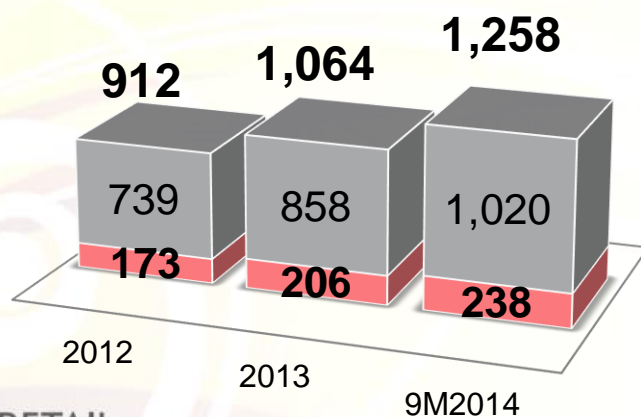


9M 2014 Store Network

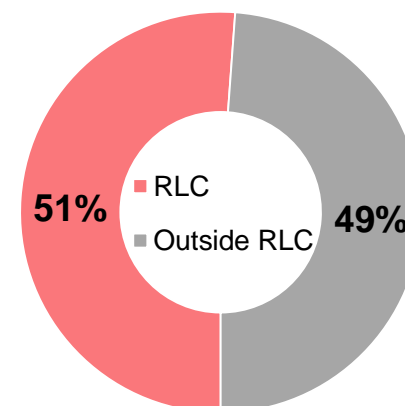
	2012	2013	Inc.	9M2013	9M2014	Inc.
Supermarkets	74	91	17	84	102	18
Department Stores	36	38	2	36	40	4
DIY Stores	111	126	15	119	153	34
Convenience Stores	336	386	50	354	440	86
Drug Stores*	218	239	21	228	296	68
Specialty Stores	137	184	47	161	227	66
Total	912	1,064	152	982	1,258	276

Number of Stores

■ RLC ■ Outside RLC

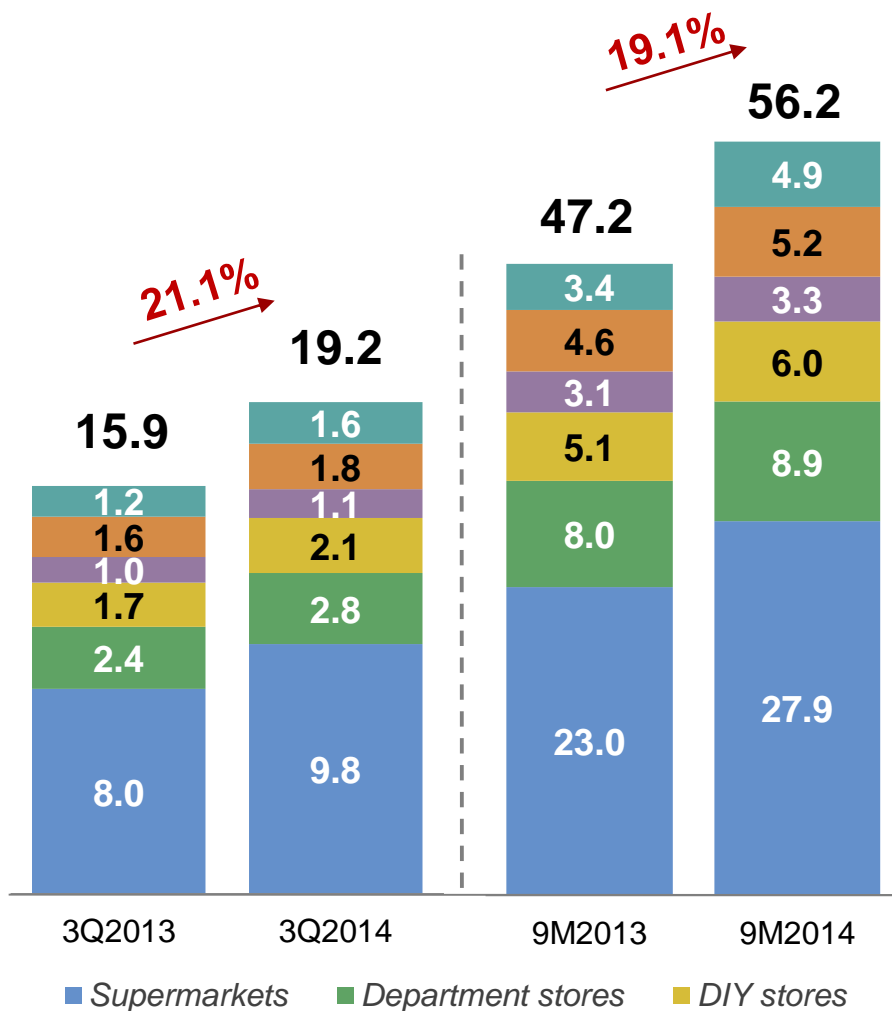


Gross Floor Area

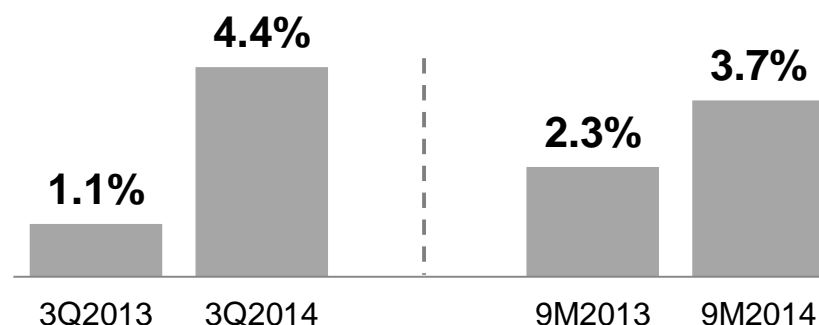


Consolidated Results

Net Sales¹ (PHP bn)



SSSG (%)



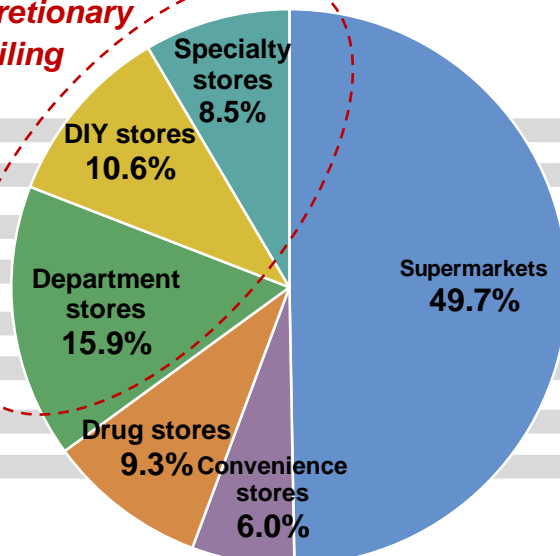
- **19.1% yoy growth in 9M 2014 net sales** coming from:
 - 15.4% from **276 new stores** added for the period and;
 - 3.7% from SSSG

