



PUREGOLD PRICE CLUB, INC.

Company Presentation

1Q 2017 Results and Performance

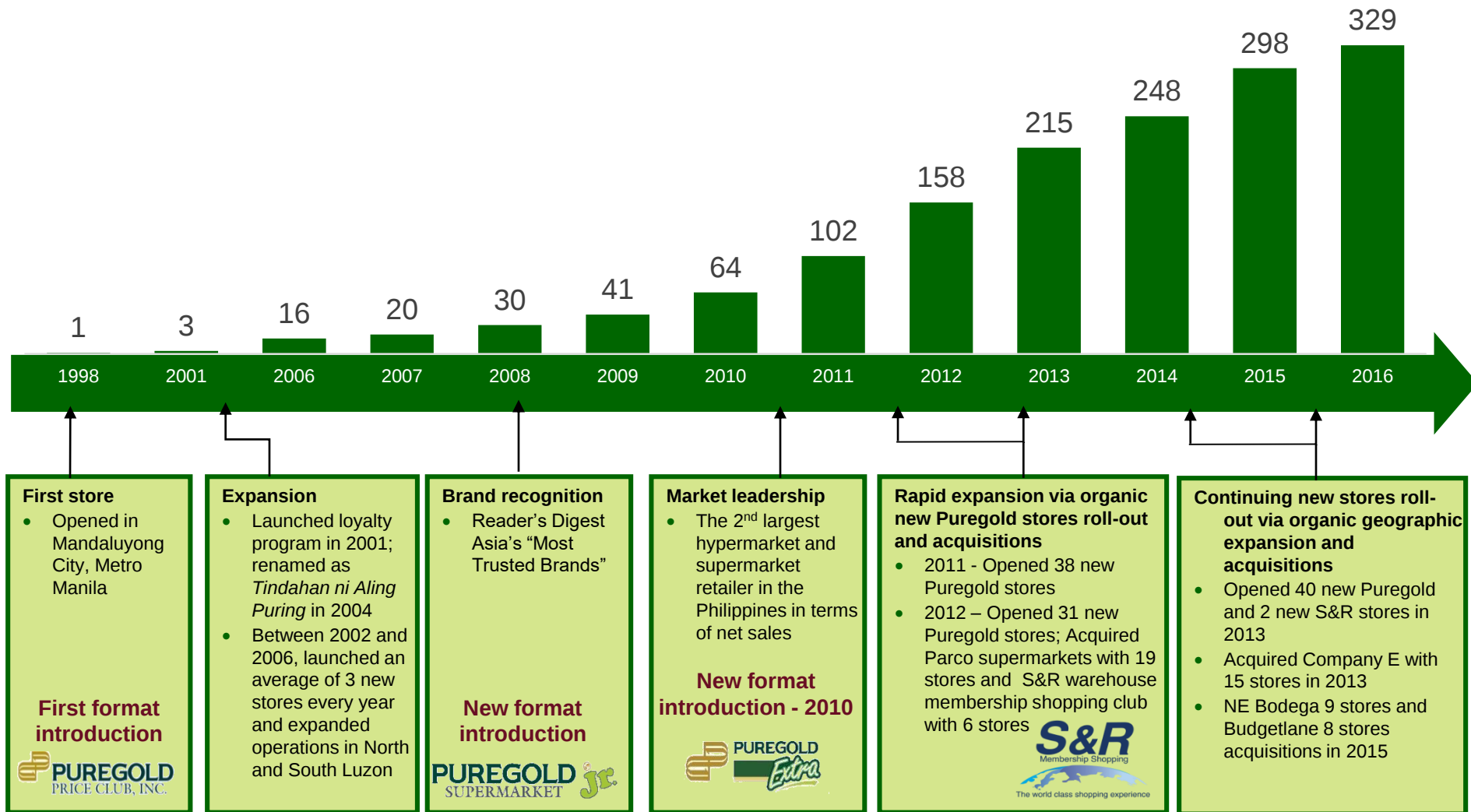
May 2017



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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



Rapid store expansion from 1 to 329 stores in 18 years



Sa **PUREGOLD** Always Panalo!

Update on PGOLD – 1Q 2017



1Q 2017 Results and Performance

- Opened 6 new PGOLD stores; 1 S&R New York Style Pizza (QSR) in 1Q 2017;
- Operating 336 stores in 1Q 2017; with consolidated NSA of more than 492,000 sqm
- Consolidated net sales expanded by 11.2% in 1Q 2017; Puregold stores sales accounted for about 80% of consolidated net sales
- Gross profit grew by 12.2% in 1Q 2017; with gross profit margin posted 16.8%
- Operating income increased by 11.1% in 1Q 2017; with operating margin at 6.7%
- Consolidated Net income grew by 10.5% in 1Q 2017; consolidated net profit margin at 4.6% PGOLD only net margin is at 4% while S&R net margin is 7.2%.

