COVER SHEET

A199813754

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)

12 31

Month **Day**

SEC FORM 17-C

(Form Type)

05 10

Month **Day**

(Secondary License Type, If Applicable)

Dept. Requiring this Doc

Amended Articles Number/Section

Total Amount of Borrowing

Total No. of Stockholders

Domestic

Foreign

SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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	August 17, 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 – 2,881,137,615 Treasury Shares 23,079,471
Indicate the item numbers reported therein	Other Matters/Event

Other Matters:

Please refer to the attached Puregold Price Club, Inc.'s 1H 2022 Investor Presentation Materials.

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

PUREGOLD

1H22 Results & Performance

PUREGOLD PRICE CLUB, INC.

Company Presentation

August 2022

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HEAD OFFICE ADDRESS

Puregold Price Club, Inc.
2nd floor, Tabacalera Building, 900 Romualdez Street, Paco,
Manila, 1007 Philippines

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.

1H22 Results Highlights

	CONSO REVENUE	GROSS PROFIT MARGIN %	EBITDA MARGIN %	NIAT
1H22	Php 82.24 bn	19.10%	11%	Php 4.2 bn
YoY	7.9%	+32 bps	-7 bps	5.4%

PUREGOLD **+3.7%**

S&R **+18.9%**

REVENUE YTD

PUREGOLD **-2.6%**

S&R **+13.7%**

NET INCOME YTD

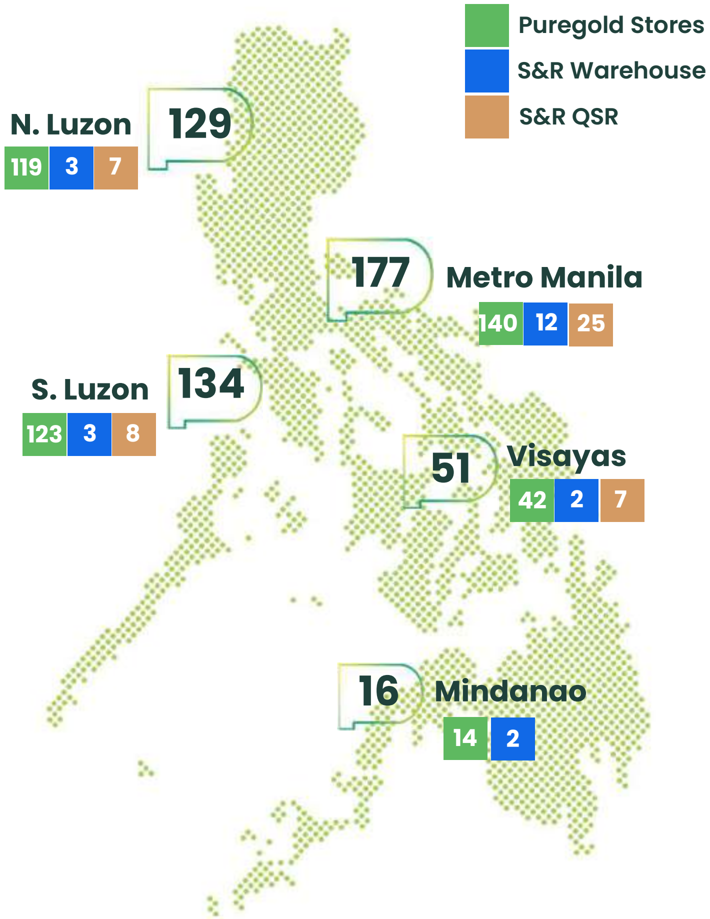
Macro Highlights In 2022

- Resilient mid-C, D and E markets.
- Sustained strength from A, B and upper C markets.
- Greater mobility in 2Q22.
- Construction & Manufacturing led in jobs.
- Phil Mfg. PMI still in expansion.
- Peso weakest among peers and will still see pressure
- BPO revenues, exports and remittances partially offset impact of weaker Peso.
- Business name registrations increased with 305k/ 574k as new business registrations in July 2022.
- Persistence of high inflation. Loss of purchasing power.

- Inflation may show signs of cooling. But sticky.
- Logistic bottlenecks linger.
- High geopolitical uncertainties persist.
- Recession (ongoing?)

Store Portfolio 1H22

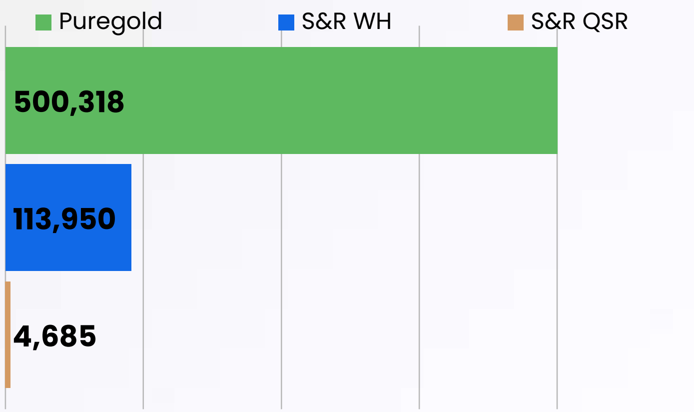
GEOGRAPHIC COVERAGE



KEY STATICS

TOTAL NUMBER OF STORES	507
NO. OF STORES PER FORMAT	271 hypermarkets 100 supermarkets 67 extras 22 S&Rs 47 S&R QSR

NET SELLING AREAS (in sqm)



NEW STORES 1H22

9 New Stores

Puregold - La Paz	NW Luzon
Puregold - Eastland Cogeo	Rizal
Puregold - Allacapan	NE Luzon
Puregold - Teresa	Rizal
Puregold - Nitang	Quezon City
Puregold - Talisay	S Luzon
Puregold - Bocaue	Bulacan
Puregold - Ormoc	E. Visayas
Puregold - Sariaya	S Luzon

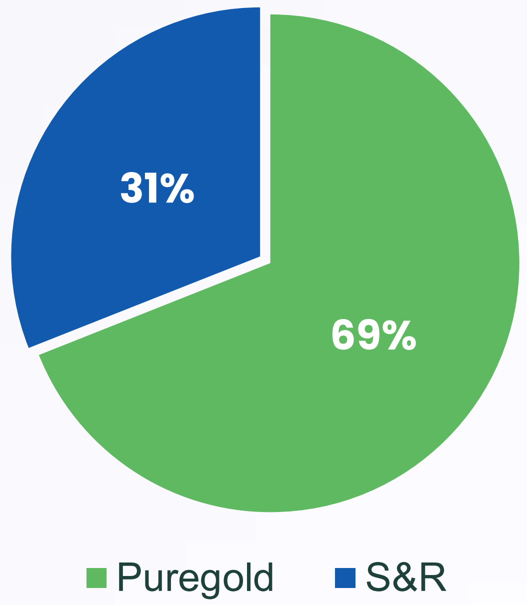
OPERATING PERFORMANCE

TRAFFIC (in Millions)	PUREGOLD	S&R
1H22	59	5.2
AVE. TICKET (in PHP)	**PUREGOLD**	**S&R**
1H22	961	4,833

