

Cosco Capital, Inc.

9M 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



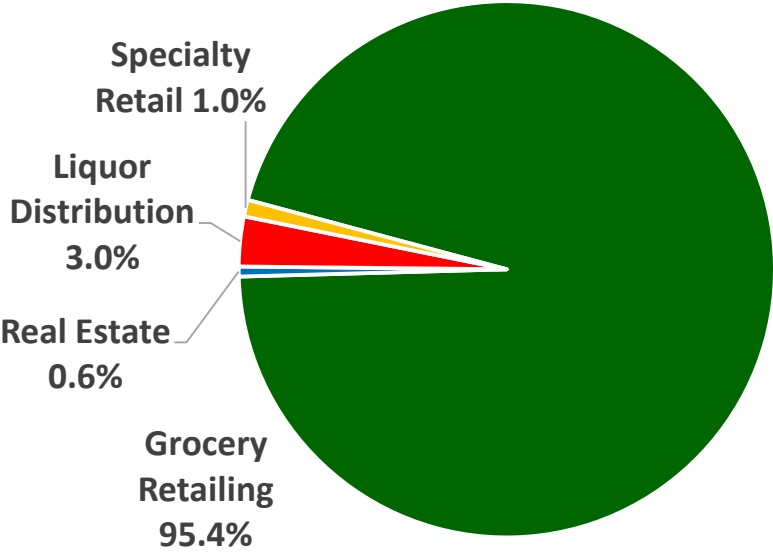
Commercial Real Estate

- *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 9M 2020

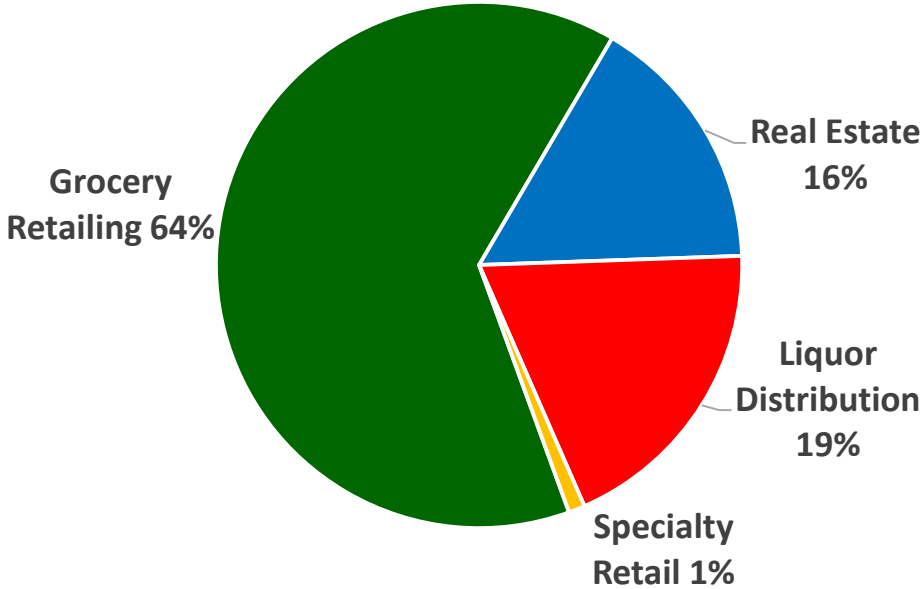


Revenues



PHP 126.97 billion

CORE PATMI



PHP 3.88 billion

9M2020 CONSOLIDATED FINANCIAL PERFORMANCE



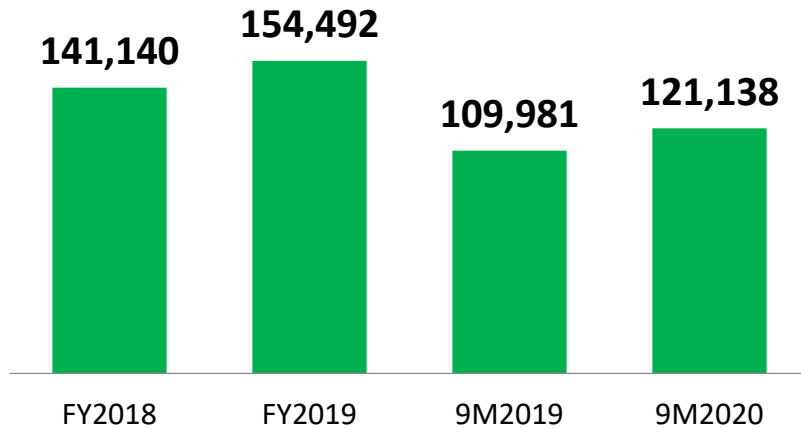
<i>(In Thousands)</i>	9M2020	%	9M2019	%	INCREASE (DECREASE)	%
REVENUES	126,969,855	100.00%	118,382,488	100.00%	8,587,367	7.25%
COST OF SALES/SERVICES	105,111,813	82.78%	97,250,598	82.15%	7,861,215	8.08%
GROSS PROFIT	21,858,043	17.22%	21,131,890	17.85%	726,152	3.44%
OTHER OPERATING INCOME	2,306,771	1.82%	2,322,087	1.96%	(15,316)	-0.66%
GROSS OPERATING INCOME	24,164,814	19.03%	23,453,977	19.81%	710,836	3.03%
OPERATING EXPENSES	14,197,961	11.18%	13,926,209	11.76%	271,751	1.95%
