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1Q23 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.

1Q23 Results Highlight



	CONSO REVENUE	GROSS PROFIT MARGIN %	EBITDA MARGIN %	NIAT
1Q23	Php 44.4 bn	19.2%	10.8%	Php 2.4 bn
YoY	15.2%	-78 bps	-107 bps	11.9%

A circular icon containing a stylized representation of the Philippine flag, with blue, white, and red wavy stripes and a yellow sun in the center.

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
- Persistent elevated inflationary pressures
- Risk of FX rate adding to inflationary pressures
- Buoyant BPO revenues and OFW inflows
- GDP growth continues

A circular icon containing a stylized world map with a grid of latitude and longitude lines.

SNAPSHOT : THE WORLD

- Inflationary pressures linger
- 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"



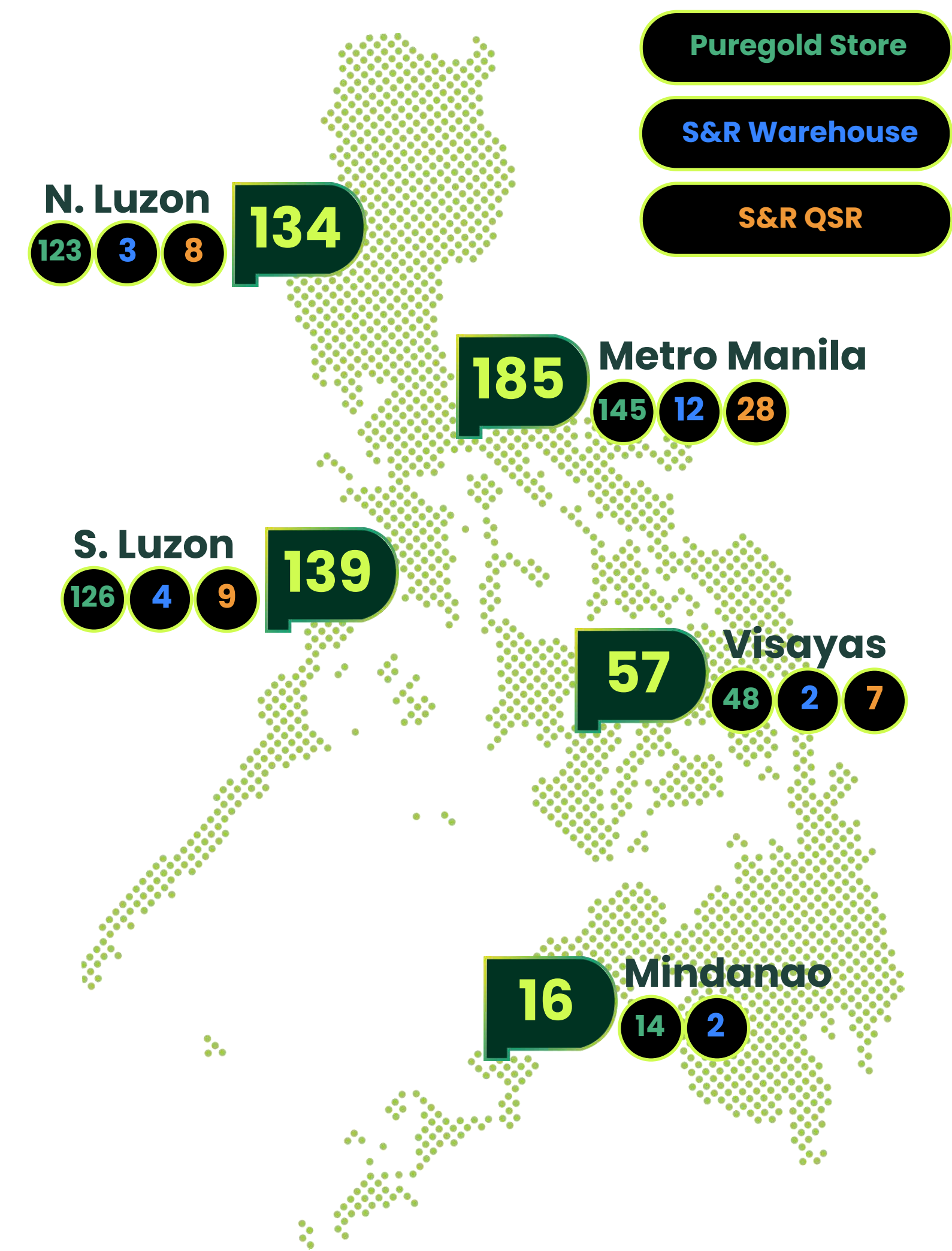
Preference for impactful promotions



Store Portfolio 1Q23



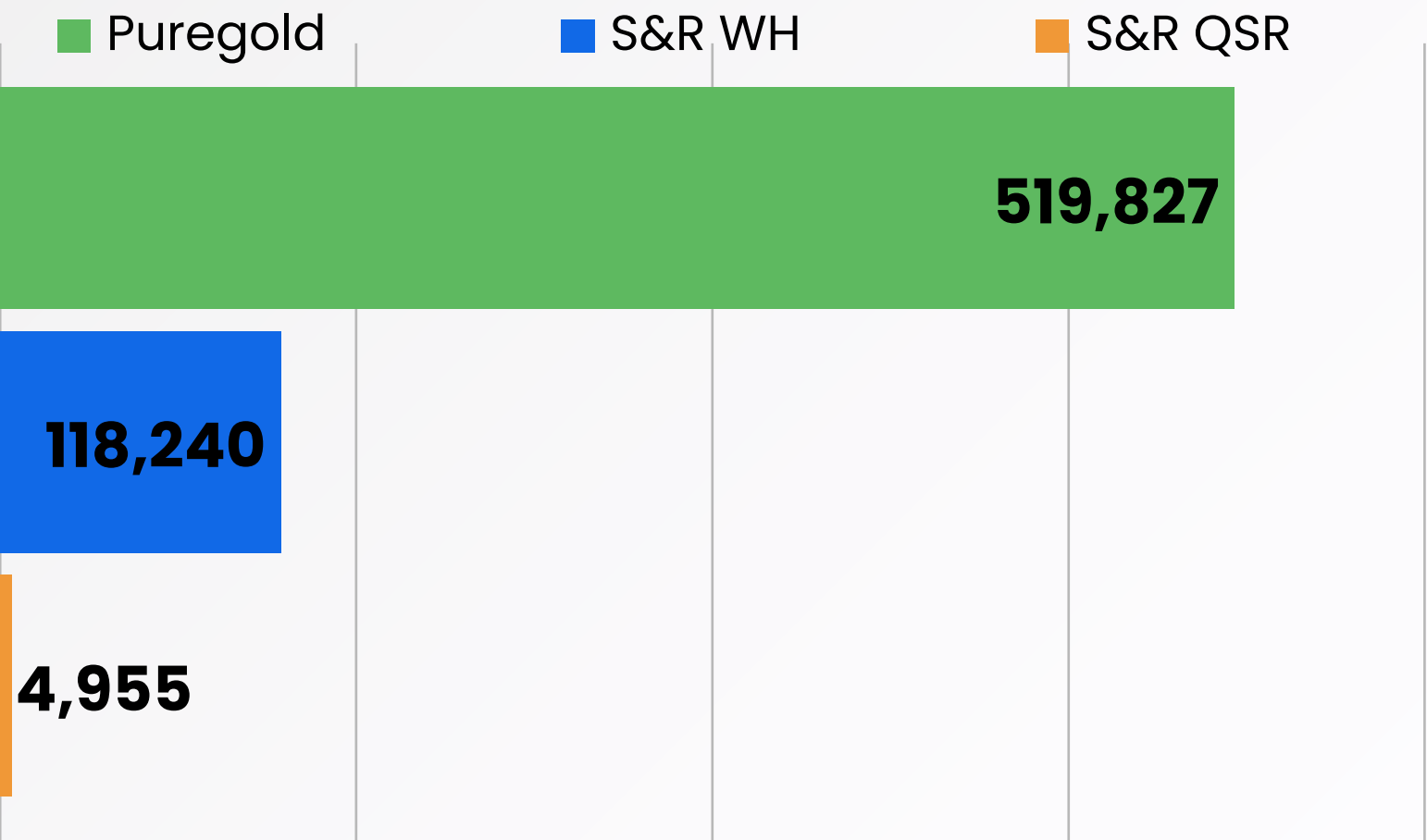
GEOGRAPHIC COVERAGE



KEY STATS

TOTAL NUMBER OF STORES	531
NO. OF STORES PER FORMAT	290 hypermarkets 99 supermarkets 67 extras 23 S&Rs 52 S&R QSRs

NET SELLING AREAS (in sqm)



NEW PG + S&R STORES 2023

6 Doors

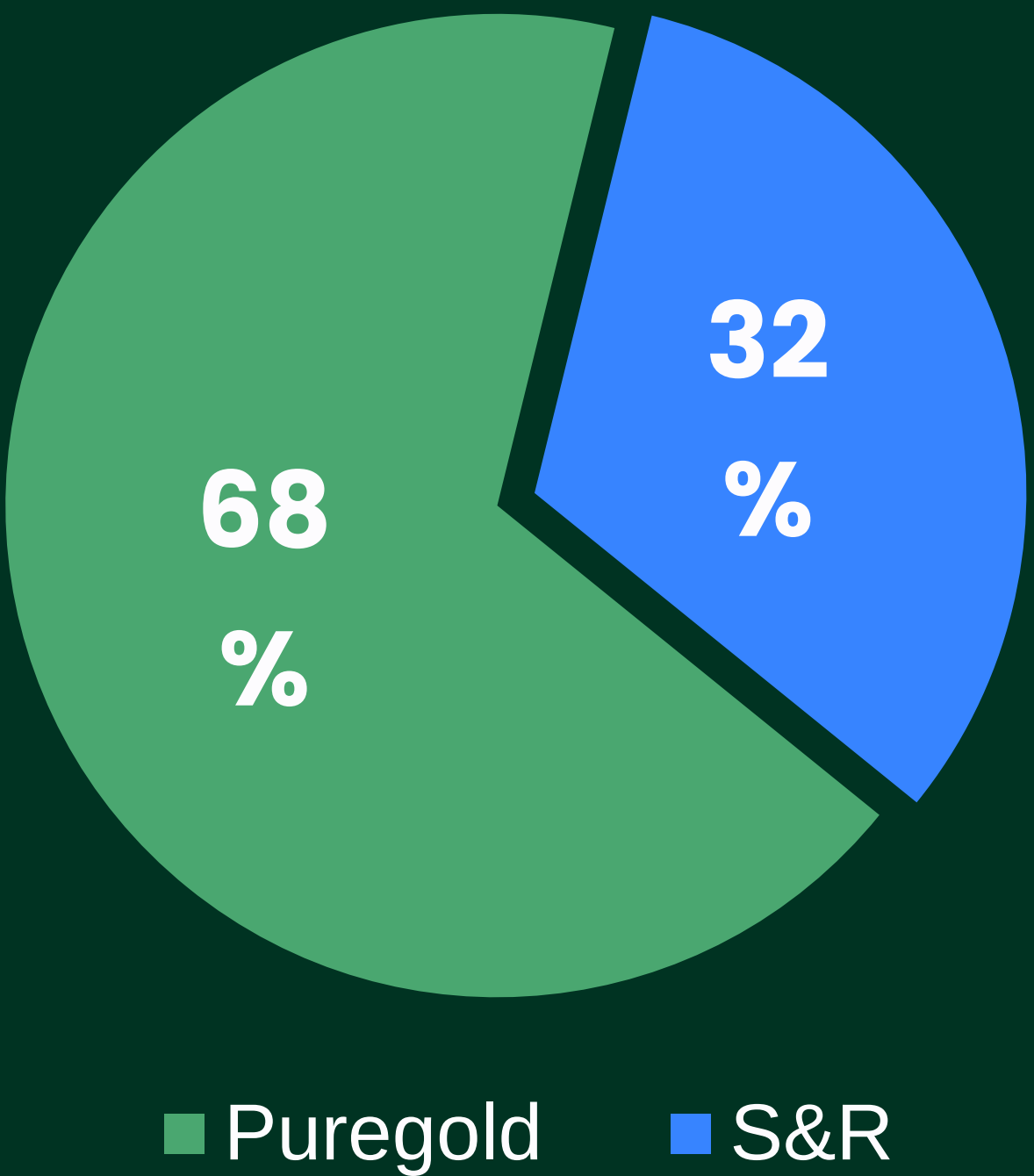
VISAYAS	Puregold Guadalupe, Cebu
VISAYAS	Puregold Mango, Cebu
VISAYAS	Puregold Canlaon, Negros Oriental
EAST LUZON	Puregold Circumferential Road, Antipolo
CENTRAL LUZON	Puregold San Simon, Pampanga
SOUTH LUZON	S&R Evo City, Cavite

