



# 2Q & 1H 2025 **Earnings Call and Analysts' Briefing**

28 August 2025

# Presenters



**Mr. Arnold M. Leoncio**  
Vice President for Business Development  
and Investor Relations



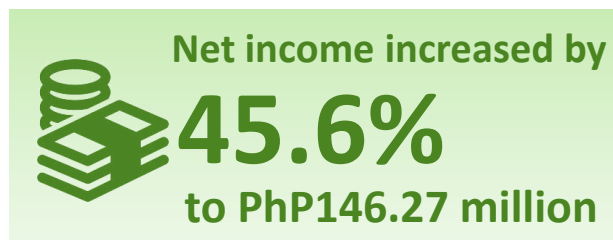
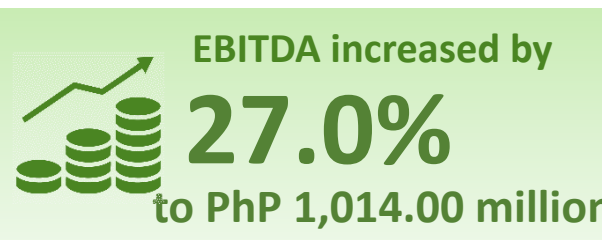
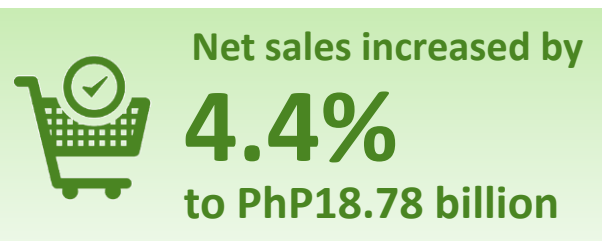
**Ms. Lucille S. Malazarte**  
Chief Finance Officer  
and Treasurer

# General rules



1. Please note that this call will be recorded. Recording of this Earnings Call will be shared upon request.
2. This Earnings Call will run for about half an hour with the first part allotted for a presentation and the second part for the Q&A.
3. Participants other than the speakers will be muted throughout the Call, unless recognized by the moderator.
4. For a convenient viewing experience, participants are advised to pin the shared presentation screen.
5. During the Q&A portion, participants may raise their questions and/or clarifications by clicking the 'Raise Hand' icon. Following the prompt, kindly allow the moderator to recognize you by name first before unmuting.

# 1H 2025 Financial and Operational Highlights



Total assets  
**PhP22.36B**

Total equity  
**PhP9.47B**

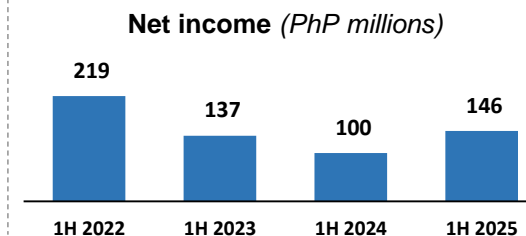
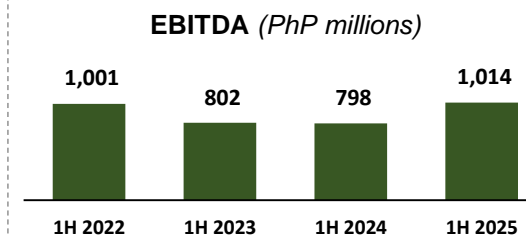
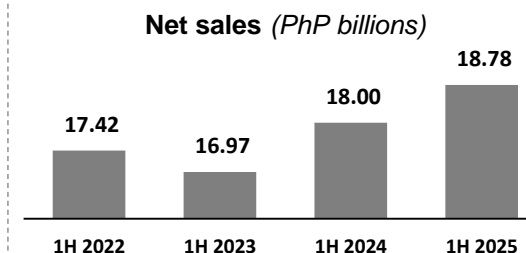
Store network  
**75 stores**

