

Cosco Capital, Inc.

FY 2019 Financial Results Investor Presentation



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Head Office Address

2nd floor, Tabacalera Building, 900 Romualdez Street, Paco, Manila, 1007
Philippines

Company Overview

Lucio Co Family
76%

Public
24%



cosco capital
incorporated

49%

100%

100%

100%

Grocery Retailing



Liquor Distribution



Specialty Retailing



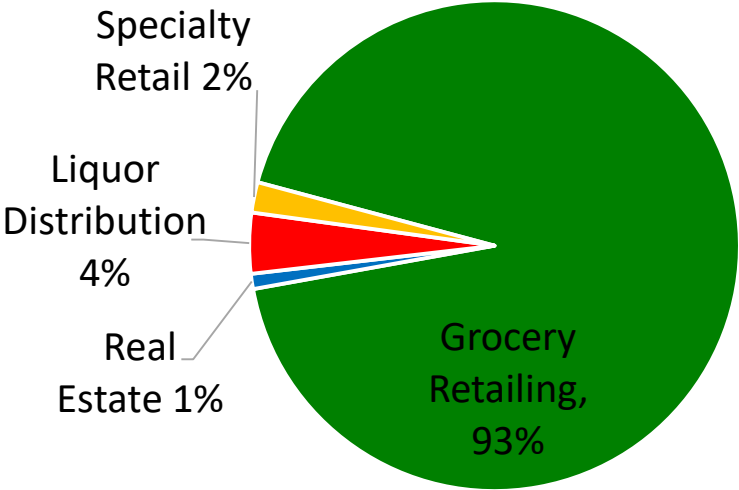
Commercial Real Estate

- *Ellimac Prime Holdings, Inc.,*
- *Fertuna Holdings Corp.,*
- *Patagonia Holdings Corp.,*
- *Nation Realty, Inc.*
- *NE Pacific Shopping Centers Corporation*
- *Pure Petroleum Corp.,*