Operating Performance – 1Q 2017



Hypermarket, supermarket, extra



Membership shopping

Format	Hypermarket, supermarket, extra	Membership shopping
Revenue contribution	Puregold 79.8% S&R 20.2%	
Gross profit (PHP million) & Margin (%)	3,454 (15.7%)	1,169 (21.0%)
Total traffic (million)	39	1.6
Average net ticket (PHP)	547	3,454
Net sales growth (%)	7.7%	24.1%
Traffic growth (%)	8.8%	21.0%
Average net ticket growth (%)	0.9%	2.6%
Same Store net sales growth (%)*	4.5%	13.0%
Same Store traffic growth (%)*	1.7%	6.1%
Same Store average net ticket growth (%)*	2.7%	6.5%

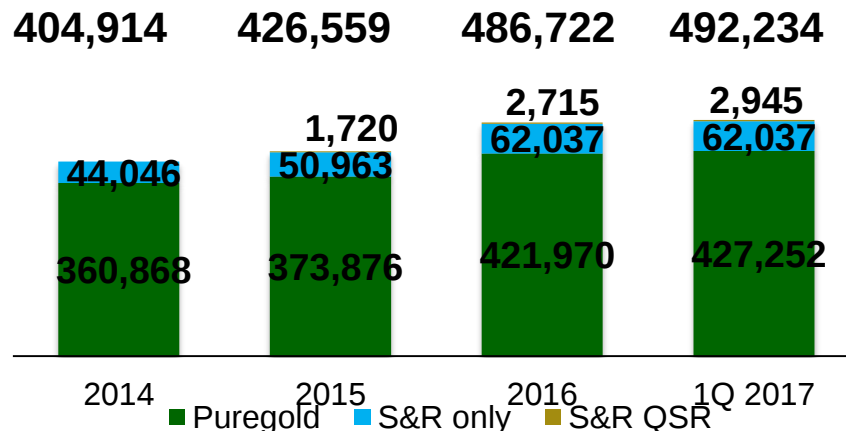
*Same Stores Growth for 2017 are based on stores opened as of end December 2015.

Operating Performance – 1Q 2017 PUREGOLD

Breakdown of Stores (per format)

Group	2013	2014	2015	2016	1Q 17
Hypermarket	113	121	134	147	152
Supermarket	64	83	93	100	100
Extra	28	29	28	30	31
S&R	8	9	10	12	12
S&R QSR	2	6	16	23	24
NE & Budgetlane			17	17	17
TOTAL	215	248	298	329	336
Puregold Only	2013	2014	2015	2016	1Q 17
Metro Manila	88	102	104	110	112
North Luzon	48	58	64	70	71
South Luzon	63	67	74	80	82
Visayas	1	1	6	9	10
Mindanao	5	5	7	8	8
TOTAL	205	233	255	277	283

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
1Q 2017	39	1.6

Ave Ticket (in Php)	PGOLD	S&R
2014	517	3,763
2015	543	3,584
2016	567	3,598
1Q 2017	547	3,454

