

# Cosco Capital, Inc.

## 1H 2020 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

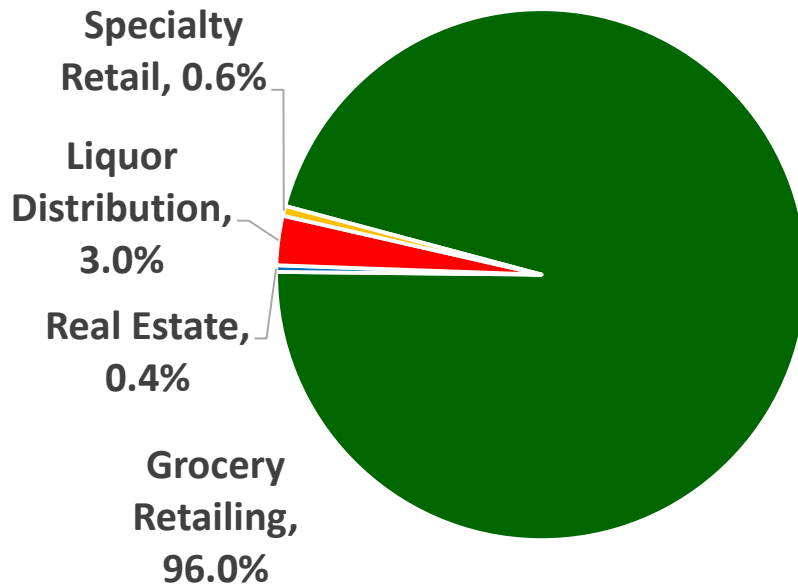


## Commercial Real Estate

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

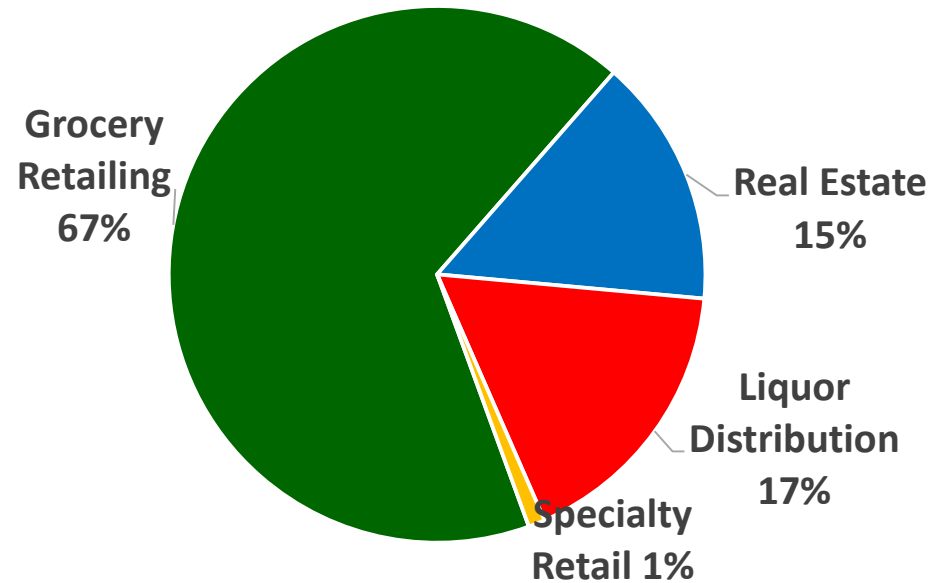
# Revenue & Net Income Contribution 1H 2020

