

## SSI Group 1<sup>st</sup> Half 2017 Results

- Net income of P274m, an increase of 14% y-o-y
- Core Recurring income of P327m, an increase of 13% y-o-y
- 1H 2017 operating margin of 7.8%, an increase of 100 basis points over full year 2016 margin
- Operating cashflow of P92m generated during 1H 2017

SSI Group, Inc., the country's largest specialty store retailer, generated net income of P274m during the 1<sup>st</sup> half of 2017, an increase of 14% over the same period last year.

Core recurring income for the period, which excludes one-time write-offs related to the Group's store rationalization program, was at P327m, a 13% y-o-y increase.

Revenues for the 1<sup>st</sup> half of 2017 were at P8.4 billion, with the Group operating 665 stores covering more than 133,000 sq.m. at the end of the period.

The Group's 1<sup>st</sup> H 2017 operating margin of 7.8% improved by 100 basis points as compared to its full year 2016 operating margin. The increase in operating margin was a result of stable gross profit margins coupled with declines in operating expenses.

The Group also generated operating cashflows of P92m during the period as a result of increased cashflows during the 2<sup>nd</sup> quarter and declining inventory levels.

"Our first half results reflect resilient consumer demand as well as the execution of strategies intended to increase operating margins, maximize the efficiency of our store network and strengthen our brand portfolio. We are pleased with the progress we have made so far and expect to continue to benefit from these factors during the second half of the year" said Anthony T. Huang, SSI Group, Inc. President.

The Group's store network also includes e-commerce properties [payless.ph](http://payless.ph), [lacoste.com.ph](http://lacoste.com.ph), [beautybar.com.ph](http://beautybar.com.ph), [158db.com.ph](http://158db.com.ph) and [ssilife.com.ph](http://ssilife.com.ph).