INCOME FROM OPERATIONS	9,966,853	7.85%	9,527,768	8.05%	439,085	4.61%
OTHER INCOME (CHARGES) - net	(1,025,197)	-0.81%	5,475,587	4.63%	(6,500,783)	118.72%
INCOME BEFORE INCOME TAX	8,941,656	7.04%	15,003,355	12.67%	(6,061,698)	-40.40%
INCOME TAX EXPENSE	2,469,414	1.94%	2,352,162	1.99%	117,253	4.98%
NET INCOME FOR THE PERIOD	6,472,242	5.10%	12,651,193	10.69%	(6,178,951)	-48.84%
CORE NET INCOME	6,472,242	5.38%	6,509,976	5.50%	(37,734)	-0.58%
CORE NET PATMI	3,879,313	3.28%	4,159,712	3.51%	(280,399)	-6.74%
PATMI	3,879,313	3.06%	9,686,807	8.18%	(5,807,494)	-59.95%
Non-controlling interests	2,592,929	2.04%	2,964,386	2.50%	(371,457)	-12.53%
	6,472,242	5.10%	12,651,193	10.69%	(6,178,951)	-48.84%
EARNINGS PER SHARE (EPS)	0.55738		1.38134			-59.65%
CORE EPS	0.55738		0.59318			-6.04%
EBITDA	13,013,112	10.25%	12,190,861	10.30%	822,251	6.74%

Grocery Retailing: 9M2020 Financial Highlights

(In PHP millions)

