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PUREGOLD

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FY22 RESULTS & PERFORMANCE

Puregold Price Club, Inc.
Presentation

Years of Serbisyong Always Panalo Para Sa Pilipino

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Puregold Enterprise

- Caters to the low income and low-middle income customers
- Lower C, D and E market
- Sari sari store customers/resellers
- Popular local and small sized SKUs

- Membership shopping model
- Catering to the upper income customers
- Class A & B and upper C segment
- Imported and large size SKUs

Pure Play Philippine Food Retailer

A Proxy for the Philippine Consumption Story

- Robust topline growth from an enterprise with the broadest consumer segments
- Healthy cash flows and a simple capital structure
- Two marquee brands in Philippine retail: Puregold stores and S&R WHs
- Beneficiary of a nation with a growing middle class and a young population
- Preferred partner of Philippine traditional retail

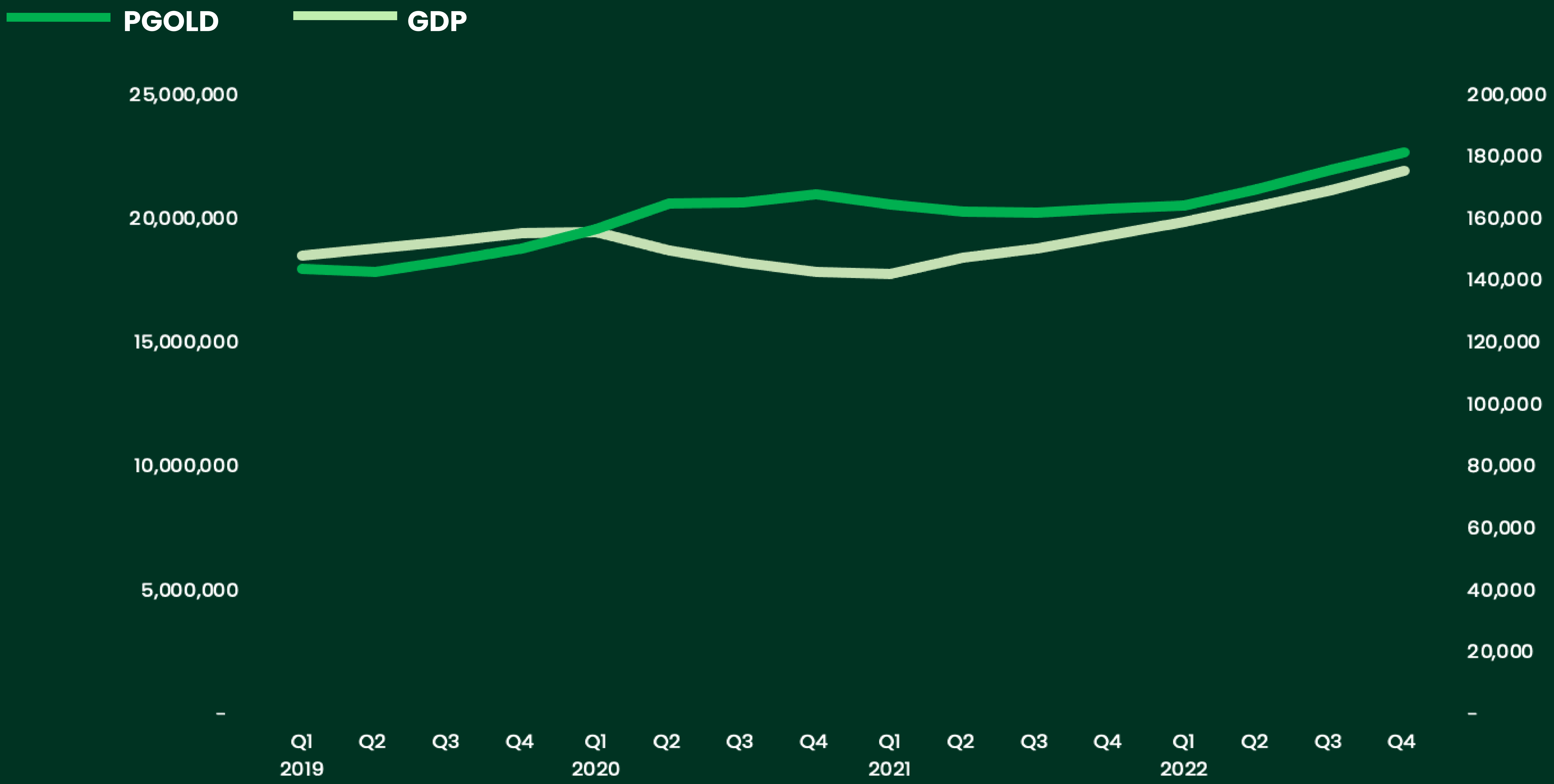
Most Chosen Retailer 2022, Kantar

Puregold recently ranked No. 1 in the Philippines as Kantar's Most Chosen Retailer.

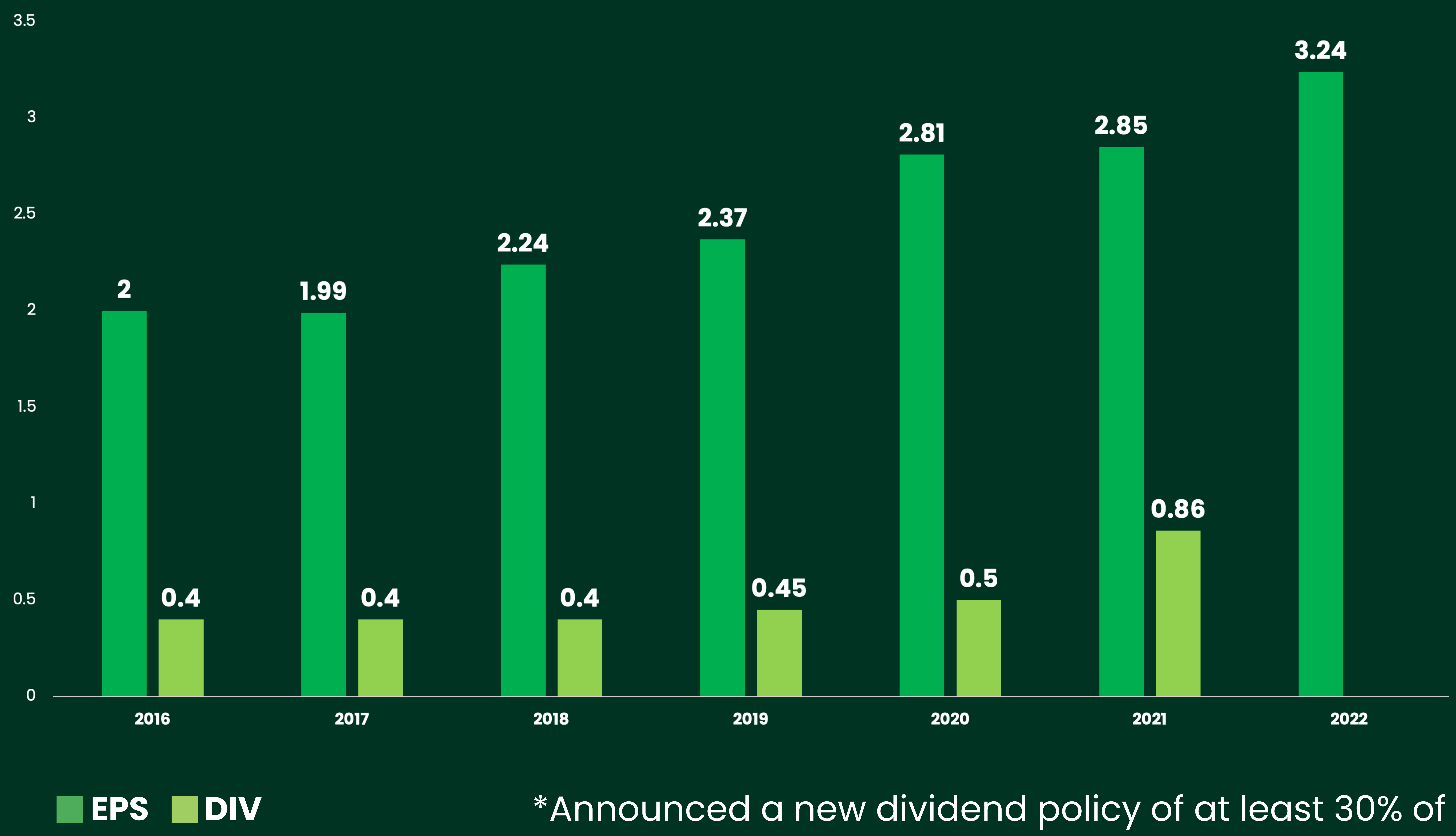
In the shopper study, Kantar noted that Puregold consistently offers the best prices for grocery goods as it cements itself as a trustworthy supplier for Filipinos.

In addition, Puregold's impact to consumers was also driven upward by its accessibility. With over 445 stores nationwide and increasing footprint in the provinces, Puregold squarely fits the trends noticed by Kantar in that Filipinos not only consider goods prices in their retailers, but also their proximity and accessibility.

Sustained Topline Growth In and Out of Pandemic



Shareholder Distribution



YEAR	EPS	DIV
2016	2	0.4
2017	1.99	0.4
2018	2.24	0.4
2019	2.37	0.45
2020	2.81	0.5
2021	2.85	0.86*
2022	3.24	
5YCAGR	10%	17%
YoY	14%	72%

*Announced a new dividend policy of at least 30% of income of the previous year

FY22 Results Highlight

	CONSO REVENUE	GROSS PROFIT MARGIN %	EBITDA MARGIN %	NIAT
FY22	Php 184.3 bn	18.4%	10.3%	Php 9.3 bn
YoY	12.3%	+2 bps	-38 bps	13.5%

Marco Highlights in 2022-2023

SNAPSHOT : PHILIPPINES

- Resilient mid-C, D and E markets
- Sustained strength from A, B and upper C markets
- Employment gains continue
- Elevated inflationary pressures in 1H23
- Risk of FX rate adding to inflationary pressures
- Buoyant BPO revenues and OFW inflows
- GDP growth continues

SNAPSHOT : THE WORLD

- Elevated inflationary pressures
- Soft commodities & Brent oil may have peaked
- Continued high geopolitical uncertainties
- Slowdown (underway)
- Tightening Conditions
- US$ strength peaking

Shopper Trends 2023

Timely and complete fulfillment

Emphasis on value

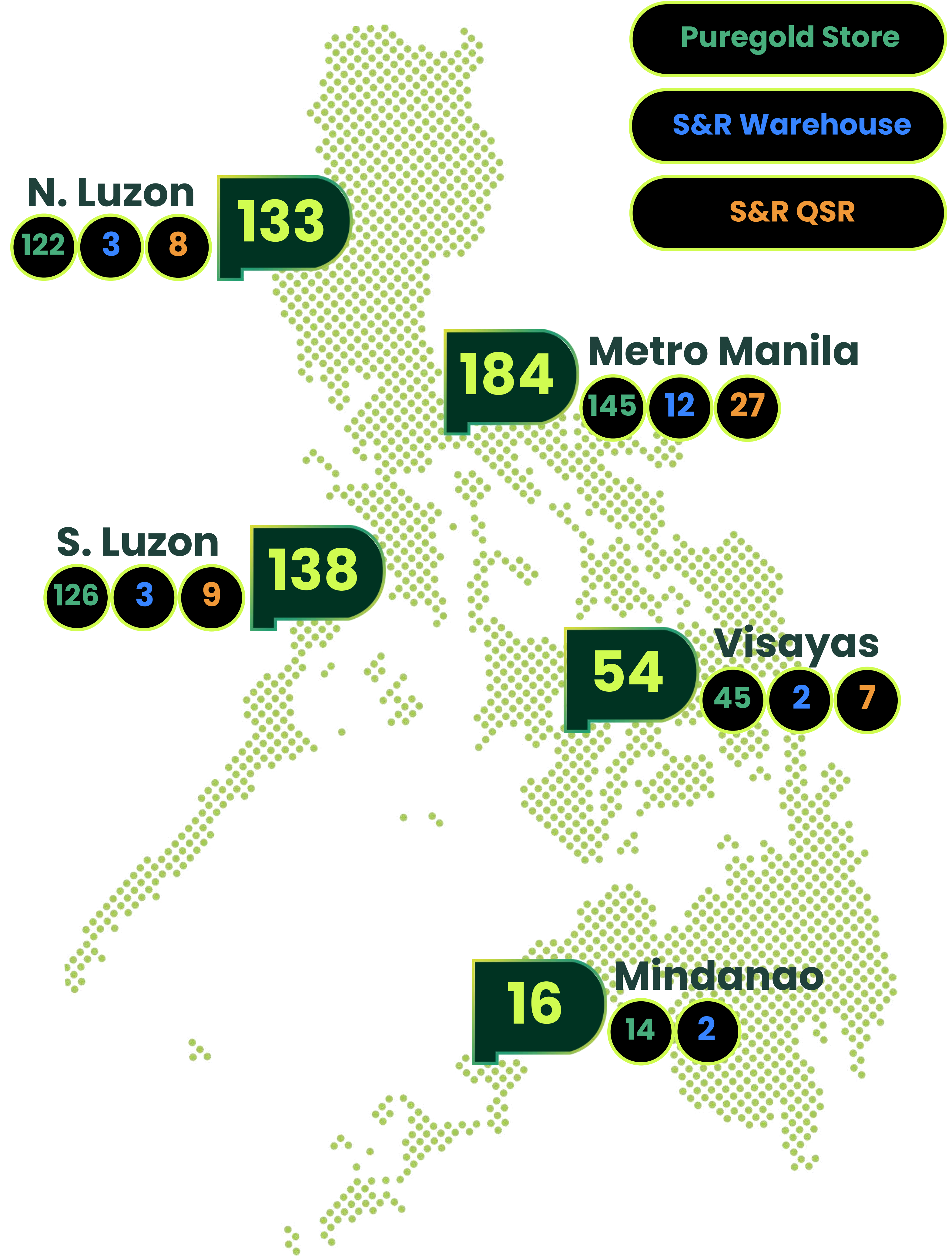
Strength of traditional channels

More "in-person"

