

# Cosco Capital, Inc.

## 1Q 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  
i n c o r p o r a t e d

49%

100%

100%

100%

## Grocery Retailing



## Liquor Distribution



## Specialty Retailing



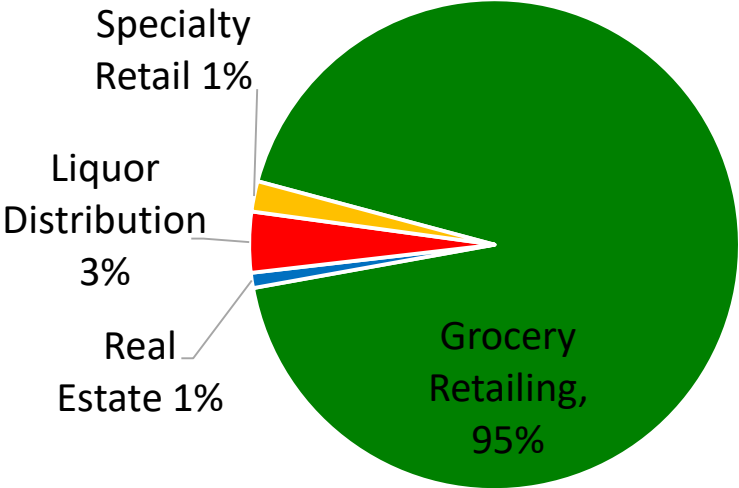
## Commercial Real Estate

- *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 1Q 2020

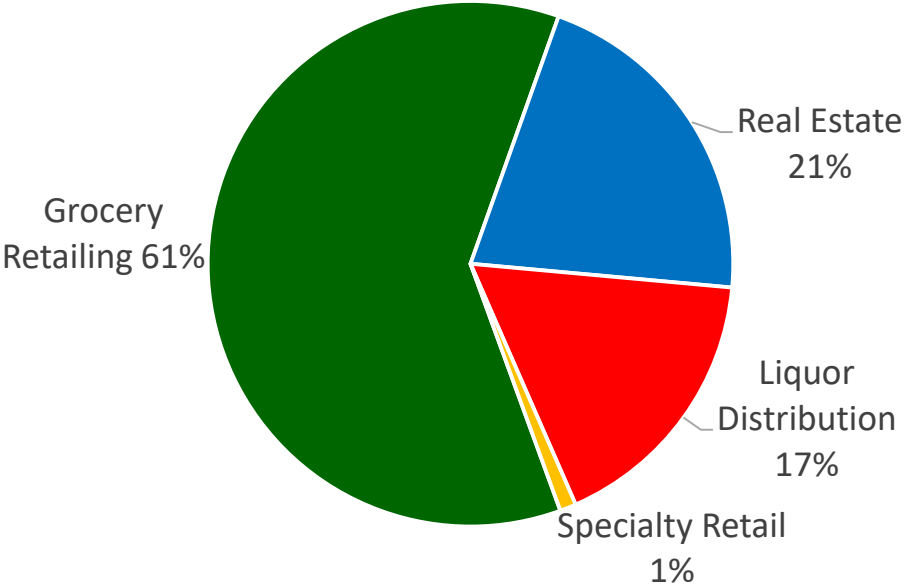


### Revenues



**PHP 43.09 billion**

### CORE PATMI



**\*PHP 1.41 billion**

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

# Q12020 CONSOLIDATED FINANCIAL PERFORMANCE

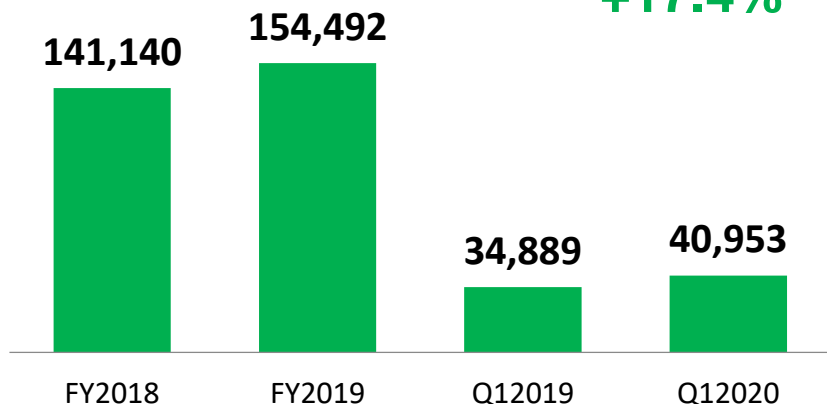
<i>(In Thousands)</i>	Q12020	%	Q12019	%	INCREASE (DECREASE)	%2
REVENUES	43,085,267	100.00%	37,428,428	100.00%	5,656,839	15.11%
COST OF SALES/SERVICES	35,344,924	82.03%	30,432,189	81.31%	4,912,735	16.14%
GROSS PROFIT	7,740,343	17.97%	6,996,240	18.69%	744,103	10.64%
OTHER OPERATING INCOME	827,222	1.92%	734,552	1.96%	92,669	12.62%