9M 2014 Contribution Per Segment

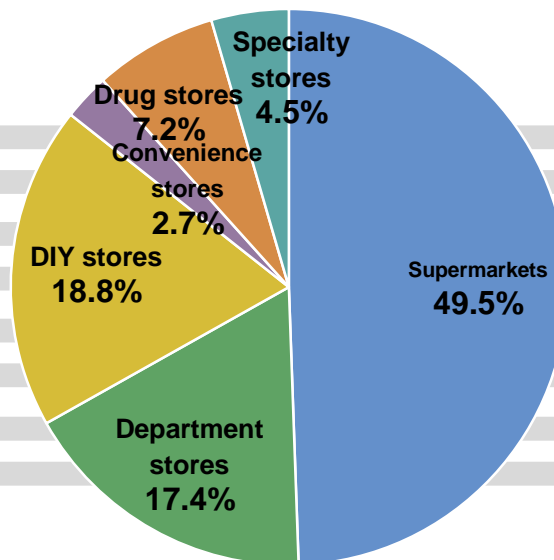


Net Sales Breakdown

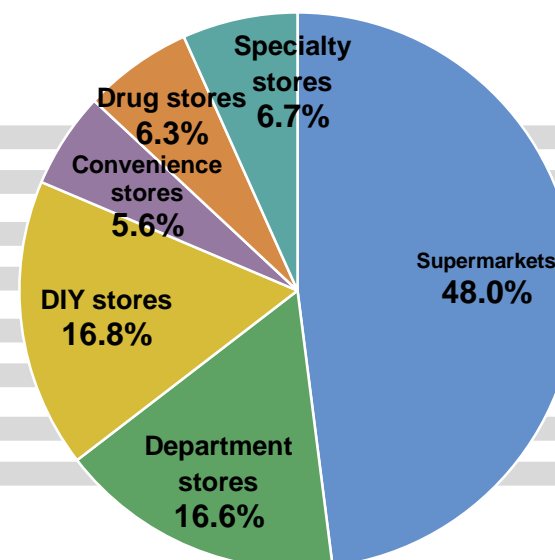
Discretionary Retailing
35%



EBIT Breakdown

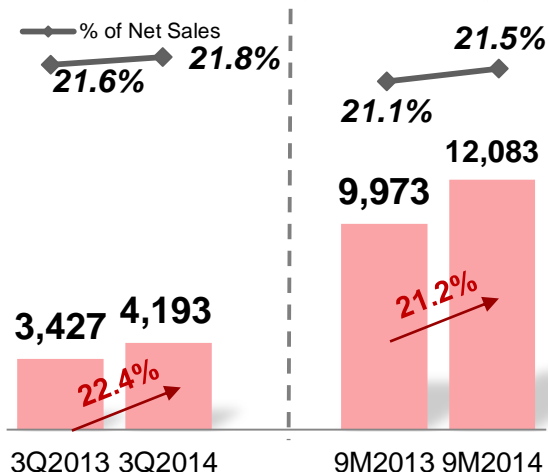


EBITDA Breakdown

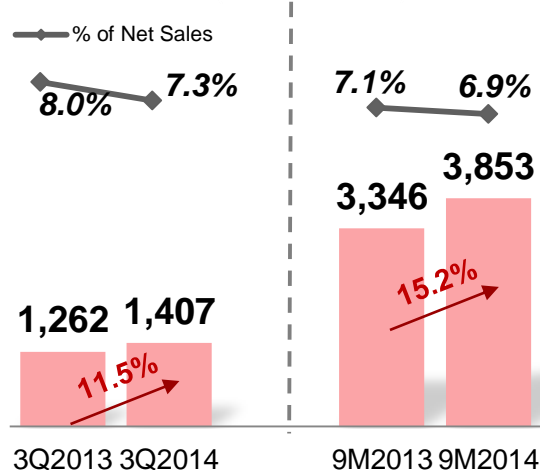


Consolidated Results

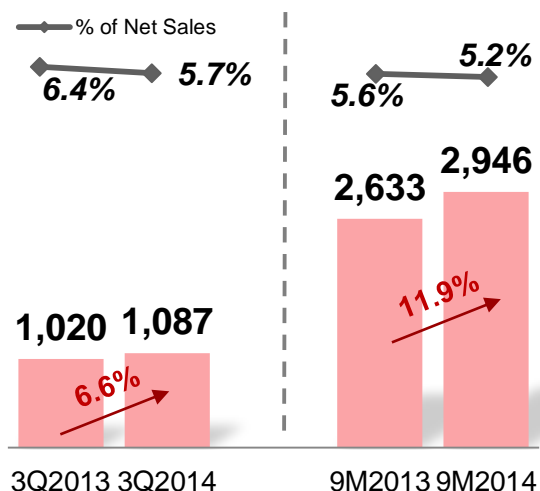
Gross profit¹ (PHP mm)



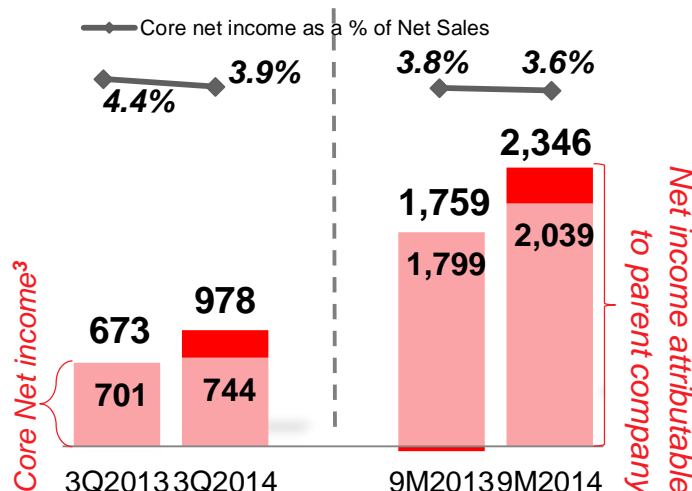
EBITDA² (PHP mm)



EBIT (PHP mm)



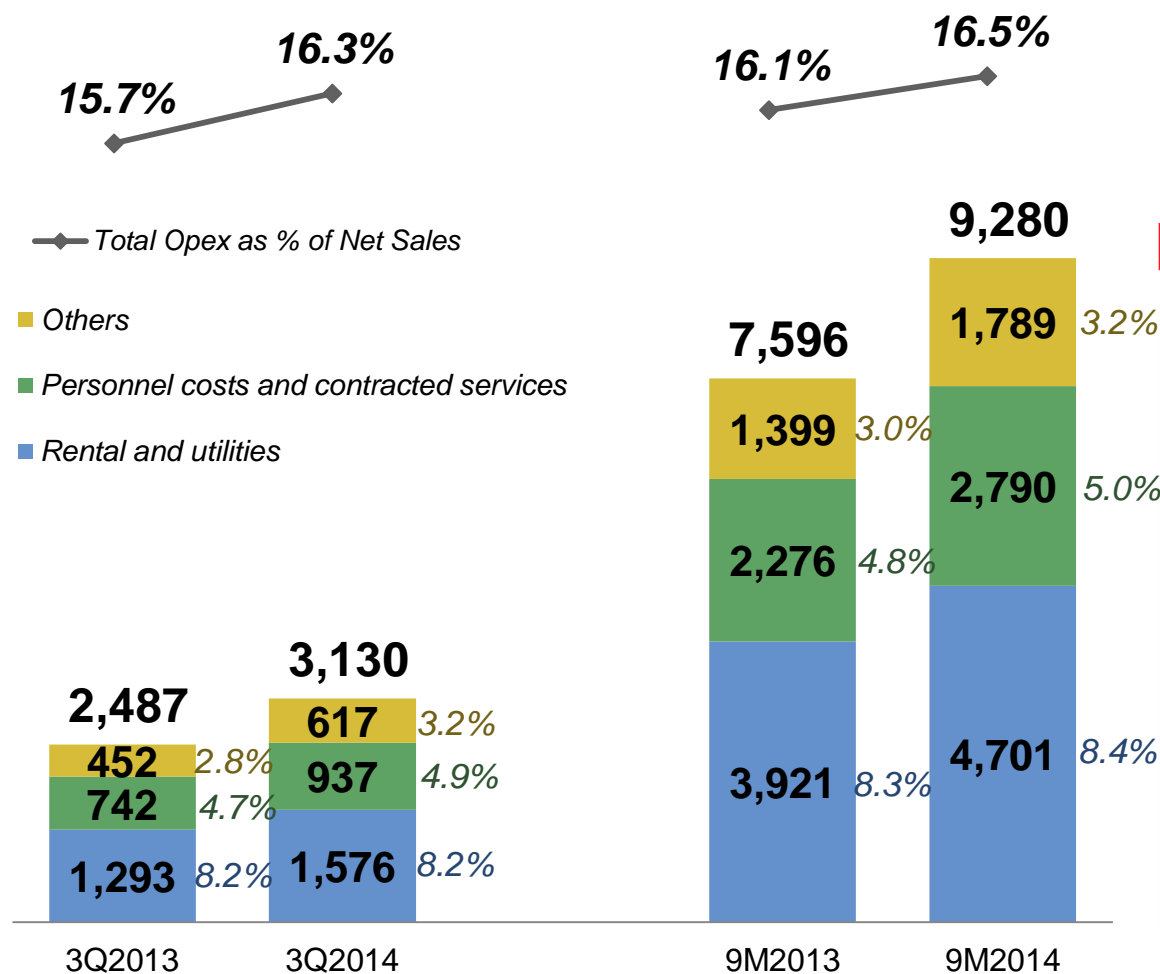
Net Income (PHP mm)



