Puregold Price Club, INC.

Company Presentation

FY 2018 Results and Performance

April 2019

PUREGOLD

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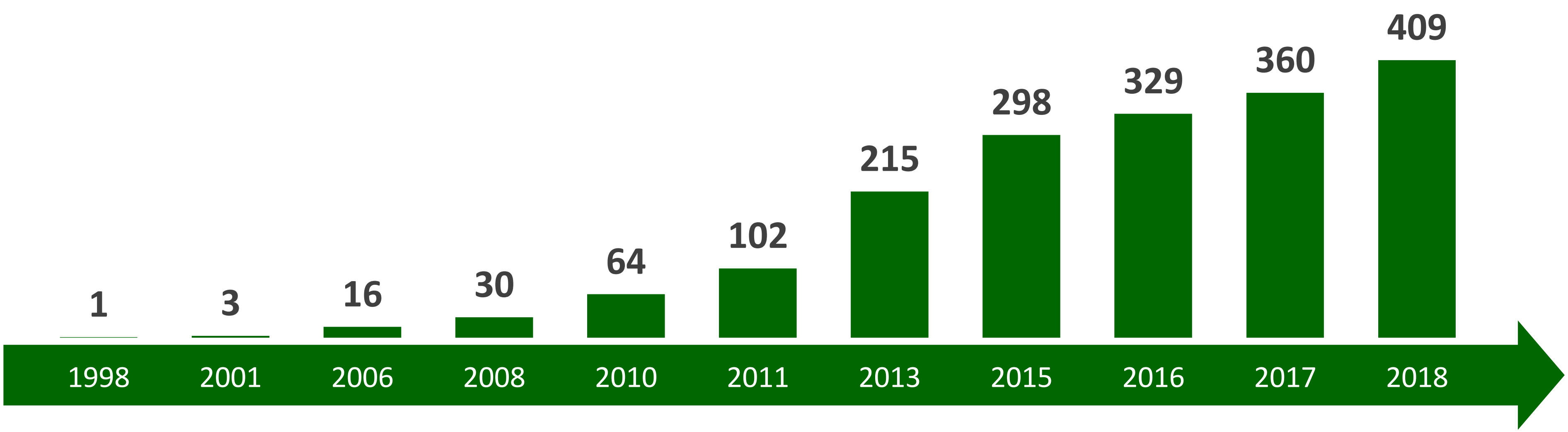
Head Office Address
2nd floor, Tabacalera Building, 900 Romualdez Street, Paco, Manila, 1007 Philippines

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

Store roll-out through FY 2018



First store
- Opened in Mandaluyong City, Metro Manila

First format introduction

PUREGOLD PRICE CLUB, INC.

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 - 2008

PUREGOLD SUPERMARKET Jr.

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

New format introduction - 2010

PUREGOLD Extra

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

S&R Membership Shopping
The world class shopping experience

Continuing new stores roll-out via organic geographic expansion and acquisitions
- Acquired Company E with 15 stores in 2013
- NE Bodega 9 stores and Budgetlane 8 stores acquisitions in 2015
- B&W Supermarket acquisition in 2017

Rapid store expansion from 1 to 409 stores in 20 years

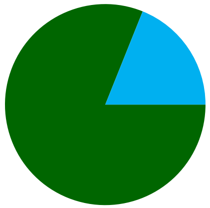


Update on Puregold – FY 2018

FY 2018 Results and Performance

- Opened 30 new PGOLD stores; 2 S&R Warehouse and 7 S&R New York Style Pizza (QSR) and closed down 2 Puregold Stores in FY 2018
- Operating 409 stores in FY 2018; with consolidated NSA of more than 538,000 sqm
- Consolidated net sales expanded by 13.2% in 2018; Puregold stores sales accounted for about 78% of consolidated net sales
- Gross profit grew by 11% in 2018; with gross profit margin posted 16.9%
- Operating income increased by 3.3% in 2018; with operating margin at 6.3%
- Consolidated Net income grew by 11.6% in 2018; consolidated net profit margin at 4.6% PGOLD only net margin is at 4.1% while S&R net margin is 7.9%.
- One-time gain from sale of Lawson amounting to Php 362.8million

Operating Performance – FY 2018

	PUREGOLD	S&R Membership Shopping
Format	Hypermarket, supermarket, extra	Membership shopping
Revenue contribution		
Gross profit (PHP million) & Margin (%)	16,898 (15.4%)	6,942 (22.1%)
Total traffic (million)	179	8.2
Average net ticket (PHP)	612	3,959
Net sales growth (%)	11.0	23.2%
Traffic growth (%)	4.6%	14.5%
Average net ticket growth (%)	6.0%	6.1%
Same Store net sales growth (%)*	5.8%	8.4%
Same Store traffic growth (%)*	-2.1%	0.2%
Same Store average net ticket growth (%)*	8.1%	8.1%

*Same Stores Growth for 2018 are based on stores opened as of end December 2016.