GROSS OPERATING INCOME	8,567,565	19.89%	7,730,792	20.65%	836,773	10.82%
OPERATING EXPENSES	5,020,400	11.65%	4,437,660	11.86%	582,740	13.13%
INCOME FROM OPERATIONS	3,547,165	8.23%	3,293,132	8.80%	254,033	7.71%
OTHER INCOME (CHARGES) - net	(342,893)	-0.80%	5,681,371	15.18%	(6,024,264)	106.04%
INCOME BEFORE INCOME TAX	3,204,272	7.44%	8,974,503	23.98%	(5,770,231)	-64.30%
INCOME TAX EXPENSE	885,153	2.05%	784,967	2.10%	100,186	12.76%
NET INCOME FOR THE PERIOD	2,319,119	5.38%	8,189,536	21.88%	(5,870,416)	-71.68%
CORE NET INCOME	2,319,119	5.38%	2,056,094	5.49%	263,025	12.79%
CORE NET PATMI	1,413,976	3.28%	1,316,364	3.52%	97,612	7.42%
PATMI	1,413,976	3.28%	6,836,461	18.27%	(5,422,485)	-79.32%
Non-controlling interests	905,143	2.10%	1,353,074	3.62%	(447,931)	-33.10%
EARNINGS PER SHARE (EPS)	0.20285	5.38%	0.97435	21.88%	(5,870,416)	-71.68%
CORE EPS	0.20285	3.28%	0.18761	3.52%	97,612	7.42%

# Grocery Retailing: 1Q 2020 Financial Highlights

(In PHP millions)