Store Portfolio – 1Q 2017

Key statistics 1Q 2017

Total no. of stores

- 336

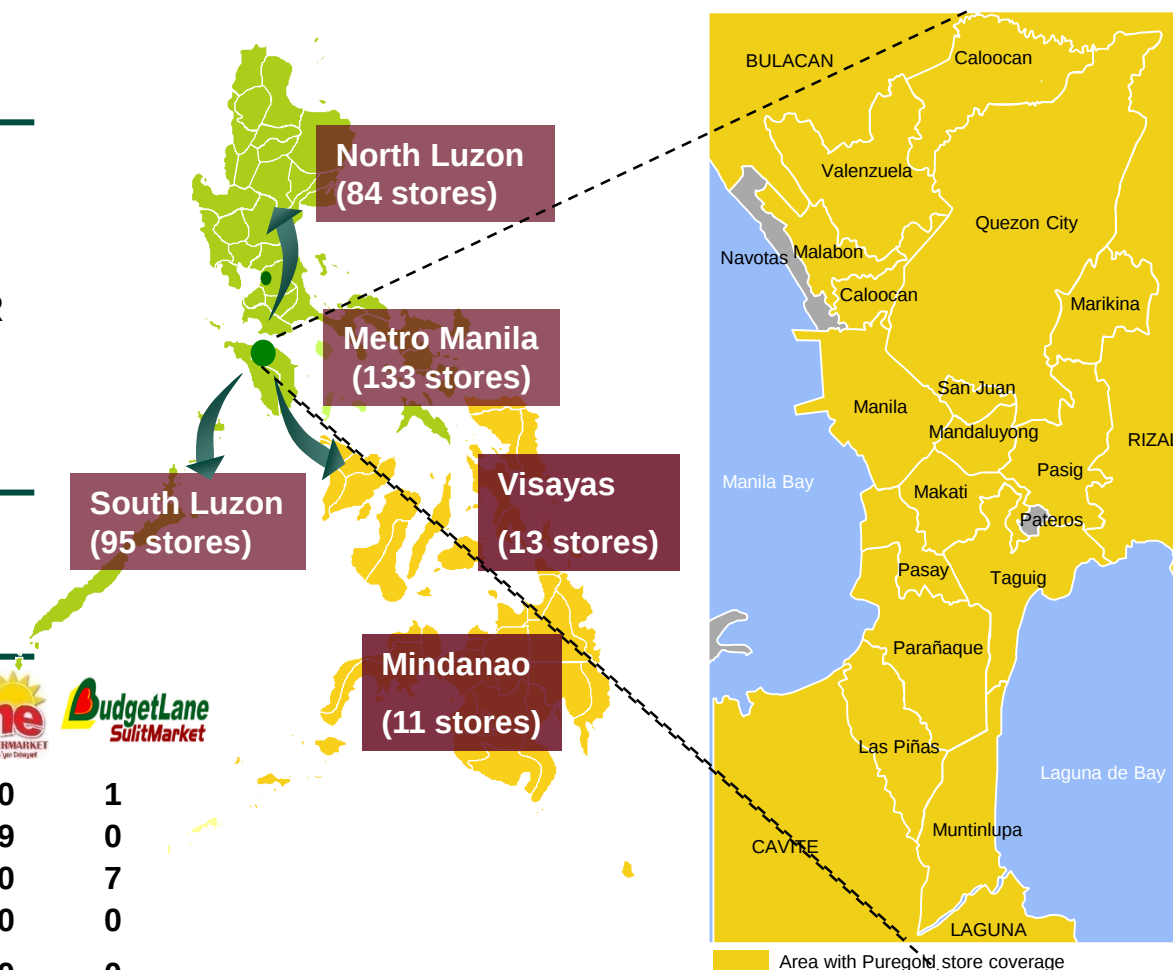
No. of stores per format

- 152 hypermarkets; 100 supermarkets; 31 extras
- 12 S&Rs & 24 S&R QSR
- 17 NE Bodega & Budgetlane Stores

Consolidated net selling area

- about 492,200 square meters

Geographic coverage

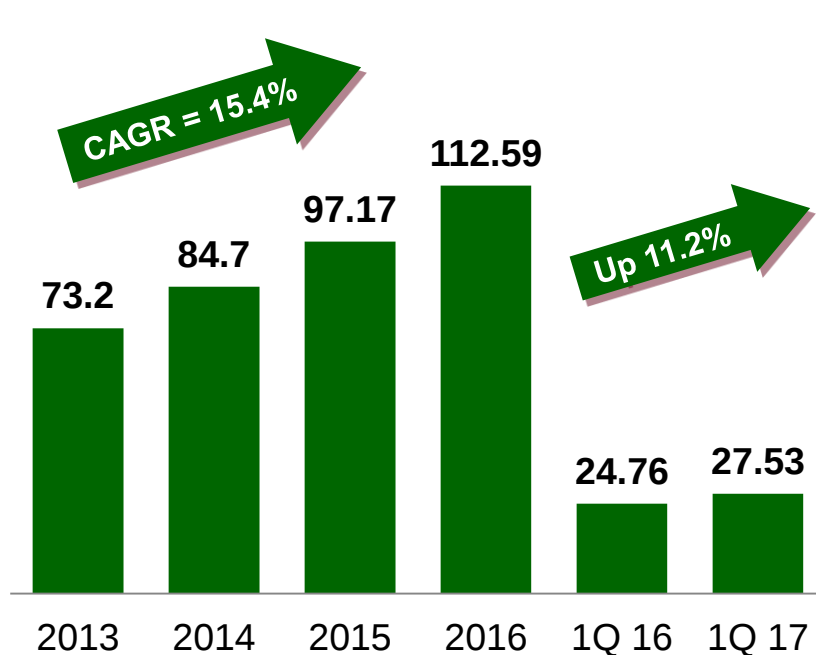


	PUREGOLD	S&R	S&R NEW YORK STYLE PIZZA	ne SUPERMARKET	BudgetLane SilitMarket
Metro Manila	112	5	15	0	1
North Luzon	71	1	3	9	0
South Luzon	82	2	4	0	7
Visayas	10	2	1	0	0
Mindanao	8	2	1	0	0
	<u>283</u>	<u>12</u>	<u>24</u>	<u>9</u>	<u>8</u>