## Revenues



PHP 85.7billion

## CORE PATMI



\*PHP 2.49billion

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

# 1H2020 CONSOLIDATED FINANCIAL PERFORMANCE

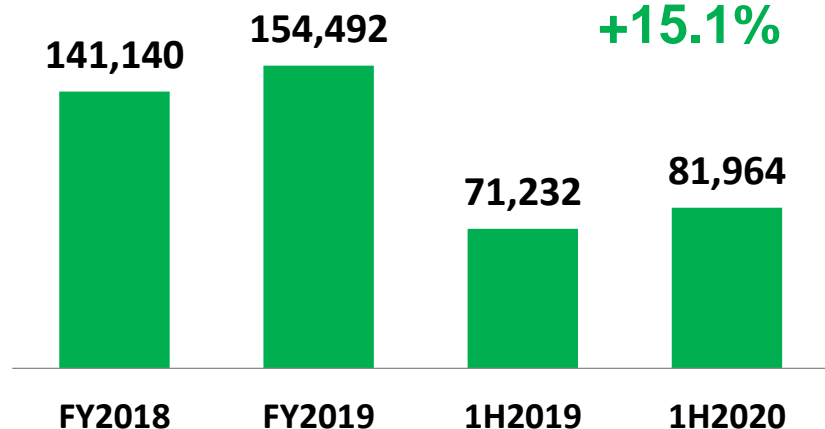
<i>(In Thousands)</i>	1H2020	%	1H2019	%	INCREASE (DECREASE)	%
REVENUES	85,704,525	100.00%	76,609,527	100.00%	9,094,998	11.87%
COST OF SALES/SERVICES	71,086,711	82.94%	63,025,398	82.27%	8,061,313	12.79%
GROSS PROFIT	14,617,814	17.06%	13,584,129	17.73%	1,033,685	7.61%
OTHER OPERATING INCOME	1,616,476	1.89%	1,499,831	1.96%	116,645	7.78%
GROSS OPERATING INCOME	16,234,291	18.94%	15,083,961	19.69%	1,150,330	7.63%
OPERATING EXPENSES	9,662,596	11.27%	9,112,229	11.89%	550,367	6.04%
INCOME FROM OPERATIONS	6,571,695	7.67%	5,971,732	7.80%	599,963	10.05%
OTHER INCOME (CHARGES) - net	(697,964)	-0.81%	5,702,570	7.44%	(6,400,534)	112.24%
INCOME BEFORE INCOME TAX	5,873,731	6.85%	11,674,302	15.24%	(5,800,571)	-49.69%
INCOME TAX EXPENSE	1,641,589	1.92%	1,460,924	1.91%	180,666	12.37%
NET INCOME FOR THE PERIOD	4,232,142	4.94%	10,213,379	13.33%	(5,981,237)	-58.56%
CORE NET INCOME	4,232,142	5.38%	4,072,162	5.32%	159,980	3.93%
CORE NET PATMI	2,487,785	3.28%	2,616,195	3.41%	(128,410)	-4.91%
PATMI	2,487,785	2.90%	8,143,293	10.63%	(5,655,505)	-69.45%
Non-controlling interests	1,744,357	2.04%	2,070,089	2.70%	(325,732)	-15.74%
	4,232,142	4.94%	10,213,379	13.33%	(5,981,237)	-58.56%
EARNINGS PER SHARE (EPS)	0.35729		1.16099			-69.23%
CORE EPS	0.35729		0.37299			-4.21%
EBITDA	8,592,305	10.03%	7,889,314	10.30%	702,991	8.91%

# Grocery Retailing: 1H2020 Financial Highlights

(In PHP millions)

