Puregold Price Club, INC.

Company Presentation

1Q 2020 Results and Performance

June 2020

PUREGOLD

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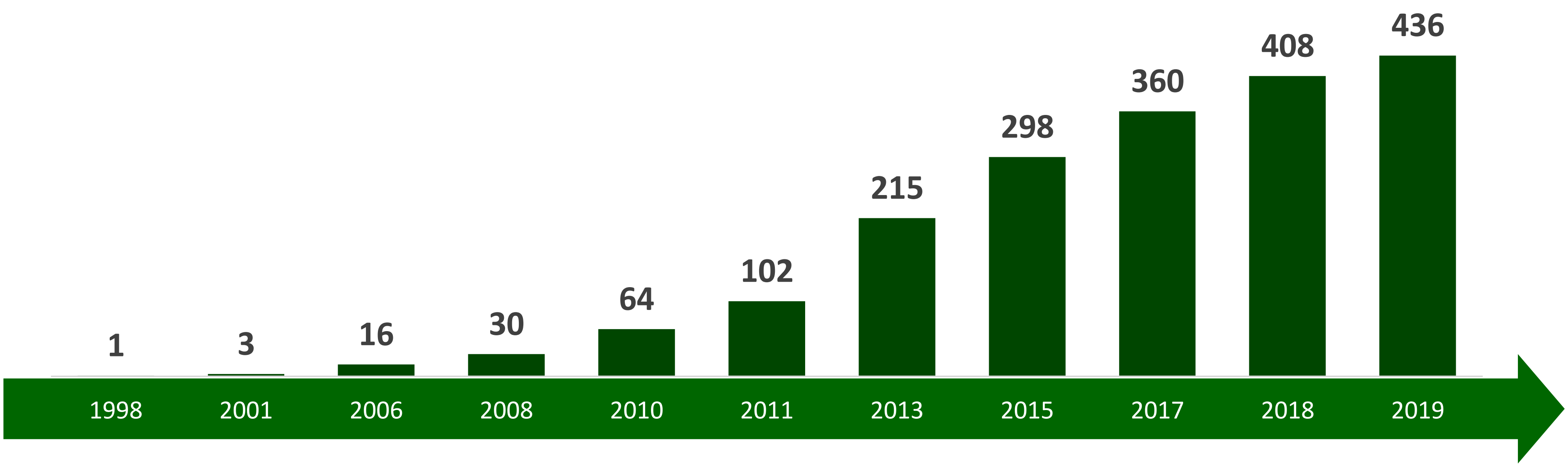
Store roll-out through FY 2019



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 - 2008

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

- 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



Update on Puregold – 1Q 2020

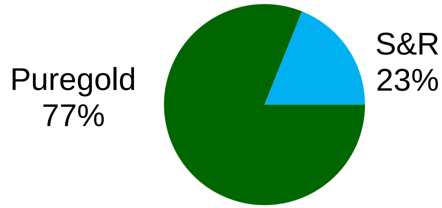
1Q 2020 Results and Performance

- Opened 6 new PGOLD stores; 2 S&R Warehouse and 1 S&R QSR in 1Q 2020; closed 2 PGOLD store
- Operating 443 stores in 1Q 2020; with consolidated NSA of around 579,000 sqm
- Consolidated net sales expanded by 17.4% in 1Q 2020; Puregold stores sales accounted for about 77% of consolidated net sales
- Gross profit grew by 13.3% in 1Q 2020; with gross profit margin posted 16.9%
- Operating income increased by 15.4% in 1Q 2020; with operating margin at 7.2%
- Consolidated Net income increased by 16.8% in 1Q 2020; consolidated net profit margin at 4.3% PGOLD only net margin is at 3% while S&R net margin is 8.5%.
- Core net income (excluding one-time gain in 2018) grew by 16% in FY 2019.

Operating Performance – 1Q 2020

Format	Hypermarket, supermarket, extra	Membership shopping

Revenue contribution



Format	Hypermarket, supermarket, extra	Membership shopping
Gross profit (PHP million) & Margin (%)	**4,632 (14.8%)**	**2,302 (24.0%)**
Total traffic (million)	42	2.3
Average net ticket (PHP)	749	4,327
Net sales growth (%)	**17.6%**	**19.7%**
Traffic growth (%)	-4.3%	9.5%
Average net ticket growth (%)	22.9%	9.3%
Same Store net sales growth (%)*	**14.4%**	**5.1%**
Same Store traffic growth (%)*	-7.9%	-3.6%
Same Store average net ticket growth (%)*	24.3%	9.0%

*Same Stores Growth for 2020 are based on stores opened as of end December 2018.