Preference for impactful promotions

Store Portfolio FY22

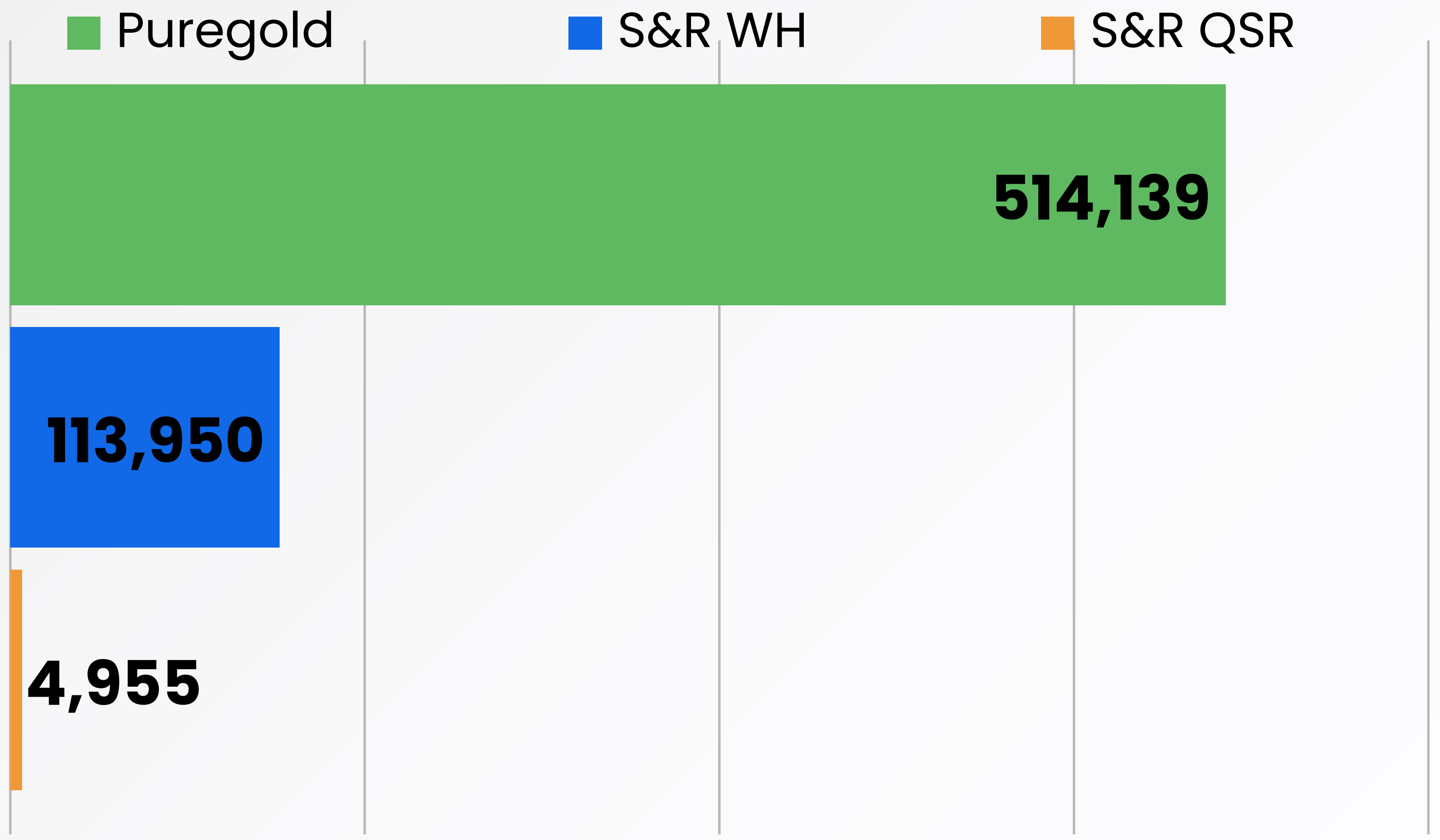
GEOGRAPHIC COVERAGE



KEY STATS

TOTAL NUMBER OF STORES	525
NO. OF STORES PER FORMAT	285 hypermarkets 99 supermarkets 68 extras 22 S&Rs 51 S&R QSRs

NET SELLING AREAS (in sqm)



NEW PUREGOLD STORES 2022

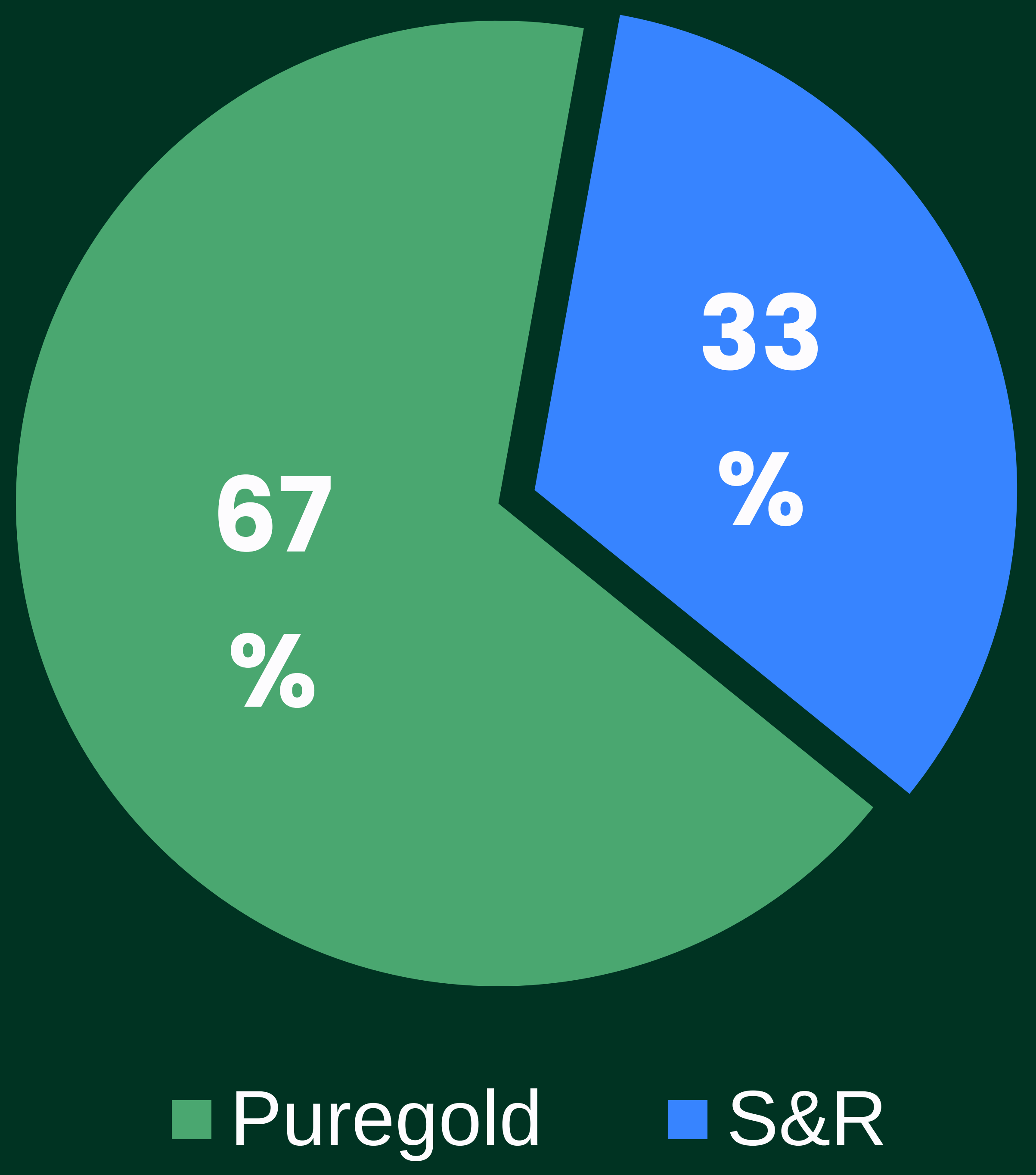
24 Doors

METRO MANILA	Puregold Nitang
METRO MANILA	Puregold Champaca
METRO MANILA	Puregold 999 Caloocan
METRO MANILA	Puregold Camarin
METRO MANILA	Puregold Gen T Deleon
METRO MANILA	Puregold Minimart Malingap
NORTH LUZON	Puregold La Paz
NORTH LUZON	Puregold Allacapan
NORTH LUZON	Puregold Bocaue
NORTH LUZON	Puregold Muzon
NORTH LUZON	Puregold Santiago Highway
NORTH LUZON	Puregold Lias
NORTH LUZON	Puregold Eastland COGEO
SOUTH LUZON	Puregold Teresa
SOUTH LUZON	Puregold Talisay
SOUTH LUZON	Purgeold Sariaya
SOUTH LUZON	Puregold Gumaca
SOUTH LUZON	Puregold Binan Bayan
SOUTH LUZON	Puregold Pulang Lupa Uno
SOUTH LUZON	Puregold Eastgate
VISAYAS	Puregold Ormoc
VISAYAS	Puregold Calbayog
VISAYAS	Puregold Talisay
VISAYAS	Puregold Kasambagan

Operating Performance FY22

	PUREGOLD	S&R Membership Shopping
Gross Profit (PHP million) & Margin (%)	20,178 (16.2%)	13,642 (22.7%)
Total Traffic (Million)	125.8	11.7
Average Net Ticket (PHP)	988	5,141
Net Sales Growth (%)	8.0%	15.6%
Traffic Growth (%)	13.2%	7.6%
Average Net Ticket Growth (%)	-4.7%	7.4%
Same Store Net Sales Growth (%)	4.5%	11.2%
Same Store Net Traffic Growth (%)	9.2%	3.1%
Same Store Ave. Net Ticket Growth (%)	-4.3%	7.9%

