METRO RETAIL STORES GROUP, INC.

1Q 2025
Earnings Call and Analysts' Briefing

22 May 2025

Presenters

Mr. Arnold M. Leoncio
Vice President for Business Development
and Investor Relations

Mr. Joselito G. Orense
President and
Chief Operating Officer

General rules

1. Please note that this call will be recorded. Recording of this Earnings Call will be shared upon request.
2. This Earnings Call will run for about half an hour with the first part allotted for a presentation and the second part for the Q&A.
3. Participants other than the speakers will be muted throughout the Call, unless recognized by the moderator.
4. For a convenient viewing experience, participants are advised to pin the shared presentation screen.
5. During the Q&A portion, participants may raise their questions and/or clarifications by clicking the 'Raise Hand' icon. Following the prompt, kindly allow the moderator to recognize you by name first before unmuting.

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Leadership transition:

Appointment of Mr. Joselito Orense as President and COO

Mr. Joselito G. Orense
President and
Chief Operating Officer

- Joined MRSGI in November 2015, served as Treasurer and Chief Finance Officer from 2015 to 2025
- Appointed as President and Chief Operating Officer effective May 2025.

- Prior to joining MRSGI:

  - Chief Financial Officer of All Value Holdings Corp. from 2012 to 2015
  - Chief Financial Officer of Adidas Philippines from 2004 to 2010
  - Director of Accounting and Chief Financial Officer of Golden Arches Development Corporation from 1996 to 2002

- Other background:

  - Master's degree in Business Management at Asian Institute of Management
  - BS in Business Administration and Accountancy at University of the Philippines, Cum Laude

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Leadership transition:

Appointment of Ms. Lucille Malazarte as CFO and Treasurer

Ms. Lucille S. Malazarte
Chief Finance Officer
and Treasurer

- Joined VDC in May 1991 as Chief Accountant. 34 years total with the group
- Assigned in MRSGI in July 2014, served as Vice President of Finance and Comptroller from 2014 to 2025
- Appointed as Treasurer and Chief Finance Officer effective May 2025.
- Prior to joining VDC:
  - Began her career as part of the auditing team of Sycip, Gorres, Velayo & Co.
- Other background:
  - Master's degree in Business Management at University of the Philippines, Cebu.
  - BS Accounting at University of San Carlos, Summa Cum Laude

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1Q 2025 Financial and Operational Highlights

Net sales increased by
2.0%
to PhP8.90 billion

Gross profit increased by
4.4%
to PhP1.90 billion

EBITDA increased by
6.1%
to PhP 412.99 million

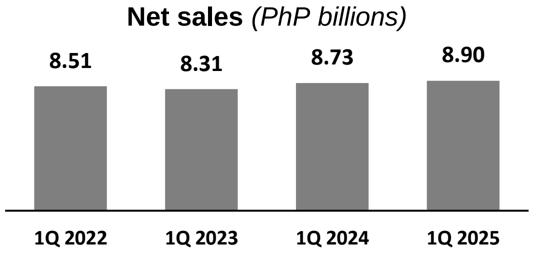
Net income decreased by
73.4%
to PhP13.39 million

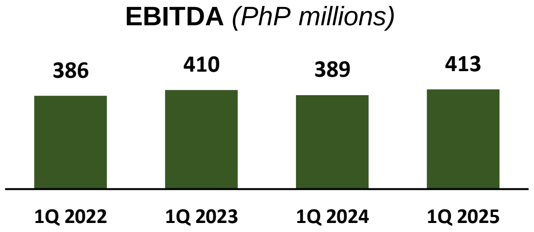
Total assets
PhP22.67B

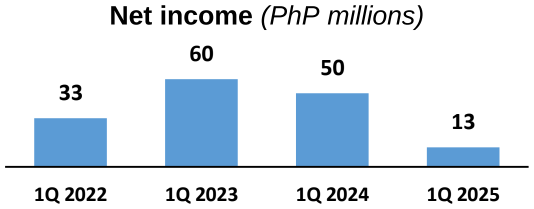
Total equity
PhP9.53B

Store network
71 stores
42 Supermarket
17 Department store
12 Hypermarket
As of end-Mar 2025