Operating Performance – 1Q 2020

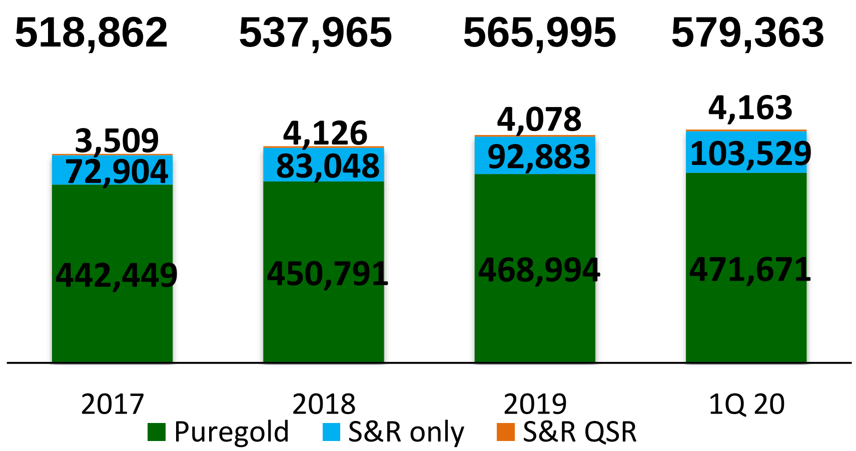
Breakdown of Stores (per format)

Group	2018	2019	1Q 20
Hypermarket	208	230	232
Supermarket	104	103	102
Extra	42	47	50
S&R	16	18	20
S&R QSR	39	38	39
NE & Budgetlane	0	0	0
TOTAL	**409**	**436**	**443**

Puregold Only	2018	2019	1Q 20
Metro Manila	125	130	132
North Luzon	93	100	101
South Luzon	101	106	108
Visayas	25	33	32
Mindanao	10	11	11
TOTAL	**354**	**380**	**384**

*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
2018	178	8.2
2019	180	8.9
1Q 20	42	2.3

