Puregold Price Club, INC.

Company Presentation
FY 2019 Results and Performance
May 2020

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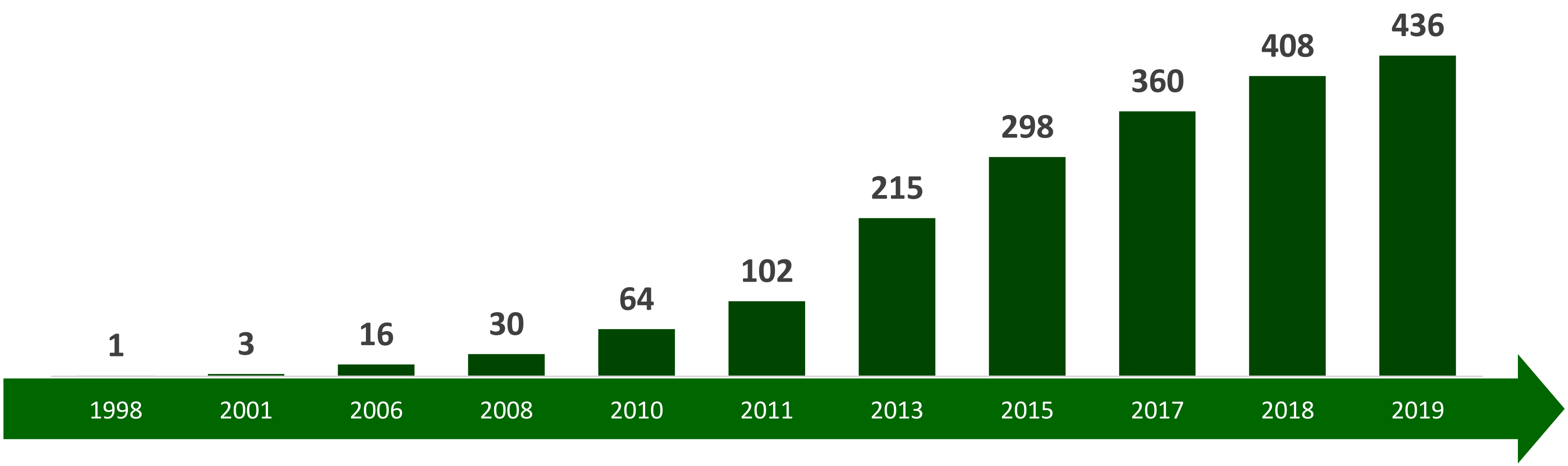
Store roll-out through FY 2019



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 436 stores in 21 years



PUREGOLD 20 Always Panalo Years

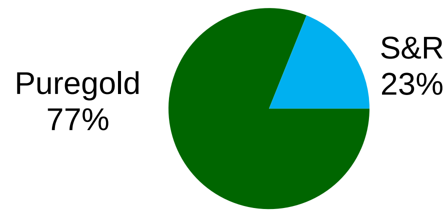
Update on Puregold – FY 2019

FY 2019 Results and Performance

- Opened 28 new PGOLD stores; 2 S&R Warehouse and 1 S&R QSR in FY 2019; closed 2 PGOLD store and 1 S&R QSR
- Operating 437 stores in FY 2019; with consolidated NSA of around 566,000 sqm
- Consolidated net sales expanded by 9.5% in FY 2019; Puregold stores sales accounted for about 77% of consolidated net sales
- Gross profit grew by 8.4% in FY 2019; with gross profit margin posted 16.8%
- Operating income increased by 11.3% in FY 2019; with operating margin at 7.4%
- Consolidated Net income increased by 9.2% in FY 2019; consolidated net profit margin at 4.4% PGOLD only net margin is at 3.7% while S&R net margin is 8.0%.
- Core net income (excluding one-time gain in 2018) grew by 16% in FY 2019.

Operating Performance – FY 2019

PUREGOLD 20 Always Panalo Years

Format	Hypermarket, supermarket, extra	Membership shopping
Revenue contribution		
Gross profit (PHP million) & Margin (%)	**17,660 (14.9%)**	**8,291 (22.8%)**
Total traffic (million)	180	8.9
Average net ticket (PHP)	656	4,212
Net sales growth (%)	**8.0%**	**15.4%**
Traffic growth (%)	0.8%	8.5%
Average net ticket growth (%)	7.1%	6.4%
Same Store net sales growth (%)*	**4.6%**	**8.3%**
Same Store traffic growth (%)*	-3.5%	0.9%
Same Store average net ticket growth (%)*	8.5%	7.3%