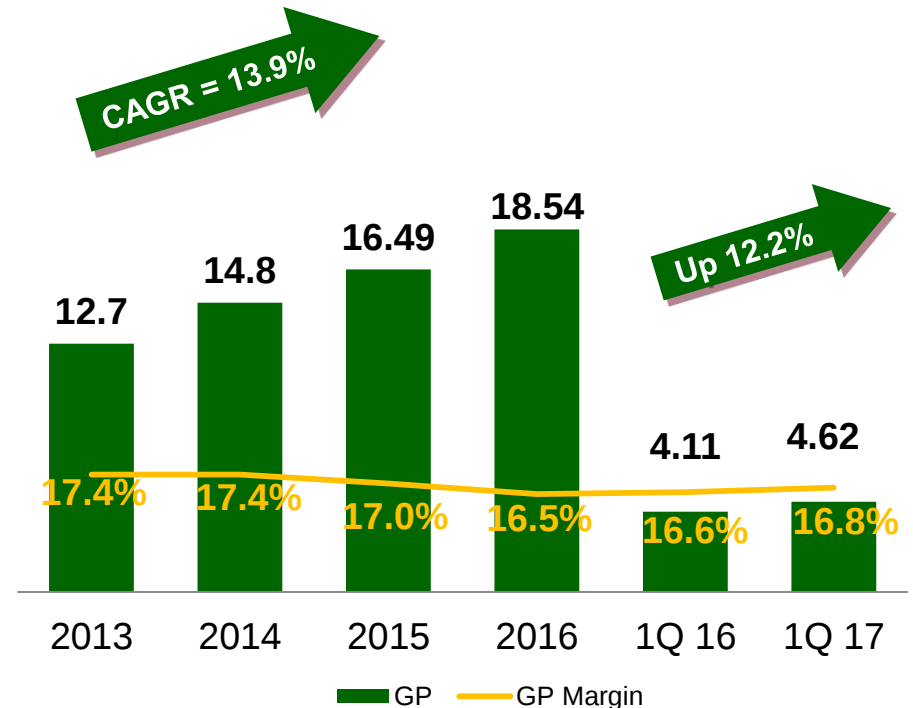
Financial Performance – 1Q 2017



Net sales (in Php billions)



Gross profit & Margin (in PHP billions)

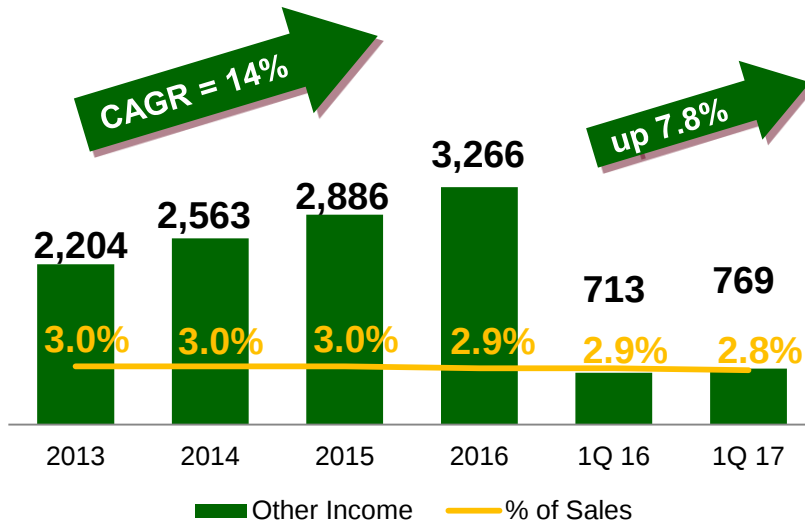


- Continuing strong revenue growth driven by the 277 Puregold stores and the 12 S&R stores
- Increasing scale of operations resulted to continuing support from suppliers in terms of discount and rebates
- Acquisitions and strong election related spending supported continuing growth in revenues