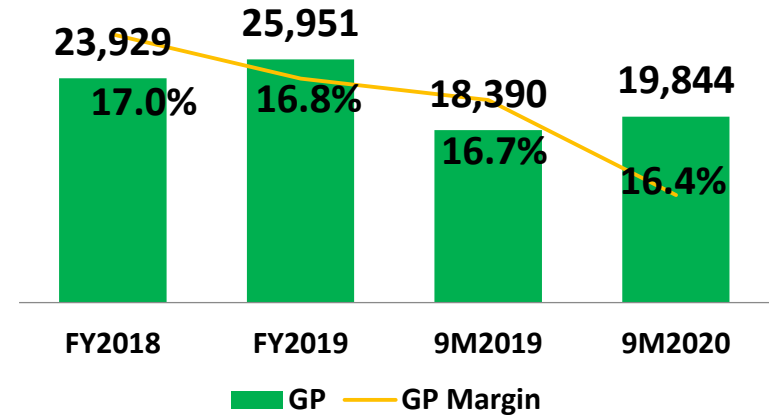
Revenues

+10.1%



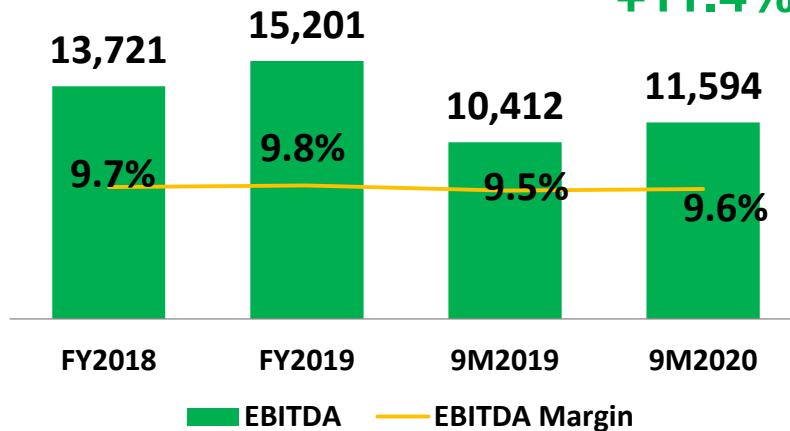
Gross Profit and Margin

+7.9%



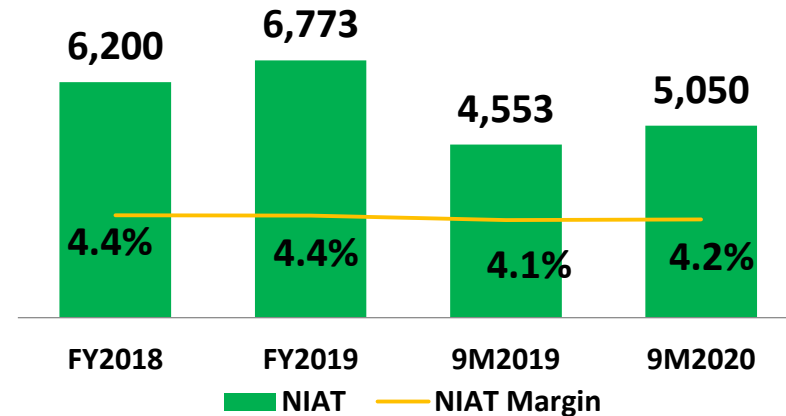
EBITDA and Margin

+11.4%



Net Profit and Margin

+10.9%



Grocery Retailing: Operational Highlights



- Puregold opened **16 new stores** in 9M 2020; closed 3 PGOLD stores
- S&R opened **2 new S&R warehouse**; 3 QSR
- As of 9M 2020, the Grocery Retailing segment is operating a **total of 455 stores**
- SSSG PGOLD only is at 4.5% while S&R is at 6.4%



	PUREGOLD	S&R	S&R QSR
Metro Manila	136	10	24
Luzon	214	6	12
Visayas	32	2	6
Mindanao	11	2	-
Total	393	20	42

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

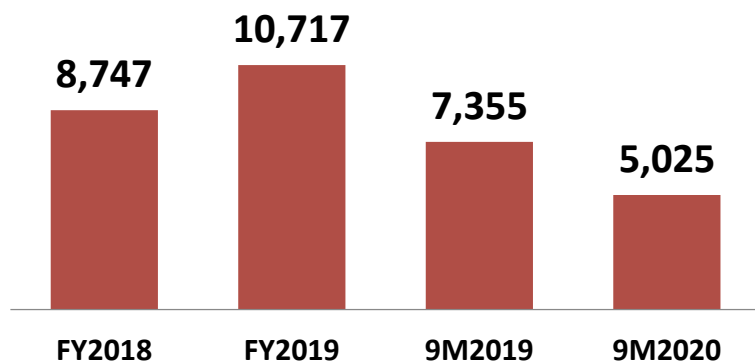
Various Wines

Liquor Distribution: 9M2020 Financial Highlights

(In PHP millions)