Operating Performance – FY 2018

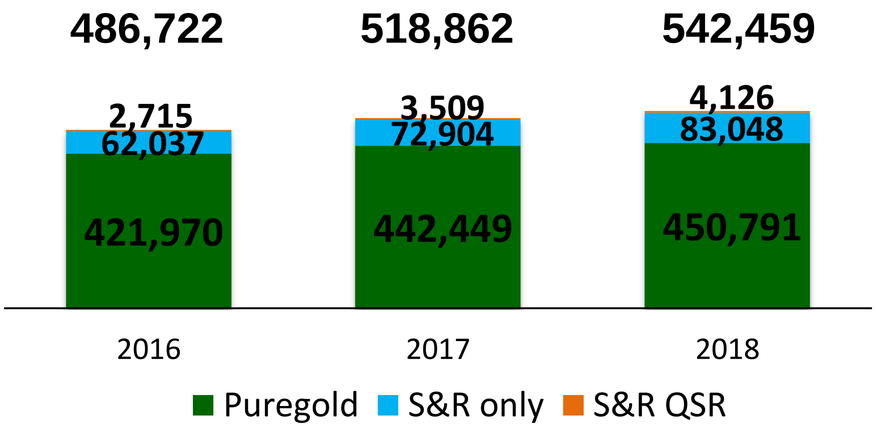
Breakdown of Stores (per format)

Group	2016	2017	2018
Hypermarket	147	171	208
Supermarket	100	103	104
Extra	30	35	42
S&R	12	14	16
S&R QSR	23	32	39
NE & Budgetlane	17	17	0
TOTAL	**329**	**372**	**409**

Puregold Only	2016	2017	2018
Metro Manila	110	114	125
North Luzon	70	77	93
South Luzon	80	90	101
Visayas	9	20	25
Mindanao	8	8	10
TOTAL	**277**	**309**	**354**

*NE Bodega and Budgetlane Stores are converted to Puregold Stores in 2018

Net Selling Area of Stores (in sqm)



