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9M23 RESULTS & PERFORMANCE

Puregold Price Club, Inc. Presentation



Years of Serbisyon Always Panalo Para Sa Pilipino

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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



- 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
- Robust selling platform for all FMCG cos. doing business in PH



- Membership shopping model
- Catering to the upper income customers
- Class A & B and upper C segment
- Imported and large size SKUs
- Offering the best products in the world – it's retail therapy!

Most Chosen Retailer 2022, Kantar



**MOST
CHOSEN
RETAILER
/ 22
RETAILER AWARD**

KANTAR

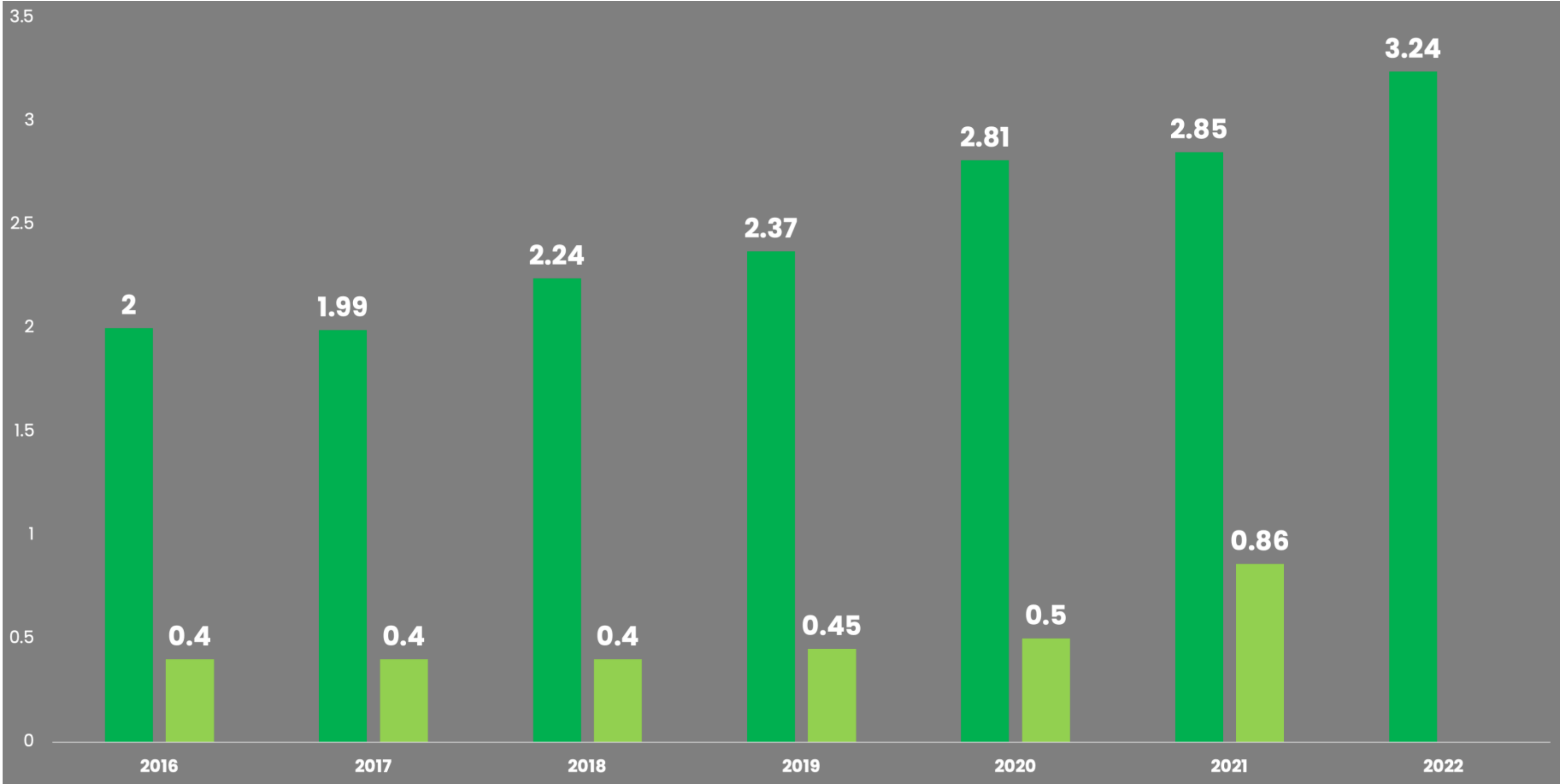
Puregold recently ranked No. 1 in the Philippines as Kantar's Most Chosen Retailer.

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.

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%

■ EPS ■ DIV

** In Dec 2022, new dividend policy to declare as dividend at least 30% of income of the previous year*

A circular icon featuring a stylized version 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
- Lingering inflationary pressures
- More manageable USD-PHP FX rate
- GDP growth continues

A circular icon showing a stylized world map with a grid pattern.

SNAPSHOT : THE WORLD

- Inflationary pressures linger
- Soft commodities & Brent oil prices strengthening
- Continued high geopolitical uncertainties
- Slowdown (underway)
- Tightened Conditions
- El Nino phenomenon

Pillars of Growth 2023



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



Group Sustainability Objectives

- Improving corporate governance
- Mindful Retailing
- Strong community involvement

New Independent Directors



MR. EMMANUEL HERBOSA
Independent Director

Over 40 years of experience in the financial industry.

President and CEO of Development Bank of the Phils. from 2019 to 2023.

Best CEO for 2021 by the Association of Developmental Financial Institutions in Asia Pacific.

President and CEO of Philippine Import-Export Credit Agency.

President and CEO of the Philippine Guarantee Corporation (PGC), the country's principal agency for state guarantee finance.

Chief Operating Officer of Ayala Insurance Group.

Master in Business Administration from the Wharton School of the University of Pennsylvania, USA.

Graduated from De La Salle University with a degree in Industrial Management Engineering

New Independent Directors



MR. GIL GENIO
Independent Director

Over 30 years of experience in the telecommunications and financial industries.

Over 12 years with Citibank in the Philippines, Singapore, Japan, Hong Kong, and New York, with stints in financial control, risk management, product development, treasury audit, corporate audit and market risk review.

Globe Telecom's Chief Technology and Information Officer (CTIO) from November 2015 to April 2021, as well as its Chief Strategy Officer (CSO) from 2011 to April 2021.

Independent Director at GT Capital Holdings and a former Independent Director at Insular Life Assurance Company from May 2018 to March 2022.

Master's degree in Business Management, With Distinction, from the Asian Institute of Management.

Bachelor of Science degree in Physics, Magna Cum Laude, from the University of the Philippines.

Divimart Acquisition



Opportunity

- Access to 32 locations instantly
- Fit-outs allow for faster store opening – i.e. new PG Stores within 6 months
- Leverage on a partnership to find & build more locations for PG Stores

Cost

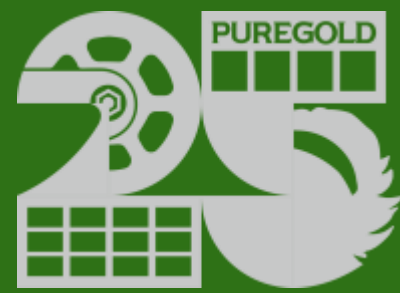
- One-time acquisition cost based on store area
- Sublease agreement co-terminus with main contract of lease or at least 10yrs
- Standard security deposits
- Appraised value of equipment applicable
- Conversion to PG Store inside-out



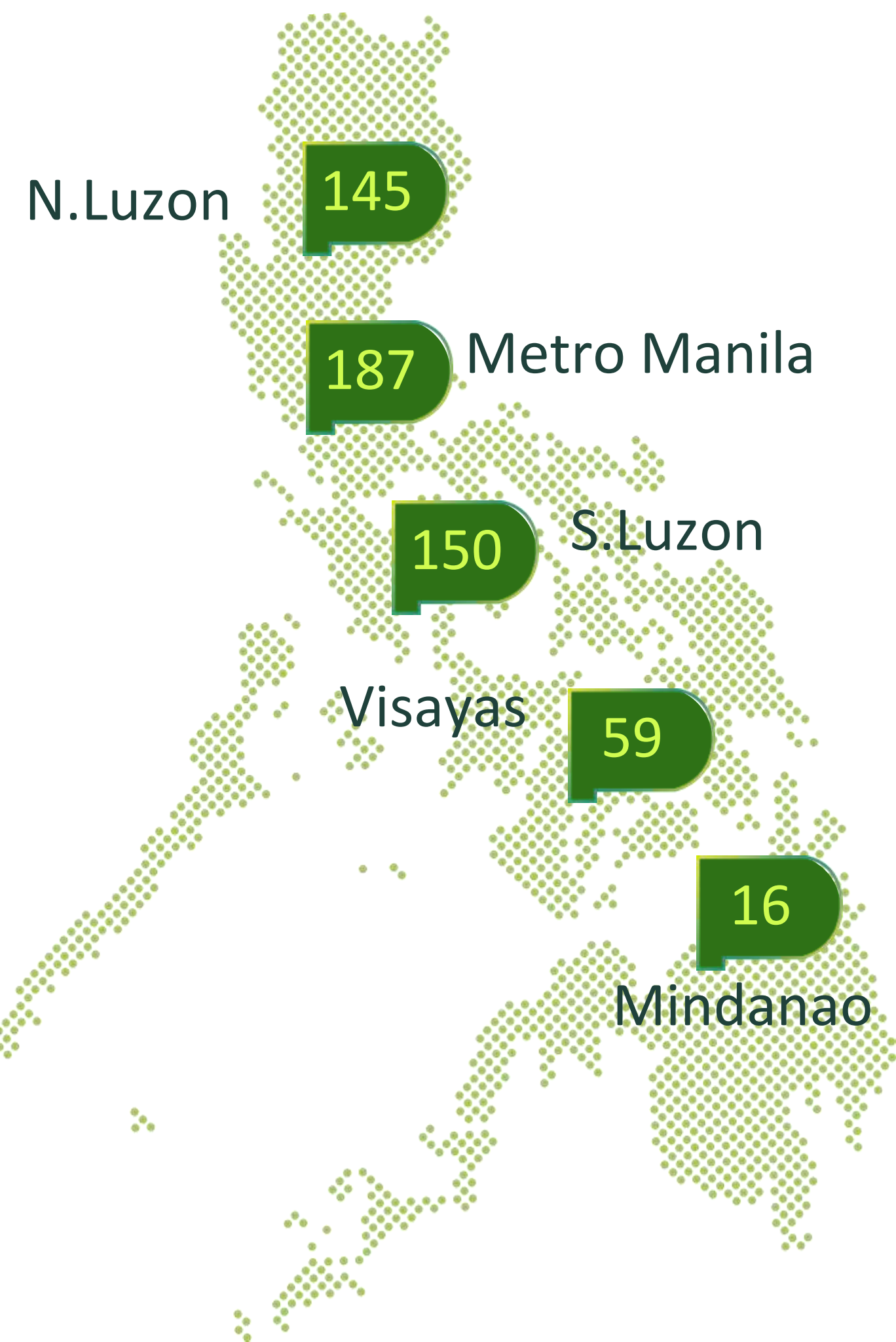
Transaction Overview

- Asset Sale + Sublease Agreement
- Key assets are store locations
- No purchase of land, head office, logistics capex nor IP rights
- No shares of Divimart acquired
- Inventory (as applicable) and manpower are absorbed

Store Portfolio – 9M 2023



GEOGRAPHIC COVERAGE



KEY STATS

TOTAL NUMBER OF STORES	558
NO. OF STORES PER FORMAT	316 hypermarkets 98 supermarkets 67 extras 24 S&Rs 53 S&R QSRs

	PUREGOLD	S&R	S&R QSR
Metro Manila	148	12	27
Luzon	269	8	19
Visayas	50	2	7
Mindanao	14	2	-
Total	481	24	53

NEW PG + S&R STORES 2023

Opened
30 new Puregold Stores with (21 Divimart conversion)
2 S&R Warehouse Clubs and **2** S&R QSR.