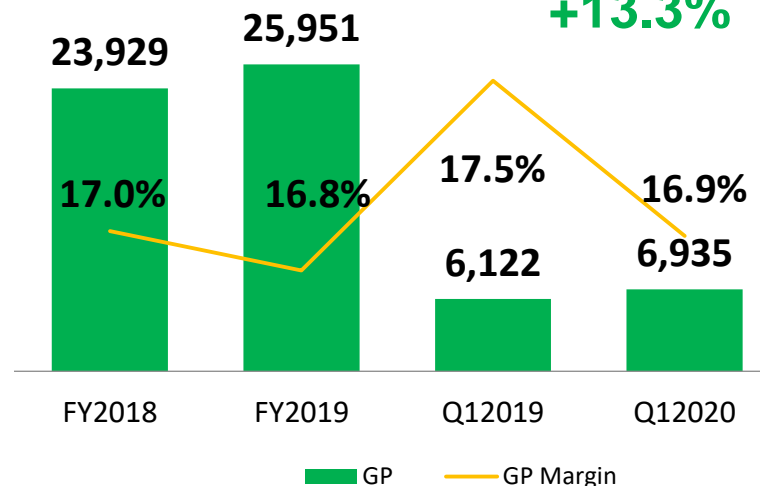
## Revenues

+17.4%



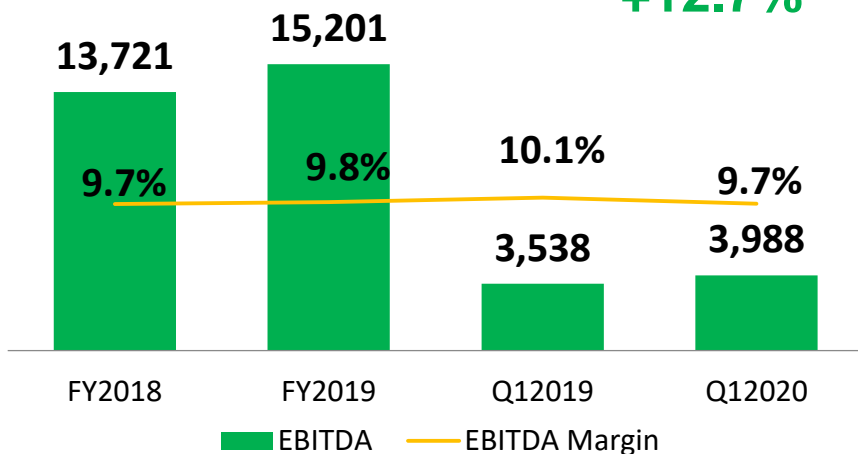
## Gross Profit and Margin

+13.3%



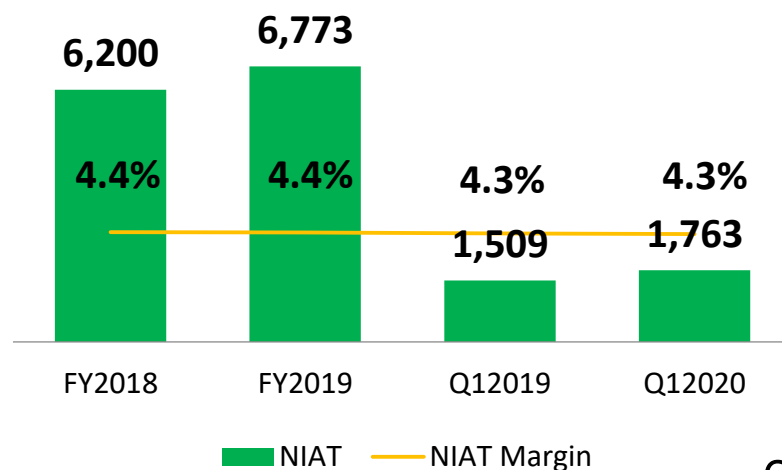
## EBITDA and Margin

+12.7%



## Net Profit and Margin

+16.8%



# Grocery Retailing: Operational Highlights



- Puregold opened **6 new stores** in 1Q 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 443 stores**
- SSSG PGOLD only is at 14.4% while S&R is at 5.1%



	<b>PUREGOLD</b>	<b>S&amp;R</b>	<b>S&amp;R QSR</b>
Metro Manila	132	10	24
Luzon	209	6	11
Visayas	32	2	4
Mindanao	11	2	0
<b>Total</b>	<b>384</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