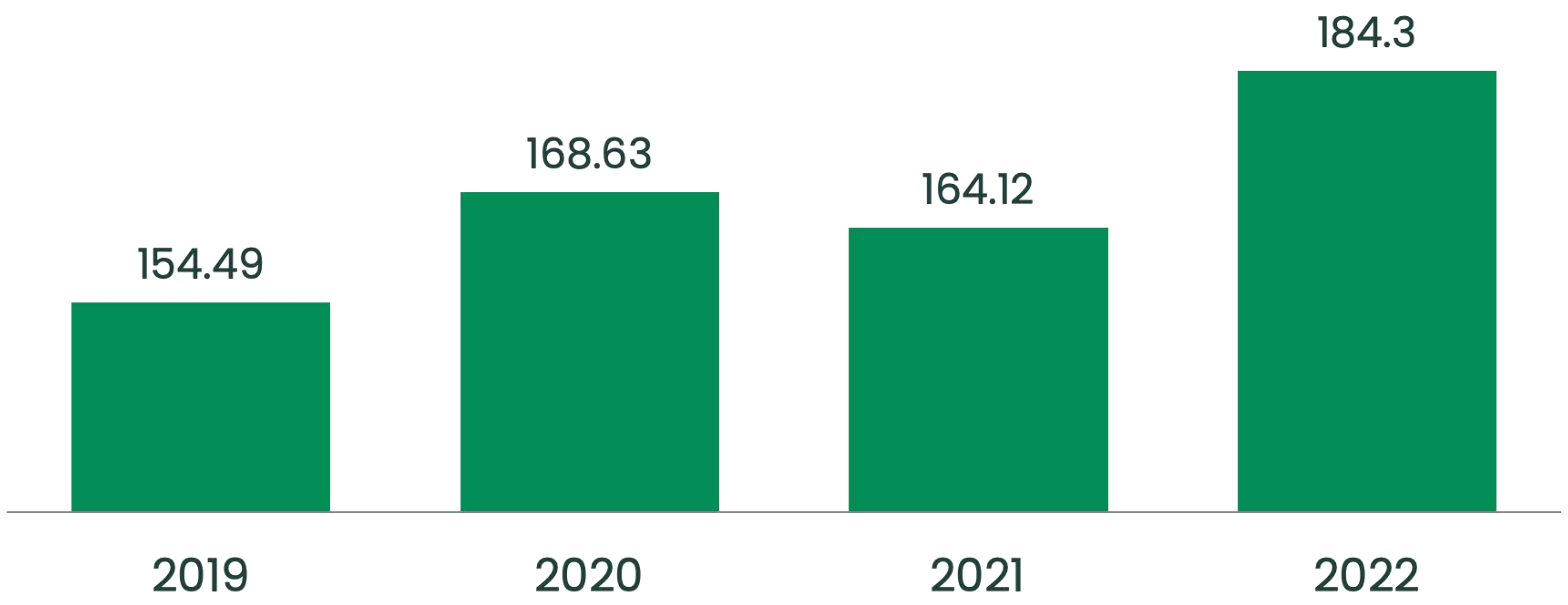
REVENUE CONTRIBUTION



Financial Performance

CONSO FY22

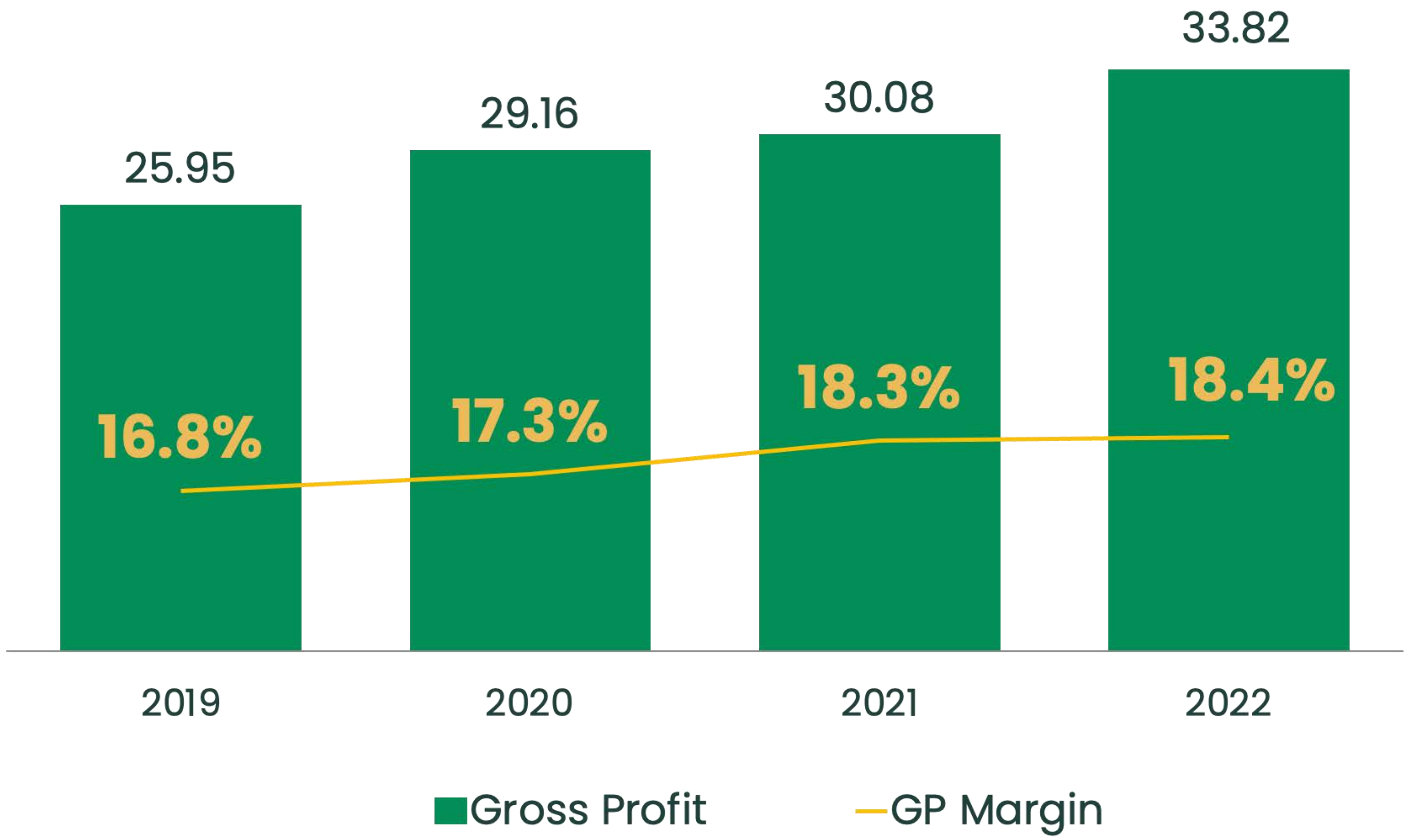
NET SALES (in PHP Billions)



3YCAGR 4.5%

12.3%

GROSS PROFIT & MARGIN (in PHP Billions)

