

SSI Group 1st Quarter 2017 Results

- 1st quarter core recurring income at P157 million, an increase of 21% y-o-y
- Net income at P135 million, an increase of 11% y-o-y
- Operating margin of 7.8%, an increase of 104 basis points over full year 2016 margin
- P200m share buy back program approved by the Group's Board of Directors

SSI Group, Inc., the country's largest specialty store retailer, generated net income of P157 million during the 1st quarter of 2017 an increase of 21% over the same period last year.

Revenues for the period were at P4.3 billion, with the Group operating 686 stores covering more than 136,000 sq.m at the end of the 1st quarter. Also as of the end of the 1st quarter, the Group's brand portfolio consisted of 114 brands.

Net income for the period, which includes one-time write-offs related to the Group's rationalization program, was at P135 million, an 11% increase.

The increase in the Group's core recurring income reflects the impact of sustained consumer demand, the strength of the Group's brand portfolio, as well as the impact of initiatives to rationalize operating expenses and generate cost efficiencies.

In line with these initiatives, the Group saw significant operating expense savings during the first quarter of the year with operating margin expanding 104 basis points over full year 2016 margins.

"We are pleased that our first quarter results reflect strategies meant to stabilize operating margins, maximize the efficiency of our store network and reinforce the position of our brands. We look forward to continuing to build on progress made during the first quarter as we see a return to growth in 2017." Said Anthony T. Huang, President of SSI Group, Inc.

On May 9, 2017 the Group's Board of Directors approved a P200 million share buy back program.

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