Traffic and Ave Ticket Size

Traffic (in M)	PGOLD	S&R
2016	155	6.3
2017	170	7.2
2018	179	8.2

Ave Ticket (in Php)	PGOLD	S&R
2016	567	3,598
2017	577	3,679
2018	612	3,959

Store Portfolio – FY 2018

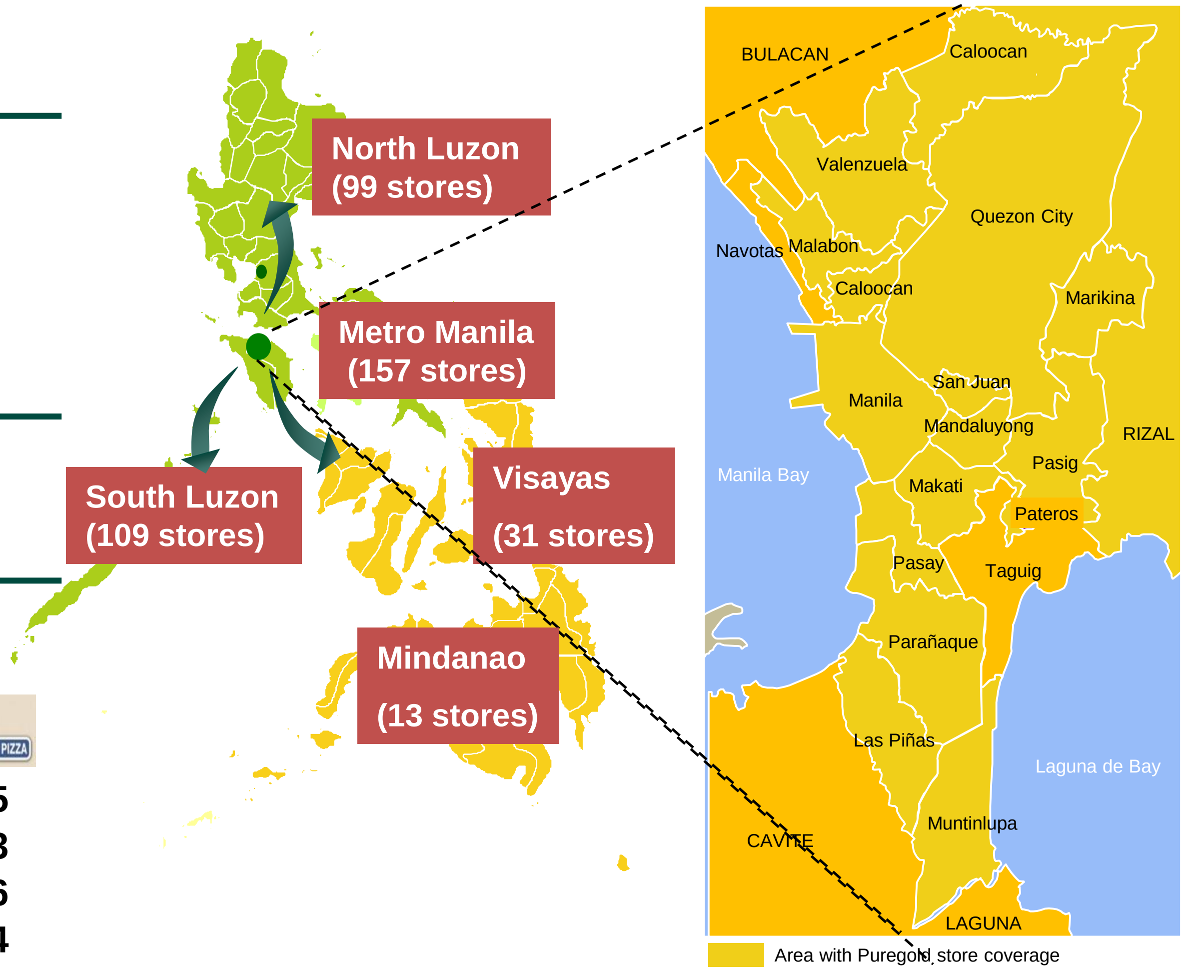
PUREGOLD 20 Always Panalo Years

Key statistics 9M 2018

Total no. of stores	• 409
No. of stores per format	• 208 hypermarkets; 104 supermarkets; 42 extras • 16 S&Rs • 39 S&R QSR
Consolidated net selling area	• about 538,000 square meters

	PUREGOLD	S&R	S&R NEW YORK STYLE PIZZA
Metro Manila	125	7	25
North Luzon	93	3	3
South Luzon	101	2	6
Visayas	25	2	4
Mindanao	10	2	1
	354	16	39