vs. historical financials







As of 31 March 2025

Market capitalization
PhP4.21B

Share price
PhP1.30

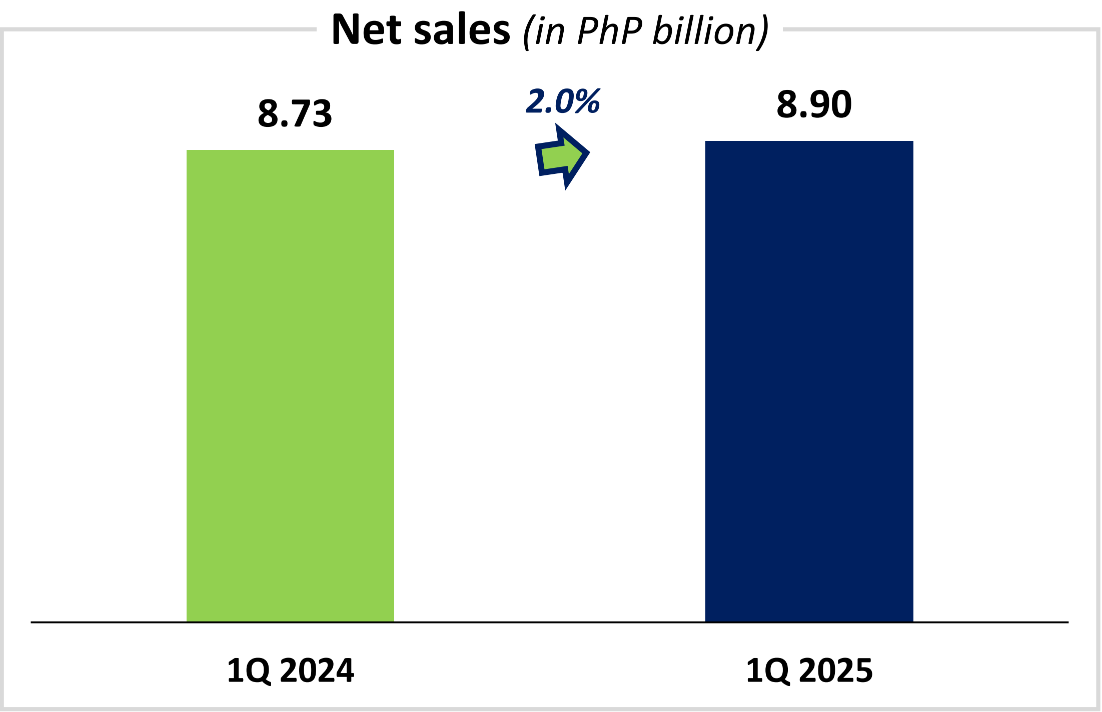
Book value per share
PhP2.94

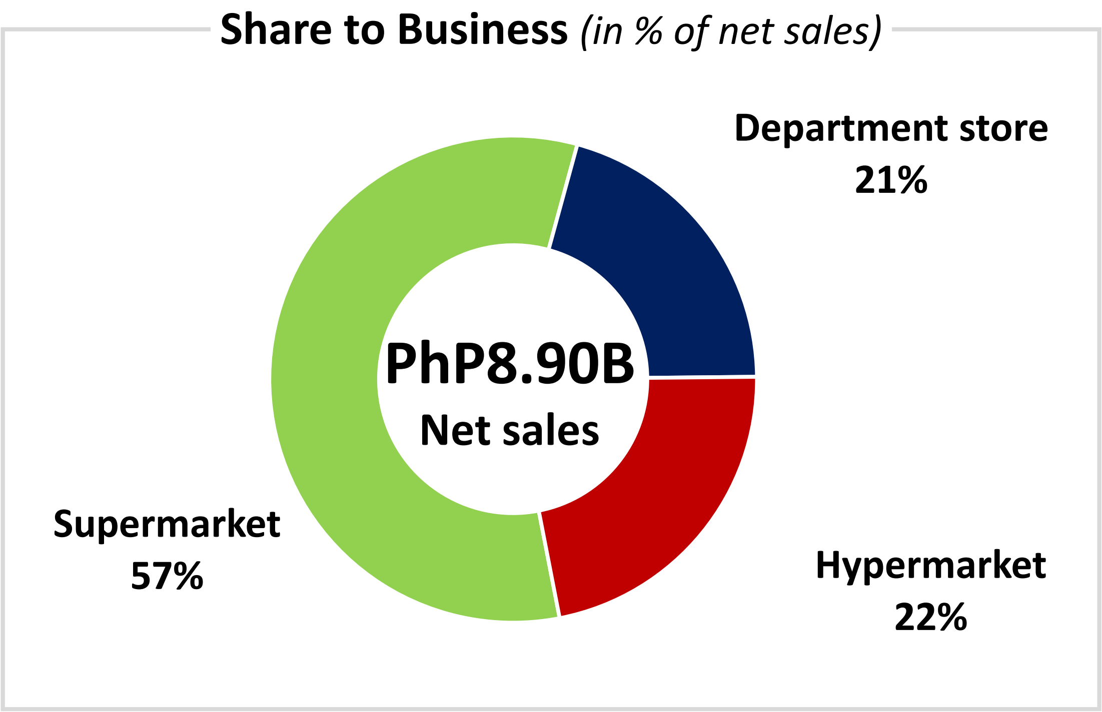
Earnings per share (1Q 2025)
PhP0.004

As of 21 May 2025, MRSGI has a market capitalization of PhP3.99 billion. Share price closed at PhP1.23.

METRO RETAIL STORES GROUP, INC.