Revenue & Net Income Contribution FY 2019

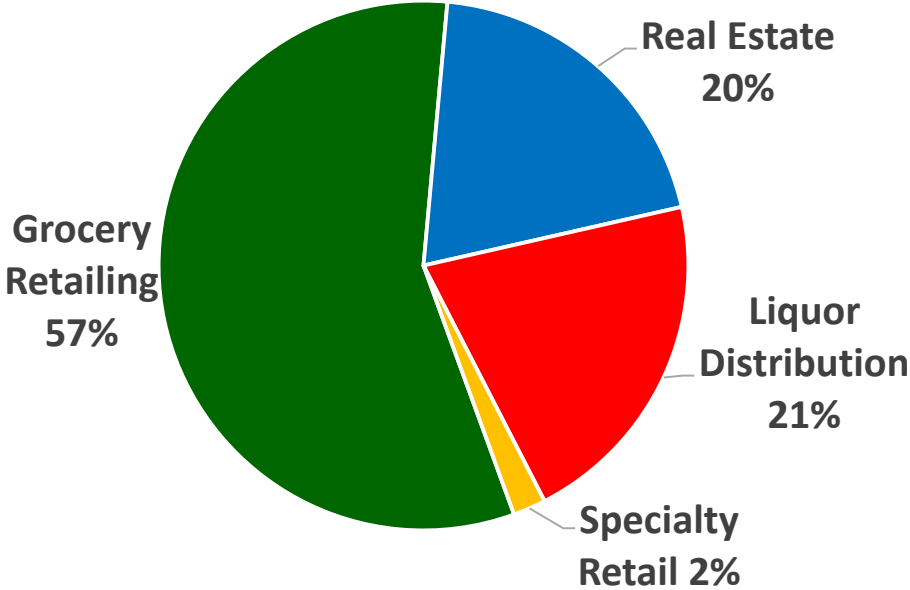


Revenues



PHP 166.07 billion

CORE PATMI



***PHP 5.87 billion**

*Net Income excludes one-time gain on sale of Liquigaz

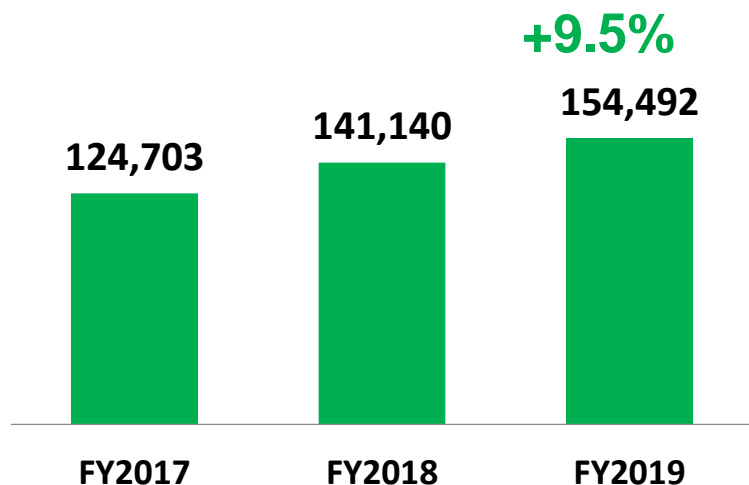
FY 2019 CONSOLIDATED FINANCIALS

<i>(In Thousands)</i>	FY2019	%	FY2018	%	INCREASE (DECREASE)	%2
REVENUES	166,066,712	100.00%	168,210,357	100.00%	(2,143,644)	-1.27%
COST OF SALES/SERVICES	136,177,666	82.00%	139,809,619	83.12%	(3,631,953)	-2.60%
GROSS PROFIT	29,889,046	18.00%	28,400,738	16.88%	1,488,308	5.24%
OTHER OPERATING INCOME	3,262,853	1.96%	2,994,765	1.78%	268,088	8.95%
GROSS OPERATING INCOME	33,151,900	19.96%	31,395,503	18.66%	1,756,397	5.59%
OPERATING EXPENSES	19,147,089	11.53%	18,326,809	10.90%	820,280	4.48%
INCOME FROM OPERATIONS	14,004,811	8.43%	13,068,694	7.77%	936,117	7.16%
OTHER INCOME (CHARGES) - net	4,909,862	2.96%	(1,301,028)	-0.77%	6,210,890	477.38%
INCOME BEFORE INCOME TAX	18,914,673	11.39%	11,767,667	7.00%	7,147,007	60.73%
INCOME TAX EXPENSE	3,521,465	2.12%	3,285,862	1.95%	235,604	7.17%
NET INCOME FOR THE YEAR	15,393,208	9.27%	8,481,805	5.04%	6,911,403	81.49%
CORE NET INCOME	9,319,603	5.61%	8,118,994	4.83%	1,200,608	14.79%
CORE PATMI	5,871,259	3.54%	5,196,452	3.09%	674,807	12.99%
PATMI	11,597,381	6.98%	5,381,485	3.20%	6,215,896	115.51%
Non-controlling interests	3,795,827	2.29%	3,100,319	1.84%	695,508	22.43%
	15,393,208	9.27%	8,481,805	5.04%	6,911,404	81.49%
EARNINGS PER SHARE (EPS)	1.65437		0.75975			117.75%
CORE EPS	0.83754		0.73362			14.16%
EBITDA	17,893,018	10.77%	16,614,851	9.88%	1,278,167	7.69%

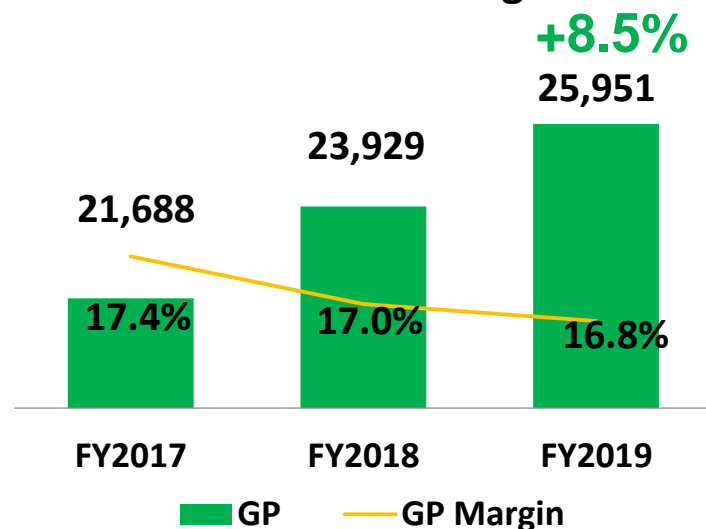
Grocery Retailing: FY2019 Financial Highlights