NET SELLING AREAS (in sqm)

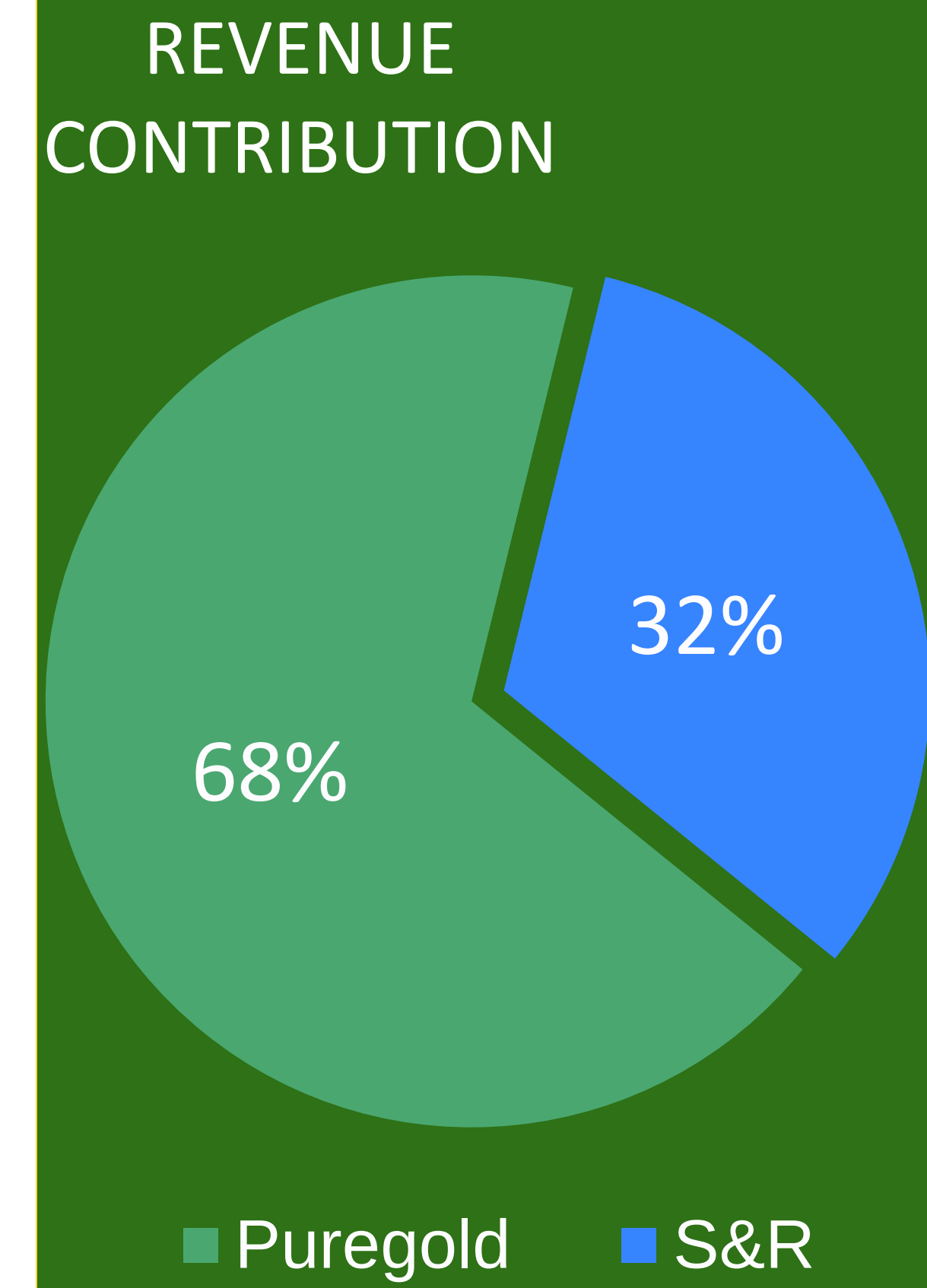
Puregold	546,058 sqm
S&R	123,229 sqm
QSR	5,009 sqm
Total	674,296 sqm

Operating Performance – 9M 2023



Like-for-like Growth %	Puregold		S&R	
	9M 2023 (427 stores)	9M 2022 (398 stores)	9M 2023 (22 wh)	9M 2022 (20 wh)
Net Sales	4.8%	2.4%	4.1%	9.5%
Ticket	-0.4%	-6.1%	-2.5%	8.8%
Traffic	5.2%	9.1%	6.7%	0.6%

			Traffic <i>(in thousands)</i>			Ticket		
Overall	Store Count		9M 2023	9M 2022	% growth	9M 2023	9M 2022	% growth
	CY	PY						
Puregold	481	443	100,503	91,295	10.1%	959	1,025	-6.4%
S&R WH	24	22	8,975	8,155	10.1%	4,783	4,916	-2.7%



9M23 Financial Highlights

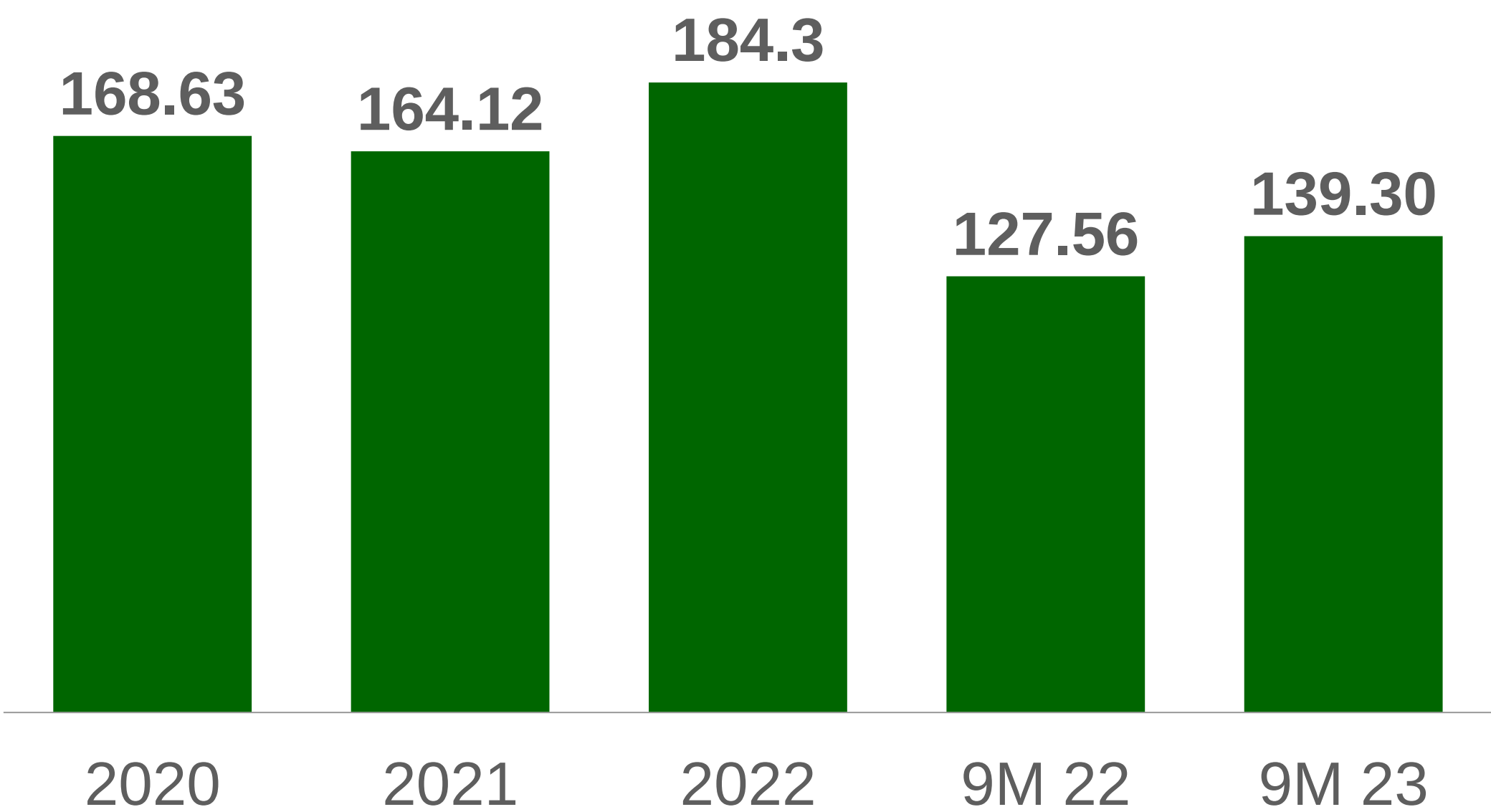


	CONSO REVENUE	GROSS PROFIT MARGIN %	EBITDA MARGIN %	NIAT
9M23	Php 139.3bn	18.3%	9.9%	Php 6.6 bn
YoY	9.2%	-46 bps	-87 bps	2.1%