Operating Performance 1H22

	PUREGOLD	S&R Membership Shopping
Gross Profit (PHP million) & Margin (%)	9,588 (16.8%)	6,087 (24.2%)
Total Traffic (Million)	59.4	5.2
Average Net Ticket (PHP)	961	4,833
Net Sales Growth (%)	3.7%	11.4%
Traffic Growth (%)	10.4%	3.5%
Average Net Ticket Growth (%)	-6.0%	7.6%
Same Store Net Sales Growth (%)	0.6%	3.8%
Same Store Net Traffic Growth (%)	6.8%	-4.1%
Same Store Ave. Net Ticket Growth (%)	-5.8%	8.2%

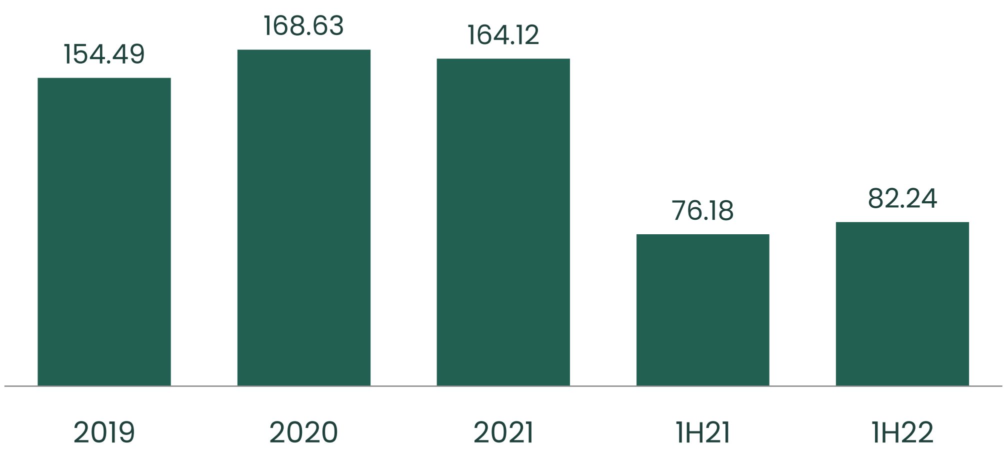
REVENUE CONTRIBUTION



Financial Performance 1H22

CONSO 1H22

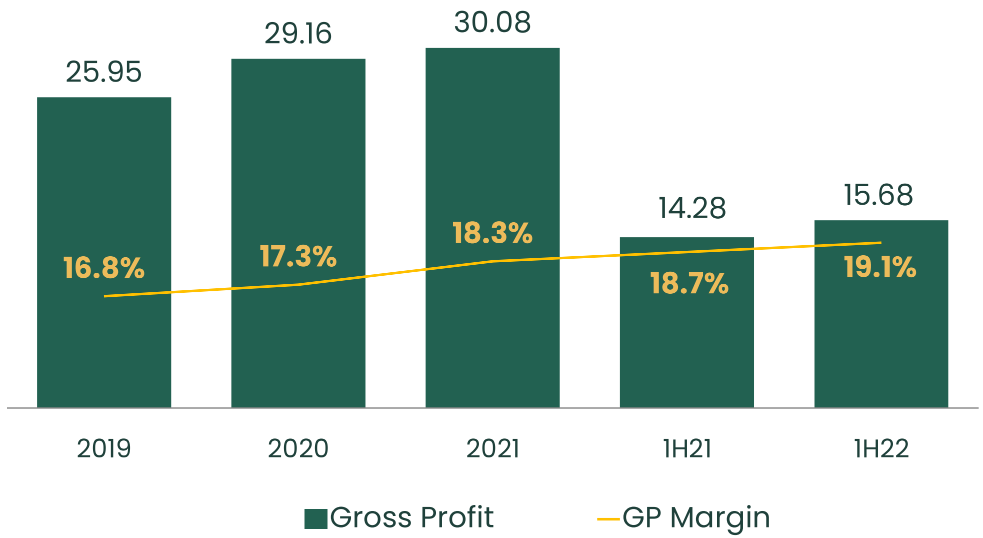
NET SALES (in PHP Billions)



3YCAGR 3.1%

7.9%

GROSS PROFIT & MARGIN (in PHP Billions)



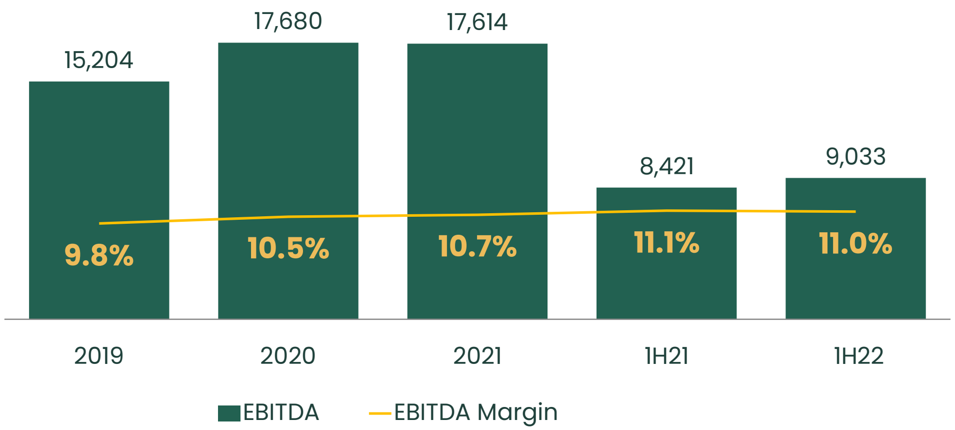
3YCAGR 7.7%

9.8%

Financial Performance 1H22

CONSO 1H22

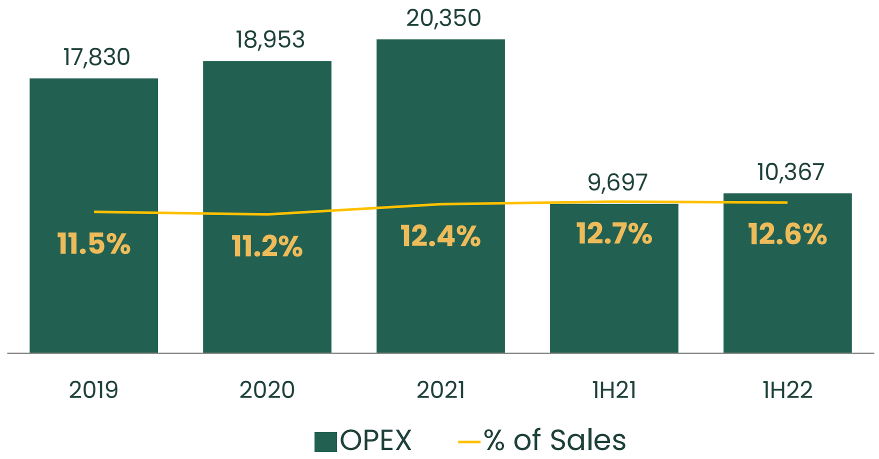
EBITDA & MARGIN (in PHP Millions)