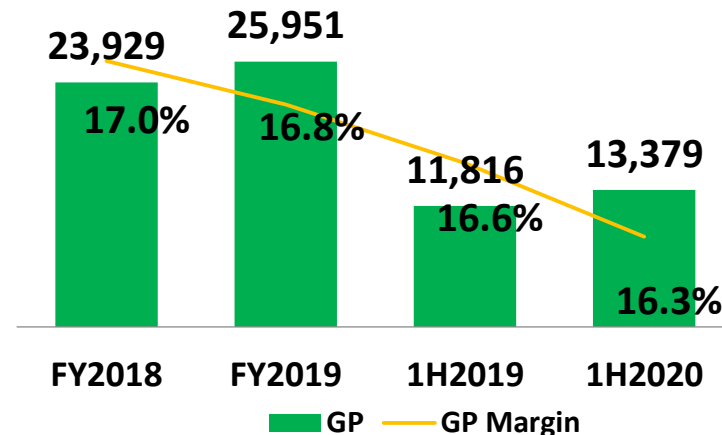
## Revenues

**+15.1%**



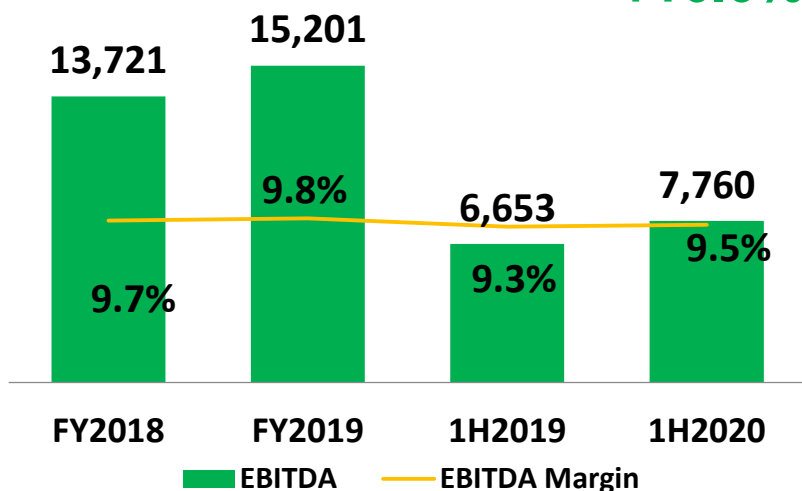
## Gross Profit and Margin

**+13.2%**



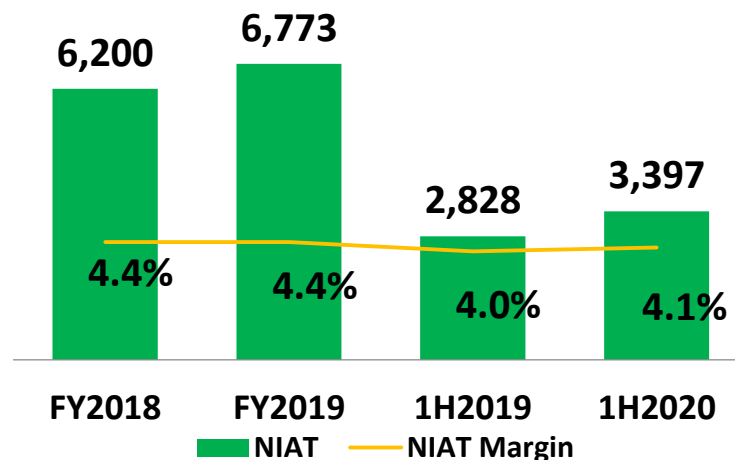
## EBITDA and Margin

**+16.6%**



## Net Profit and Margin

**+20.1%**



# Grocery Retailing: Operational Highlights



- Puregold opened **7 new stores** in 1H 2020; closed 2 PGOLD stores
- S&R opened **2 new S&R warehouse**; 1 QSR
- As of 1Q 2020, the Grocery Retailing segment is operating a **total of 444 stores**
- SSSG PGOLD only is at 9.2% while S&R is at 12%



	<b>PUREGOLD</b>	<b>S&amp;R</b>	<b>S&amp;R QSR</b>
Metro Manila	133	10	24
Luzon	209	6	11
Visayas	32	2	4
Mindanao	11	2	0
<b>Total</b>	<b>385</b>	<b>20</b>	<b>39</b>