- Growing scale pushed GP margin higher
- Sustained gross profit margin improvements largely driven by additional suppliers' support
- EBITDA margin declined due to higher OPEX

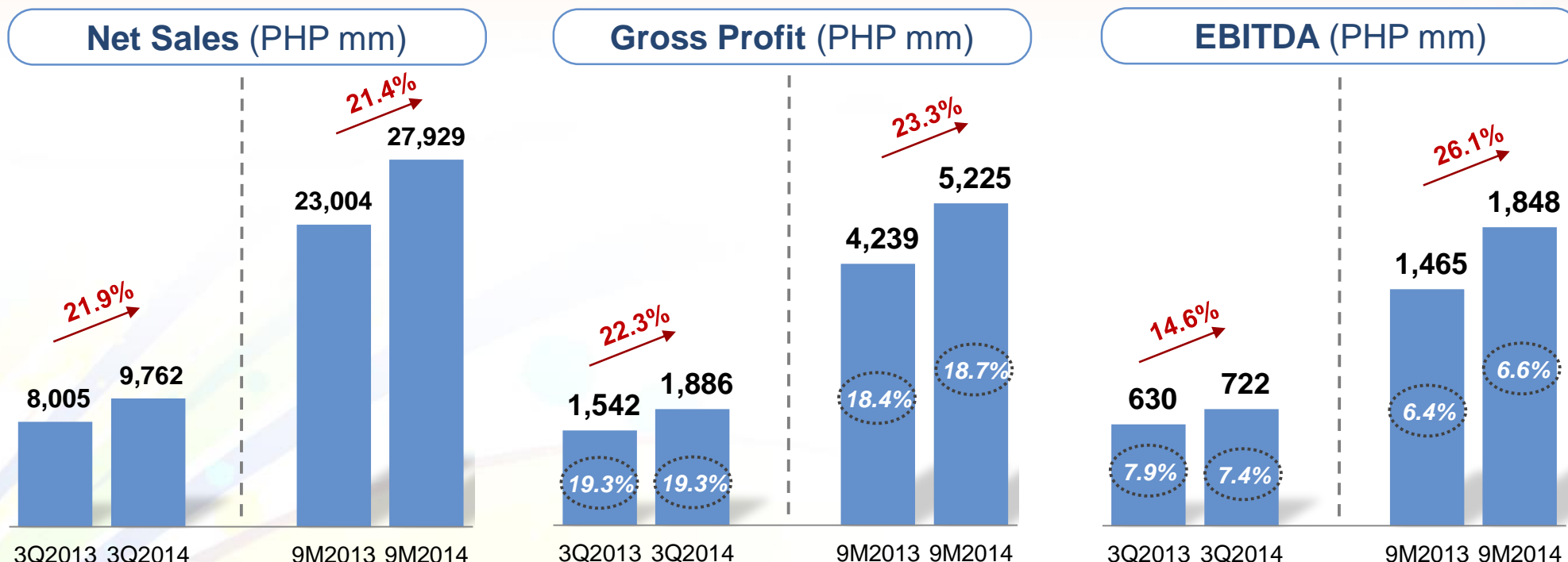
Operating Expenses

Adjusted operating expenses¹ (PHP mm, % of Net Sales)



■ Increase in OPEX as % of net sales due to **unprecedented new store openings** with sales still on the ramp up stage

Supermarket Business Segment

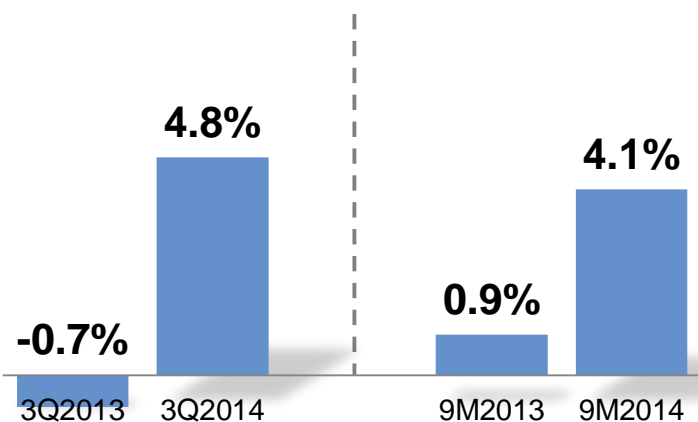


■ Increase in sales in 9M 2014 largely driven by **new store additions** (17.3%) and **robust SSSG** (4.1%)

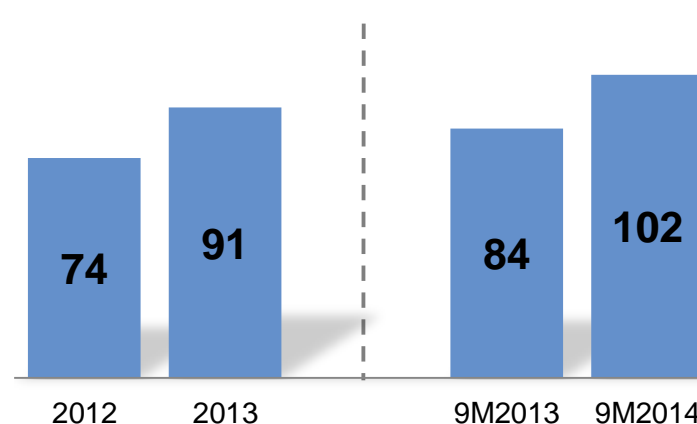


Supermarket Business Segment

SSSG (%)