Ave Ticket (in Php)	PGOLD	S&R
2018	612	3,959
2019	656	4,212
1Q 20	749	4,327

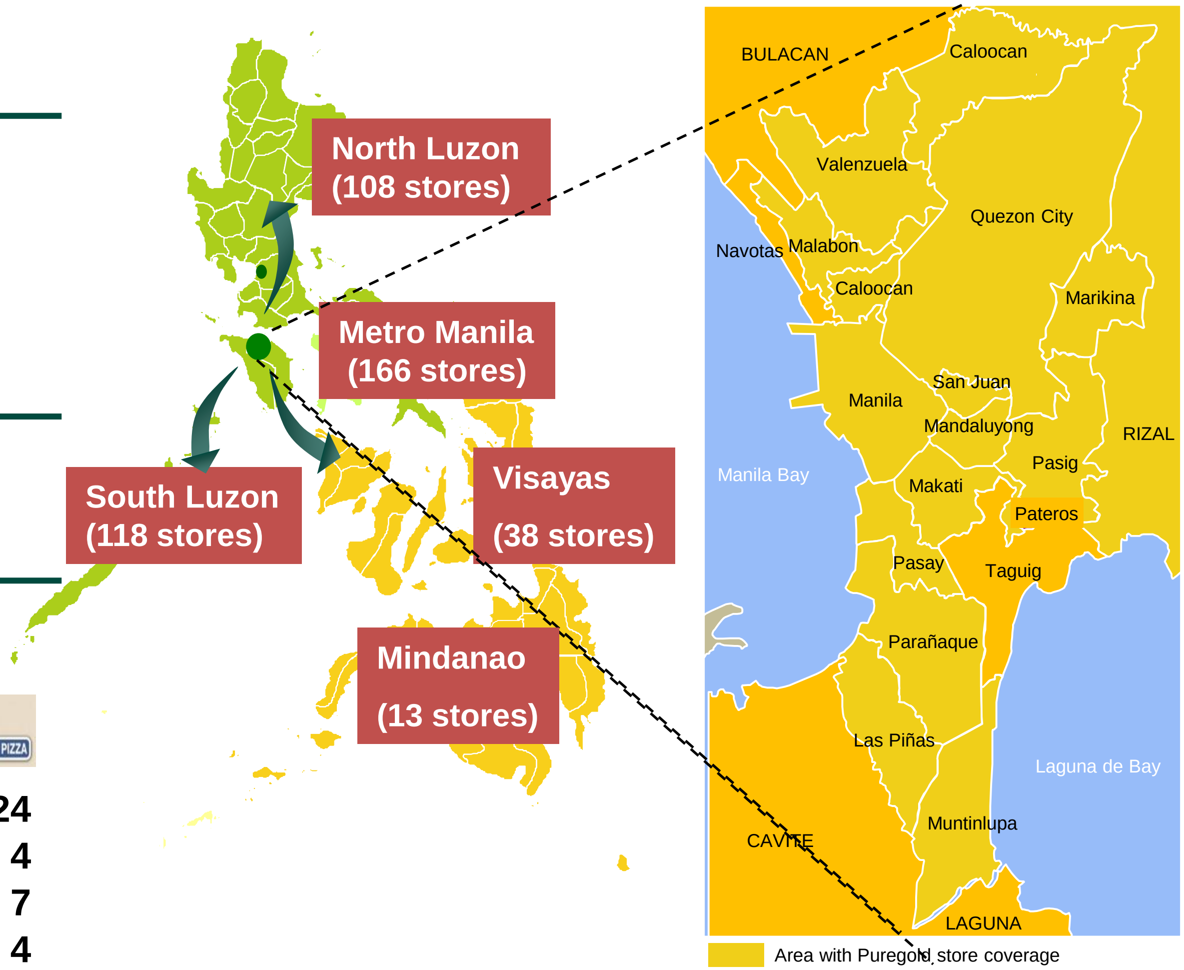
Store Portfolio – 1Q 2020

Key statistics 1Q 2020

Total no. of stores	• 443
No. of stores per format	• 232 hypermarkets; 102 supermarkets; 50 extras • 20 S&Rs • 39 S&R QSR
Consolidated net selling area	• about 579,000 square meters

	PUREGOLD	S&R	S&R NEW YORK STYLE PIZZA
Metro Manila	132	10	24
North Luzon	101	3	4
South Luzon	108	3	7
Visayas	32	2	4
Mindanao	11	2	0
	384	20	39