(In PHP millions)

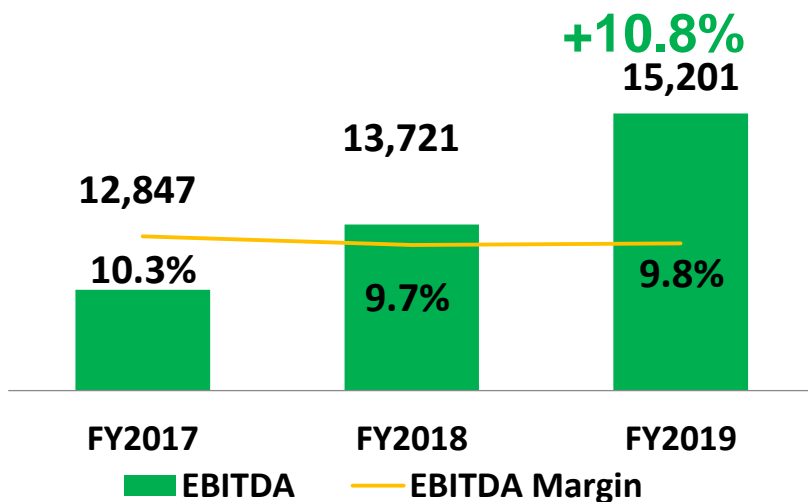
Revenues



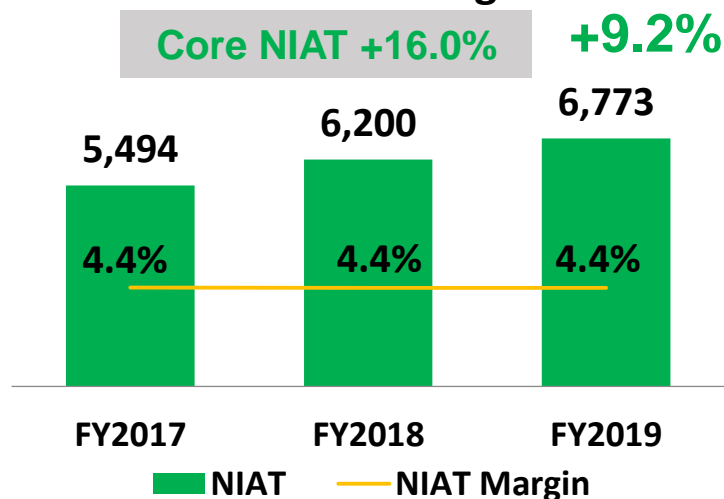
Gross Profit and Margin



EBITDA and Margin



Net Profit and Margin



Grocery Retailing: Operational Highlights



- Puregold opened **28 new stores** in 2019; closed 2 PGOLD stores
- S&R opened **2 new S&R warehouse**;
- As of FY 2019, the Grocery Retailing segment is operating a **total of 436 stores**
- SSSG PGOLD only is at 4.9% while S&R is at 8.3%



	PUREGOLD	S&R	S&R QSR
Metro Manila	130	8	25
Luzon	206	6	9
Visayas	33	2	4
Mindanao	11	2	0
Total	380	18	38