3YCAGR 7.6%

7.3%

OPERATING EXPENSES (in PHP Millions)



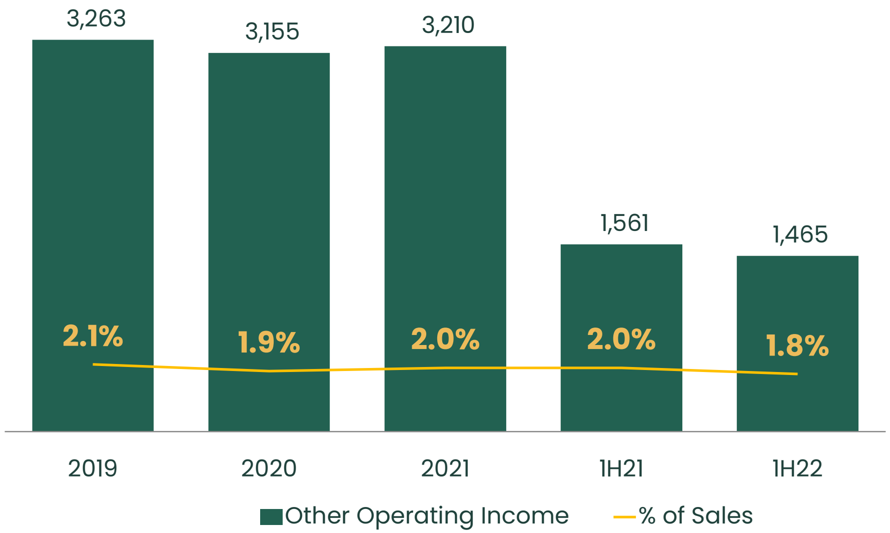
3YCAGR 6.8%

6.9%

Financial Performance 1H22

CONSO 1H22

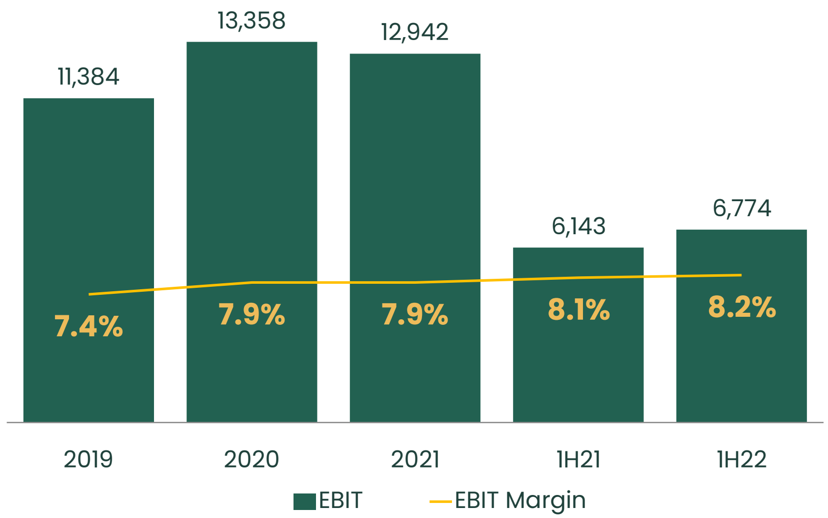
OTHER OPERATING INCOME (in PHP Millions)



3YCAGR -0.8%

-6.2%

OPERATING INCOME/EBIT & MARGINS (in PHP Millions)