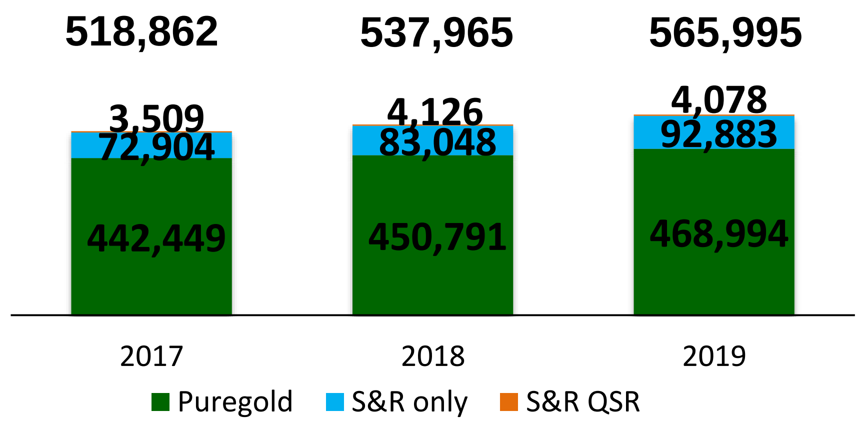
*Same Stores Growth for 2019 are based on stores opened as of end December 2017.

Operating Performance – FY 2019

Breakdown of Stores (per format)

Group	2017	2018	2019
Hypermarket	171	208	230
Supermarket	103	104	103
Extra	35	42	47
S&R	14	16	18
S&R QSR	32	38	38
NE & Budgetlane	17	0	0
TOTAL	**372**	**408**	**436**
Puregold Only	**2017**	**2018**	**2019**
Metro Manila	114	125	130
North Luzon	77	93	100
South Luzon	90	101	106
Visayas	20	25	33
Mindanao	8	10	11
TOTAL	**309**	**354**	**380**

Net Selling Area of Stores (in sqm)



