

Cosco Capital, Inc.

9M 2019 Financial Results Investor Presentation



Disclaimer

These presentations and/or other documents have been written and presented by COSCO CAPITAL, INC. (COSCO). COSCO is solely responsible for the accuracy and completeness of the contents of such presentations and/or other documents. Third parties, other than COSCO, do not have any responsibility for or control over the contents of such presentations and/or other documents. No endorsement is intended or implied notwithstanding the distribution of this presentation and/or other documents during the analysts and investors calls and meetings of COSCO. The materials and information in the presentations and other documents are for informational purposes only, and are not an offer or solicitation for the purchase or sale of any securities or financial instruments or to provide any investment service or investment advice.

Head Office Address

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

Company Overview

Lucio Co Family
75%

Public
25%



cosco capital
i n c o r p o r a t e d

49%

100%

100%

100%

Grocery Retailing



Liquor Distribution



Specialty Retailing



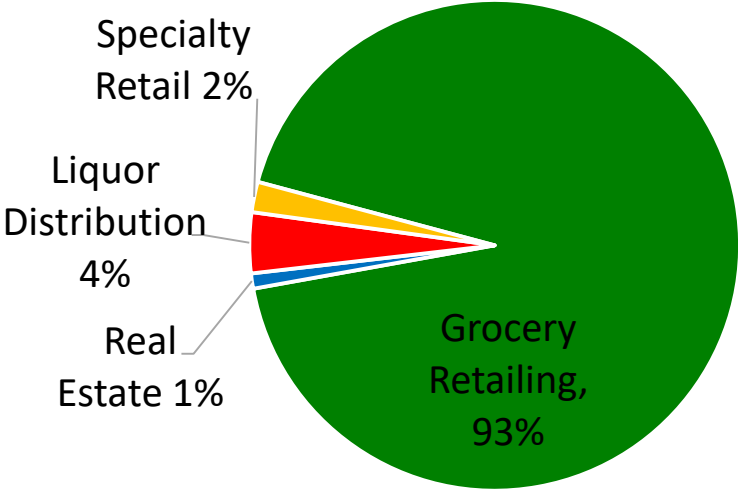
Commercial Real Estate

- *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 9M 2019

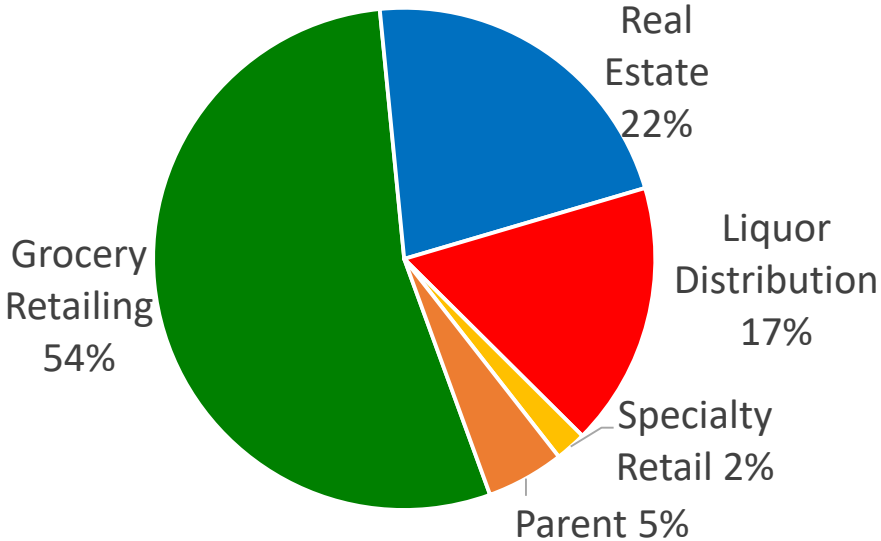


Revenues



PHP 118.53 billion

PATMI



***PHP 4.25 billion**

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

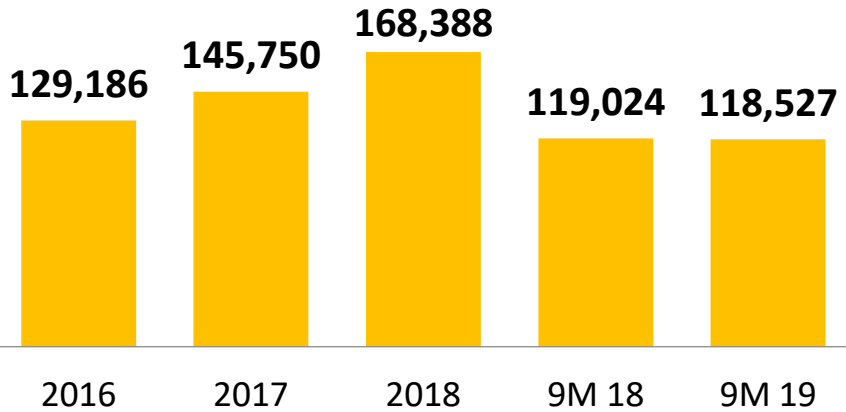
9M 2019 Consolidated Financial Highlights



(In PHP millions)