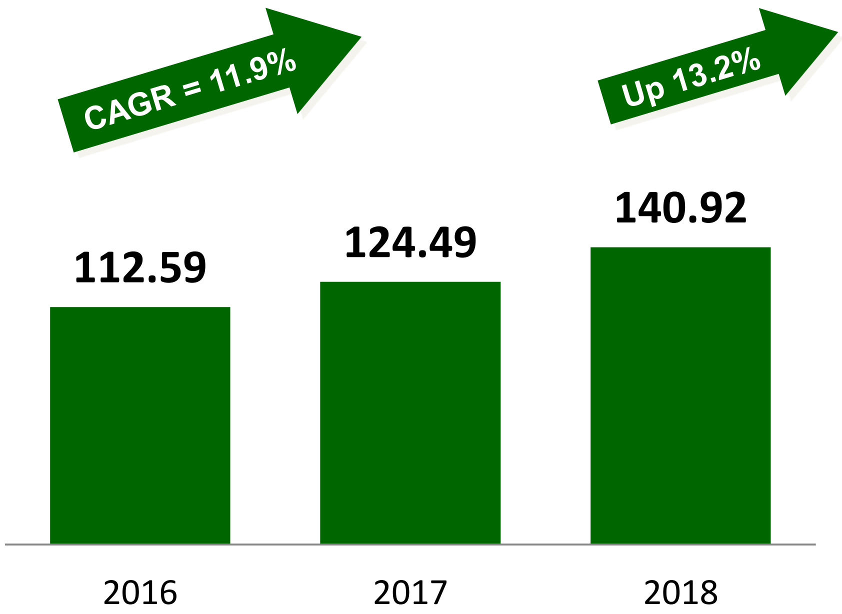
Geographic coverage



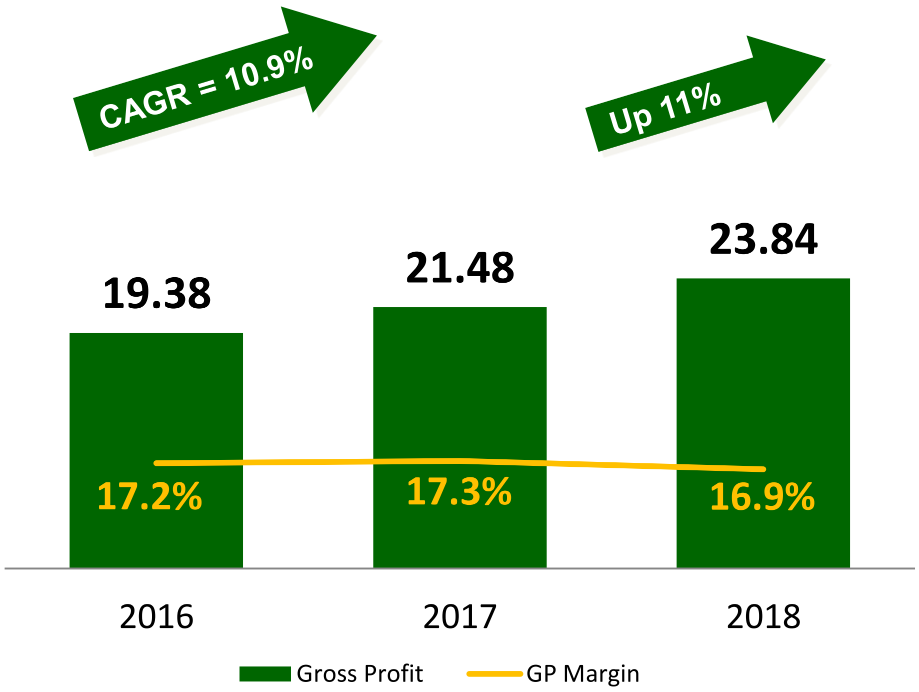
*NE Bodega and Budgetlane Stores are converted to Puregold Stores in 2018

Financial Performance – FY 2018

Net sales (in Php billions)



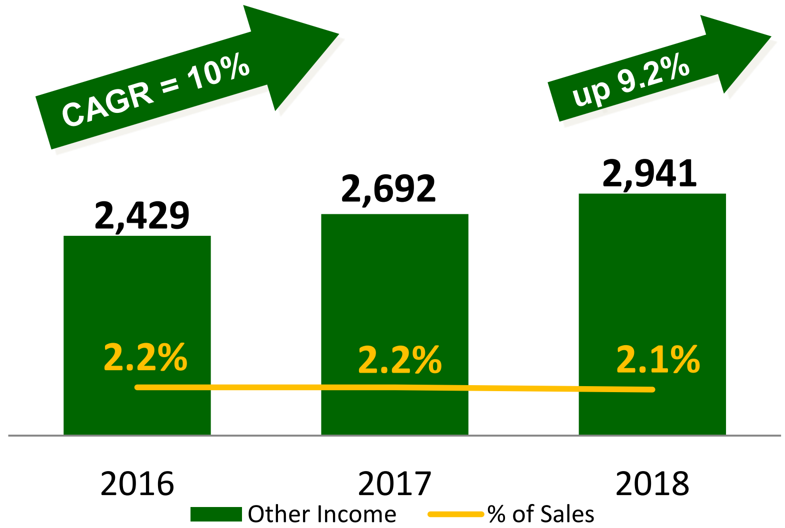
Gross profit & Margin (in PHP billions)



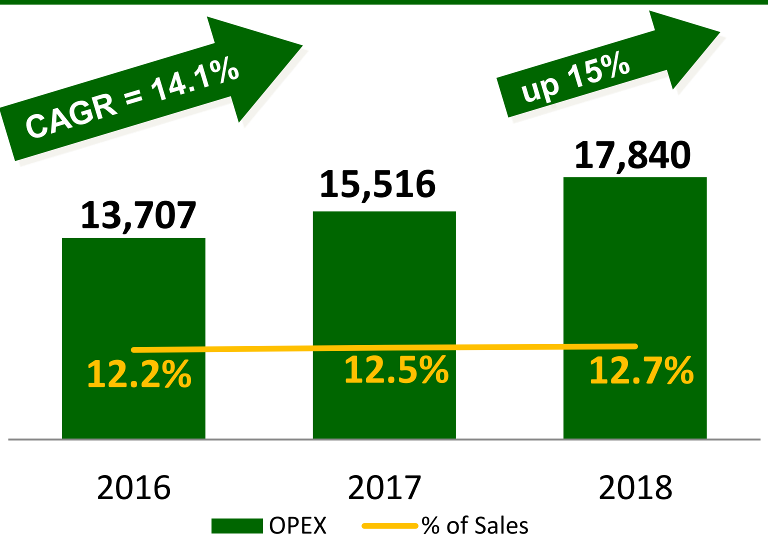
- Continuing strong revenue growth driven by the 354 Puregold stores and the 16 S&R stores in 2018
- Increasing scale of operations resulted to continuing support from suppliers in terms of discount and rebates
- Positive effect of Tax Reform law to Filipino consumers supported continuing growth in revenues