Traffic and Ave Ticket Size

Traffic (in M)	PGOLD	S&R
2017	170	7.2
2018	178	8.2
2019	180	8.9

Ave Ticket (in Php)	PGOLD	S&R
2017	577	3,679
2018	612	3,959
2019	656	4,212

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

Store Portfolio – FY 2019

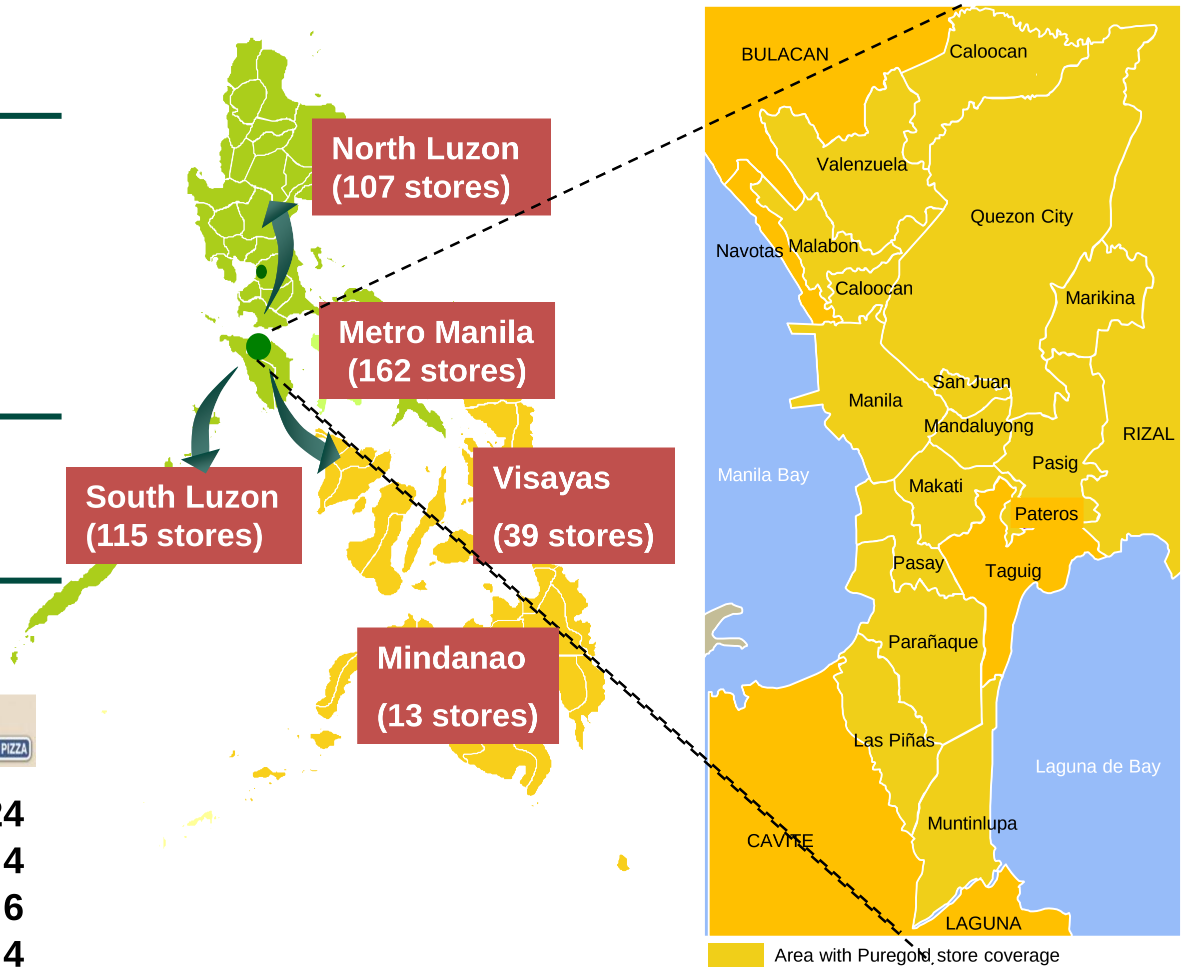
PUREGOLD 20 Always Panalo Years

Key statistics FY 2019

Total no. of stores	• 436
No. of stores per format	• 230 hypermarkets; 103 supermarkets; 47 extras • 18 S&Rs • 38 S&R QSR
Consolidated net selling area	• about 566,000 square meters

	PUREGOLD	S&R	S&R NEW YORK STYLE PIZZA
Metro Manila	130	8	24
North Luzon	100	3	4
South Luzon	106	3	6
Visayas	33	2	4
Mindanao	11	2	0
	380	18	38