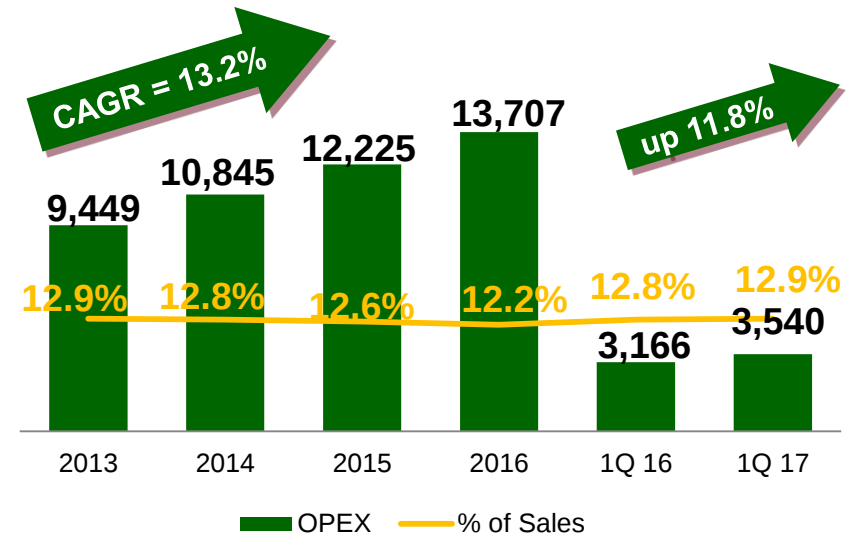
Financial Performance – 1Q 2017



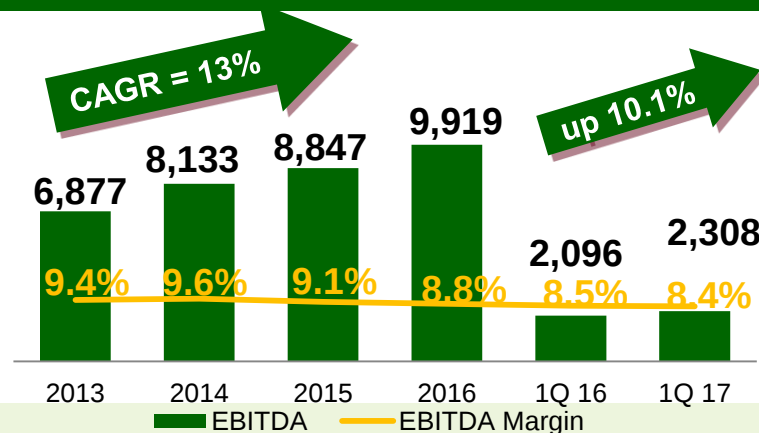
Other Operating Income (in PHP millions)



Operating Expenses (in PHP millions)



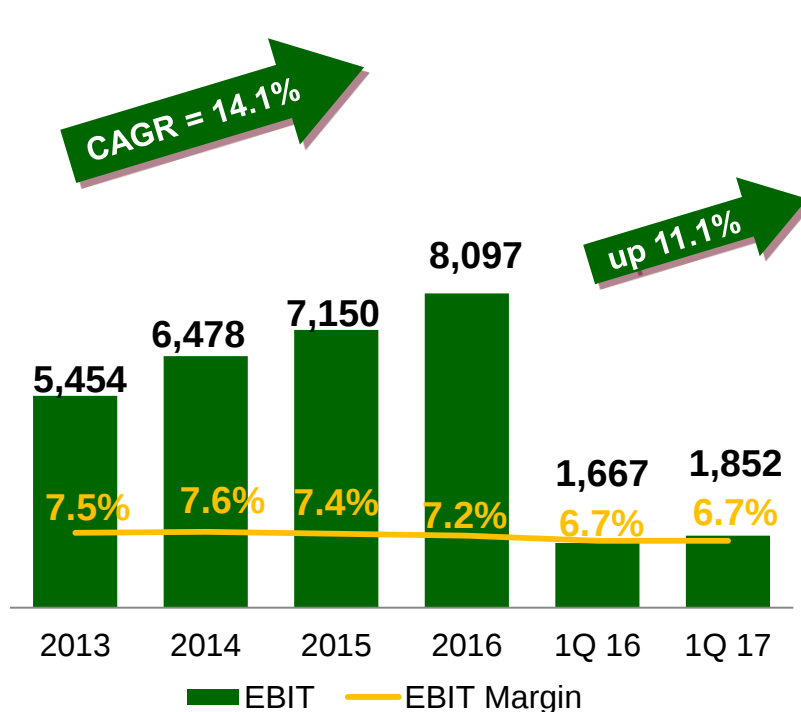
EBITDA & Margin (in Php millions)