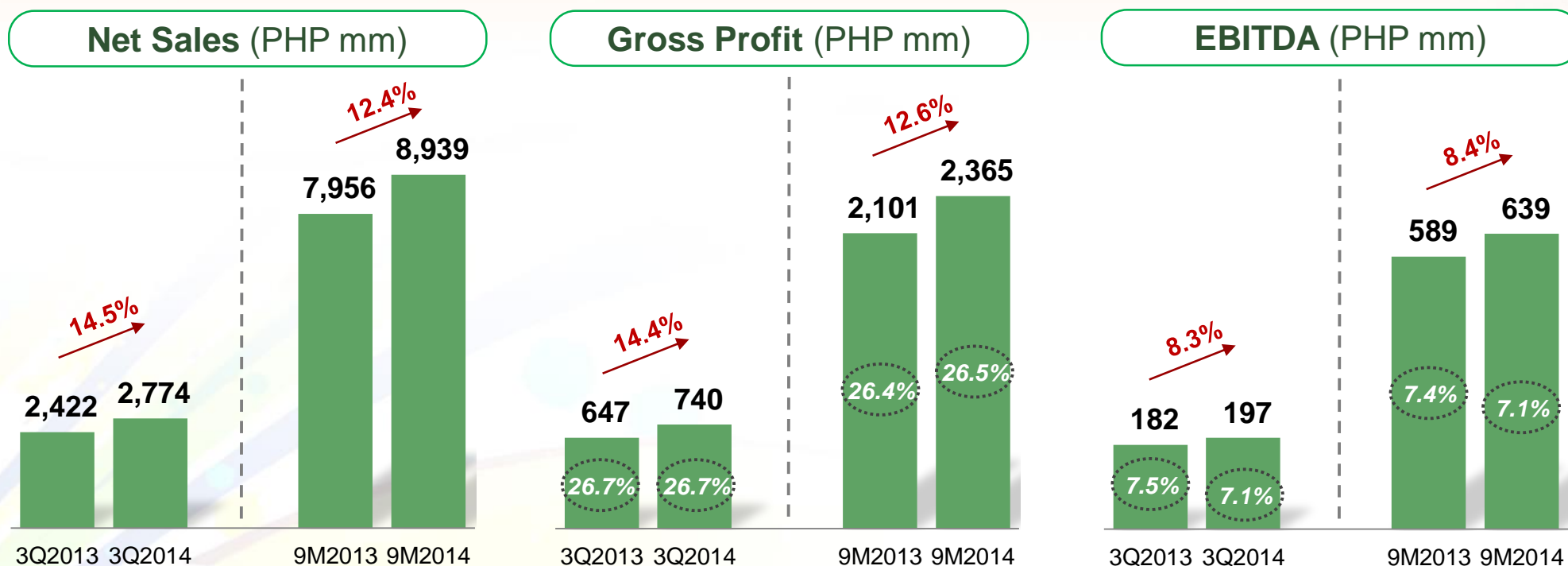


Store Count



- **Strong SSSG** due to **robust sales performance** of stores that were opened in 2012 and **improved service levels**

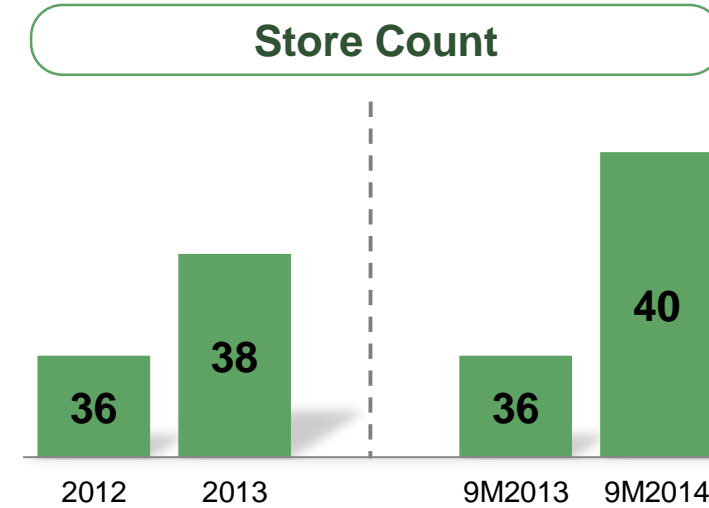
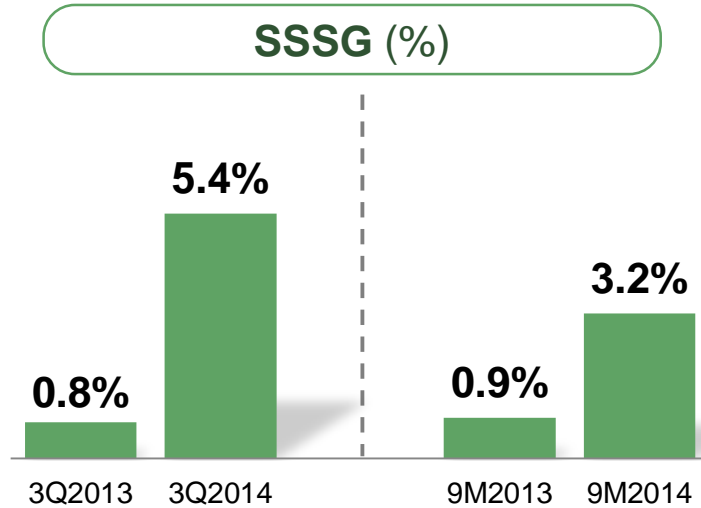
Department Store Business Segment



■ Increase in sales in 9M 2014 driven by **new store sales contribution** (9.2%), and **strong SSSG** (3.2%)

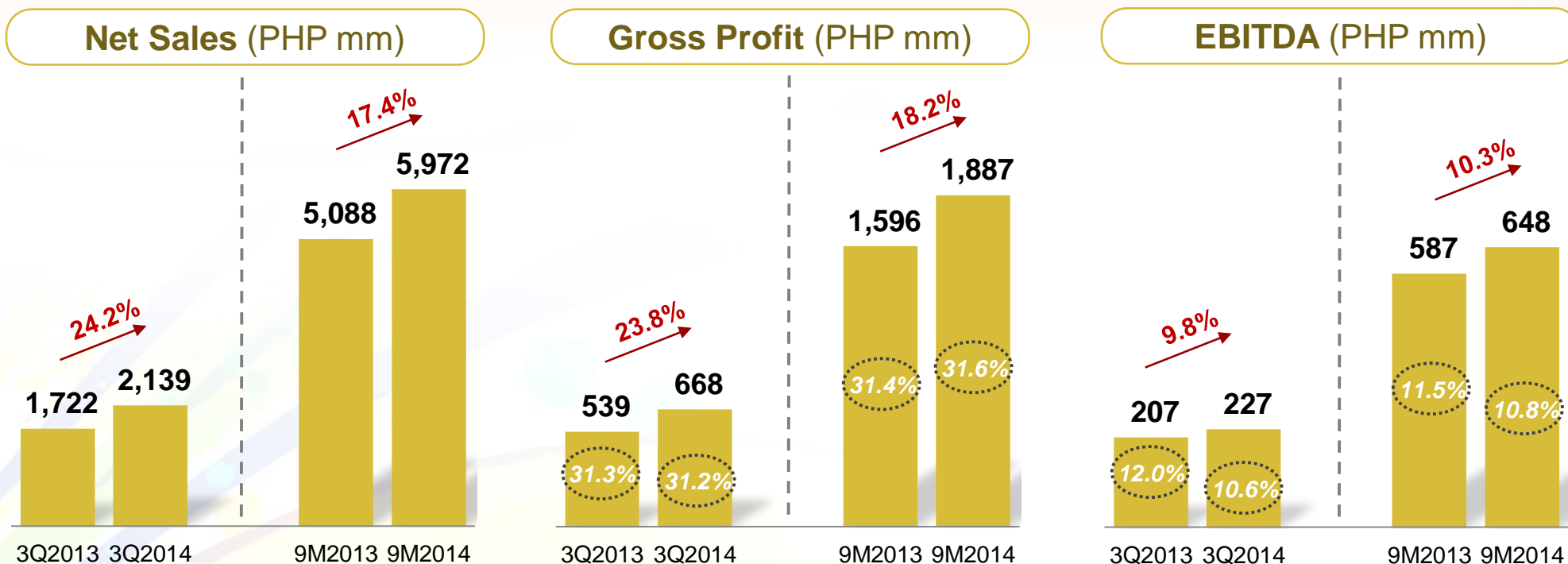


Department Store Business Segment



■ **SSSG was strong at 3.2% vs flattish SSSG recorded same period LY**

DIY Store Business Segment



- Growth in net sales driven by **new store addition contribution** (10.1%) and **robust SSSG** (7.3%)
- EBITDA margin affected by **higher freight costs**