Financial Performance – FY 2018

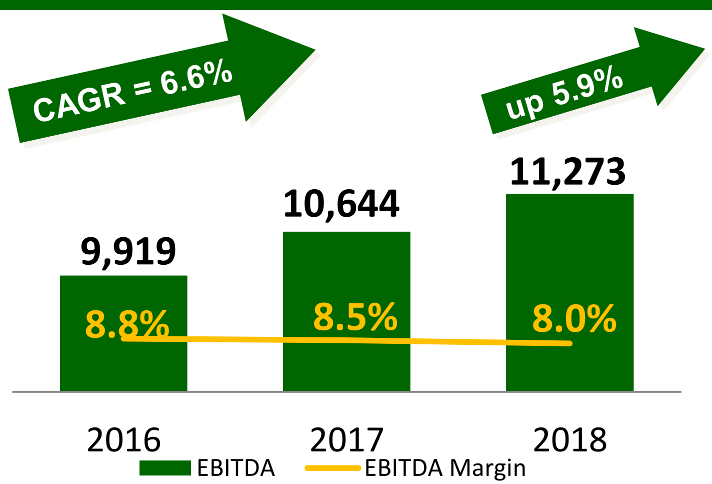
Other Operating Income (in PHP millions)



Operating Expenses (in PHP millions)

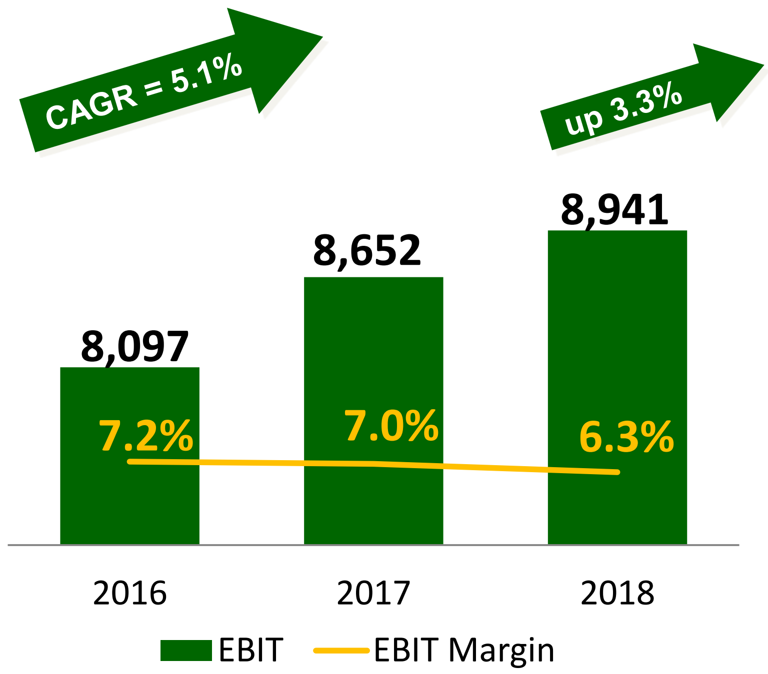


EBITDA & Margin (in Php millions)

