



MEDIA RELEASE

MRSGI Bullish Despite 2020 Net Loss

Reiterates Commitment to Customers and Network Expansion

13 April 2021, Manila, Philippines -- Cebu-based retailer Metro Retail Stores Group, Inc. (MRSGI) posted a net loss of PHP449.6 million for 2020, a reversal of the PHP775.6 million net income recorded for 2019.

The decline was driven by a pandemic-driven 15.0% decrease in net sales at PHP31.3 billion for 2020 compared to PHP36.8 billion for 2019. While total food retail business increased by 1.1%, total general merchandise business, however, remained challenged as it declined by 45.7% over the same period last year. This was due primarily to the temporary closure of department stores in March 2020. While the stores were gradually re-opened, the segment continued to face customer traffic constraints as community quarantine levels were still in effect and consumers prioritized the purchase of essential goods. MRSGI also closed unprofitable department store operations, preparing for a better consolidation for the future. Blended same stores sales likewise declined by 19.3% over the same period last year brought about by the decline in sales of the general merchandise business.

MRSGI posted a decrease in its operating expenses at PHP6.8 billion, down by 8.3% compared to PHP7.4 billion for the year ended December 31, 2019. The decrease in the operating expenses was primarily due to disrupted operations of department stores, offset by the recognition of one-time cost provisions in connection with the streamlining of operations and rationalization of stores and workforce of the Company amounting to PHP270.2 million. The Company still posted a respectable EBITDA of PHP1.3 billion, while its balance sheet remained solid as cash reserves of PHP2.3 billion remained sufficient to cover its current debt.

Despite the challenges in 2020, MRSGI remains bullish and is looking forward to delighting and serving its customers in 2021 and the years beyond.

“Looking at the history of Metro, we have had a track record of success and this is because we’ve remained flexible and have focused on our customers,” says Mr. Manuel Alberto, MRSGI President and Chief Operating Officer. “We will continue to explore opportunities and innovate amid the rapidly evolving landscape so we can bring our brand of excellence to consumers across the country.”

MRSGI aims to continue to meet consumer demand in the areas where it operates and to intensify its brand by expanding its quality offerings. MRSGI is also ramping up its presence in multiple channels and continues to implement innovations and updates in its physical stores as well as on its e-commerce platform shop.themetrostores.ph as consumers continue to prioritize safety and convenience.




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MRSGL also reiterates its commitment to expand and strengthen its network. Last January 29, Metro Ayala Cebu, MRSGL's flagship store reopened while two new stores – Metro Danao and Metro Tacloban - opened last February 2021 and March 2021, respectively.

Further, demonstrating the commitment of MRSGL in upholding best practices in quality and food safety, the Metro Supermarket in Ayala Center Cebu was recently recertified for Good Manufacturing Practices (GM) and Hazard Analysis and Critical Control Points (HACCP). Currently, MRSGL is the only retailer that holds GMP and HACCP citations for four of its supermarkets – Metro Alabang, Metro Ayala Cebu, Metro Mandaue, and Metro Market! Market!

Amid the continuing pandemic, MRSGL with Vicsal Foundation have also continued donation drives, feeding programs, and distribution of face masks for medical frontliners in major cities in Luzon and Visayas.

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