# 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

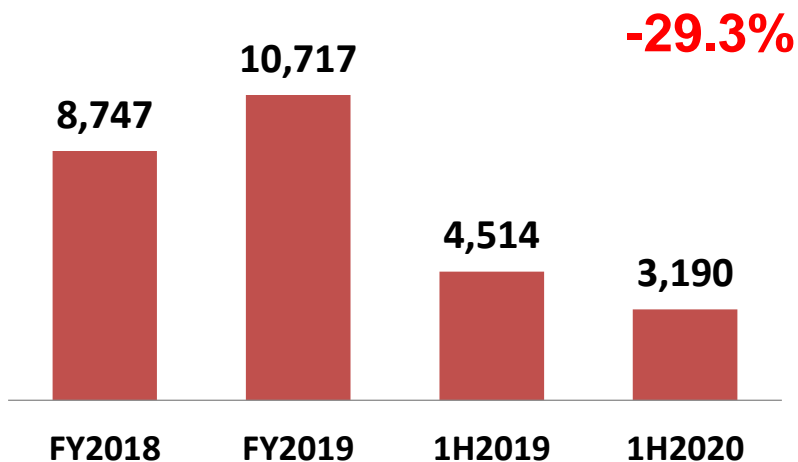
Various Wines



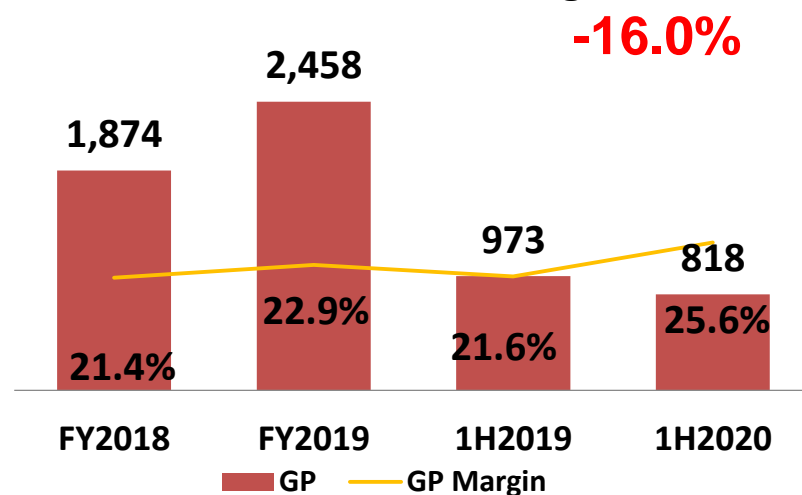
# Liquor Distribution: 1H2020 Financial Highlights

(In PHP millions)