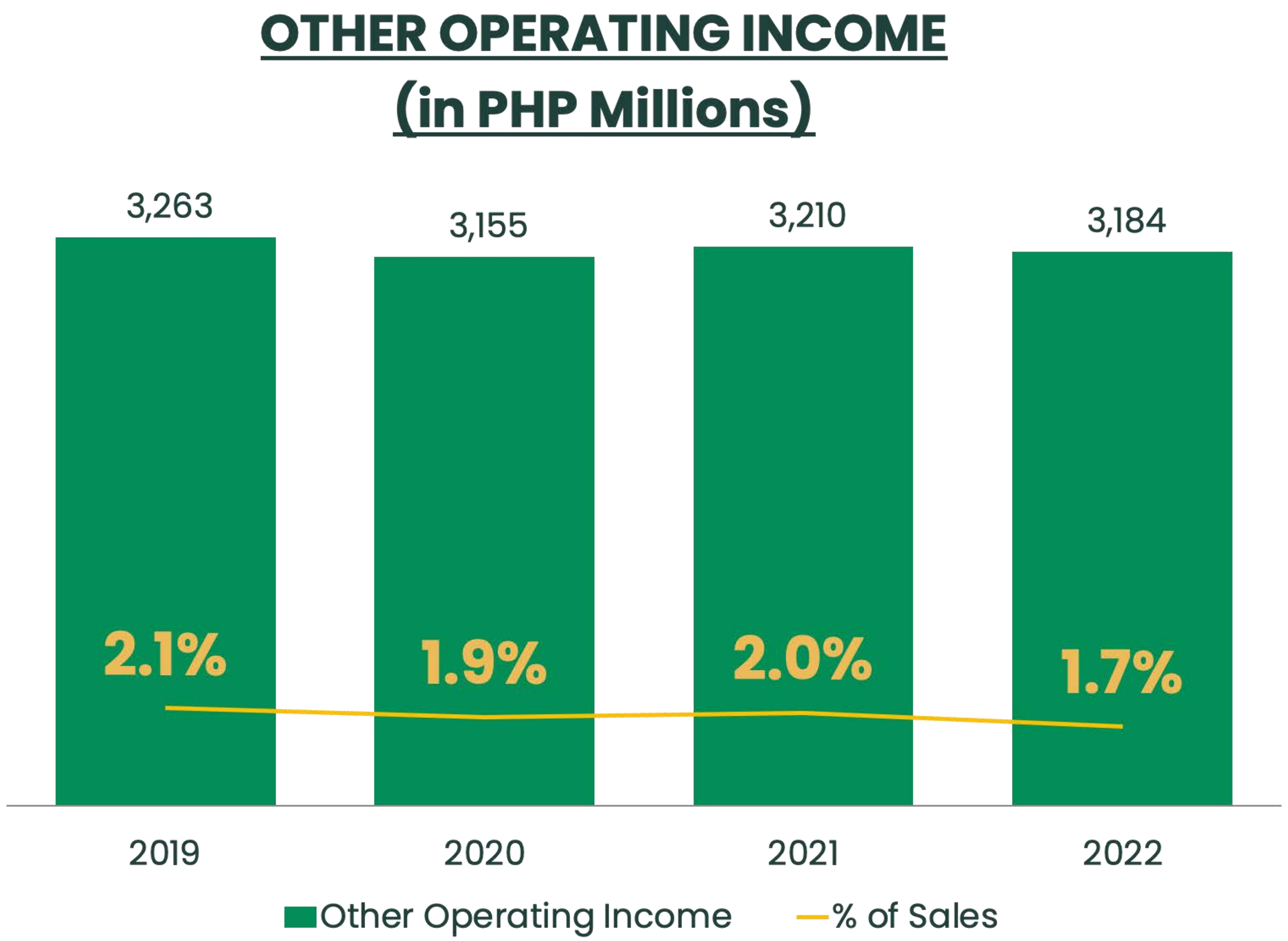


3YCAGR 7.7%

12.4%

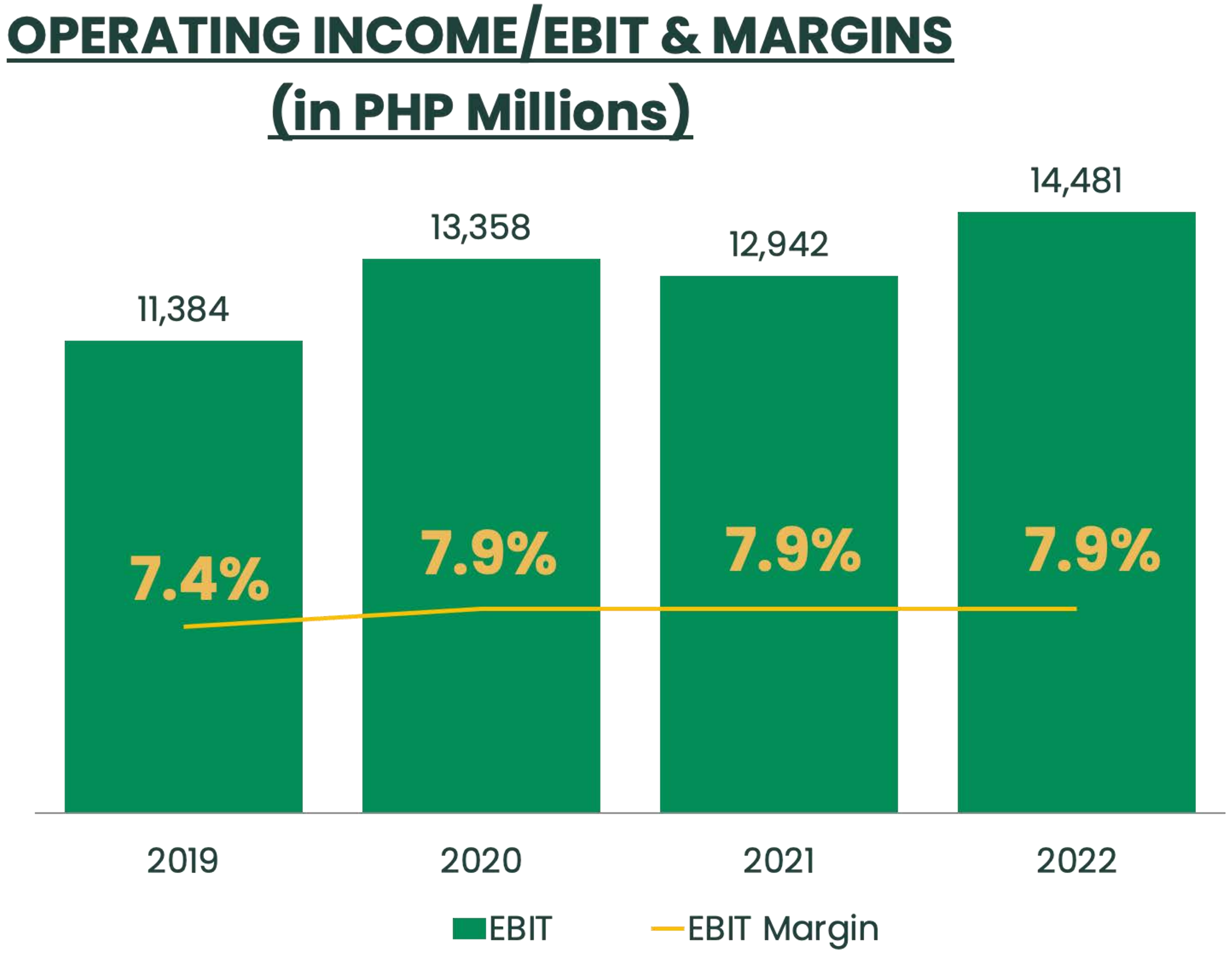
Financial Performance

CONSO FY22



3YCAGR 0.5%

-0.8%



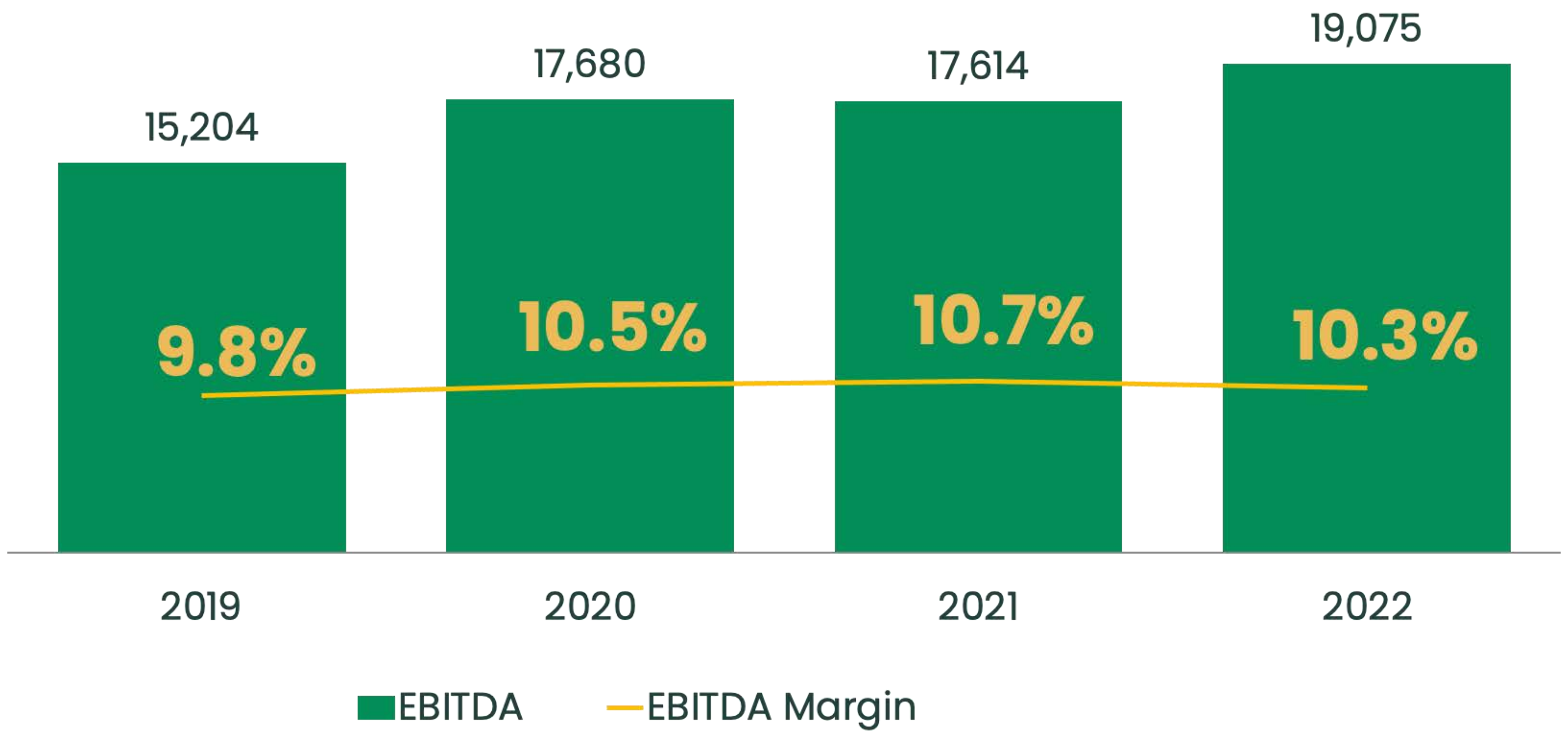
3YCAGR 4.1%

11.9%

Financial Performance

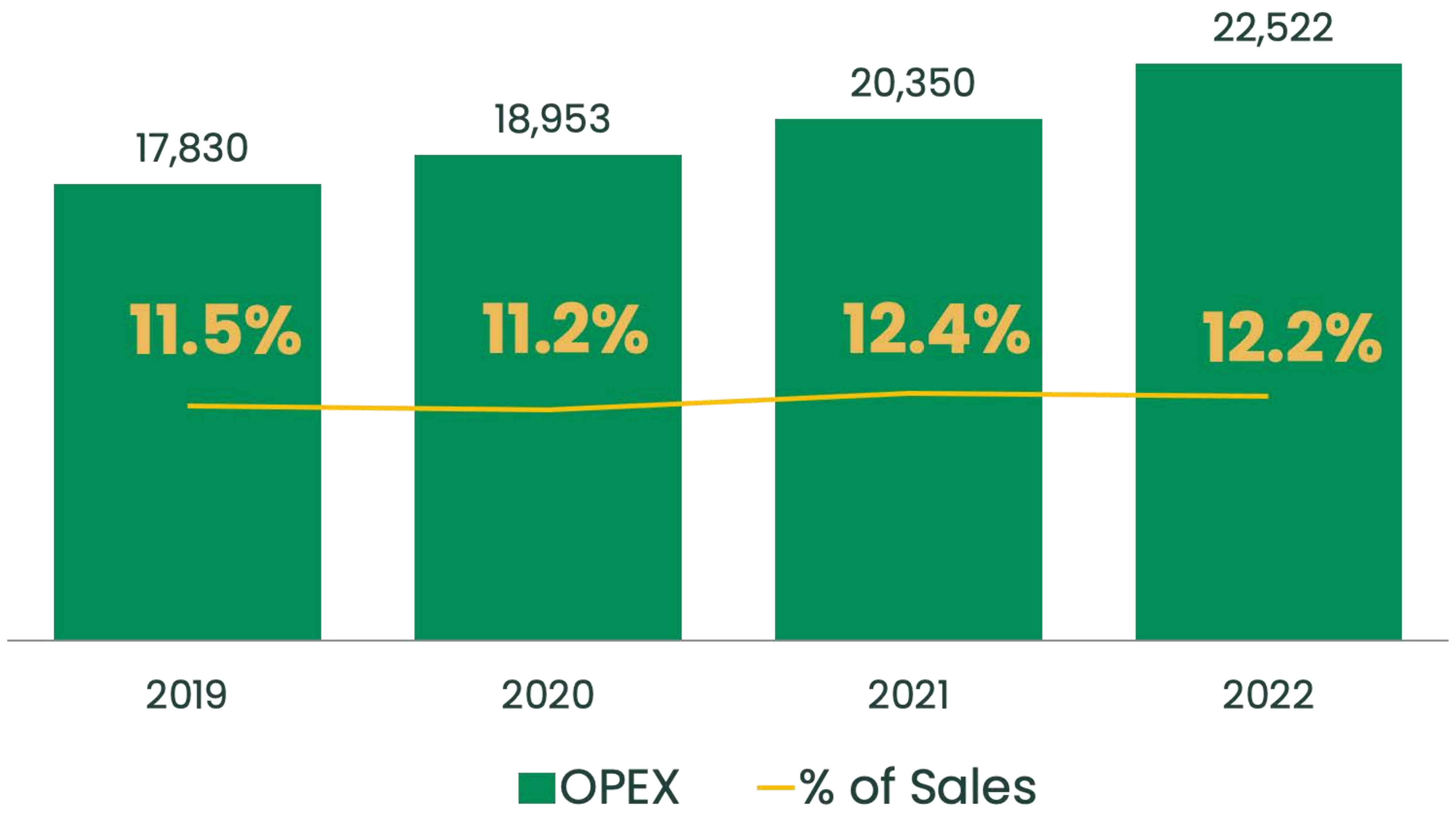
CONSO FY22

EBITDA & MARGIN (in PHP Millions)



3YCAGR 3.9%   8.3%

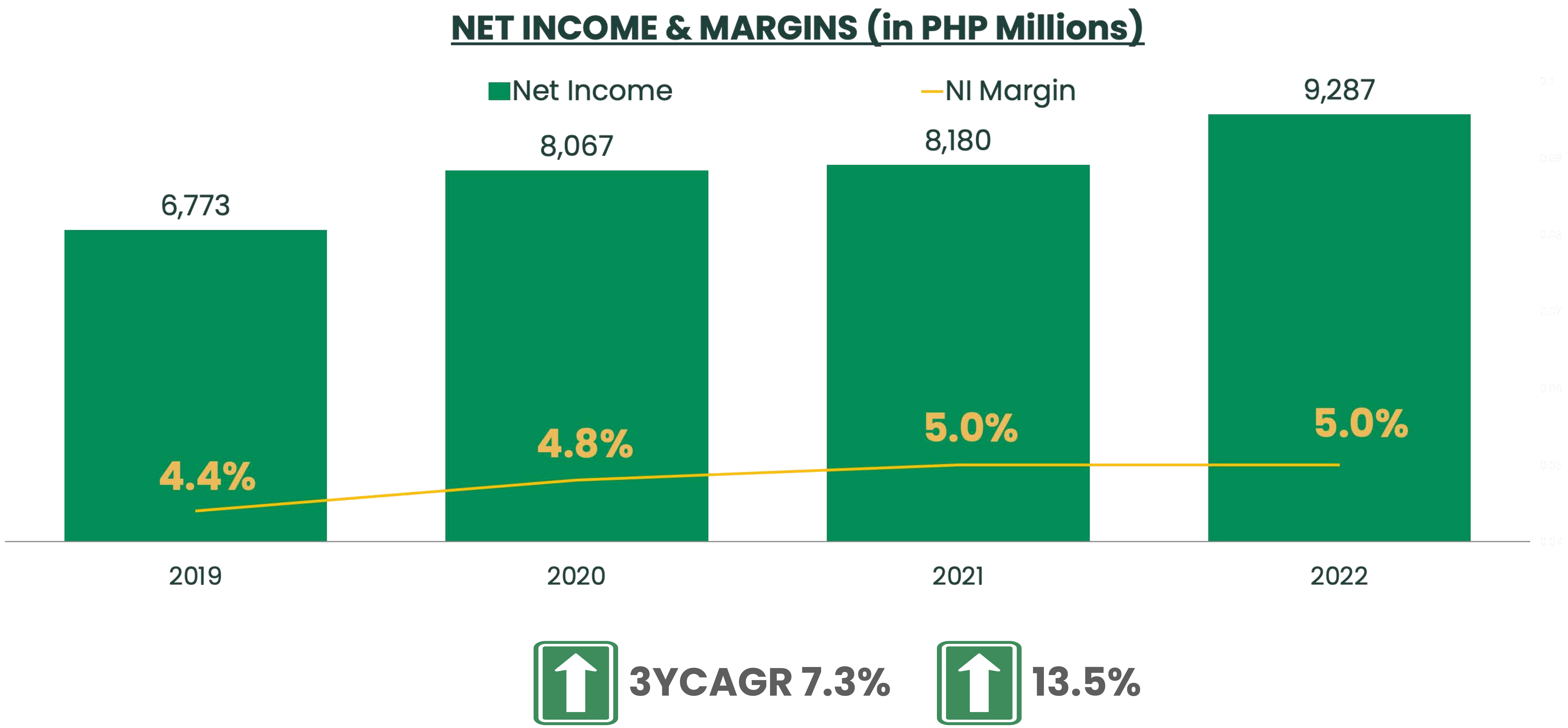
OPERATING EXPENSES (in PHP Millions)