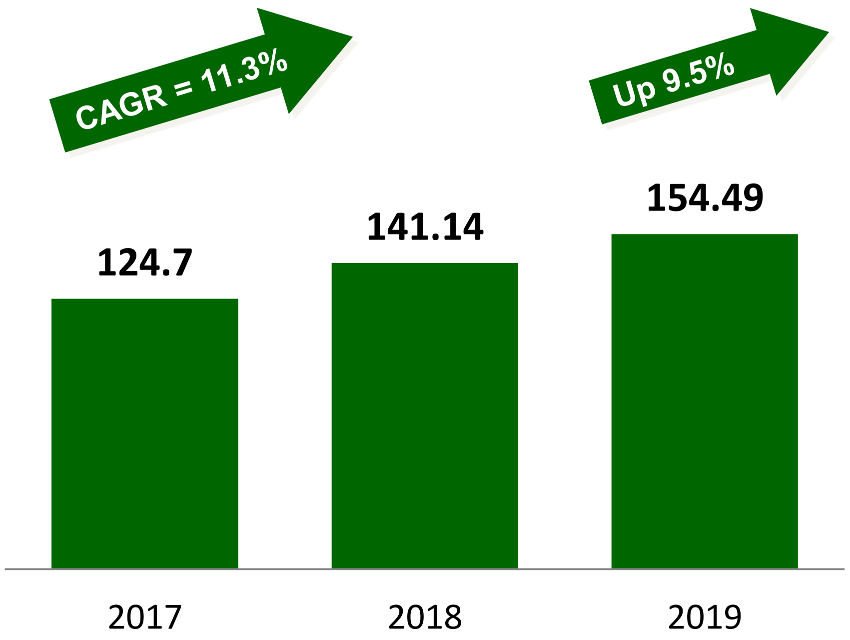
Geographic coverage



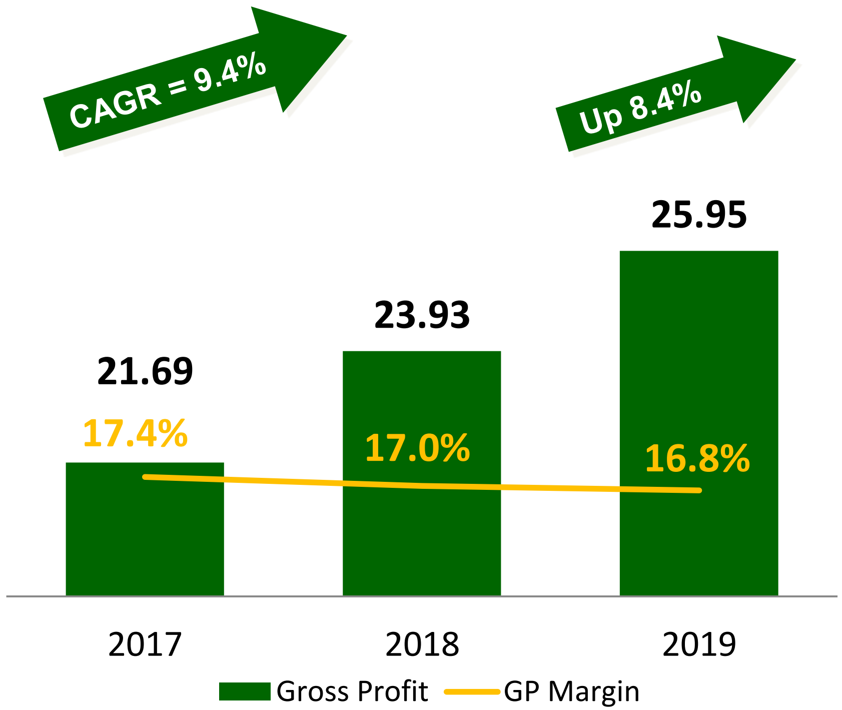
*NE Bodega and Budgetlane Stores are converted to Puregold Stores in 2018

Financial Performance – FY 2019

Net sales (in Php billions)



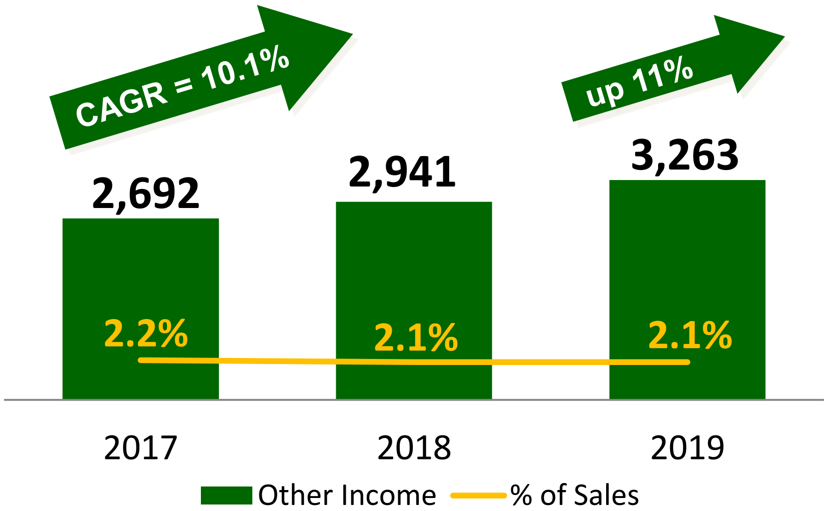
Gross profit & Margin (in PHP billions)



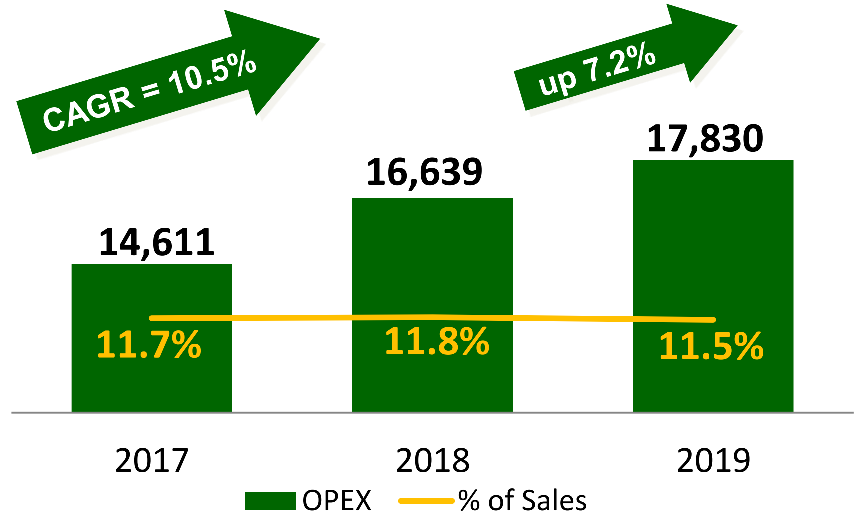
- Continuing strong revenue growth driven by the 380 Puregold stores and the 20 S&R stores in 2019
- Increasing costs of suppliers resulted to reduced marketing and promo support
- Positive effect of Tax Reform law to Filipino consumers supported continuing growth in revenues