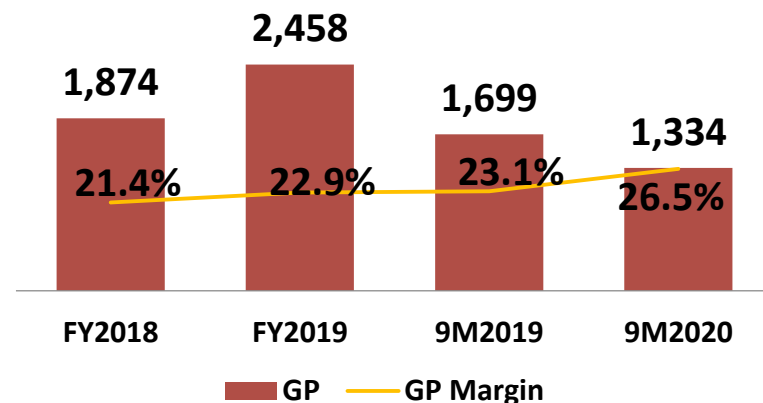
Revenues

-31.7%



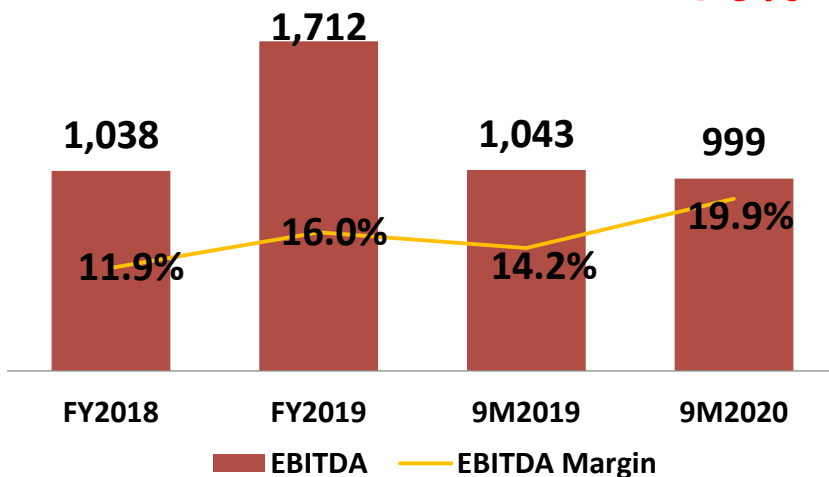
Gross Profit and Margin

-21.5%



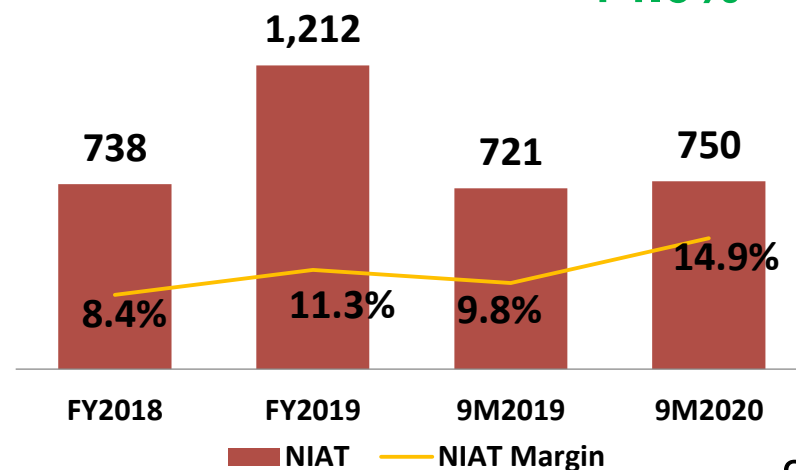
EBITDA and Margin

-4.3%



Net Profit and Margin

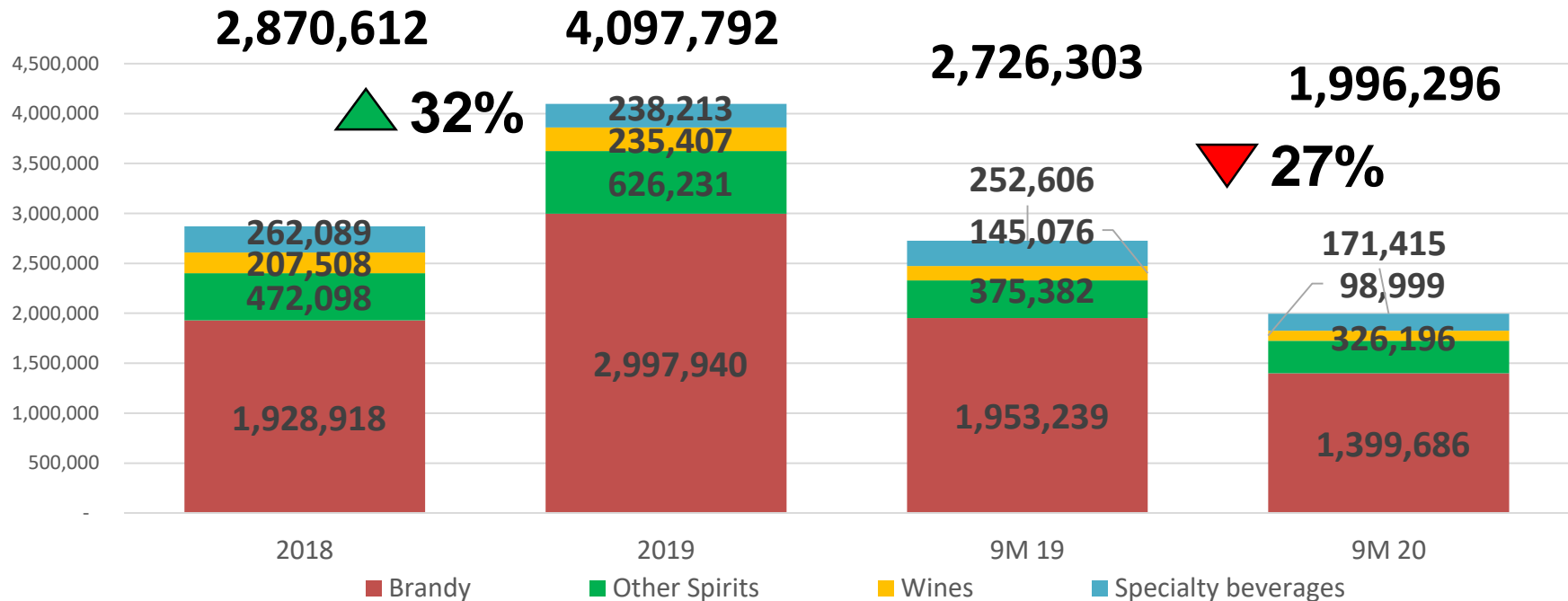
+4.0%



Liquor Distribution: Total Volume Sales

- 27% decline in total volume of cases sold in 9M 2020
- Decline driven by the government imposed Liquor Ban during COVID-19 Quarantine