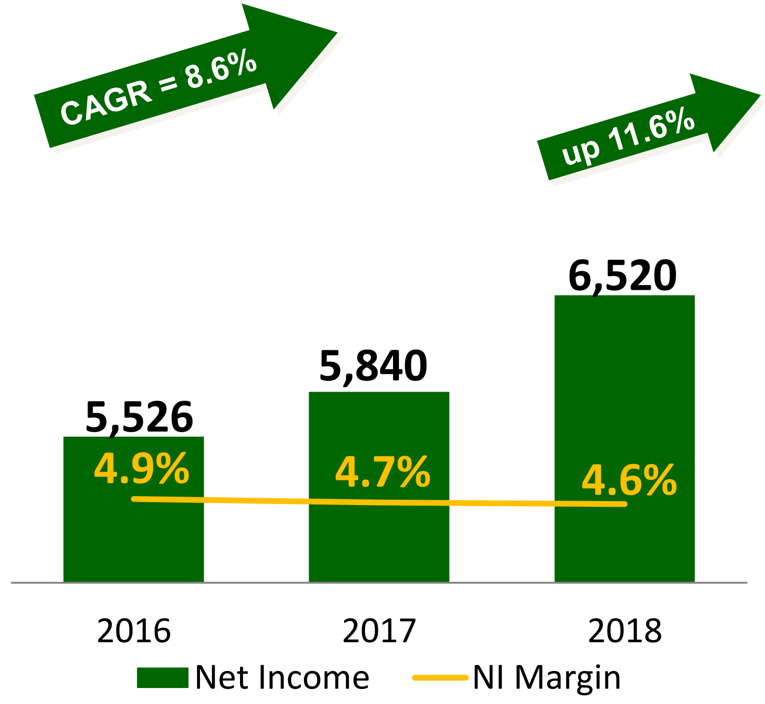


Financial Performance – FY 2018

Operating Income/EBIT and Margins (in PHP millions)

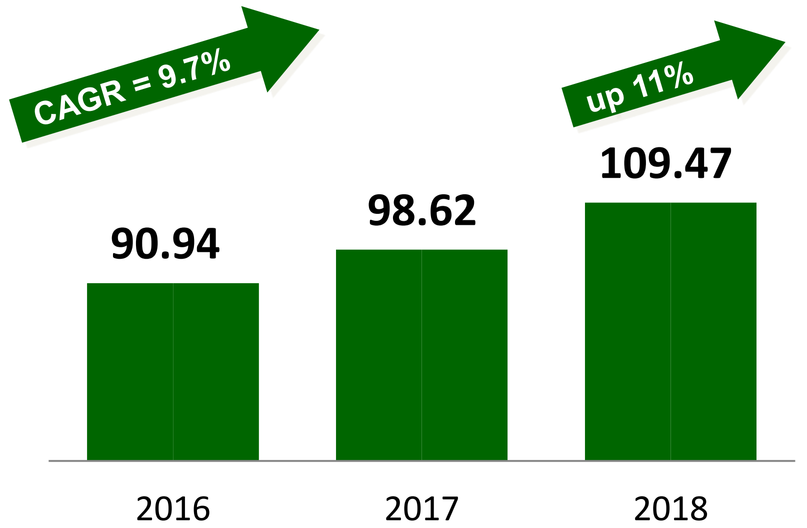


Net Income & Margins (in PHP millions)