HANDYMAN
Fast

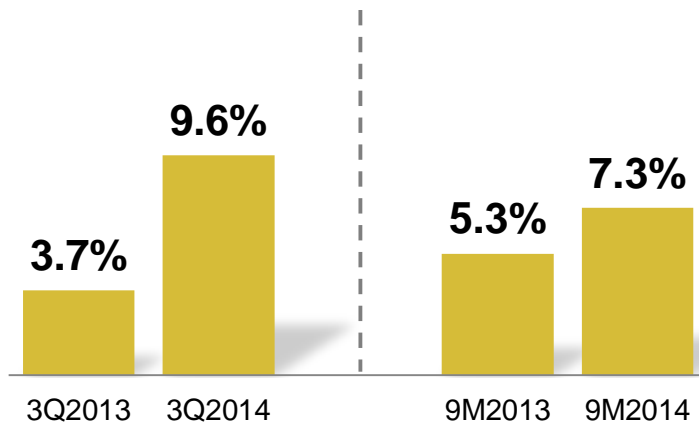
A.M. BUILDERS' DEPOT

True Value

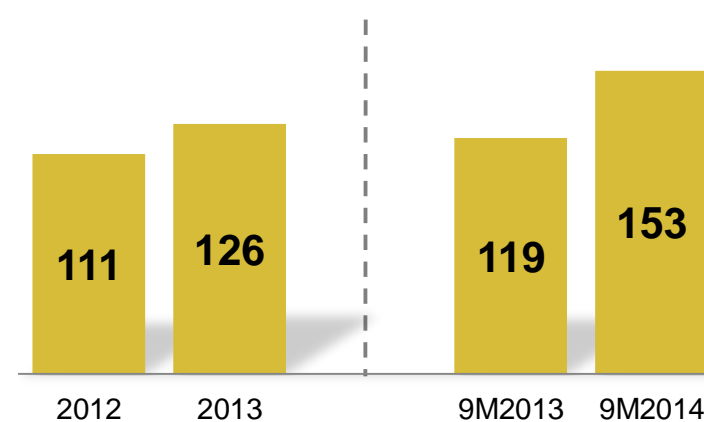
howards
storage world

DIY Store Business Segment

SSSG (%)



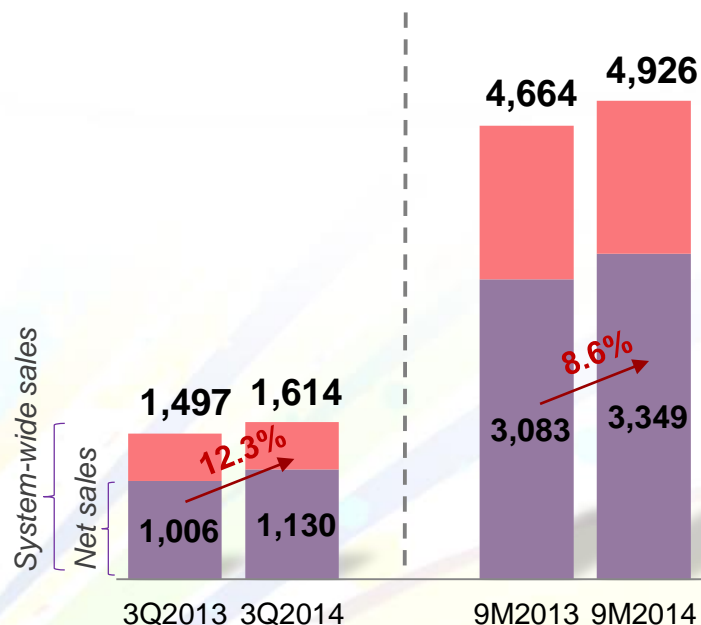
Store Count



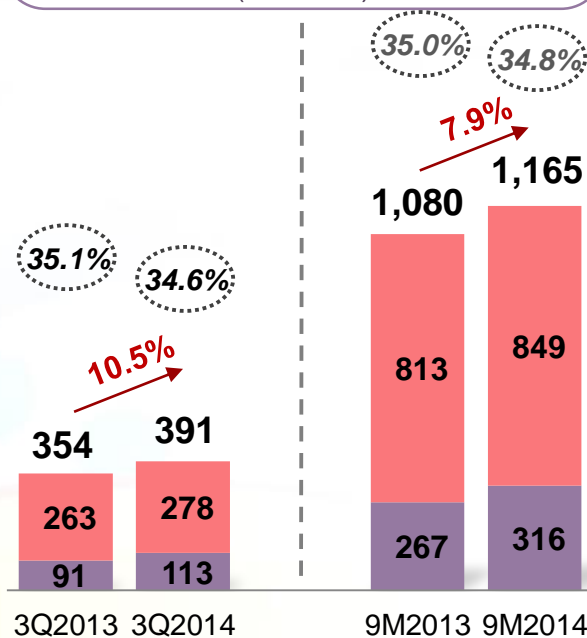
■ **Strong SSSG**
due to increased
sales of imported
products and
emergency-
related products

Convenience Store Business Segment

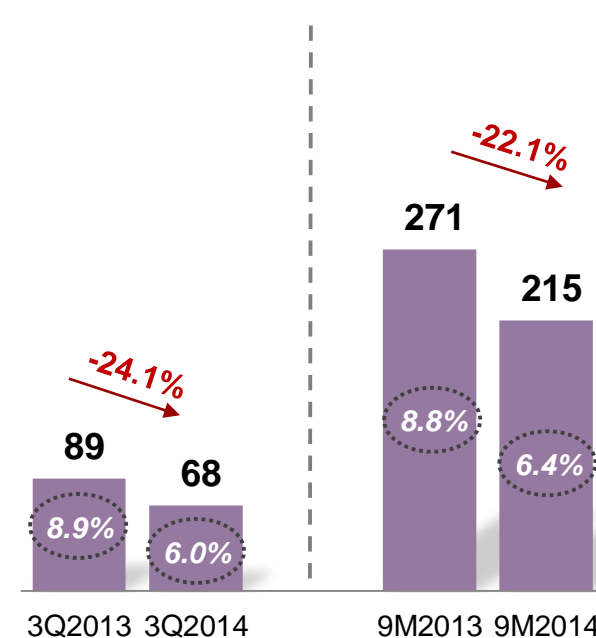
System-wide Sales & Net Sales
(PHP mm)



Gross Profit & Royalty Income
(PHP mm)



EBITDA (PHP mm)



○ = GP + Royalty Income % of segment's net sales

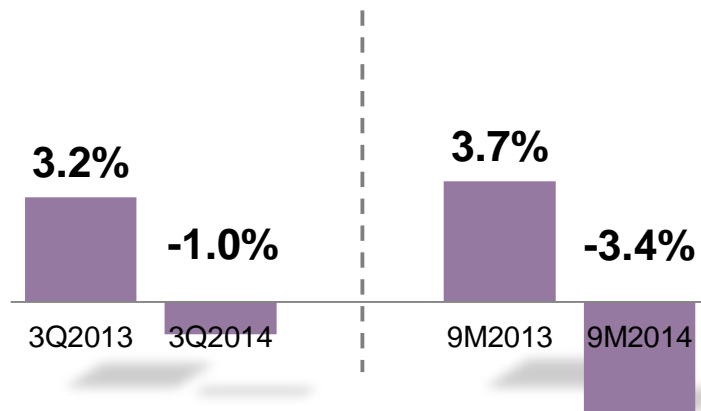
○ = % of segment's net sales

- Increase in net sales driven mainly by **new store openings**

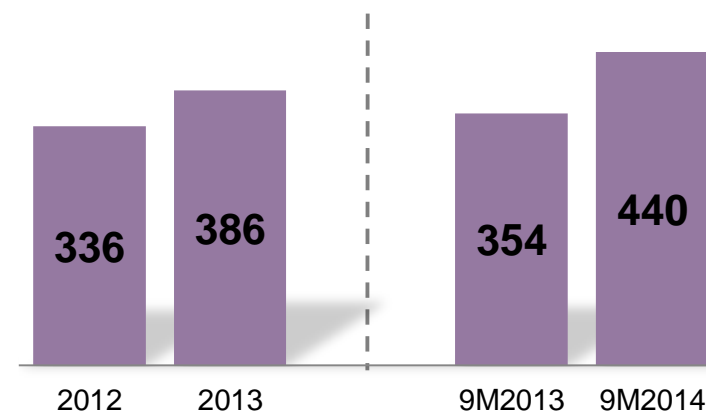


Convenience Store Business Segment

SSSG (%)