Liquor Distribution: Products



Brandy

Alfonso
Alfonso Light
Excelente

Tequila

Patron

Whiskey

Johnnie Walker
Jack Daniels

Various Wines



Brandy

Fundador
Fundador Light

Whiskey

Jim Beam
Glenfiddich



Tequila

Jose Cuervo

Whiskey

Bushmills
Chivas Regal

Cognac

Martel

Vodka

Absolut

Liqueurs

Jagermeister

Specialty Beverages

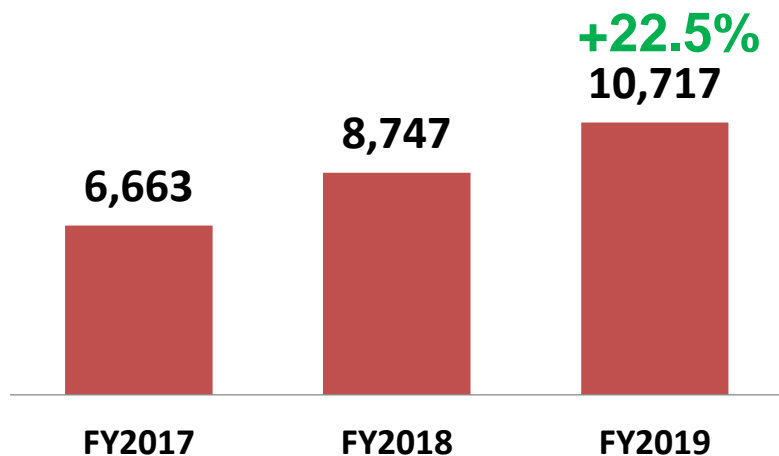
Red Bull

Various Wines

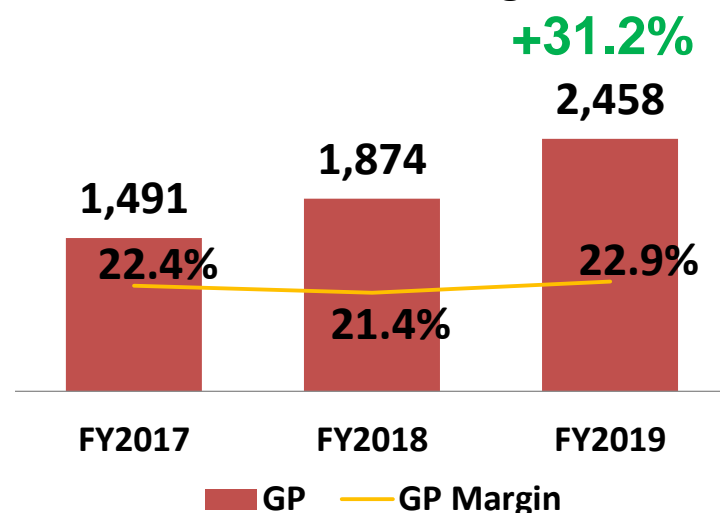
Liquor Distribution: FY2019 Financial Highlights

(In PHP millions)

