

COVER SHEET

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SEC Registration Number

PUREGOLD PRICE CLUB, INC.

(Company's Full Name)

NO. 900 ROMUALDEZ ST., PACO, MANILA

(Business Address: No. Street City/Town/Province)

CANDY H. DACANAY-DATUON

(Contact Person)

(632) 8522-8801 to 04

(Company Telephone Number)

1 2

Month

3 1

Day

SEC FORM 17-C

(Form Type)

0 5

Month

1 0

Day

(Secondary License Type, If Applicable)

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowing

Domestic

Foreign

SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS



May 6, 2022

Securities and Exchange Commission

PICC Complex, Roxas Boulevard, Pasay City

Attention: Mr. Vicente Graciano P. Felizmenio, Jr.
Director, Markets and Securities and Regulation Department

Philippine Stocks Exchange

6/F, PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: Ms. Alex D. Tom Wong
OIC, Disclosure Department

Re: Result of Puregold Board Meeting dated May 6, 2022

Gentlemen:

The Board of Directors of Puregold Price Club, Inc., at its regular meeting held today, approved the following:

- (1) 1st Quarter Financial Performance for the year 2022.
- (2) Acquisition of Melilla Management Corporation.
- (3) Promotion of Mr. Antonio Delos Santos and Mr. Joseph Sy as Vice – President for Operations and Ms. Elvira D. Gutierrez as Vice – President for Human Resources and Organizational Development.

Please see attached SEC 17-C report of the company.

Thank you.

Very truly yours,

CANDY H. DACANAY – DATUON
Assistant Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES
REGULATIONS CODE AND SRC RULE 17.2 (C) THEREUNDER

Date of Report	May 6, 2022
SEC Identification Number	A199813754
BIR Tax Identification Number	201-277-095
Name of Issuer as specified in its charter	Puregold Price Club, Inc.
Address of principal office and postal code	No. 900 Romualdez St., Paco, Manila, 1007
Industry Classification Code	
Issuer's Telephone Number	(632) 522-8801
Former Name	None
Securities registered pursuant to Section 8 and 12 of the SRC or Sections 4 and 8 of the RSA	Number of Common Shares – 2,881,637,615 Treasury Shares – 22,576,471
Indicate the item numbers reported therein	Other Matters/Event

Other Matters:

The Board of Directors of Puregold Price Club, Inc., in its regular meeting held today, approved the following items:

(1) 1st Quarter Financial Performance of the Company for the year 2022

For the period ended March 31, 2022, the Group earned a consolidated net income of P2,151 million at 5.6% net margin and an increase of 6.5% from P2,020 million at 5.4% net margin in the same period of 2021. This was principally driven by the continuous organic expansion of the Group's grocery retail outlets, strategic cost management and sustained strong consumer demand.

The Group's comparative financial performance is presented below:

For the Three-month Periods					
Ended March 31					
<i>(In millions)</i>	2022		2021		
		% to Sales		% to Sales	% Change
Net Sales	P38,507	100.0%	P37,729	100.0%	2.1%
Cost of Sales	30,809	80.0%	30,519	80.9%	1.0%
Gross Profit	7,698	20.0%	7,210	19.1%	6.8%
Other Operating Income	707	1.8%	810	2.1%	-12.8%
Gross Income	8,405	21.8%	8,020	21.3%	4.8%
Operating Expenses	4,954	12.9%	4,714	12.5%	5.1%
Operating Income	3,451	9.0%	3,306	8.8%	4.4%
Other expenses – net	(608)	-1.6%	(639)	-1.7%	-4.7%
Net Income before tax	2,843	7.4%	2,668	7.1%	6.6%
Income tax expense	692	1.8%	647	1.7%	6.9%
Net Income after tax	P2,151	5.6%	P2,020	5.4%	6.5%

Net Sales

For the period ended March 31, 2022, the Group posted a consolidated net sales of P38,507 million for an increase of P778 million or 2.1% compared to P37,729 million in the same period of 2021. Net sales slightly grew due to sales contribution from full operation of 2021 new stores and revenue from 2022 newly opened stores of both Puregold and S&R.

Like for like sales performance indicators for the period ended March 31 are as follows:

	PGOLD		S&R	
	2022	2021	2022	2021
Net Sales	-4.5%	-15.2%	-1.3%	8.8%
Net Ticket	-7.1%	35.5%	8.0%	3.6%
Traffic	2.8%	-37.4%	-8.7%	5.1%

Gross Profit

For the period ended March 31, 2022, the Group realized an increase of 6.8% in consolidated gross profit from P7,210 million in 2021 at 19.1% margin to P7,698 million at 20.0% margin in the same period of 2022, driven by strong and continuing suppliers' support through additional trade discounts in the form of rebates and conditional discounts granted during the period.

Other Operating Income

Other operating income decreased by P103 million or 12.8% from P810 million in the three months of 2021 to P707 million in the same period of 2022. This is attributable to decline in concession income due to lower concession sales during the period.

Gross Operating Income

Gross operating income for the first quarter of 2022 amounted to P8,405 million at a gross operating margin of 21.8% and an increase of P385 million or 4.8% from P8,020 million at 21.3% margin in the same period of 2021.

Operating Expenses

Operating expenses increased by P240 million or 5.1% from P4,714 million in the three-month period ended March 31, 2021 to P4,954 million in the same period of 2022. Increase in the account is primarily due to full operation of 2021 new stores and expenses from the 2022 newly opened stores, specifically utilities, supplies, transportation and advertising expenses.

Other Expense - net

Other expenses net of other income amounted to P608 million and P639 million for the three-month periods ended March 31, 2022 and 2021, respectively. This is primarily due to increase on accretion of interest on leased assets in compliance with *PFRS 16 – Leases*.

Net Income

For the period ended March 31, 2022, the Group earned a consolidated net income of P2,151 million at 5.6% net margin and an increase of 6.5% from P2,020 million at 5.4% net margin in the same period of 2021. This was principally driven by the continuous organic expansion of the Group's grocery retail outlets, strategic cost management and sustained strong consumer demand.

(2) Acquisition of Melilla Management Corporation

Puregold will purchase 100% of the shares of Melilla Management Corporation. Melilla Management Corporation is a holder of seven leasehold rights in several locations in the Province of Cebu. These properties were initially used in operating supermarkets. Thus, these properties are to be future sites for Puregold.

The consideration for the acquisition of Melilla Management is below 10% of the Company's total book value.

The Company will disclose further details when the parties have already signed the transaction documents.

(3) Promotion of Officers

Mr. Antonio Delos Santos and Mr. Joseph Sy were promoted as Vice-President for Operations, and Ms. Elvira D. Gutierrez as Vice-President for Human Resources and Organizational Development.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PUREGOLD PRICE CLUB, INC.



CANDY H. DACANAY - DATUON

Assistant Corporate Secretary & Compliance Officer