



MEDIA RELEASE

August 22, 2024

Metro Retail continues sales growth in first half of 2024; records PhP100.4 million net income

22 August 2024, Manila, Philippines – Metro Retail Stores Group, Inc. (MRS GI) generated PhP18.0 billion in net sales for the first half of 2024, representing 6% growth year-on-year driven by improved sales of existing stores and incremental sales from newly opened stores. For the second quarter, the Company posted PhP9.3 billion in net sales or a 7% increase from last year.

Same-store sales for the quarter ending June expanded by 4.7% compared to the same quarter a year ago and stronger than the 2.8% growth registered in the first quarter – bringing the blended same-store sales growth for the first half of 2024 to 3.8%.

By business, food retail sustained strong sales growth for the first six months at 7.9% on basic grocery items and additional sales from the supermarkets that were opened last year. General merchandise was flattish at 0.9% versus the prior year.

Blended gross margin in the first half of 2024 however, decreased to 20.7% from 21.9% in the same period last year, due to the higher share of food retail in total business, notably the lower margin wholesale category and the unwinding of excess inventory.

The decline in margin was slightly offset by the improvement in operating expense to sales ratio to 20.3% versus the prior year's 21.0%, as the Company continued to realize operating efficiency from cost management initiatives.

With the lower blended margin counterbalanced by the savings on expenses, six-month EBITDA (earnings before interest, taxes, depreciation, and amortization) ended at PhP798.3 million, flattish versus the prior year's PhP802.5 million. For the second quarter, EBITDA was 4.3% higher than the same period last year, better than the first-quarter performance.

Despite the respectable cash earnings, increases in non-cash charges and depreciation owing to the Company's expansion program pulled down the overall net income after tax for the first half of 2024 to PhP100.4 million vs PhP136.8 million last year.

"With the improved momentum from the second quarter and going into the second half of 2024, the Company continues to hold an optimistic outlook for the rest of the year on the back of improvement in sales growth, cost management, and the projected opening of new stores planned in the third and fourth quarters," MRS GI President and COO Manuel Alberto remarked.

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. In its recent Annual Stockholder's Meeting last May 2024, MRS GI has set a goal to have a network of 160 stores by 2027.

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.

A handwritten signature in black ink, appearing to be "Manuel Alberto", is located at the bottom right of the page.