

Metro Retail posts net income of PhP50 million in 1Q 2024

17 May 2024, Manila, Philippines – Metro Retail Stores Group, Inc. (MRSGL) registered PhP50.3 million net income in the first quarter of 2024, a dip of 16% from PhP60.0 million of the same period a year ago, mainly due to narrower margins brought by lower share to business of general merchandise.

Despite the relatively lean first quarter post-holiday spending, MRSGL's net sales reached PhP8.7 billion or 4.8% growth from the PhP8.3 billion in the first quarter of 2023. This is the highest recorded first-quarter sales since the Company's public listing in 2015. Furthermore, comparable store sales in the first quarter of 2024 were up by 2.8% year-on-year.

By business, food retail increased by 7.9% versus last year on strong sales of basic groceries. General merchandise edged down by 2.9% amid the spending constraint on discretionary items due to persistent high inflation.

With the reduced share to business of general merchandise, MRSGL's blended gross margin slightly declined to 20.8% in the first quarter of 2024 from 21.9% in the same period last year. Meanwhile, the Company improved its operating efficiency on the back of its cost-saving and optimization initiatives, trimming operating expense to sales ratio to 20.4% in the first three months of 2024 versus the prior year's 21.0%.

Primarily attributable to lower margins, earnings before interest, taxes, depreciation, and amortization (EBITDA) for the first quarter declined by 5.1% to PhP389.2 million compared to PhP410.2 million last year.

The Company maintained a strong cash position of PhP3.2 billion and managed to keep a low level of bank debt-to-equity ratio at 0.30.

Last January, MRSGL opened its Metro Value Mart in Brgy. Gun-ob, Lapu-Lapu City, which brings its current network to 64 stores. The Company also took significant steps towards increasing its presence in the Visayas with the groundbreaking of five supermarkets in strategic areas in Cebu and Leyte.

MRSGL recently inaugurated its 10-hectare Metro Distribution Center in Sta. Rosa, Laguna that aims to strengthen its logistics system and lays the foundation for the expansion pipeline throughout Luzon in the next few years.

"Looking ahead to 2024, we are poised for growth with cautious optimism. Our strategic plans are geared towards calibrated expansion, enhancing our online presence, and continuing to modernize our stores," MRSGL President and COO Manuel Alberto remarked during the Company's 2024 annual stockholders' meeting.

To date, Metro Retail operates a total of 64 branches across Luzon and the Visayas under the store formats Metro Supermarket, Metro Department Store, Super Metro Hypermarket, and Metro Value Mart. The Company also provides online shopping services through shopmetro.ph, allowing customers to choose between home delivery or pick-up at the nearest Metro Store.