Operating Performance 1Q23



	 PUREGOLD	 S&R Membership Shopping
Gross Profit (PHP million) & Margin (%)	5,412 (18.1%)	3,109 (21.6%)
Total Traffic (Million)	32.4	2.8
Average Net Ticket (PHP)	928	4,951
Net Sales Growth (%)	12.3%	17.3%
Traffic Growth (%)	12.7%	13.1%
Average Net Ticket Growth (%)	-7.6%	3.7%
Same Store Net Sales Growth (%)	8.8%	16.8%
Same Store Net Traffic Growth (%)	8.7%	12.7%
Same Store Ave. Net Ticket Growth (%)	0.2%	3.6%

REVENUE
CONTRIBUTION

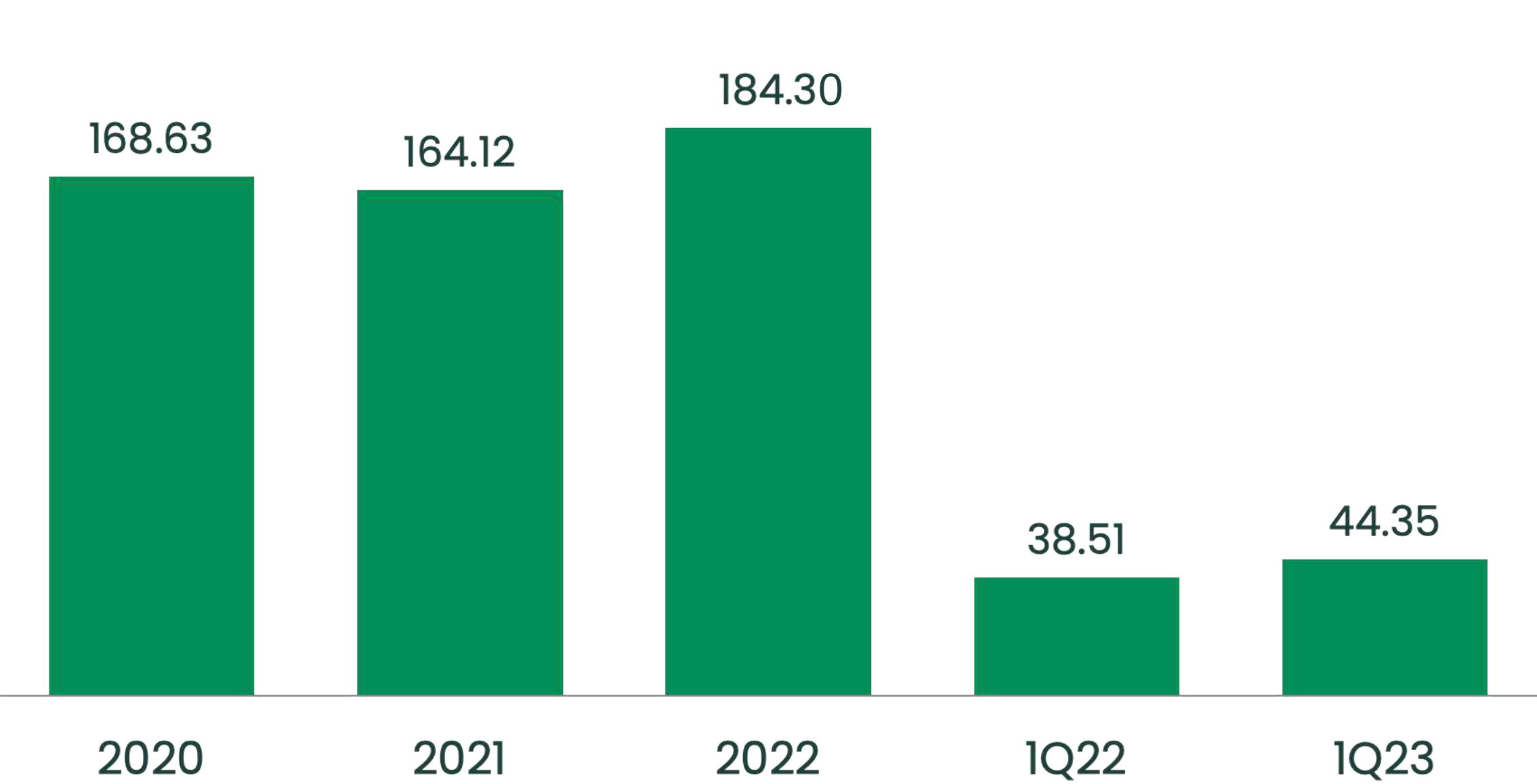


Financial Performance

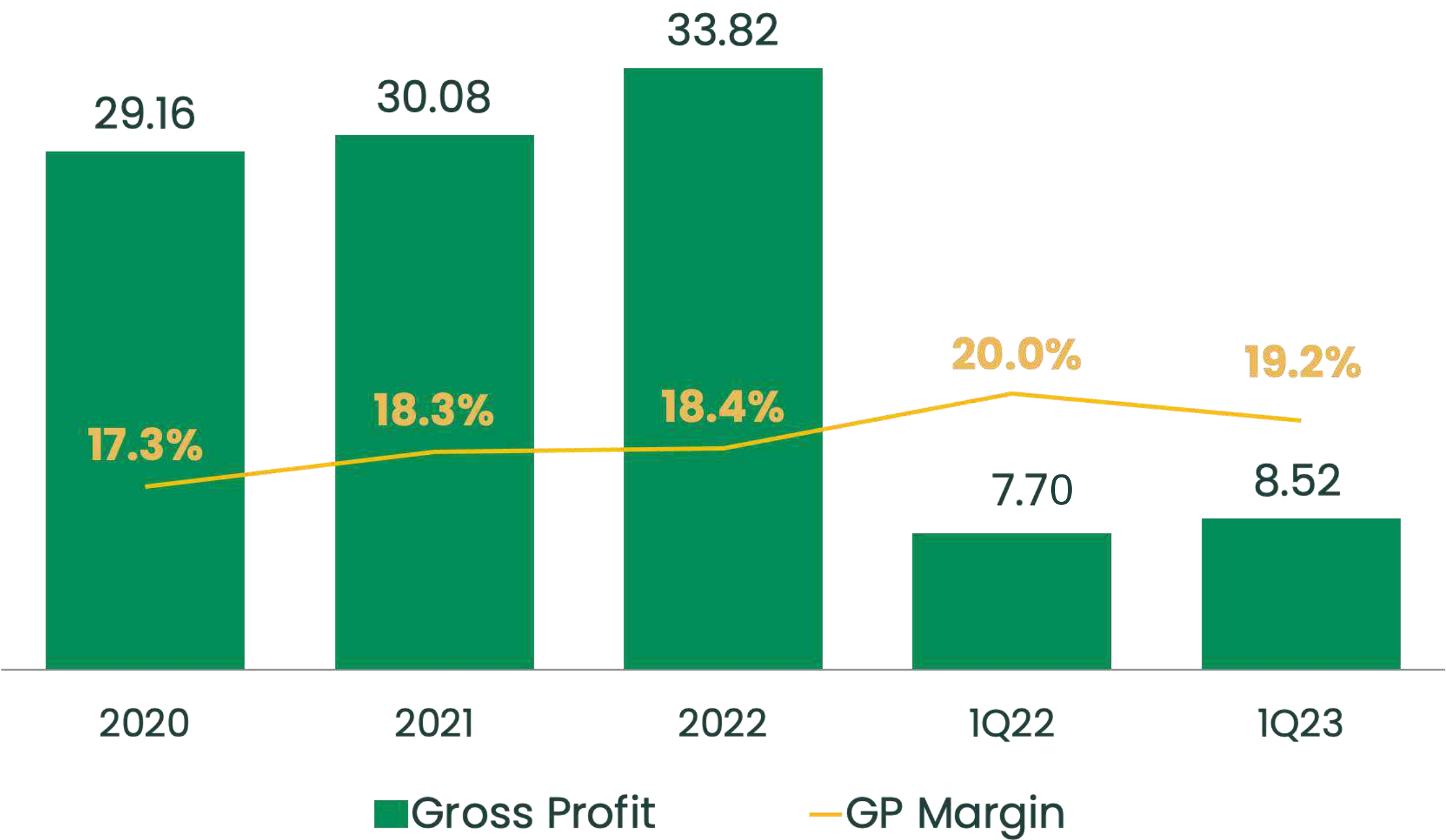


CONSO 1Q23

NET SALES (in PHP Billions)



GROSS PROFIT & MARGIN (in PHP Billions)



3YCAGR 4.5%



15.2%



3YCAGR 7.7%



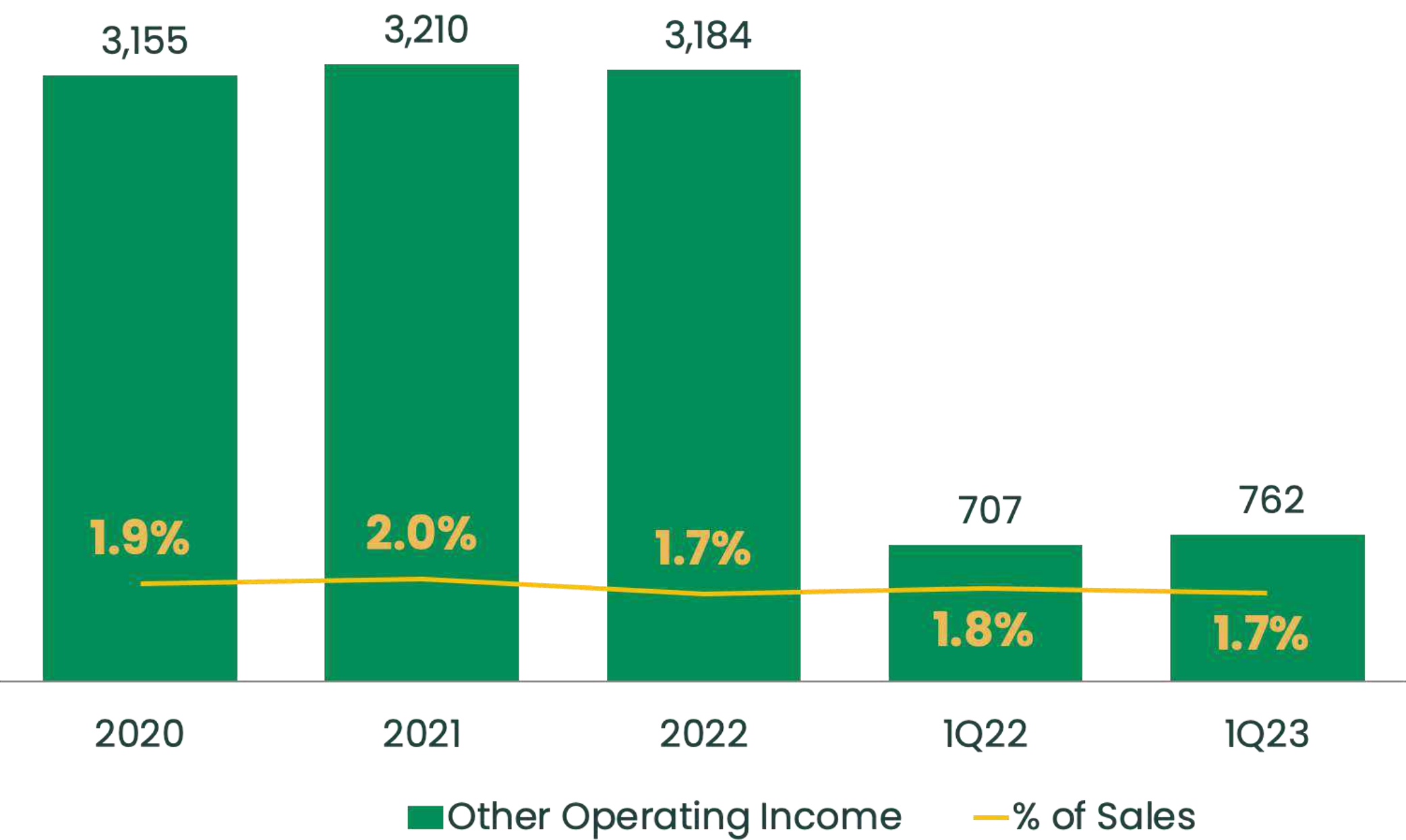
10.7%

Financial Performance



CONSO 1Q23

OTHER OPERATING INCOME (in PHP Billions)