3YCAGR 9.0%   10.7%

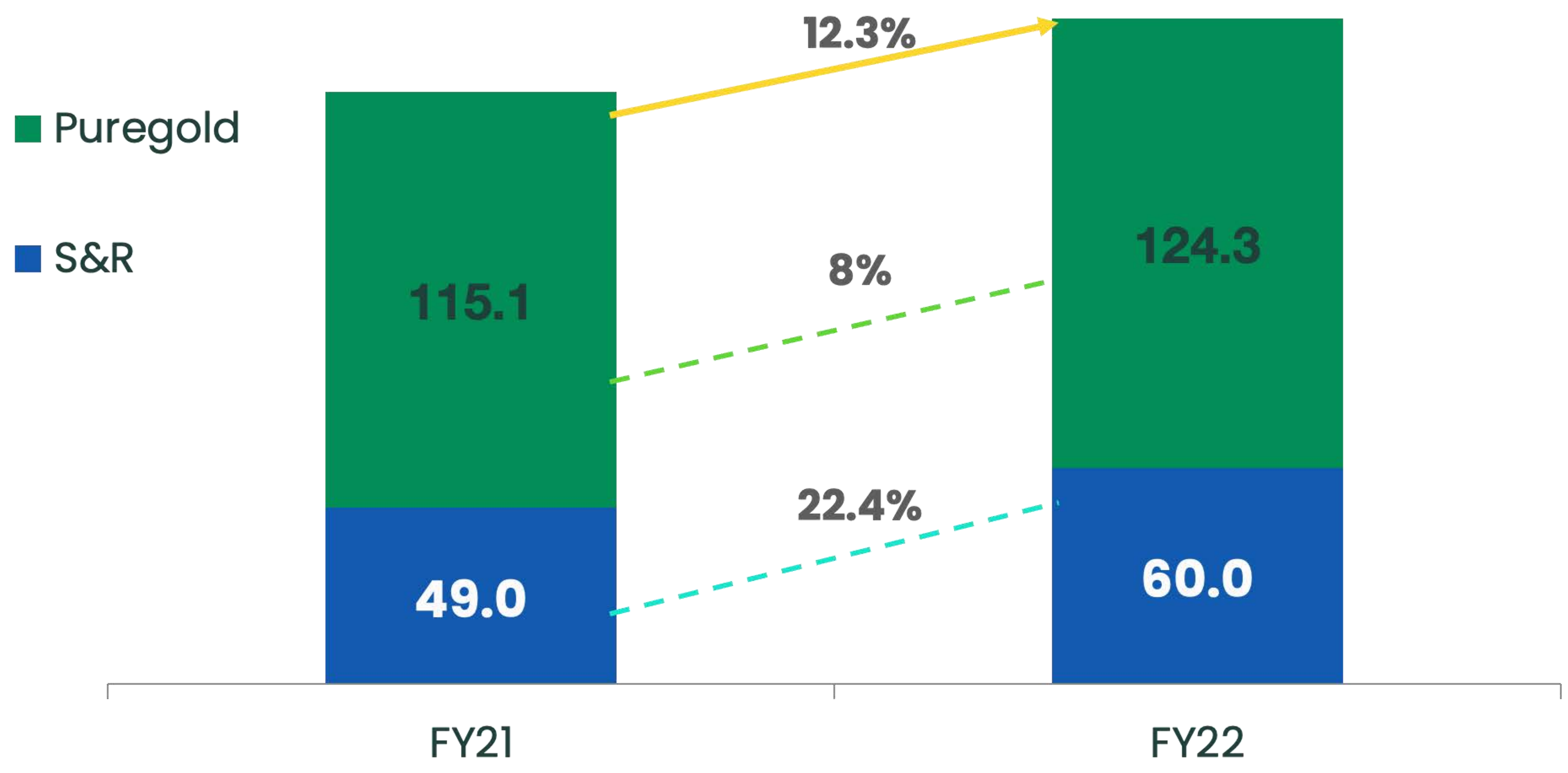
Financial Performance

CONSO FY22

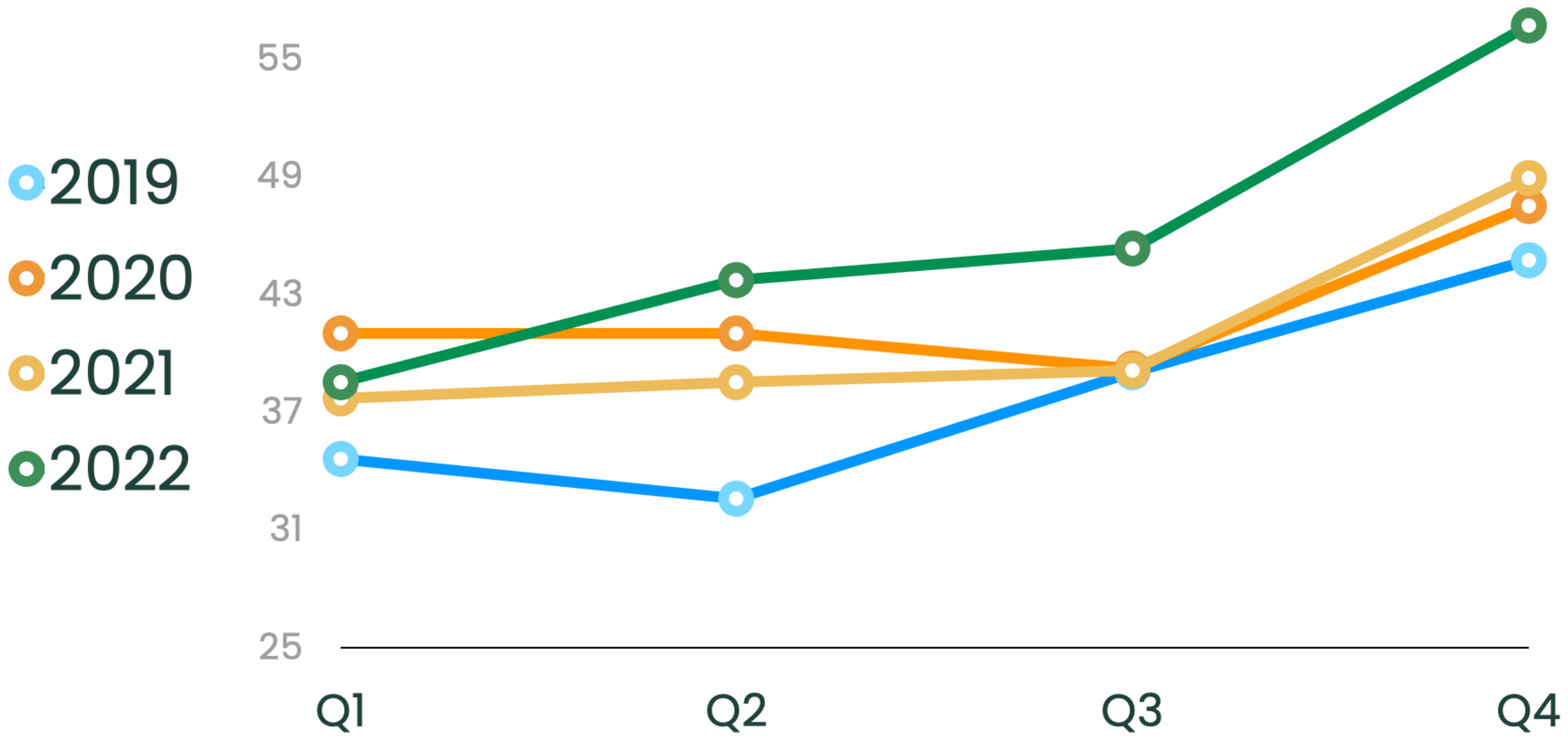


Financial Performance

NET SALES BREAKDOWN



QTR NET SALES TREND



Record-breaking sales in 2022.

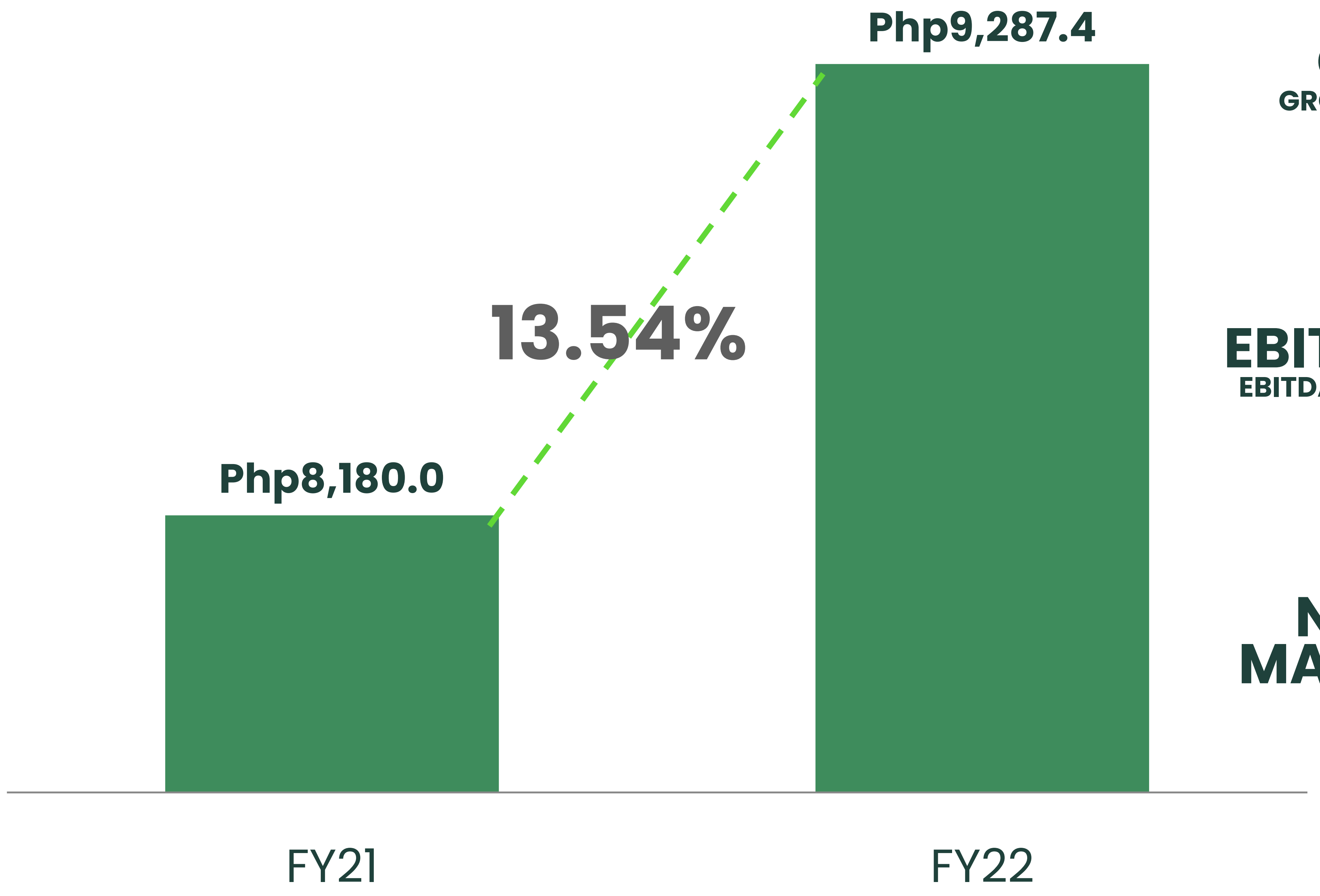
No bulk sales in '22 from gov't targeted relief programs (unlike in '20 & '21). Less new store openings in 2022 vs 2021. Acceleration in 4Q due to holiday spend and 100% face-to-face classes. Numerous holiday bulk sales (Christmas baskets) to private & public groups.

2022 YoY major contributors are higher traffic in Puregold stores and bigger ticket size and higher traffic in S&R WHs and slightly offset by decrease in ticket size in Puregold stores.

Profitability

NET INCOME AFTER TAX

In PHP Millions



	FY22	FY21	CHANGE	
GPM GROSS PROFIT MARGIN	18.35%	18.33%	+2bps	>>Continuing supplier support generated by numerous in-store events; Higher costs upon inventory replenishment.; >>Pricing in line with group-wide market share growth initiatives.
EBITDAM EBITDA MARGIN	10.35%	10.73%	-38bps	>>Higher front loaded cash opex due to WH expansion; Big ticket items are manpower agency services, utilities, salaries & wages.
NET MARGIN	5.03%	4.98%	+6bps	>>Group-wide market share initiatives, coupled with squeezing efficiencies to maintain overall profitability. >>Continuous push in leading Traditional Retail & High-end Consumers markets

GP Margins largely maintained as group-wide customer acquisition and activation initiatives are underway. Market share growth a priority.

Double-digit growth in bottomline due to strong net sales, controlled margins and managed costs.

Pillars of Growth '22–'23

Store Expansion

- +15% increase pace in Puregold-only stores
- more provincial areas (70% of new stores)
- Initial foray into Central Visayas (Cebu)

Increase Shopper Count

- Increase high potential shoppers
- ECommerce – "Sally", Aling Puring App & Aggregators
- Out-of-store chassis (Sari-sari Store drive)

Demand Creation

- Reboot of marketing events
  - TNAP Convention
  - HORECA Convention
  - VIPuring
- Leverage social media capabilities
- Level-up joint business & marketing plans with suppliers

Robust End-to-End Supply Chain

- "Just in Case" vs. "Just in Time'
- Improve Fresh
- Order fulfillment

CAPEX for FY 2022

CAPEX Budget of Php 5.8 billion in 2022

	BUDGET (in PH billions)	ACTUAL (in PH billions)	BALANCE (in PH billions)
Php 2 billion for 35 new Puregold Stores	2.000	0.835	1.165
Php 2.8 billion for 3 S&R stores + 5 S&R QSR	2.800	1.506	1.294
Php 1 billion for maintenance capex, solar projects and IT upgrades	1.000	0.975	0.025

CAPEX Guidance for FY 2023

CAPEX Budget of Php 11.9 billion in 2023

Php 2.3 billion for 30 new Puregold Stores

Php 4.1 billion for 4 S&R WHs and 10 S&R QSRs

Php 3.5 billion for logistics capex

Php 2.0 billion for maintenance capex, solar projects and IT upgrades

Management Guidance 2023

Consolidated Revenue Growth

7% to **8%** target

Gross Profit Margin

Puregold Stores: **15%** target

S&R WH: **20.5%** to **21%** target

Sustainability Highlights 2022

ECONOMIC CONTRIBUTION

PHP 4.98B taxes paid to the government

PHP 3.14B employee wages and benefits

PHP 202.1M invested to community including LCCK

12,038 total no. of direct employees

0 incidents of corruption

Sustainability Highlights 2022

ENVIRONMENT PERFORMANCE

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

3% Clean electricity used

Rooftop Solar Power in **22** S&R Warehouse Clubs, **1** S&R Distribution Center, and **2** Puregold Stores

Gearing towards **100%** LED main lighting

29% Scope 1 and 2 GHG Emissions Reduction

101M reduction of plastic bags used in Puregold stores compared to 2018

63% of Puregold stores use paper bags and promote monthly upsizing to reduce single-use

4771MT Solid waste diverted from disposal

Rain water catchment and Gray water venture

Sustainability Highlights 2022

SOCIAL RESPONSIBILITY

56% female employees in the workforce

866 scholars graduated, **107** passed licensure exam, **312** current no. of scholars

0 legal actions or employee grievance on forced and child labor

760,000+ Puregold Sari-Sari Store members (Support local economy)