Results of operations | Sales

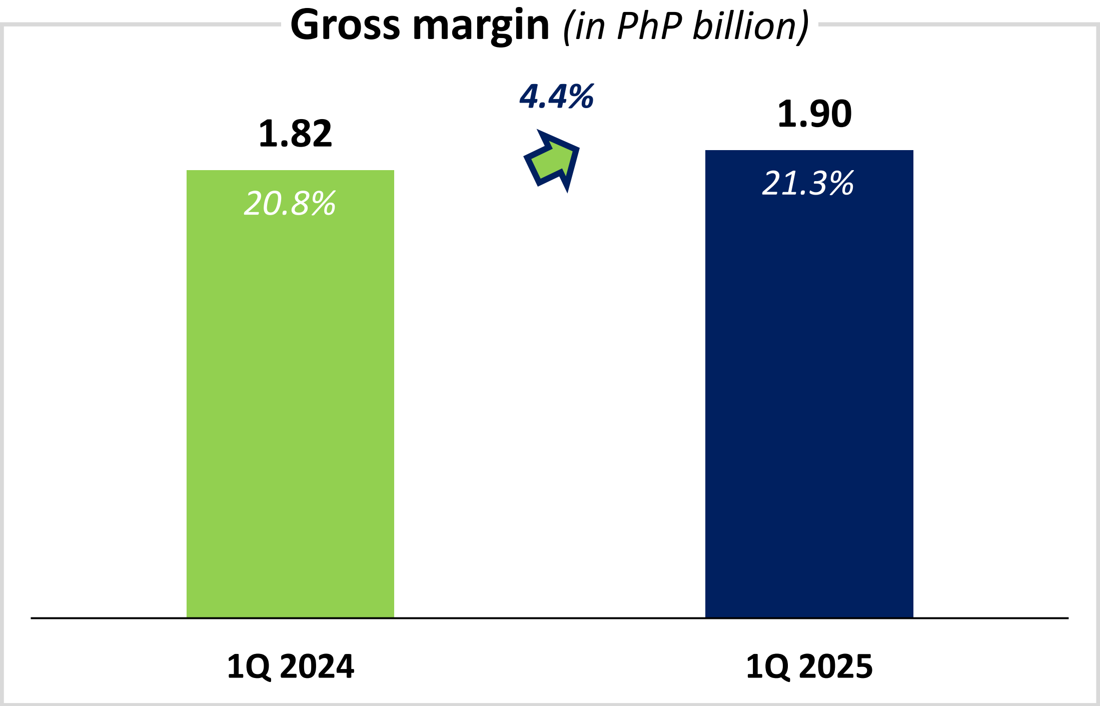


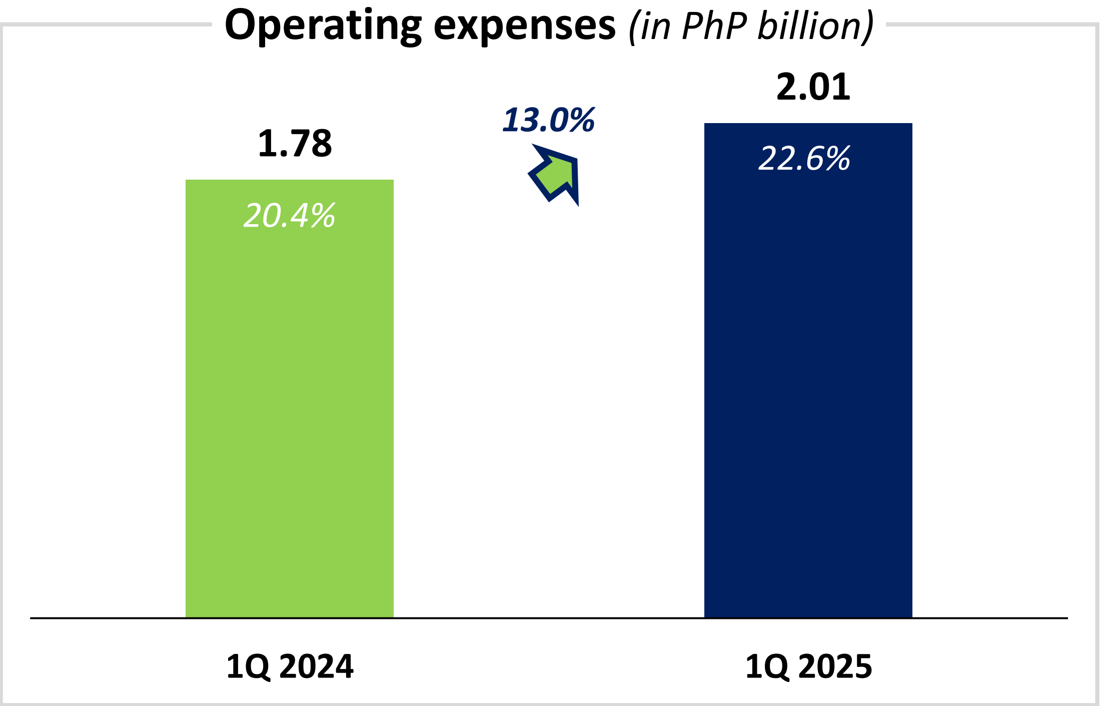


- Net sales for the first quarter of 2025 increased by 2.0% compared to the same period in 2024, underscores contributions from the Company's expansion initiatives and the steady growth of its food retail (+1.8%) and general merchandise (+2.5%) businesses.
- Blended same-store sales in 1Q 2025 was slightly lower by 1.7% versus 2024.