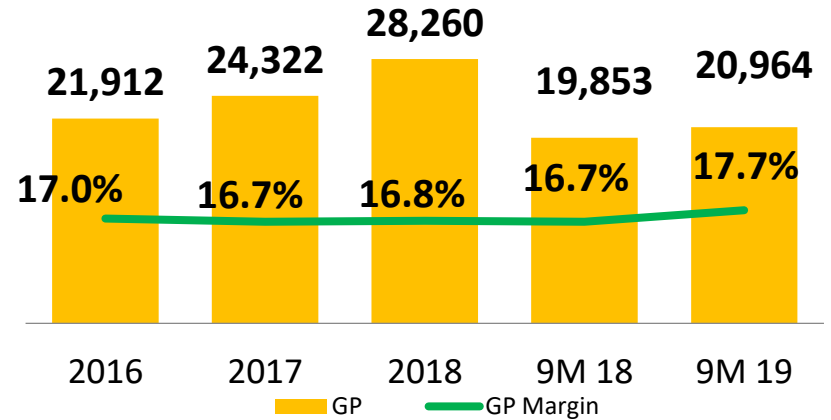
Revenues

-0.4%



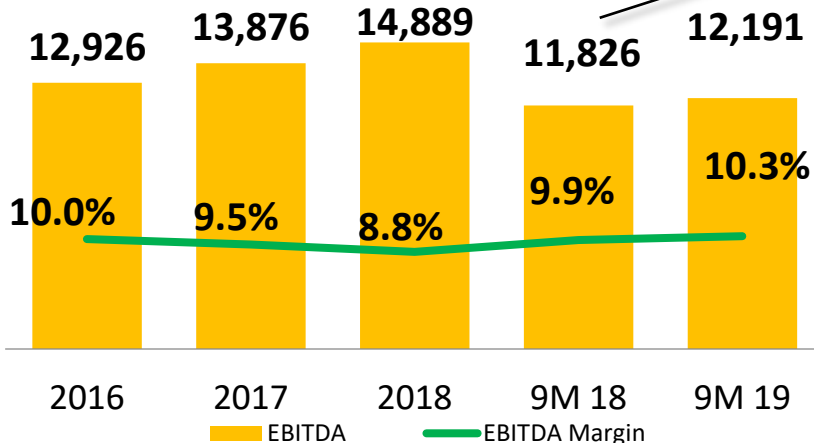
Gross Profit

+5.6%



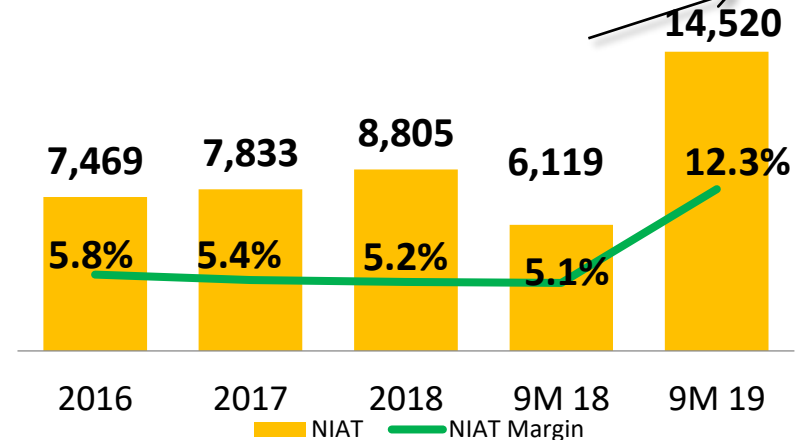
EBITDA

+3.1%



Net Income

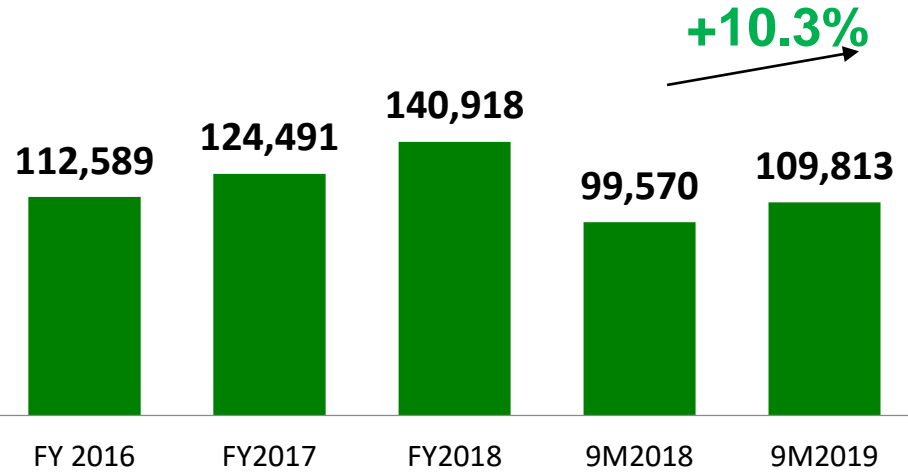
+137%



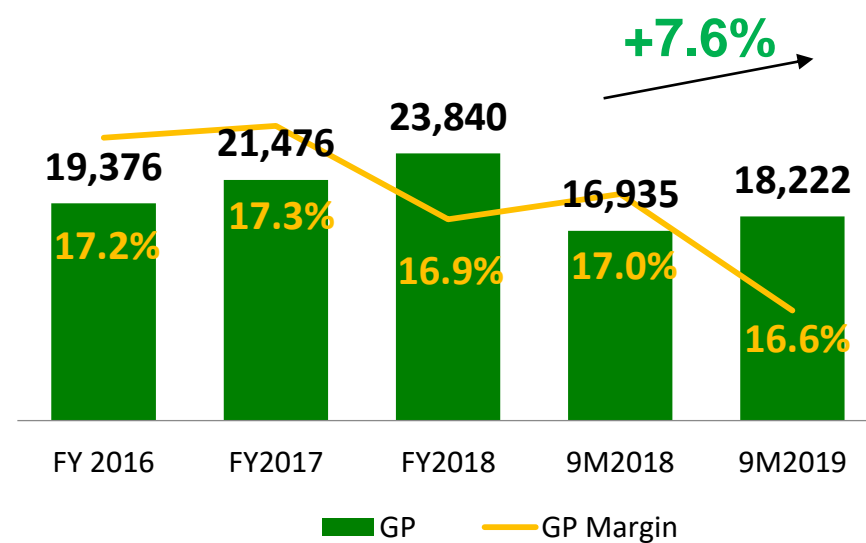
Grocery Retailing: 9M2019 Financial Highlights

(In PHP millions)

