

SSI Group, Inc. 2nd Quarter 2018 Results

- Strong same store sales growth during the 2nd quarter of 13.4%
- 1st half same store sales growth of 11.6%
- 2nd quarter revenues of P4.7B, an increase of 14% y-o-y
- 1st half revenues of P9.3B, an increase of 11% y-o-y
- 2nd quarter net income of P150.4m, an increase of 8% y-o-y
- 1st half net income of P283.3m, an increase of 3% y-o-y

SSI Group, Inc., the country's largest specialty store retailer, experienced robust sales during the second quarter of the year with sales at P4.7 Billion, an increase of 13.5% over the same period last year.

Revenue growth was driven by strong same store sales growth during the period. While gross profit margins softened during the quarter due in part to the weaker peso, strong top line growth and a rationalized expense base allowed the Group to generate net income of P150.4 million during the 2nd quarter, an increase of 8% y-o-y. Net income for the 1st half of the year was P283.3 million, an increase of 3.4%.

Core recurring income for the 2nd quarter was at P163.9 million, with core recurring income for the 1st half of the year at P299.8 million.

On July 18, 2018, the Group also announced that it had entered into an exclusive Development and License Agreement to open Shake Shack restaurants in the country, with the first Shack scheduled to open during the first quarter of 2019.

During the 2nd half of 2018, the Group also expects to open e-commerce sites for the brands Lush, Dune and Aeropostale as well as re-launch ssilife.com.ph, the Group's marketplace site.

"We saw double digit same store sales growth during the 2nd quarter of the year as our brand portfolio and store network continued to benefit from resilient mid and high end discretionary spending and we expect that margins will continue to firm up as the year progresses" said Anthony T. Huang, President of SSI Group, Inc.

The SSI Group maintains a portfolio of 100 brands, which includes many of the world's most recognizable brands, and a store network that is located in prime retail locations nationwide. Through its superior brand portfolio and store network the Group is able to cater to its customers' passions for well-curated lifestyles and to support the Group's mission to enhance the lifestyles of Filipino consumers.

The Group's store network also includes e-commerce properties lacoste.com.ph, payless.ph, beautybar.com.ph, 158db.com.ph, superga.ph and ssilife.com.ph.