46 Supermarket  
17 Department store  
12 Hypermarket

As of end-Jun 2025



## vs. historical financials



As of 30 June 2025

Market capitalization  
**PhP3.86B**

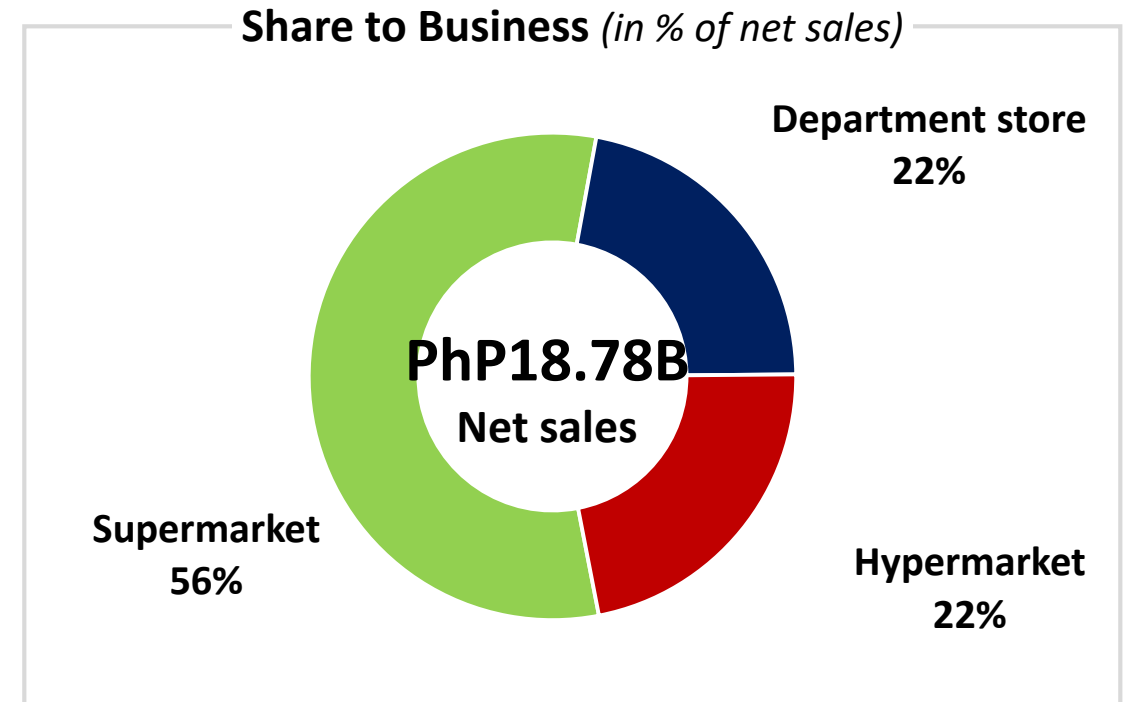
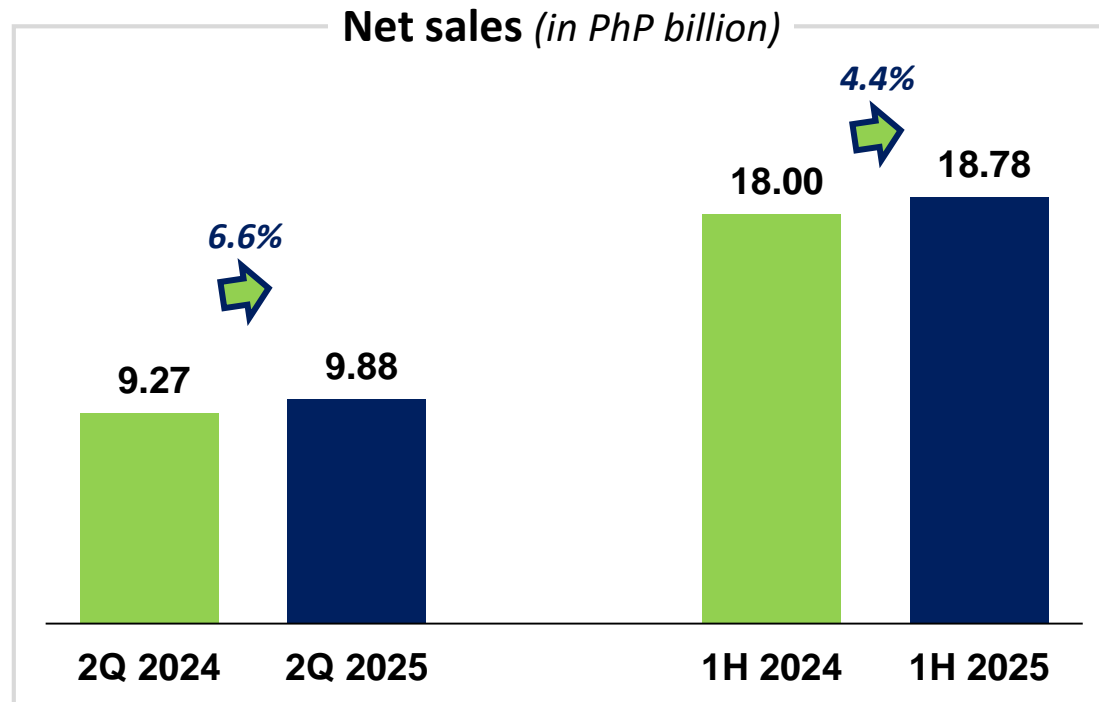
Share price  
**PhP1.19**