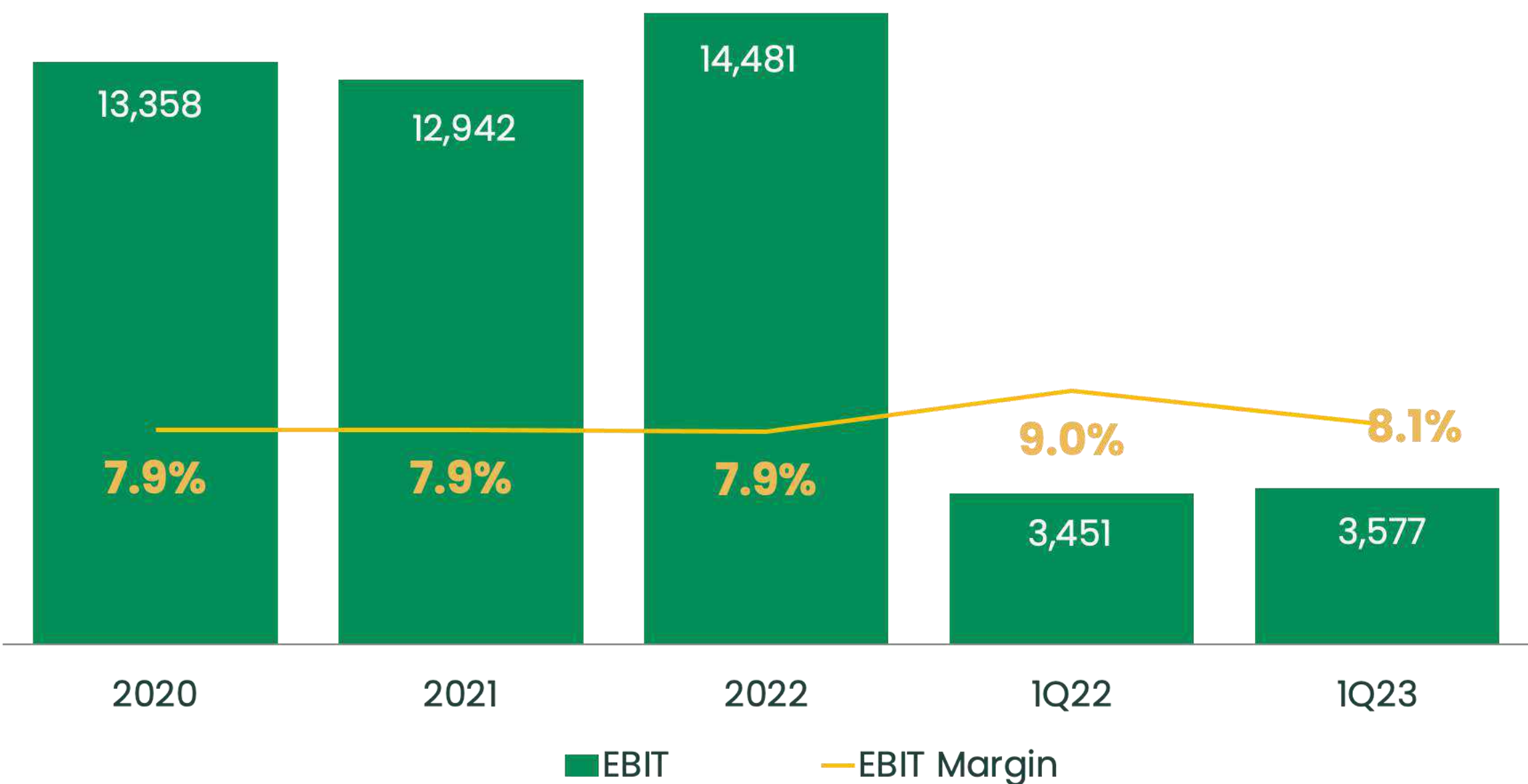


3YCAGR 0.5%



7.8%

OPERATING INCOME/EBIT & MARGINS (in PHP Millions)



3YCAGR 4.1%



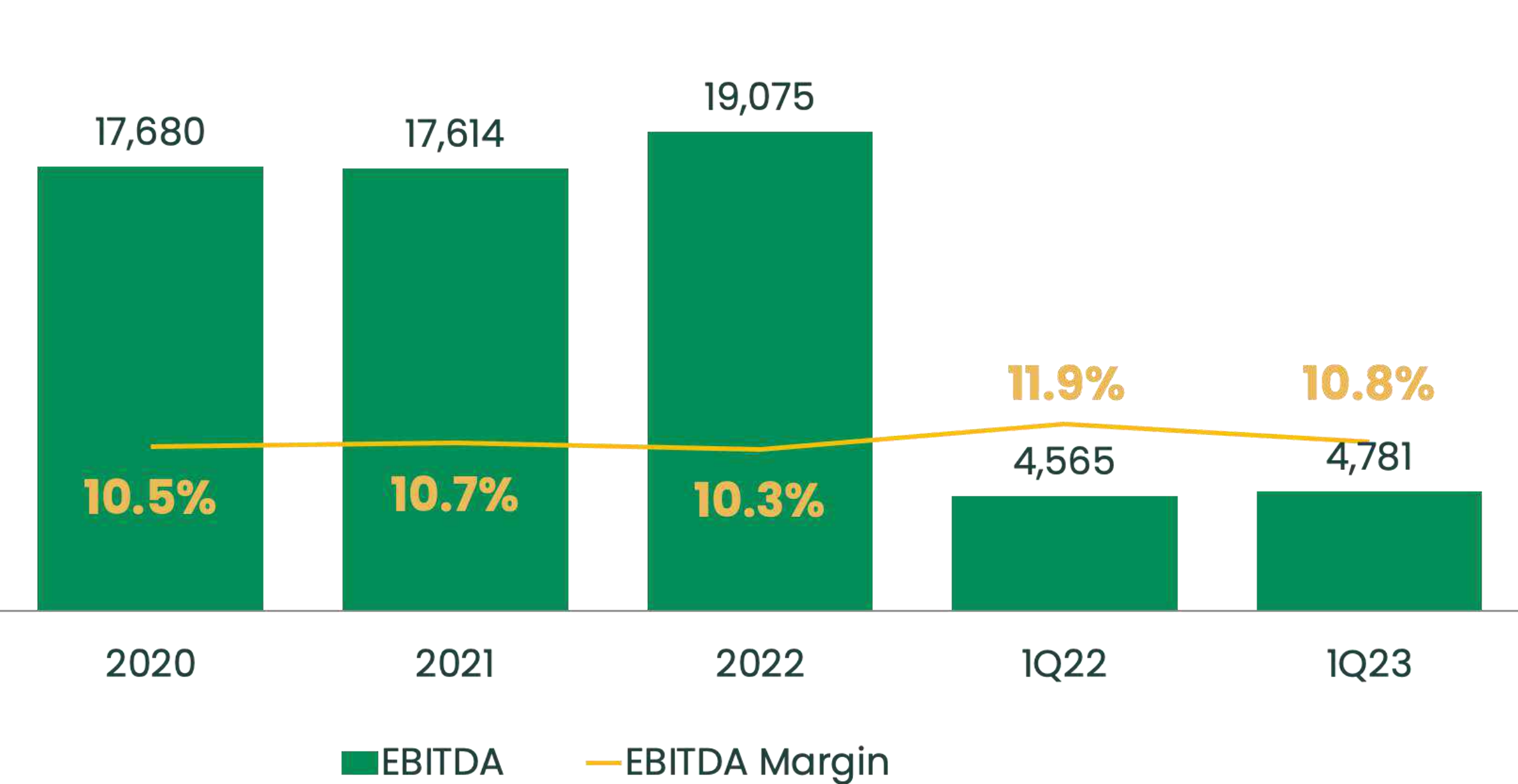
3.7%

Financial Performance



CONSO 1Q23

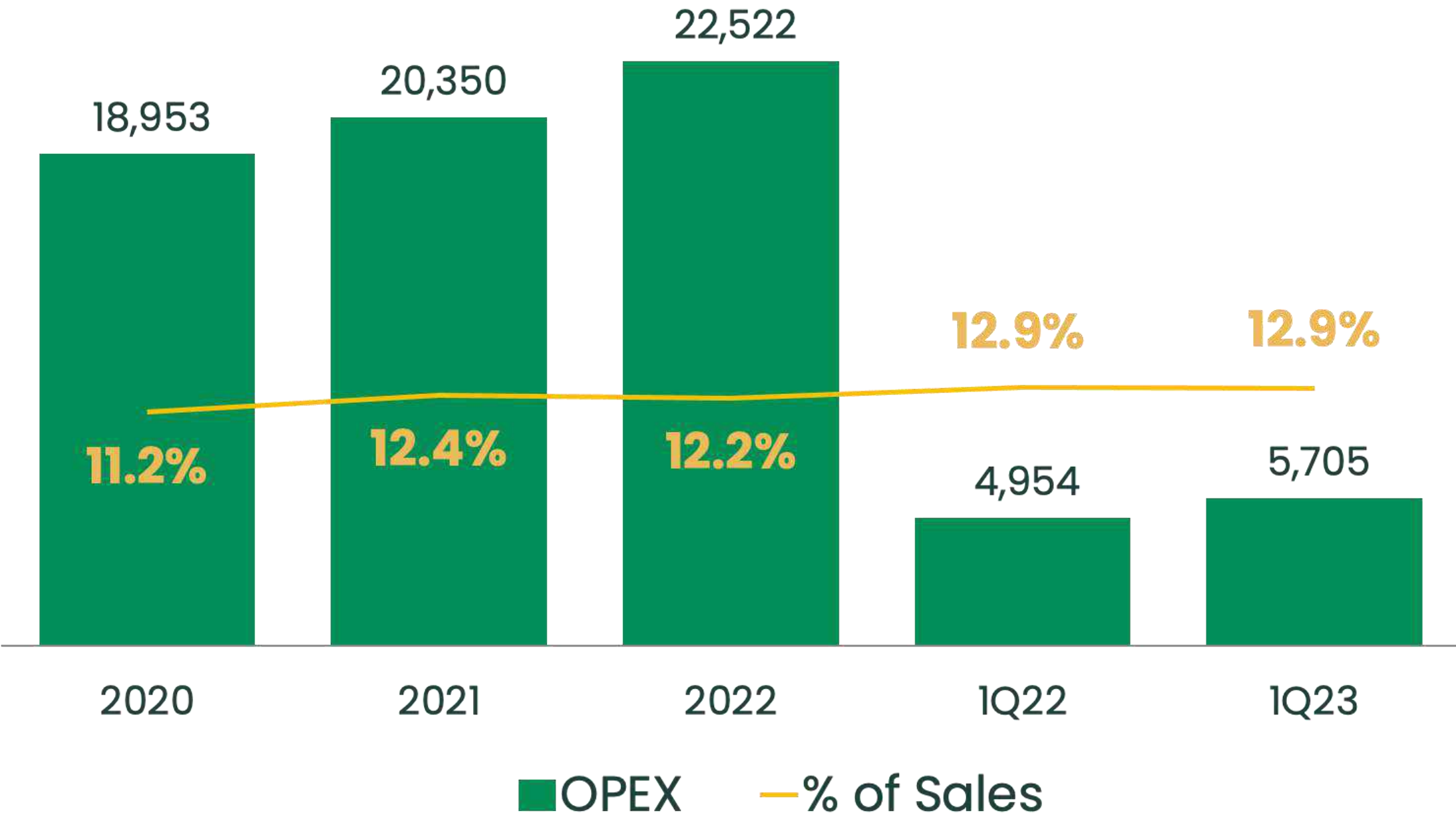
EBITDA & MARGIN (in PHP Billions)