Financial Performance – Conso 9M 2023

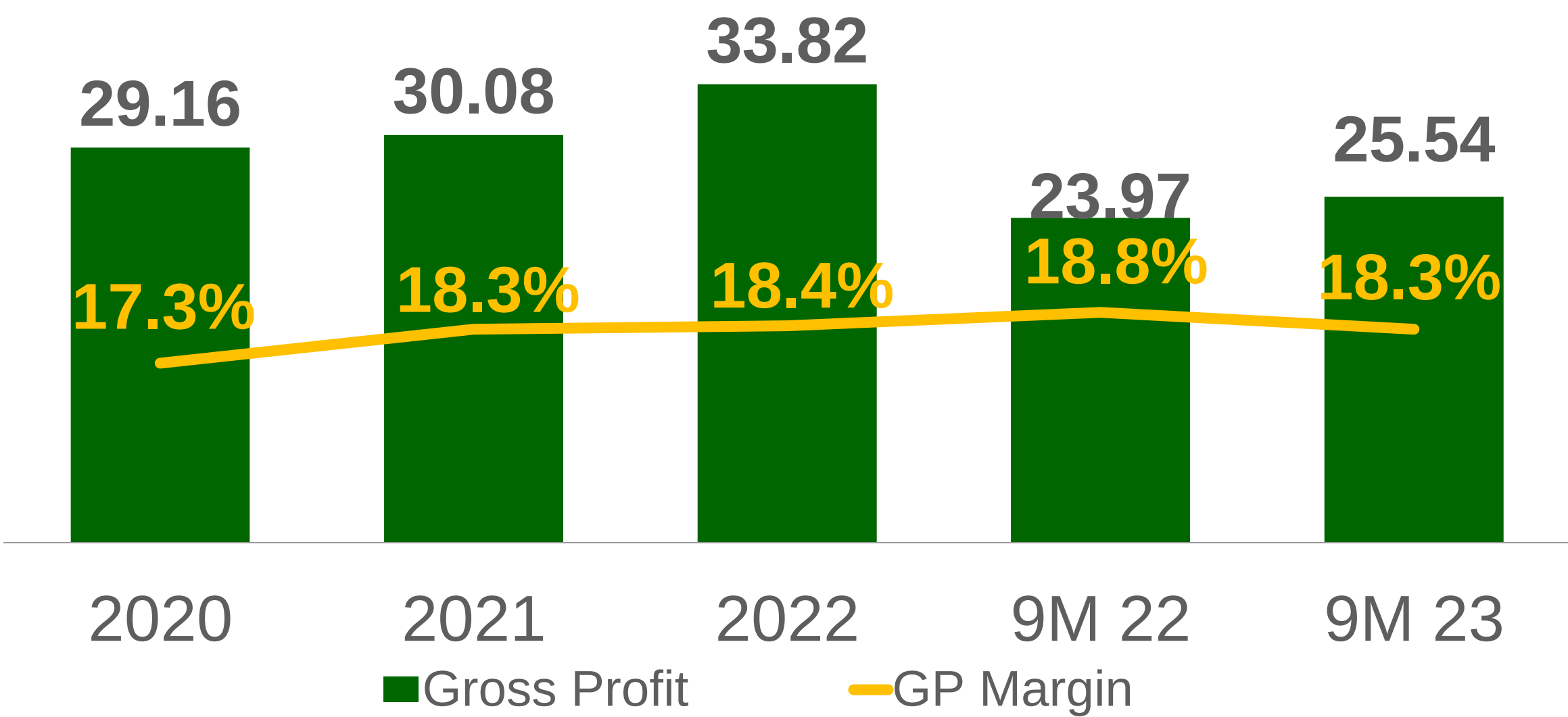


NET SALES (in PHP Billions)



 3YCAGR 4.5%  9.2%

GROSS PROFIT & MARGIN (in PHP Billions)

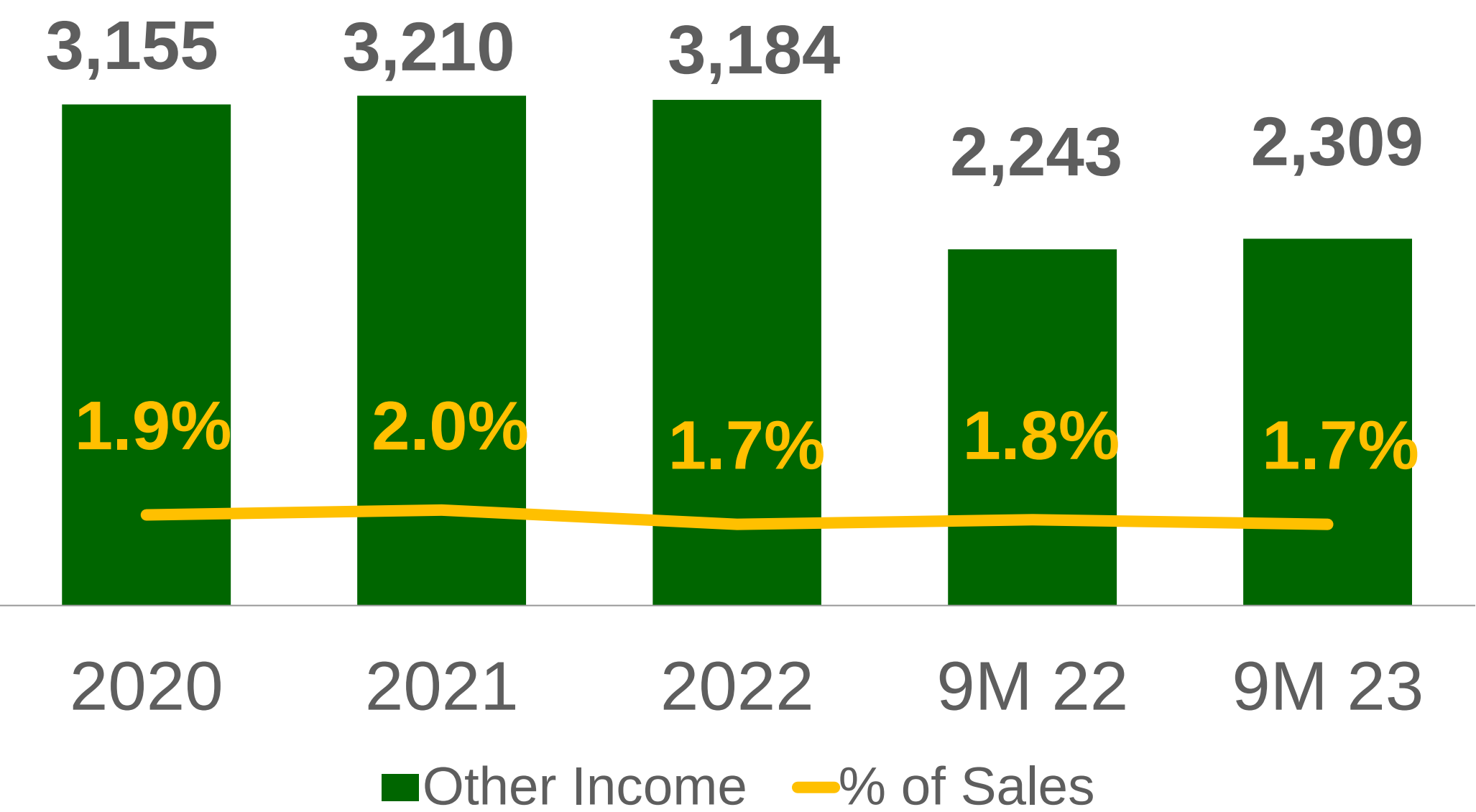


 3YCAGR 7.7%  6.5%

Financial Performance – Conso 9M 2023

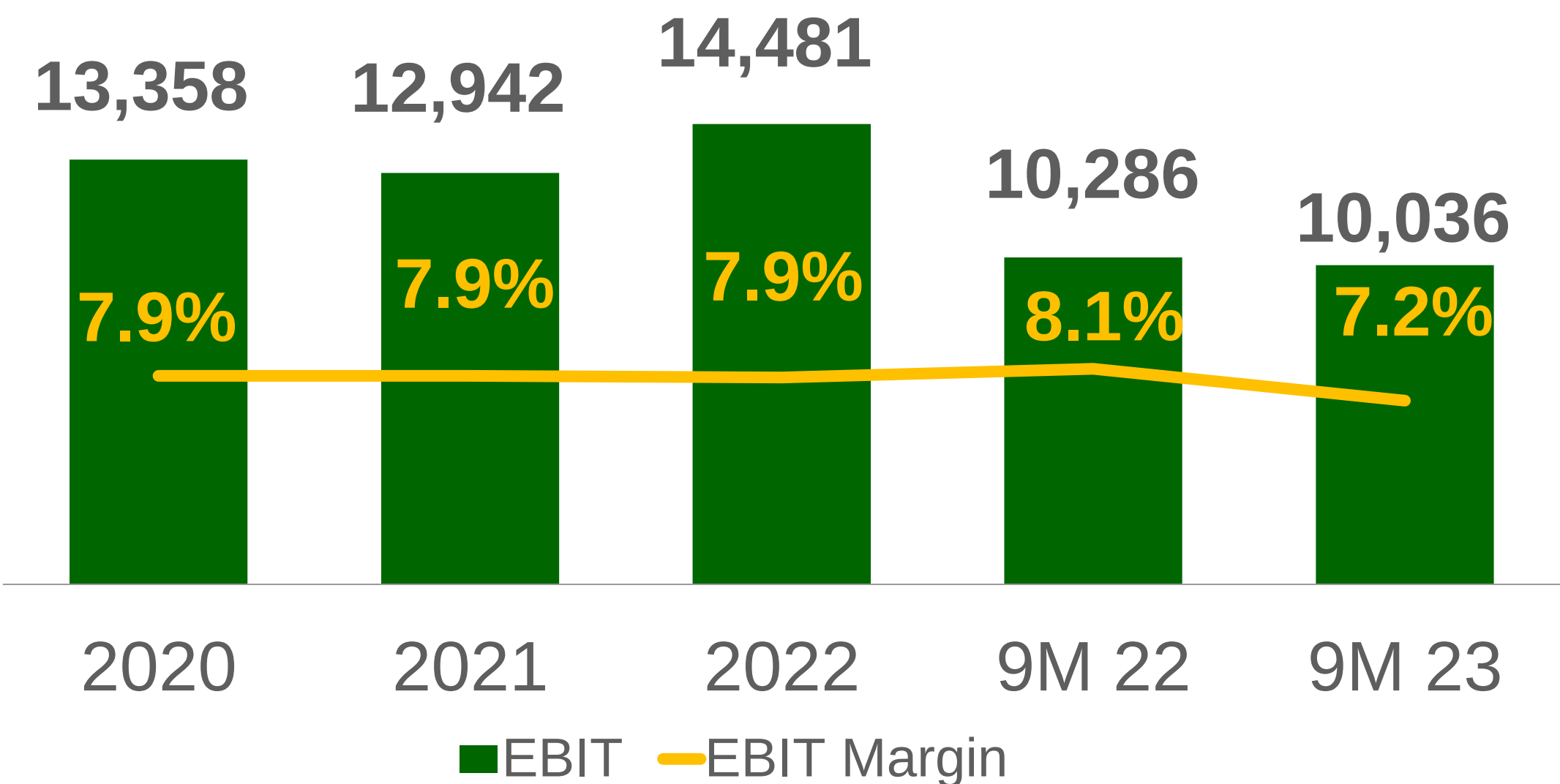


OTHER OPERATING INCOME (in PHP millions)



▲ 3YCAGR 0.5% ▲ 2.9%

OPERATING INCOME/EBIT (in PHP Millions)