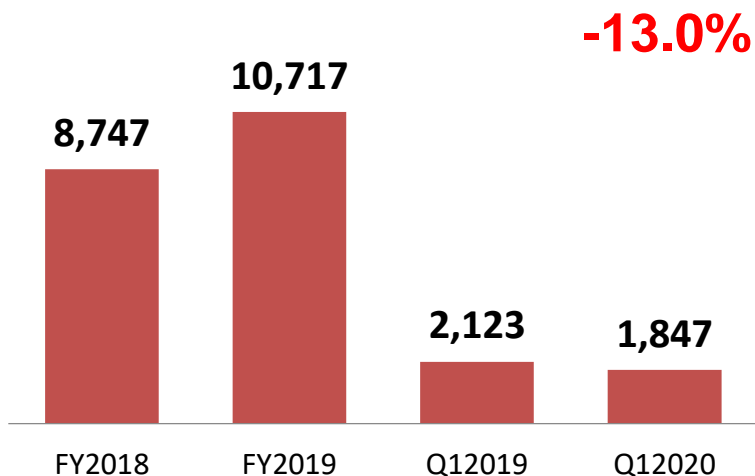
Various Wines



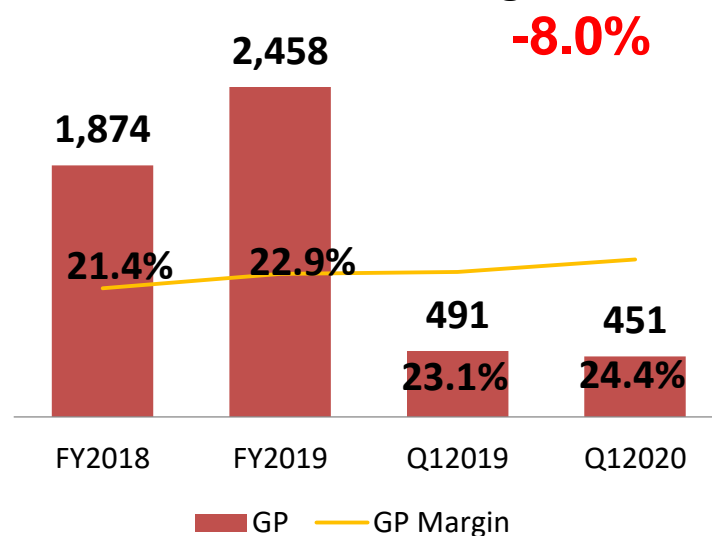
# Liquor Distribution: 1Q 2020 Financial Highlights

(In PHP millions)