Book value per share  
**PhP2.92**

Earnings per share (1H 2025)  
**PhP0.04**

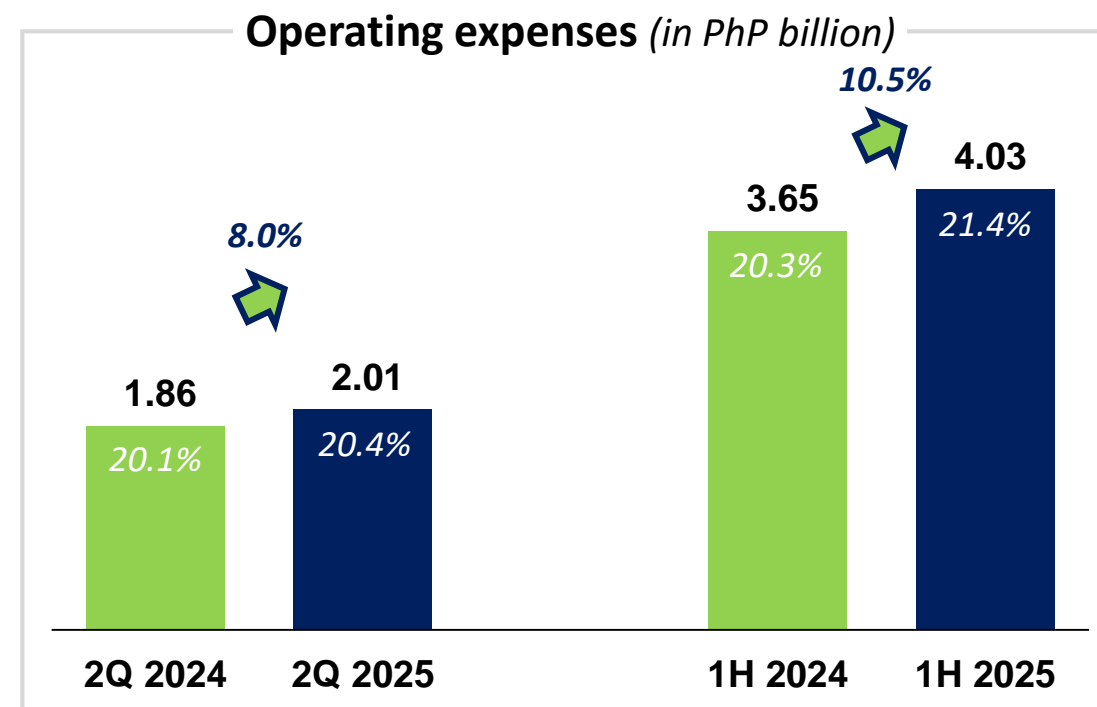
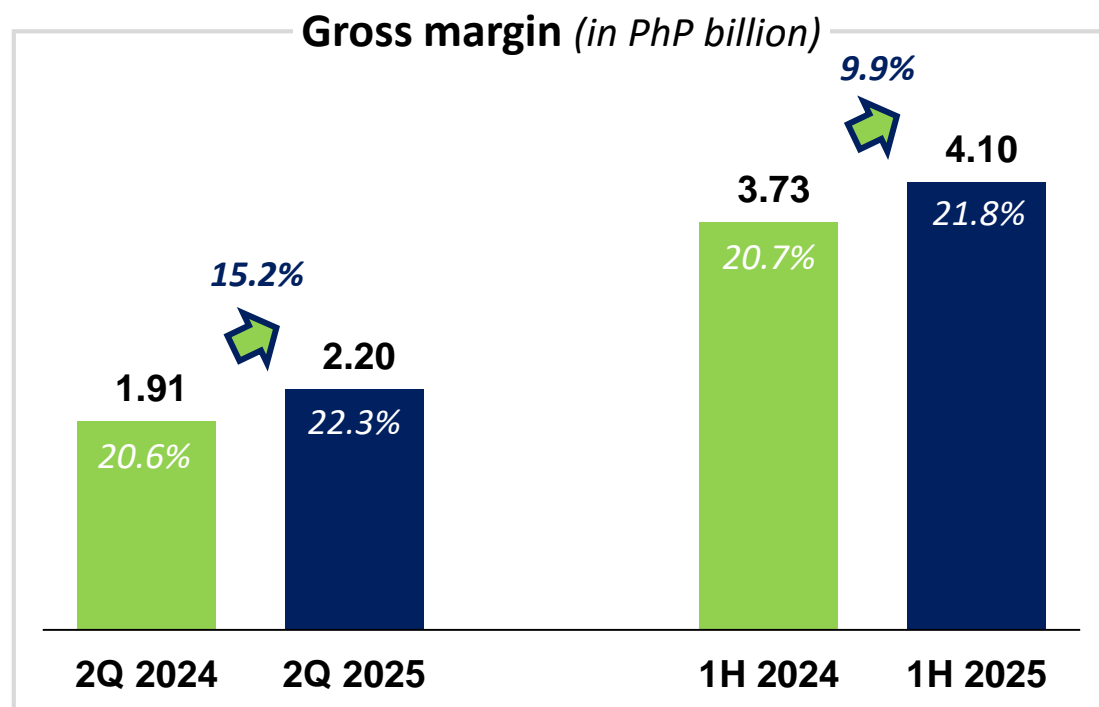
As of 27 August 2025, MRSGL has a market capitalization of PhP3.75 billion. Share price closed at PhP1.16.