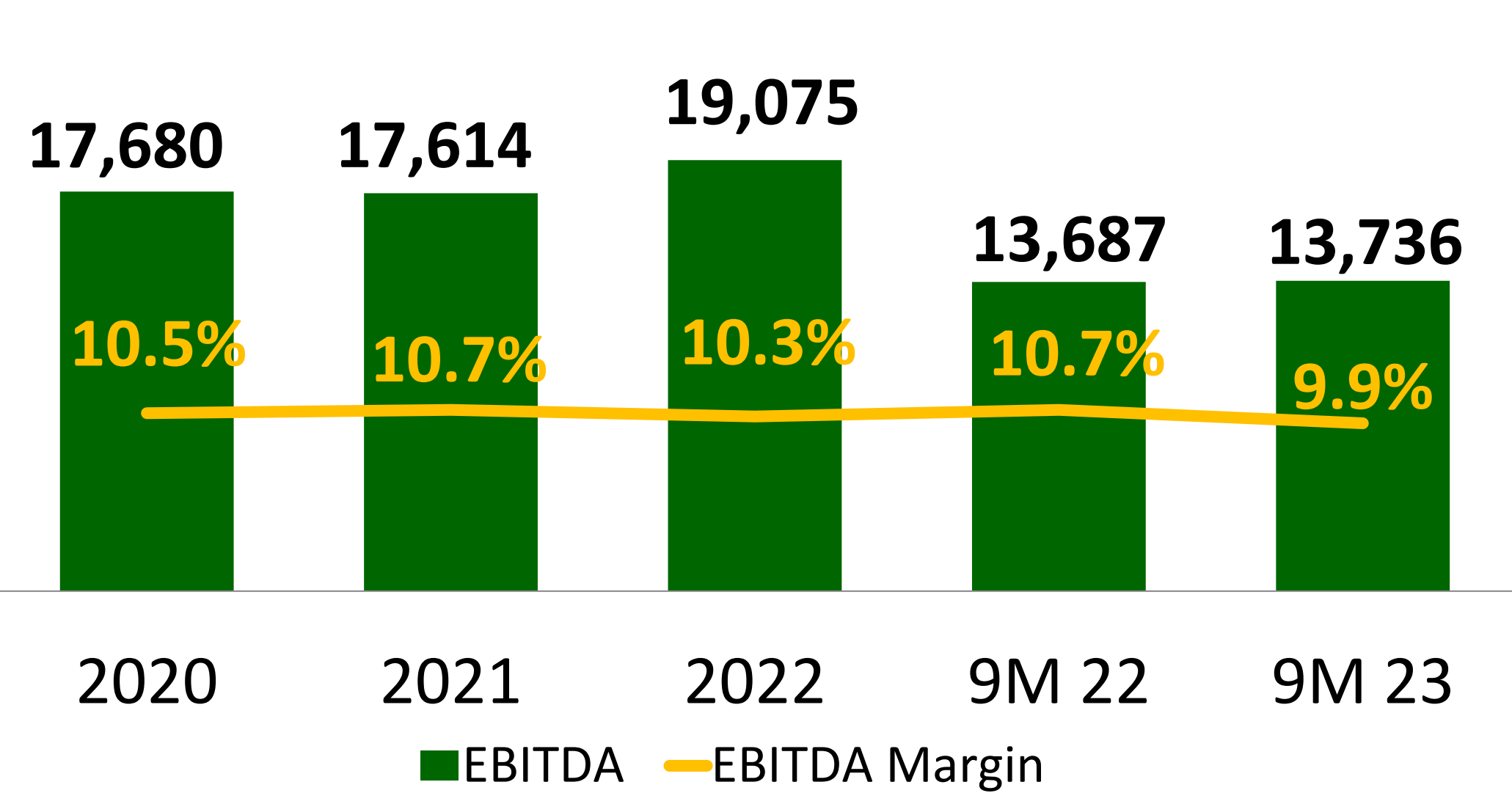


▲ 3YCAGR 4.1% ▼ -2.4%

Financial Performance – Conso 9M 2023

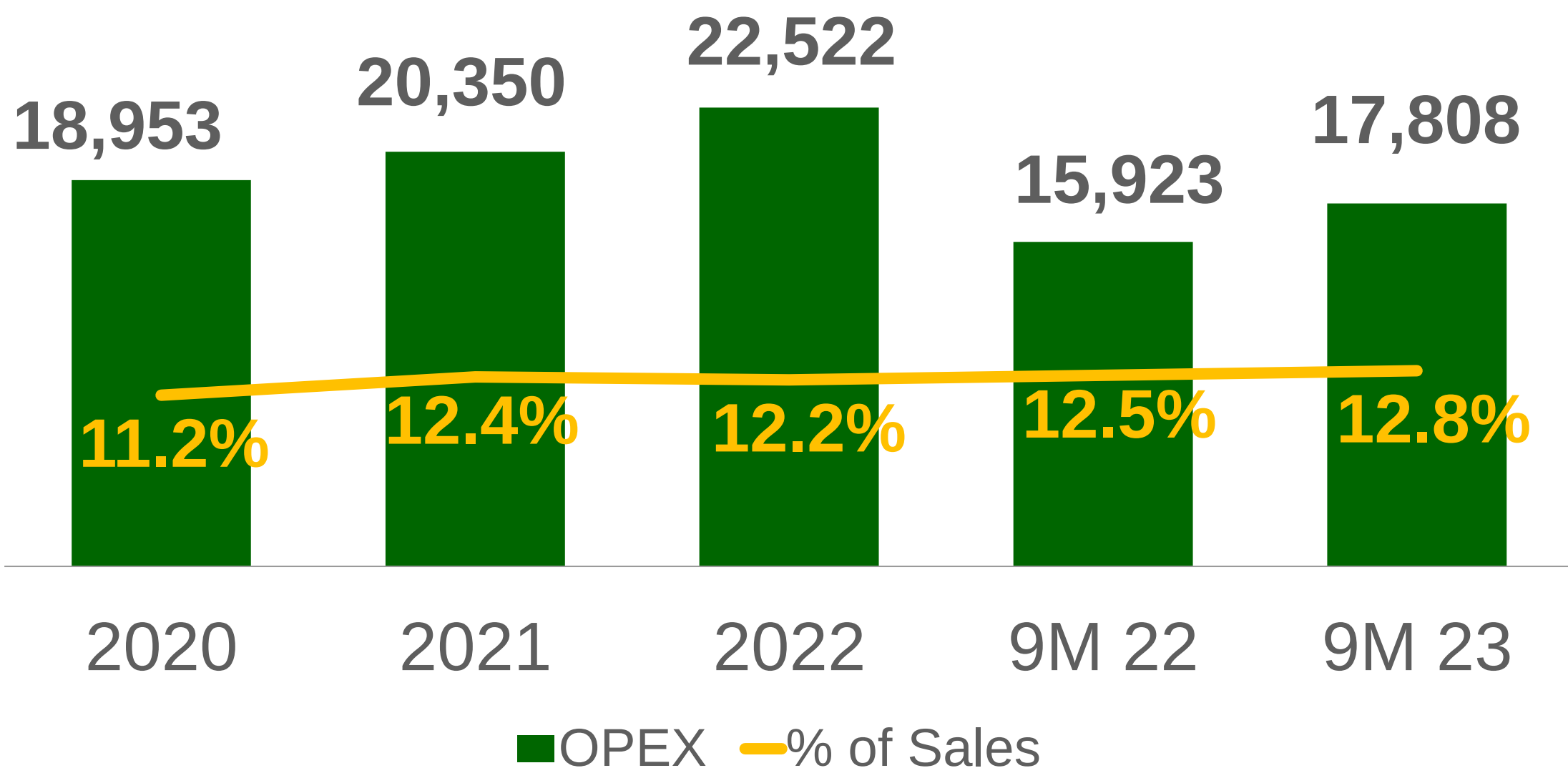


EBITDA & MARGIN (in PHP millions)

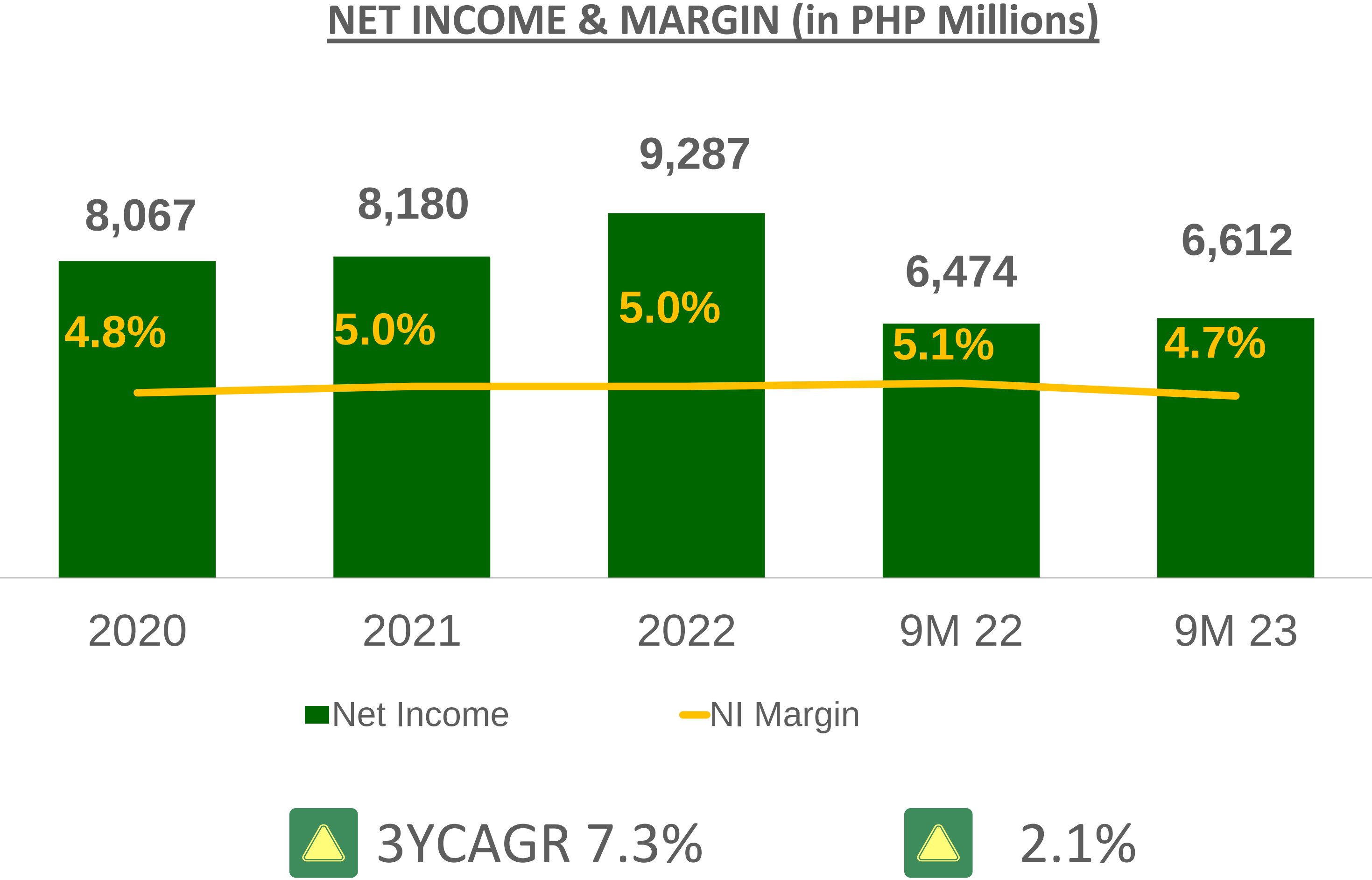


▲ 3YCAGR 3.9% ▲ 0.4%

OPERATING EXPENSES (in PHP Millions)



