PUREGOLD PRICE CLUB, INC.

Company Presentation

1H 2017 Results and Performance

August 2017

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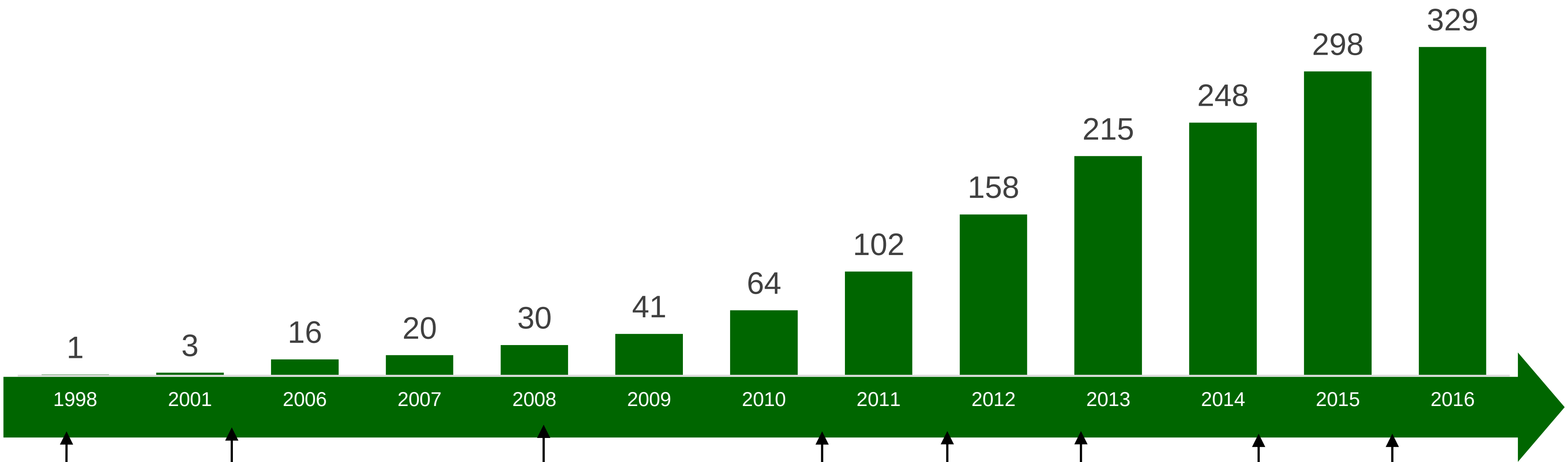
Investment Summary

1. Sustained economic growth of the Philippines
2. Exposure to growing & robust consumer sector
3. Visible growth pipeline in the next 5 years
4. Focused core target market per brand
5. Expansion of new store formats aimed at the broad-C market
6. Expansion to new geographic locations
7. Management focused on the sustainable and Long-Term growth of the company

Stores roll-out through FY 2016



First store

- Opened in Mandaluyong City, Metro Manila

First format introduction

Expansion

- Launched loyalty program in 2001; renamed as *Tindahan ni Aling Puring* in 2004
- Between 2002 and 2006, launched an average of 3 new stores every year and expanded operations in North and South Luzon

Brand recognition

- Reader's Digest Asia's "Most Trusted Brands"

New format introduction

Market leadership

- The 2nd largest hypermarket and supermarket retailer in the Philippines in terms of net sales

New format introduction - 2010

Rapid expansion via organic new Puregold stores roll-out and acquisitions

- 2011 - Opened 38 new Puregold stores
- 2012 – Opened 31 new Puregold stores; Acquired Parco supermarkets with 19 stores and S&R warehouse membership shopping club with 6 stores

Continuing new stores roll-out via organic geographic expansion and acquisitions

- Opened 40 new Puregold and 2 new S&R stores in 2013
- Acquired Company E with 15 stores in 2013
- NE Bodega 9 stores and Budgetlane 8 stores acquisitions in 2015

Rapid store expansion from 1 to 329 stores in 18 years


Sa PUREGOLD Always Panalo!

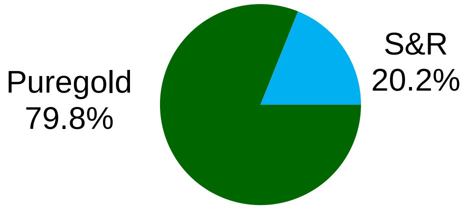
Update on PGOLD – 1H 2017

1H 2017 Results and Performance

PUREGOLD

- Opened 11 new PGOLD stores; 5 S&R New York Style Pizza (QSR) in 1H 2017;
- Operating 345 stores in 1H 2017; with consolidated NSA of more than 496,000 sqm
- Consolidated net sales expanded by 10.8% in 1H 2017; Puregold stores sales accounted for about 80% of consolidated net sales
- Gross profit grew by 13.4% in 1H 2017; with gross profit margin posted 16.6%
- Operating income increased by 10.2% in 1H 2017; with operating margin at 6.4%
- Consolidated Net income grew by 9.8% in 1H 2017; consolidated net profit margin at 4.4% PGOLD only net margin is at 3.7% while S&R net margin is 7.2%.