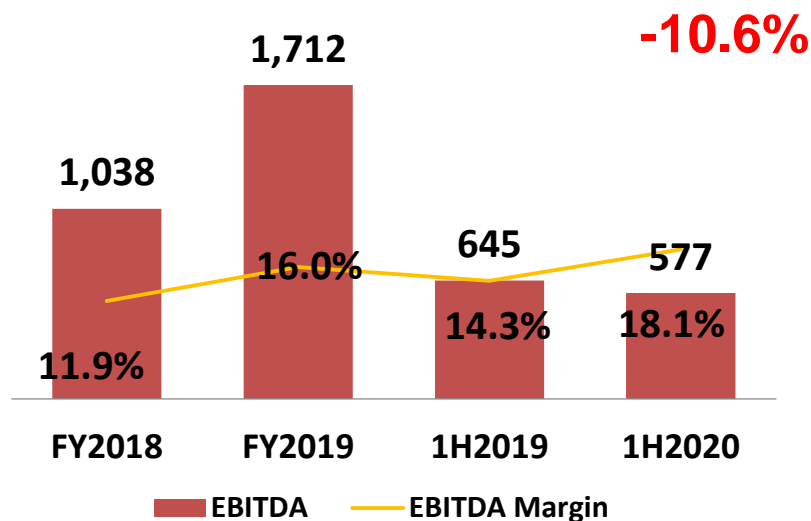
## Revenues



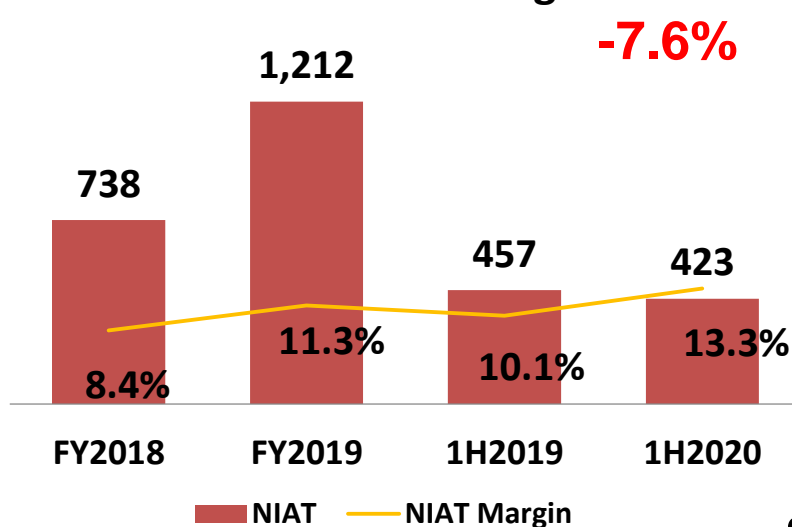
## Gross Profit and Margin



## EBITDA and Margin



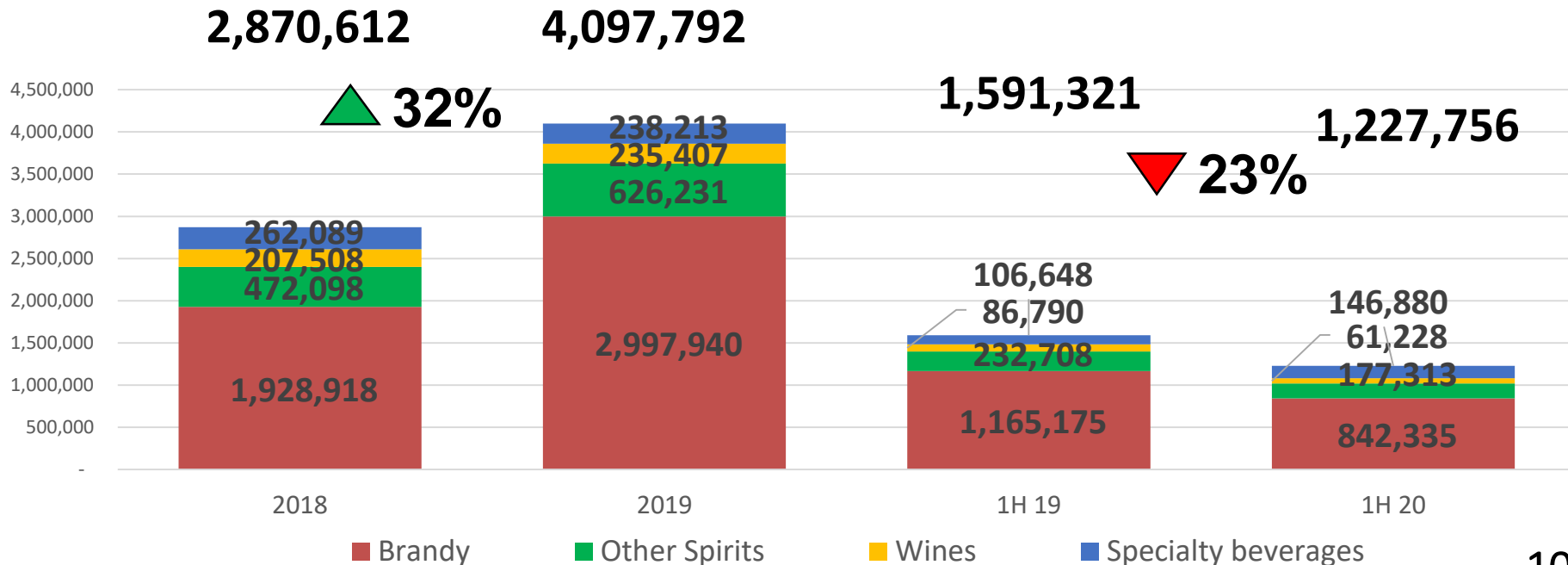
## Net Profit and Margin



# Liquor Distribution: Total Volume Sales

- 23% decline in total volume of cases sold in 1H 2020
- Decline driven by the government imposed Liquor Ban during COVID-19 Quarantine