1.43M Puregold Mobile app downloads

Q&A

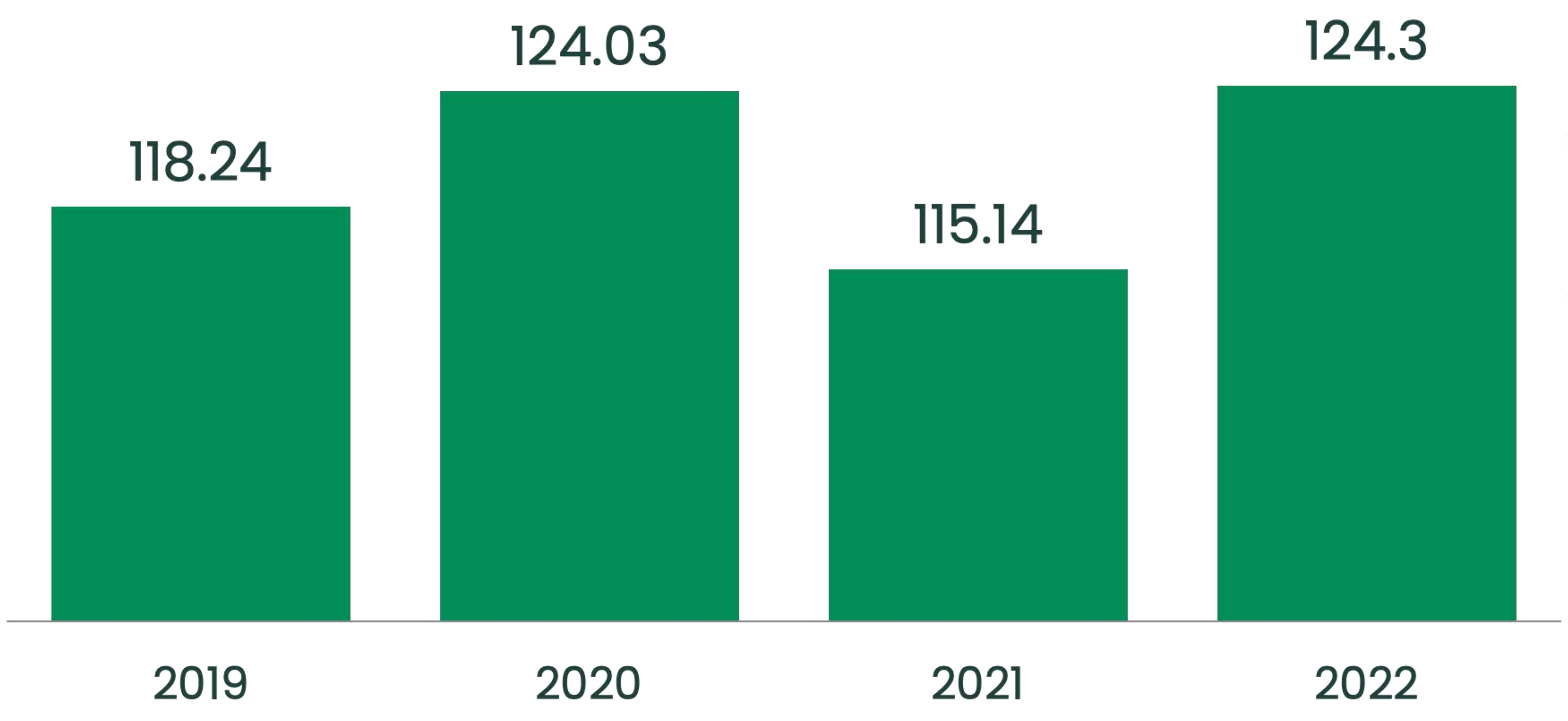
ANNEX

ANNEX

Financial Performance FY22

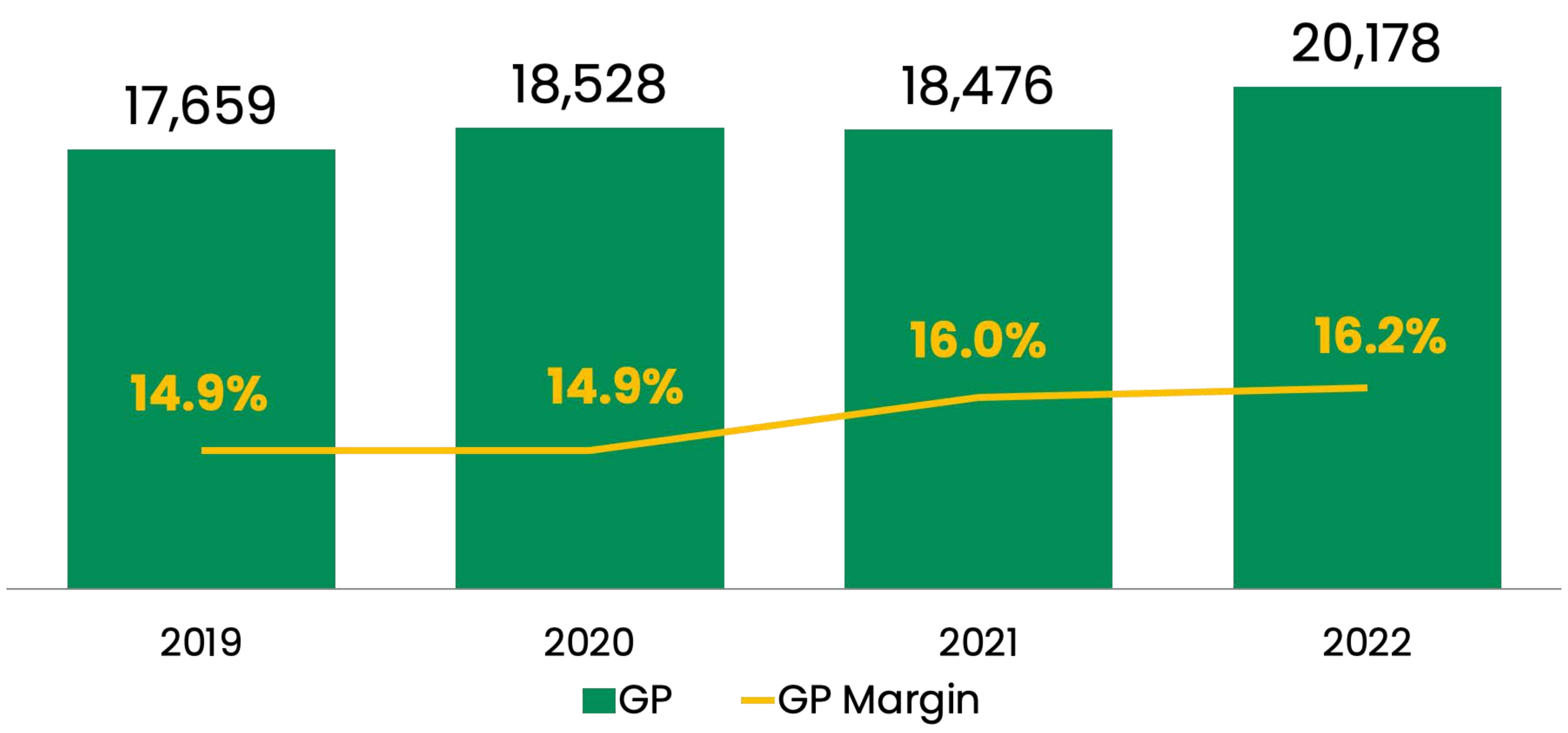
PUREGOLD ONLY FY22

NET SALES (in PHP Billions)



3YCAGR 0.1% **8.0%**

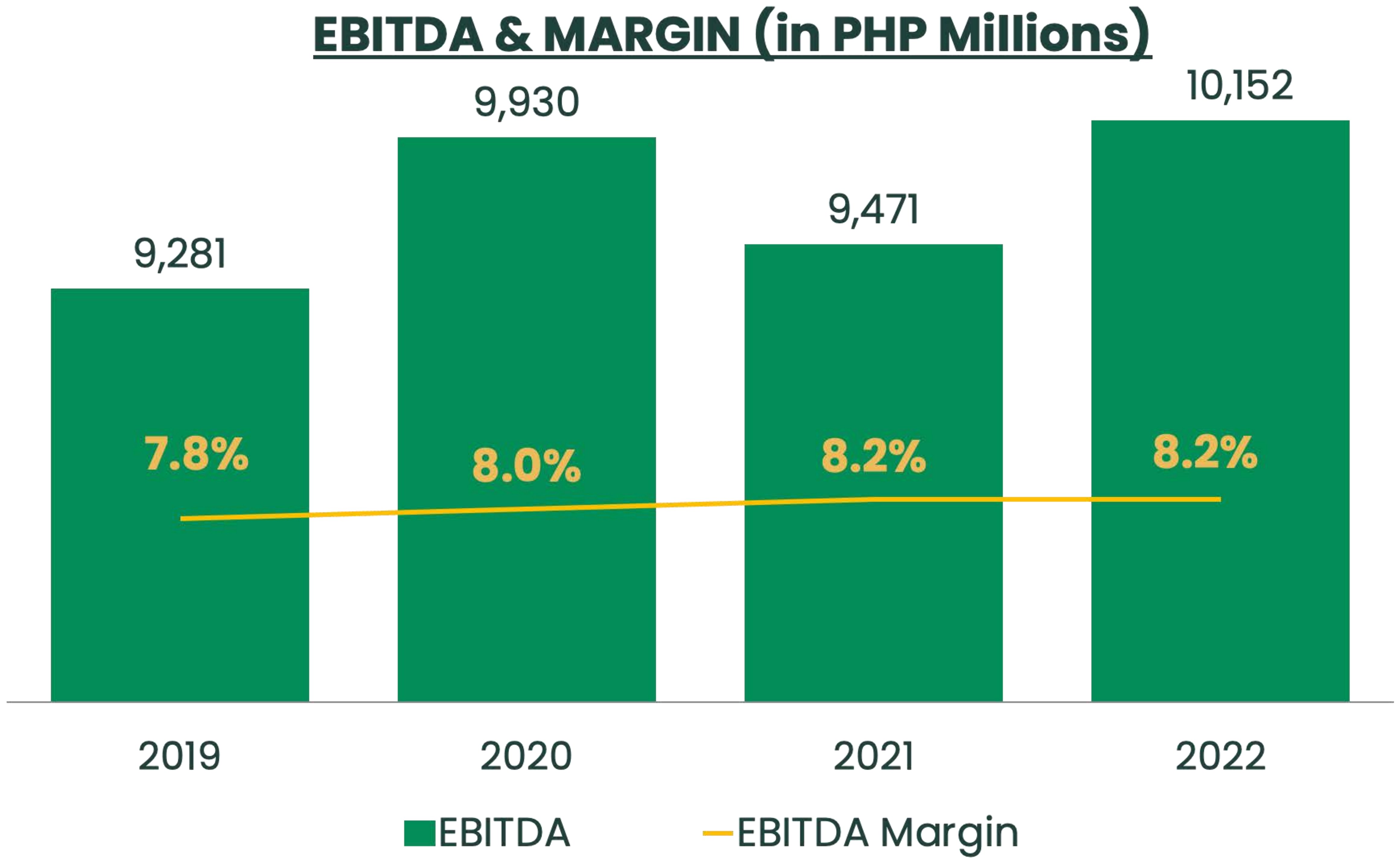
GROSS PROFIT & MARGIN (in PHP Millions)



