

Metro Retail Stores announces first half 2021 results

10 August 2021, Manila, Philippines – The prevailing threat of the COVID-19 pandemic undermines the performance of the retail industry, and Metro Retail Stores Group, Inc. (MRSGI) is similarly affected as it continues to face disrupted store operations and reduced customer traffic due to community quarantine measures enforced across the country.

The Company logged a net loss of PhP55.4 million in second quarter of 2021 which brings the first half of 2021 at a PhP181.9 million net loss, a significant slide from last year's net loss of PhP84.7 million, which was partly benefited by the pre-pandemic first quarter results.

On the other hand, MRSGI's revenue for the second quarter of 2021 grew by 2.7% to PhP6.9 billion from PhP6.7 billion in the same period a year ago; this brings the Company's revenue for the first six months of the year to PhP13.9 billion. Total food retail business for the first semester of the year contracted by 11.3%, while general merchandise business declined by 1.7% over the same period last year. Blended same store sales decreased by 13.9% over the same six-month period last year mainly due to stringent quarantine measures imposed last March to May that lowered customer traffic in physical stores. Nonetheless, Metro Retail remained among the top retailers in the country.

Meanwhile, the Company's operating expenses for the first half of 2021 posted an 8.8% reduction to PhP2.9 billion from its previous level of PhP3.2 billion. This is primarily attributable to MRSGI's increased efficiency and strengthened efforts in implementing cost reduction and optimization initiatives.

The Company's earnings before interest, taxes, depreciation, and amortization (EBITDA) remained encouraging at PhP550.5 million and likewise recorded PhP3.4 billion net current assets as of June 30, 2021, which represents a positive net working capital position. The company also posted a solid cash reserve of PhP622.1 million while remaining light in bank debt.

MRSGI pushes towards an omnichannel strategy to drive both its online and offline initiatives. Its online market platform, shop.themetrostores.ph, continues to be upgraded to serve its customers better. The Company is currently expanding its strategic partnerships with leading e-commerce enablers – such as marketplaces, online payments, last-mile logistics, among others – along with improving internal process capabilities to create a retail ecosystem that facilitates seamless customer experience.

Further, MRSGI remains keen in growing its store network especially in the underserved markets. Two new stores, Metro Danao and Metro Sum-ag, were respectively launched last April and June, bringing its total store network to 61 to date. The company plans to open more stores later this year, with an outlook for recovery especially in the Visayas area. New store formats such as outlet stores were also launched in select locations in Metro Manila to cater to customers who are always on the lookout for quality yet value-for-money purchases.

* * *