CATEGORY	2018	2019	9M 19	Mix %	9M 20	Mix %	Inc/Dec	Growth
Brandy	1,928,918	2,997,940	1,953,239	72%	1,399,686	70%	(553,553)	-28%
Other Spirits	472,098	626,231	375,382	14%	326,196	16%	(49,186)	-13%
Wines	207,508	235,407	145,076	5%	98,999	5%	(46,077)	-32%
Specialty beverages	262,089	238,213	252,606	9%	171,415	9%	(81,191)	-32%
Grand Total	2,870,612	4,097,791	2,726,303	100%	1,996,296	100%	(730,007)	-27%

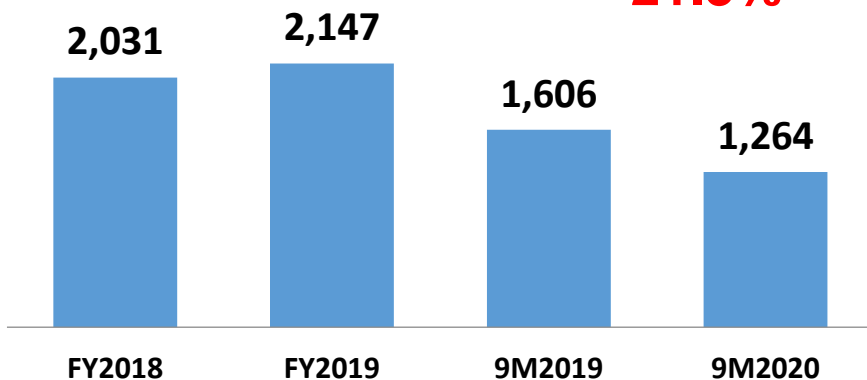


Real Estate: 9M2020 Financial Highlights

(In PHP millions)