Note: % change is computed using actual full amount

Results of operations | Margin and Opex

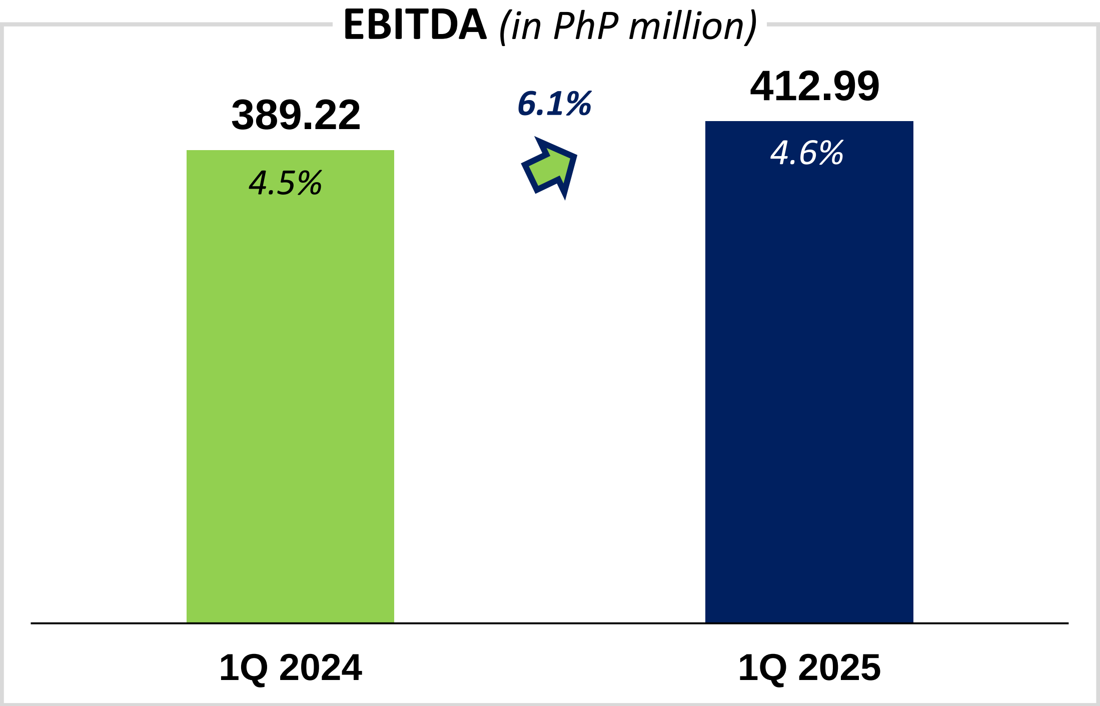


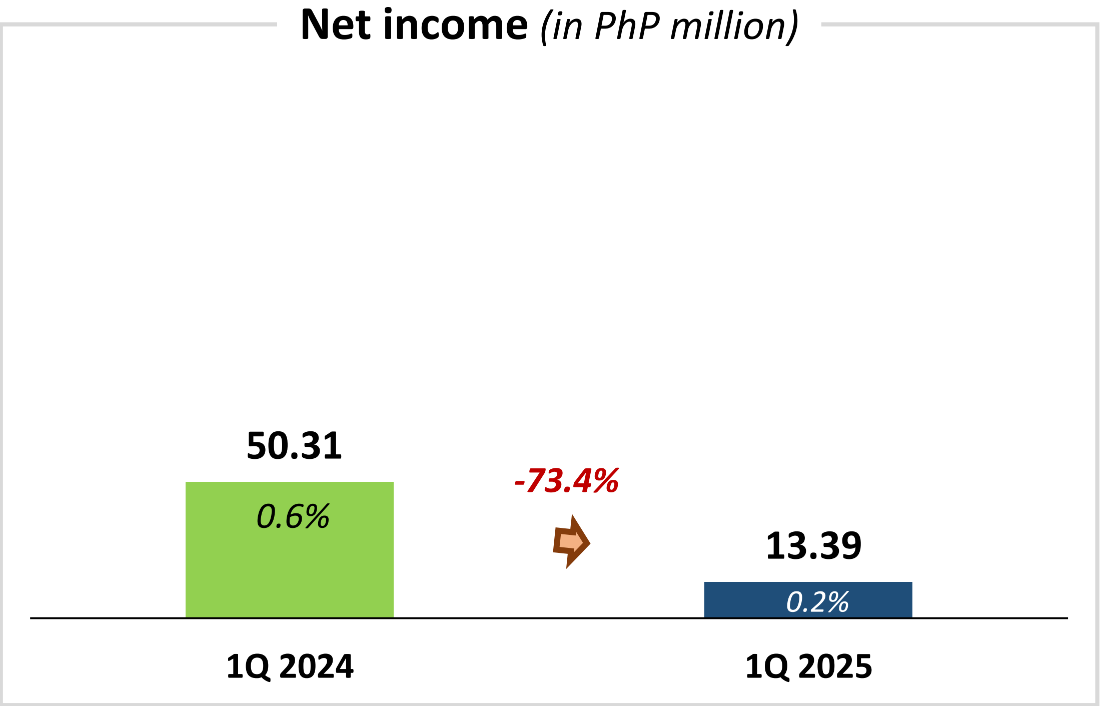


- Blended gross margin grew by 4.4% to PhP1.90 billion, attributed to a higher share to business of general merchandise business as well as margin gains from food retail. Gross margin as a percentage of sales also improved by 50 bps.
- While the Company continued implementing its cost reduction and saving measures, operating expense-to-sales ratio increased to 22.6% in 1Q 2025 from 20.4% in 2024 mainly due to higher utilities costs from power rate hikes especially in the Visayas region and manpower costs related to government mandated minimum wage increases.