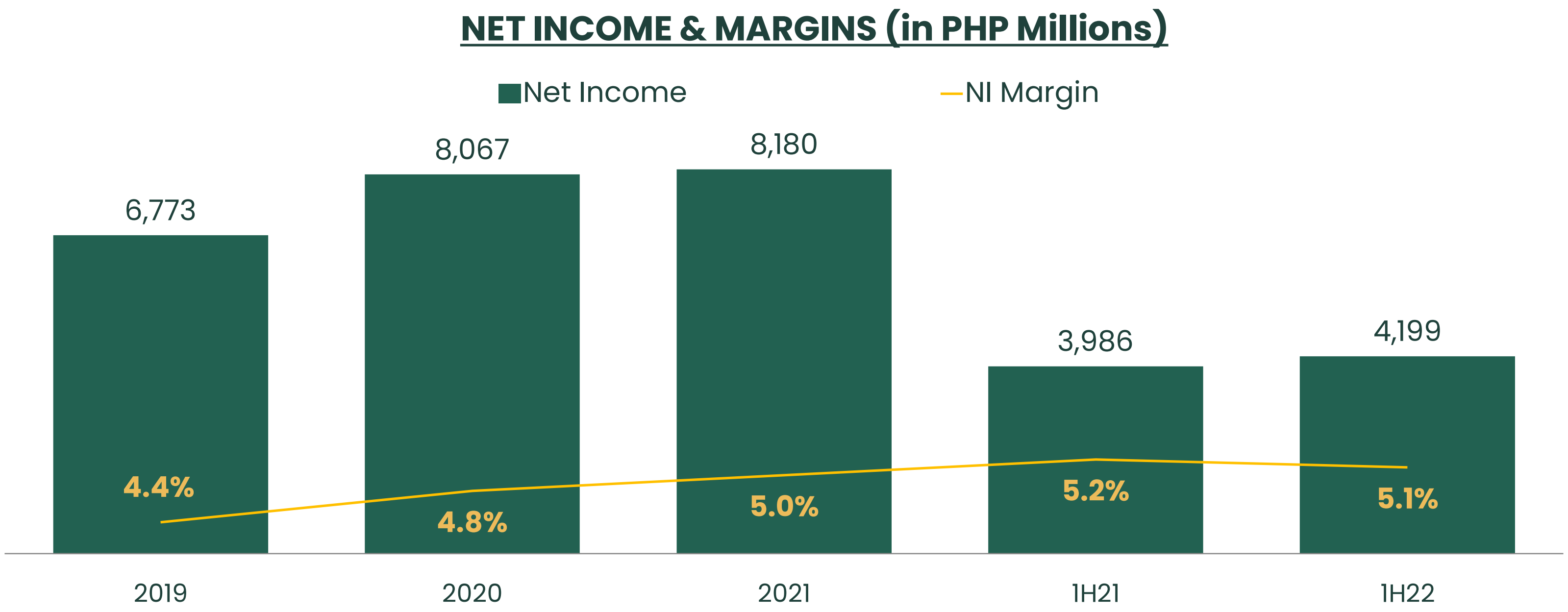


3YCAGR 6.6%

+10.3%

Financial Performance 1H22

CONSO 1H22

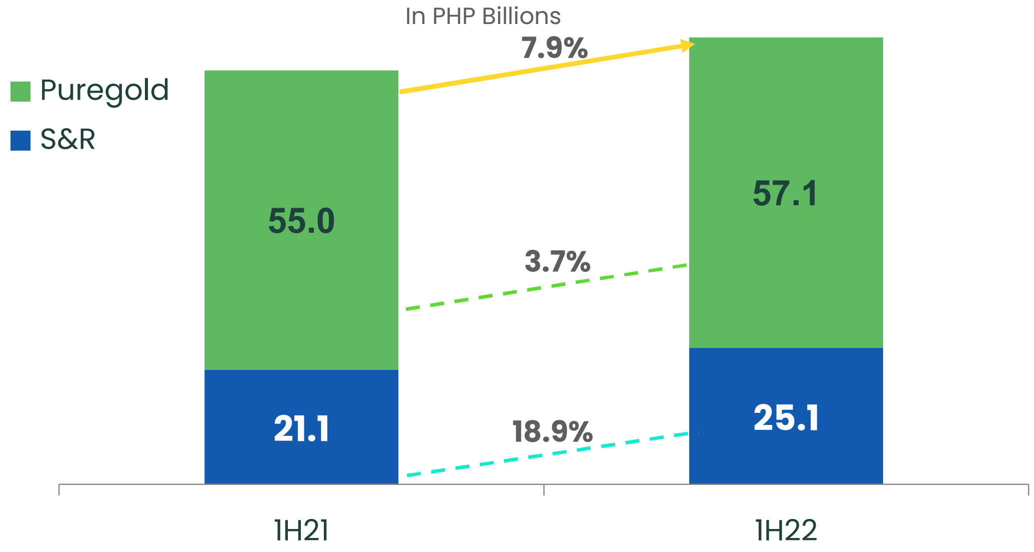


3YCAGR 9.9%

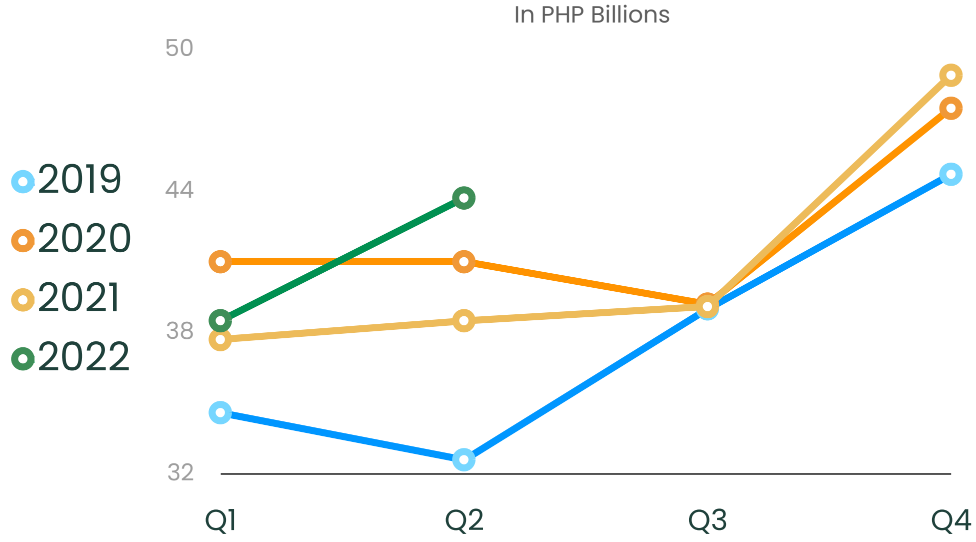
5.4%

Net Sales Breakdown

NET SALES BREAKDOWN



QTR NET SALES TREND



	1H21		1H22	
	TRAFFIC	TICKET	TRAFFIC	TICKET
Puregold	53,816	1,023	59,401	961
S&R WH	5,062	4,492	5,241	4,833

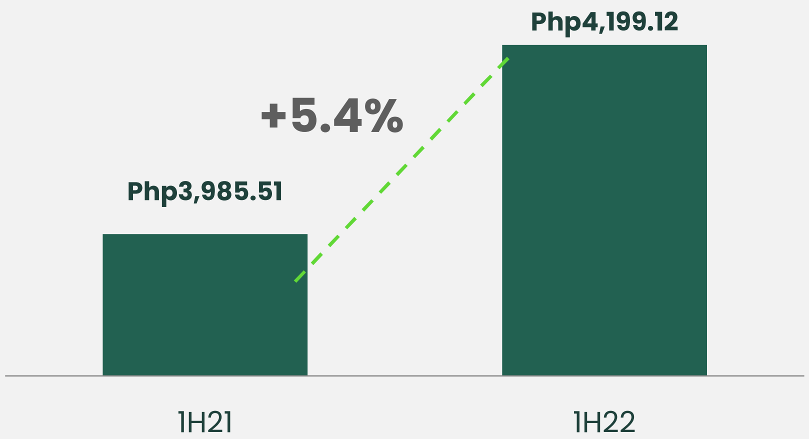
Steep trajectory from Q1 to Q2 as economy opened up more. Stark contrast in activity bet the two quarters.

1H YoY major contributors are bigger ticket size in S&R WHs and higher traffic in Puregold stores slightly offset by decrease in ticket size in Puregold stores.

Profitability

NET INCOME AFTER TAX

In PHP Millions



	1H21	1H22	CHANGE	
GPM (GROSS PROFIT MARGIN)	18.74%	19.06%	+32bps	Strong continuing supplier support generated by numerous in-store events. Buffers and protection orders helped lift margins
EBITDAM (EBITDA MARGIN)	11.05%	10.98%	-7bps	Due to higher cash opex and less concession income buffered by better overall earnings. Opex higher as business activities rose.
NET MARGIN	5.23%	5.11%	-13bps	Largely sustained despite higher costs to sales this year. More favorable tax adjustments in 2021.

1H22 GPMs while higher YoY, is lower QoQ in 2Q22 due to pricing strategy aligned with our Pillars of Growth.

1H22 growth of +5.4% in NIAT mainly driven by opening of the economy, eased restrictions and better mobility but partially offset by higher expenses and higher effective tax rate. However, 1H22 Net income before taxes is up +11.8% YoY and in the 2Q22 alone up +17.8% YoY.

Shopper Trends 2022

Sari-sari Stores are thriving

Pre-pandemic
key categories rebound
(work & school)

Pantry stocking normalizing

Importance of
AFFORDABILITY
across all segments

Increasing foot traffic

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 accounts from 220K to 280K
- ECommerce - "Sally", Aling Puring App & Aggregators
- Out-of-store chassis (Rolling Store, Caravan, APARs)

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 from 92% to 95% next day delivery

TNAP Negosyo Convention 2022

Out of Store Chassis

Puregold APARs


Puregold Rolling Stores

Puregold Caravan


e-Commerce

Experience Pure Shopping Power with Puregold Mobile app!

Major Services: In-store Pick up / Delivery / Express Delivery (2-hour) / P-Wallet / Bills Pay / Buy Load / Pure Treats (vouchers) / Donation Drive

App Features: Sally's Chatbot / Suggested Items / Inbox Message / PERKS & TNAP Points / Shoppable Recipes

Exclusive Promo Offers: Sally's Chatbot / Suggested Items / Inbox Message / PERKS & TNAP Points / Shoppable Recipes

The Aling Puring app transforms sari-sari stores to e-business hubs!

The app allows Tindahan Ni Aling Puring members access to e-commerce opportunities with products such as mobile load, bills payment and cash-in for digital wallets. It also has a direct access to Puregold Mobile app for easy re-ordering or stock replenishment.