Financial Performance – FY 2019

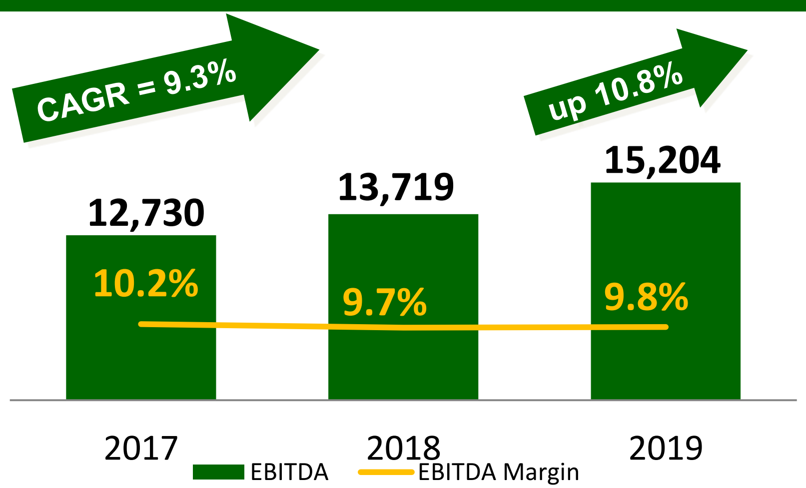
Other Operating Income (in PHP millions)



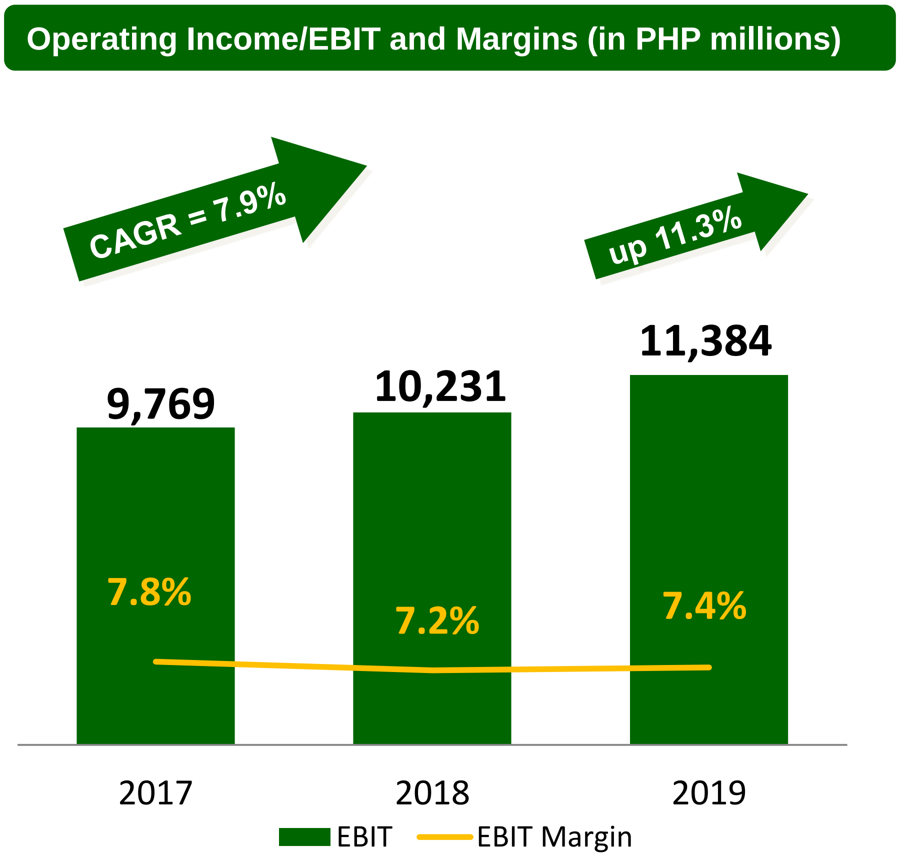
Operating Expenses (in PHP millions)