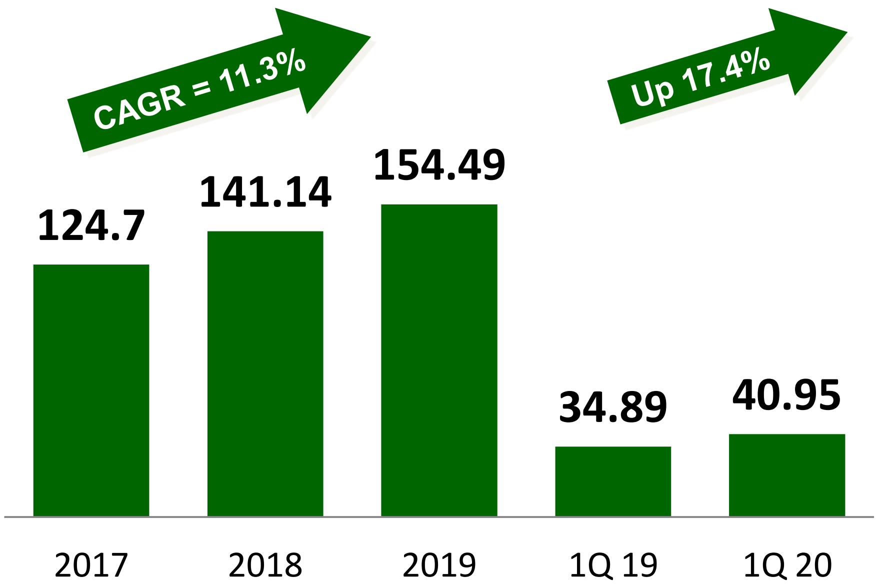
Geographic coverage



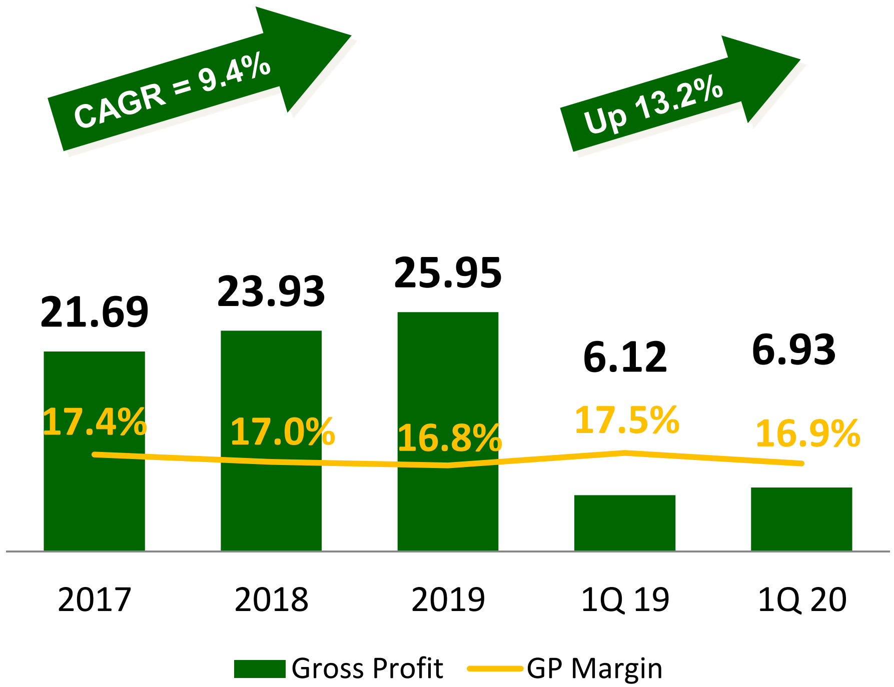
*NE Bodega and Budgetlane Stores are converted to Puregold Stores in 2018

Financial Performance – 1Q 2020

Net sales (in Php billions)



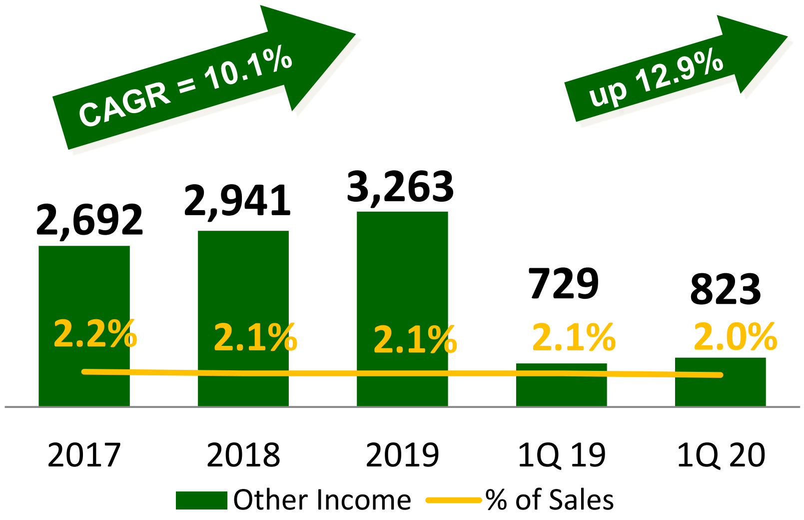
Gross profit & Margin (in PHP billions)



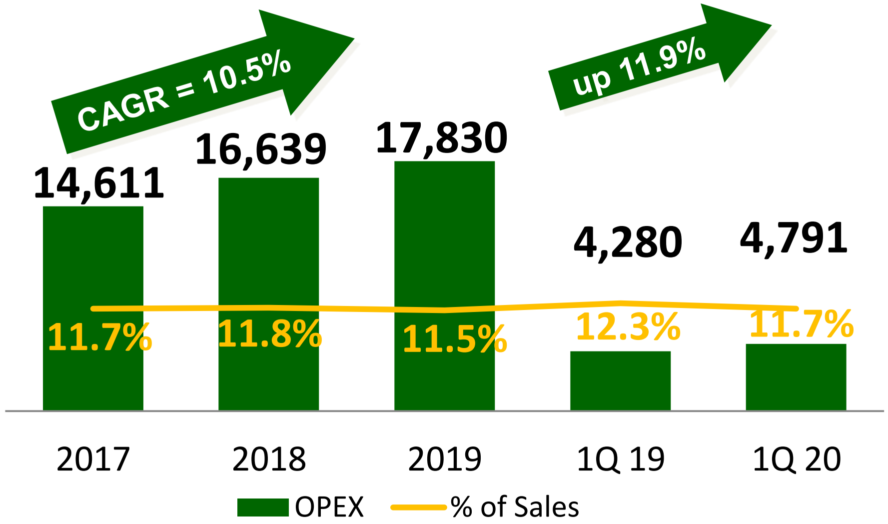
- Continuing strong revenue growth driven by the 380 Puregold stores and the 20 S&R stores in 2019
- Increasing costs of suppliers resulted to reduced marketing and promo support
- Positive effect of Tax Reform law to Filipino consumers supported continuing growth in revenues