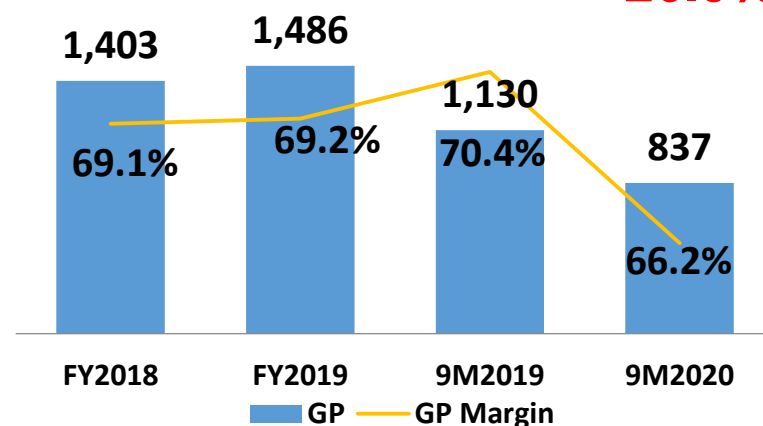
Revenues

-21.3%



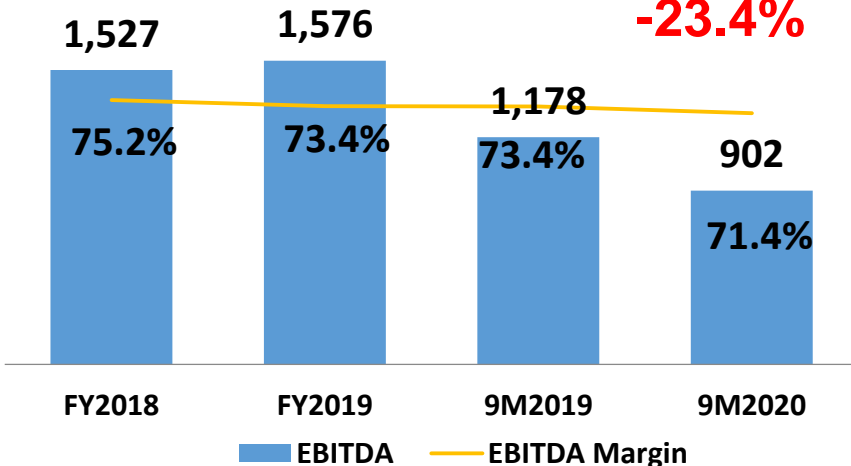
Gross Profit and Margin

-26.0%



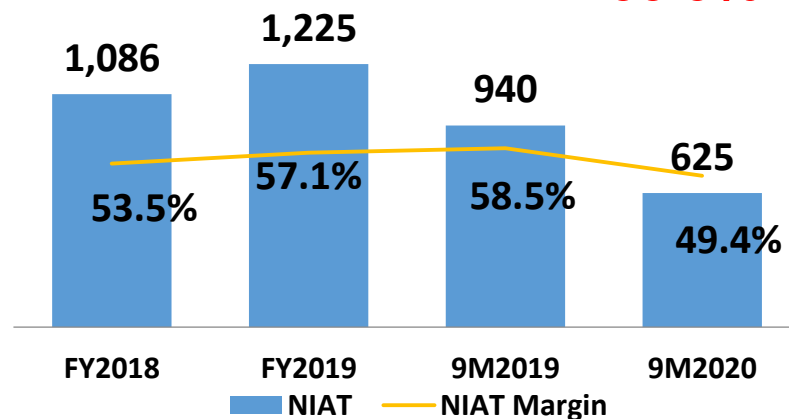
EBITDA and Margin

-23.4%



Net Profit and Margin

-33.5%



REAL ESTATE

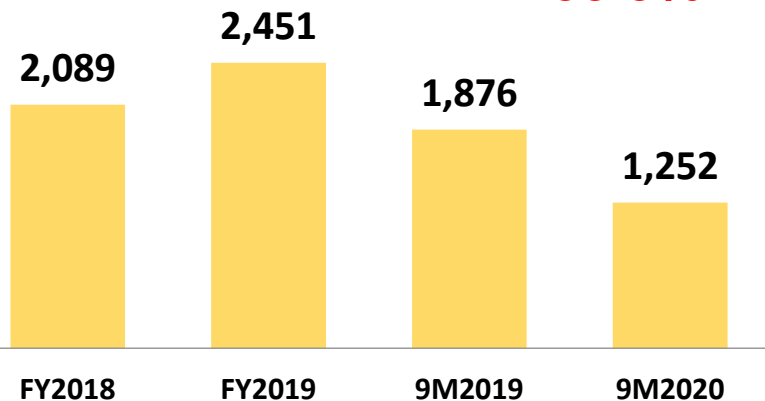
- 53% of tenants portfolio are essential industries allowed to continue business operations during the community quarantines and lockdowns
- 47% of tenants portfolio – directly affected by the mall closures and community quarantines
- Rental reliefs extended to directly affected tenants by way of:
 - Rental Waivers – April and May 2020
 - Reduced rentals – Subsequently thereafter
- Major capex programs have been put on hold

Office Warehouse: 9M2020 Financial Highlights

(In PHP millions)