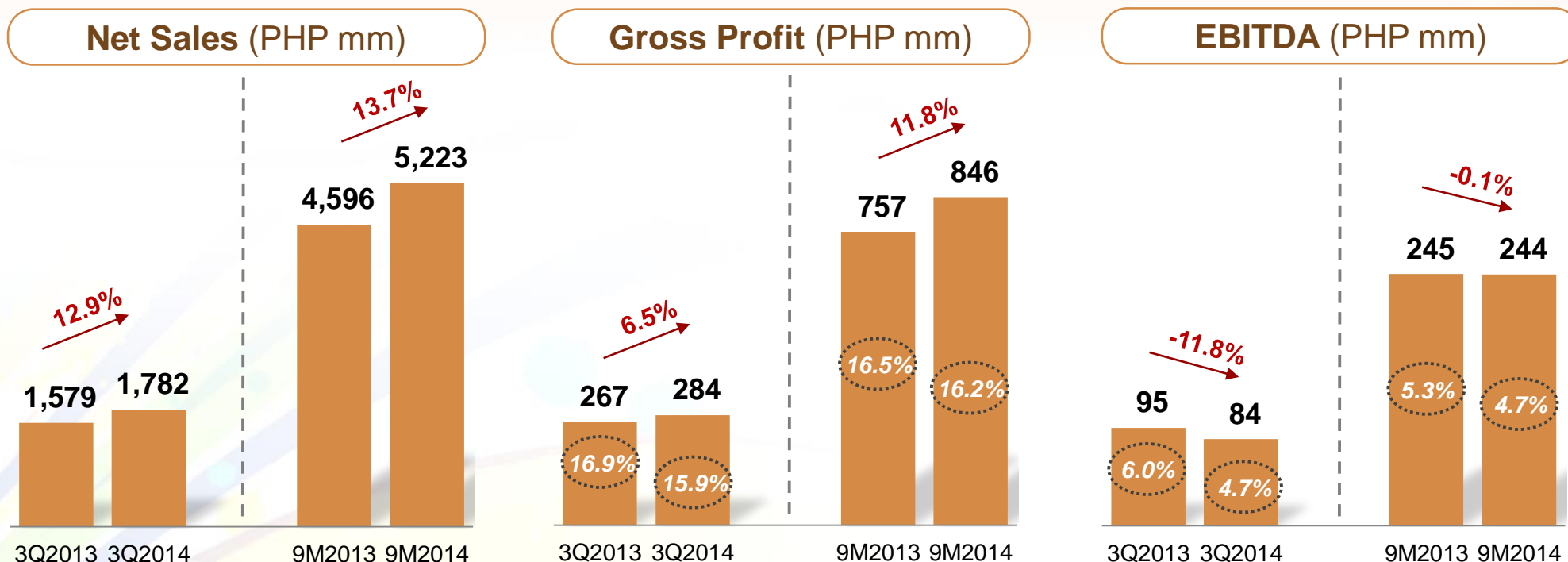


Store Count



■ Weak SSSG due to **lower cigarette sales** and **supply chain issues**

Drug Store Business Segment



■ Growth in sales in 9M 2014 driven by **new store openings** (9.7%) and **strong SSSG** (3.4%)

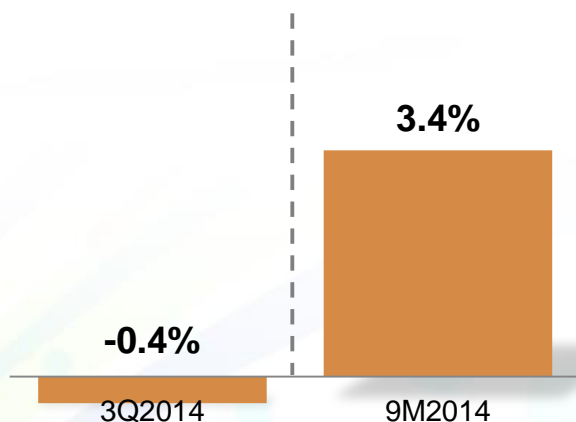
southstar drug⁺

manson drug
Tunay At Muro Ang Gamot!

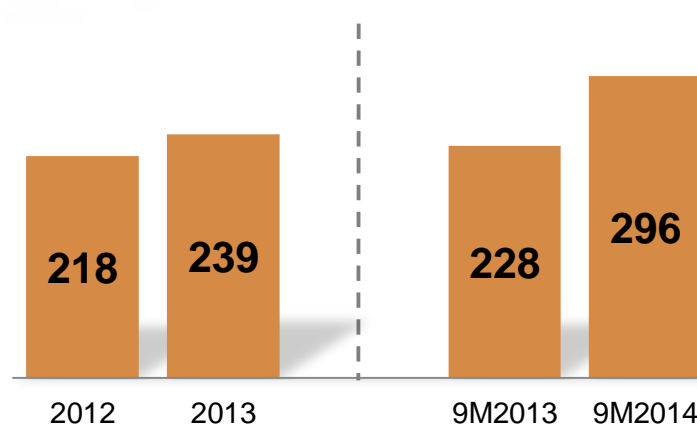
* SSD was only acquired in July 2012 and consolidated into Robinsons Retail beginning August 2012.

Drug Store Business Segment

SSSG (%)

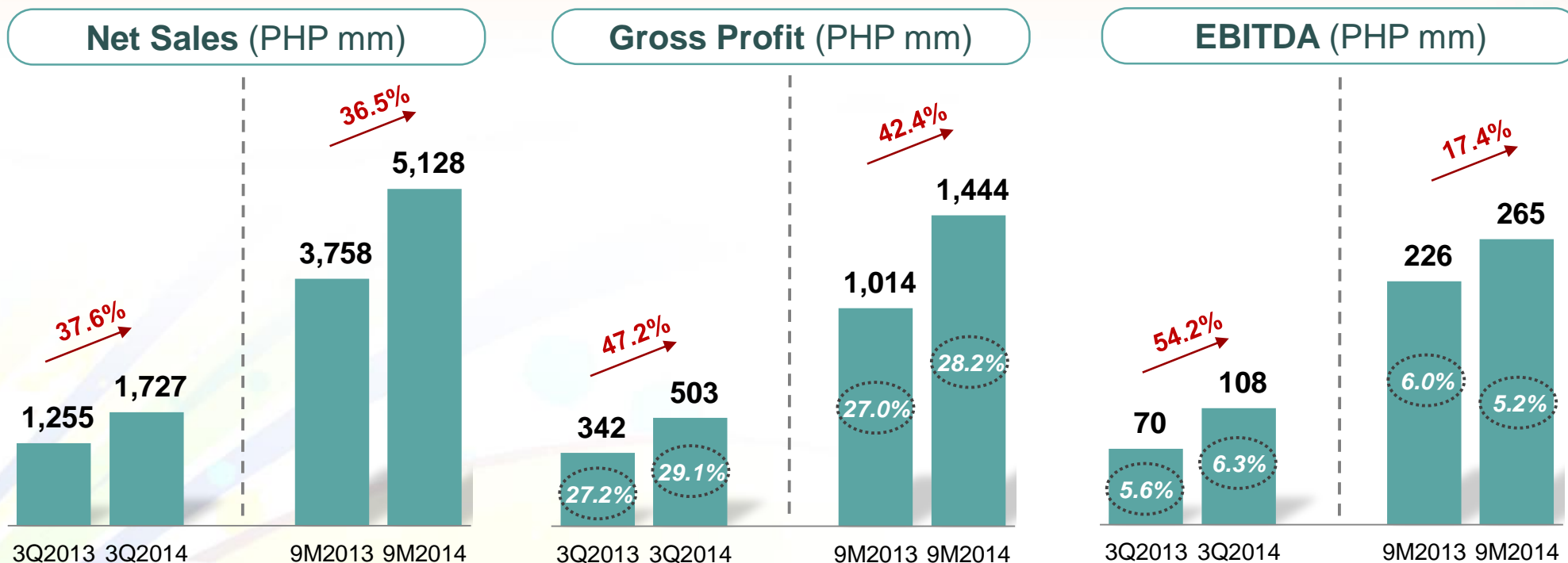


Store Count



- **Flattish SSSG in 3Q** because of barangay elections spending LY and intermittent power TY due to typhoons

