

***Metro Retail earns PhP618 million in 2023; continues initiatives for growth***

**17 April 2024, Manila, Philippines** – For the full year 2023, Metro Retail Stores Group, Inc. (MRSGL) reported an aggregate net income of PhP618.0 million vs PhP917.3 million in 2022, a slippage of 32.6%. In terms of core net income which excludes one-time gains such as accounting adjustment on leases and insurance claims in 2022, the Company's earnings were down only 18.4% versus the prior year's recurring profit of PhP757.3 million.

Despite the lingering inflation pressures affecting consumer spending and a high base in 2022, MRSGL sustained its sales level at PhP38.3 billion in 2023, a 0.4% growth from last year's PhP38.1 billion. Comparable same-store sales growth ended flattish with a 0.8% dip, largely owing to a decline in wholesale business contribution.

By business, general merchandise maintained its positive momentum after strong growth in 2022, increasing by 4.7% driven by apparel, electronics, appliances, and travel gear. Food retail slightly declined by 1.2% due to bulk wholesale business scaling down versus last year. Excluding bulk transactions, food retail sales continued its expansion at 6.2% year-on-year.

MRSGL recorded an improvement in its blended gross margin from 21.1% in 2022 to 21.6% in 2023. Operating expenses increased by 7.9% largely due to rent escalations and higher manpower expenses related to new stores and government mandated minimum wage increases, which lowered the Company's EBITDA to PhP2.2 billion in 2023 from PhP2.7 billion in the prior year.

"Even with the challenged outturn, MRSGL reiterates its commitment of offering improved services to customers and better returns to stakeholders underpinned by its strategic initiatives to bolster growth and stability in 2024 and onwards," said MRSGL President and COO Manuel Alberto.

The Company's expansion continued with the debut of its neighborhood minimart Metro Value Mart in Gen. Trias, Cavite and opening of two new Metro Supermarkets in Lapu-Lapu City, Cebu and Alangalang, Leyte. Simultaneously, MRSGL started undertaking renovations in its flagship stores to modernize the look and feel of its stores and refresh the merchandising brand aligned with the evolving shopper's needs.

MRSGL introduced the new and improved Mareng Ems Program in 2023 to enhance collaborations and provide a comprehensive support system for businesses primarily sari-sari stores and hospitality businesses. In addition, MRSGL revamped the ShopMetro online channel and launched its own mobile app under the same brand which primarily drove the double-digit growth in its e-commerce business.

Alberto further stated that the recent inauguration of its Metro Distribution Center in Sta. Rosa, Laguna in the first quarter of 2024 strengthens the Company's logistics system and lays the foundation for MRSGL's expansion pipeline throughout Luzon in the coming years.

The Company maintained a low debt and strong liquidity position, highlighted by an increase in cash dividends. MRSGL recently declared regular cash dividends amounting to PhP194.9 million (equivalent to PhP0.06 per share) and special cash dividends amounting to PhP324.8 million (equivalent to PhP0.10 per share).