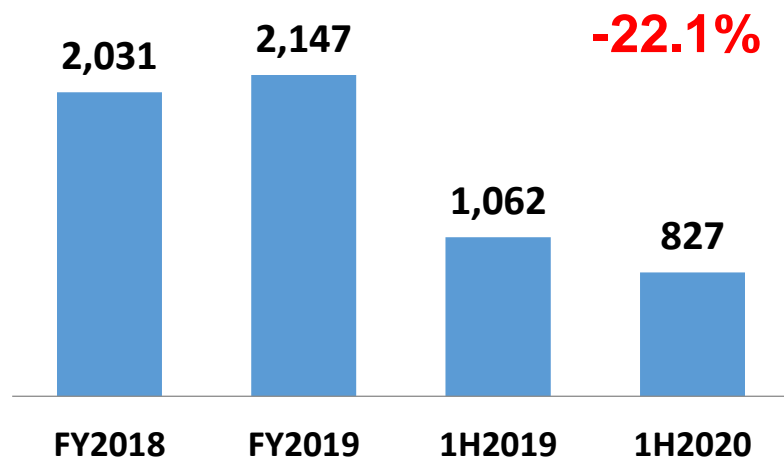
CATEGORY	2018	2019	1H 19	Mix %	1H 20	Mix %	Inc/Dec	Growth
Brandy	1,928,918	2,997,940	1,165,175	73%	842,335	69%	(322,840)	-28%
Other Spirits	472,098	626,231	232,708	15%	177,313	14%	(55,395)	-24%
Wines	207,508	235,407	86,790	5%	61,228	5%	(25,562)	-29%
Specialty beverages	262,089	238,213	106,648	7%	146,880	12%	40,232	38%
<b>Grand Total</b>	<b>2,870,612</b>	<b>4,097,791</b>	<b>1,591,321</b>	<b>100%</b>	<b>1,227,756</b>	<b>100%</b>	<b>(363,565)</b>	<b>-23%</b>



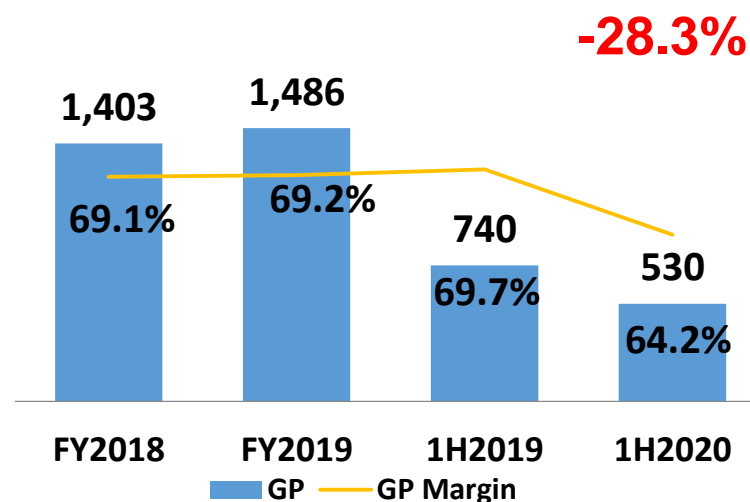
# Real Estate: 1H2020 Financial Highlights

(In PHP millions)