Operating Performance – 1H 2017

	PUREGOLD	S&R Membership Shopping – The world class shopping experience
Format	Hypermarket, supermarket, extra	Membership shopping
Revenue contribution		
Gross profit (PHP million) & Margin (%)	6,995 (15.4%)	2,402 (21.8%)
Total traffic (million)	80	3.3
Average net ticket (PHP)	558	3,452
Net sales growth (%)	7.9%	21.1%
Traffic growth (%)	8.4%	17.7%
Average net ticket growth (%)	0.9%	2.8%
Same Store net sales growth (%)*	4.0%	10.2%
Same Store traffic growth (%)*	1.2%	3.6%
Same Store average net ticket growth (%)*	2.8%	6.4%

*Same Stores Growth for 2017 are based on stores opened as of end December 2015.

Operating Performance – 1H 2017

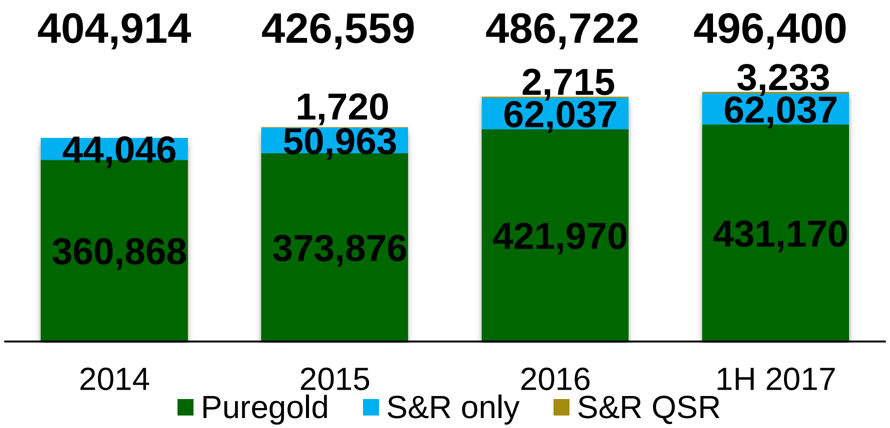
PUREGOLD

Breakdown of Stores (per format)

Group	2013	2014	2015	2016	1H 17
Hypermarket	113	121	134	147	156
Supermarket	64	83	93	100	101
Extra	28	29	28	30	31
S&R	8	9	10	12	12
S&R QSR	2	6	16	23	28
NE & Budgetlane			17	17	17
TOTAL	**215**	**248**	**298**	**329**	**345**

Puregold Only	2013	2014	2015	2016	1H 17
Metro Manila	88	102	104	110	112
North Luzon	48	58	64	70	74
South Luzon	63	67	74	80	84
Visayas	1	1	6	9	10
Mindanao	5	5	7	8	8
TOTAL	**205**	**233**	**255**	**277**	**288**

Net Selling Area of Stores (in sqm)