# Results of operations | Sales



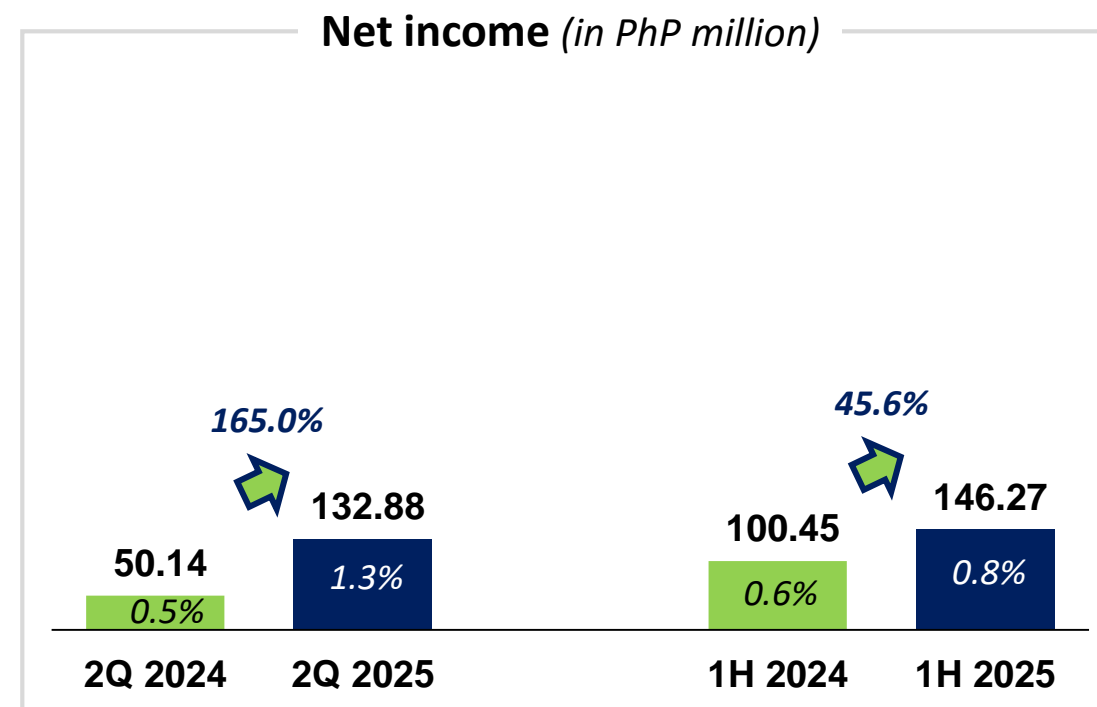
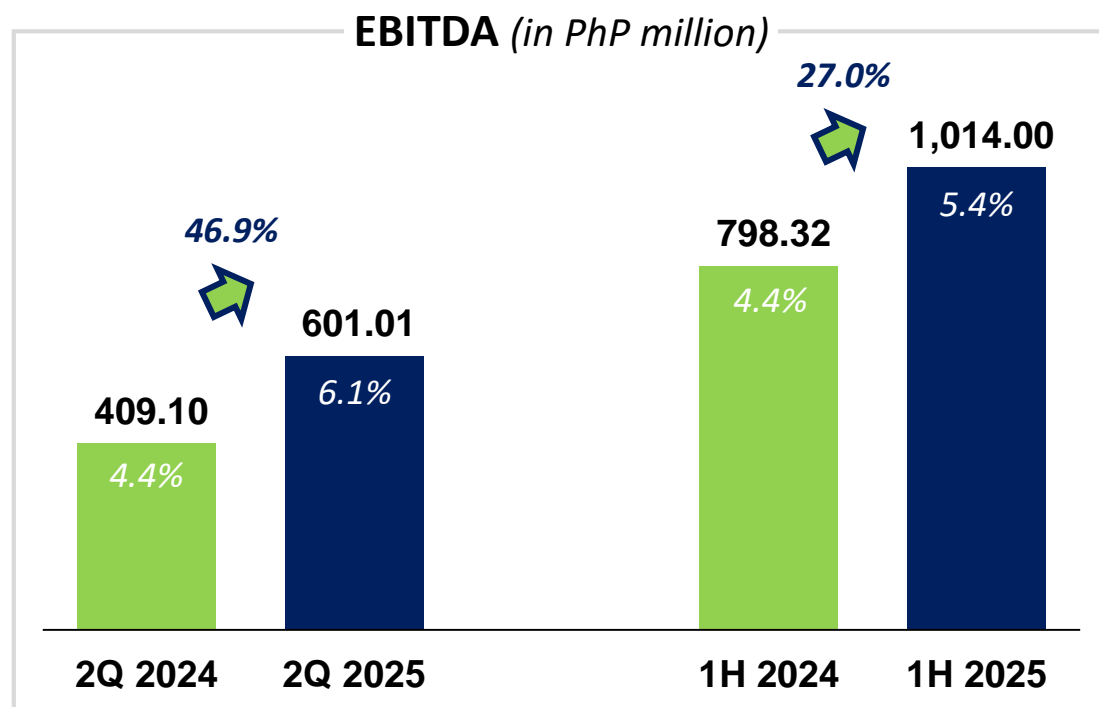
- ❑ Net sales climbed 6.6% to PhP9.9 billion in the second quarter, primarily attributed to new store openings. This growth brought overall six-month net sales to PhP18.8 billion, a 4.4% increase compared to the prior year.
- ❑ Blended same-store sales in 1H 2025 was sustained versus 2024.

# Results of operations | Margin and Opex



- ❑ The Company's blended gross margin also improved to 21.8% from 20.7% in 2024, coming from margin gains in food retail and higher share to business of general merchandise.
- ❑ Operating expenses, on the other hand, increased to 21.4% of sales in the first half of 2025, up from 20.3% in 2024, attributed largely to higher utility rates in the Visayas region and increased labor costs.

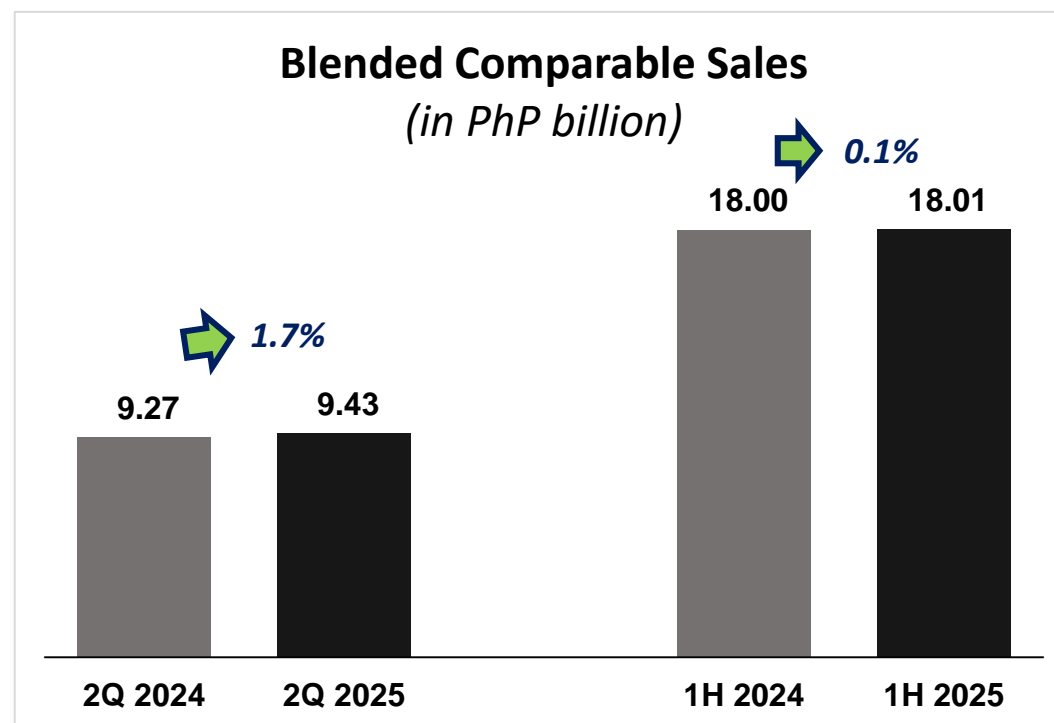
# Results of operations | EBITDA and Net Income



- ❑ MRSGL's cash earnings for the first six months as measured by earnings before interest, taxes, depreciation, and amortization (EBITDA) rose to PhP1,014.0 million, a solid 27% growth from the previous year.
- ❑ For the first semester of 2025, MRSGL recorded a significant 45.6% jump in net income from 2024. This was particularly driven by its second-quarter results, where its net income reached PhP132.9 million, marking a hefty upswing relative to the PhP50.1 million earnings for the same period last year.