Note: % change is computed using actual full amount

Results of operations | EBITDA and Net Income



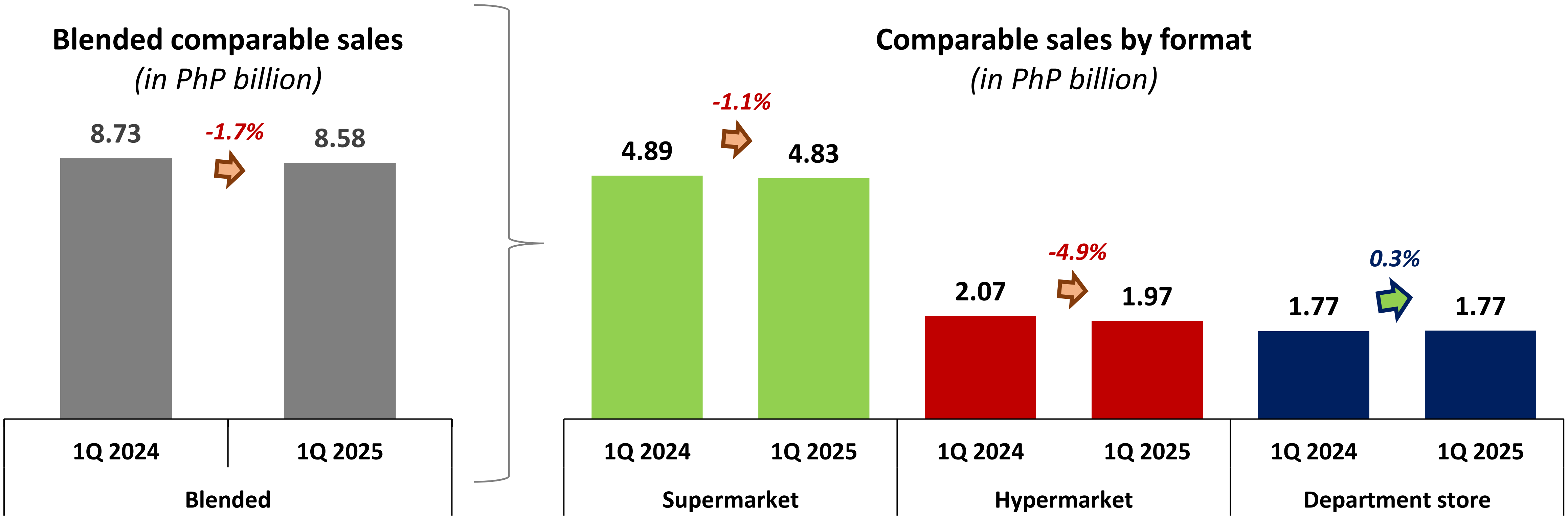


- Company achieved a solid 6.1% growth in EBITDA, reaching PhP412.99 million in the first quarter of 2025 from PhP389.22 million in the same period last year.
- Due to non-cash charges related to the Company's ongoing expansion program, net income for the first quarter in 2025 was PhP13.39 million, a 73.4% drop from PhP50.31 million in the prior year.

Note: % change is computed using actual full amount

Results of operations | Comparable store sales

Supermarket and Hypermarket decreased; Department store flattish



- The Company's blended comparable sales decreased by 1.7%, driven by the decrease in the Supermarket and Hypermarket formats by 1.1% and 4.9% respectively. While, comparable sales of Department store was flattish.

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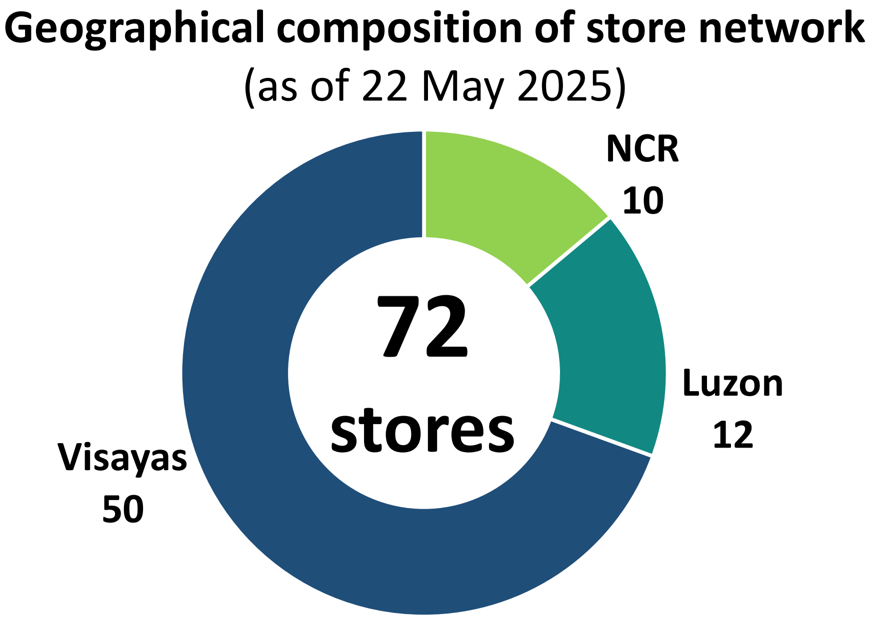
Note: % change is computed using actual full amount