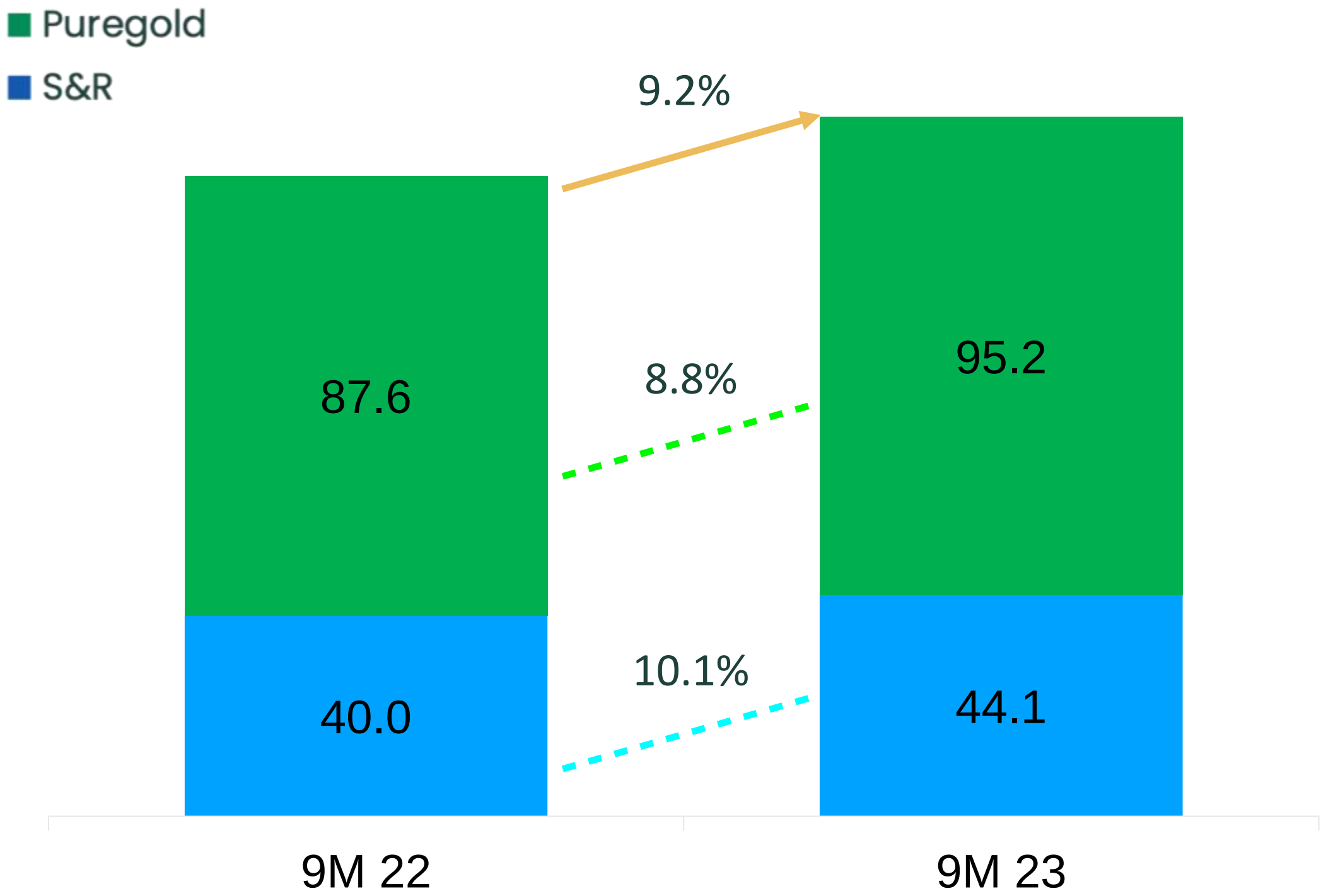
▲ 3YCAGR 9.0% ▲ 11.8%



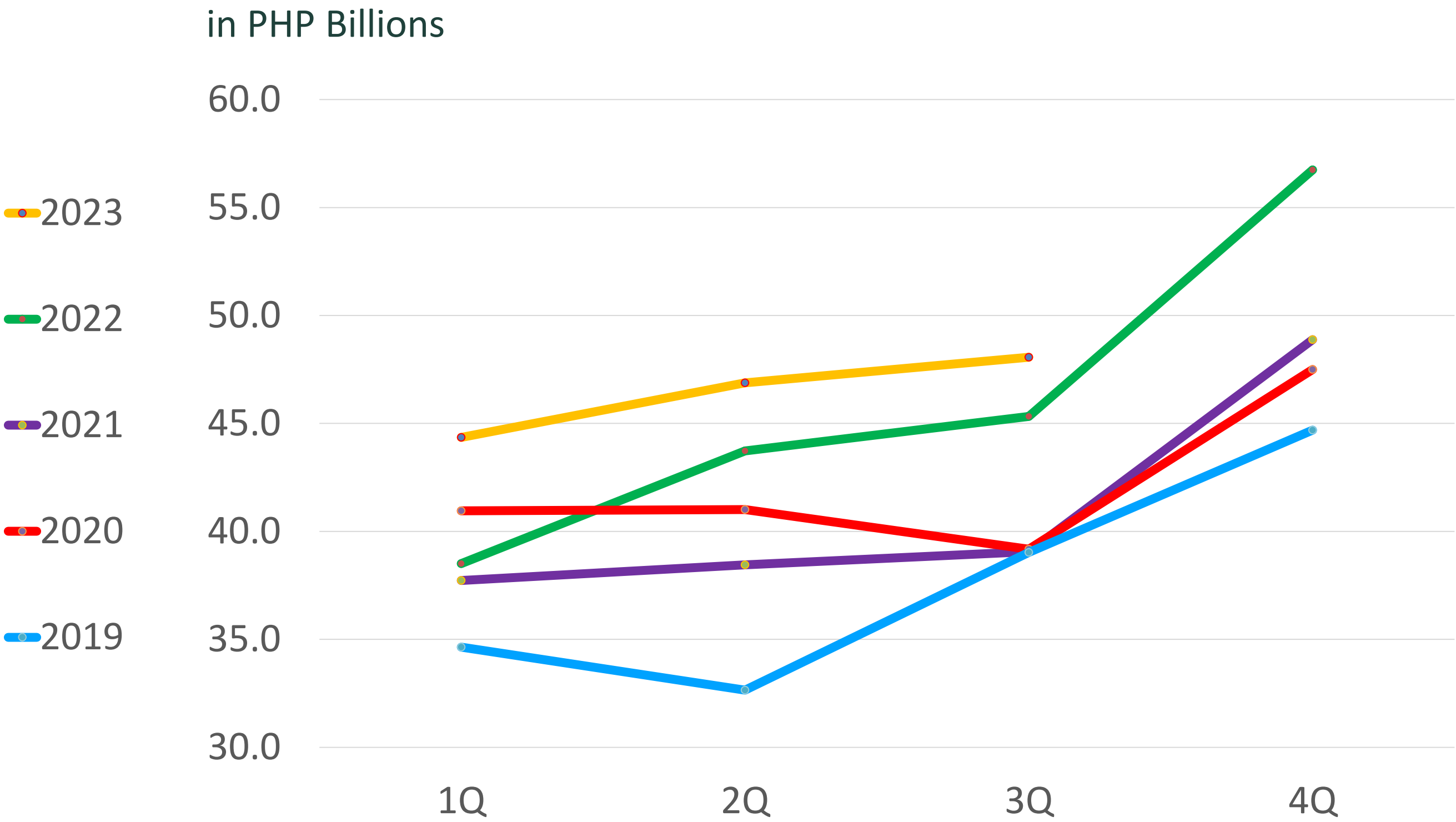
Financial Performance – Conso 9M 2023



NET SALES BREAKDOWN

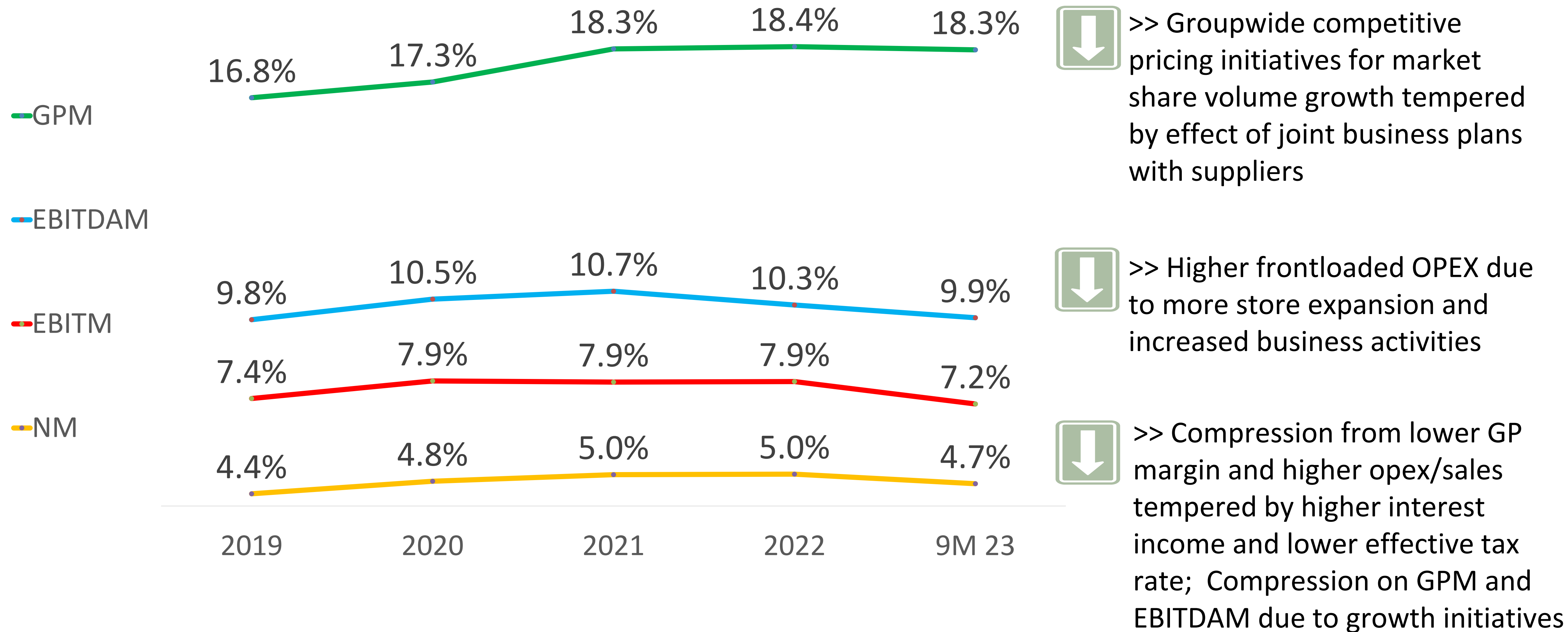


QTR NET SALES TREND



- >> Record 3Q net sales. Best 9M sales trajectory. High Single-digit 9M sales growth YoY for the group.
- >> 9M 23 YoY major contributors are higher traffic in PG store & S&R WHs, with slightly offset by decrease in ticket size in both store formats.
- >> Consumption by carded members continue to be good source of growth. Traditional Retail remain strong. End-con showing biggest growth in transactions.