3YCAGR 3.9%

4.7%

OPERATING EXPENSES (in PHP Billions)



3YCAGR 9.0%

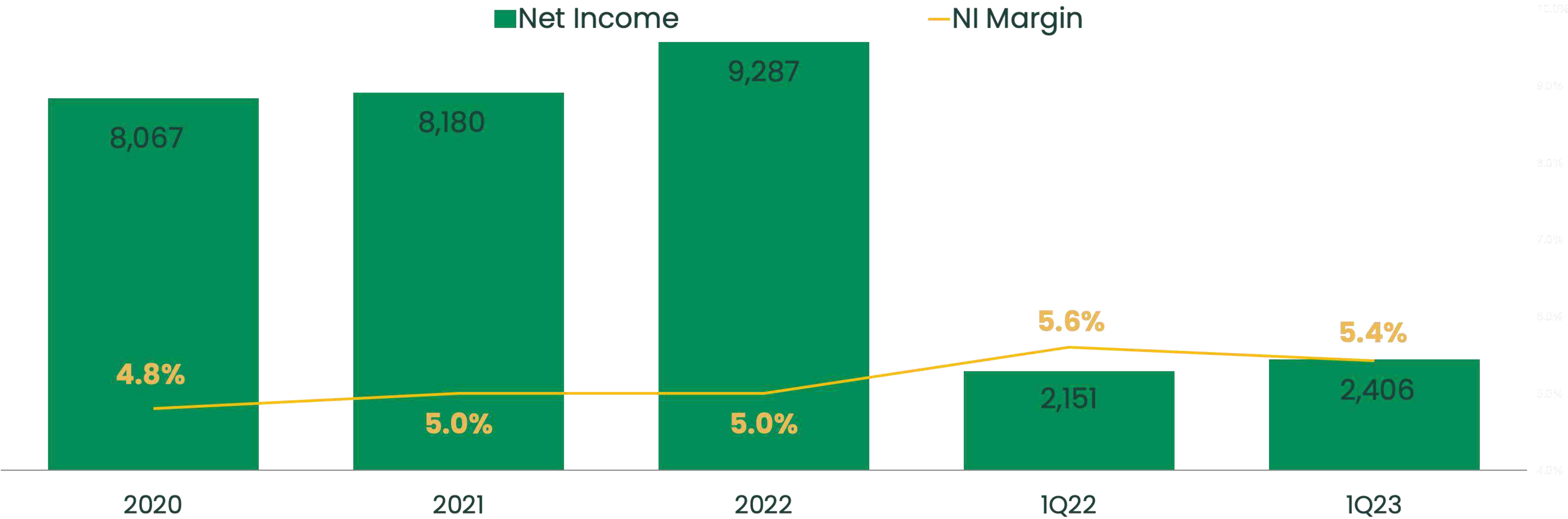
15.2%

Financial Performance



CONSO 1Q23

NET INCOME & MARGINS (in PHP Millions)



3YCAGR 7.3%

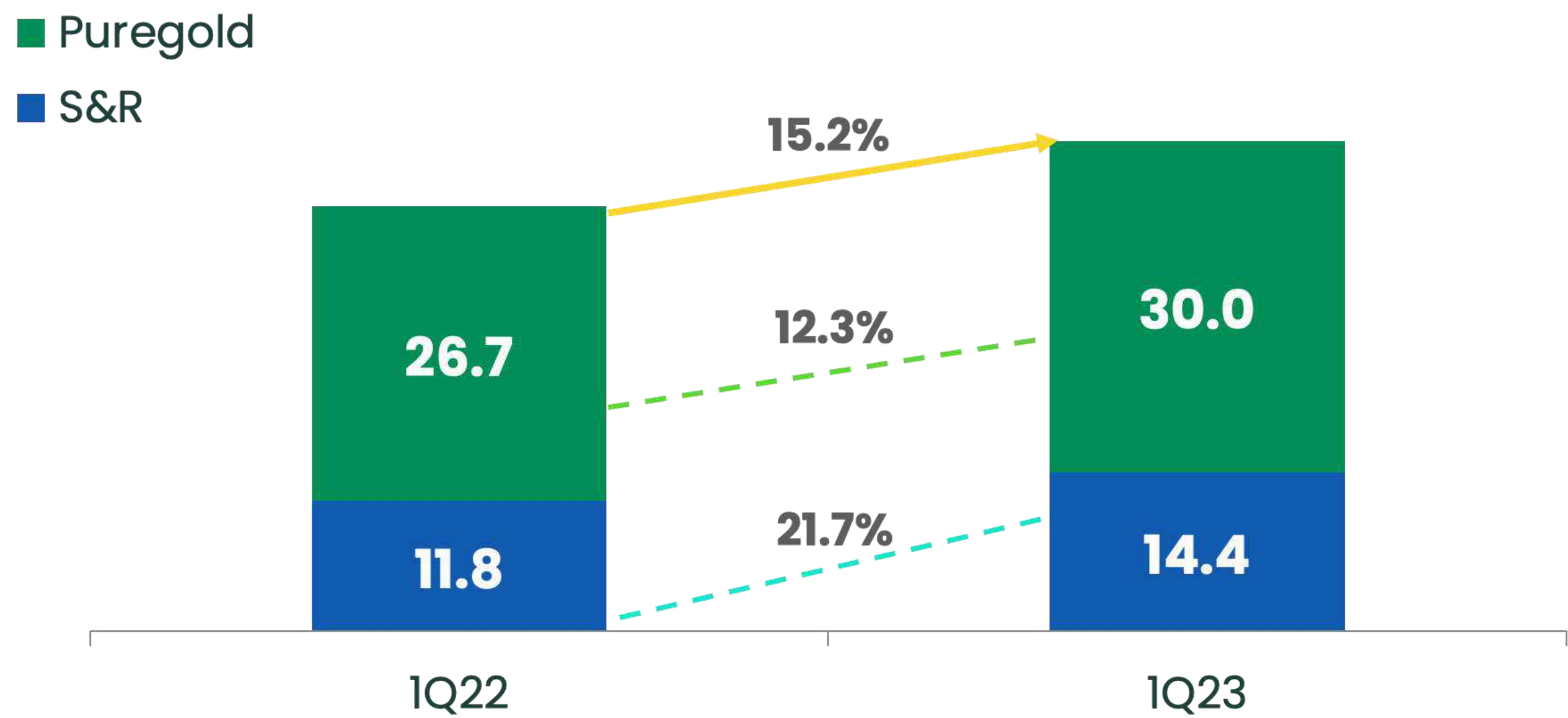


11.9%

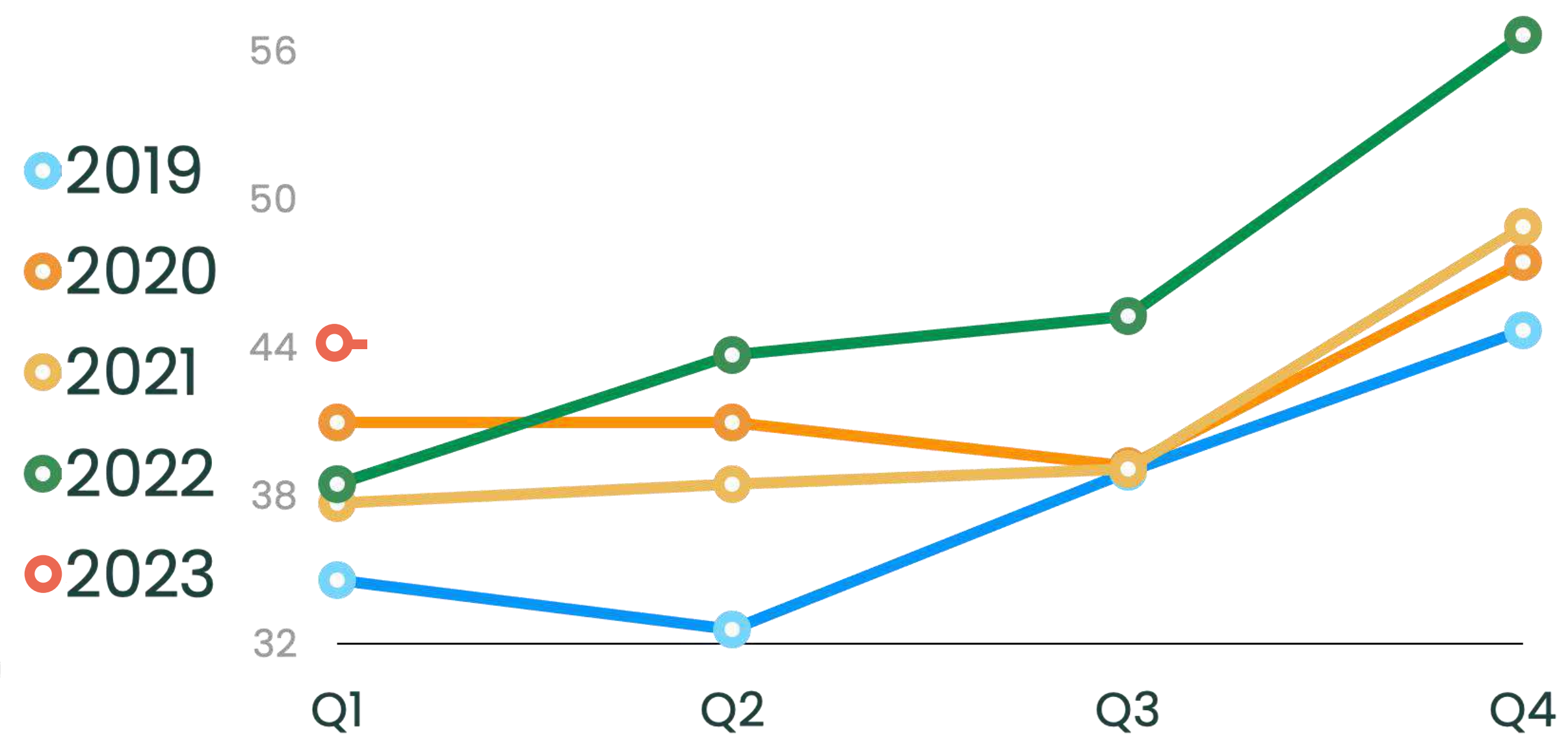
Financial Performance



NET SALES BREAKDOWN



QTR NET SALES TREND



In past 5 years, Best 1Q sales since 1Q20.

Double-digit sales YoY for both banners. Categories related to reopening continued their momentum. All customer segments + yoy.