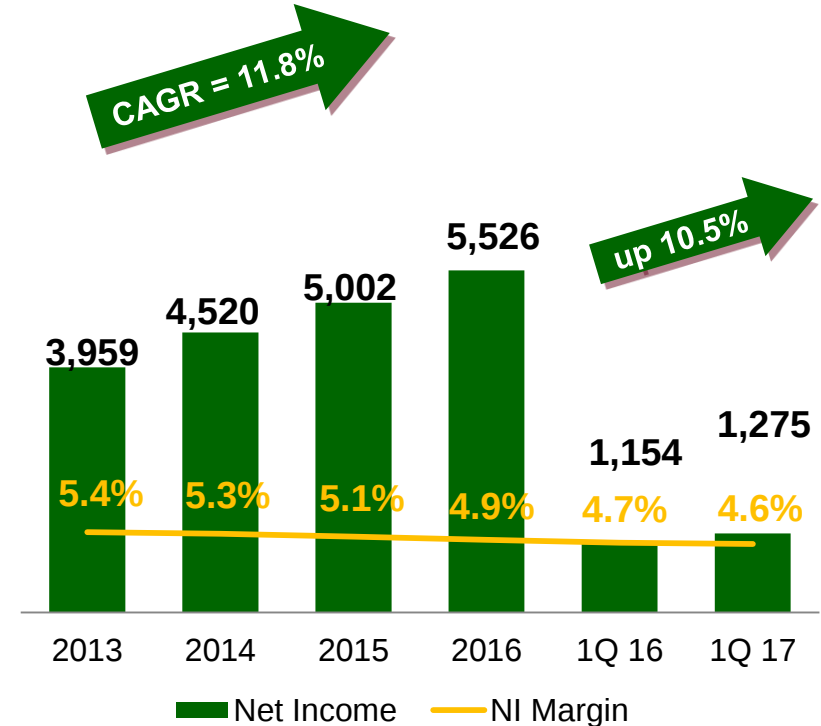
Financial Performance – 1Q 2017



Operating Income/EBIT and Margins (in PHP millions)

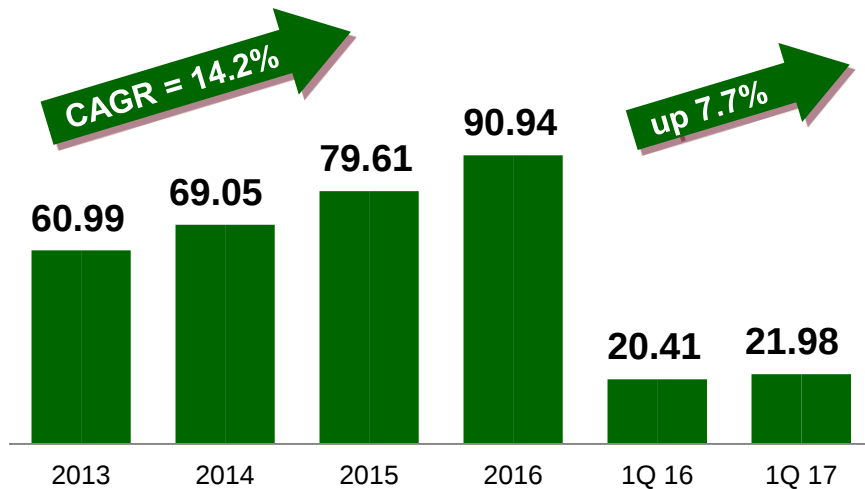


Net Income & Margins (in PHP millions)

