

SSI Group, Inc. (SSI) Unaudited 1st Half 2022 Results

SSI Group 2nd quarter 2022 sales, gross profit margins and net income exceed pre-COVID levels, with 1st half 2022 net income at P491m +383% y-o-y and +42% vs. net income during the 1st half of 2019.

The Group generated sales of P5.6B during the 2nd quarter, an increase of 91% y-o-y, and an increase of 13%, as compared to 2nd quarter 2019. Gross profit margin for the 2nd quarter was at 46.3% vs. 43.2% during the same period in 2021 and vs. 43.5% in 2nd quarter 2019.

The SSI Group performed strongly during the 1st half of 2022, driven by significant increases in 2nd quarter sales, gross profit margins and net income.

Results during the 2nd quarter of the year reflect strong consumer demand for the Group's brands and continue to highlight the resilience of SSI's core customer base and brand portfolio, combined with the execution of strategies meant to optimize expenses and to build new channels through which to reach the Group's customers.

- 2Q net income of P424M, +671% y-o-y
- 1H net income of P491M +383% y-o-y
- 2Q revenues of P5.6B +91% y-o-y
- 1H revenues of P10.1B +56% y-o-y
- 2Q operating cash flows of P1.4B +38% y-o-y
- 1H operating cash flows of P2.0B +210% y-o-y
- E-commerce sites trunc.ph, bananarepublic.com.ph, beautybar.com.ph, dunelondon.ph, gap.com.ph, lacoste.com.ph, lush.com.ph, marksandspencer.com.ph, massimodutti.com/ph, oldnavy.com.ph, payless.ph, superga.ph and zara.com/ph, posted 2H 2022 sales growth of 19%, accounting for 8.2% of 2H 2022 sales.

“ As operating conditions began to normalize during the 2nd quarter of 2022, the Group saw a marked turn around in sales and net income. Strong consumer demand during the period allowed the Group to capitalize on strategies put in place in order to ensure responsiveness to changing market conditions, and to convert improving consumer

confidence and mobility into sales and profitability. Apart from a return to pre-COVID sales and profitability, the Group saw extremely strong cash flow generation during the 1st half of 2022”

“The Group enters the 2nd half of 2022 well equipped to deal with possible headwinds in the form of higher inflation and a weaker peso, and we continue to be confident that SSI has put in place the tools to deal with changing market conditions” Said Anthony T. Huang, President of SSI.