MRSGI existing store network



Supermarket

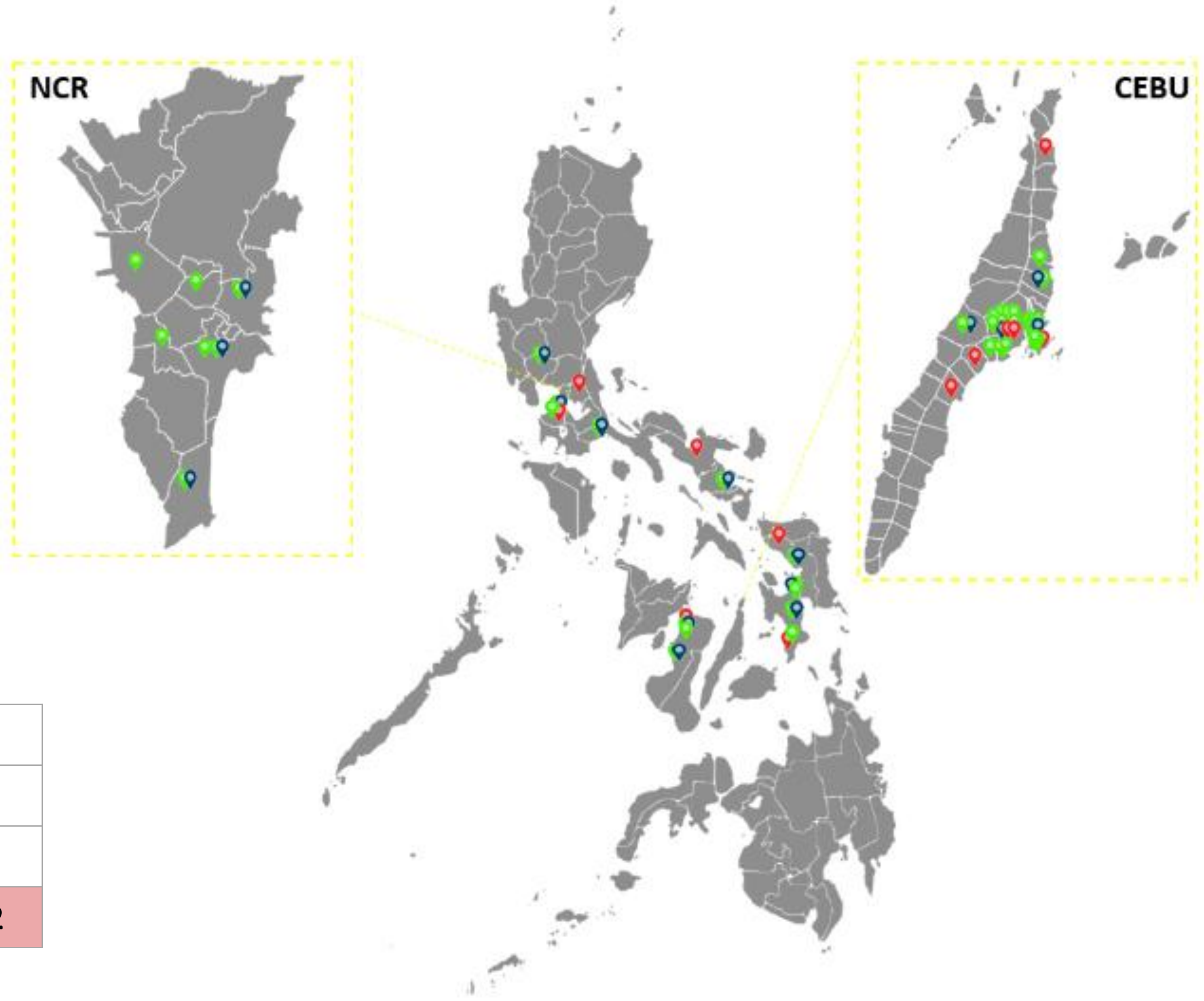
NCR	7
Luzon	5
Visayas	31
Total	**43**

Department Store

NCR	3
Luzon	4
Visayas	10
Total	**17**

Hypermarket

NCR	-
Luzon	3
Visayas	9
Total	**12**



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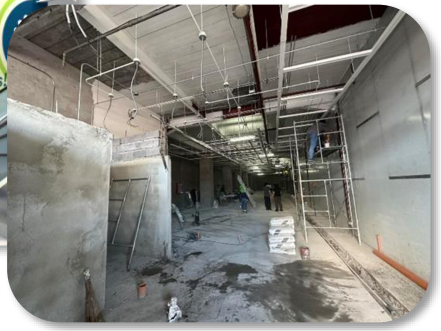
MRSGI network expansion:

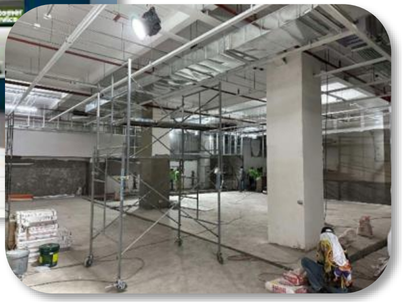
Recently opened Metro Value Mart in Talisay City, Cebu | April 2025

MRSGI network expansion:
Ongoing construction - Luzon

Metro Value Mart
Guinobatan, Albay



Metro Value Mart
Gubat, Sorsogon



Metro Value Mart
Ligao, Albay

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MRSGI network expansion:
Ongoing construction - Visayas

Metro Supermarket and Department Store
Naval, Biliran

Metro Supermarket and Department Store
Bais, Negros Oriental

Metro Supermarket
Liloan, Cebu

Metro Supermarket
Mandaue City, Cebu

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MRSGI network expansion:

Groundbreaking – Metro Supermarket in Compostela, Cebu (March 2025)