Traffic and Ave Ticket Size

Traffic (in M)	PGOLD	S&R
2014	133.6	4.9
2015	143.6	5.5
2016	155	6.3
1H 17	80	3.3

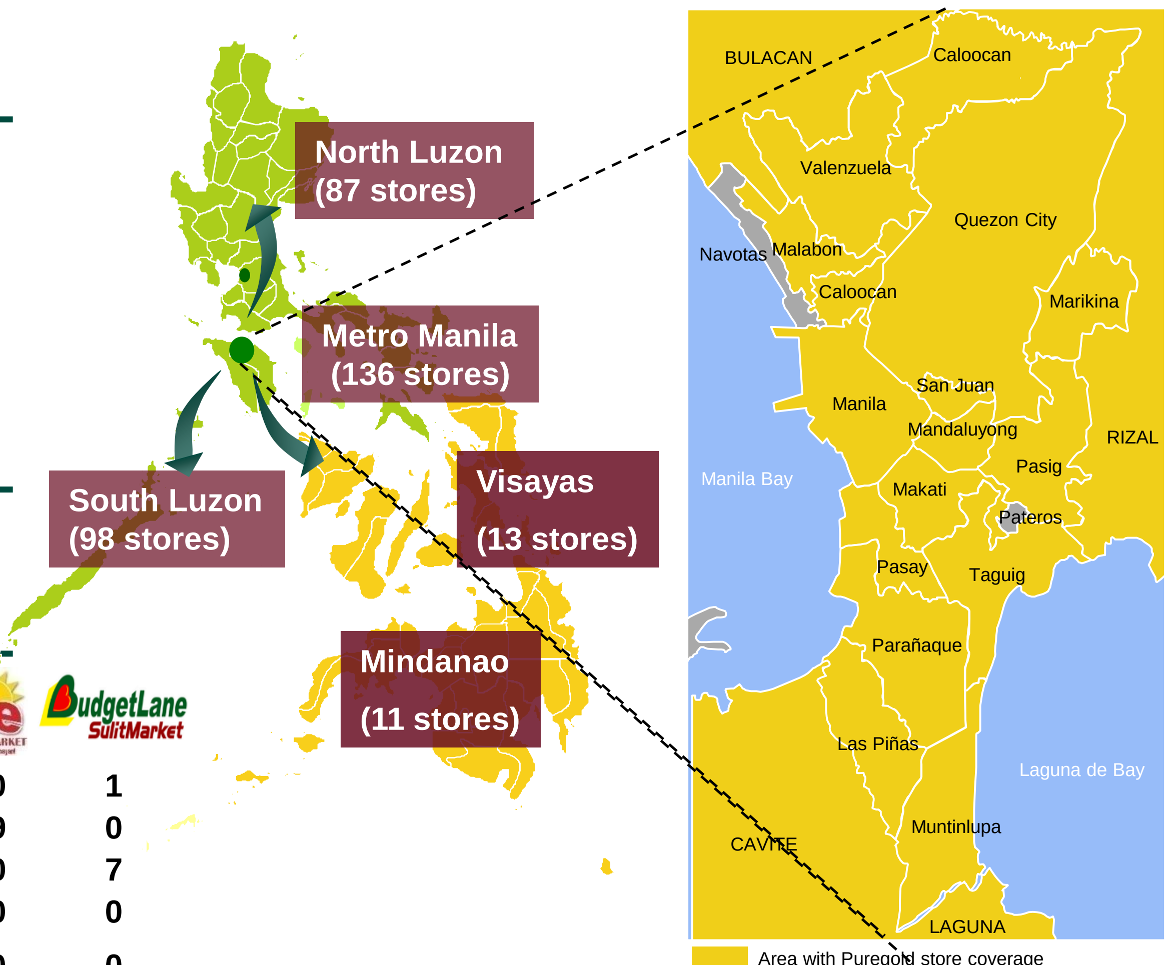
Ave Ticket (in Php)	PGOLD	S&R
2014	517	3,763
2015	543	3,584
2016	567	3,598
1H 17	558	3,452

Store Portfolio – 1H 2017

Key statistics 1Q 2017

Total no. of stores	• 345
No. of stores per format	• 156 hypermarkets; 101 supermarkets; 31 extras • 12 S&Rs & 28 S&R QSR • 17 NE Bodega & Budgetlane Stores
Consolidated net selling area	• about 496,400 square meters

Geographic coverage

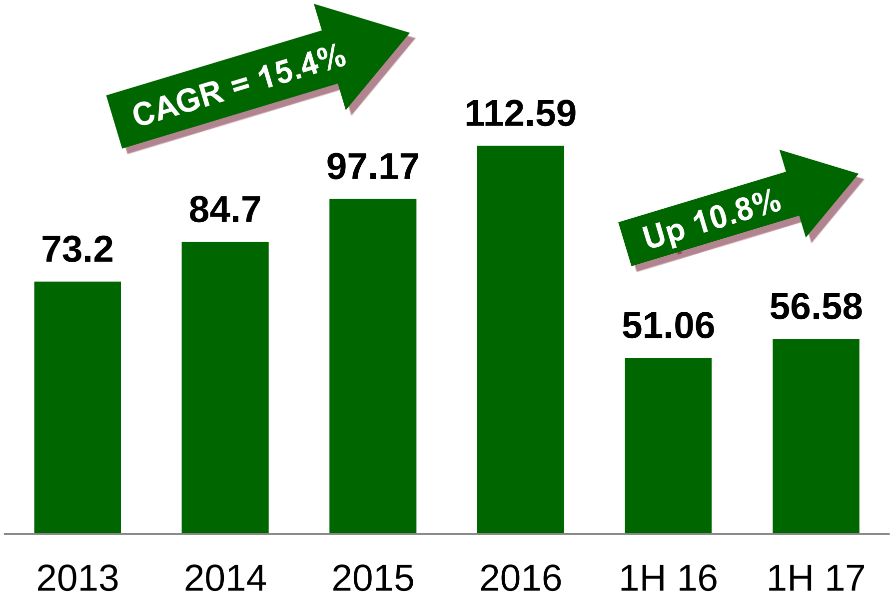


	PUREGOLD	S&R	S&R New York Style Pizza	NE Supermarket	BudgetLane SulitMarket
Metro Manila	112	5	18	0	1
North Luzon	74	1	3	9	0
South Luzon	84	2	5	0	7
Visayas	10	2	1	0	0
Mindanao	8	2	1	0	0
	288	12	28	9	8

