

## SSI Group, Inc. Full Year 2018 Results

*Strong 4th quarter drives full year 2018 growth, with 4<sup>th</sup> quarter net income increasing by 362% to P240 million and 4<sup>th</sup> quarter recurring income increasing by 41% to P293 million*

- The Group achieved strong 4Q 2018 results, with net income of P240.4 million, an increase of 362% y-o-y, and recurring income for the period of P292.5 million, an increase of 41% y-o-y.
- The Group also achieved significant net income growth with full year 2018 net income of P608 million an increase of 121%, and full year 2018 recurring income of P725.3 million, an increase of 11% y-o-y.
- Revenues for the 4<sup>th</sup> quarter increased by 8% to P6.4 billion, with full year revenues increasing 10% to an all time high of P20.2 billion.

SSI Group, Inc., the country's largest specialty store retailer, experienced robust sales during the fourth quarter of the year with sales at P6.4 Billion, an increase of 7.7%. Full year 2018 sales of P20.2 Billion represent an increase of 10% over 2017. Sales increases were achieved despite a 7% decline in the Group's total floor area, as the Group focused store openings on developed brands in developed locations.

Revenue growth was driven by strong same store sales growth, with SSG for the 4<sup>th</sup> quarter at 11.9% and SSG for full year 2018 at 12%.

The Group also saw an improvement in EBIT margins during the 4<sup>th</sup> quarter of the year with EBIT margin at 6.9%, a 110 basis points increase as against the same period in 2017. The Group's healthy 4th quarter top line growth combined with EBIT margin improvements and a rationalized expense base drove 4<sup>th</sup> quarter results

For full year 2018 the Group generated core recurring income of P725.3 million and net income of P608.4 million. Core recurring income excludes one time write offs related to the Group's store optimization program.

"The Group's 4<sup>th</sup> quarter results were driven by resilient mid and high end discretionary spending as well as by a rationalized expense base. While we saw

increased macro economic volatility in 2018, the Group continued to leverage on the strength of its brand portfolio and store network.” Said Anthony T. Huang, President of SSI Group, Inc.

The SSI Group maintains a portfolio of 90 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](http://lacoste.com.ph), [gap.com.ph](http://gap.com.ph), [payless.ph](http://payless.ph), [beautybar.com.ph](http://beautybar.com.ph), [158db.com.ph](http://158db.com.ph), [superga.ph](http://superga.ph), [bananarepublic.com.ph](http://bananarepublic.com.ph) and [dunelondon.ph](http://dunelondon.ph)

Apart from its extensive portfolio of fashion and personal care brands, the Group also operates TWG and SaladStop! in the Philippines. The Group will likewise be opening the first Shake Shack in the Philippines during the first half of 2019.