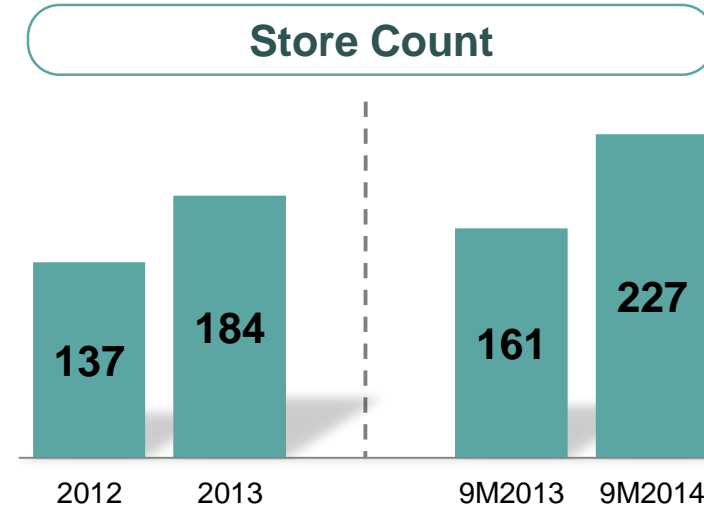
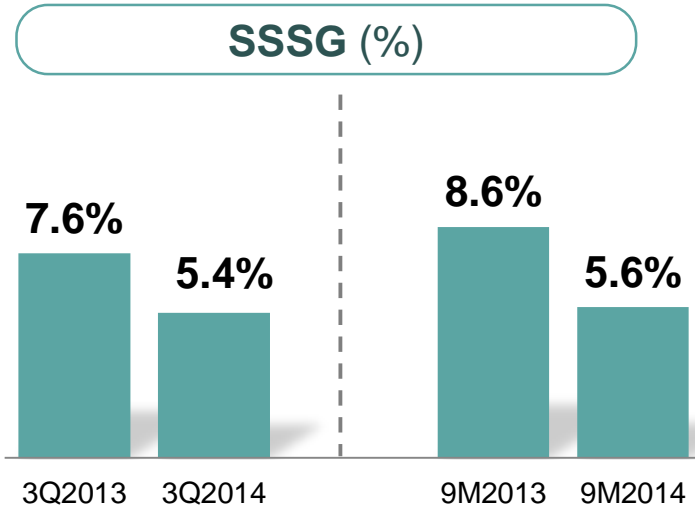
Specialty Store Business Segment



- Growth in net sales mainly driven by **new store openings**
- Gross profit margin jumped on the back of **improved margins primarily of Robinsons Appliances**



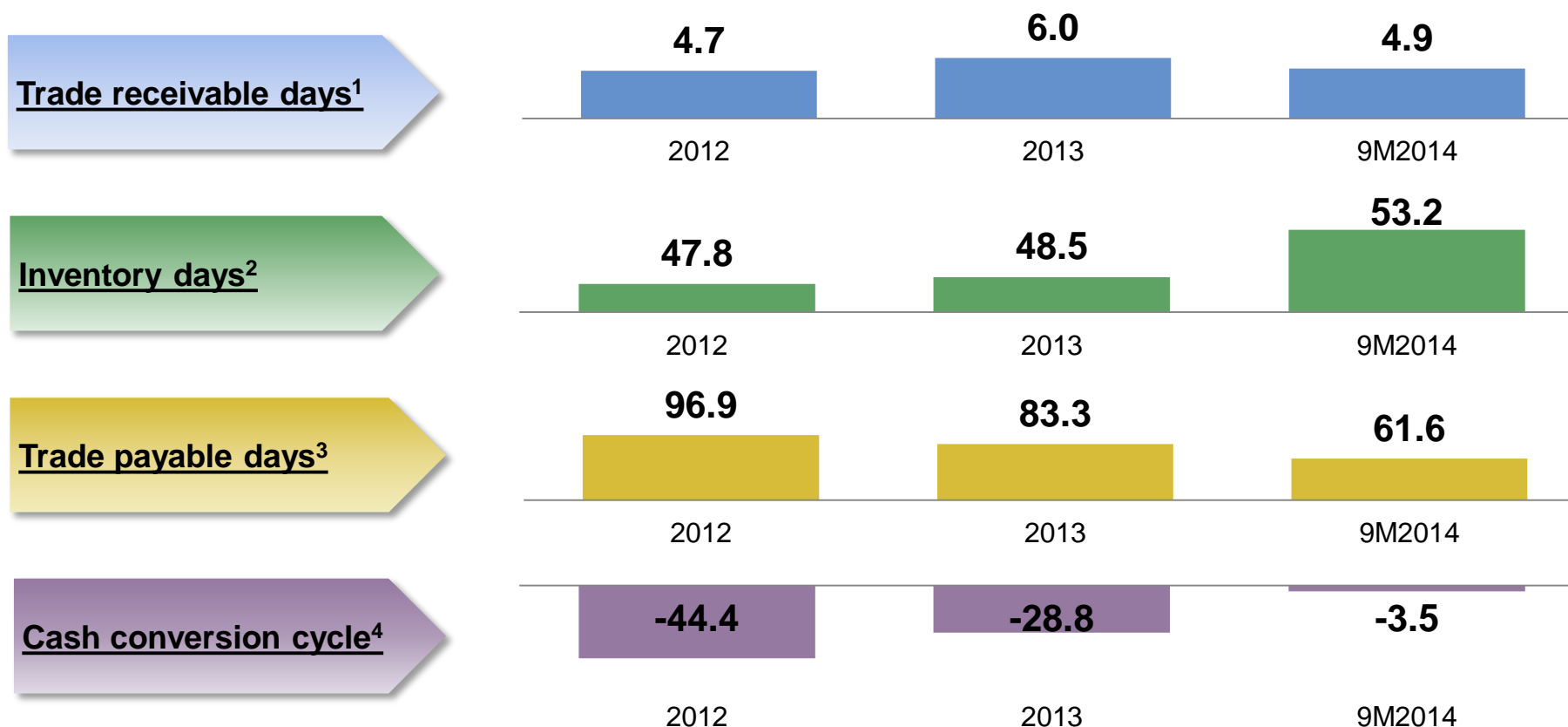
Specialty Store Business Segment



- **Positive 3Q SSSG** due to **stellar SSSG** of toys, appliances and Daiso Japan, offsetting the negative SSSG of int'l fashion brands