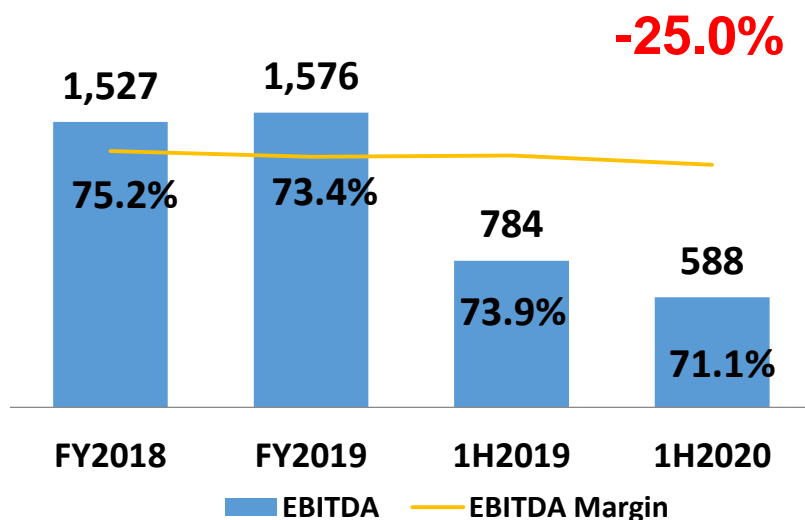
## Revenues



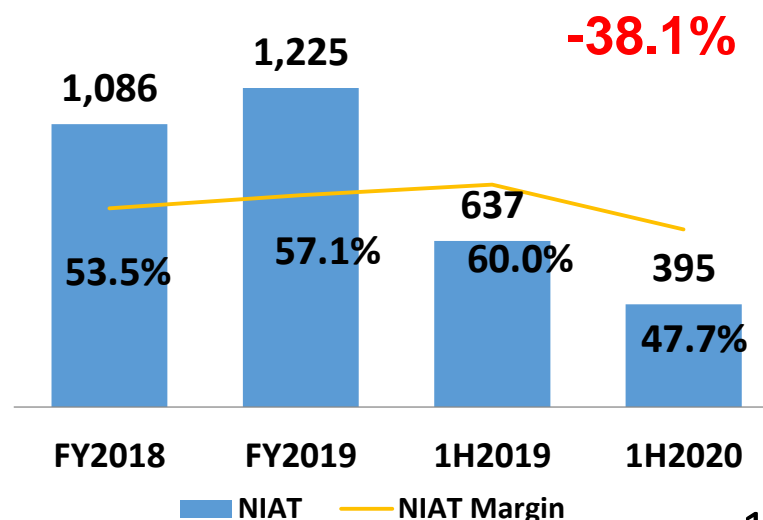
## Gross Profit and Margin



## EBITDA and Margin



## Net Profit and Margin



# Real Estate Group: Operational Highlights

- Total of 55 commercial properties with 96% average occupancy rate
- Pure Petroleum operating at 100% capacity in 1H 2020 and 1H 2019 (9 storage tanks with 88.5M liters capacity)

<b>Category</b>	<b>1H2020</b>	<b>FY2019</b>	<b>1H2020 GLA/sqm</b>	<b>FY2019 GLA/sqm</b>
Land under lease	11	11	160,921	160,921
Commercial Buildings	34	34	277,052	277,052
Under Development	1	1	8,457	8,457
Future Development	9	9	104,909	104,909
<b>Total</b>	<b>55</b>	<b>55</b>	<b>551,338</b>	<b>551,338</b>

# Real Estate Group: Operational Highlights

## COMMERCIAL REAL ESTATE

### Rental Yields

	1H2020	1H2019	FY2019	Computation
<b>Gross Rental Yield</b>	<b>4.8%</b>	<b>5.8%</b>	<b>11.0%</b>	Rental income over book value of investment property
<b>Net Rental Yield</b>	<b>2.9%</b>	<b>4.2%</b>	<b>8.0%</b>	EBIT over book value of investment property

### Appraisal of Properties

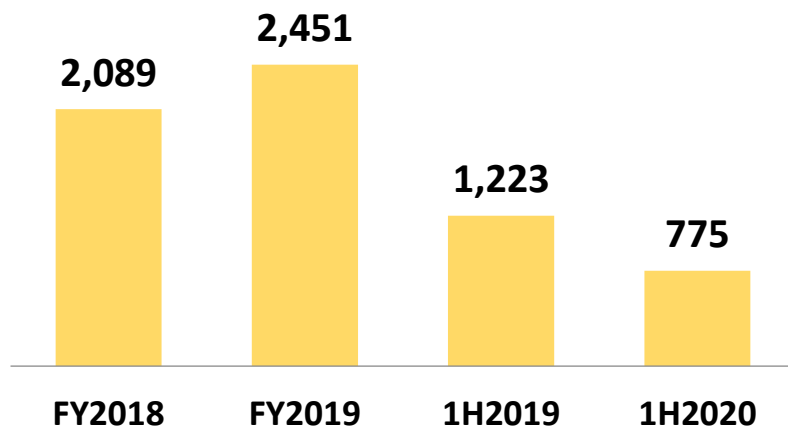
	Appraised value	Book value FY2019	Appraisal increment
<b>Land</b>	33,108,292,490	9,445,921,136	23,662,371,354
<b>Building and machineries</b>	8,336,452,217	7,544,147,592	792,304,625
<b>TOTAL</b>	<b>41,444,744,707</b>	<b>16,990,068,728</b>	<b>24,454,675,979</b>

# Office Warehouse: 1H2020 Financial Highlights

(In PHP millions)