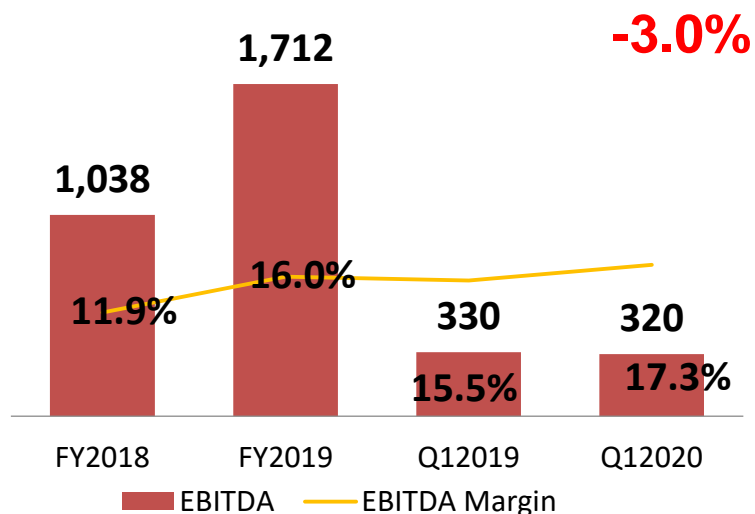
## Revenues



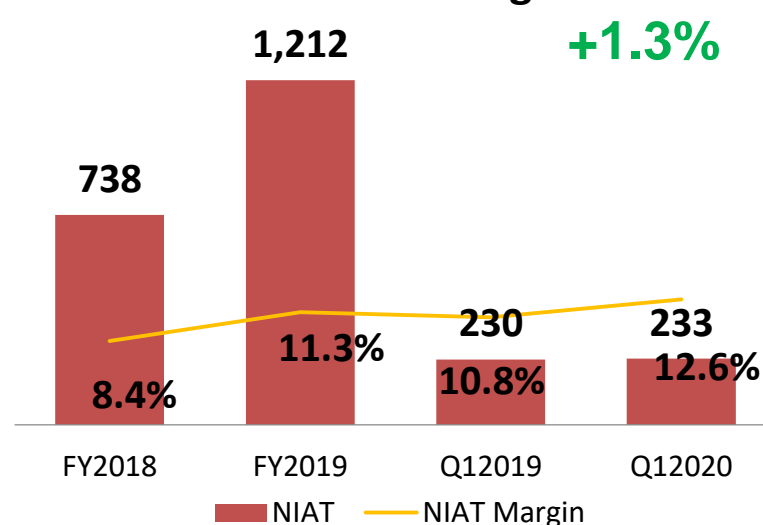
## Gross Profit and Margin



## EBITDA and Margin



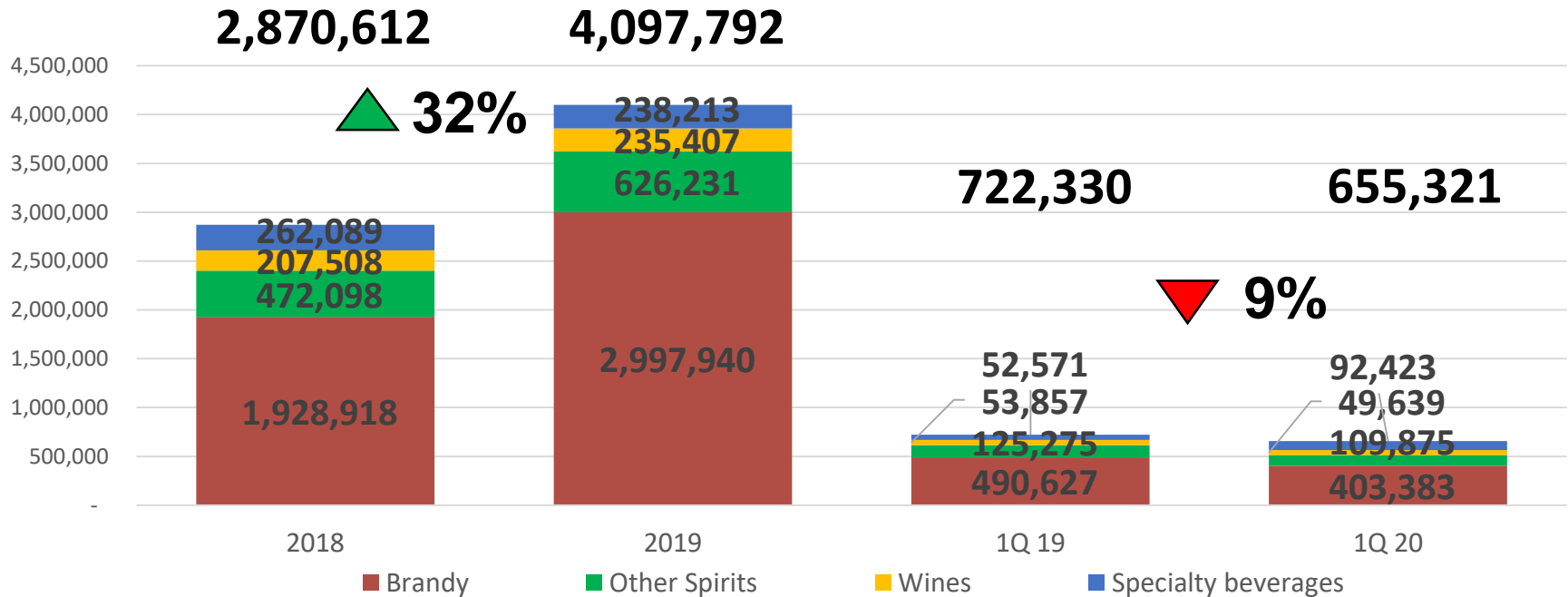
## Net Profit and Margin



# Liquor Distribution: Total Volume Sales

- 9% decline in total volume of cases sold in 1Q 2020
- Decline driven by the government imposed Liquor Ban during COVID-19 Quarantine