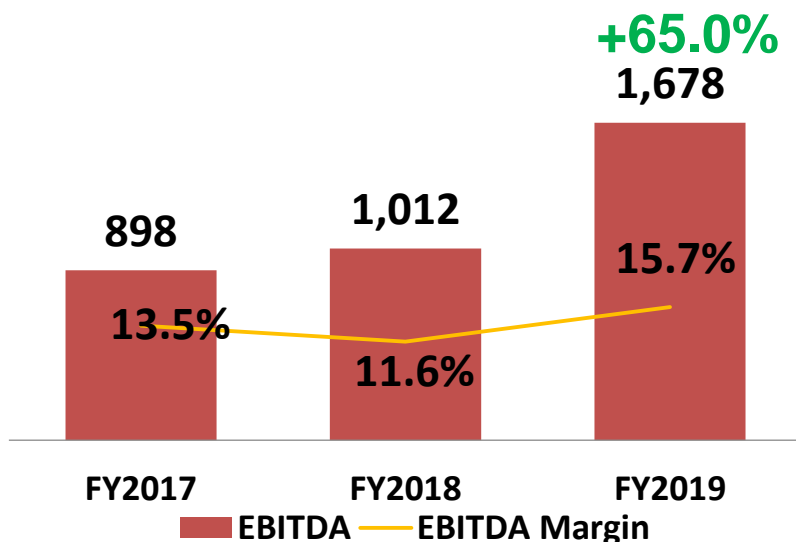
Revenues



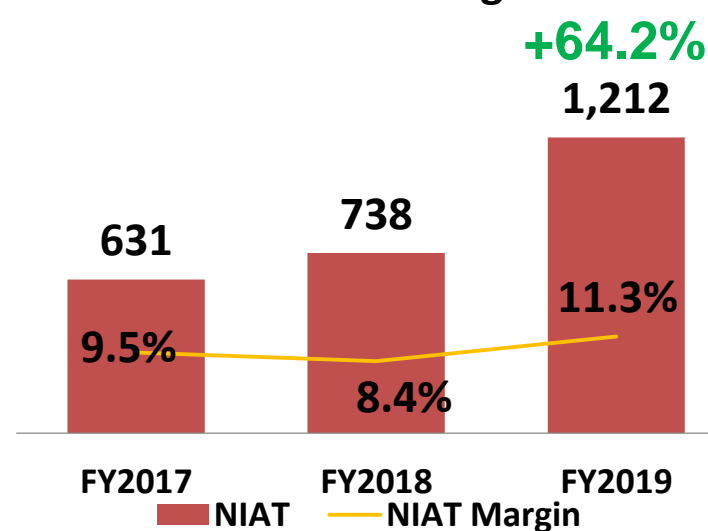
Gross Profit and Margin



EBITDA and Margin



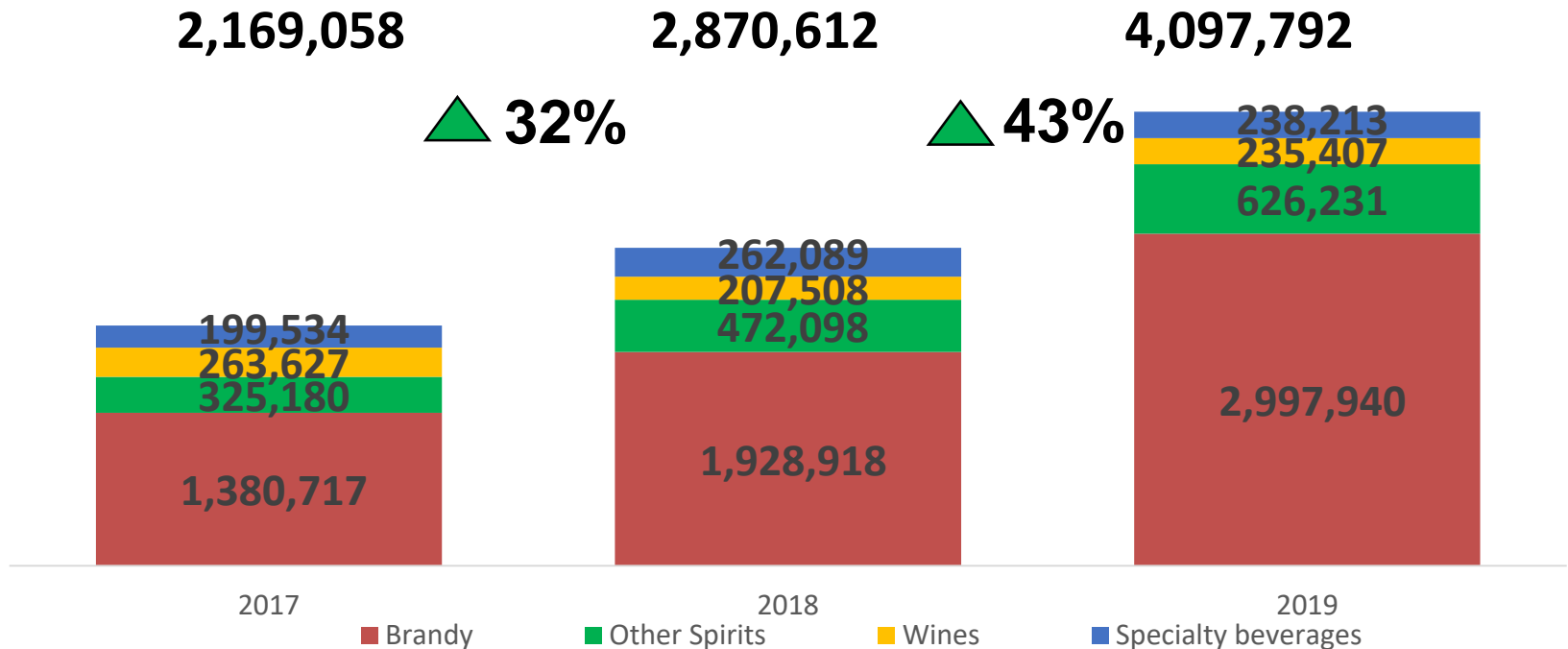
Net Profit and Margin



Liquor Distribution: Total Volume Sales

- 43% growth in total volume of cases sold in FY 2019
- Growth driven by the continued strong sales of Alfonso Light and Alfonso Brandy .