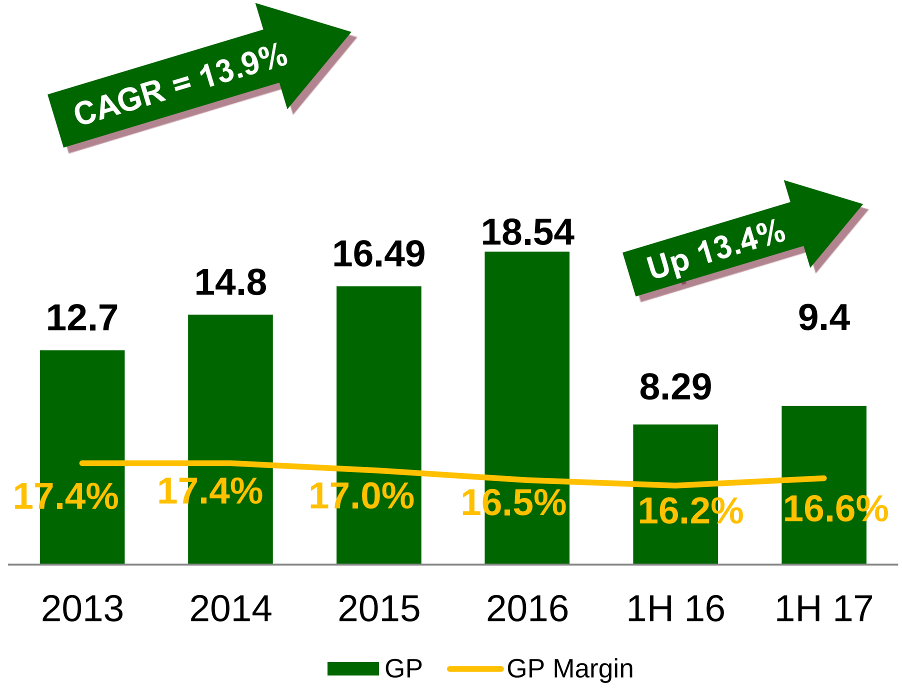
Financial Performance – 1H 2017

PUREGOLD

Net sales (in Php billions)



Gross profit & Margin (in PHP billions)

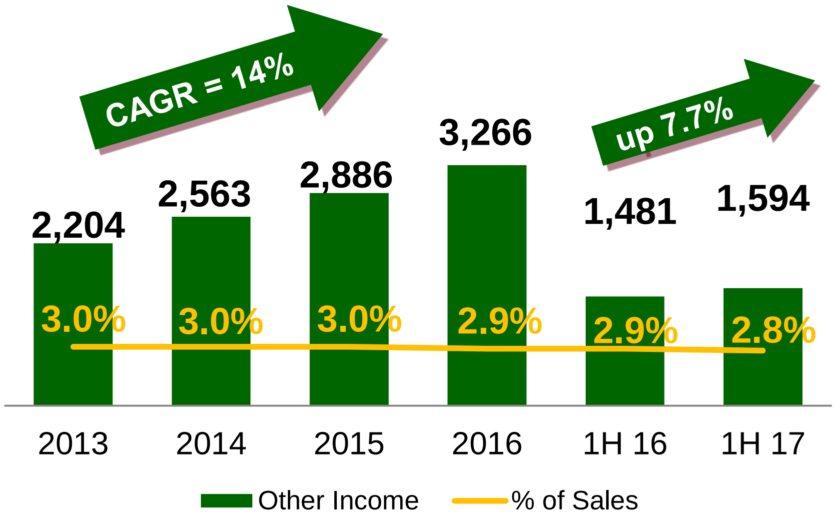


- Continuing strong revenue growth driven by the 277 Puregold stores and the 12 S&R stores
- Increasing scale of operations resulted to continuing support from suppliers in terms of discount and rebates
- Acquisitions and strong election related spending supported continuing growth in revenues