Financial Performance – 1Q 2020

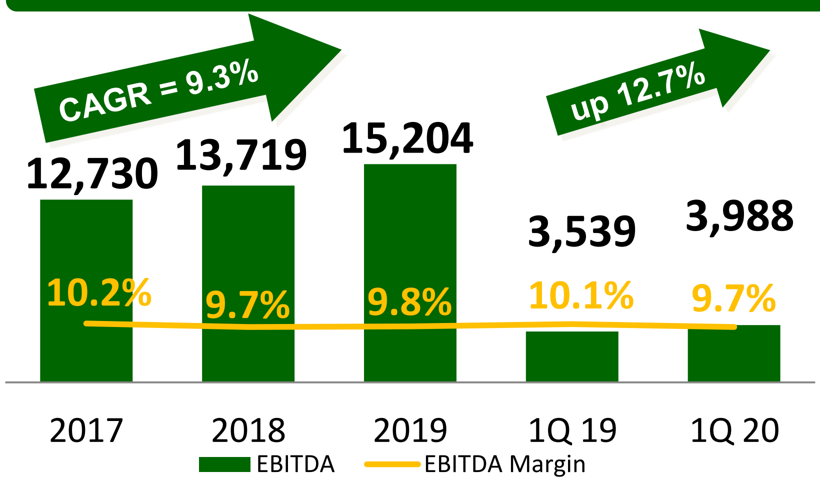
Other Operating Income (in PHP millions)



Operating Expenses (in PHP millions)

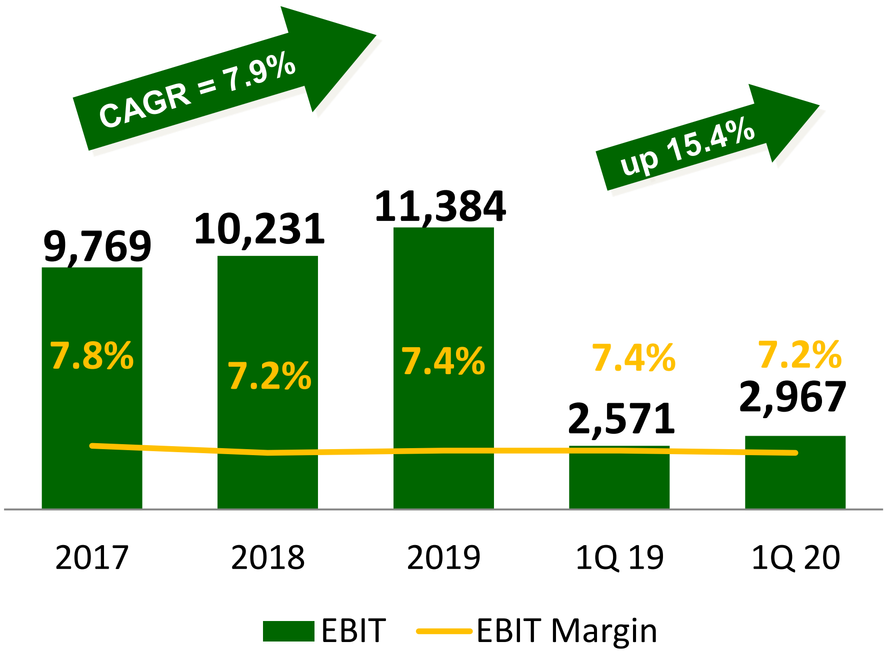


EBITDA & Margin (in Php millions)