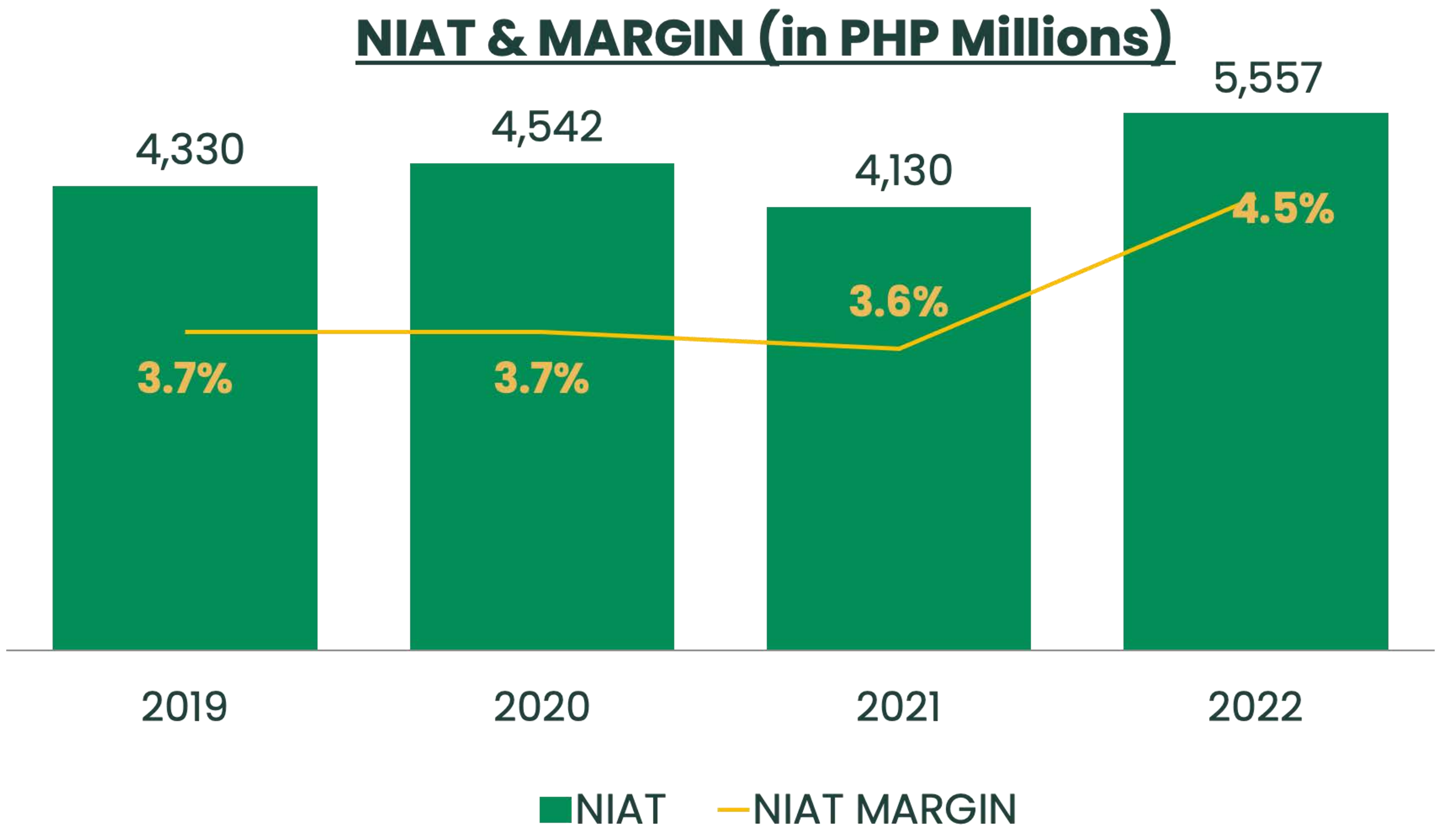
3YCAGR 4.4% **9.2%**

Financial Performance FY22

PUREGOLD ONLY FY22



3YCAGR 1.1% **7.2%**

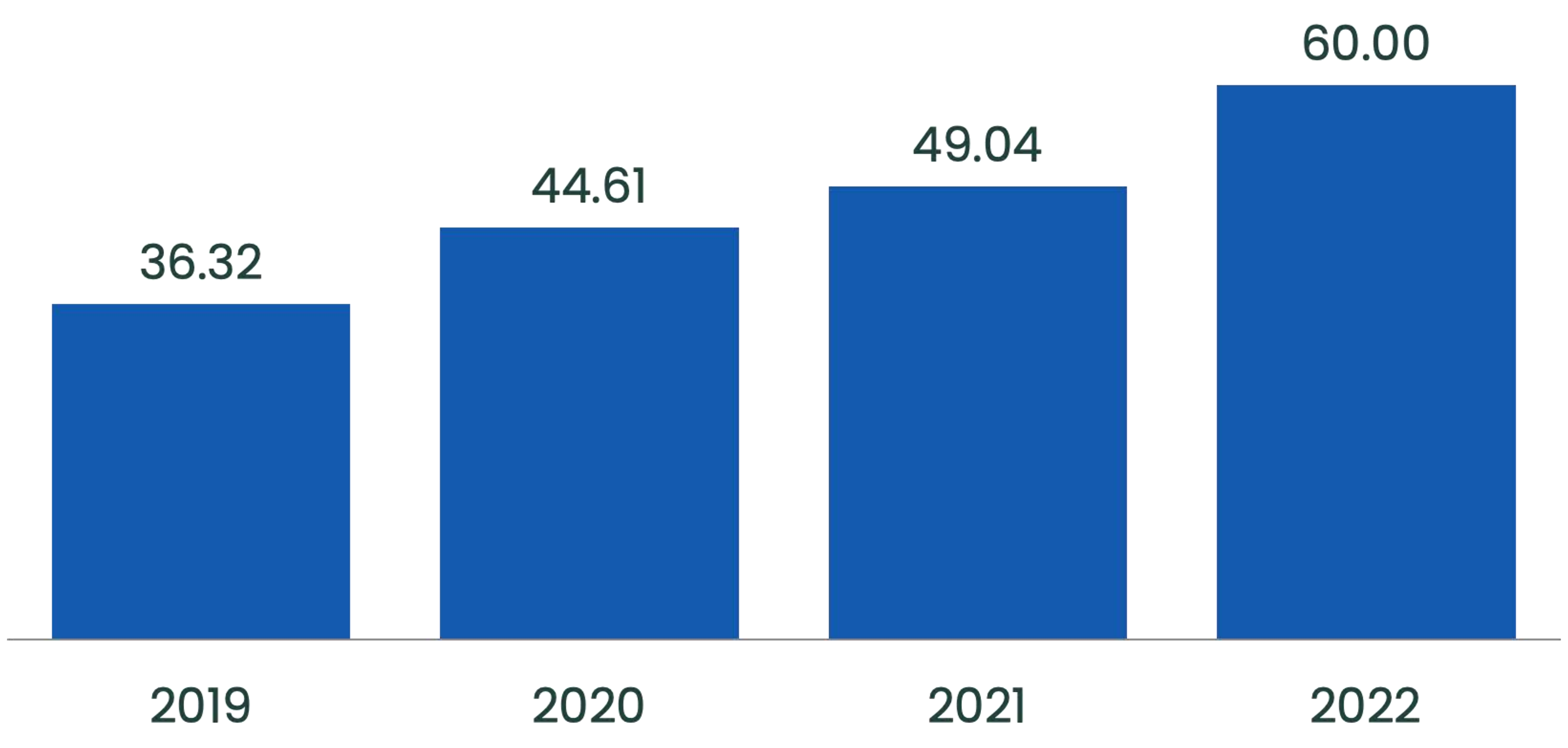


3YCAGR 10.6% **34.6%**

Financial Performance FY22

S&R ONLY FY22

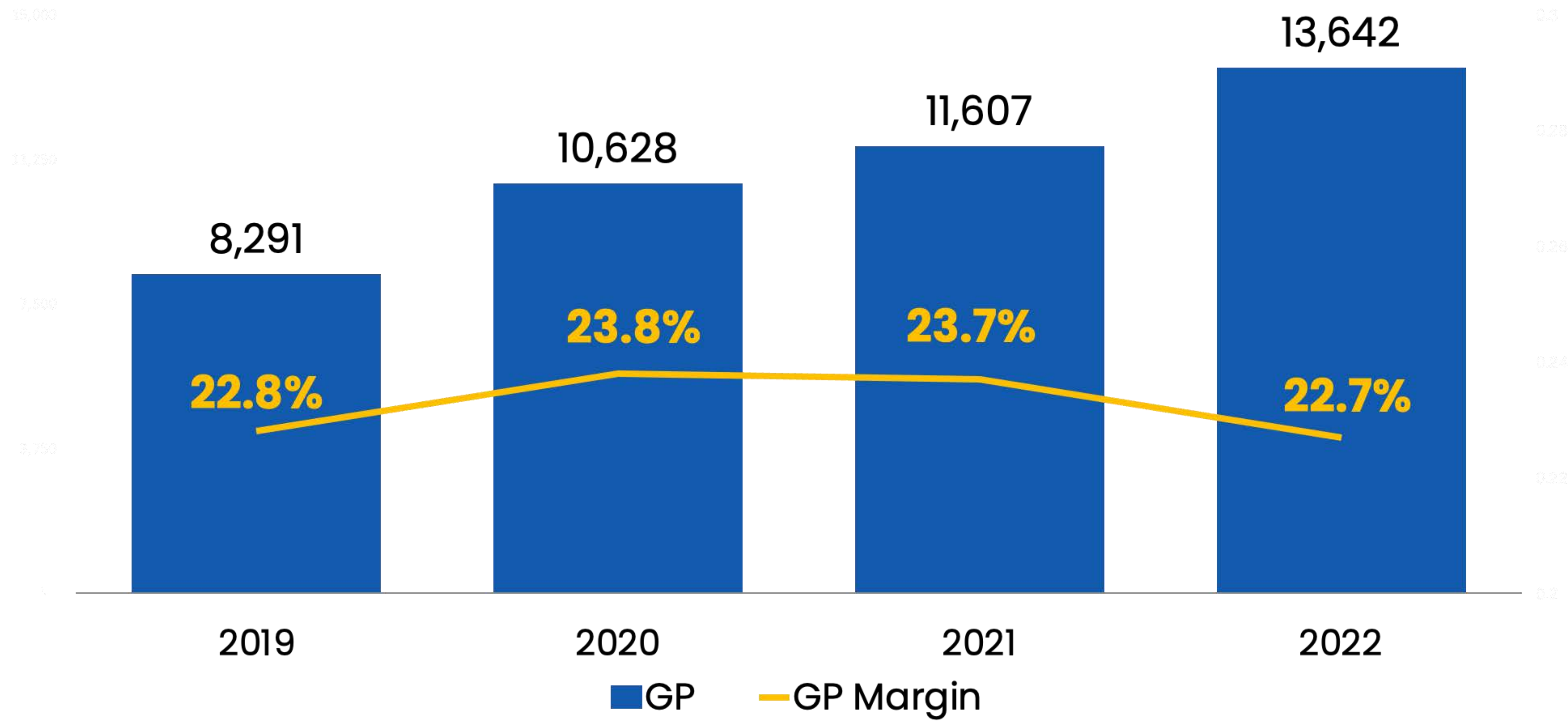
NET SALES (in PHP Billions)



3YCAGR 16.0%

22.4%

GROSS PROFIT & MARGIN (in PHP Millions)