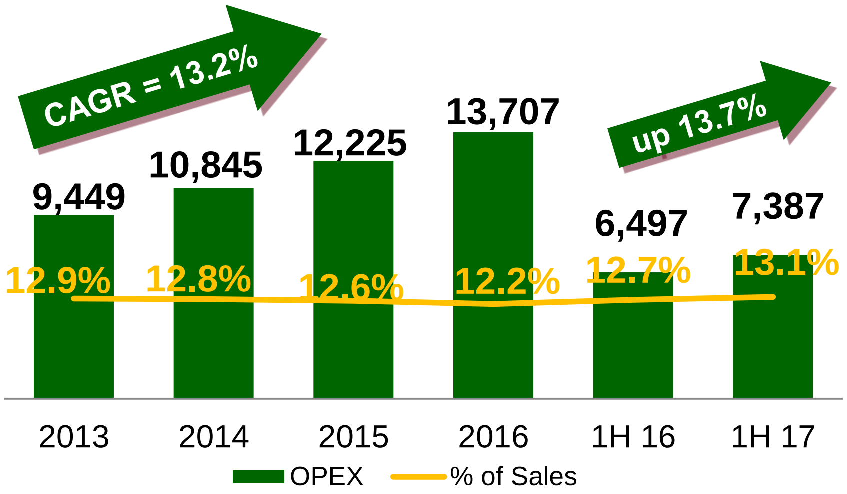
Financial Performance – 1H 2017

PUREGOLD

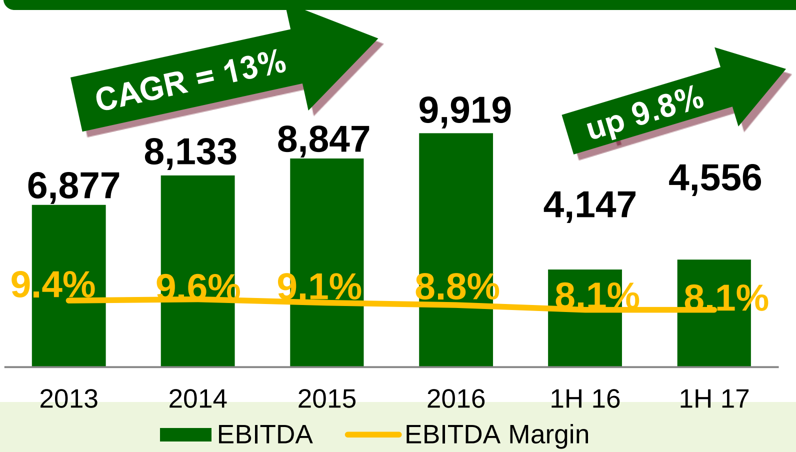
Other Operating Income (in PHP millions)



Operating Expenses (in PHP millions)



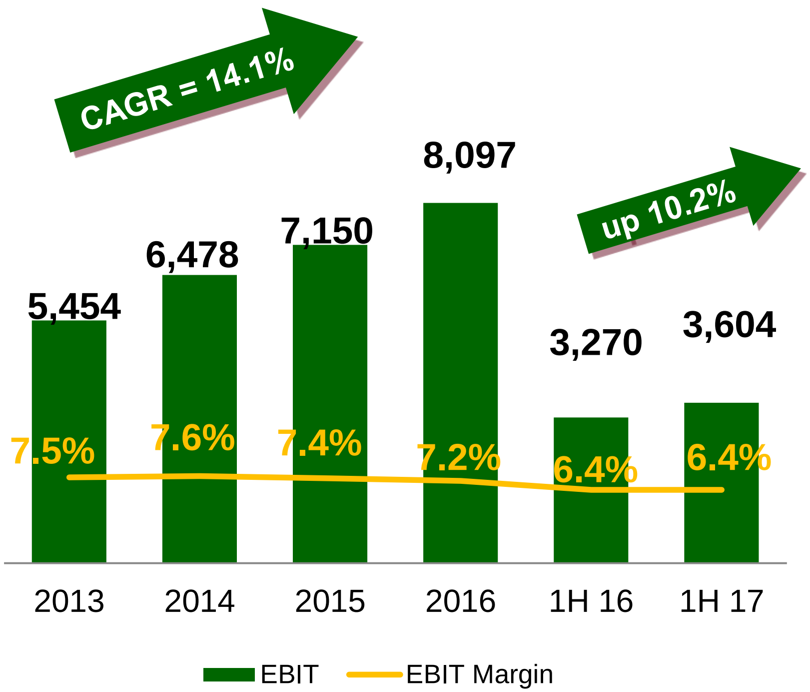
EBITDA & Margin (in Php millions)