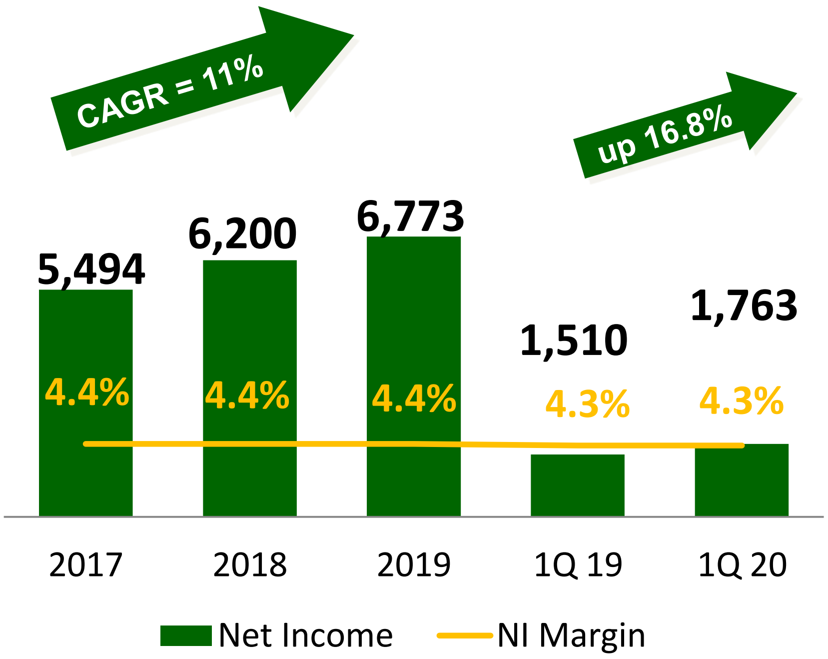


Financial Performance – 1Q 2020

Operating Income/EBIT and Margins (in PHP millions)



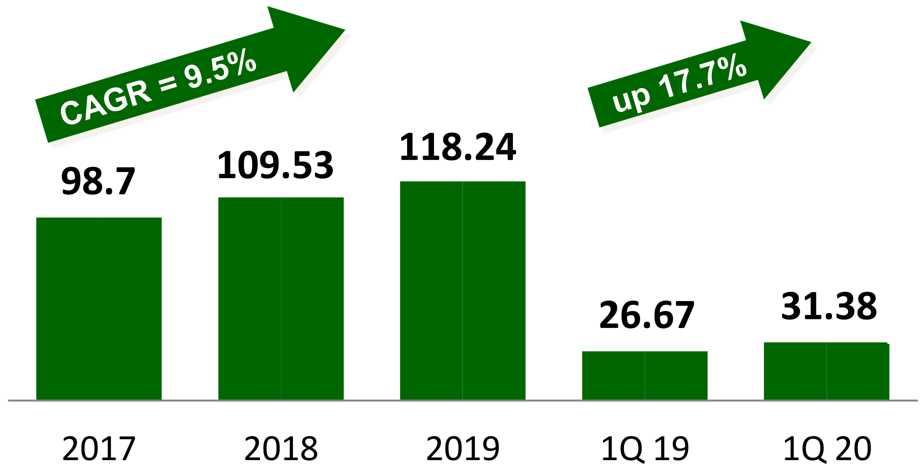
Net Income & Margins (in PHP millions)



