

Metro Retail records PhP400.7 million net income in the first nine months of 2022

18 November 2022, Manila, Philippines – Amid the global headwinds such as soaring inflation, rising interest rates, and weakening peso, Metro Retail Stores Group, Inc. (MRS GI) maintained its growth momentum with a net income of PhP400.7 million for the first nine months of 2022, a turnaround from a PhP306.4 million pandemic-driven net loss in 2021. Quarter-on-quarter, MRS GI recorded a PhP181.8 million net income, versus the PhP124.5 million net loss in 2021, on the back of pent-up domestic demand and full economic reopening.

The Company's net sales for the third quarter of 2022 showed a year-on-year increment of 21.5% to PhP9.1 billion as store traffic continued to pick up. This brings MRS GI's net sales to PhP26.5 billion for the first nine months of the year, up by 24.5% from PhP21.3 billion in 2021.

With the recovery in discretionary spending of consumers, the Company's general merchandise business significantly grew over the first nine months of 2022 by 58.6% versus the same period last year, while food retail increased by 15.9%. This brings the blended same store sales growth to 22.3% for the three-quarter period. Driven by the higher share to business of general merchandise which provides better margins, MRS GI posted an improvement of 150bps in its blended gross margin to 20.8%, up from 19.3% in 2021.

Meanwhile, operating expense to sales ratio improved to 18.6% for the period in review versus 20.3% in the previous year, on higher sales and implementation of cost reduction and saving measures.

MRS GI registered an upswing in earnings before interest, taxes, depreciation, and amortization (EBITDA) by 110.7% to reach PhP1.6 billion for the first nine months of the year compared to PhP771.5 million in 2021. The Company remained in a strong cash and liquidity position at PhP4.0 billion, while bank debt level was manageable at PhP3.0 billion.

"The sustained strong performance of Metro Retail supports our aim to achieve full recovery in 2022 and lay the foundation for sustainable growth in the coming years. Alongside our goal to provide best-in-class customer experience through operational excellence, we are eager to return the unwavering trust and support of our stakeholders. Metro Retail will continue to gear up and find strategic opportunities to realize strong results this 2022 and an even better outlook in 2023," MRS GI President and COO Manuel Alberto said.

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