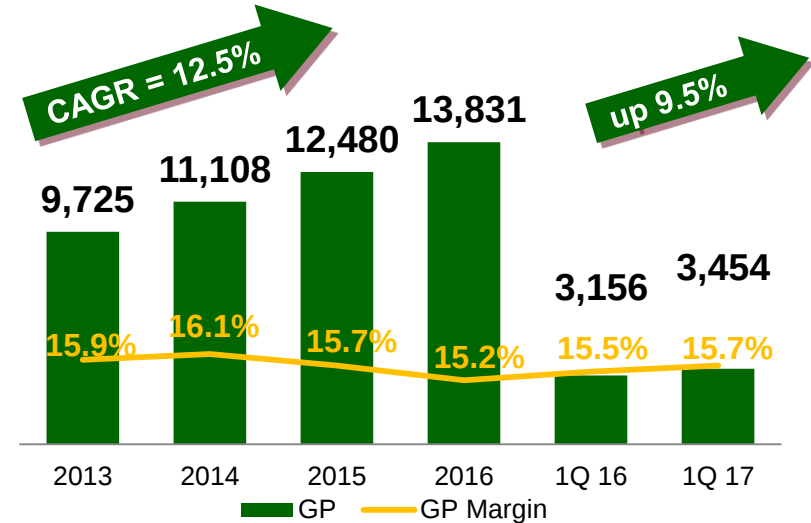


Financial Performance – Puregold Only

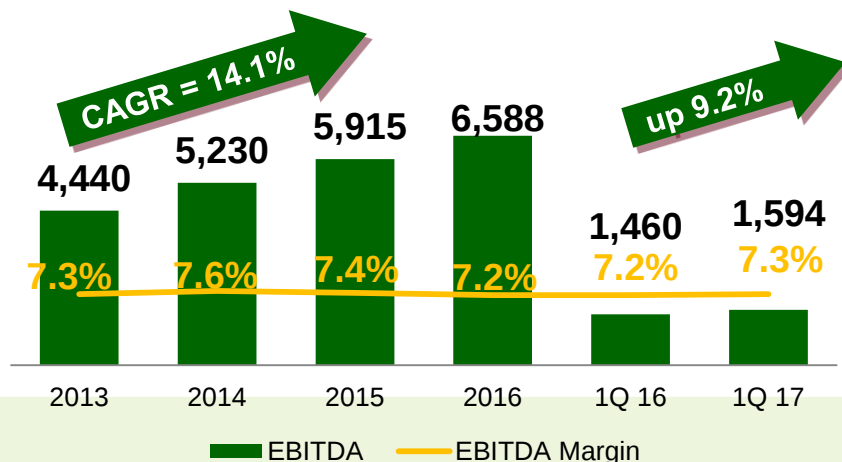
Revenues (in PHP Billions)



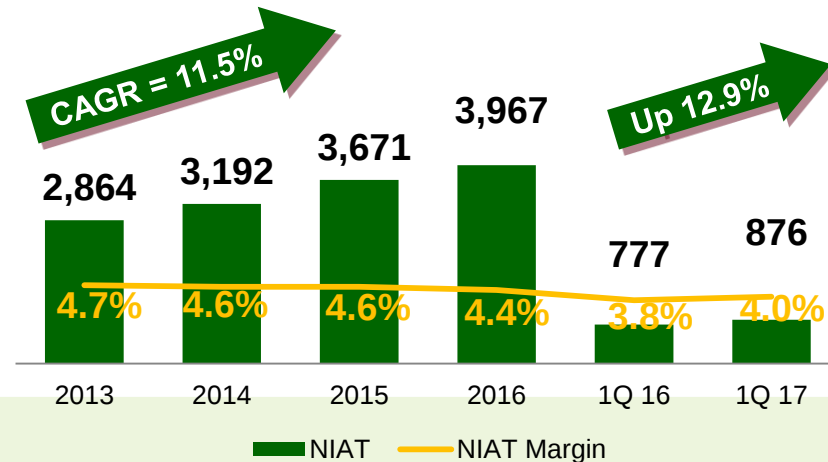
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)

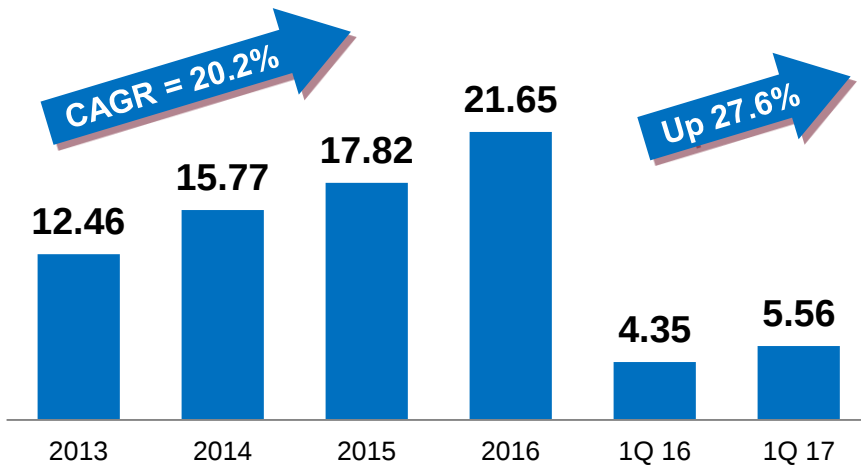


Net Profit & Margins (in PHP millions)