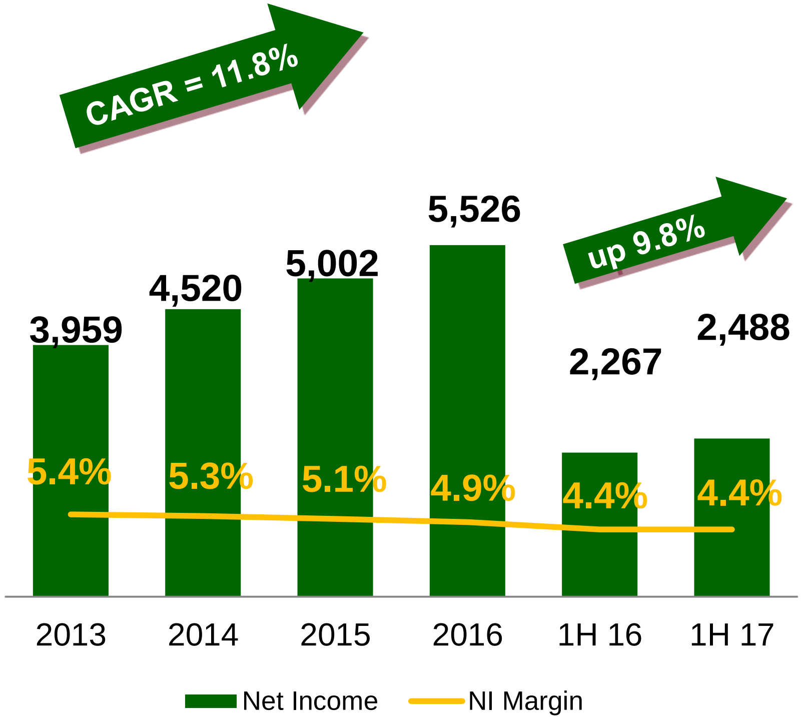
Financial Performance – 1H 2017

PUREGOLD

Operating Income/EBIT and Margins (in PHP millions)

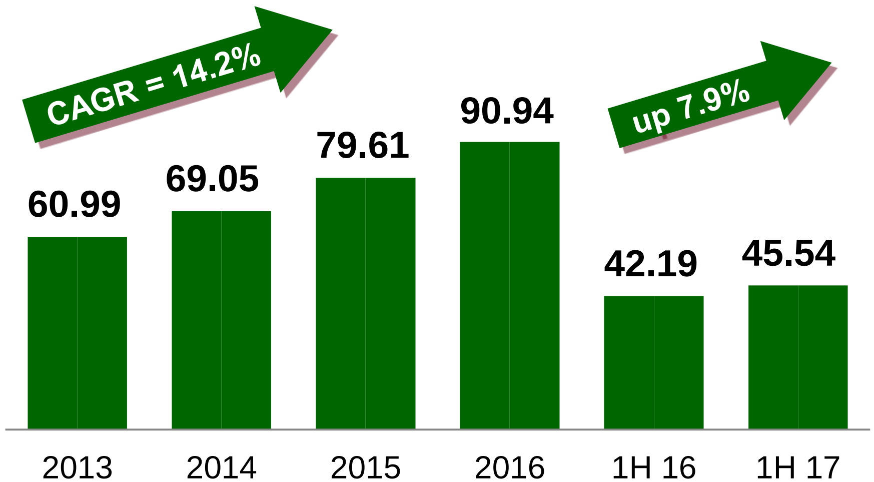


Net Income & Margins (in PHP millions)