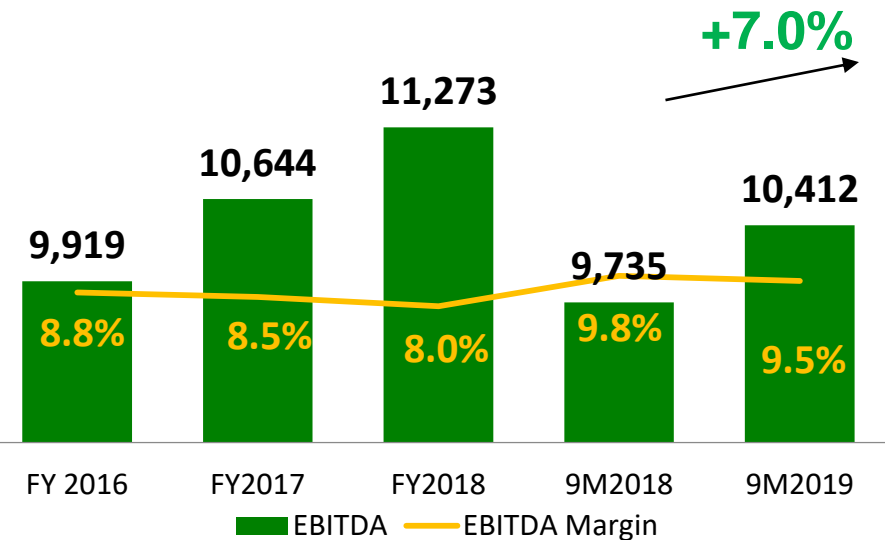
Revenues



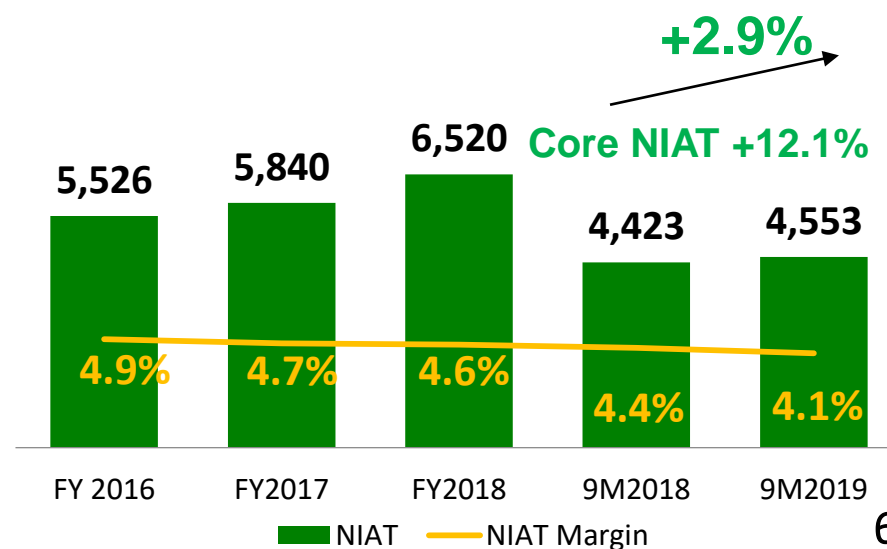
Gross Profit and Margin



EBITDA and Margin



Net Profit and Margin



Grocery Retailing: Operational Highlights



- Puregold opened **17 new stores** in 9M 2019; closed 2 PGOLD stores
- S&R opened **1 new S&R warehouse**; closed 1 QSR
- As of 9M 2019, the Grocery Retailing segment is operating a **total of 423 stores**
- SSSG PGOLD only is at 5.8% while S&R is at 8.4%
- Merger and conversion of NE Bodega and Budgetlane supermarket stores effective **January 1, 2018**



	PUREGOLD	S&R	S&R QSR
Metro Manila	128	7	24
Luzon	202	6	9
Visayas	28	2	4
Mindanao	11	2	0
Total	369	17	37

