

Metro Retail posts PhP17.0 billion topline; PhP136.8 million net income in first half 2023

11 August 2023, Manila, Philippines – Metro Retail Stores Group, Inc. (MRSGL) posted a PhP76.8 million net income in the second quarter of 2023, bringing the net income in the first half to PhP136.8 million or a 37.5% decline from the prior year’s PhP218.9 million.

MRSGL recorded PhP8.7 billion second-quarter net sales, bringing the total net sales for the first six months of 2023 to PhP17.0 billion, which was flattish (2.3% dip) from the PhP17.4 billion net sales in the same period last year. Excluding bulk wholesale transactions, total net sales for the first half of 2023 increased by 5.8% vs 2022.

General merchandise business retained its growth momentum in the first semester of the year at 7.0% while food retail business decreased by 5.6%. Blended same-store sales was also lower by 3.2% over the same six-month period last year, as the effects of inflation were compounded by stiffer competition in Luzon. Meanwhile, sales performance in the Visayas stores remained encouraging.

The Company’s blended gross margin continued to improve by 170bps to 21.9% in the first half of 2023 from 20.2% in the same period a year ago as share of general merchandise business to total sales grew. However, this was offset by the 12.8% increase in operating expenses primarily due to higher rent and utilities expenses and manpower costs.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) for the first six months of 2023 amounted to PhP802.5 million, down by 19.7% from the same period last year. Meanwhile, MRSGL remained in a strong cash position at PhP3.4 billion, while the debt level was kept manageable. Thus, the Company continued to pursue expansion plans focused on the Visayas.

Recognizing the prevailing significance of having an omnichannel presence, the Company launched the *ShopMetro* app last May which was made available on both Apple Store and Google Playstore.

“We are constantly seeking ways to offer products that provide value to customers while preserving our margins,” said MRSGL President and Chief Operating Officer Manuel Alberto. “We remain hopeful that MRSGL will rally in the second semester and finish the year 2023 strong.”

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