# Results of operations | Comparable store sales

*Blended comparable sales is flattish in first half of 2025*

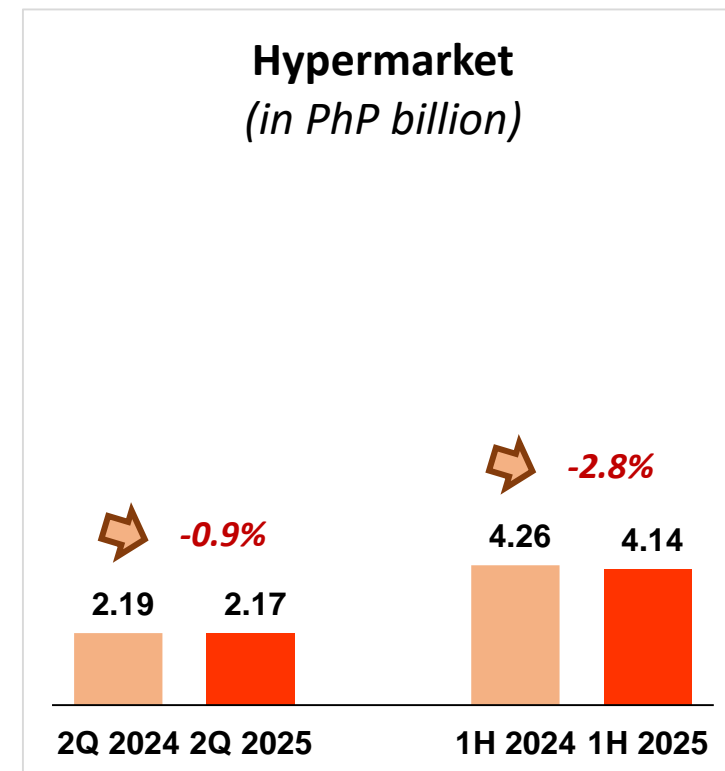
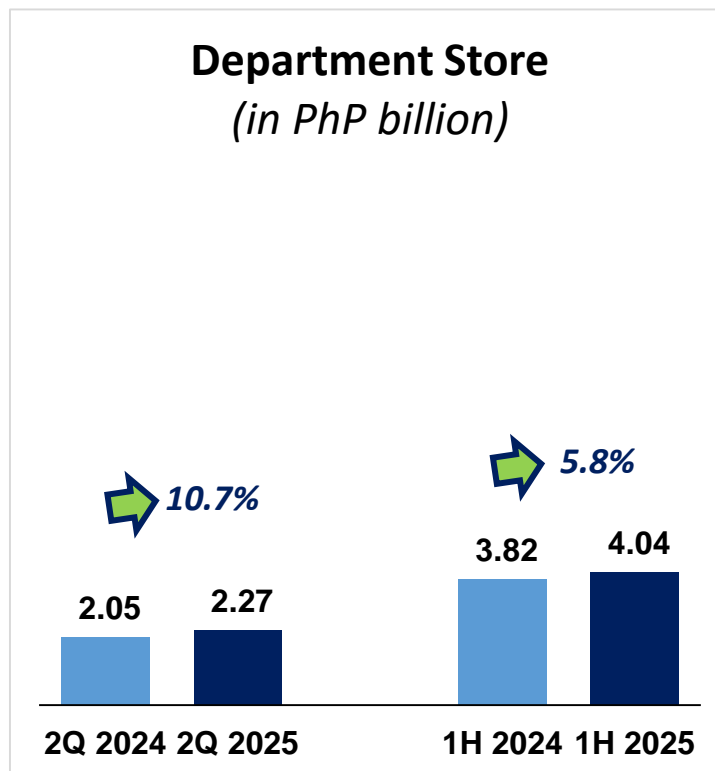
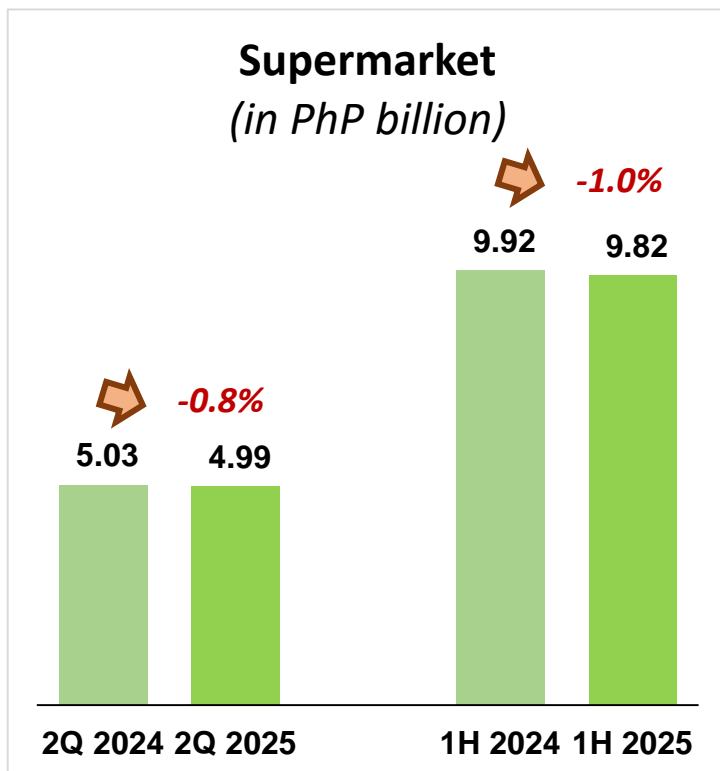


- ❑ Blended same-store sales growth remained flattish for the first half of 2025.
- ❑ Same-store sales growth for the second quarter rose by 1.7%, a positive turnaround from the 1.7% decrease in the first quarter.