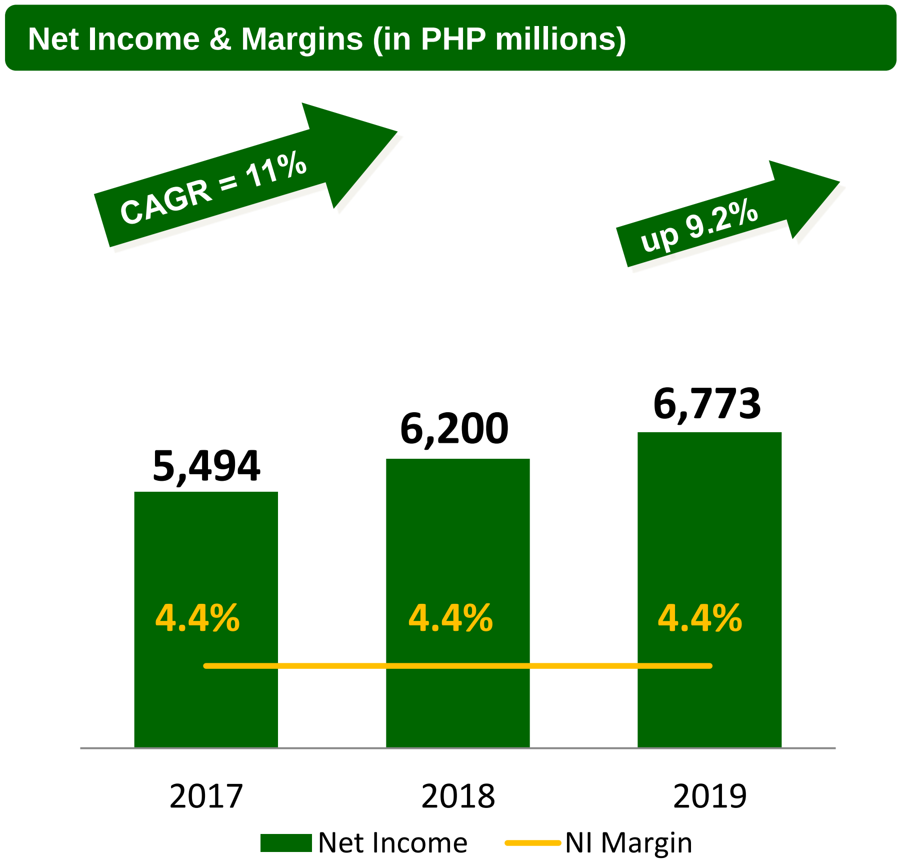


EBITDA & Margin (in Php millions)



Financial Performance – FY 2019

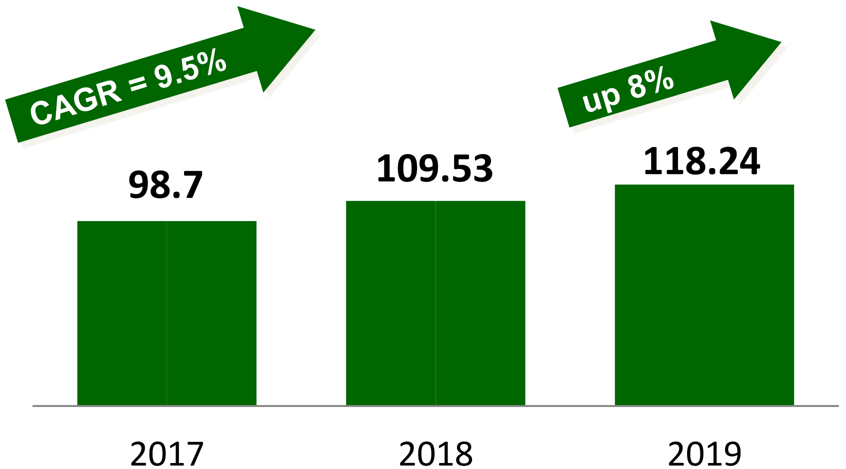




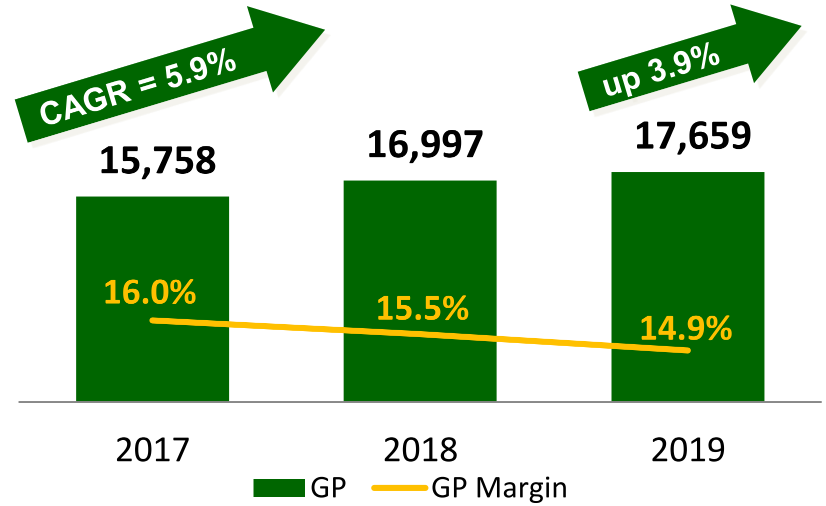
***Core Net Income (excluding one-off gain in 2018) grew by 16% in FY 2019**