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

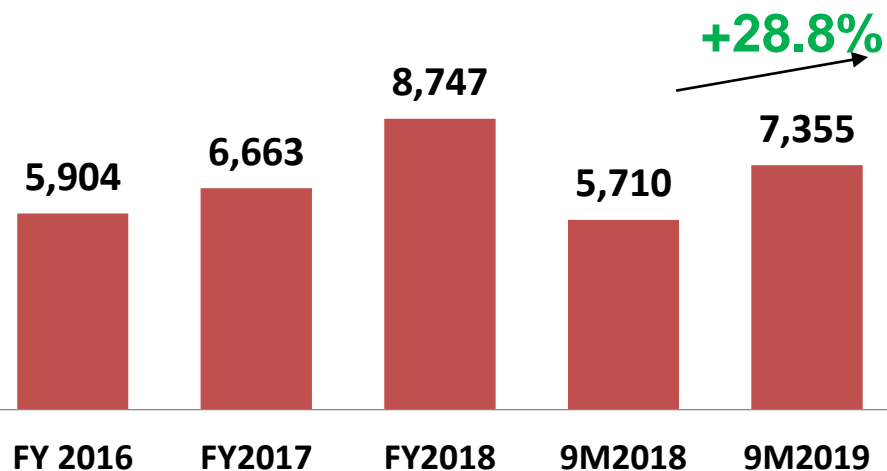
Red Bull

Various Wines

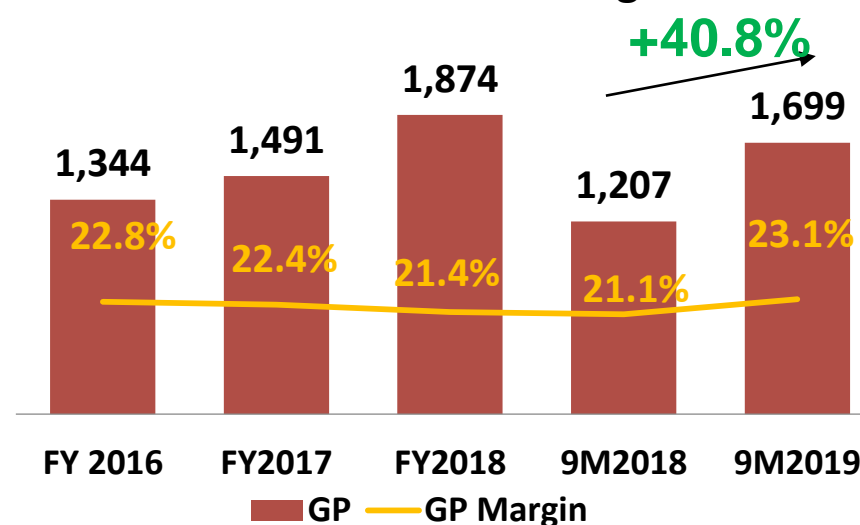
Liquor Distribution: 9M2019 Financial Highlights

(In PHP millions)