Major Services: Load To All Networks / Cash In Services For Digital Wallets / Bills Pay To Various Merchants / Direct Access to Puregold Mobile

Puregold x 917ventures - PureGo

The partnership leverages on the technology expertise of Globe and Puregold's retail foot print. The app covers NCR and major cities in Visayas and Mindanao.

App Features: Integrated Customer Function, Exclusive Promotions, Engaging Retention Plays, Wide Assortment, Tech Driven Fulfillment

Social Media & Retailtainment

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.

Digital Foot Print

3M Followers

150K Followers

122K Subscribers

32K Followers

Management Guidance 2022

Consolidated Revenue Growth
7% to 9% target

Gross Profit Margin
Puregold Stores: 15% to 16% target
S&R WH: 22% to 22.50% target

CAPEX Guidance for FY 2022

CAPEX Budget of Php 5.8 billion in 2022

Php 2 billion for 35 new Puregold Stores

Php 2.8 billion for 3 S&R stores + 5 S&R QSR

Php 1 billion for maintenance capex, solar projects and IT upgrades

Q&A

PUREGOLD PRICE CLUB, INC.

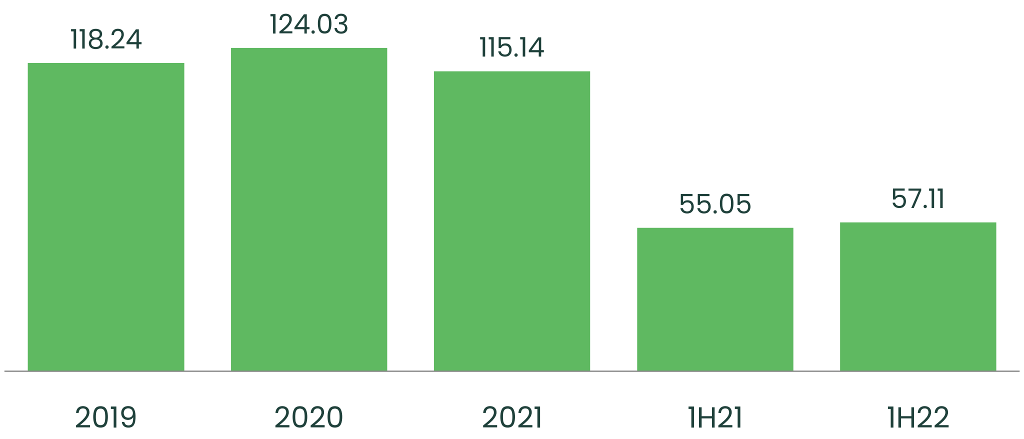
Company Presentation

Annex

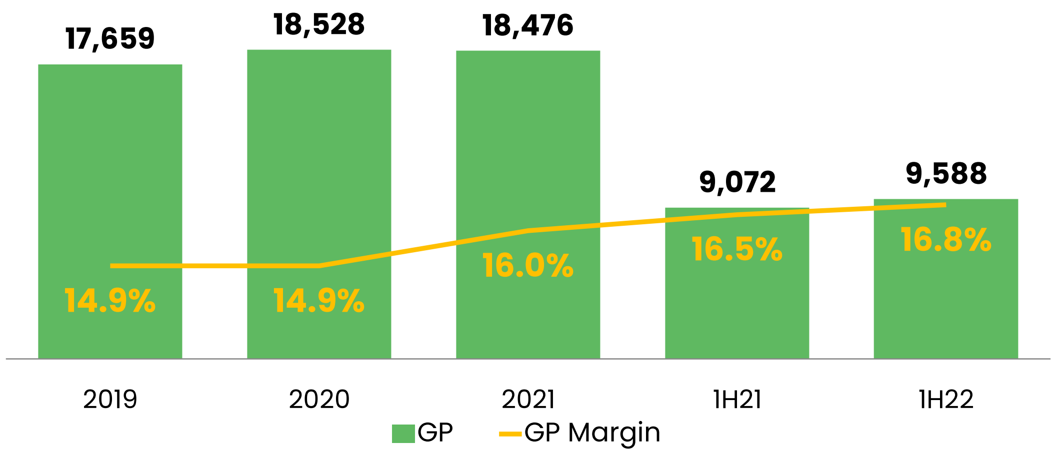
Financial Performance 1H22

PUREGOLD ONLY 1H22

NET SALES (in PHP Billions)



GROSS PROFIT & MARGIN (in PHP Millions)