Margin Trends – Conso 9M 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

Consolidated Revenue Growth

8% to 10% target

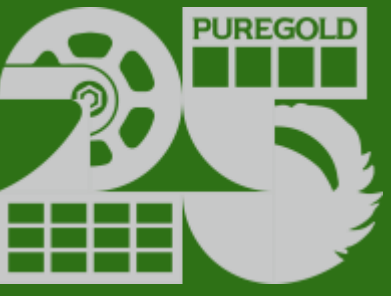
Gross Profit Margin

Puregold Stores: 15.5% to 16.5% target

S&R WH: 22% to 22.5% target

9M23 RESULTS & PERFORMANCE

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Q&A

Q&A



Thank you

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9M23 RESULTS & PERFORMANCE

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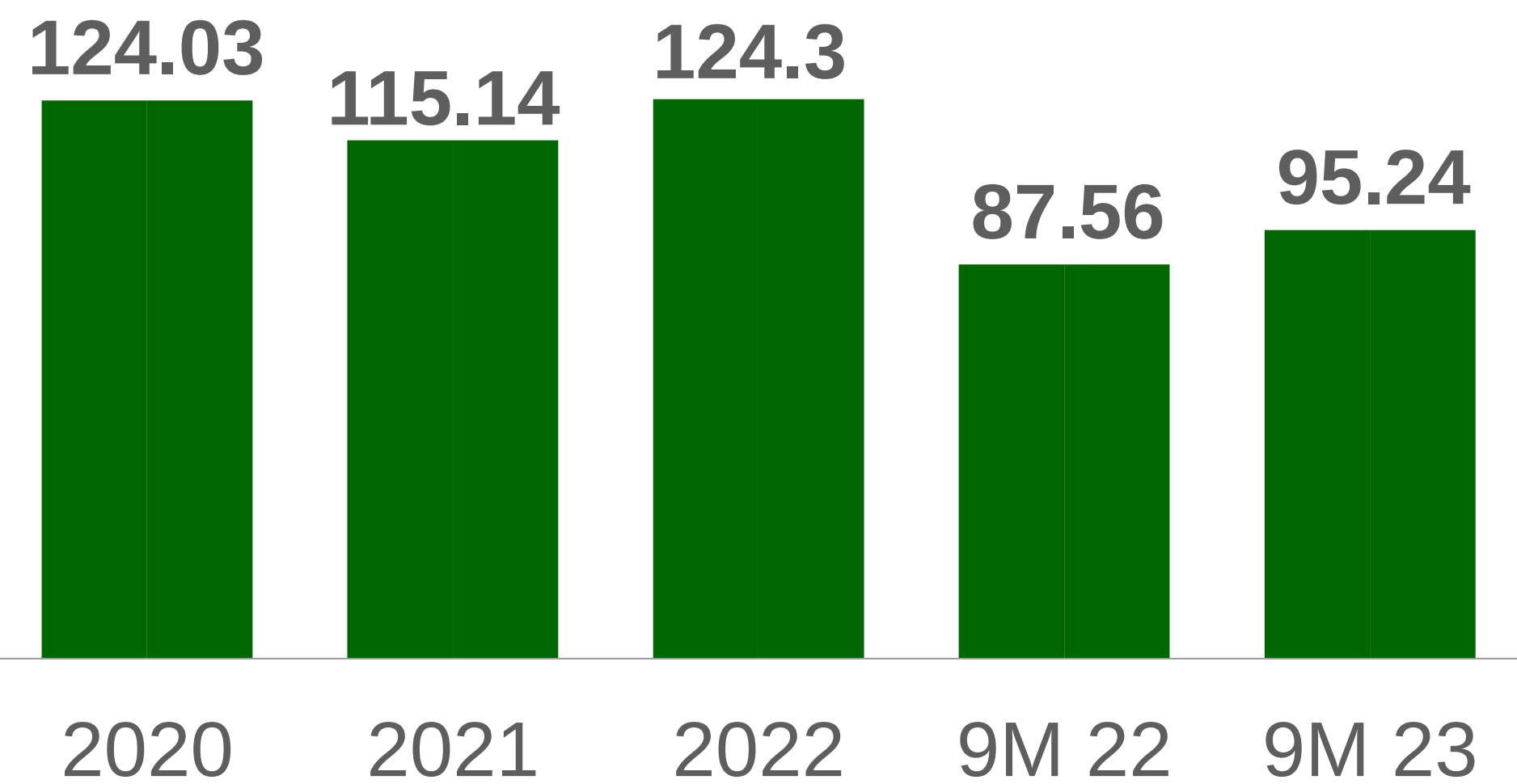
ANNEX

ANNEX

Financial Performance 9M23 – PGOLD Only



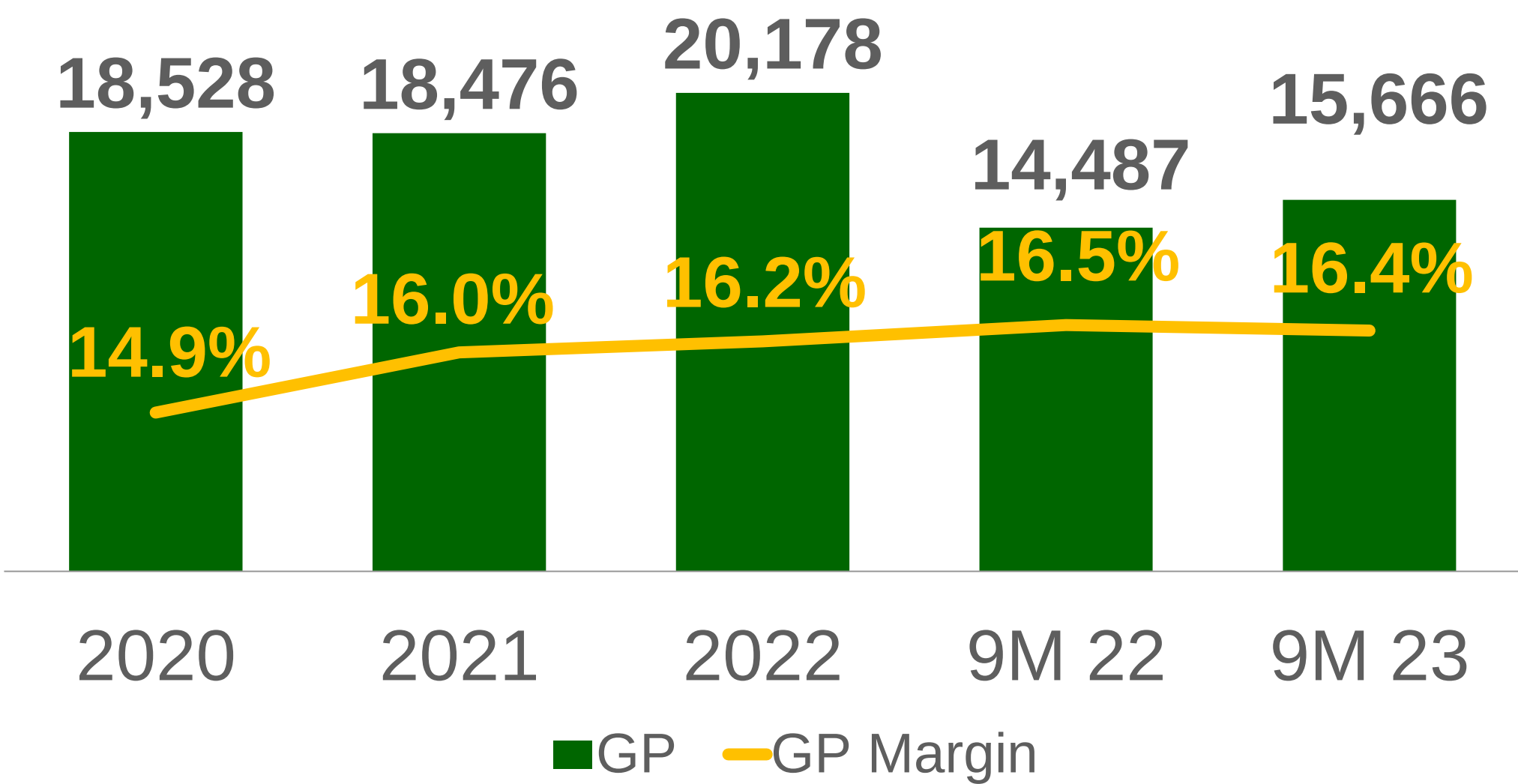
NET SALES (in PHP Billions)



 3YCAGR 0.1%

 8.8%

GROSS PROFIT & MARGIN (in PHP Billions)



