



Message from the Chairman and the President

Annual Report 2022

Message to Stockholders



For more than two decades now, Puregold has remained true to its vision of being the most customer - oriented hypermart in the Philippines.

Each year, we continue to grow and expand our footprint while always focusing on our core values of service for people across the country.

From opening our first store in Mandaluyong in 1998, Puregold now has a total of 525 retail stores and is present in 83 cities and 112 municipalities nationwide, with a combined 632,990 square meters of net selling area.

Two Leading Banners Under One Group

Aside from the ubiquity of our stores, our level of assortment and the overall value we give to our shoppers, one of the strengths of our company is our capability to cover all market segments with our two banners: Puregold Stores and S&R Warehouses. Puregold remains as the leading supermarket catering to classes C to E, while S&R Warehouses continue to be the dominant leader in Membership Shopping Clubs catering to classes A and B.



As the Philippine middle class segment continues to grow, S&R Warehouses consistently delivers significant value to member-customers by providing exclusive access to premium international brands, and our very own 'Member's Value' private label products. S&R Warehouses offer fresh meat and produce, aside from providing products in club or bigger packs for greater value.

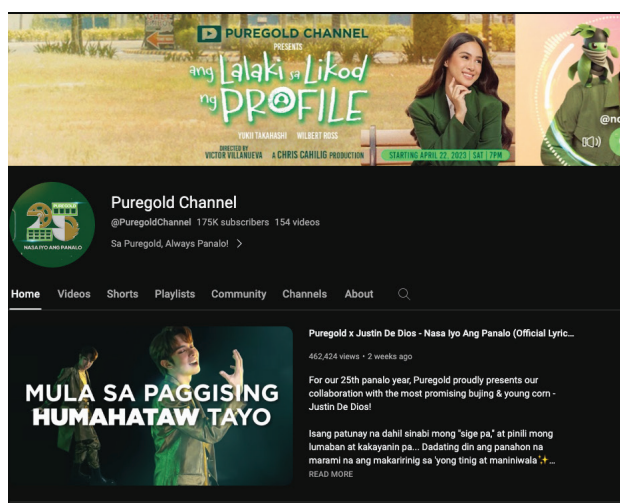
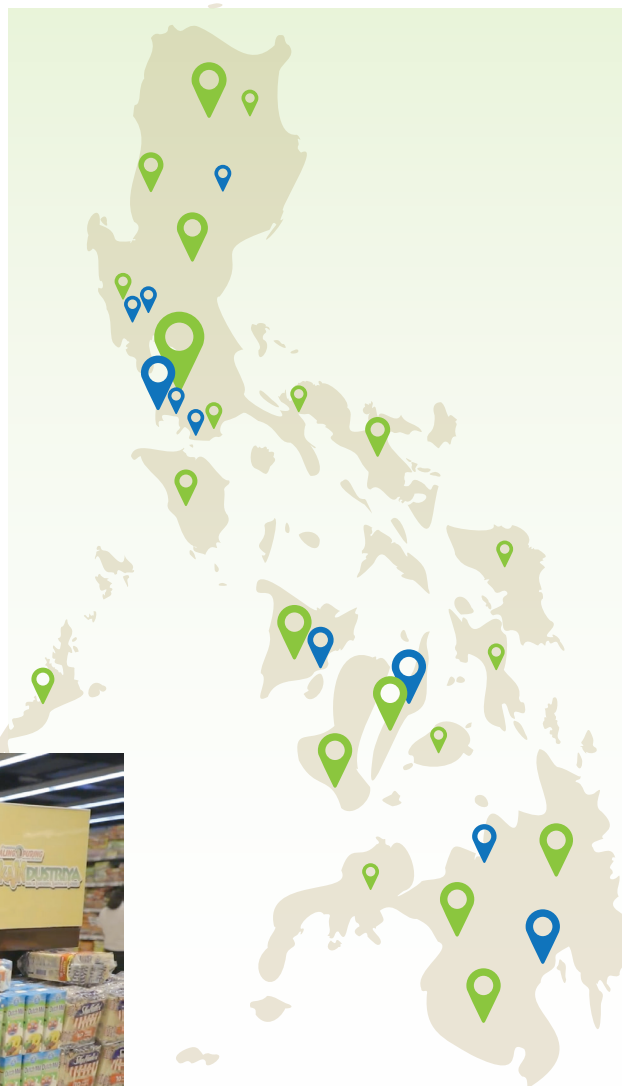
The group's 525 retail stores are composed of 452 Puregold Stores, 22 S&R Membership Shopping Warehouses, and 51 S&R New York Style Pizza (Quick Service Restaurants or QSRs).

Continuous Innovation for Evolving Markets

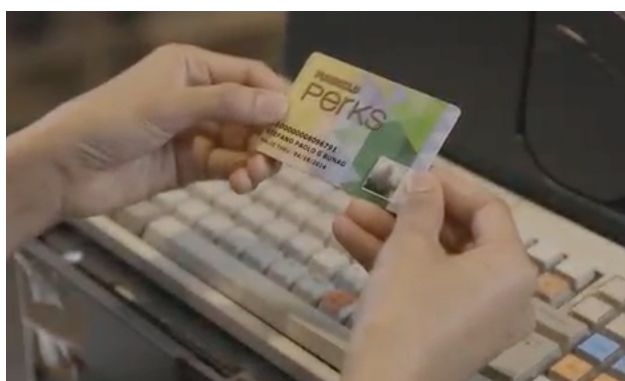
As we innovate to adapt to continuously changing market needs, we created new out-of-store solutions to further improve customer experience and diversify the products we offer. Sally, or the Puregold Mobile application, represents the company's foray into digitalization. Short for Shopping Ally, Sally was designed by Puregold to offer remote, cart-less grocery shopping to its customers. As of 2022, 1.43 million users have downloaded the Puregold mobile app.