3YCAGR -1.3%

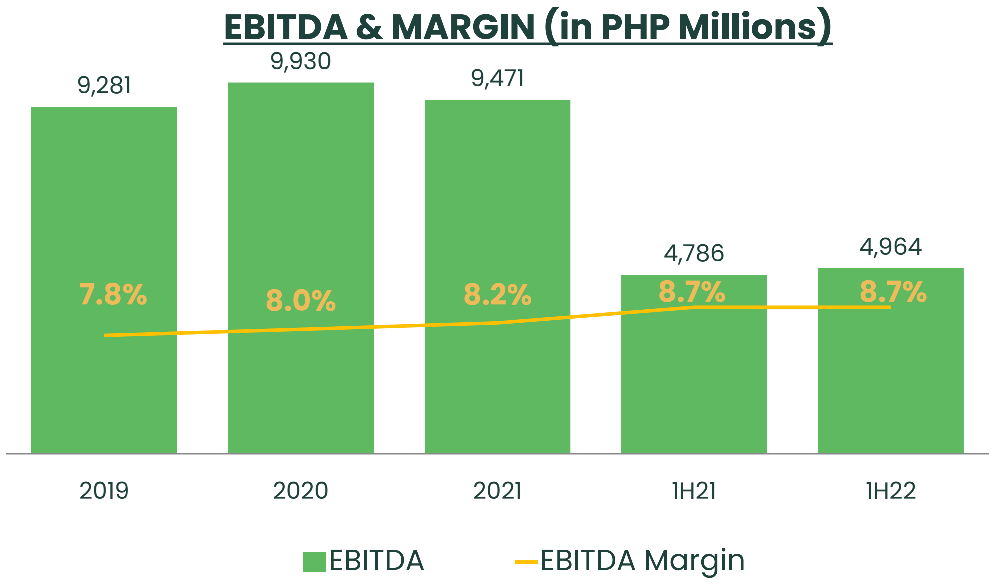
3.7%

3YCAGR 2.3%

5.7%

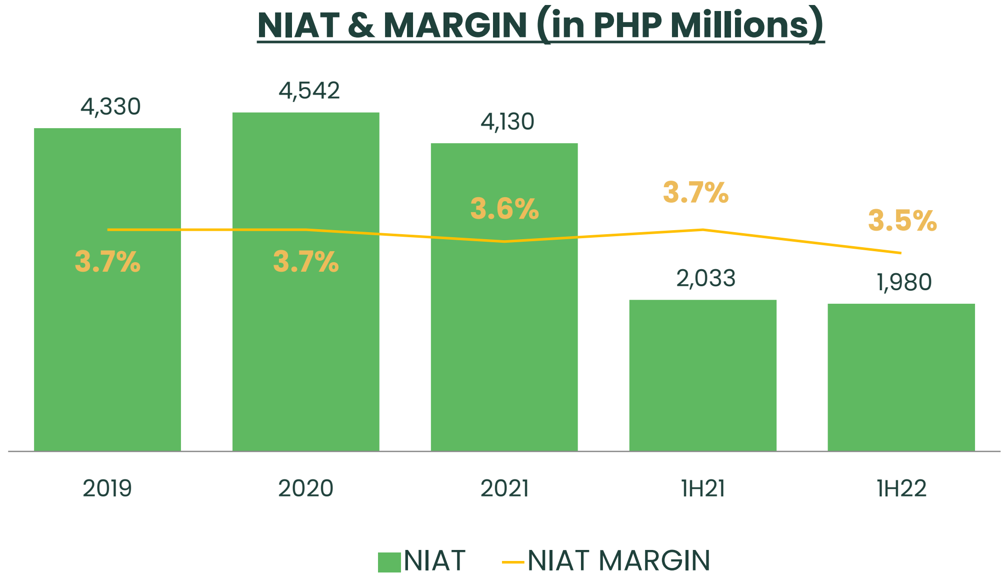
Financial Performance 1H22

PUREGOLD ONLY 1H22



3YCAGR 1.0%

3.7%



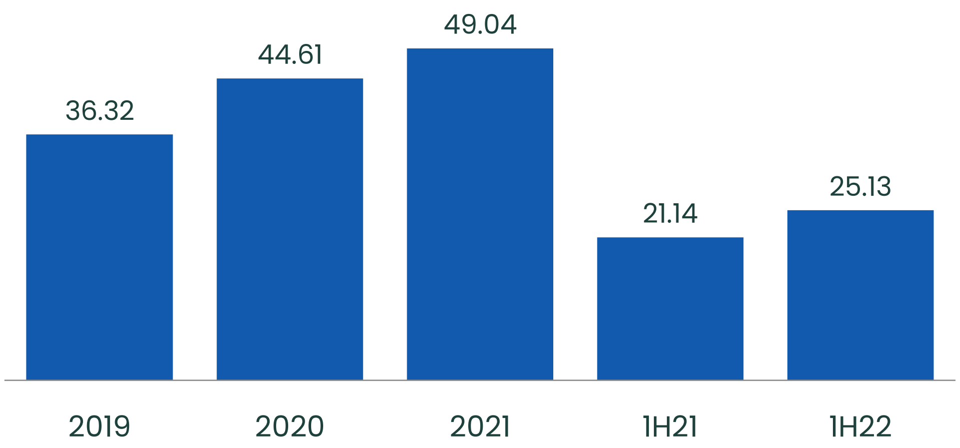
3YCAGR -2.3%

-2.6%

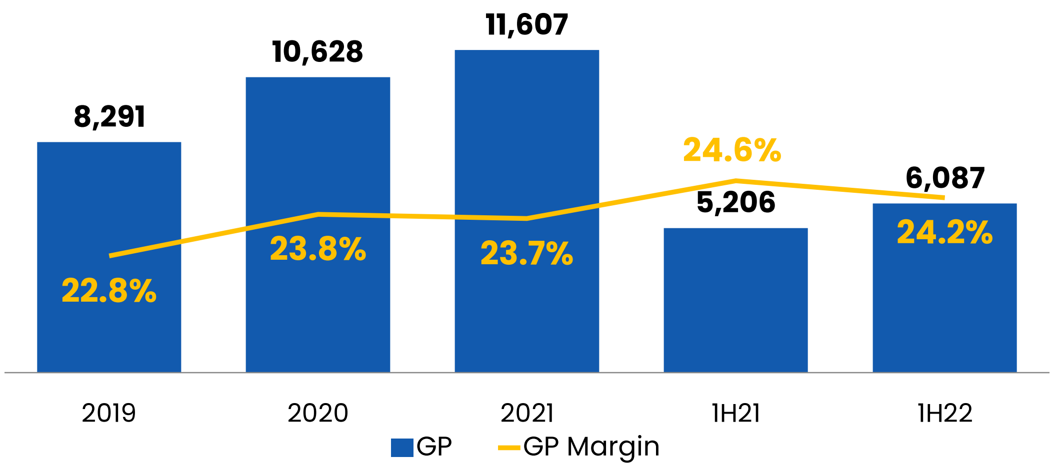
Financial Performance 1H22

S&R ONLY 1H22

NET SALES (in PHP Billions)



GROSS PROFIT & MARGIN (in PHP Millions)



3YCAGR 16.2%

18.9%

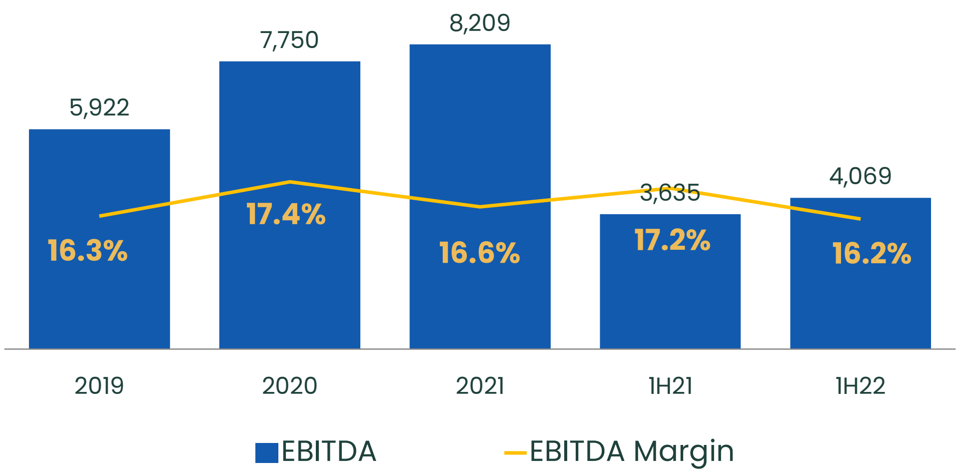
3YCAGR 18.3%

16.9%

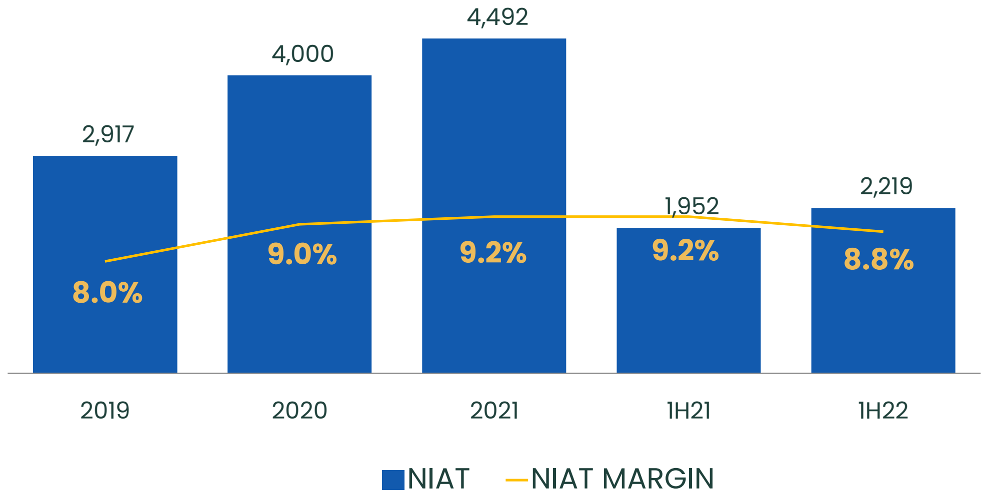
Financial Performance 1H22

S&R ONLY 1H22

EBITDA & MARGIN (in PHP Millions)