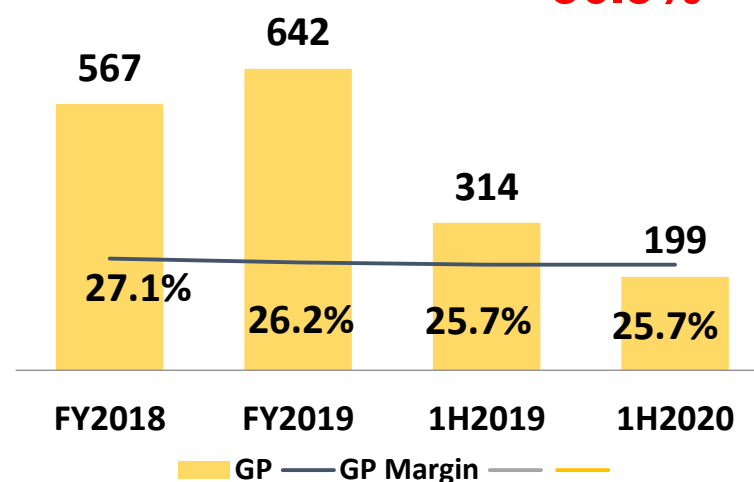
## Revenues

**-36.6%**



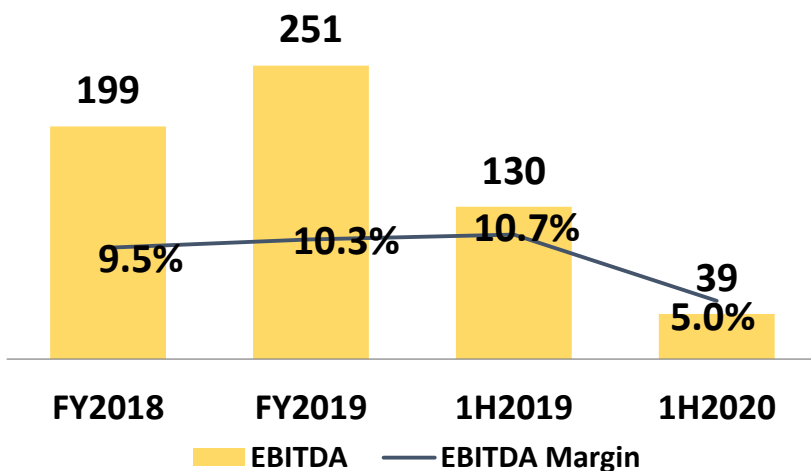
## Gross Profit and Margin

**-36.5%**



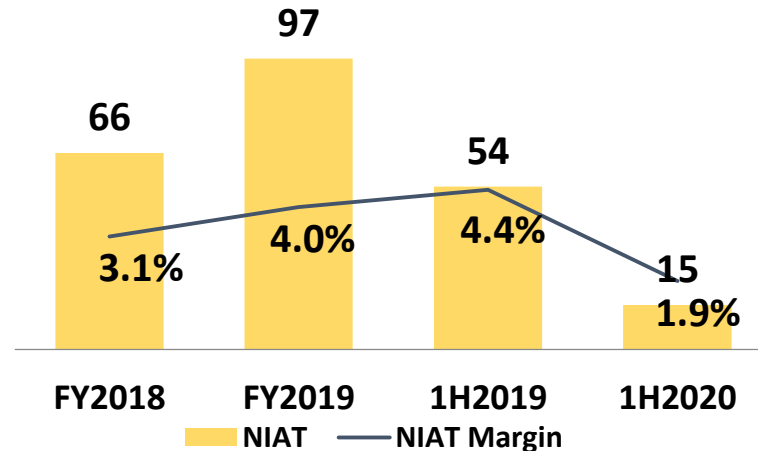
## EBITDA and Margin

**-70.3%**



## Net Profit and Margin

**-72.8%**



# Office Warehouse: Operational Highlights

## OFFICE WAREHOUSE, INC.

- closed down 1 store in 1H 2020
- SSSG of **-37.7%** in 1H 2020 vs +15.3% in 1H 2019 due to government lockdown and community quarantine starting March 16, 2020



	2016	2017	2018	2019	1H 20
<b>No. Stores</b>	71	82	88	89	88
<b>Net selling area (in sqm)</b>	14,014	15,945	16,738	15,589	15,489

- **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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