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Key financial indicators

Currency: PhP million	2016	2017	2018	2019	2020	2021	2022	2023	2024	1Q 2025
Financial highlights										
Net sales	34,411	35,016	33,050	36,790	31,286	31,211	38,102	38,273	39,617	8,899
EBITDA	1,547	1,877	1,781	2,785	1,273	1,220	2,680	2,167	2,337	413
Net income	789	977	965	776	(450)	(318)	917	618	609	13
Financial soundness indicator										
Current Ratio	2.14	2.41	2.01	1.47	1.45	1.71	2.34	2.04	1.62	1.62
Debt to Equity Ratio	-	-	-	-	0.18	0.18	0.33	0.30	0.28	0.27
Net Debt to Equity Ratio	(0.46)	(0.47)	(0.41)	(0.31)	(0.09)	(0.02)	(0.24)	(0.14)	0.04	0.15
Earnings per share (PhP)	0.23	0.28	0.28	0.23	(0.13)	(0.09)	0.28	0.19	0.19	0.004
Earnings per share – TTM (PhP)										0.17
Stock data										
Share price (PhP) – EOP	4.05	3.90	2.49	2.11	1.50	1.44	1.41	1.27	1.20	1.30
Market capitalization – EOP	13,889	13,375	8,539	7,236	5,144	4,833	4,628	4,125	3,891	4,215
Valuation metrics (EOP)										
P/B ratio	1.94	1.68	0.98	0.78	0.60	0.60	0.51	0.44	0.41	0.44
P/E ratio	17.61	13.93	8.89	9.17	(11.54)	(16.00)	5.04	6.68	6.32	6.84*
P/E ratio – TTM										7.47
EV/Sales – TTM	0.31	0.28	0.15	0.12	0.14	0.15	0.06	0.07	0.10	0.14
EV/EBITDA – TTM	6.84	5.15	2.77	1.55	3.45	3.82	0.91	1.30	1.78	2.39

Note:
*Using 2024 EPS

MRSGI's Strategy

METRO RETAIL STORES GROUP, INC.

1Q 2025
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Analysts' Briefing

22 May 2025

MRSGI's Strategy Pillars

Customer-centricity
(What we stand for, What value do we create for our customers)

Business Reinvention and Expansion
(Rationalizing expansion, Building allied businesses)

Sustainable Growth

Margin Enhancement

Channel Expansion

Organizational Transformation
(Operational excellence, People development)

Organizational Development

Operational Excellence

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Q&A

METRO RETAIL STORES GROUP, INC.

1Q 2025
Earnings Call and
Analysts' Briefing

22 May 2025

Investor Relations Office

Mr. Arnold M. Leoncio

VP for Business Development and Investor Relations

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METRO RETAIL STORES GROUP, INC.

1Q 2025

Earnings Call and Analysts' Briefing

RETAIL STORES GROUP, INC.

Annex: Financial Statements

22 May 2025

Statement of Comprehensive Income (1/2)

METRO RETAIL STORES GROUP, INC.

UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

	For the Three-Months Period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
REVENUE		
Net sales (Note 15)	**₱8,899,102,073**	₱8,728,611,522
Rentals (Note 22)	**103,735,326**	93,759,152
	9,002,837,399	8,822,370,674
COSTS AND EXPENSES		
Cost of sales (Note 17)	**7,001,746,059**	6,910,729,365
Operating expenses (Note 18)	**2,013,173,865**	1,781,476,647
	9,014,919,924	8,692,206,012
OPERATING INCOME (LOSS)	**(12,082,525)**	130,164,662
OTHER INCOME (CHARGES) (Note 16)		
Interest and other income	**147,319,340**	61,058,828
Finance costs	**(120,007,303)**	(128,749,549)
	27,312,037	(67,690,721)
INCOME BEFORE INCOME TAX	**15,229,512**	62,473,941

Statement of Comprehensive Income (2/2)

INCOME BEFORE INCOME TAX	**15,229,512**	62,473,941
PROVISION FOR INCOME TAX (Note 21)		
Current	**41,056,452**	30,075,591
Deferred	**(39,214,511)**	(17,911,137)
	1,841,941	12,164,454
NET INCOME	**13,387,571**	50,309,487
OTHER COMPREHENSIVE INCOME		
Not to be reclassified to profit or loss in subsequent periods		
Remeasurement (losses) gains on defined benefit obligation	**–**	–
Income tax effect	**–**	–
	–	–
TOTAL COMPREHENSIVE INCOME	**₱13,387,571**	₱50,309,487
Basic/Diluted Earnings Per Share (Note 23)	**₱0.004**	₱0.015

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Statement of Financial Position (1/2)

METRO RETAIL STORES GROUP, INC.

UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2025

(With Comparative Audited Figures as at December 31, 2024)

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 3 and 25)	₱1,167,118,588	₱2,299,422,529
Short-term investments (Notes 4 and 25)	191,200,963	289,919,638
Receivables (Notes 5 and 25)	762,035,457	1,237,906,937
Merchandise inventories (Note 6)	6,640,902,778	6,301,745,958
Other current assets (Notes 7 and 25)	608,305,494	484,466,196
Total Current Assets	9,369,563,280	10,613,461,258
Noncurrent Assets		
Property and equipment (Note 8)	8,092,695,742	7,868,892,616
Right-of-use (“ROU”) assets (Note 22)	3,815,709,377	4,529,304,837
Deferred tax assets - net (Note 21)	525,227,056	486,012,545
Other noncurrent assets (Notes 9 and 25)	869,625,294	784,262,340
Total Noncurrent Assets	13,303,257,469	13,668,472,338
TOTAL ASSETS	₱22,672,820,749	₱24,281,933,596

Statement of Financial Position (2/2)

LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 10 and 25)	₱4,681,947,521	₱5,445,779,693
Contract liabilities (Note 11)	94,004,854	111,867,178
Income tax payable	71,776,297	62,159,881
Short-term loans payable (Note 12)	150,000,000	200,000,000
Loans payable – current portion (Note 12)	473,611,111	473,611,111
Lease liabilities - current portion (Notes 22 and 25)	302,174,856	266,516,739
Total Current Liabilities	5,773,514,639	6,559,934,602
Noncurrent Liabilities		
Lease liabilities – net of current portion (Notes 22 and 25)	4,812,174,105	5,650,722,017
Retirement benefit obligation (Note 19)	561,936,982	543,396,113
Loans payable – net of current portion (Note 12)	1,969,334,196	1,986,835,274
Other noncurrent liabilities (Notes 13 and 25)	21,288,325	19,644,282
Total Noncurrent Liabilities	7,364,733,608	8,200,597,686
Total Liabilities	13,138,248,247	14,760,532,288
Equity		
Capital stock (Note 14)	3,429,375,000	3,429,375,000
Additional paid-in capital (Note 14)	2,455,542,149	2,455,542,149
Treasury stock (Note 14)	(261,743,270)	(261,526,893)
Retained earnings (Note 14)	3,814,200,871	3,800,813,300
Share-based equity (Note 14)	11,557,101	11,557,101
Remeasurement losses on defined benefit obligation (Note 19)	85,640,651	85,640,651
Total Equity	9,534,572,502	9,521,401,308
TOTAL LIABILITIES AND EQUITY	₱22,672,820,749	₱24,281,933,596

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Statement of Cash Flows (1/2)

METRO RETAIL STORES GROUP, INC.

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

	For the Three-month Periods Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱15,229,512	₱62,473,941
Adjustments for:		
Depreciation and amortization - PPE (Note 8)	188,619,037	168,606,281
Finance costs (Note 16)	120,007,303	128,749,549
Depreciation - ROU assets (Note 22)	99,449,202	72,297,312
Gain on lease contract termination (Note 18)	–	–
Retirement benefits costs (Note 19)	19,735,244	18,612,746
Provision for expected credit losses and write-off of receivables (Note 18)	42,828	273,210
Loss on retirement/disposal of fixed assets (Note 16)	66	20,068
Foreign currency exchange gains (Note 16)	(1,722,394)	(5,913,368)
Interest income (Note 16)	(10,295,726)	(42,897,642)
Operating income before working capital changes	431,065,072	402,222,097
Decrease (increase) in:		
Receivables	475,167,491	368,165,276
Merchandise inventories	(339,156,821)	(237,121,585)
Other current assets	(58,370,863)	66,902,498
Increase (decrease) in:		
Trade and other payables	(763,266,845)	(474,430,251)
Contract liabilities	(17,862,323)	(12,803,262)
Other current liabilities	1,644,046	1,427,063
Cash flows generated from (used in) operations	(270,780,243)	114,361,836
Income tax paid	(96,951,300)	(123,583,770)
Interest received	10,999,716	28,899,269
Retirement benefits paid	(1,194,375)	(32,403,273)
Net cash used in operating activities	(357,926,202)	(12,725,938)

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Statement of Cash Flows (2/2)

CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment (Note 8)	(355,028,036)	(418,622,107)
Decrease (increase) in short-term investments	98,718,676	(285,551,935)
Increase in other noncurrent assets	(142,757,147)	(48,642,840)
Net cash used in investing activities	(399,066,507)	(752,816,882)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availment (Note 12)	250,000,000	–
Purchase of treasury stocks (Note 14)	(216,377)	(367,702)
Payment of:		
Loans payable (Note 12)	(318,402,778)	(27,777,778)
Lease liabilities (Note 22)	(270,367,675)	(102,672,457)
Interest	(38,046,796)	(40,457,351)
Net cash used in financing activities	(377,033,626)	(171,275,288)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,134,026,335)	(936,818,108)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE (Note 16)	1,722,394	5,913,368
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,299,422,529	4,154,363,416
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 3)	₱1,167,118,588	₱3,223,458,676

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Press release

MEDIA RELEASE

May 19, 2025

Metro Retail posts PhP8.9 billion sales and PhP13.4 million net income in 1Q 2025

19 May 2025, Manila, Philippines – Metro Retail Stores Group, Inc. (MRSGI) recorded PhP8.90 billion in net sales for the first quarter of 2025, a 2% increase from PhP8.73 billion for the same period in 2024. This underscores contributions from the Company's expansion initiatives and the steady growth of its food retail (+1.8%) and general merchandise (+2.5%) businesses. Meanwhile, same-store sales in 1Q 2025 was slightly lower by 1.7% versus 2024.

Blended gross margin grew by 4.4% to PhP1.90 billion, attributed to a higher share to business of general merchandise business as well as margin gains from food retail. Gross margin as a percentage of sales also improved to 21.3% from 20.8% in 2024.

While the Company continued implementing its cost reduction and saving measures, operating expense-to-sales ratio increased to 22.6% in 1Q 2025 from 20.4% in 2024 mainly due to higher utilities costs from power rate hikes especially in the Visayas region and manpower costs related to government mandated minimum wage increases.

In terms of cash earnings (as measured by EBITDA), MRSGI achieved a solid 6.1% growth reaching PhP413.0 million in the first quarter of 2025 from PhP389.2 million in the same period last year.

However, due to non-cash charges related to the Company's ongoing expansion program, net income for the first quarter in 2025 was PhP13.4 million, a 73.4% drop from PhP50.3 million in the prior year.

In April, MRSGI's total store network grew to 72 stores with the opening of a Metro Value Mart in Talisay City, Cebu.

"Through 2025, MRSGI will continue to elevate customer experience, focus on optimizing our operations, and strategically expand our network to further strengthen our market position and deliver sustainable growth," said newly appointed MRSGI President and COO Joselito G. Orense.

To date, Metro Retail operates a total of 72 branches across Luzon and the Visayas under the store formats Metro Supermarket, Metro Department Store, Super Metro Hypermarket, Metro Value Mart, and Metro Home and Lifestyle. In line with its commitment to sustainable growth, MRSGI continues to aggressively expand its retail network.

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