NIAT & MARGIN (in PHP Millions)



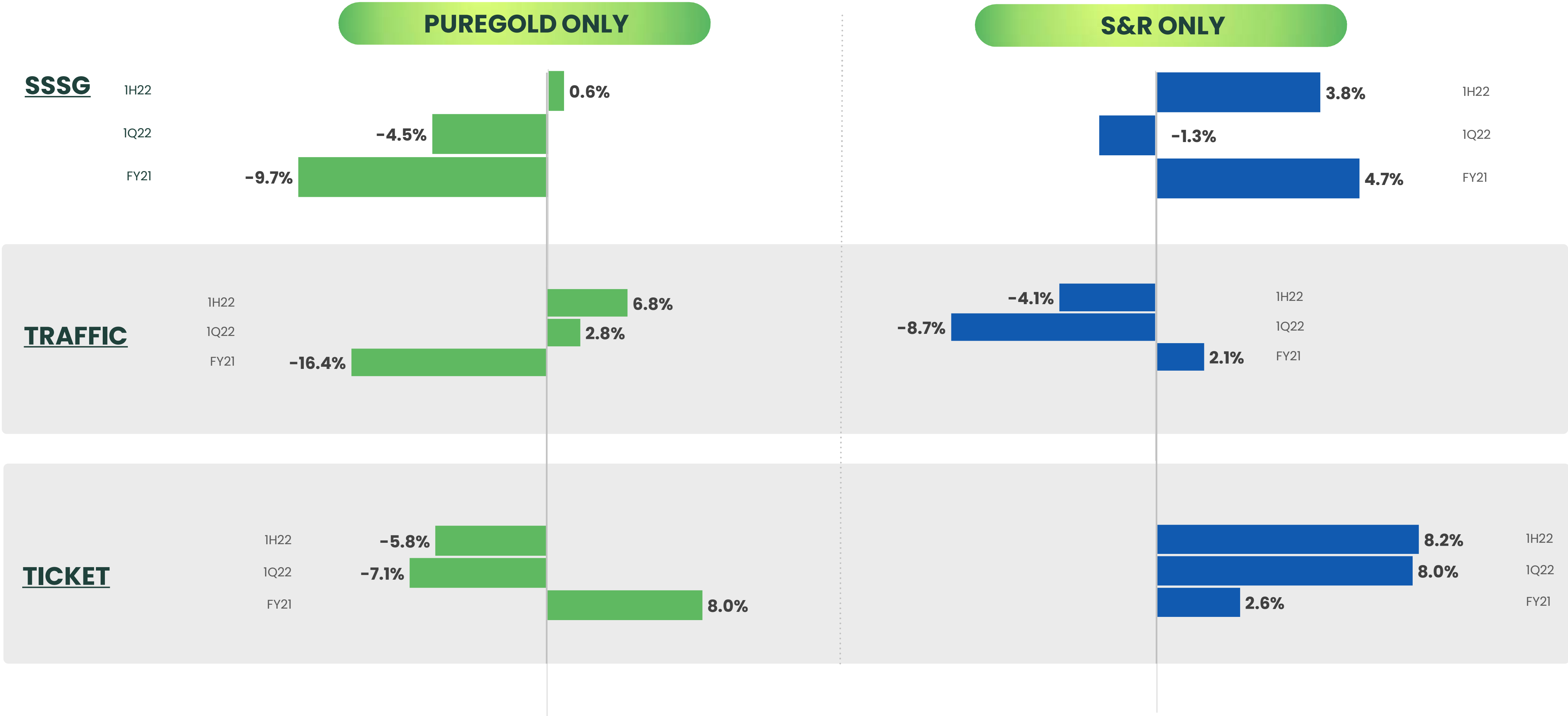
3YCAGR 17.7%

11.9%

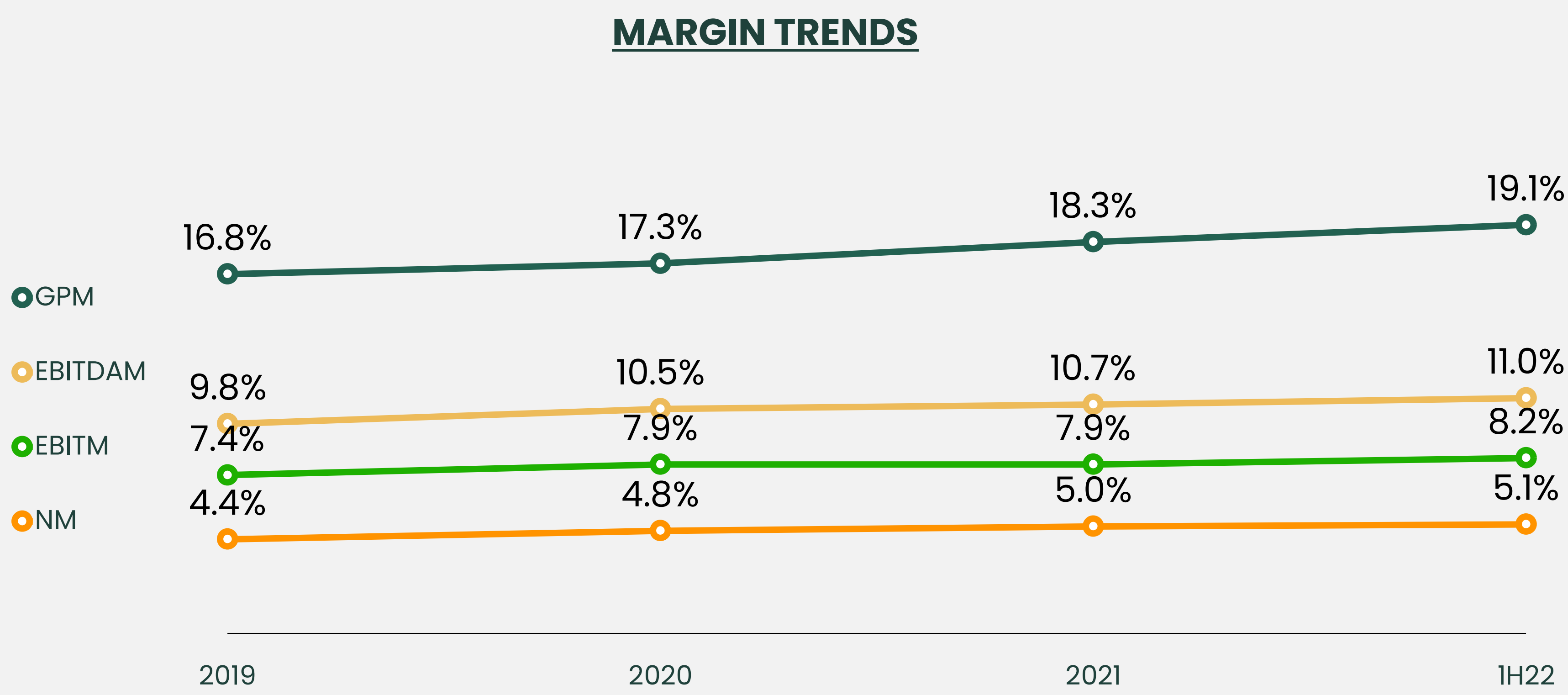
3YCAGR 24.1%

13.7%

Comparative Sales



Margins


MARGIN TRENDS
GPM
EBITDAM
EBITM
NM
16.8%
17.3%
18.3%
19.1%
9.8%
10.5%
10.7%
11.0%
7.4%
7.9%
7.9%
8.2%
4.4%
4.8%
5.0%
5.1%
2019
2020
2021
1H22

Financial Performance 1H22

	2021	1H21	1H22	
Trade Receivables Days	3.3	2.9	2.4	
Inventory Days	57.5	63.6	64.6	Elevated inventory days to ensure availability
Trade Payables Days	24.8	20.0	21.0	Favorable payment terms to suppliers to get bigger allocation and avail of discounts
Cash Conversion Cycle	36.1	46.5	46.0	

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 Position - Assets

PHP (in Thousands)	JUNE 2022	JUNE 2021
Current Assets		
Cash and cash equivalents	₱31,398,784	₱30,634,131
Investments in trading securities	3,027,489	28,285
Receivables - net	2,318,724	1,678,054
Merchandise inventory	26,232,989	22,853,898
Prepaid expenses & other current assets	1,398,281	1,269,531
Total Current Assets	**₱64,376,267**	**₱56,463,899**
Noncurrent Assets		
Investments	636,548	636,548
Property & Equipment - net	23,542,129	22,572,853
Right-of-use assets	26,480,219	26,284,347
Deferred tax assets	1,426,002	1,277,140
Intangibles	19,703,613	19,706,988
Other concurrent assets	2,818,781	2,521,140
Total Noncurrent Assets	**₱74,607,294**	**₱72,999,016**
TOTAL ASSETS	**₱138,983,560**	**₱129,462,915**

Financial Position - Liabilities

PHP (in Thousands)	JUNE 2022	JUNE 2021
Current Liabilities		
Accounts payable & accrued expenses	₱9,502,945	₱8,185,769
Income tax payable	653,664	543,500
Due to related parties	28,437	27,414
Current maturities of long term debt - net of debt issue cost	120,000	120,000
Current portion of lease liabilities	982,288	809,545
Other current liabilities	387,379	543,845
Total Current Liabilities	**₱11,674,714**	**₱10,230,072**
Noncurrent Liabilities		
Lease Liabilities	₱34,757,894	₱33,633,283
Long term debt - net of current maturities & debt issue cost	11,658,125	11,762,790
Retirement benefits liability	1,287,905	1,380,635
Total Noncurrent Liabilities	**₱47,703,925**	**₱46,776,708**
TOTAL LIABILITIES	**₱59,378,639**	**₱57,006,780**

Financial Position - Equity

PHP (in Thousands)	JUNE 2022	JUNE 2021
Equity		
Capital Stock	₱2,904,214	₱2,904,214
Reserve for retirement plan - net of tax	151,224	(118,634)
Additional paid in capital	25,361,671	25,361,671
Treasury stock - at cost	(182,786)	(102,351)
Retained earnings	51,370,599	44,411,235
TOTAL EQUITY	**₱79,604,921**	**₱72,456,135**

Cash Flows

PHP (in Thousands)	JUNE 2022	JUNE 2021
Income before tax	**₱5,547,497**	**₱4,963,876**
Noncash operating items	3,486,374	3,455,167
Operating income before changes in working capital	**9,033,871**	**8,419,043**