We also continue to expand our retailtainment with a series of original content on our Puregold Channel, which helps us reach out to digital users of all ages – with 170,000 subscribers and 42.6 million views in YouTube. Puregold is also the first Philippine supermarket retailer on TikTok with 200,000 followers and 1.1 million likes gained. Finally, our Facebook Page has received 2.9 million likes and 3.9 million engagements to date. We consistently share nostalgic and engaging stories online that appeal to our customers and audience.



Along with these innovations, we continue to strengthen our flagship programs to cultivate a strong sense of loyalty and belongingness among Puregold customers with the Puregold “Perks” loyalty card program and the Tindahan ni Aling Puring (TNAP) program which for instance, is offered through the “Sari-Sari” stores of Puregold to support small and local businesses. There are now 760,000+ TNAP members nationwide.



Setting the Industry Standard

Though 2022 was an eventful year filled with a multitude of external pressures, we remained guided by our pillars of growth, namely: store expansion, increasing shopper count, demand creation and a robust end-to-end supply chain. These allowed Puregold to end 2022 with a strong fiscal position.

Puregold’s consolidated net sales grew by P20.18 billion or 12.3 % to P184.3 billion in 2022. Net income also rose 13.5 % to P9.29 billion compared to P8.18 billion in the previous year. The company ended the year with total assets increasing 17.5% to P163.8 billion. This is our 5th straight year of record income. Indeed, Puregold has been growing from strength to strength despite the pandemic.

CONSOLIDATED NET SALES
184.3B in 2022
12.3% INCREASE FROM 2021

NET INCOME UP BY 13.5%
9.2B in 2022
FROM 8.1B in 2021

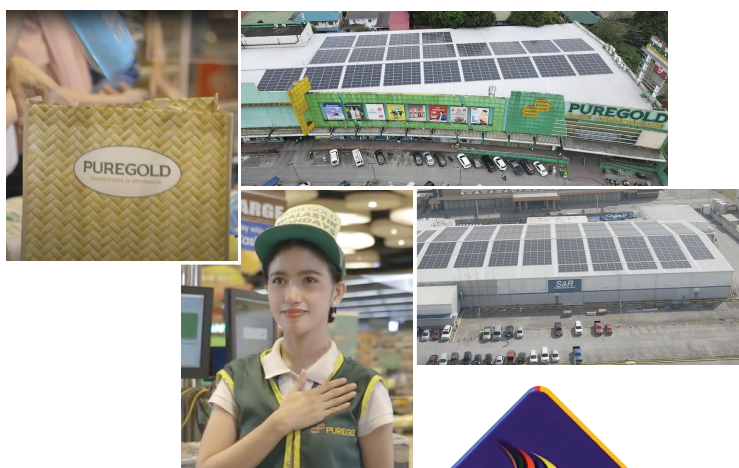
TOTAL ASSETS ALSO INCREASED
163.8B in 2022
17.5% INCREASE FROM 2021

In addition to our positive financial results, Puregold also won the “Most Chosen Retailer” award in 2022 based on the CRP (consumer reach points) method of Kantar and VP Choice Awards as Supermarket of the Year. These awards speak volumes about how we take care of our customers the best way we can.



Pillars of Sustainability and Inclusive Growth

Puregold also continues to take steps towards integrating sustainability practices into every aspect of our organization. Some notable accomplishments in 2022 include less dependency on single use plastics, and the implementation of solar projects and waste-water reclamation projects in our stores. We are also considered champions of diversity as 56% of our workforce is female, and many of our sari-sari stores partners are led by women.



Over the years, Puregold has made boundless opportunities available for our employees through upskilling programs and ongoing succession planning. These carefully designed and empowering activities affirm our commitment to our people, and to growth within the organization resulting in a shared sense of purpose and a performance culture of excellence. Puregold was recognized by HR Asia as One of the Best Companies to Work For in the Philippines from 2018 to 2021, and through HR Asia’s 2021 WeCARE award.

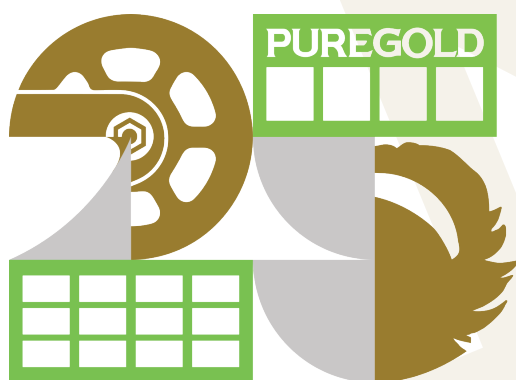


Puregold has pivoted successfully towards today's vastly different business environment, and will continue to lead the industry. Stakeholders and investors alike can expect steady topline and bottomline growth in the coming years. We will further increase our market share in other provincial areas as we aim for larger rollouts.

Looking at the bigger picture, the strategic expansion of the Puregold group will also continue to contribute to the growth of the Philippine economy through its support for small business and entrepreneurs, and by providing quality services and livelihood for communities nationwide.

Moving forward, we will maintain the positioning of Puregold Stores and S&R Warehouses as the Philippine brands people love and trust the most.

Sa Puregold, always Panalo!



NASA IYO ANG PANALO