

SSI Group, Inc. (SSI) 1H 2020 Results

SSI Group, Inc. (SSI), the country's leading specialty retailer, ended the 1st half of 2020 with a P476 million net loss, a reversal from net income of P346m booked during the 1st half of 2019. The Group's net loss was driven primarily by a 49% decline in 1st half 2020 sales to P5.02 billion, as a result of the closure of substantially all of the Group's stores from March 17 - May 15, in line with government directives intended to control the spread of COVID 19.

The Group reopened substantially all of its stores on June 1, and has implemented strict safety measures in all of its shops and restaurants to ensure the health and safety of both customers and employees. Since reopening on June 1, the Group has seen steady weekly sales increases.

The Group has also seen significant growth of its e-commerce business, with e-commerce sales increasing by 375% during the 1st half of 2020.

SSI currently operates the following e-commerce sites:

bananarepublic.com.ph
beautybar.com.ph
dunelondon.ph
gap.com.ph
lacoste.com.ph
lush.com.ph
payless.ph
superga.ph
zara.com/ph
marksandspencer.com.ph

On May 16, the Group opened the digital flagship for Marks & Spencer at marksandspencer.com.ph, carrying a wide range of products that includes clothing, personal care items and M&S food.

The Group reopened its two (2) Shake Shack branches in April, and its SaladStop! restaurants on May 15. Both restaurant concepts have since enjoyed strong demand from both delivery and take out customers.

On May 21 the Group launched "The Specialist," an at home concierge service, that pairs customers with personal shoppers who help customers shop from home, across the range of the Group's brands, arranging for online payment, and delivery of items from different brands all at one time, within one (1) day of a customer finalizing their orders with The Specialist.

In order to address challenging operating conditions, the Group continues to build operating flexibility into its business and leverage on its unique and relevant brand portfolio by providing a safe shopping experience for customers, by executing strategic sale and promotional events that are exciting for customers, and by increasing the channels through which it can interact with customers, through services like The Specialist, and most importantly by scaling up its e-commerce presence.

“The Group has reduced capex for 2020 as we focus on managing our business prudently during these unprecedented times.

I am optimistic with respect to the steady increases we have seen in brick and mortar sales and that we are ready to compete and operate under the “new normal.” We are also focused on building out what is already the most diverse e-commerce presence amongst local specialty retailers, into a world class e-commerce portfolio.

In September, the Group will be launching an online marketplace that will carry a range of brands from the Group’s portfolio as well as other brands and products to complement the marketplace’s online offerings. This e-commerce site will be unique in that it will carry a wide variety of brands from luxury, to casual and fast fashion, home, personal care products and food on one premium marketplace,” said Anthony T. Huang, SSI President.