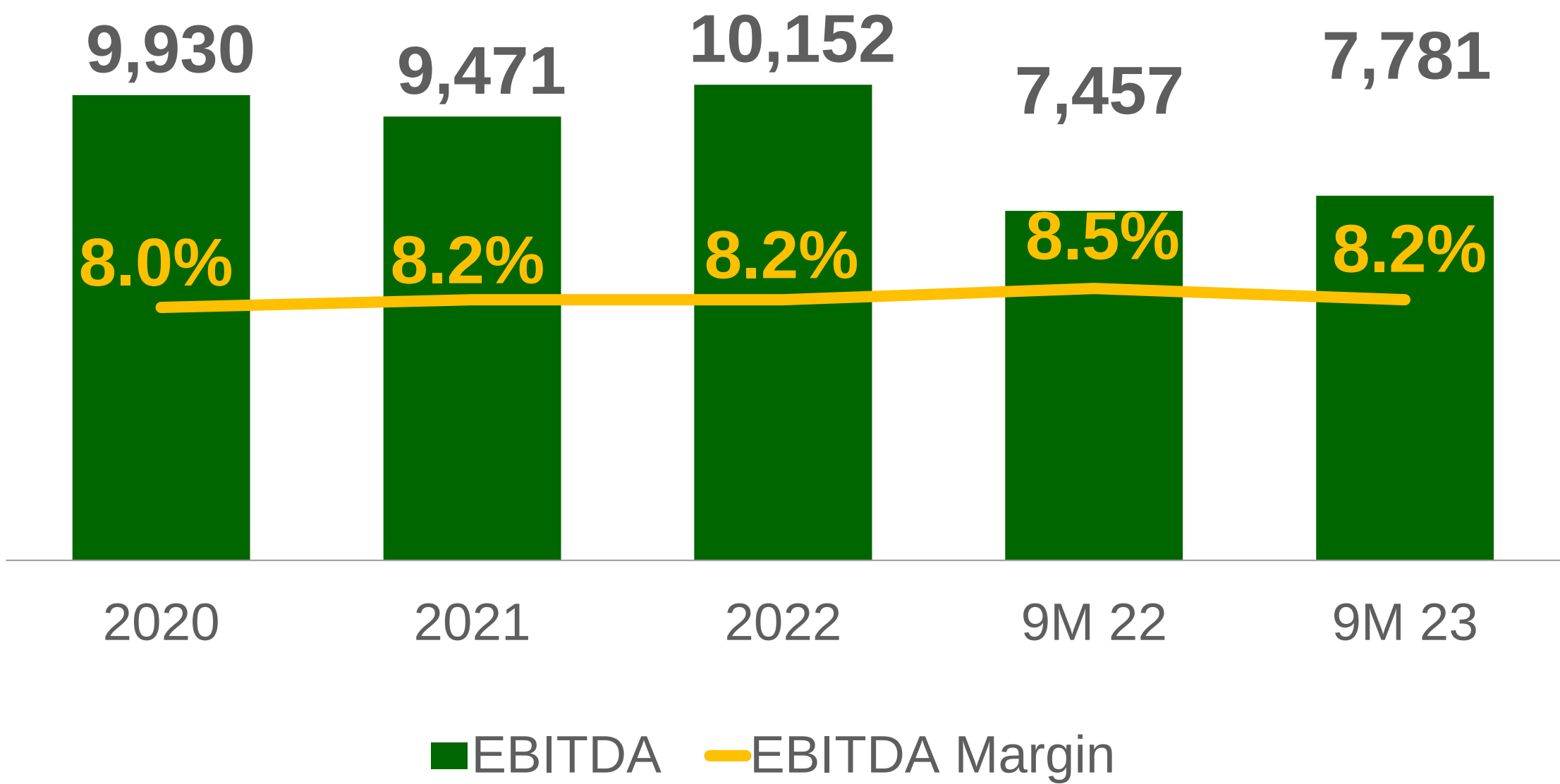
 3YCAGR 4.4%

 8.1%

Financial Performance 9M23 – PGOLD Only

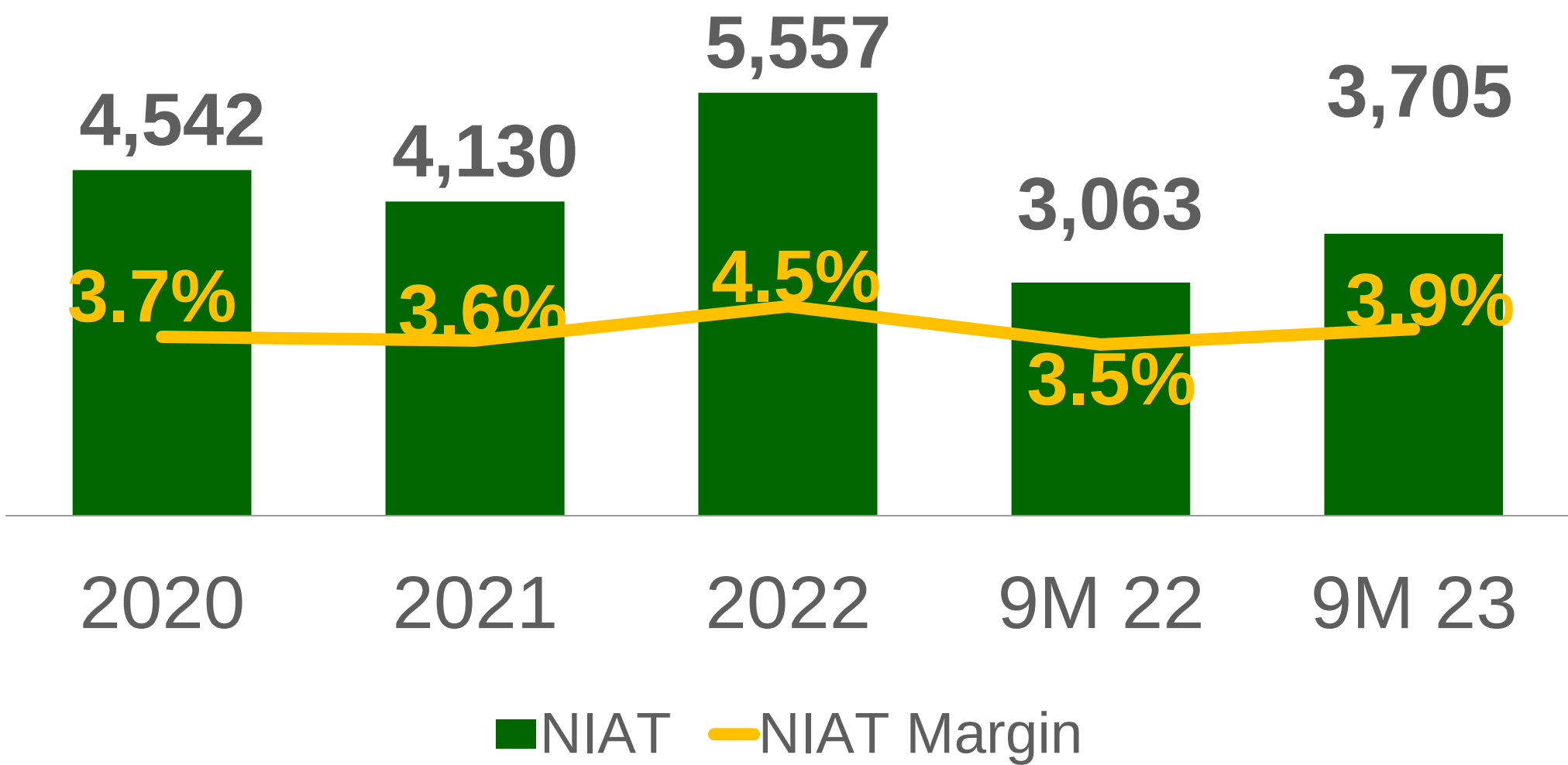


EBITDA & MARGIN (in PHP millions)



▲ 3YCAGR 1.1% ▲ 4.3%

NET INCOME & MARGIN (in PHP Millions)

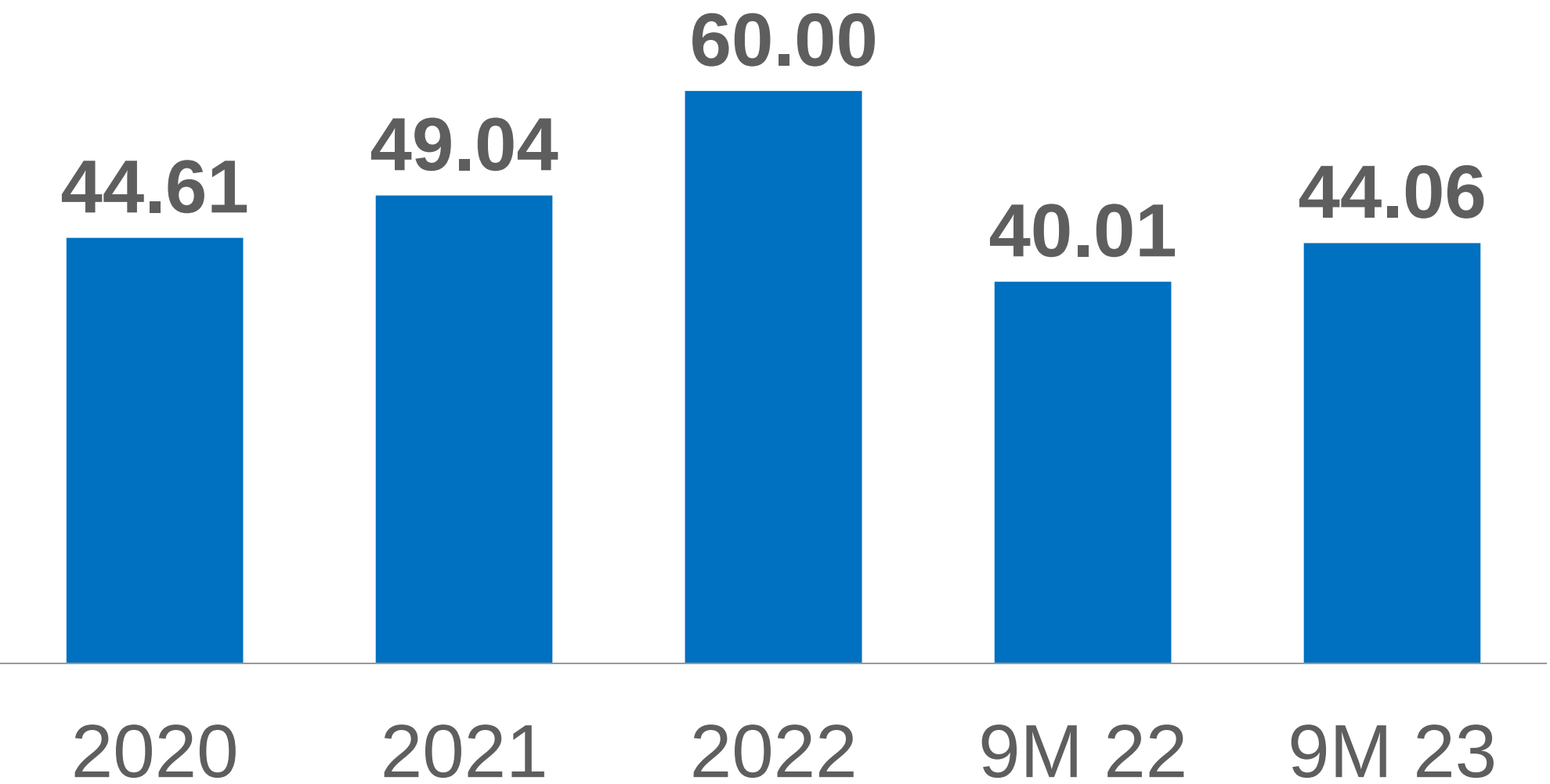


▲ 3YCAGR 10.6% ▲ 21%

Financial Performance 9M23 – S&R Only

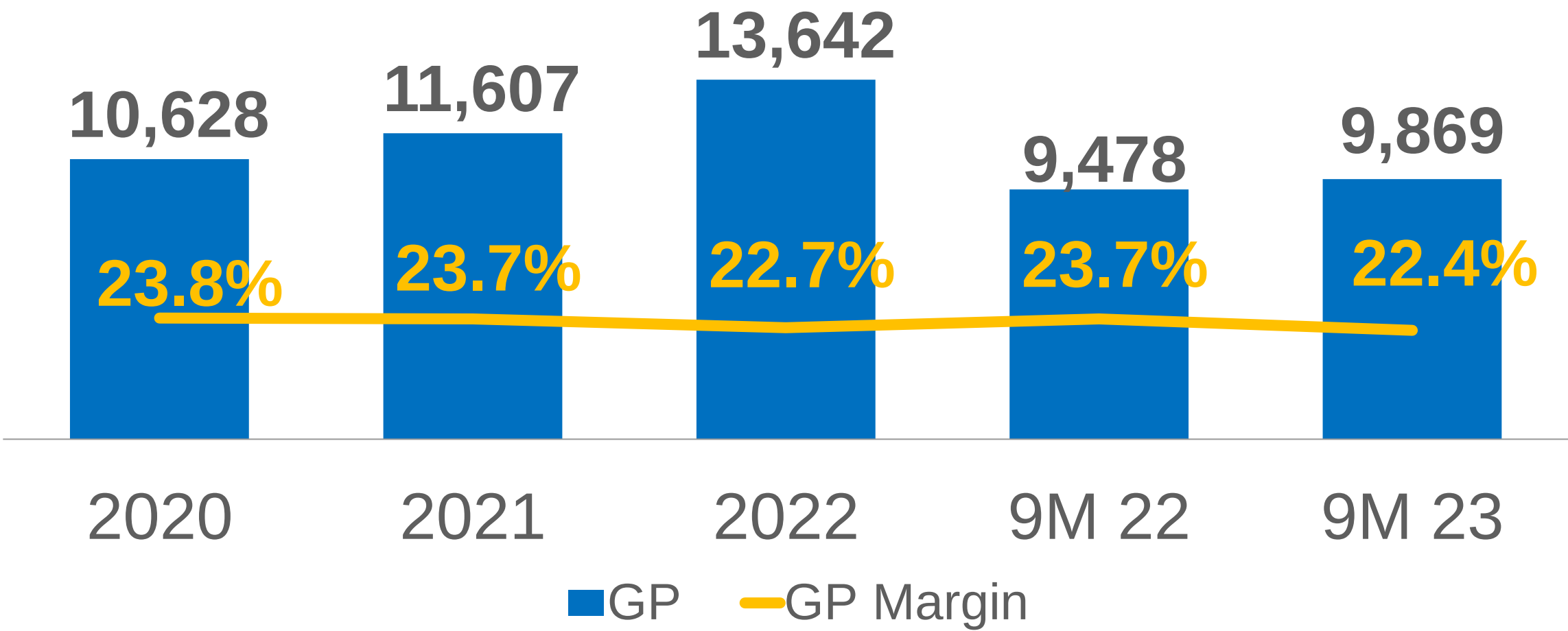


NET SALES (in PHP Billions)