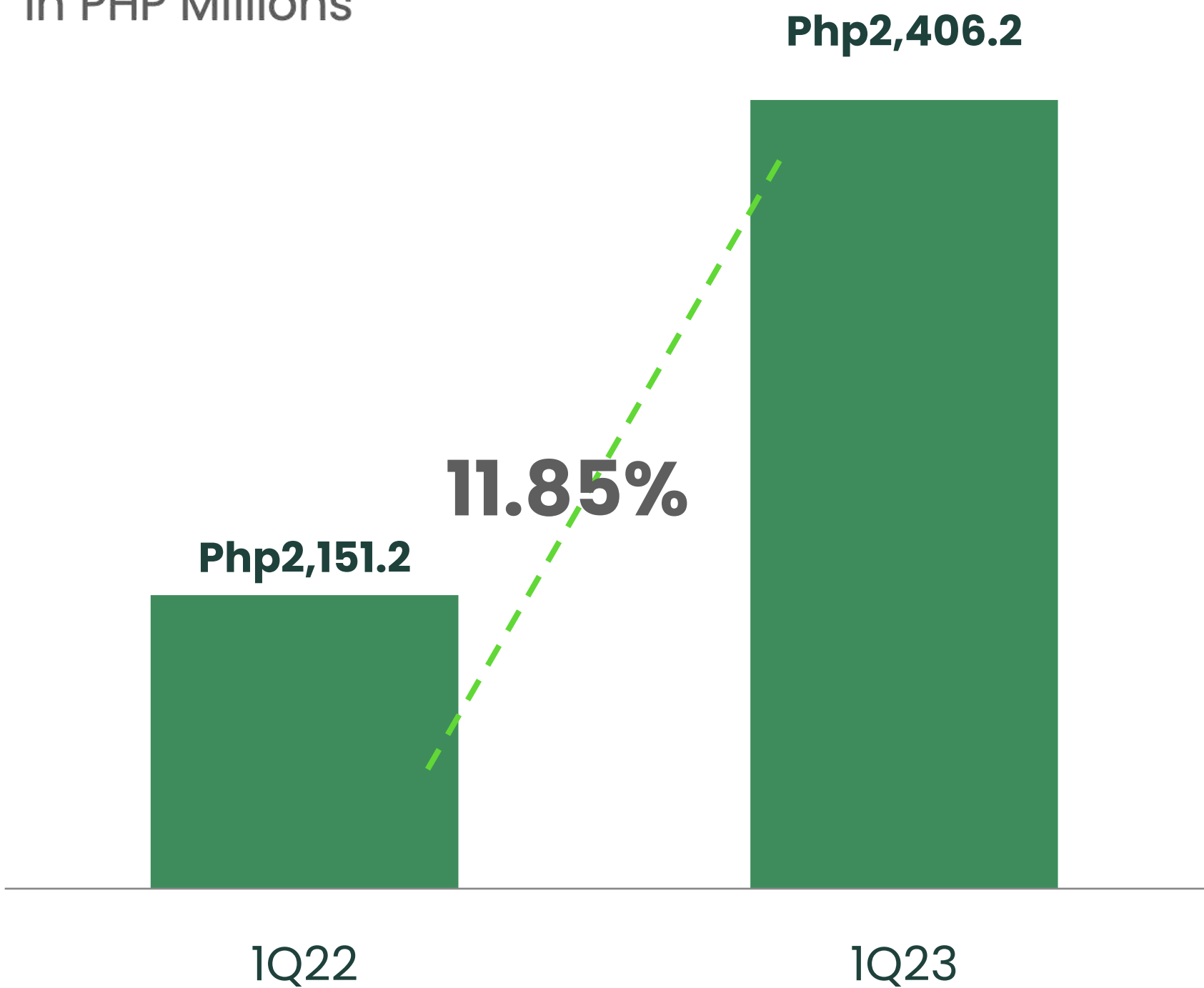
1Q23 YoY major contributors are higher traffic in PG stores, higher traffic in S&R WHs, bigger basket in S&R WHs slightly offset by decrease in ticket size in PG stores.

Profitability



NET INCOME AFTER TAX

In PHP Millions



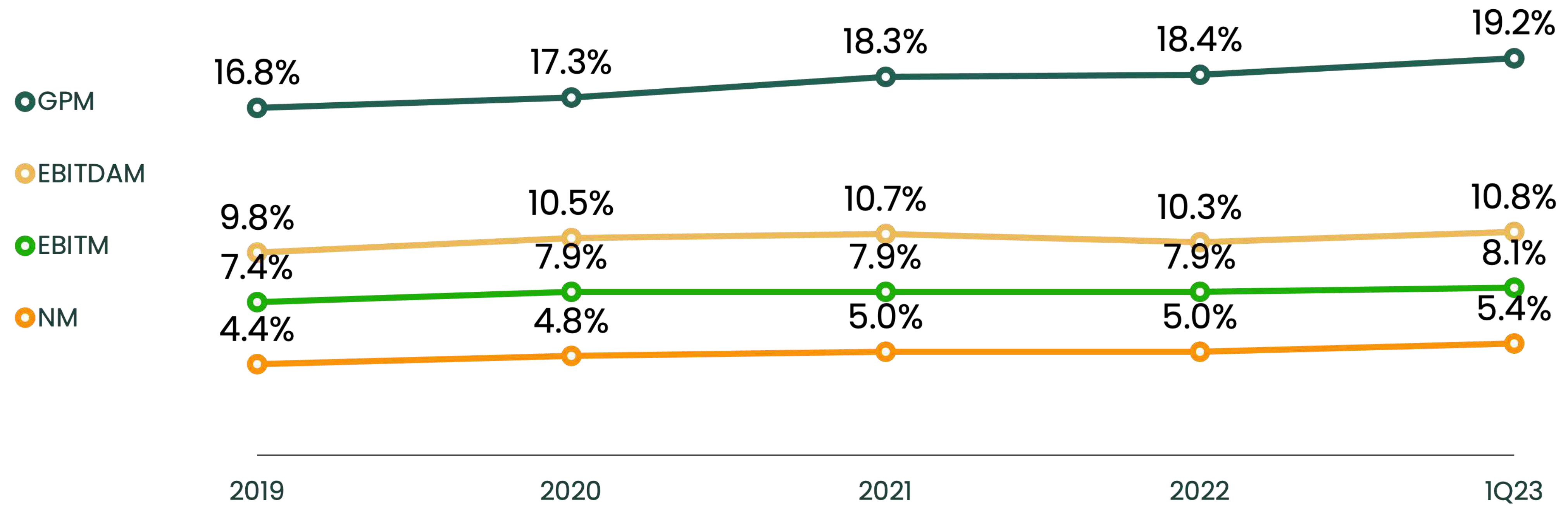
	1Q23	1Q22	CHANGE	
GPM GROSS PROFIT MARGIN	19.21%	19.99%	-78bps	>>Higher product costs coupled with group-wide pricing initiatives to gain market share tempered by effect of joint business plans with suppliers
EBITDAM EBITDA MARGIN	10.78%	11.85%	-107bps	>>Higher front-loaded OPEX due to more store expansion coupled with low base effects on OPEX
NET MARGIN	5.43%	5.59%	-16bps	>>Compression from lower GP margin and higher OPEX/sales tempered by lower interest expenses and lower effective tax rate; >>Continuous push in leading Traditional Retail & High-end Consumers markets via store expansion & adding more value

Double-digit growth in Net Income on strong topline growth tempered by higher ratio of CGS.

Compression in GP Margins in stores business on higher cost inventory coupled with value pricing initiatives.

Expect 3 more S&R WH openings vs 0 last year.

MARGIN TRENDS



Pillars of Growth 2023



01



Store Expansion

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

02



Increase Shopper Count

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

03



Demand Creation

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

04



Robust End-to-End Supply Chain

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

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

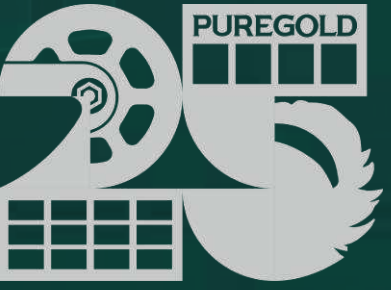
S&R WH: **20.5%** to **21%** target

TNAP Sari-Sari Store Negosyo Convention 2023



1Q23 RESULTS & PERFORMANCE

Puregold Price Club, Inc. Presentation

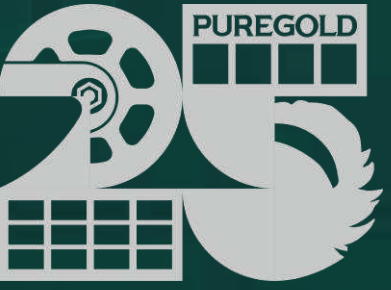


Q&A

Q&A

1Q23 RESULTS & PERFORMANCE

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ANNEX

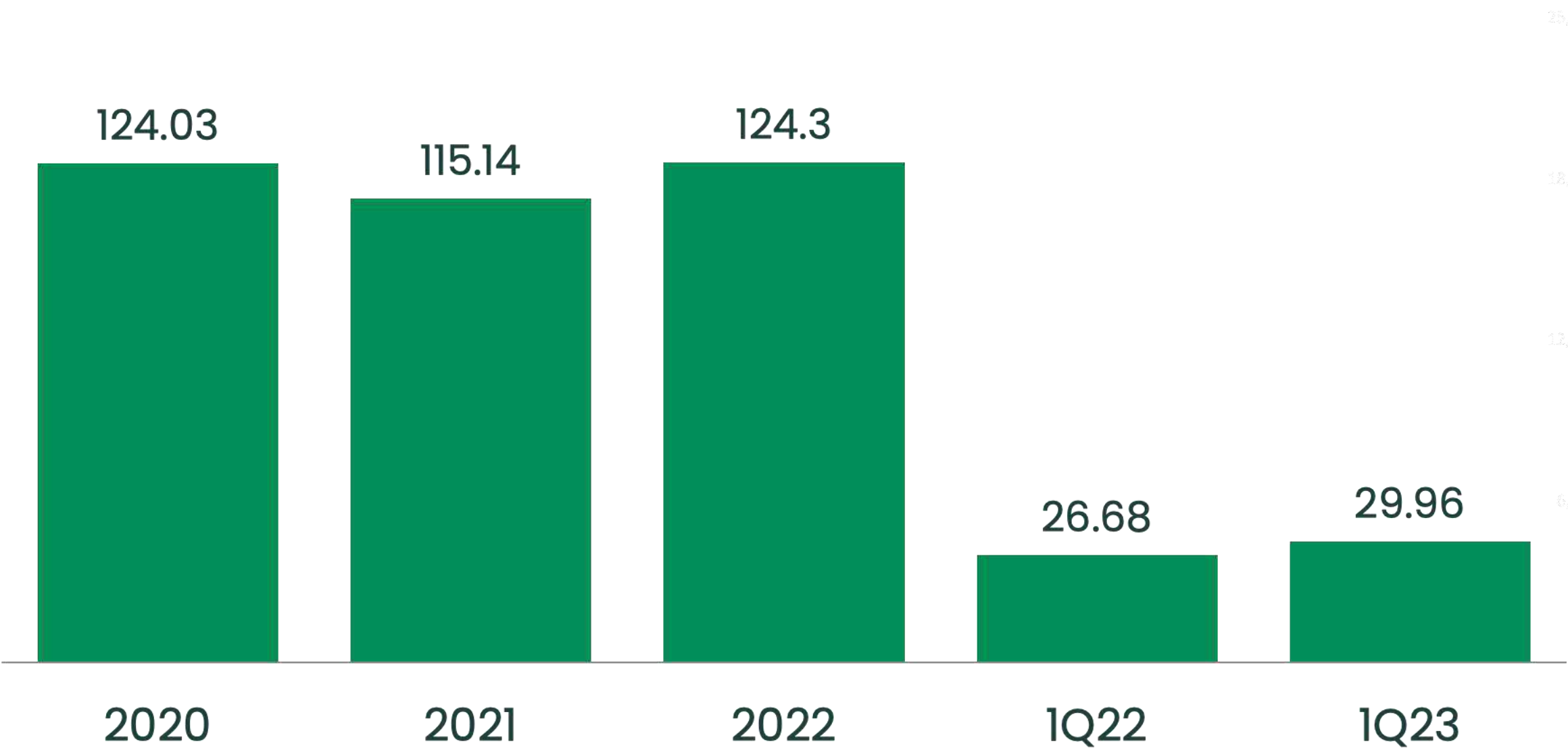
ANNEX

Financial Performance 1Q23



PUREGOLD ONLY 1Q23

NET SALES (in PHP Billions)