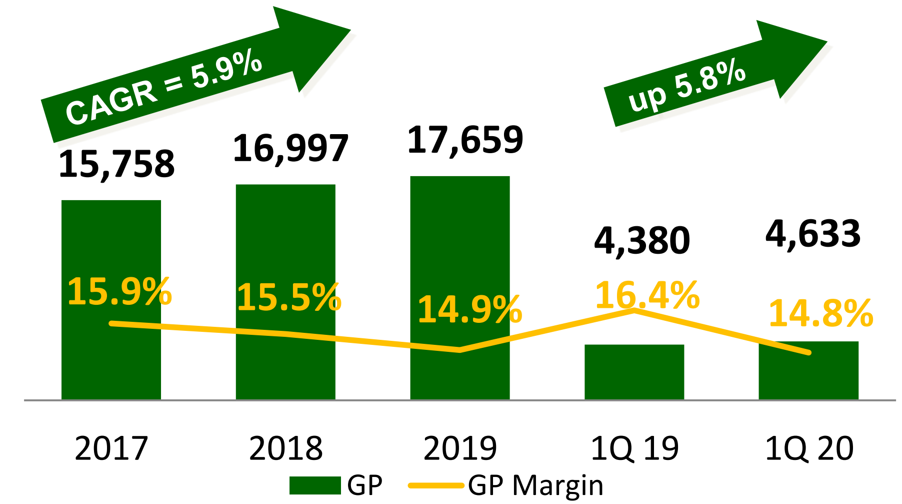
PUREGOLD 20 Always Panalo Years

Financial Performance – Puregold Only

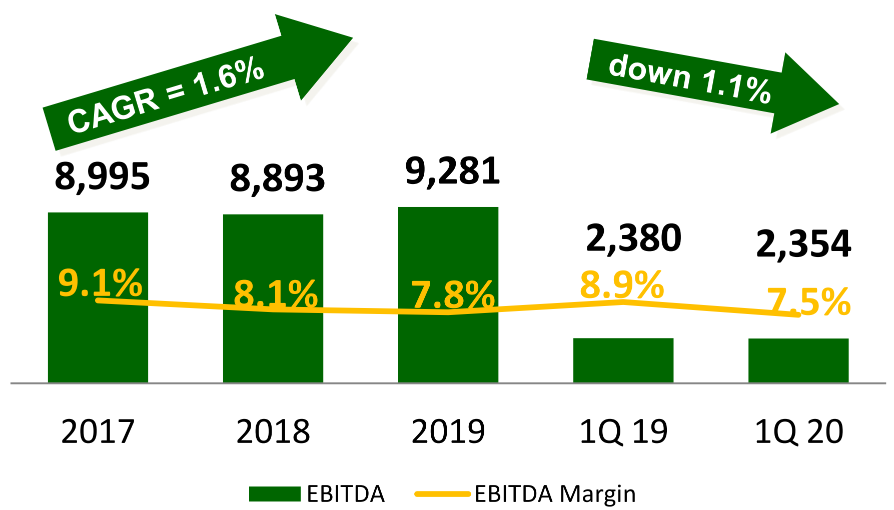
Revenues (in PHP Billions)



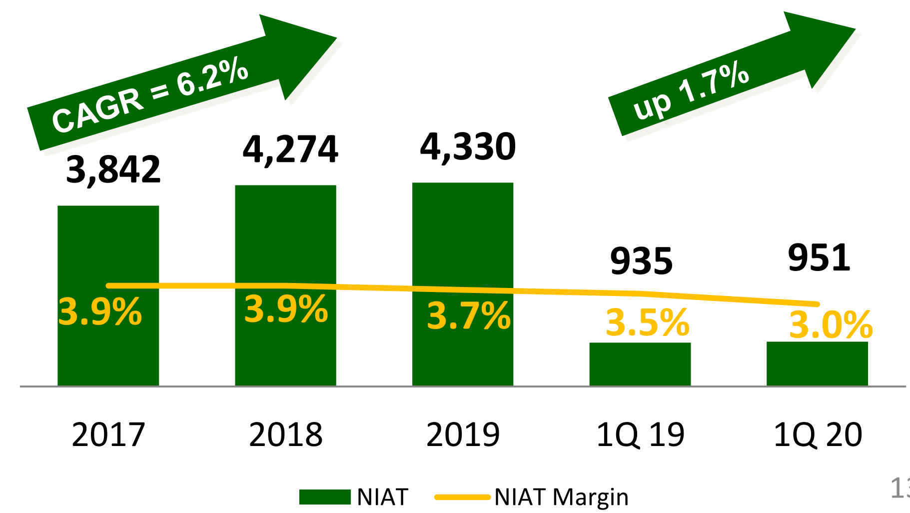
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)

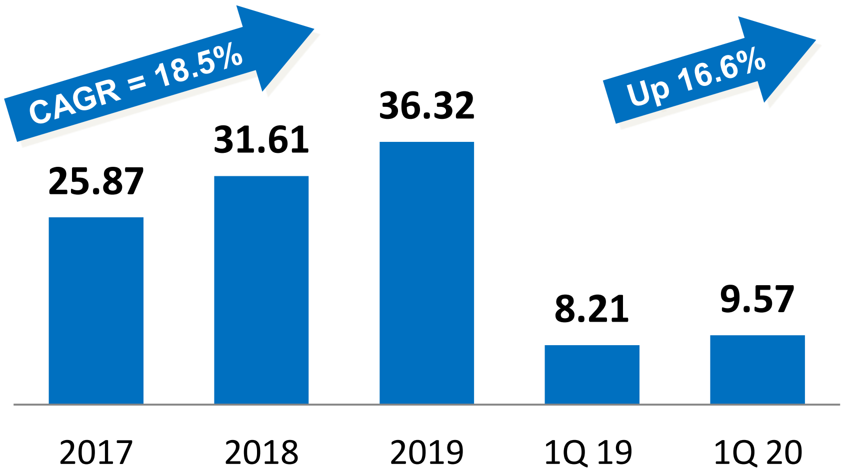


Net Profit & Margins (in PHP millions)