Increase in merchandise inventory	(4,674,356)	(1,935,577)
Decrease (increase) in other operating assets	(762,966)	292,181
Decrease in accounts payable & other accrued expense	(3,485,487)	(4,864,382)
Increase (decrease) in other operating liabilities	(280,649)	11,311
Cash generated from (used in) operations	**(169,586)**	**1,922,576**
Interest received	191,775	236,640
Income taxes paid	(1,564,587)	(1,744,409)
Retirement benefits paid	(7,394)	(2,422)
Net cash provided by (used in) operating activities	**₱1,549,792**	**₱412,385**

Cash Flows

PHP (in Thousands)	JUNE 2022	JUNE 2021
Additions to property and equipment	(P 1,619,625)	(P 1,846,142)
Decrease (increase) in other investing activities	(3,300,279)	(2,427,953)
Net cash provided by (used in) investing activities	**(₱4,919,904)**	**(₱581,811)**
Payment on lease liabilities	(528,725)	(355,779)
Interest paid - lease liabilities	(1,161,126)	(1,154,404)
Payment for treasury shares	(70,193)	(31,098)
Interest paid	(248,803)	(251,521)
Dividends paid	(1,434,268)	(1,291,357)
Net cash used in financing activities	**(₱3,443,115)**	**(₱3,804,158)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(P 9,912,811)**	**(P 2,089,962)**
CASH AND CASH EQUIVALENTS, BEGINNING	**₱41,311,594**	**₱32,724,094**
CASH AND CASH EQUIVALENTS, END	**₱31,398,784**	**₱30,634,131**

Sustainability Highlights

ENVIRONMENTAL PERFORMANCE

Monthly upsizing through regular promotions to **reduce single-use packaging**

Migration to cross-docking operations to help reduce CO2 emission by up to **36%**

135 Wastewater Treatment Facilities are compliant to **Clean Water Act**

Rain water catchment and Gray water to reduce overall demand for potable water

Gearing towards **100%** LED main lighting

Almost 50% of total Puregold stores have discontinued the usage of single-use plastic bags

40% reduction on company's purchase of plastic bag since 2021

Collect & Convert sachet drive in key stores to help manage plastic waste

Sustainability Highlights

ECONOMIC CONTRIBUTION

PHP 4.25B taxes paid to the government

PHP 3B employee wages and benefits

97% of Cosco economic value generated distributed to key stakeholders

11,647 total no. of direct employees
>95% local hiring

PHP 10.7M invested to scholarship and community development

0 incidents of corruption

Sustainability Highlights

SOCIAL RESPONSIBILITY

4 QUALITY EDUCATION
5 GENDER EQUALITY
10 REDUCED INEQUALITIES

753 scholars graduated, **107** passed licensure exam, **381** current no. of scholars

4,325 employees attended technical and behavioral skills training

56% female employees in the workforce

612 employees in Puregold and S&R promoted

238 employees from indigenous communities and vulnerable sector

0 legal actions or employee grievance on forced and child labor

THANK YOU!

PUREGOLD