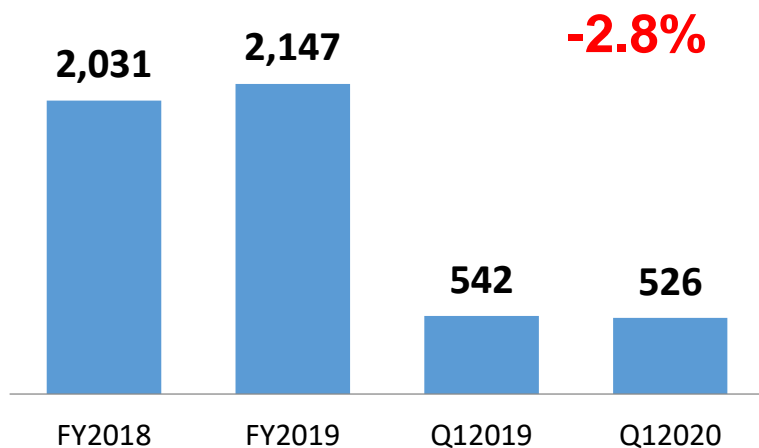
CATEGORY	2018	2019	Mix %	1Q 19	Mix %	1Q 20	Mix %	Inc/Dec	Growth
Brandy	1,928,918	2,997,940	73%	490,627	68%	403,383	62%	(87,244)	-18%
Other Spirits	472,098	626,231	15%	125,275	17%	109,875	17%	(15,400)	-12%
Wines	207,508	235,407	6%	53,857	7%	49,639	8%	(4,218)	-8%
Specialty beverages	262,089	238,213	6%	52,571	7%	92,423	14%	39,852	76%
<b>Grand Total</b>	<b>2,870,612</b>	<b>4,097,791</b>	<b>100%</b>	<b>722,330</b>	<b>100%</b>	<b>655,320</b>	<b>100%</b>	<b>(67,010)</b>	<b>-9%</b>



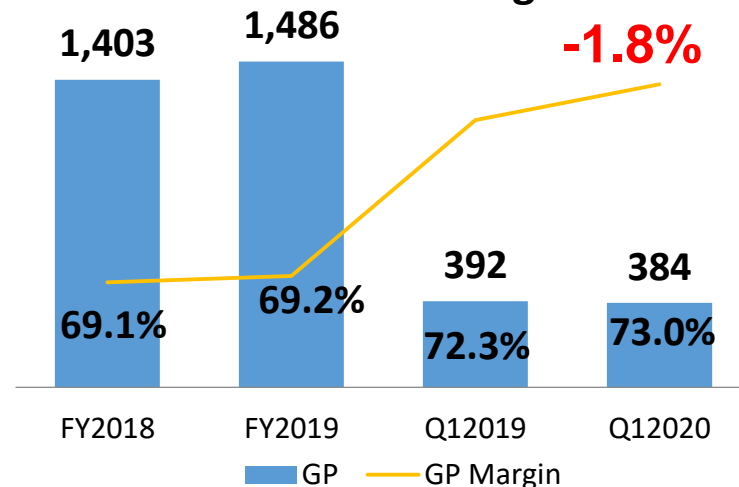
# Real Estate: 1Q 2020 Financial Highlights

(In PHP millions)