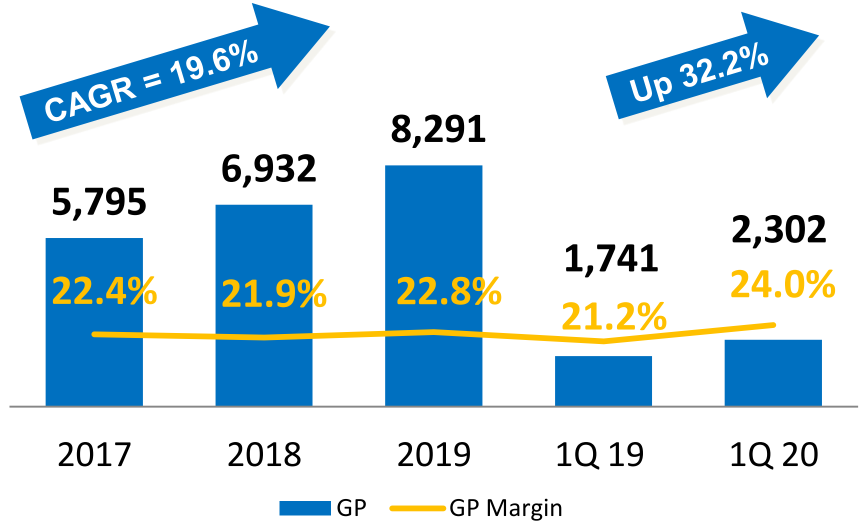


Financial Performance – S&R Only

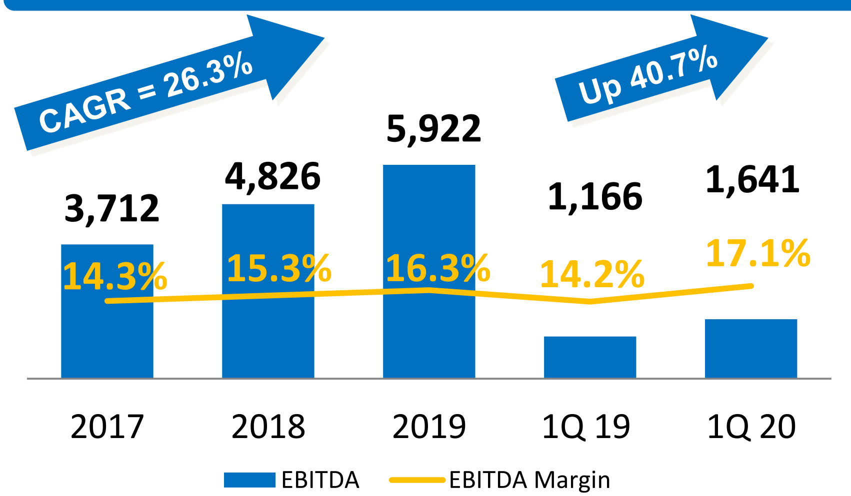
Revenues (in PHP Billions)



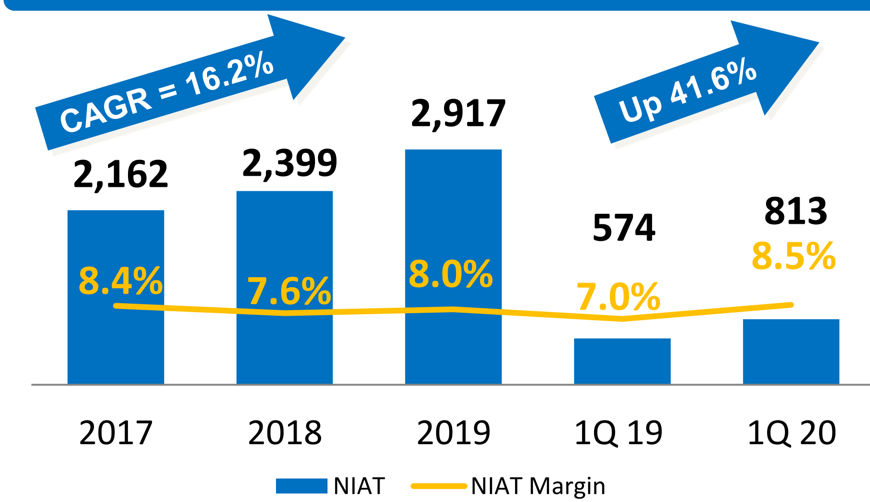
Gross Profit & Margins (in PHP millions)



EBITDA and Margin (in PHP millions)



Net Profit & Margins (in PHP millions)



Financial Performance – 1Q 2020

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

	2018	2019	1Q 20
Trade Receivables Days	7.6	6.6	5.4
Inventory Days	58.0	55.4	51.4
Trade Payables Days	23.9	22.9	17.1

New Puregold Store roll out and new S&R Stores to be opened in 2019

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!