Financial Performance – Puregold Only

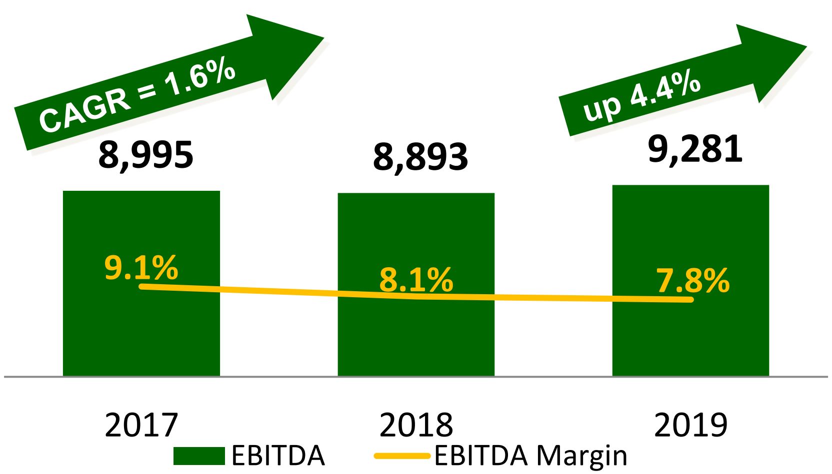
Revenues (in PHP Billions)



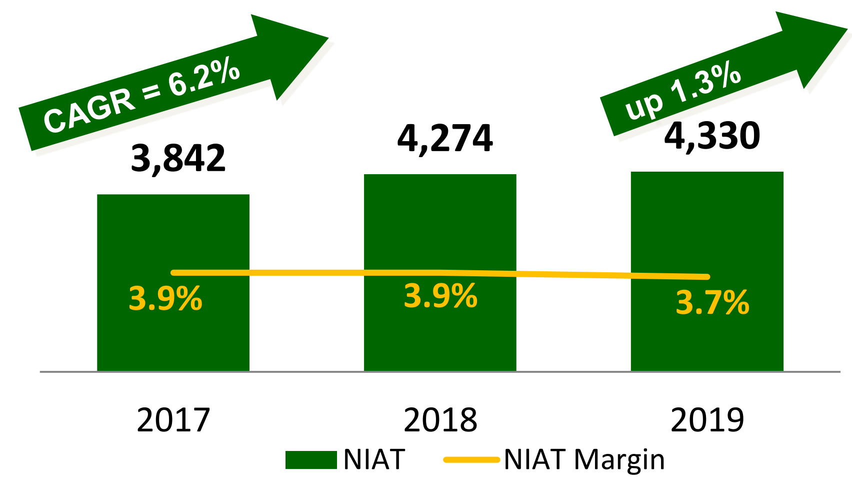
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)



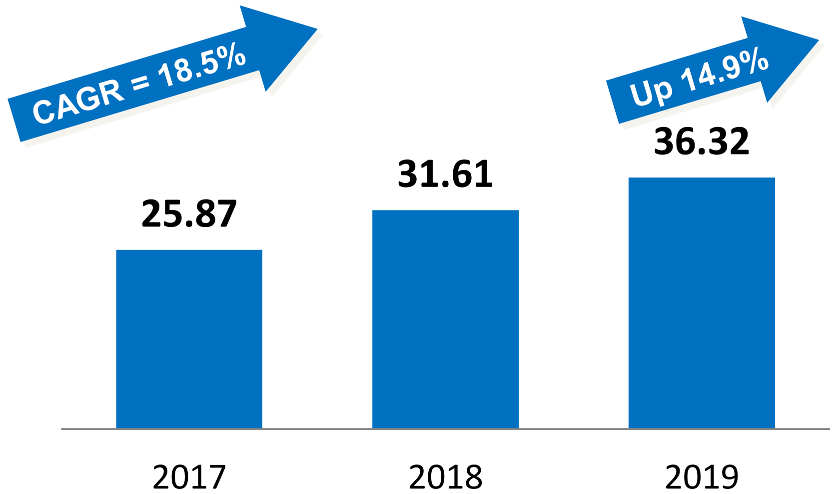
Net Profit & Margins (in PHP millions)