# Results of operations | Comparable store sales by format

*Department store improved; Supermarket and Hypermarket decreased*



- ☐ Comparable sales of Department Store improved driven by the increase in school and home products, while Supermarket and Hypermarket slightly declined in Q2 and year-to-date.

# MRSGL existing store network

Geographical composition of store network  
(as of 28 August 2025)



## Supermarket

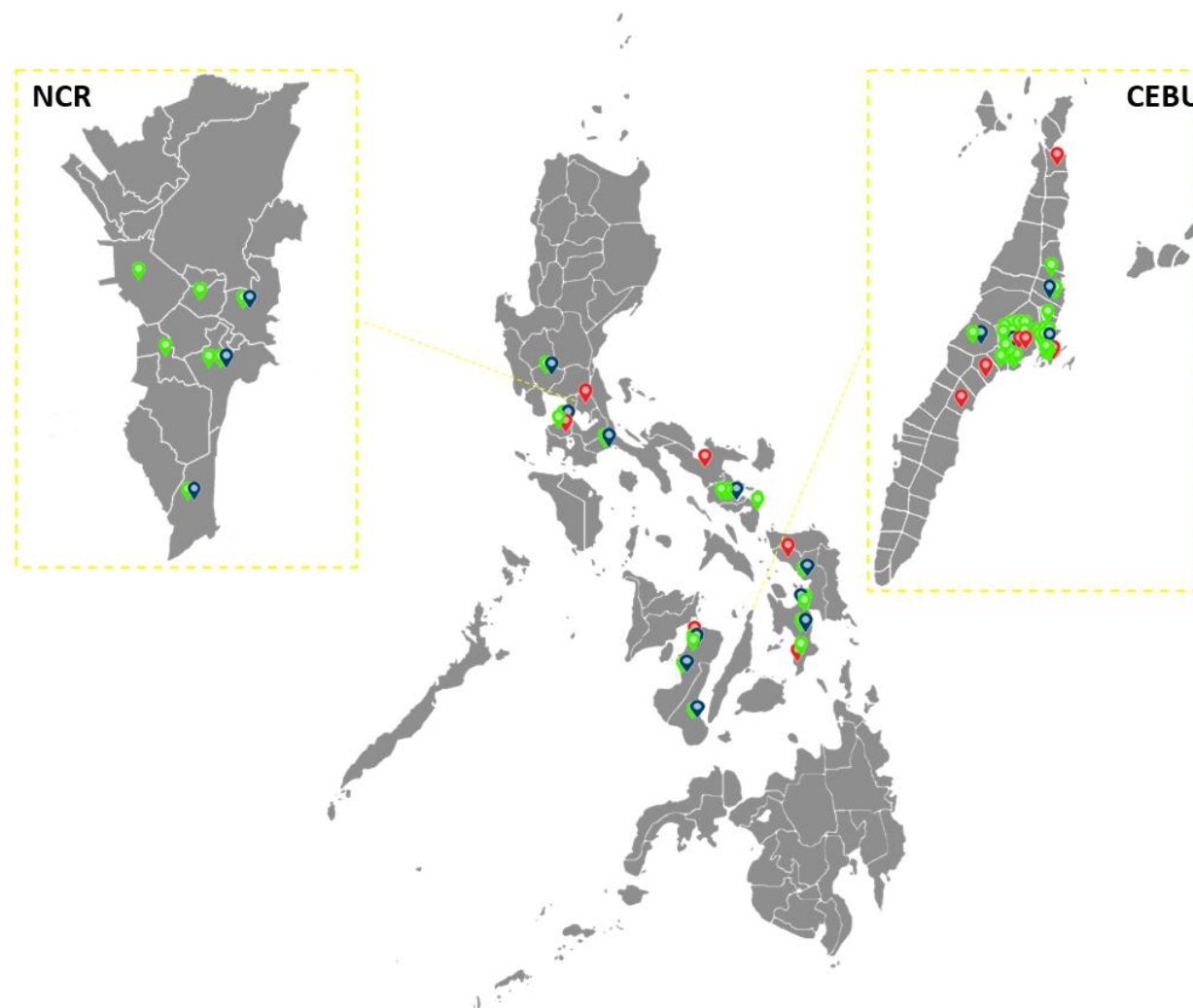
NCR	7
Luzon	8
Visayas	33
<b>Total</b>	<b>48</b>

## Department Store

NCR	3
Luzon	4
Visayas	11
<b>Total</b>	<b>18</b>

## Hypermarket

NCR	-
Luzon	3
Visayas	9
<b>Total</b>	<b>12</b>



# MRSGL network expansion:

*Opened a total of five (5) Metro Value Marts and Metro Market year-to-date (2 Vis, 3 Luz)*