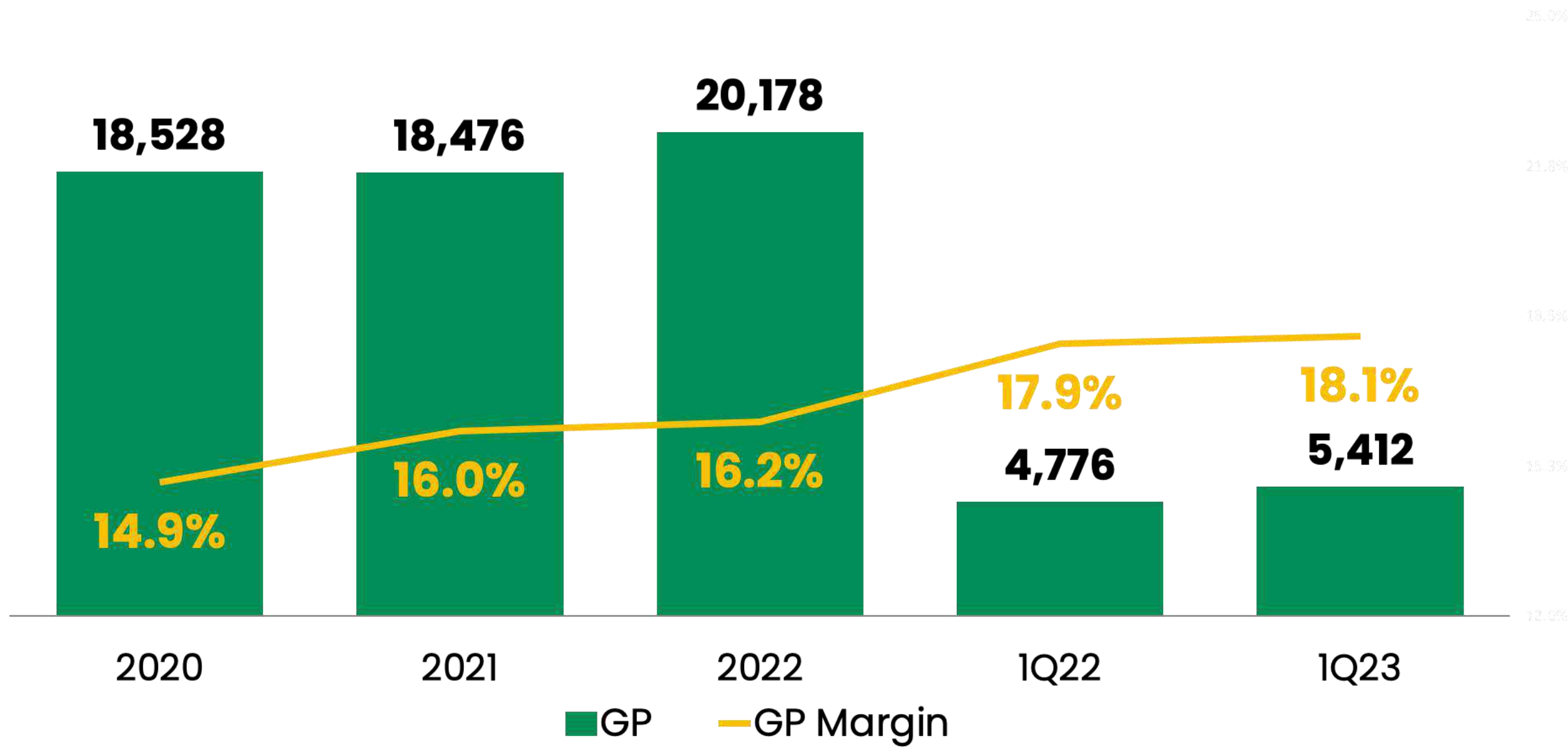


3YCAGR 0.1%



12.3%

GROSS PROFIT & MARGIN (in PHP Millions)



3YCAGR 4.4%



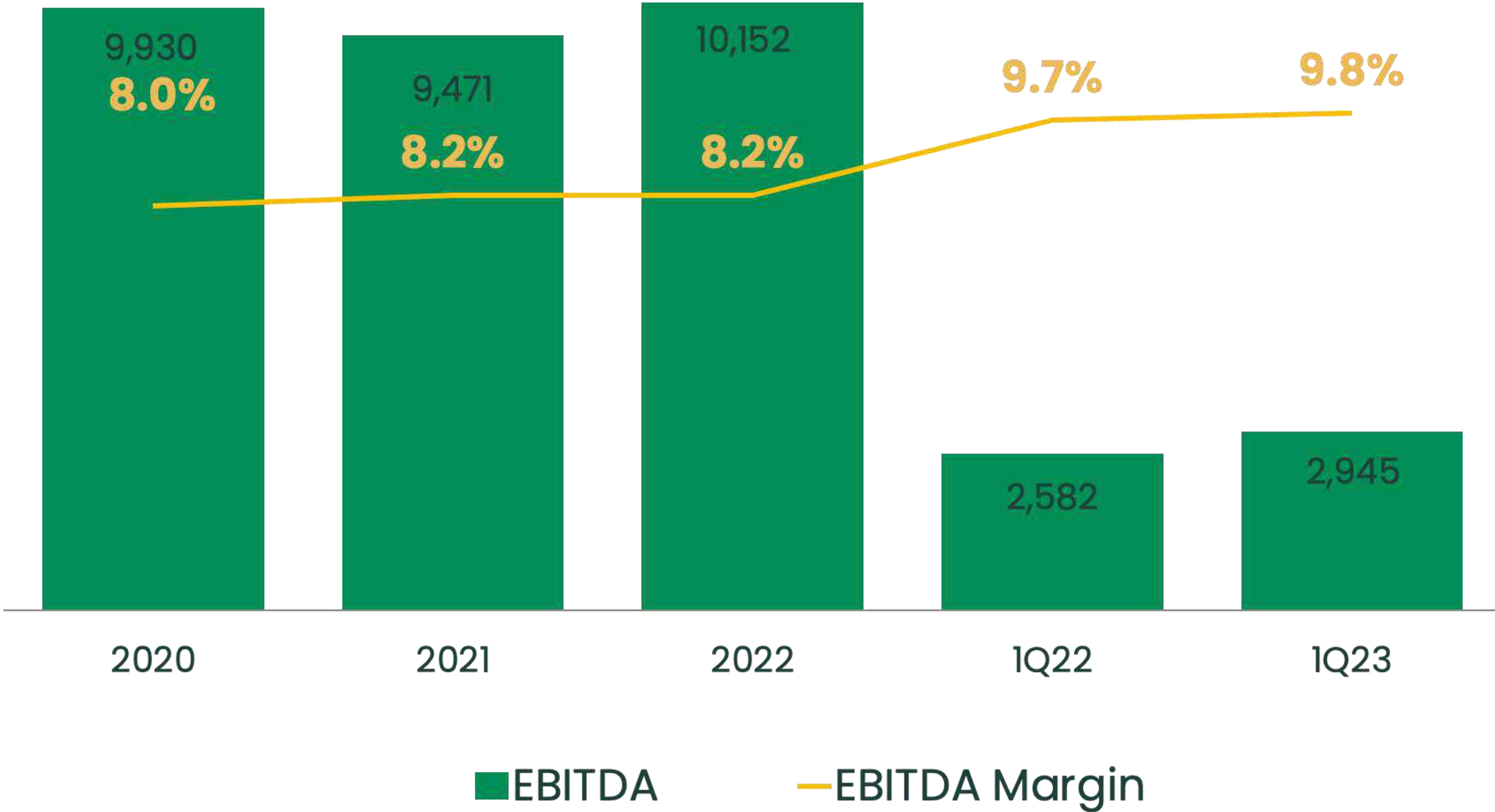
13.3%

Financial Performance 1Q23

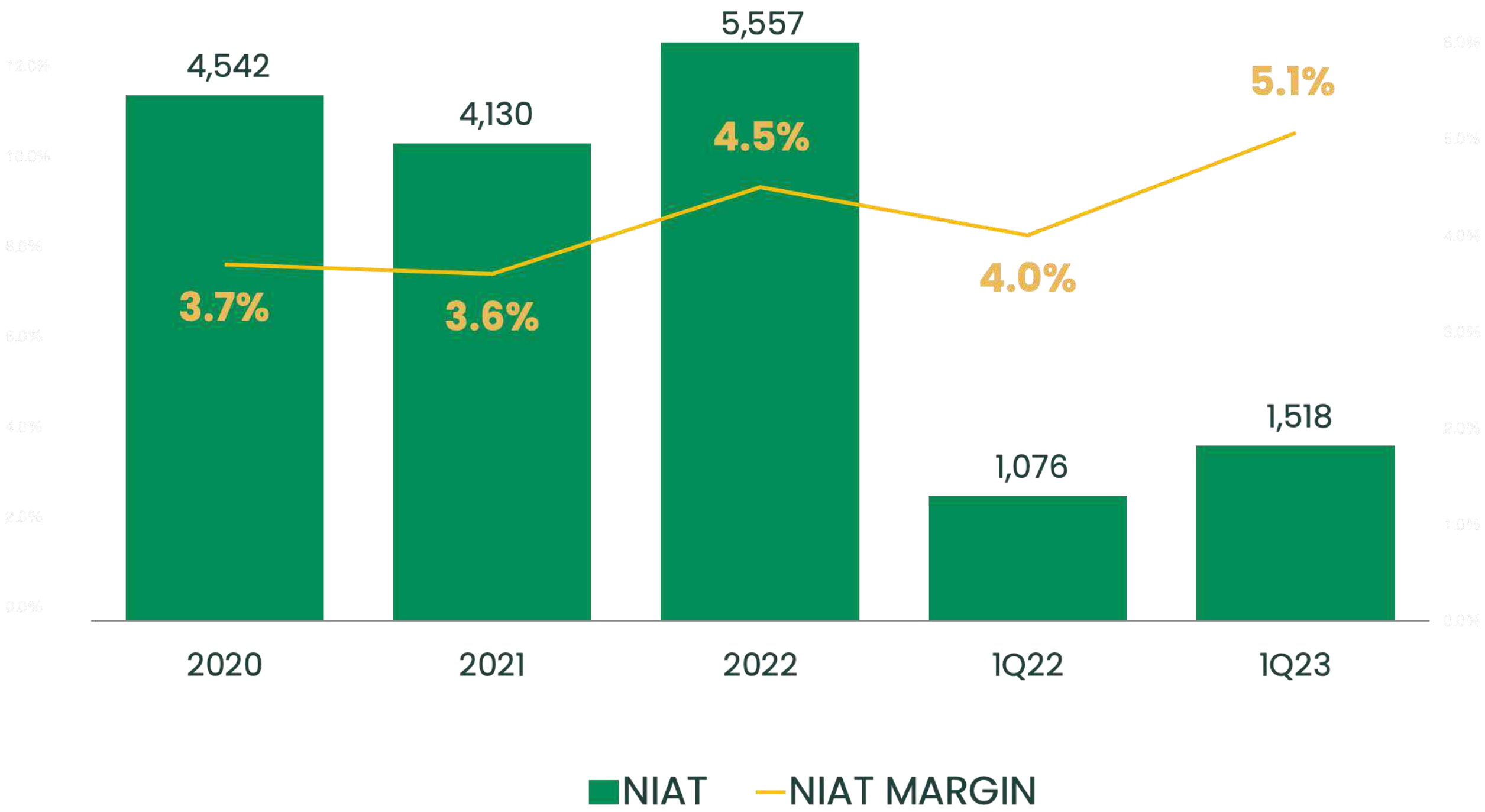


PUREGOLD ONLY 1Q23

EBITDA & MARGIN (in PHP Millions)



NIAT & MARGIN (in PHP Millions)



