

SSI Group, Inc. 9 Months 2019 Results

In a continuation of positive trends, which include strong top line growth, driven by healthy same store sales growth, and controlled increases in operating expenses, the Group posted a 107% increase in net income during the 3rd quarter of 2019, with core recurring income for the quarter increasing by 39%

- 3rd quarter net income at P175 million, an increase of 107% y-o-y, with 3rd quarter core recurring income at P187 million, an increase of 39% y-o-y
- 9 month net income at P521 million, an increase of 42%, with 9 month core recurring income at P566 million, an increase of 30%
- Revenue for the 3rd quarter grew by 11% to P5.0 billion, with 9 month revenues increasing by 8% to P14.9 billion, driven by 9 month same store sales growth of P6.8%
- 3rd quarter operating income at P295 million, an increase of 15%, with 9 month operating income at P927 million, an increase of 26%

SSI Group, Inc., the country's largest specialty store retailer, posted sales of P14.9 Billion, during the first nine months of 2019, an increase of 7.7%. The Group's sales growth continues to be driven by healthy consumer demand, with same store sales growth of 6.8%. Revenue growth was achieved against a 3% decline in the Group's total floor area, as the Group continues with its strategy to strengthen its store network and focus store openings on developed brands in developed locations.

The Group also generated operating income of P926.5 million during the first nine months of 2019, with operating margin increasing by 90 basis points to 6.2%, as against the same period last year.

Healthy top line growth combined with operating margin expansion drove over-all results for the first nine months of 2019, with nine month core recurring income, or income excluding one time write offs related to store rationalizations, increasing by 30% y-o-y to P566.1 million and nine month net income increasing by 42% y-o-y to P521.3 million.

"During the 3rd quarter, and through the first nine months of the year, the Group has benefited from a focus on strong execution, cost rationalization and the generation of operating efficiencies. This focus has reinforced the Group's ability to capture growing consumer spending within a highly competitive and evolving industry." said Anthony T. Huang, SSI Group President.

The SSI Group maintains a portfolio of 92 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 unique brand portfolio and strategic 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 has expanded its e-commerce properties with the recent opening of e-commerce sites for zara.com/ph and lush.com.ph. This is in addition to existing e-commerce sites lacoste.com.ph, gap.com.ph, payless.ph, beautybar.com.ph, superga.ph, bananarepublic.com.ph and dunelondon.ph

Apart from its extensive portfolio of fashion and personal care brands, the Group also operates TWG, SaladStop! and Shake Shack. The Group will be opening its second Shake Shack restaurant at SM Megamall on December 6.