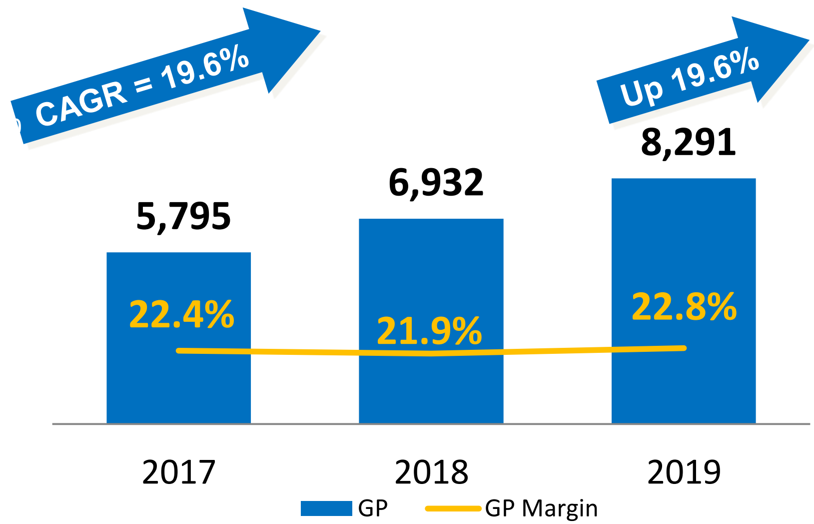
***Core Net Income (excluding one-off gain in 2018) increased by 10.6% in FY 2019**

Financial Performance – S&R Only

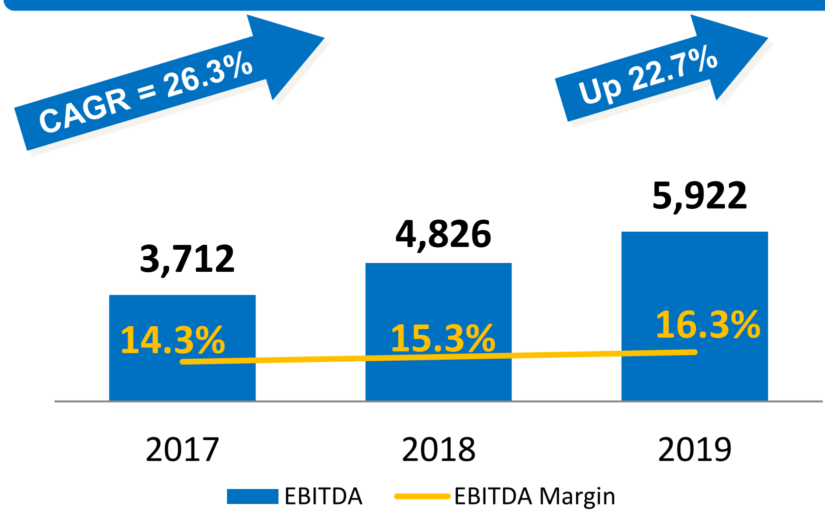
Revenues (in PHP Billions)



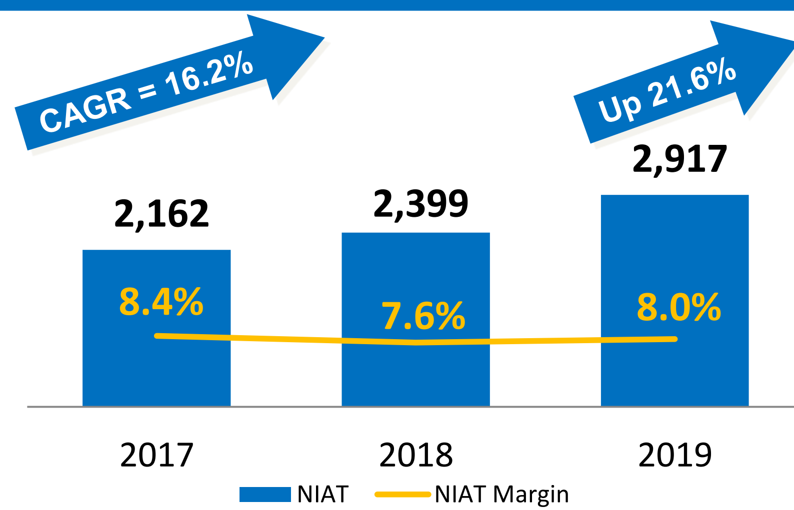
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)



Net Profit & Margins (in PHP millions)



Financial Performance – FY 2019

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

	2017	2018	2019	
Trade Receivables Days	7.0	7.6	6.6	
Inventory Days	59.8	58.0	55.4	New Puregold Store roll out and new S&R Stores to be opened in 2019
Trade Payables Days	21.7	23.9	22.9	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 2020

- CAPEX Budget of Php 3.4 billion in 2020
  - Php 1 billion for 25 new Puregold Stores
  - Php 1.6 billion for 2 S&R stores
  - Php 200 million for 10 S&R QSR
  - Php 600 million Maintenance Capex

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

Q & A

Thank you!