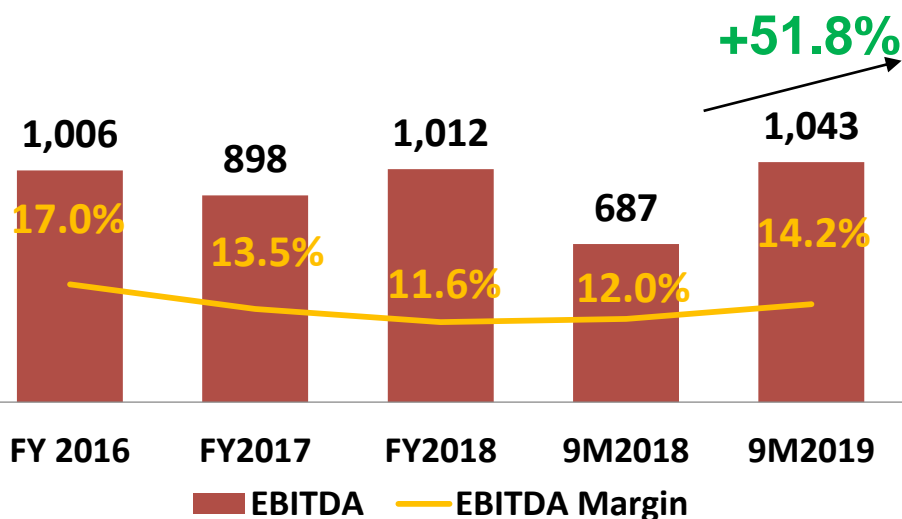
Revenues



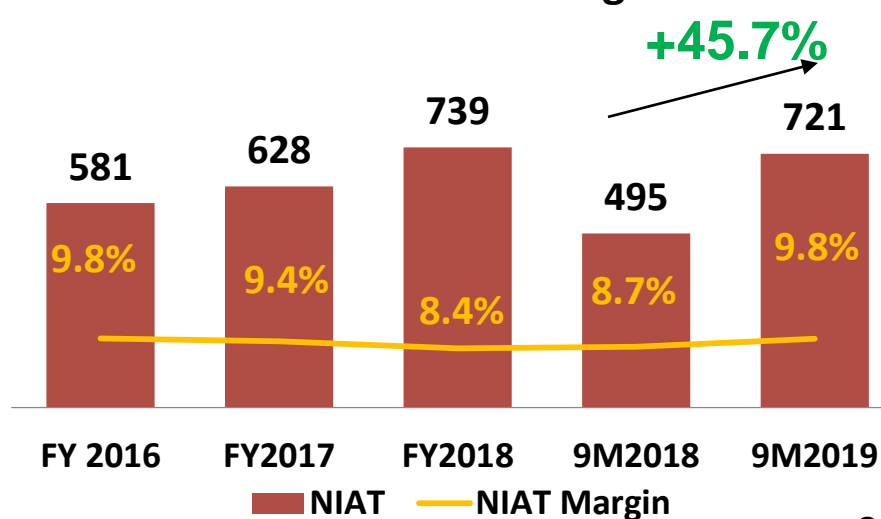
Gross Profit and Margin



EBITDA and Margin



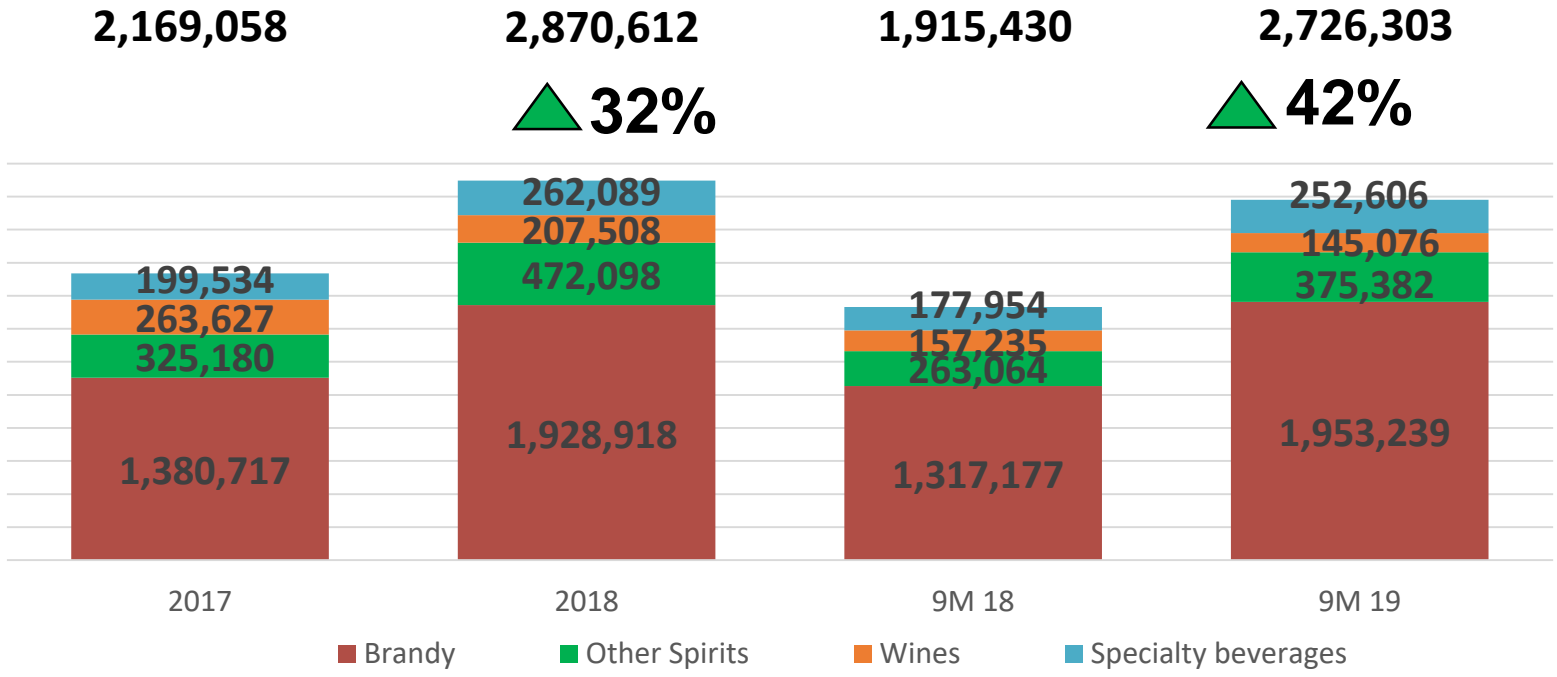
Net Profit and Margin



Liquor Distribution: Total Volume Sales

- 42% growth in total volume of cases sold in 9M 2019
- Growth driven by the continued strong sales of Alfonso Light and Alfonso Brandy .

