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Russian Food Retailer O'Key Sees Net Loss Widen in Q1

By The Moscow Times

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O'Key said it had made a net loss of 153 million rubles ($2.98 million) in January-March.

Russian food retailer O'Key Group said Monday that its net loss had widened in the first quarter, citing the increased cost of debt and expenses related to new stores.

O'Key said it had made a net loss of 153 million rubles ($2.98 million) in January-March, compared to a 22-million-ruble loss in the first quarter of 2014, although its core profit and revenues rose.

The company said its losses had widened because of the increased cost of financing and higher depreciation charges related to new stores, without providing details.

Quarterly earnings before interest, taxation, depreciation and amortization (EBITDA) rose 5.1 percent to 1.8 billion rubles, it said, adding the EBITDA margin slid to 4.7 percent from 4.8 percent in the first quarter of 2014.

Revenue grew 7.4 percent to 37.7 billion rubles thanks to new stores and a 1.1 percent increase in like-for-like sales, O'Key said in a statement.

Like-for-like sales improved compared with the previous quarter when they were down 5.1 percent, although O'Key has yet to stop customer outflows.

It reported a 1.9 percent drop in customer numbers and a 3.0 percent rise in the average bill for the first quarter, after a 6.2 percent decline and a 1.2 percent rise, respectively, in the fourth quarter of 2014.

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