CATEGORY	2017	Mix %	2018	Mix %	2019	Mix %	Growth
Brandy	1,380,717	64%	1,928,918	67%	2,997,940	73%	55%
Other Spirits	325,180	15%	472,098	16%	626,231	15%	33%
Wines	263,627	12%	207,508	7%	235,407	6%	13%
Specialty beverages	199,534	9%	262,089	9%	238,213	6%	-9%
Grand Total	2,169,058	100%	2,870,612	100%	4,097,791	100%	43%

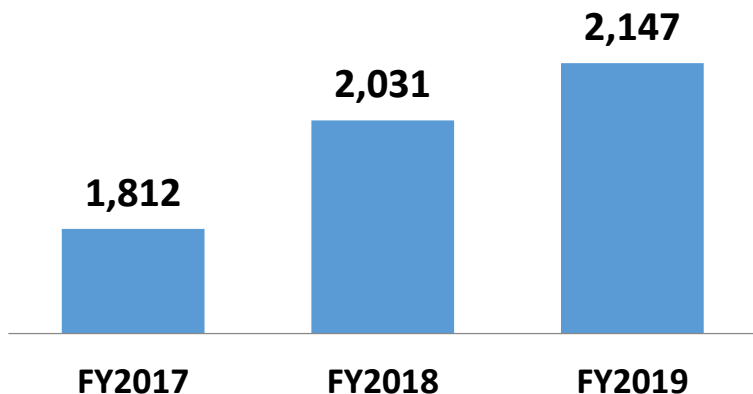


Real Estate: FY2019 Financial Highlights

(In PHP millions)