# MRSGL network expansion:

*Recently opened Metro Bais in Negros Oriental | August 2025*





# MRSGL network expansion:

*Ongoing construction - Visayas*



**Metro Supermarket and Department Store**  
Naval, Biliran



**Metro Supermarket**  
Mandaue City, Cebu



# Key financial indicators



<i>Currency: PhP million</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	1H 2025
<b>Financial highlights</b>										
Net sales	34,411	35,016	33,050	36,790	31,286	31,211	38,102	38,273	39,617	18,783
EBITDA	1,547	1,877	1,781	2,785	1,273	1,220	2,680	2,167	2,337	1,014
Net income	789	977	965	776	(450)	(318)	917	618	609	146
<b>Financial soundness indicator</b>										
Current Ratio	2.14	2.41	2.01	1.47	1.45	1.71	2.34	2.04	1.62	1.60
Debt to Equity Ratio	-	-	-	-	0.18	0.18	0.33	0.30	0.28	0.27
Net Debt to Equity Ratio	(0.46)	(0.47)	(0.41)	(0.31)	(0.09)	(0.02)	(0.24)	(0.14)	0.04	0.16
Earnings per share (PhP)	0.23	0.28	0.28	0.23	(0.13)	(0.09)	0.28	0.19	0.19	0.04
Earnings per share – TTM (PhP)										0.20
<b>Stock data</b>										
Share price (PhP) – EOP	4.05	3.90	2.49	2.11	1.50	1.44	1.41	1.27	1.20	1.19
Market capitalization – EOP	13,889	13,375	8,539	7,236	5,144	4,833	4,628	4,125	3,891	3,858
<b>Valuation metrics (EOP)</b>										
P/B ratio	1.94	1.68	0.98	0.78	0.60	0.60	0.51	0.44	0.41	0.41
P/E ratio	17.61	13.93	8.89	9.17	(11.54)	(16.00)	5.04	6.68	6.32	6.26*
P/E ratio – TTM										5.95
EV/Sales – TTM	0.31	0.28	0.15	0.12	0.14	0.15	0.06	0.07	0.10	0.13
EV/EBITDA – TTM	6.84	5.15	2.77	1.55	3.45	3.82	0.91	1.30	1.78	2.09



## **2Q&1H 2025 Earnings Call and Analysts' Briefing**

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# **MRSGL's Strategy**

# MRSGL's Strategy Pillars

## Customer-centricity

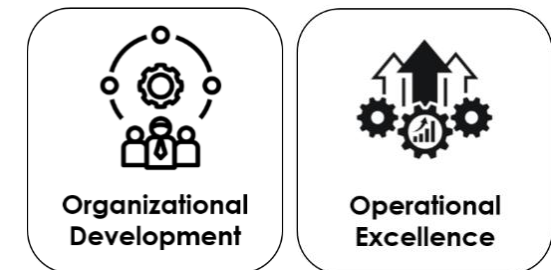
*(What we stand for, What value do we create for our customers)*

## Business Reinvention and Expansion

*(Rationalizing expansion, Building allied businesses)*

## Organizational Transformation

*(Operational excellence, People development)*







## **2Q&1H 2025 Earnings Call and Analysts' Briefing**

28 August 2025



# Investor Relations Office



## Mr. Arnold M. Leoncio

*VP for Business Development and Investor Relations*

email: [arnold.leoncio@metroretail.ph](mailto:arnold.leoncio@metroretail.ph)

# Thank you!



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# 2Q&1H 2025 Earnings Call and Analysts' Briefing



## Annex: Financial Statements

28 August 2025

# Statement of Comprehensive Income (1/2)



## METRO RETAIL STORES GROUP, INC.

### UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>REVENUE</b>				
Net sales (Note 15)	₱9,884,367,725	₱9,271,225,544	₱18,783,469,798	₱17,999,837,066
Rental (Note 22)	102,993,269	96,180,997	206,728,595	189,940,149
	9,987,360,994	9,367,406,541	18,990,198,393	18,189,777,215
<b>COSTS AND EXPENSES</b>				
Cost of sales (Note 17)	7,684,538,581	7,362,367,752	14,686,284,640	14,273,097,117
Operating expenses (Note 18)	2,014,276,872	1,864,838,502	4,027,450,737	3,646,315,149
	9,698,815,453	9,227,206,254	18,713,735,377	17,919,412,266
<b>OPERATING INCOME</b>	288,545,541	140,200,287	276,463,016	270,364,949
<b>OTHER INCOME (CHARGES) (Note 16)</b>				
Interest and other income	14,332,371	46,962,985	161,651,711	108,021,813
Finance costs	(127,407,800)	(120,461,935)	(247,415,103)	(249,211,484)
	(113,075,429)	(73,498,950)	(85,763,392)	(141,189,671)
<b>INCOME BEFORE INCOME TAX</b>	175,470,112	66,701,337	190,699,624	129,175,278

# Statement of Comprehensive Income (2/2)



## METRO RETAIL STORES GROUP, INC.

### UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

(cont'd.)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
INCOME BEFORE INCOME TAX	175,470,112	66,701,337	190,699,624	129,175,278
PROVISION FOR INCOME TAX (Note 21)				
Current	47,279,164	28,315,773	88,335,616	58,391,364
Deferred	(4,687,623)	(11,754,712)	(43,902,134)	(29,665,849)
	42,591,541	16,561,061	44,433,482	28,725,515
NET INCOME	132,878,571	50,140,276	146,266,142	100,449,763
OTHER COMPREHENSIVE INCOME				
<i>Not to be reclassified to profit or loss in subsequent periods</i>				
Remeasurement gains (losses) on defined benefit obligation	-	-	-	-
Income tax effect	-	-	-	-
	-	-	-	-
TOTAL COMPREHENSIVE INCOME	₱132,878,571	₱50,140,276	₱146,266,142	₱100,449,763
Basic/Diluted Earnings Per Share (Note 23)	₱0.04	₱0.02	₱0.04	₱0.03