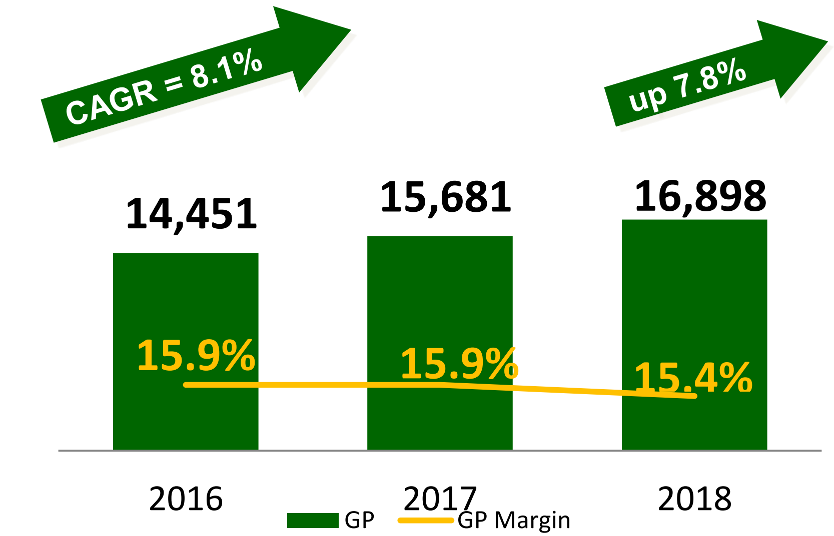


Financial Performance – Puregold Only

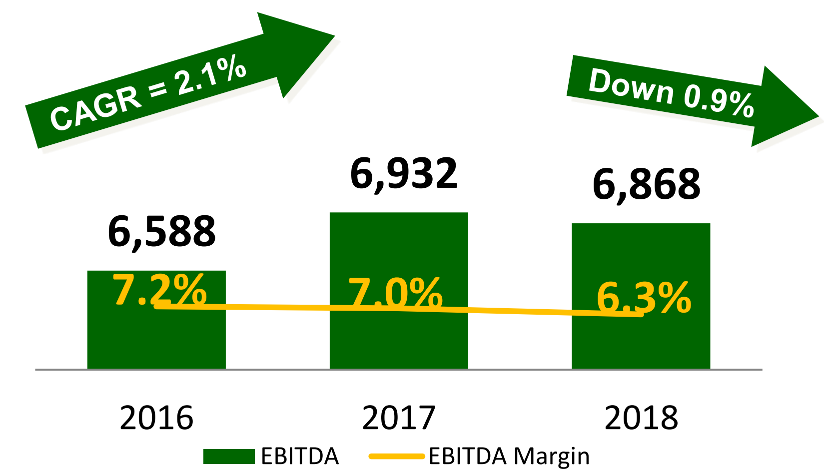
Revenues (in PHP Billions)



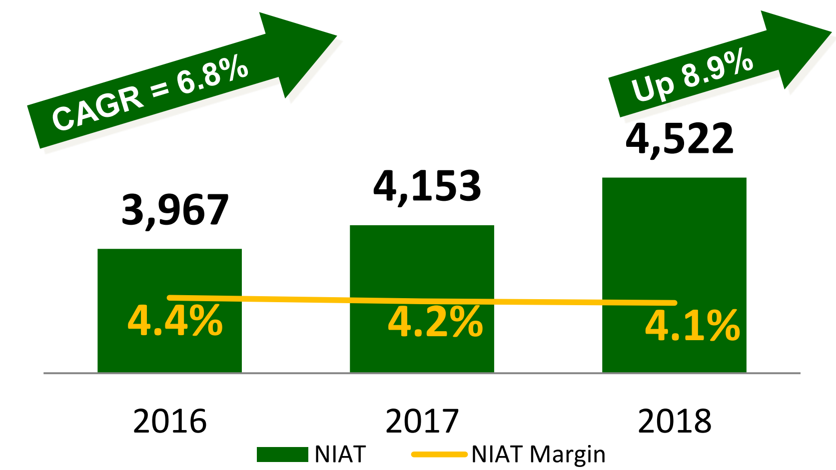
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)

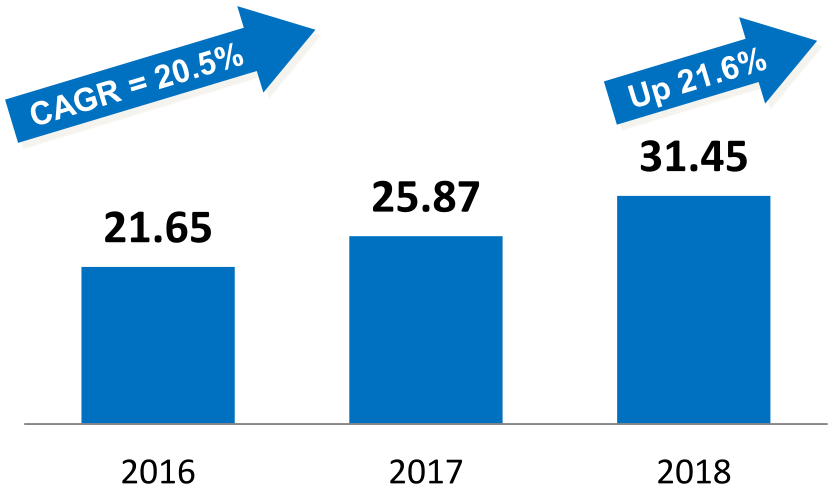


Net Profit & Margins (in PHP millions)