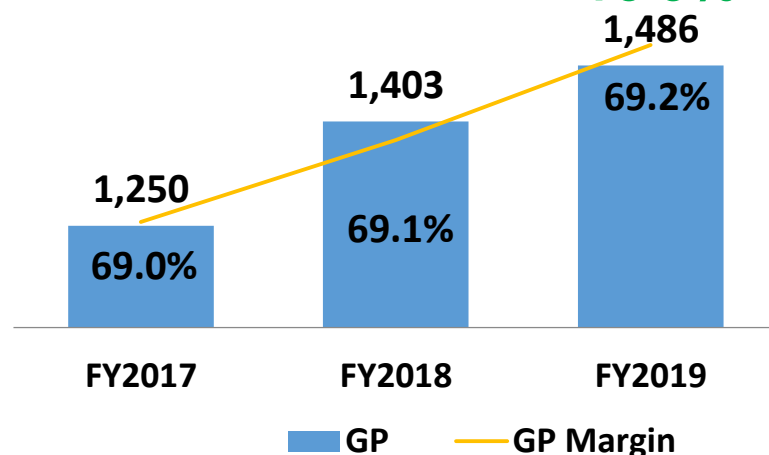
Revenues

+5.7%



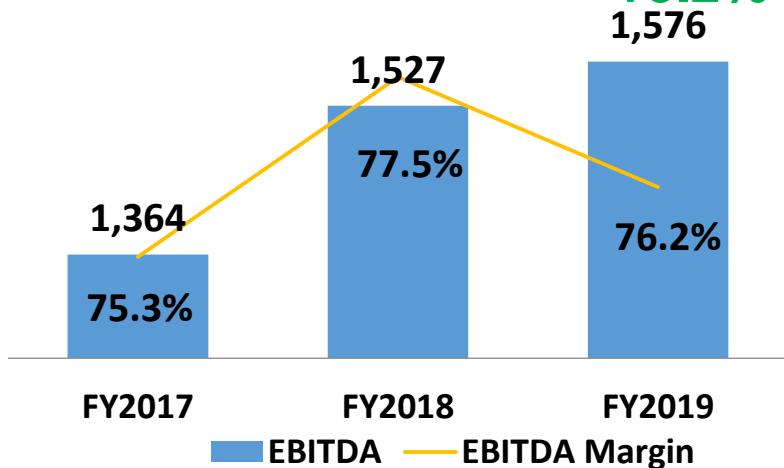
Gross Profit and Margin

+5.9%



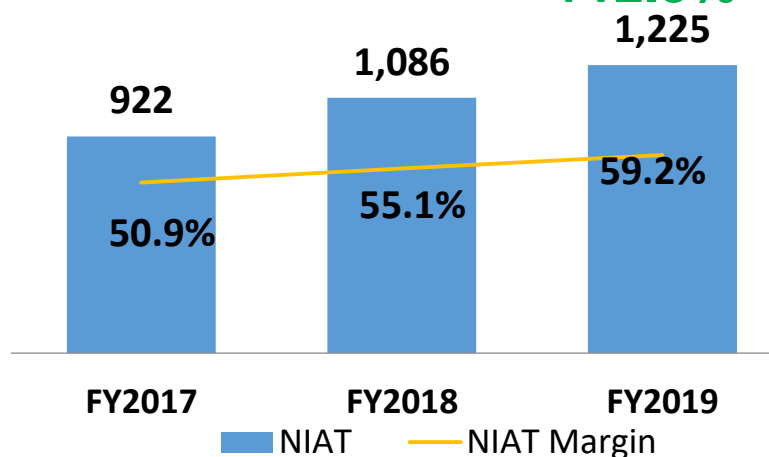
EBITDA and Margin

+3.2%



Net Profit and Margin

+12.8%



Real Estate Group: Operational Highlights

- Total of 55 commercial properties with 97% average occupancy rate
- Pure Petroleum operating at 100% capacity in FY2019 and FY2018 (9 storage tanks with 88.5M liters capacity)

Category	FY 2019	FY2018	FY 2019 GLA/sqm	FY2018 GLA/sqm
Land under lease	11	10	160,921	160,921
Commercial Buildings	34	32	277,052	264,327
Under Development	1	3	8,457	9,605
Future Development	9	8	104,909	85,486
Total	55	53	551,338	517,541

- 2 **new** community malls opened in located in **Maria Aurora, Aurora and Bayawan, Negros Oriental** in 2019.
- On-going development of **1 new** community malls in **Las Pinas** to open by Q1 2021
- Acquired **1 new** property during the 1H2019 located in Barotac Nuevo, Iloilo

Real Estate Group: Operational Highlights

COMMERCIAL REAL ESTATE

Rental Yields

	FY2019	FY2018	Computation
Gross Rental Yield	11.0%	10.60%	Rental income over book value of investment property
Net Rental Yield	8.0%	7.70%	EBIT over book value of investment property

Appraisal of Properties

	Appraised value	Book value FY2019	Appraisal increment
Land	33,108,292,490	9,445,921,136	23,662,371,354
Building and machineries	8,336,452,217	7,544,147,592	792,304,625
TOTAL	41,444,744,707	16,990,068,728	24,454,675,979

Office Warehouse: FY2019 Financial Highlights

(In PHP millions)

Revenues

+17.3%

2,451

1,825

2,089

FY2017

FY2018

FY2019

Gross Profit and Margin

+13.3%

642

482

567

FY2017

FY2018

FY2019

■ GP — GP Margin

26.4%

27.1%

26.2%

EBITDA and Margin

+26.2%

251

154

199

FY2017

FY2018

FY2019

■ EBITDA — EBITDA Margin

8.5%

9.5%

10.3%

Net Profit and Margin

+48.0%

97

56

66

FY2017

FY2018

FY2019

■ NIAT — NIAT Margin

3.0%

3.1%

4.0%

Office Warehouse: Operational Highlights

OFFICE WAREHOUSE, INC.

- Strong growth driven by store expansion and enhanced product offerings
- Opened **4 new store** outlets in 2019 ; closed down 3 stores
- Strong SSSG of **12.2%** in 2019 vs 9.1% in 2018



	2016	2017	2018	2019
No. Stores	71	82	88	89
Net selling area	14,014 sqm	15,945 sqm	16,738 sqm	15,589 sqm

- **CAPEX Budget of Php 3.6 billion in 2020**
 - Php 3.4 billion for Puregold Group
 - Php 150 million for Real Estate Group
 - Php 50 million for Office Warehouse
- To be funded by internally generated cash and short term untapped bank credit lines if necessary



Thank you.

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