



Date
25 January 2015

First Look Corporate

Company
Robinsons Land Corp.

FY15 meets estimates;
FY16 to sustain growth

Stock RLC

Price 23.50
52wk Range 22.80 - 33.25

Rating BUY (*minimum +15%*)
DA Target 29.60, 18x P/E
Upside 26%

Issued Shares 4.093bn

Market Cap P96.205bn

Free Float 38.59%

PSEi 1.34%, 23/30
MSCI 1.86%, 18/22

- Rated a Buy with 26% upside on expected sustained growth in 2016 as company continues to build recurring income portfolio.
- Estimate Dividend 0.36/share or 1.53% yield, May Ex-Date
- Recall: In November, RLC was added to the MSCI index and currently has a weighting of 1.86%.

Fiscal Year 2015 meets estimates

- Net Income +20% to P5.7 billion, just 1.2% short of our P5.77 billion estimate
- Revenues +16% to P19.73 billion
- EBIT 21% to P7.55 billion

Fiscal year 2016 to sustain growth

RLC provides a defensive property position with leasing business accounting for 66% of total Revenues and 83% of total EBITDA.

- Notably, office buildings posted the highest growth of 45% to P2.24 billion from new office buildings opened in 2014: Cyberspace Alpha and Cyberspace Beta enjoying 100% occupancy rates.

Furthermore, RLC continues to focus on growing recurring income as it targets P9.4 billion Net Income by 2019, a 14.87% compounded annual growth rate (CAGR) through 2014-2019. See matrix on the right.

- In December 2015, RLC launched its third biggest mall in the country and the biggest outside Metro Manila - the 4.7-hectare Robinsons Galleria Cebu. The mall is seen to significantly contribute this year.
- For 2016, capex is estimated at P16-17 billion, from P15 billion last year. RLC is expected to grow Mall GLA by 15% to 1.26 millin sq.m., Office NLA by 13% to 310,000 sq.m. and Hotel Rooms by 8% to 2,357 rooms.

Long-term: Regional Expansion

- Recall: Amid softer property prices, RLC last year acquired an 8,5ha property in Chengdu, China for \$207.4 million (or ~P9.7 billion at time of announcement) to develop residential projects with a minor commercial component to complete within 5-7 years.

	Actual			Forecast	
	2013	2014	2015	2016	2017
Sales	15.90	17.05	19.73	22.49	25.78
		7%	16%	14%	15%
EBITDA	8.44	8.97	10.70	12.29	14.19
		6%	19%	15%	15%
EBIT	5.98	6.24	7.55	8.92	10.43
		4%	21%	18%	17%
Net Income	4.47	4.73	5.70	6.66	7.82
		6%	21%	17%	17%
EPS	1.09	1.16	1.39	1.62	1.91
		6%	20%	17%	18%
BVPS	12.01	12.81	13.84	15.00	16.37
PBV			1.70	1.57	1.44
ROA%	6.15	5.91	6.18	6.75	7.42
ROE%	9.38	9.32	10.45	11.16	11.96

	FY2015	FY2016	FY2017	FY2018
Robinsons Malls (GLA sqm)	1,095,000	1,260,000	1,395,000	
<i>Growth</i>	3.69%	15.07%	10.71%	
	2 new malls; 1 expansion	4 new malls; 1 expansion	3 new malls; 3 expansion	
Robinsons Offices (NLA sqm)	275,000	310,000	360,000	440,000
<i>Growth</i>	0.00%	12.73%	16.13%	22.22%
		Tera Tower (1Q)	Bonifacio Summit Center (2H)	Exxa Tower; Cyberscape Gamma (1H)
Hotel	FY2015	FY2016	FY2017	FY2020
Rooms	2,174	2,357	2,798	
<i>Growth</i>	14.66%	8.42%	18.71%	
	Go Hotels Butuan; Summit Magnolia	Go Hotels Davao		Westin Hotel



Technicals

Current	23.50
Support	21.50, 18.00
Resistance	25.00, 27.00
52-week range	22.80 - 33.25

- Broke a major 5yr trendline but has so far held at 200-day MA support with general market bouncing from 6,000 support. RSI-14 also at oversold territory, last seen in 2013 and 2011 lows.
- However, we remain cautious since downtrend is intact, MAC/D still poised in a bearish crossover.
- Short to Medium-Term investor may opt to wait for better signs of bottoming or even a turnaround. Long-term investor can accumulate slowly. Important supports are at 21.50 and 18.

REFERENCES RLC, PSE, Bloomberg, Reuters, DA Market Securities, Inc. **DISCLAIMER** This report is provided for informational purposes only and is not intended to solicit buying and selling of securities or to participate in any particular trading strategy. DA Market Securities, Inc. (DMSI) makes reasonable effort to use reliable, comprehensive information, but makes no representation or warranties as to the accuracy, completeness, or timeliness of the data provided. DMSI shall not have liability for any damages of any kind relating to such data. This report may not be reproduced or published for any purpose. DA market officers, directors and employees, including persons involved in the preparation or issuance of this report, may have investments in securities or derivatives of securities of the companies mentioned in this report.