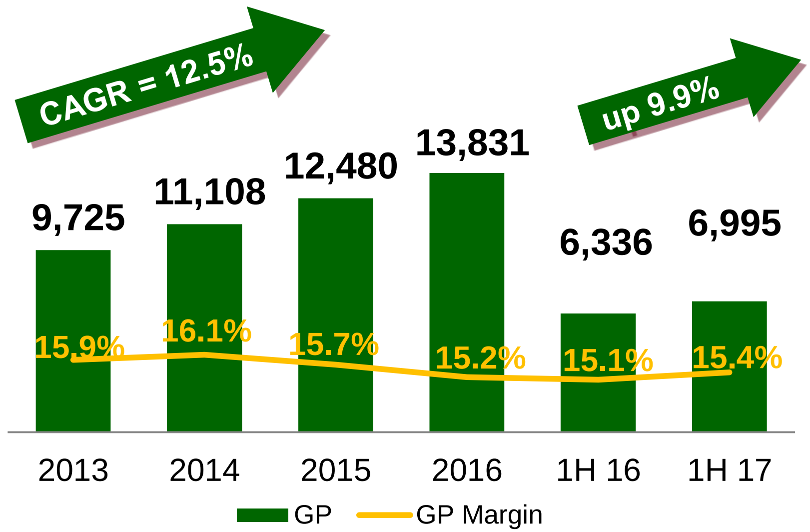


Financial Performance – Puregold Only

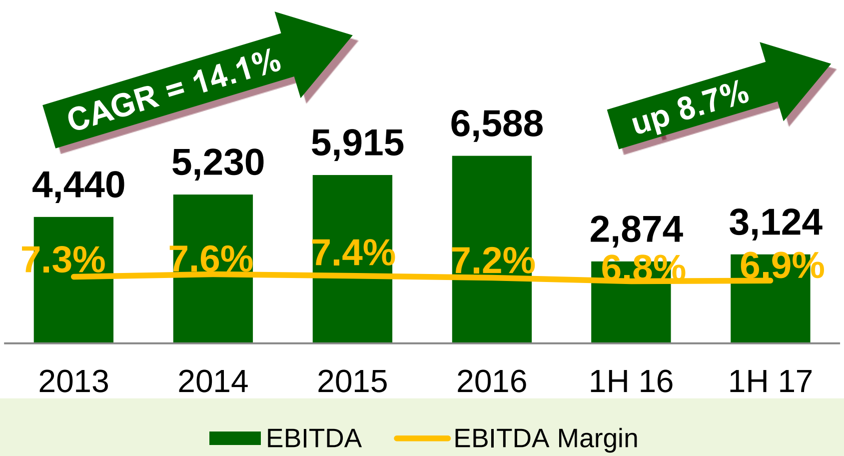
Revenues (in PHP Billions)



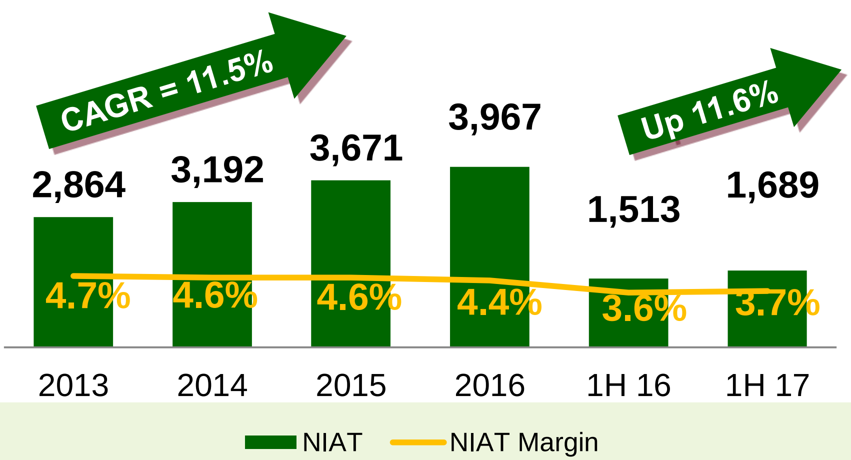
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)

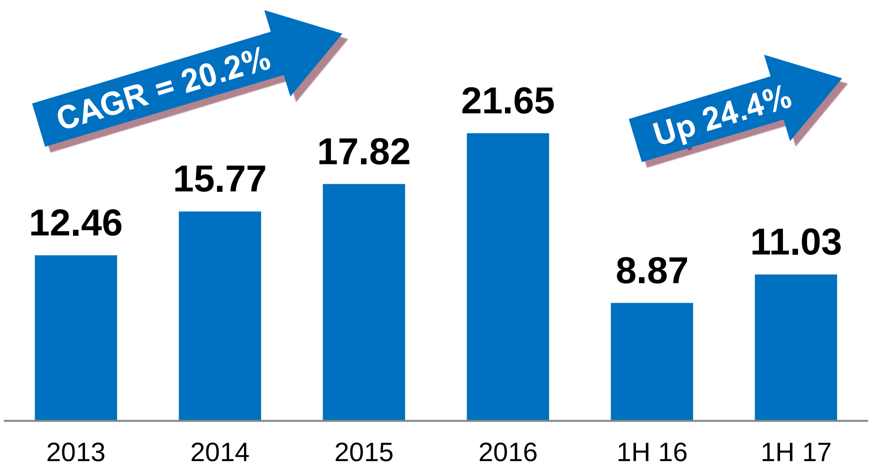


Net Profit & Margins (in PHP millions)