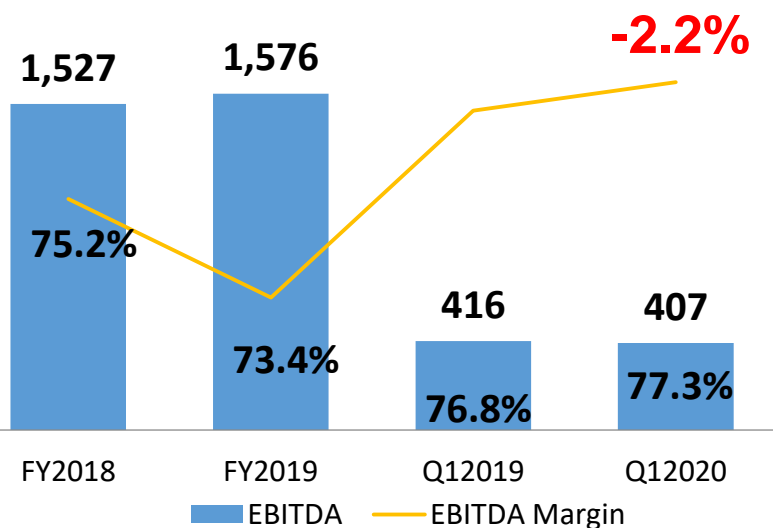
## Revenues



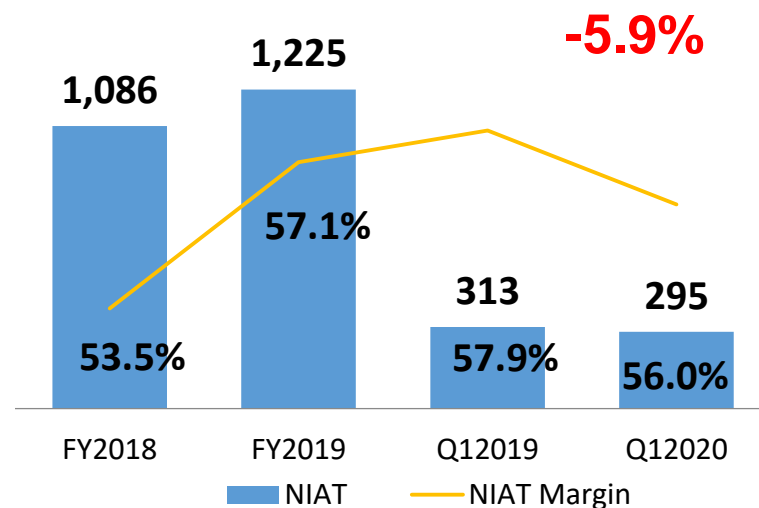
## Gross Profit and Margin



## EBITDA and Margin



## Net Profit and Margin



# Real Estate Group: Operational Highlights

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

Category	Q12020	FY2019	Q12020 GLA/sqm	FY2019 GLA/sqm
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>

- 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

	Q12020	Q12019	FY2019	Computation
<b>Gross Rental Yield</b>	<b>3.3%</b>	<b>3.3%</b>	<b>11.0%</b>	Rental income over book value of investment property
<b>Net Rental Yield</b>	<b>2.1%</b>	<b>2.2%</b>	<b>8.0%</b>	EBIT over book value of investment property