↑ 3YCAGR 1.1% ↑ 14.1%

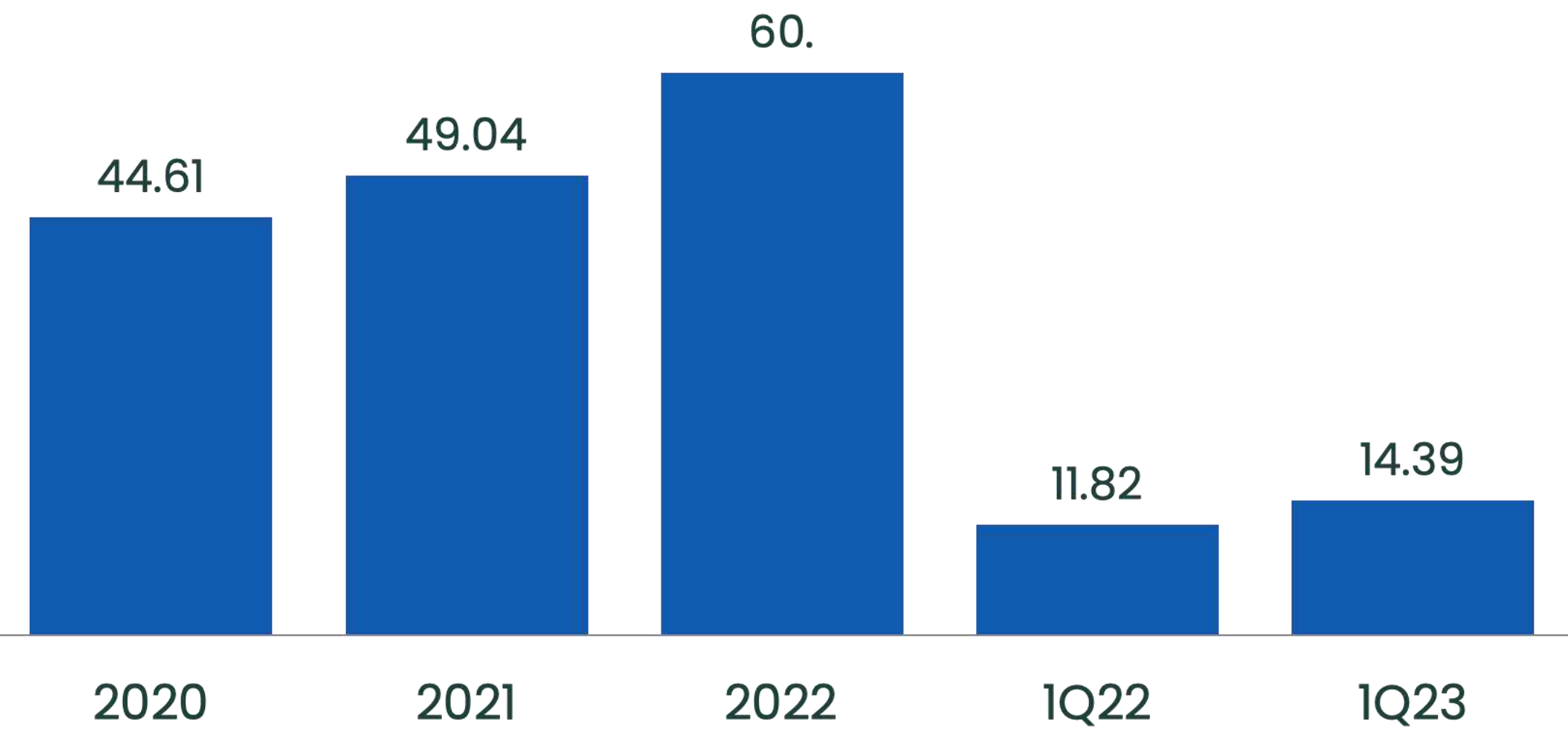
↑ 3YCAGR 10.6% ↑ 41.0%

Financial Performance 1Q23

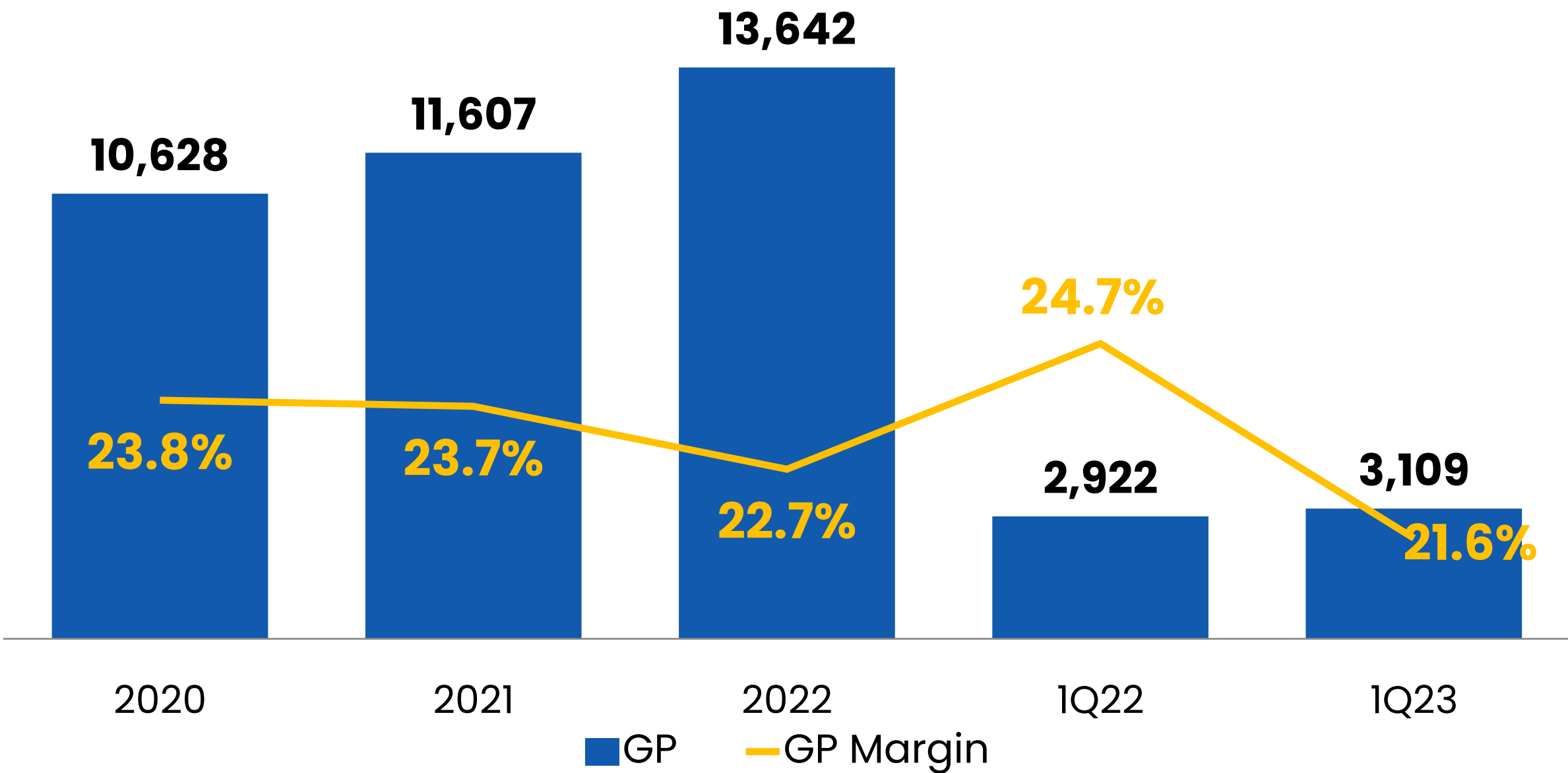


S&R ONLY 1Q23

NET SALES (in PHP Billions)



GROSS PROFIT & MARGIN (in PHP Millions)



3YCAGR 16.0%



21.7%



3YCAGR 13.3%



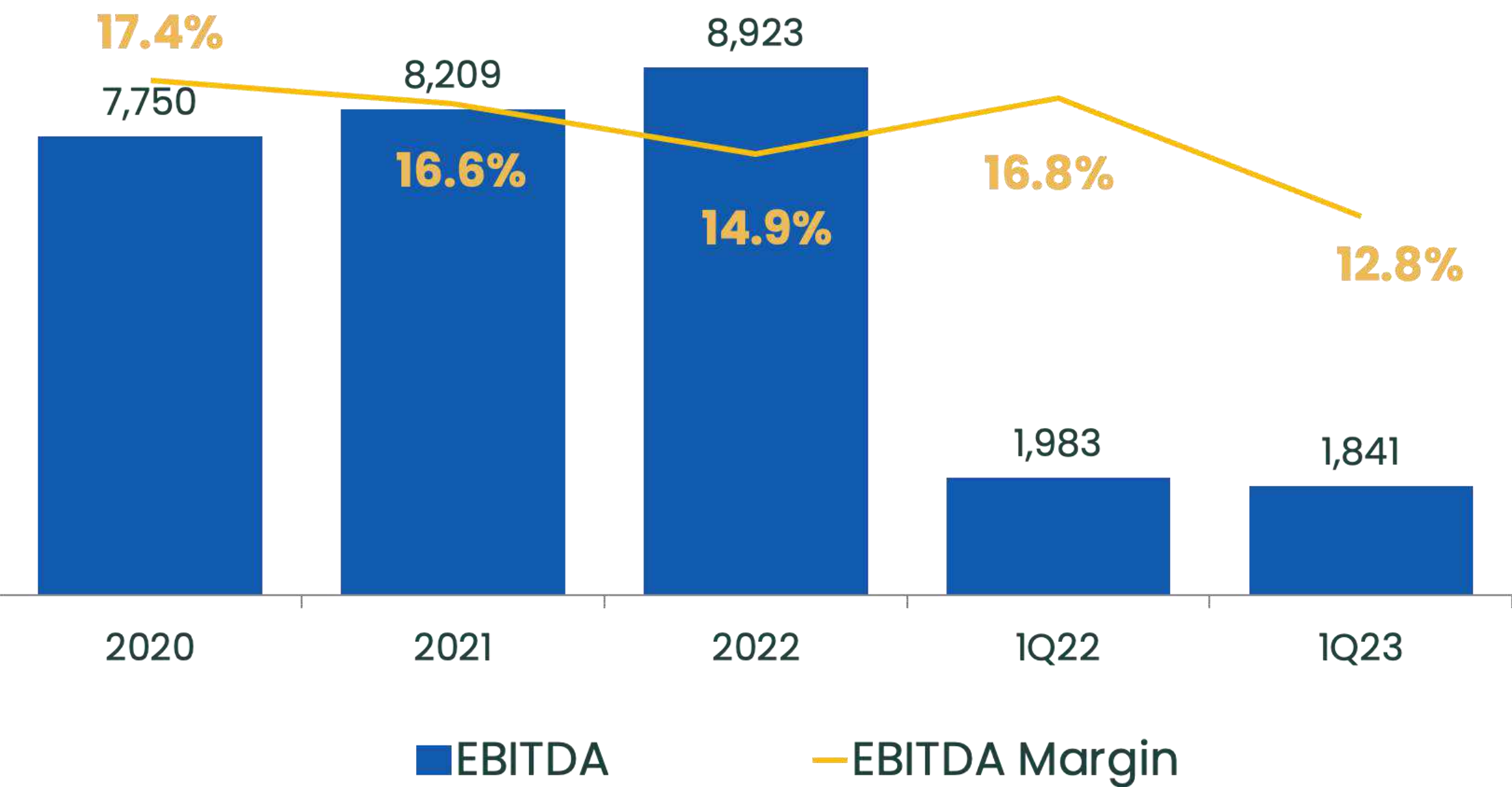
6.4%

Financial Performance 1Q23



S&R ONLY 1Q23

EBITDA & MARGIN (in PHP Millions)