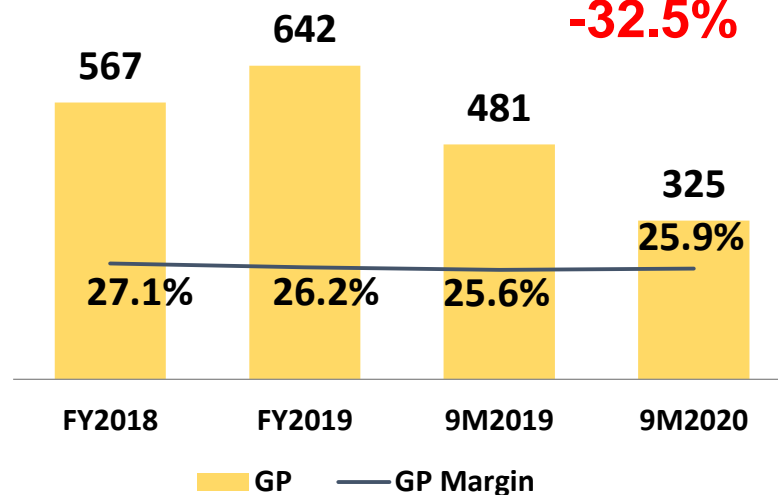
Revenues

-33.3%



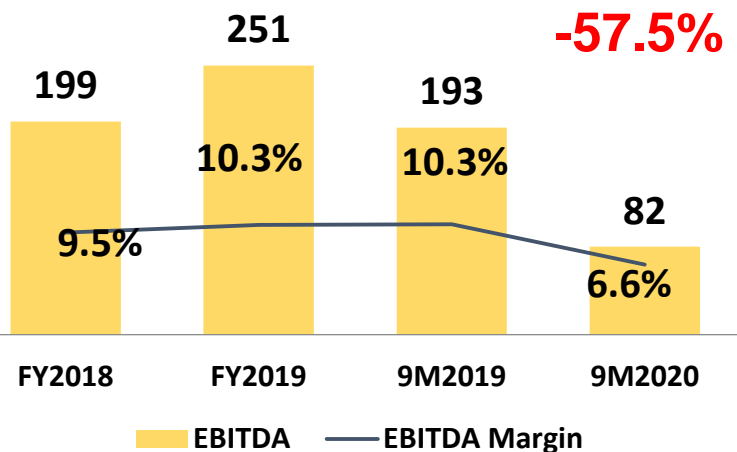
Gross Profit and Margin

-32.5%



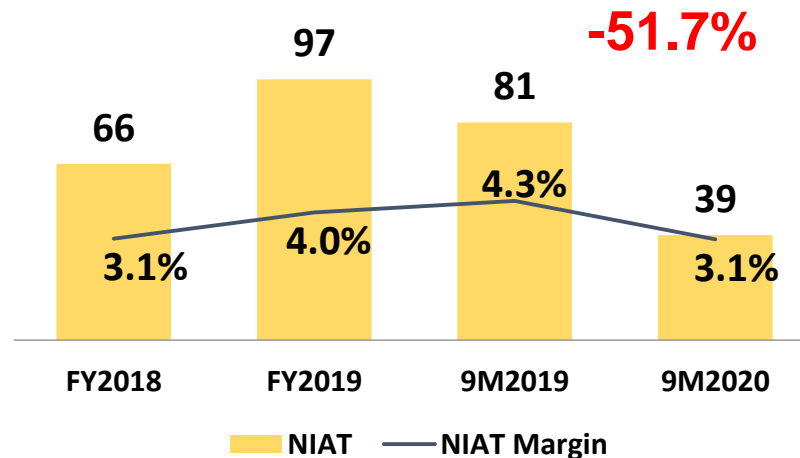
EBITDA and Margin

-57.5%



Net Profit and Margin

-51.7%



Office Warehouse: Operational Highlights

OFFICE WAREHOUSE, INC.

- closed down 1 store in 9M 2020
- SSSG of **-34.2%** in 9M 2020 vs +13.55% in 9M 2019 due to government lockdown and community quarantine starting March 16, 2020



	2016	2017	2018	2019	9M 20
No. Stores	71	82	88	89	88
Net selling area (in sqm)	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

SUMMARY

- **Macro-economic fundamentals and economic stimulus in place conducive to economic recovery**
- **Resilient diversified structure and financial performance**
 - ❖ *Grocery retail segment driving the group's top-line and bottom-line growths cushioning the declines experienced by the other business segments*
 - ❖ *Strategic cost and expense management by business units*
- **Strategic liquidity position with opportunistic debt capital raising by Puregold**
- **Strong and healthy financial position**



Thank you.

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