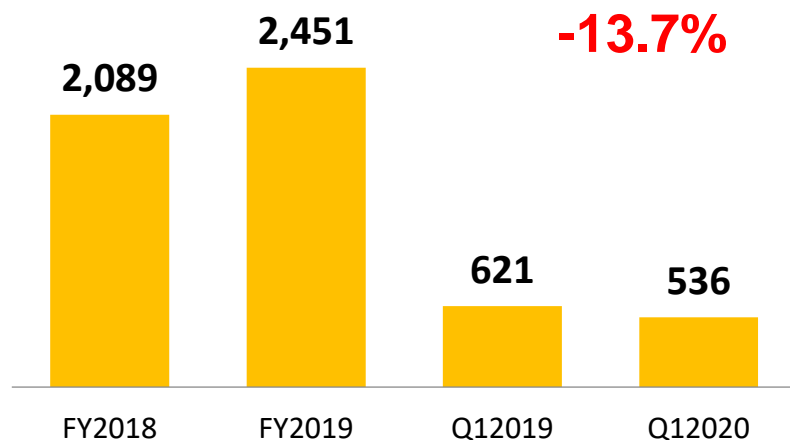
### Appraisal of Properties

	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>

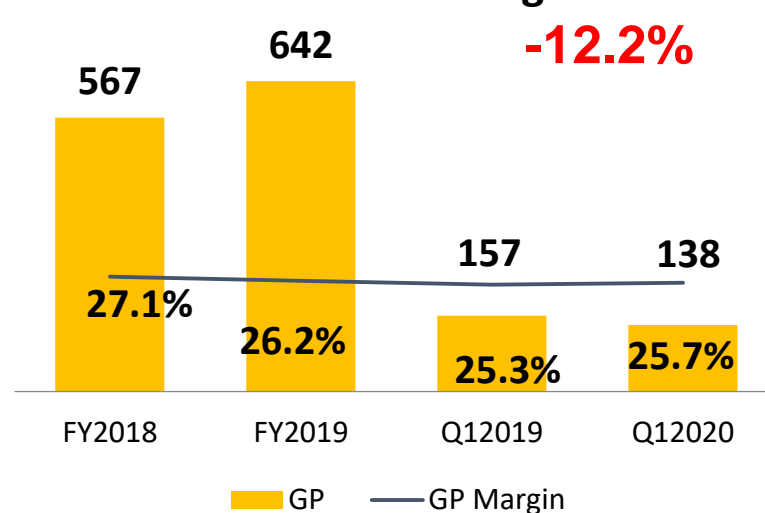
# Office Warehouse: 1Q 2020 Financial Highlights

(In PHP millions)

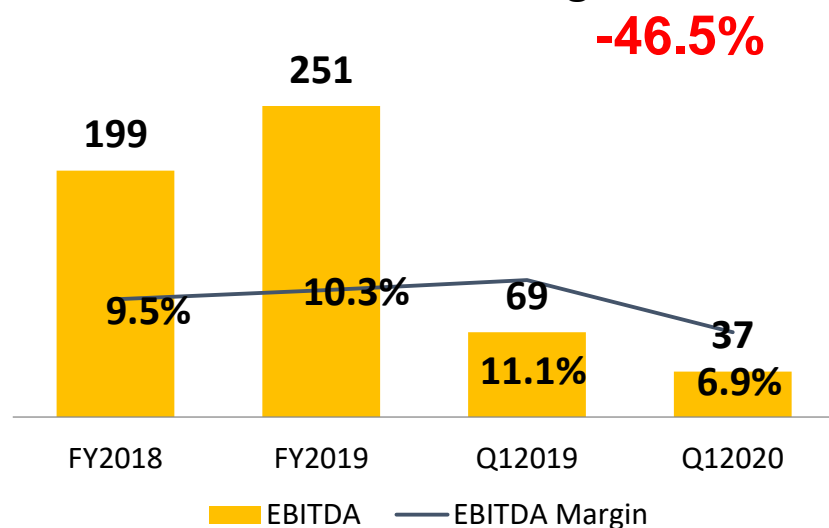
## Revenues



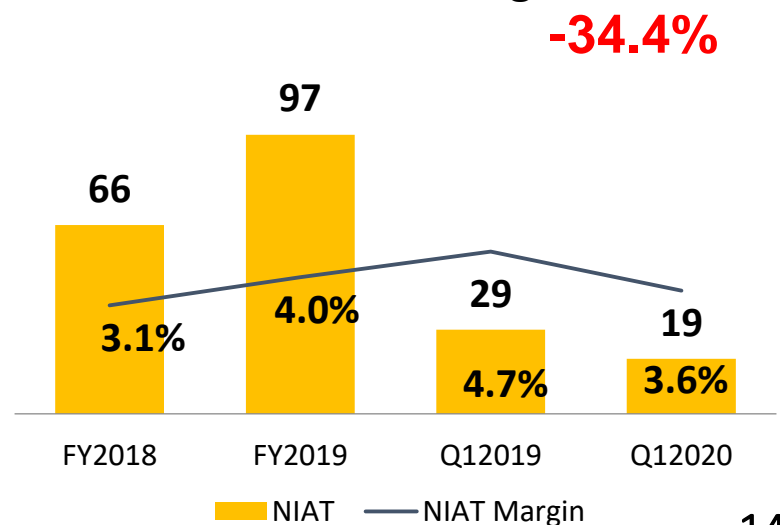
## Gross Profit and Margin



## EBITDA and Margin



## Net Profit and Margin



# Office Warehouse: Operational Highlights

## OFFICE WAREHOUSE, INC.

- Strong growth driven by store expansion and enhanced product offerings
- closed down 1 store
- SSSG of **-15.3%** in 1Q 2020 vs +18.2% in 1Q 2019 due to government lockdown and community quarantine starting March 16, 2020



	2016	2017	2018	2019	1Q 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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