

Metro Retail registers PhP254.6 million net income for the first nine months of 2023

14 November 2023, Manila, Philippines – Metro Retail Stores Group, Inc. (MRSGI) recorded a net income of PhP254.6 million in the first nine months of 2023, down by 36.5% from the PhP400.7 million net income in the same period last year. The decline is primarily due to higher operating expenses partially offset by the improvement in gross margin. MRSGI posted a PhP117.7 million net income in the third quarter.

The Company generated 4.7% growth in net sales for the quarter, supported by better sales from existing stores and incremental sales from newly opened stores. By business, general merchandise increased by 4.8% for the quarter and 6.1% over nine months, benefitting from back-to-school and increased travel activities. Similarly, food retail expanded by 4.5% for the quarter mainly from higher grocery consumption and improved marketing and store initiatives. For the nine-month period, food retail was slightly lower by 2.2% due to reduced wholesale transactions in 2023.

Total net sales over the nine months reached PhP26.5 billion, which was just a shade lower (0.04%) versus the prior year. Excluding bulk wholesale transactions, total net sales for the first nine months of 2023 increased by 5.2% year-on-year. Blended same-store sales was at about the same level (1.2% lower) as a year ago.

Gross margin improved across businesses which resulted in a higher blended gross margin at 21.7% for the first nine months of 2023 from 20.6% for the same period last year. However, this was offset by the 9.6% increase in operating expenses mainly due to the rise in manpower and rent expenses.

The Company's balance sheet remained solid, with a strong cash level of PhP3.4 billion, while the bank debt-to-equity ratio was low at 0.32.

Last August, MRSGI launched two new supermarkets in Lapu-Lapu City, Cebu and Gen. Trias, Cavite. With the closure of two underperforming stores earlier this year, the net store count currently stands at 62.

In the coming months, the Company will continue to pursue its acquisition and expansion plans, especially in the Visayas. Alongside this, MRSGI will refresh its merchandising brand and online engagement, consistent with the changing shopping needs and aspirations of the Company's customers.

“Our last three quarterly results showed an improving trend quarter-on-quarter. Before the year concludes, we anticipate a lift in our performance as the holiday season draws in more robust consumer spending,” said MRSGI President and Chief Operating Officer Manuel Alberto. “We are ready to serve early Christmas shoppers with a much wider selection of quality products at competitive prices and an easy and friendly shopping experience across our physical stores and online channels,” he continued.

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