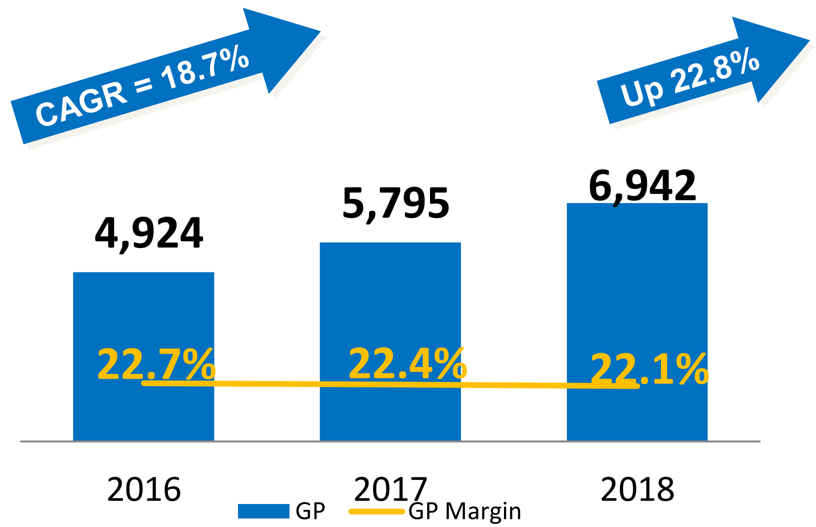


Financial Performance – S&R Only

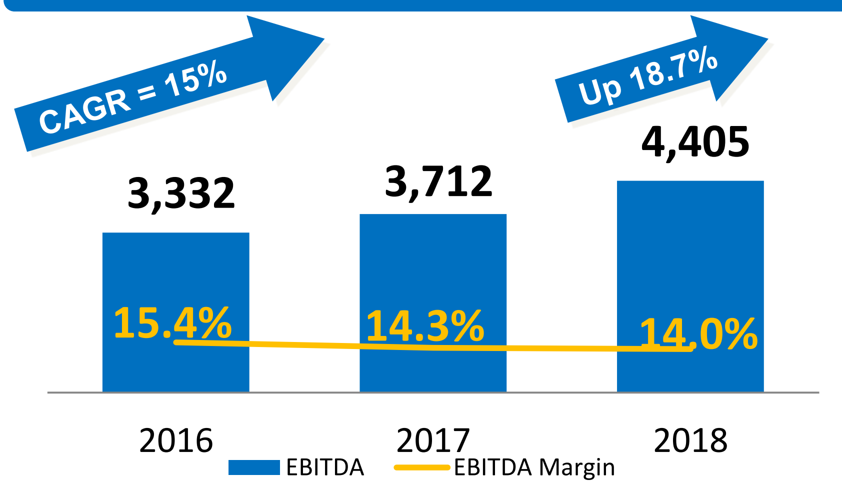
Revenues (in PHP Billions)



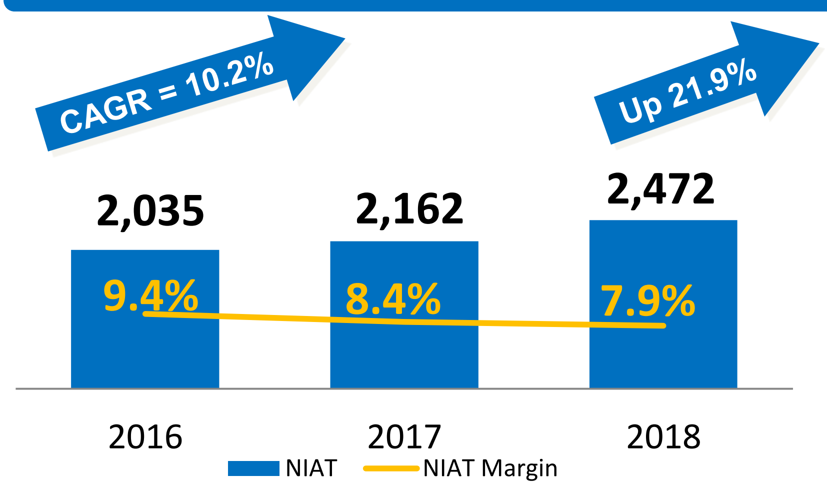
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)



Net Profit & Margins (in PHP millions)



Financial Performance – FY 2018

Working capital days due to S&R importations and Puregold rapid store expansions and acquisitions

	2015	2016	2017	2018	
Trade Receivables Days	5.7	6.0	7.0	7.6	
Inventory Days	54.3	56.9	59.8	58.0	New Puregold Store roll out and new S&R Stores to be opened in 2018
Trade Payables Days	27.7	20.9	21.7	23.9	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 2019

- CAPEX Budget of Php 5.2 billion in 2019
  - Php 1 billion for 25 new Puregold Stores
  - Php 3.2 billion for 4 S&R stores
  - Php 200 million for 10 S&R QSR
  - Php 800 million Maintenance Capex

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

Guidance for 2019

- 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 (3 to 5%) and S&R (3 to 5%)
  - Opening of 25 new Puregold stores
  - Opening of 4 S&R Warehouse stores & 10 S&R QSRs

- Sustain PGOLD only gross and net profit margins
- Pursue acquisitions and expand into new geographic locations

Q & A

Thank you!