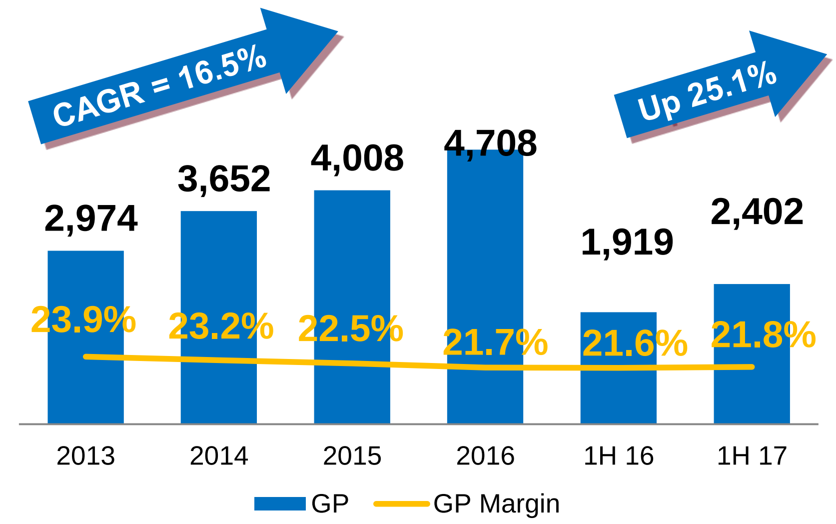


Financial Performance – S&R Only

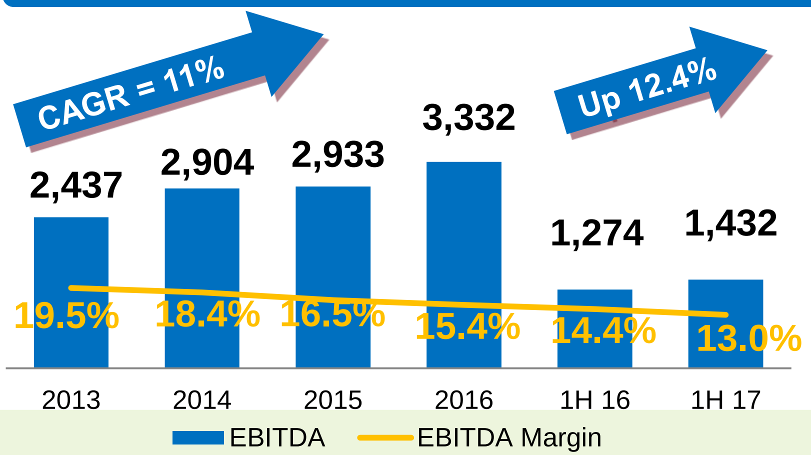
Revenues (in PHP Billions)



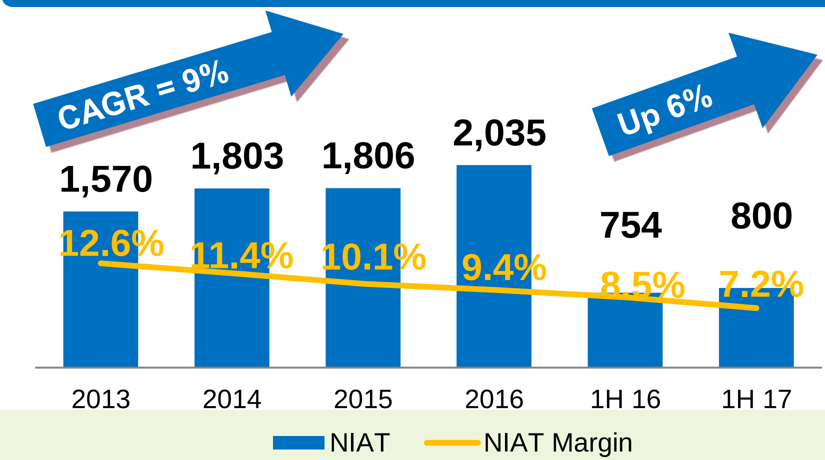
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)



Net Profit & Margins (in PHP millions)



Financial Performance – 1H 2017

Working capital days impacted by S&R importations and Puregold rapid store expansions and acquisitions

	2014	2015	2016	1H 17	
Trade Receivables Days	5.3	5.7	6.0	5.4	
Inventory Days	53.2	54.3	56.9	64.0	New Puregold Store roll out and new S&R Stores to be opened in 2016
Trade Payables Days	35	27.7	20.9	15.2	Similar payments terms to suppliers to avail of continued discounts

Notes:
1.Average of inventory at the beginning and end of the period / cost of sales x 363 (for full year))
2.Average of trade receivables at the beginning and end of the period / net sales x 363 (for full year)
3.Average of trade payable at the beginning and end of the period / cost of sales x 363 (for full year)

CAPEX Guidance for FY 2017

- CAPEX Budget of Php 2.5 billion in 2017
  - Php 1 billion for 25 new Puregold Stores
  - Php 1.2 billion for 2 S&R stores
  - Php 150 million for 10 S&R QSR
  - Php 150 million for 25 Lawsons Stores

- To be funded by internally generated cash and short term untapped bank credit lines if necessary.

Guidance for FY 2017

- Consolidated net sales targeted to grow by 8 to 10% driven by the following:
  - Net sales growth from organic Puregold and S&R stores
  - Positive SSSG for Puregold (2 to 3%) and S&R (2 to 3%)
  - Opening of 25 new Puregold stores; 2 S&R stores
  - Full year operations of NE Bodega & Budgetlane Supermarket
- Sustain PGOLD only gross and net profit margins
- Pursue acquisitions and expand into new geographic locations

Q & A

Thank you!