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 No.990/70/019/2017
 12 May 2017

Subject: Management's Discussion and Analysis for three months ended 31 March 2017

Attention: President
 The Stock Exchange of Thailand

Robinson Public Company Limited would like to clarify the operating results of the Company and its subsidiaries for three months ended 31 March, 2017 as follows:

Key highlight in 1Q17

- In 1Q17, net profit amounted to Baht 710 million, increasing by 3.4 % from 1Q16 mainly due to higher gross profit margin, rental income, and contribution from associates.
- The company remained focusing on implementation of merchandise mixing, controlled trade discounts during non-promotional periods. The Company also reallocated space from underperforming categories to outperforming categories.

Comparison consolidated financial statement for 3 months ended 31 Mar 2017 and 31 Mar 2016

Unit : Million Baht

Consolidated financial statement	1Q17	1Q16	Increase (Decrease)	% Change
Revenue from sale of goods	6,271	6,395	(124)	(1.9%)
Investment income	799	717	82	11.5%
Other income	214	234	(20)	(8.7%)
Total income	7,283	7,346	(62)	(0.8%)
Cost of sale of goods	4,687	4,787	(101)	(2.1%)
Selling expenses	1,485	1,467	19	1.3%
Administrative expenses	337	297	40	13.3%
Financial costs	20	17	3	19.8%
Total expenses	6,529	6,568	(39)	(0.6%)
Share of profit of associates	147	122	25	20.6%
Profit before income tax expense	902	900	2	0.2%
Income tax expense	147	158	12	7.4%
Net profit	710	686	23	3.4%
Core profit	562	564	(2)	(0.3%)

Note: Core profit is excluding share of profit of associates

Financial performance

- **Total sales** — Total sales declined by -1.9% to Baht 6,271 million. Our Same store sale growth (SSSG) was reported at -4.4% yoy, while both Bangkok and Upcountry had soft SSSG due to a slow recovery in consumption and the overall economy. There was also an impact from lower sale of festive gift sets during festive season.
- **Investment income** — In 1Q17, the total investment income was Baht 799 million, which increased by Baht 82 million or 11.5% from 1Q16. This increase is mainly from an increase in rental income from existing lifestyle centers and a new lifestyle center, which opened in 2016. The occupancy rate was at 98% as of 1Q17



- **Total income** — In 1Q17, the total income was Baht 7,283 million, which decreased by Baht 62 million or -0.8% from 1Q16, mainly from a decline in revenue from sales due to a slow recovery from consumption.
- **Gross profit** — In 1Q17, gross profits from department's sales amounted to Baht 1,584 million, a decrease of Baht 24 million. However gross profit margin expanded from 25.1 % to 25.3% in 1Q17. This was mainly from better space allocations to our "outperforming categories". By focusing on specific categories such as health and beauty, unisex/Jean, kids products, home products, and lingerie, we were able to increase revenue contribution from international and private brands. The Company also controlled trade discount and focused more on "signature promotions", such as Payday or Wednesday promotions.
- **Selling and Administrative expense (SG&A)** — In 1Q17, the selling and administrative expenses amounted to Baht 1,822 million, an increase of Baht 58 million or 3.3% from 1Q16. The increase can be attributed to expenses from new stores that opened in 2016. Depreciation, personnel expenses, and utility expenses also contributed to these increases.
- **Financial costs**— In 1Q17, finance costs amounted to Baht 20 million, an increase of Baht 3 million or 19.8% from 1Q16.
- **Shares of profit of associates**— In 1Q17, the shares of profit of associates was Baht 147 million, an increase of Baht 25 million or 20.6% from 1Q16 (which derived from share profit from Power buy Baht 83 million and Super sport Baht 64 million).
- **Net profit**— The net profit amounted to Baht 710 million, an increase of Baht 23 million or 3.4%. This was mainly due to higher rental income, gross profit margin, share profits of associates, It should be noted that our core net profit (net profit excluding share of profit of associates) totaled Baht 562 million, a decrease of Baht 2 million or -0.3% from 1Q16.

Comparison financial position for 3 months ended 31 Mar 2017 and 31 Dec 2016

Unit : Million Baht

Financial position	1Q17	FY2016	Increase (Decrease)	% Change
Cash and cash equivalents	1,722	2,219	(497)	(22.4%)
Current investments	36	35	0.1	0.3%
Other current assets	3,129	3,470	(341)	(9.8%)
Other non-current assets	21,402	21,277	125	0.6%
Total assets	26,289	27,001	(712)	(2.6%)
Total current liabilities	6,430	7,367	(937)	(12.7%)
Total non-current liabilities	2,911	3,437	(526)	(15.3%)
Total liabilities	9,341	10,804	(1,463)	(13.5%)
Total equities	16,948	16,197	751	4.6%
Total liabilities and equities	26,289	27,001	(712)	(2.6%)

Total assets amounted to Baht 26,289 million, an decrease of Baht 712 million or -2.6 % compared to the end of 2016. Total liabilities amounted to Baht 9,341 million, a decrease of Baht 1,463 million or -13.5% compared to the end of 2016. This decrease is due to lower accounts payable, other current payables and repayment of long term loans. Shareholders' equity totaled Baht 16,948 million, an increase of Baht 751 million or 4.6%, attributable to an improved financial performance.



Capital Structure

As of 31 March 2017, the Company's capital structure comprised of total liabilities of Baht 9,341 million while the interest bearing debt was Baht 2,745 million, and total shareholders' equity totaled Baht 16,948 million. The Company had a liability to equity ratio of 0.6 times, while a net interest bearing debt to equity ratio was at 0.06 times.

Prospects for the future malls in 2017

This year, the Company plans to open three new stores in Thailand (one lifestyle center in Petchaburi in the first half, and another in Kampaengphet and a department store in Mahachai in the second half). We closed one store in Ubonratchatani province in 1Q17 because we believe that our Ubonratchatani 2 store is sufficient to support growth of province. At the end of this year, we will have total forty-six stores in Thailand and two stores in Vietnam.

Financial ratio

Key financial ratio	1Q17	1Q16
Gross profit margin (%)	25.3	25.1
Net profit margin (%)	9.7	9.3
Core profit margin (%)	7.7	7.7
Return on Equity (%)	18.9	16.5
Return on Asset (%)	14.1	12.6
Current ratio (Time)	0.8	0.6
Liability to Equity ratio (Time)	0.6	0.7

Yours faithfully,

Mr. Dissatat Wisetvara
Authorized Person to Disclose Information