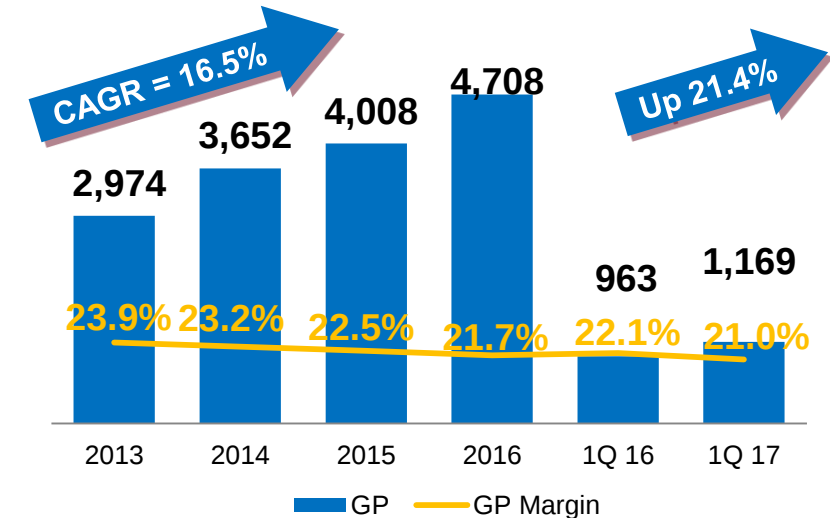


Financial Performance – S&R Only

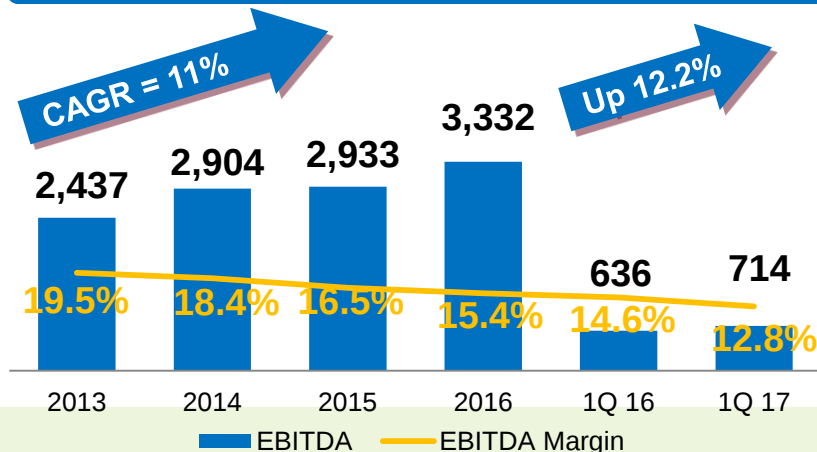
Revenues (in PHP Billions)



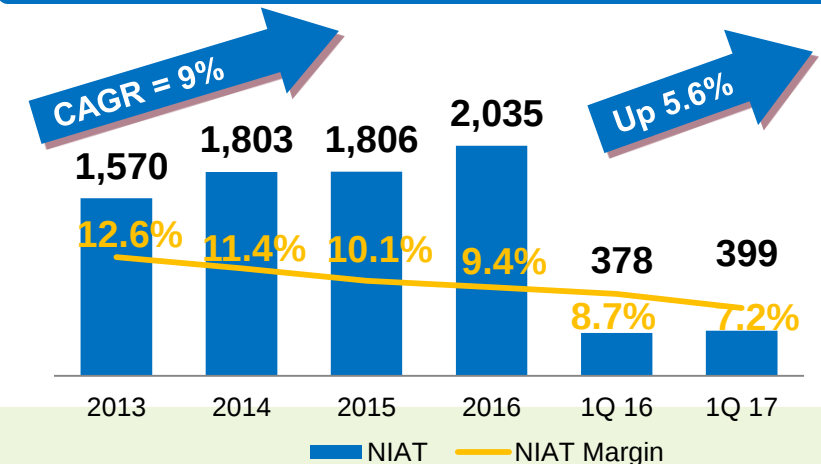
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)



Net Profit & Margins (in PHP millions)



Financial Performance – 1Q 2017



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

	2014	2015	2016	1Q 17
Trade Receivables Days	5.3	5.7	6.0	5.9
Inventory Days	53.2	54.3	56.9	66.9
Trade Payables Days	35	27.7	20.9	14.1

New Puregold Store roll out and new S&R Stores to be opened in 2016

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.

- 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!