Working Capital

Working capital days trend



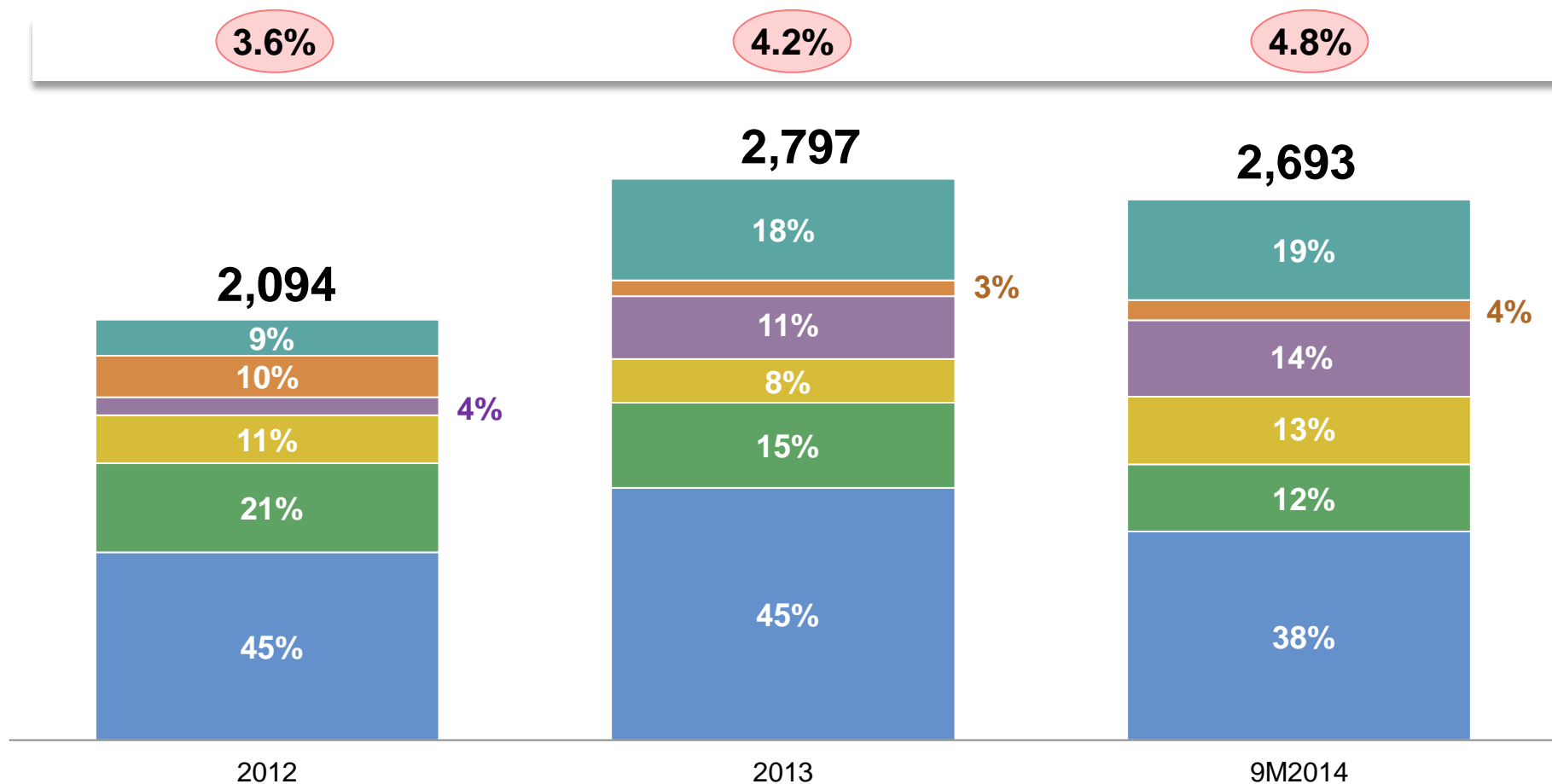
- Negative working capital sustained in 9M 2014
- Higher inventory days for 9M 2014 due to inventory build up for the holiday season

Capital Expenditure

Capital expenditure breakdown (PHP mm)¹

■ Supermarkets ■ Department stores ■ DIY stores ■ Convenience stores ■ Drug stores ■ Specialty stores

% of group's net sales



Recent Developments

Supermarket – Robinsons Selections

ROBINSONS
SELECTIONS



- ❑ Robinsons Supermarket opened its **first high-end supermarket**, called **Robinsons Selections**, in Bonifacio Global City, Taguig last October 23, 2014.

Consolidated Financial Statements

Consolidated Statements of Financial Position (Unaudited)

PHP mm	9M 2014	31-Dec 2013
ASSETS		
Current assets		
Cash and cash equivalents	8,850	30,136
Short-term investments	1,847	335
Merchandise inventories	8,587	7,029
Other current assets	2,273	2,116
Total Current Assets	21,557	39,616
Noncurrent assets		
Property and equipment - net	8,621	6,897
Available-for-sale (AFS) financial assets	15,197	0
Investment in shares of stocks	1,915	1,803
Intangible assets	3,256	2,907
Other noncurrent assets	1,290	1,078
Total Noncurrent Assets	30,279	12,685
Total Assets	51,836	52,301
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	9,944	12,075
Current portion of loans payable	56	396
Other current liabilities	822	904
Total Current Liabilities	10,822	13,375
Noncurrent Liabilities		
Loans payable - net of current portion	70	112
Others	877	831
Total Noncurrent Liabilities	947	943
Total Liabilities	11,769	14,318
Equity		
Capital stock	1,385	1,385
Additional paid-in capital	27,027	27,027
Treasury shares	(1,100)	(1,100)
Retained earnings	10,834	9,051
Others	51	144
Total equity attributable to equity holders of Parent Company	38,197	36,507
Non-controlling interest in consolidated subsidiaries	1,870	1,476
Total Equity	40,067	37,983
Total Liabilities and Equity	51,836	52,301

Consolidated Financial Statements (cont'd)

Consolidated Statements of Comprehensive Income (Unaudited)

PHP mm	Three Months Ended June 30		Nine Months Ended September 30	
	3Q 2014	3Q 2013	9M 2014	9M 2013
Sales - net of sales discounts and returns	19,200	15,860	56,179	47,176
Cost of merchandise sold	15,007	12,433	44,096	37,203
Gross Profit	4,193	3,427	12,083	9,973
Royalty, rent and other revenues	344	322	1,050	969
Gross profit including other revenue	4,537	3,749	13,133	10,942
Operating expenses	(3,450)	(2,729)	(10,187)	(8,309)
Earnings before interest and taxes	1,087	1,020	2,946	2,633
OTHER INCOME (CHARGES)				
Interest income	254	9	490	50
Dividend income	0	0	0	3
Interest expense	(3)	(18)	(13)	(64)
Unrealized foreign currency exchange gain (loss)	66	2	36	9
Equity in net earnings of an associate	7	59	57	186
	324	52	570	184
INCOME BEFORE INCOME TAX	1,411	1,072	3,516	2,817
Provision for (benefit from) income tax	340	301	893	773
NET INCOME	1,071	771	2,623	2,044
Net income attributable to:				
Equity holders of the Parent Company	978	673	2,346	1,759
Non-controlling interest in consolidated subsidiaries	93	98	277	285
	1,071	771	2,623	2,044
Earnings Per Share				
Basic	0.72	0.75	1.72	1.95
Weighted	0.72	0.75	1.72	1.95
Shares Outstanding				
End of Period	1,366	900	1,366	900
Weighted	1,366	900	1,366	900

Consolidated Financial Statements (cont'd)

Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30	
PHP mm	9M 2014	9M 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	3,516	2,816
Adjustments for:		
Depreciation and amortization	907	708
Equity in net earnings of an associate	(57)	(186)
Interest expense	17	64
Interest income	(494)	(50)
Others	(36)	(7)
Operating income before working capital changes	3,853	3,345
Working capital changes	(5,172)	(3,204)
Income tax paid	(1,033)	(535)
Interest received	299	48
Net cash flows generated from (used in) operations	(2,053)	(346)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	0	3
Property and equipment - net	(2,625)	(1,672)
Acquisitions of AFS investments	(15,260)	0
Acquisitions of goodwill	(300)	(290)
Others	(237)	(89)
Net cash flows used in investing activities	(18,422)	(2,048)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from stock subscriptions	0	485
Payment of loans	(382)	(827)
Interest paid	17	(64)
Dividends paid	(563)	(3)
Increase (decrease) in noncontrolling interest	117	0
Net cash flows used in financing activities	(811)	(409)
Net increase (decrease) in cash and cash equivalents	(21,286)	(2,803)
Cash and cash equivalents at beginning of year	30,136	6,052
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8,850	3,249