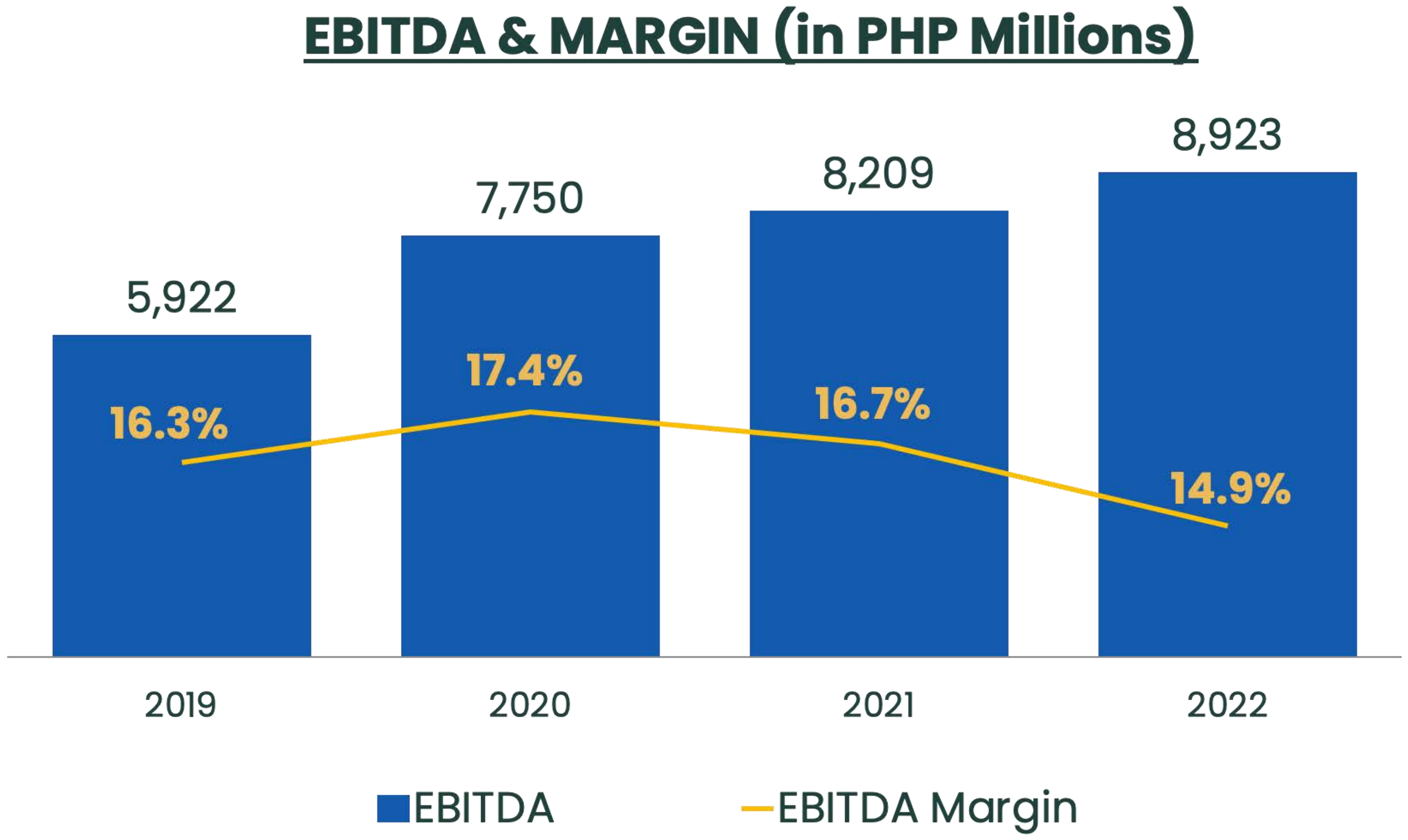


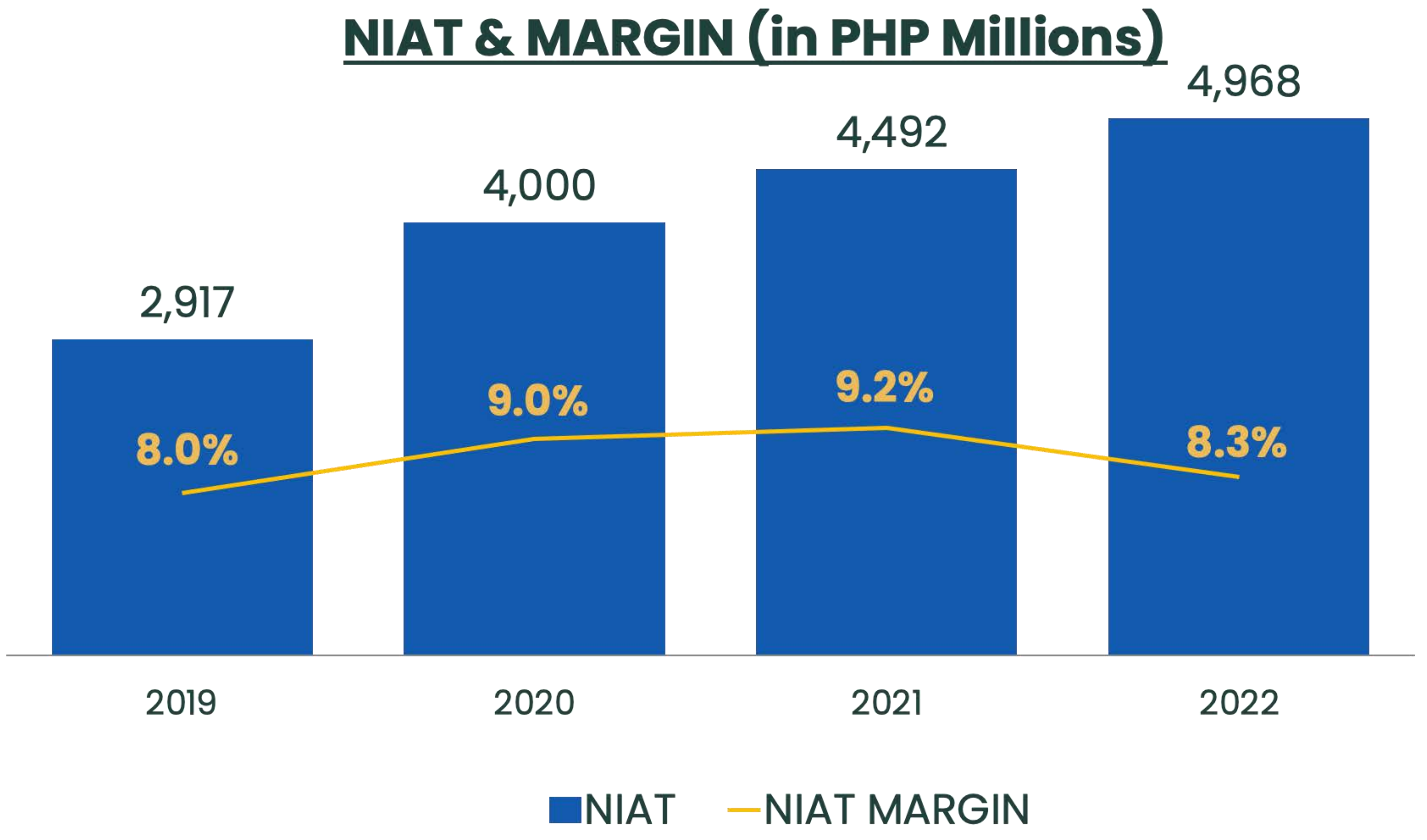
3YCAGR 13.3%

17.5%

Financial Performance FY22

S&R ONLY FY22

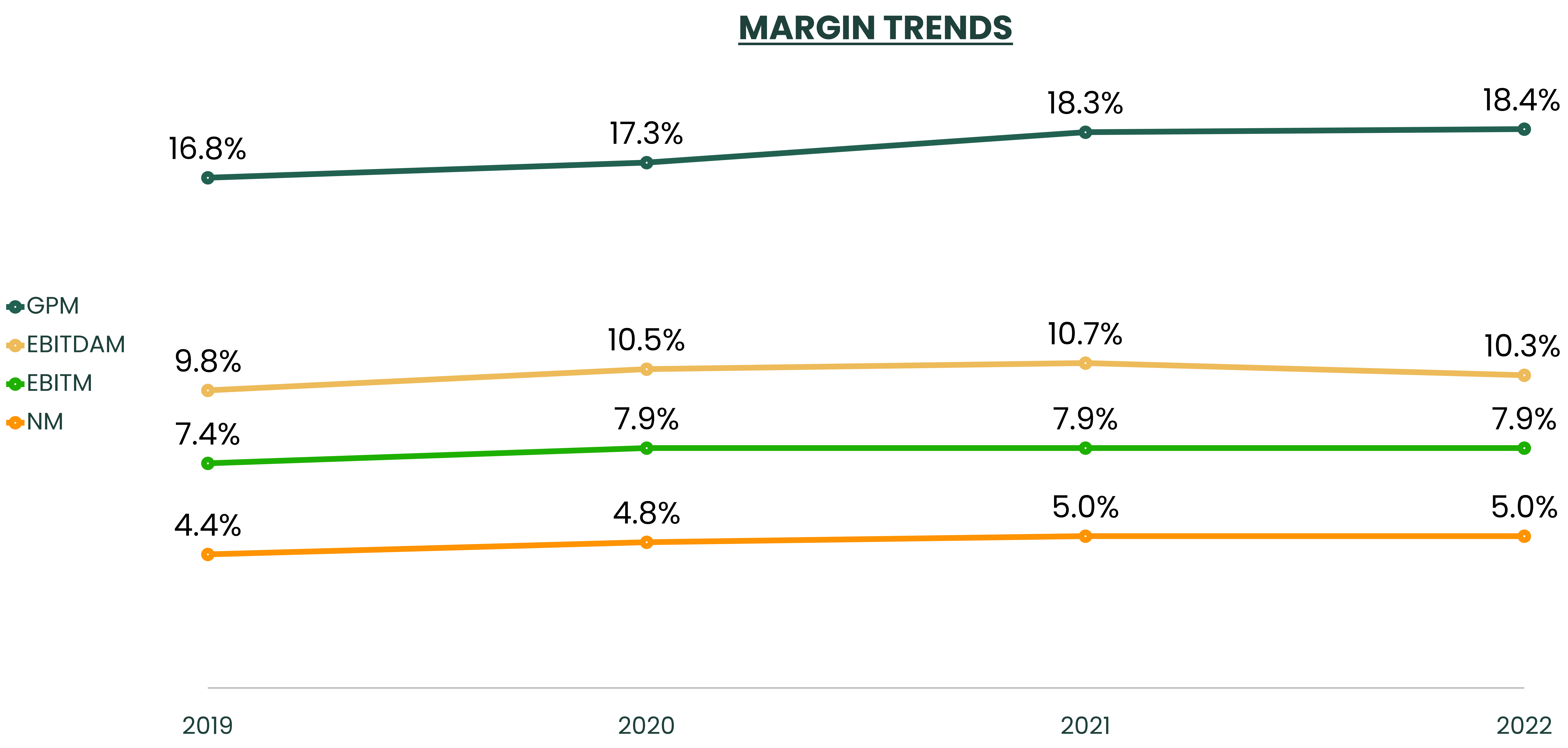




3YCAGR 7.3% **8.7%**

3YCAGR 11.4% **10.6%**

Margins



MARGIN TRENDS
GPM
EBITDAM
EBITM
NM
16.8%
17.3%
18.3%
18.4%
9.8%
10.5%
10.7%
10.3%
7.4%
7.9%
7.9%
7.9%
4.4%
4.8%
5.0%
5.0%
2019
2020
2021
2022

Financial Performance

	AUDITED 2022	AUDITED 2021	
Trade Receivables Days	3.6	3.3	
Inventory Days	60.0	57.5	Elevated inventory days to ensure availability
Trade Payables Days	30.9	24.8	Favorable payment terms to suppliers to get bigger allocation and avail of discounts
Cash Conversion Cycle	32.8	36.1	

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)

Financial Performance

PHP (in Thousands)	Audited 2022	%	Audited 2021	%	Change	%
Net Sales	**₱184,302,945**	**100.0%**	**₱164,124,835**	**100.0%**	**₱20,178,109**	**12.3%**
Gross Profit	33,819,672	**18.4%**	30,082,768	**18.3%**	3,736,904	**12.4%**
Other Operating Income	3,183,788	1.7%	3,209,751	2.0%	(25,963)	-0.8%
Operating Expenses	22,522,133	**12.2%**	20,350,317	**12.4%**	2,171,816	**10.7%**
Others-net	(2,256,797)	-1.2%	(2,290,384)	-1.4%	33,588	-1.5%
Income Tax Expense	2,937,104	1.6%	2,471,796	1.5%	465,308	18.8%
Income After Tax	**₱9,287,427**	**5.0%**	**₱8,180,022**	**5.0%**	**₱1,107,405**	**13.5%**
EBITDA	***₱19,074,922***	***10.3%***	***₱17,613,781***	***10.7%***	***₱1,461,141***	***8.3%***
EPS	**₱3.24**		**₱2.85**			

Social Media & Retailtainment

Digital Foot Print

3.1M Followers

202K Followers

171K Subscribers

33K Followers

Retailtainment

Puregold pioneers *retailtainment* by maximizing social media as a way of connecting and interacting where consumers are; in or outside Puregold stores.

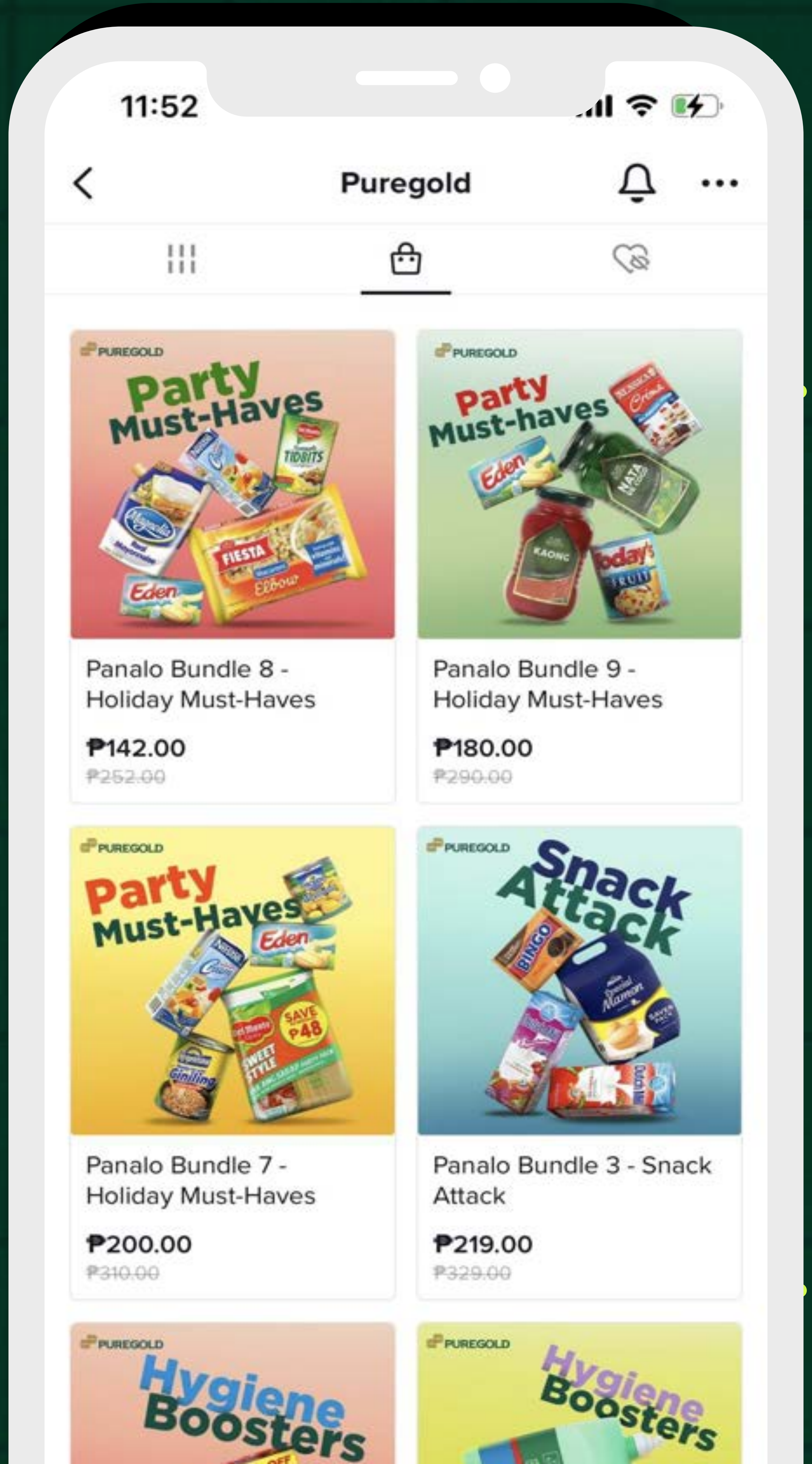
Puregold Channel

Combining content with modern retailing gives Puregold more opportunities for branded messaging and segments, sale offers, and ultimately an instant link to frictionless transactions.

Puregold TikTok Shop

"Building engaging consumer experiences that make shopping exciting and entertaining has become increasingly important in building authentic connections, and we are excited to see Puregold grow their community on TikTok."

-Paolo David,
TikTok Philippines Head of Brand Partnership.



1st PH retailer to open a TikTok shop

2000 organic views
LIVE SELLING SHOWS

PHP 18,000 in sales
FOR TWO LIVE SELING SHOWS

25th Anniversary Campaign

Nasa Iyo Ang Panalo Campaign

In it's twenty-fifth year in the retail industry, Puregold has one important goal: to highlight life 'Panalo Stories' of its customers— Filipinos across the country.

Puregold begins by telling the tales of triumph of six sought-after personalities in the fields of entertainment, music, and sports. The supermarket retail chain announced its partnership with these endorsers through a campaign called "Nasa Iyo ang Panalo". Featuring videos that reveal the journeys these individuals took to get to where they are right now, it singularly conveys an important message: **that all Filipinos can win in life, too**.

In-store Brand Refresh

Proudly local

Modern & dynamic Visuals

Communicate value for money by highlighting partner brands, categories, promos

Walastik Grocery Day

Barely a month after Puregold launched its **"No Plastic Use"** days in its NCR stores, **more than 110,000** single-use plastic bags were saved.

Due to the public's positive response, Puregold expands its sustainability efforts as it rolls out **"No Plastic Use"** days , **twice a week**, in a **nationwide** scale.

Perks and TNAP members can enjoy up to **P5 worth of rebates** for every eco bag used in place of plastic bags

Walastik Grocery Day is every Monday and Wednesday

Sustainability Highlights 2022

PUREGOLD

NASA IYO ANG PANALO