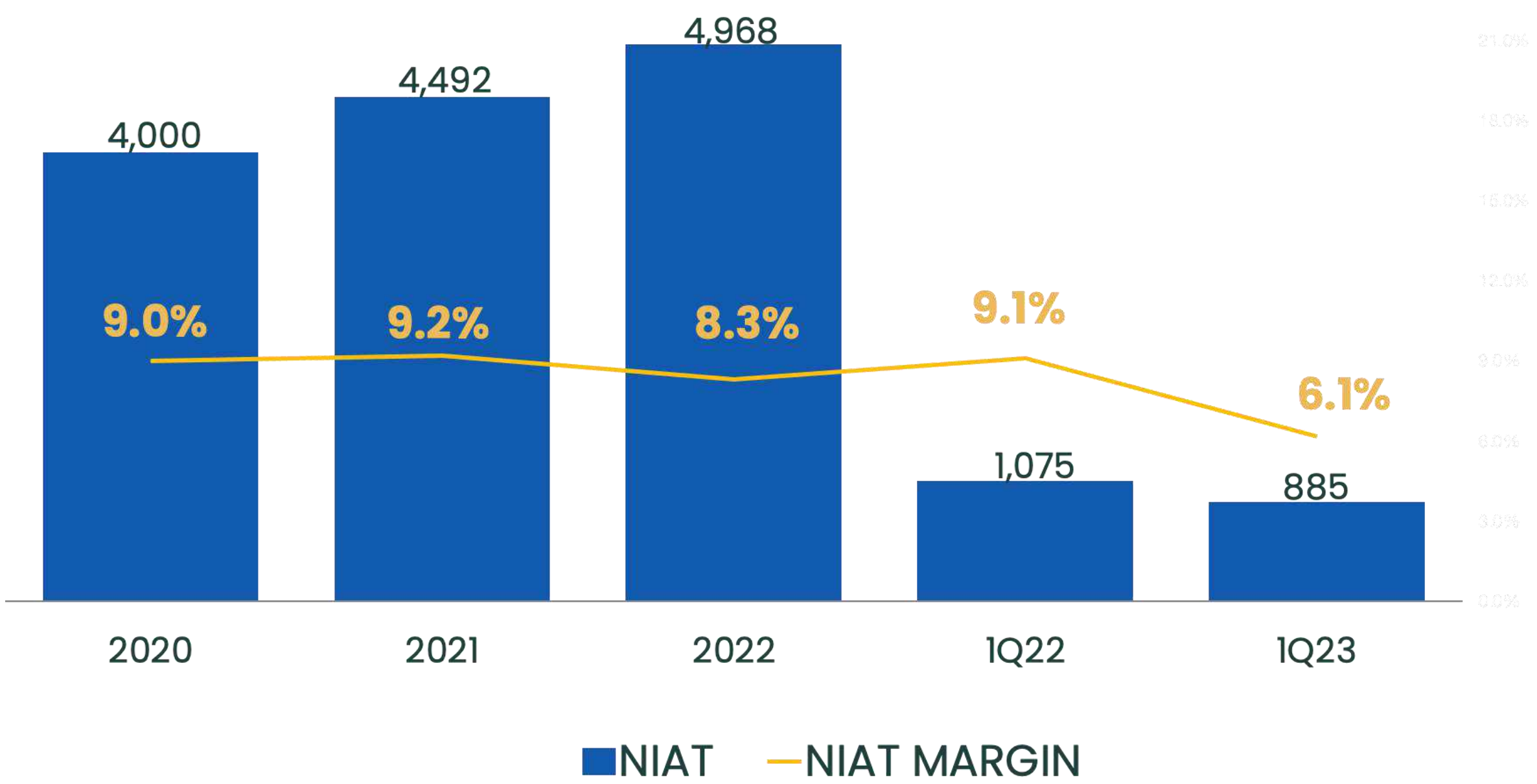


3YCAGR 7.3%



-7.2%

NIAT & MARGIN (in PHP Millions)



3YCAGR 11.4%



-17.7%

Financial Performance



	MARCH 2023	MARCH 2022	DEC 2022
Trade Receivables Days	2.9	2.9	3.6
Inventory Days	73.3	66.2	60.0
Trade Payables Days	31.3	22.8	30.9
Cash Conversion Cycle	44.9	46.2	32.8

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

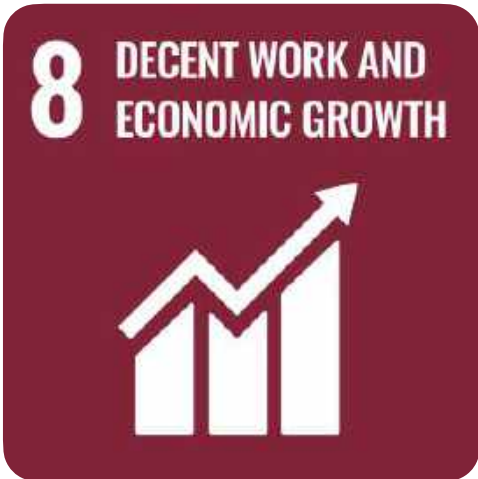


PHP (in Thousands)	Q1 2023	%	Q1 2022	%	Change	%
Net Sales	P44,352,437	100.0%	P38,507,339	100.0%	P5,845,098	15.2%
Gross Profit	8,520,591	19.2%	7,698,223	20.0%	822,368	10.7%
Other Operating Income	762,048	1.7%	706,676	1.8%	55,372	7.8%
Operating Expenses	5,705,152	12.9%	4,953,670	12.9%	751,482	15.2%
Income from Operations	3,577,487	8.1%	3,451,229	9.0%	126,258	3.7%
Others-net	(461,752)	-1.0%	(608,420)	-1.6%	146,668	-24.1%
Interest Expense - lease	(661,011)	-1.5%	(569,765)	-1.5%	(91,245)	16.0%
Interest Expense	(129,585)	0.3%	(127,382)	-0.3%	(2,203)	1.7%
Interest Income	315,903	0.7%	82,571	0.2%	233,331	282.6%
Other income /(Exp)	12,941	0.0%	6,156	0.0%	6,785	110.2%
Income Tax Expense	709,569	1.6%	691,583	1.8%	17,986	2.6%
Income After Tax	P2,406,166	5.4%	P2,151,226	5.6%	P254,940	11.9%
EBITDA	P4,780,760	10.8%	P4,564,519	11.9%	P216,240	4.7%
EPS	₱0.84		₱0.75			

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



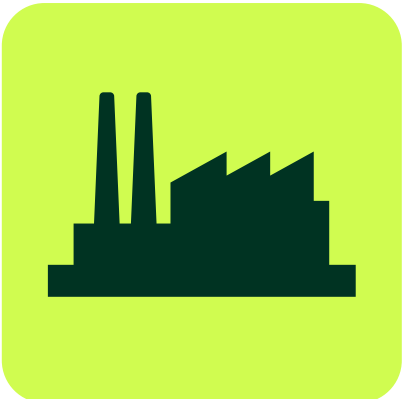
3% Clean electricity used



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

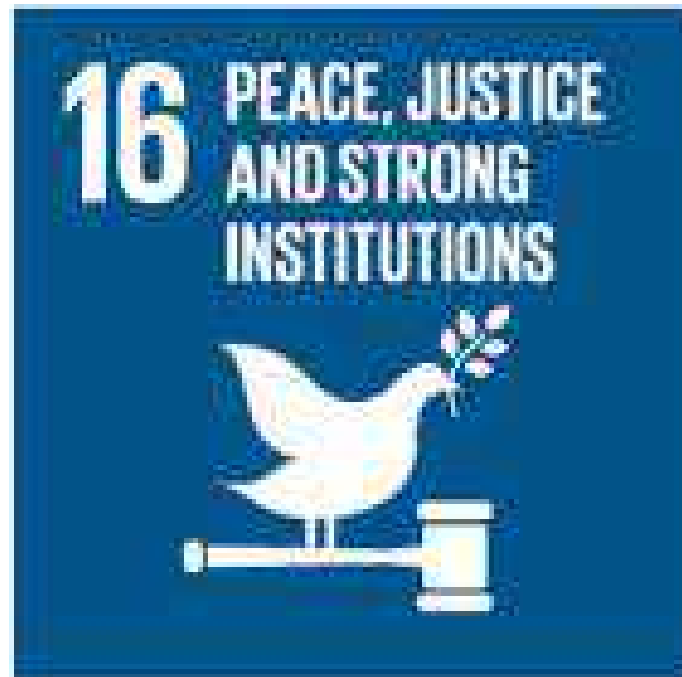
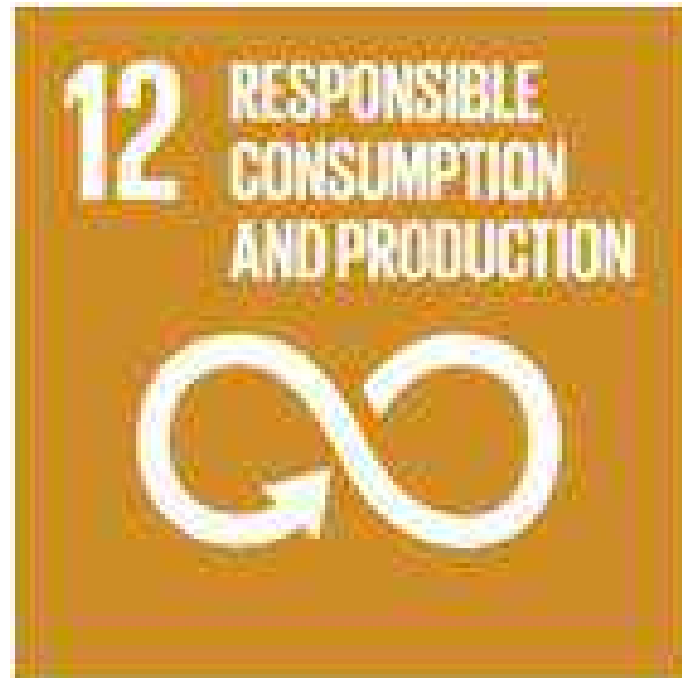
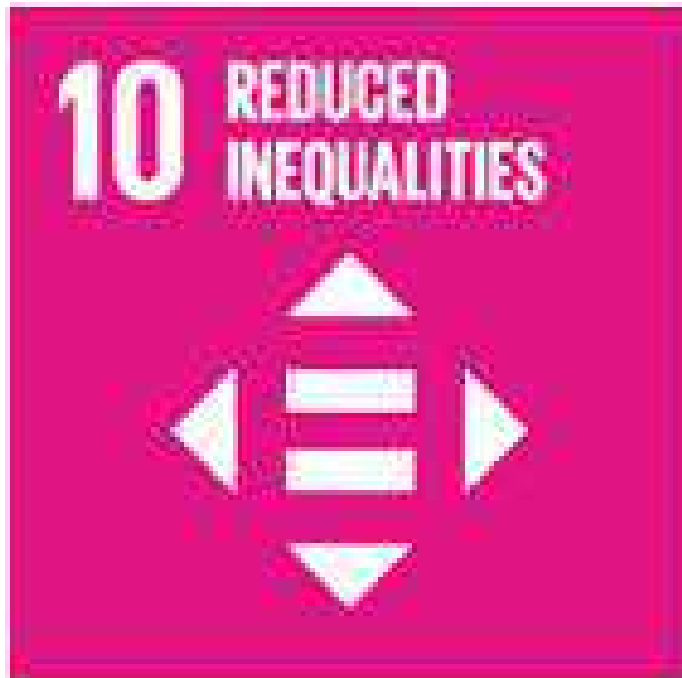
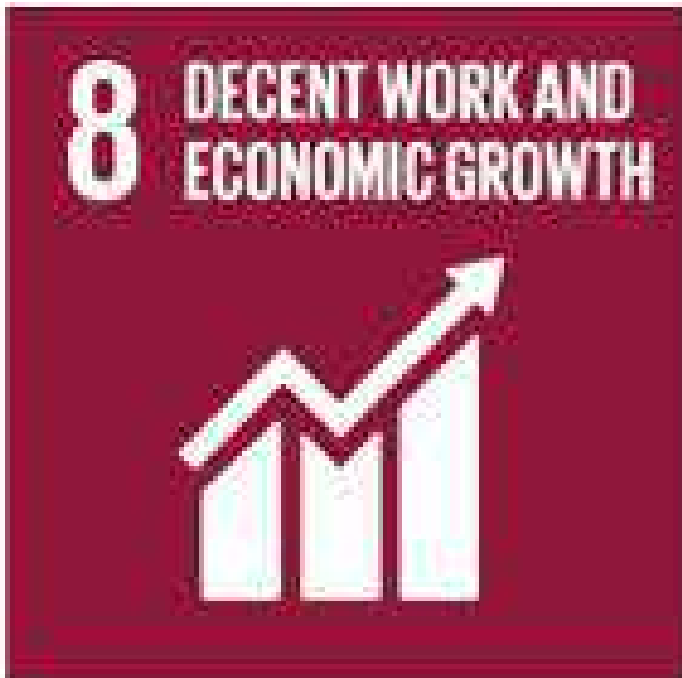


760,000+ Puregold Sari-Sari Store members (Support local economy)



1.43M Puregold Mobile app downloads

Sustainability Highlights 2022





LO NASA IYO ANG PANALO NASA IYO ANG PANALO NASA IYO ANG PANALO NASA IYO ANG PANALO NASA IYO ANG PANALO
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