 3YCAGR 16.0%  10.1%

GROSS PROFIT & MARGIN (in PHP Billions)

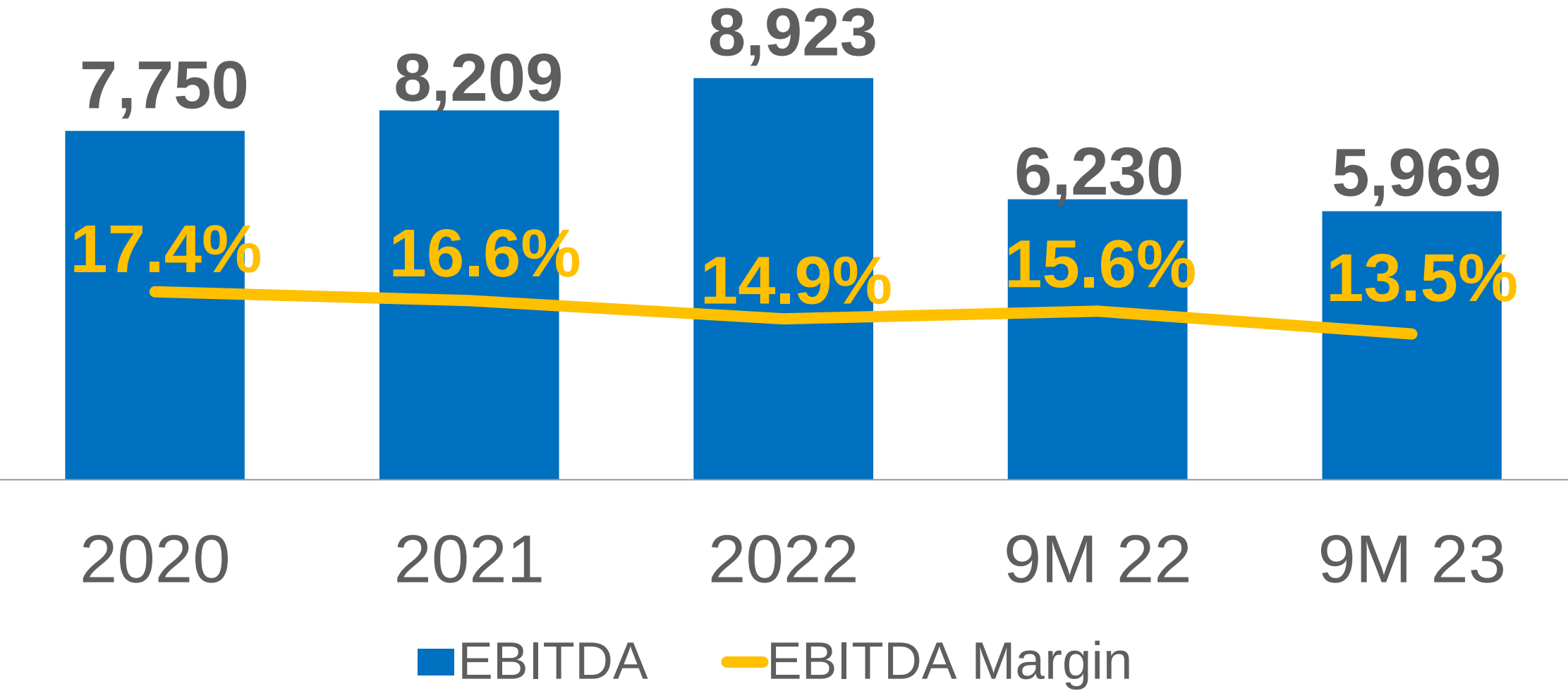


 3YCAGR 13.3%  4.1%

Financial Performance 9M23 – S&R Only



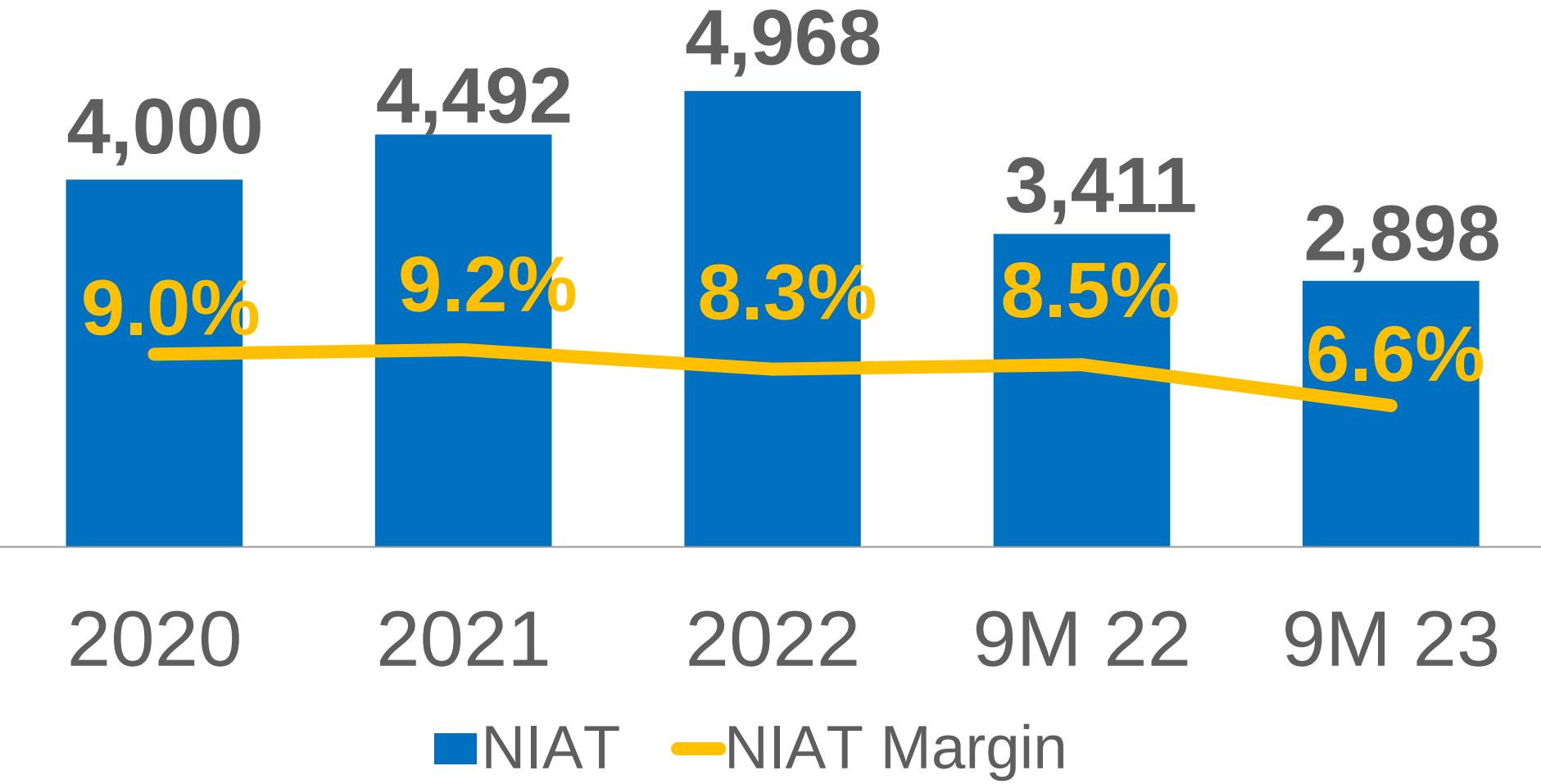
EBITDA & MARGIN (in PHP millions)



▲ 3YCAGR 7.3%

▼ -4.2%

NET INCOME & MARGIN (in PHP Millions)



▲ 3YCAGR 11.4%

▼ -15.0%

Financial Performance – 9M 2023



	SEP 2023	SEP 2022	DEC 2022
Trade Receivables Days	3.2	2.2	3.6
Inventory Days	69	69	60.0
Trade Payables Days	30	20.1	30.9
Cash Conversion Cycle	42.1	51.1	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)

Shopper Trends 2023



Timely and complete fulfillment



Emphasis on value



Strength of traditional channels



More “in-person”



Preference for impactful promotions



In-store Brand Refresh



Modern & dynamic
Visuals

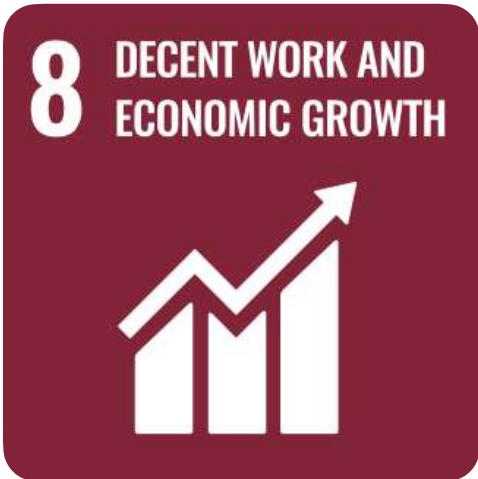


Strengthening local appeal



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

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



ENVIRONMENT PERFORMANCE



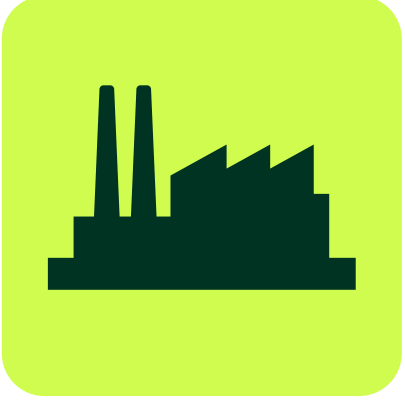
3% Clean electricity used



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

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