# Statement of Financial Position (1/2)



## METRO RETAIL STORES GROUP, INC.

### UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2025

(With Comparative Audited Figures as at December 31, 2024)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 3 and 25)	₱1,106,872,394	₱2,299,422,529
Short-term investments (Notes 4 and 25)	150,000,000	289,919,638
Receivables (Notes 5 and 25)	851,108,872	1,237,906,937
Merchandise inventories (Note 6)	6,312,221,096	6,301,745,958
Other current assets (Notes 7 and 25)	541,250,904	484,466,196
<b>Total Current Assets</b>	<b>8,961,453,266</b>	<b>10,613,461,258</b>
<b>Noncurrent Assets</b>		
Property and equipment (Note 8)	8,280,850,803	7,868,892,616
Right-of-use ("ROU") assets (Note 22)	3,766,013,913	4,529,304,837
Deferred tax assets - net (Note 21)	529,914,679	486,012,545
Other noncurrent assets (Notes 9 and 25)	822,635,134	784,262,340
<b>Total Noncurrent Assets</b>	<b>13,399,414,529</b>	<b>13,668,472,338</b>
<b>TOTAL ASSETS</b>	<b>₱22,360,867,795</b>	<b>₱24,281,933,596</b>

# Statement of Financial Position (2/2)



## METRO RETAIL STORES GROUP, INC.

### UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2025

(With Comparative Audited Figures as at December 31, 2024)

(cont'd.)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Notes 10 and 25)	₱4,480,974,249	₱5,445,779,693
Contract liabilities (Note 11)	96,614,299	111,867,178
Income tax payable	28,129,140	62,159,881
Short-term loans payable (Note 12)	250,000,000	200,000,000
Loans payable – current portion (Note 12)	473,611,111	473,611,111
Lease liabilities - current portion (Notes 22 and 25)	260,352,691	266,516,739
<b>Total Current Liabilities</b>	<b>5,589,681,490</b>	<b>6,559,934,602</b>
<b>Noncurrent Liabilities</b>		
Lease liabilities – net of current portion (Notes 22 and 25)	4,856,828,539	5,650,722,017
Retirement benefit obligation (Note 19)	574,081,374	543,396,113
Loans payable – net of current portion (Note 12)	1,851,812,645	1,986,835,274
Other noncurrent liabilities (Notes 13 and 25)	16,199,194	19,644,282
<b>Total Noncurrent Liabilities</b>	<b>7,298,921,752</b>	<b>8,200,597,686</b>
<b>Total Liabilities</b>	<b>12,888,603,242</b>	<b>14,760,532,288</b>
<b>Equity</b>		
Capital stock (Note 14)	3,429,375,000	3,429,375,000
Additional paid-in capital (Note 14)	2,455,542,149	2,455,542,149
Treasury stock (Note 14)	(262,393,890)	(261,526,893)
Retained earnings (Note 14)	3,752,543,542	3,800,813,300
Share-based equity (Note 14)	11,557,101	11,557,101
Remeasurement losses on defined benefit obligation (Note 19)	85,640,651	85,640,651
<b>Total Equity</b>	<b>9,472,264,553</b>	<b>9,521,401,308</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱22,360,867,795</b>	<b>₱24,281,933,596</b>



# Statement of Cash Flows (1/2)



## METRO RETAIL STORES GROUP, INC.

### UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

	For the six-month Periods Ended June 30	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	₱190,699,624	₱129,175,278
Adjustments for:		
Depreciation and amortization - PPE (Note 8)	386,456,507	338,844,070
Finance costs (Note 16)	247,415,103	249,211,484
Depreciation - ROU assets (Note 22)	206,409,810	145,540,699
Retirement benefits costs (Note 19)	39,381,411	36,303,675
Provision for expected credit losses and write-off of receivables (Note 18)	71,007	303,668
Loss on retirement/disposal of fixed assets (Note 16)	417,486	31,258
Foreign currency exchange gains (Note 16)	589,950	(18,139,936)
Interest income (Note 16)	(16,943,864)	(64,430,733)
Operating income before working capital changes	1,054,497,034	816,839,463
Decrease (increase) in:		
Receivables	385,548,060	294,251,836
Merchandise inventories	(10,475,138)	(131,492,008)
Other current assets	(58,863,852)	(87,794,236)
Increase (decrease) in:		
Trade and other payables	(965,227,504)	(532,768,055)
Contract liabilities	(15,252,879)	(27,723,647)
Other current liabilities	(3,445,087)	27,803,398
Cash flows generated from operations	386,780,634	359,116,751
Income tax paid	(120,358,220)	(166,523,190)
Interest received	18,193,870	62,394,236
Retirement benefits paid	(8,696,150)	(37,126,834)
Net cash from operating activities	275,920,134	217,860,963

# Statement of Cash Flows (2/2)



## METRO RETAIL STORES GROUP, INC.

### UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

(cont'd.)

	For the six-month Periods Ended June 30	
	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment (Note 8)	(695,368,819)	(808,544,660)
Decrease (increase) in short-term investments	139,919,638	(286,996,559)
Increase in other noncurrent assets	(141,836,156)	(121,901,344)
Net cash used in investing activities	(697,285,337)	(1,217,442,563)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan availment (Note 12)	350,000,000	—
Purchase of treasury stocks (Note 14)	(866,997)	(2,046,639)
Payment of:		
Dividends payable (Note 14)	(194,535,900)	(519,663,840)
Loans payable (Note 12)	(436,805,556)	(161,805,556)
Lease liabilities (Note 22)	(412,335,288)	(225,520,819)
Interest	(76,051,241)	(80,057,151)
Net cash used in financing activities	(770,594,982)	(989,094,005)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,191,960,185)</b>	<b>(1,988,675,605)</b>
<b>EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE (Note 16)</b>	<b>(589,950)</b>	<b>18,139,936</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>2,299,422,529</b>	<b>4,154,363,416</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 3)</b>	<b>₱1,106,872,394</b>	<b>₱2,183,827,747</b>

# Press release



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