



MEDIA RELEASE

Metro Retail Stores reports Q1 2021 operating results

12 May 2021, Manila, Philippines -- Lowered customer traffic due to quarantine protocols and continued customer prioritization of purchases to essential goods heavily impacted the performance of Cebu-based retailer Metro Retail Stores Group, Inc. (MRSGL).

The company reported a net loss of P126.47 million for the first three-months of 2021, a reversal of the P7.98 million net income posted in the same period a year ago.

While the first quarter retail season is typically lean following peak consumer spending in December, the net loss was primarily attributed to the 18.9% contraction in revenue to P6.95 billion against the P8.57 billion registered in the comparable period last year, which was minimally affected by the pandemic. MRSGL's total food retail business declined by 14.7%, while general merchandise business decreased by 30.2% year-on-year. Blended same store sales dipped by 21.4% over the same period last year.

Meanwhile, operating expenses fell by 19.1% to P1.48 billion from its year-ago level of P1.83 billion brought about by the increased efficiency and continuous cost reduction and saving measures implemented by the Company.

In spite of the challenges imposed by this pandemic, MRSGL remains well-grounded as EBITDA (earnings before interest, taxes, and depreciation & amortization) as of end March 31, 2021 still stood at a positive position of P236.74 million; while the Company's balance sheet remained solid with cash reserves of P960.35 million.

The Company's thrust to expand its store network into underserved communities plays a pivotal role in its strategy. After capping 2020 with fifty-six (56) stores, MRSGL has since opened three more stores in the provinces of Cebu and Leyte, it likewise fully re-opened its flagship Metro Ayala Center Cebu - Department Store; bringing its current store network to sixty (60) stores. Moreover, the Company is set to open another store located in Bacolod on June 2021.

MRSGL will likewise pursue a multi-pronged growth plan that aims to further grow its business through the expansion of its e-commerce program, structure MRSGL as an agile organization, and develop new channels, among others.

"Along with the challenges and uncertainties brought about by the pandemic are opportunities for growth that we intend to tap. With the right strategy, people and partnerships, we are focusing on long-term sustainable recovery and growth," said MRSGL President and Chief Operating Officer Manuel Alberto.

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