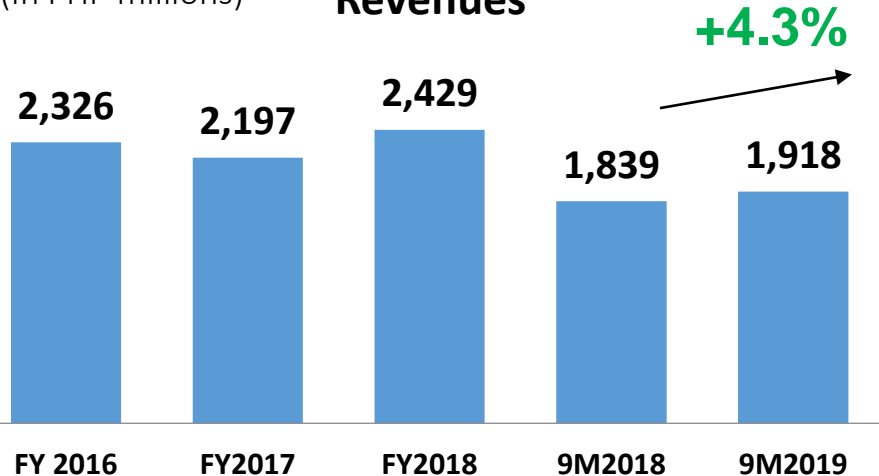
CATEGORY	9M 18	Mix %	9M 19	Mix %	Inc/Dec	Growth
Brandy	1,317,177	69%	1,953,239	72%	636,062	48%
Other Spirits	263,064	14%	375,382	14%	112,318	43%
Wines	157,235	8%	145,076	5%	(12,159)	-8%
Specialty beverages	177,954	9%	252,606	9%	74,652	42%
Grand Total	1,915,430	100%	2,726,303	100%	810,873	42%



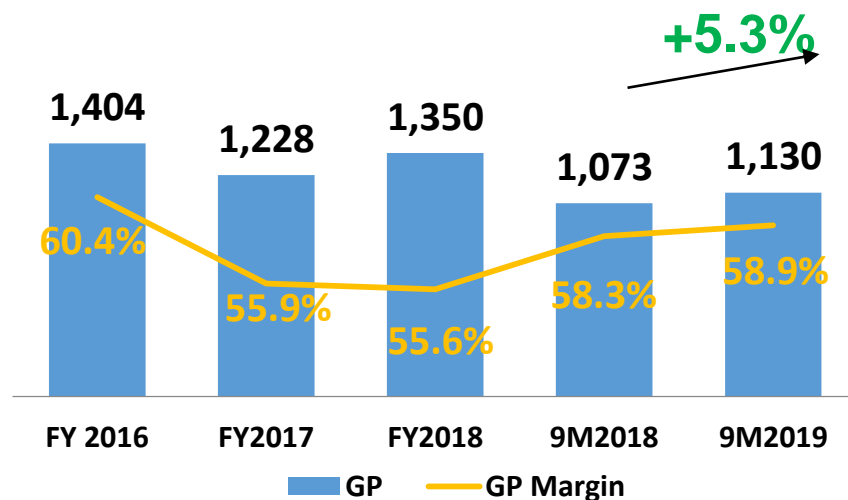
Real Estate: 9M2019 Financial Highlights

(In PHP millions)

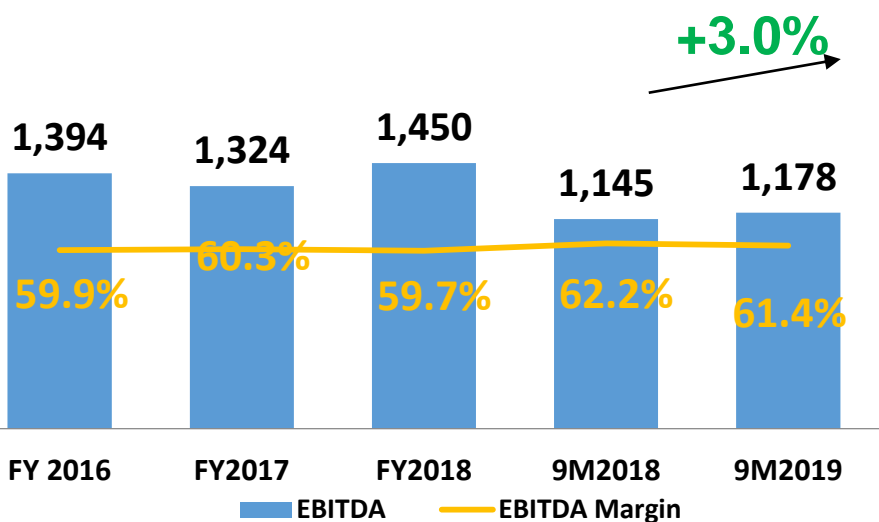
Revenues



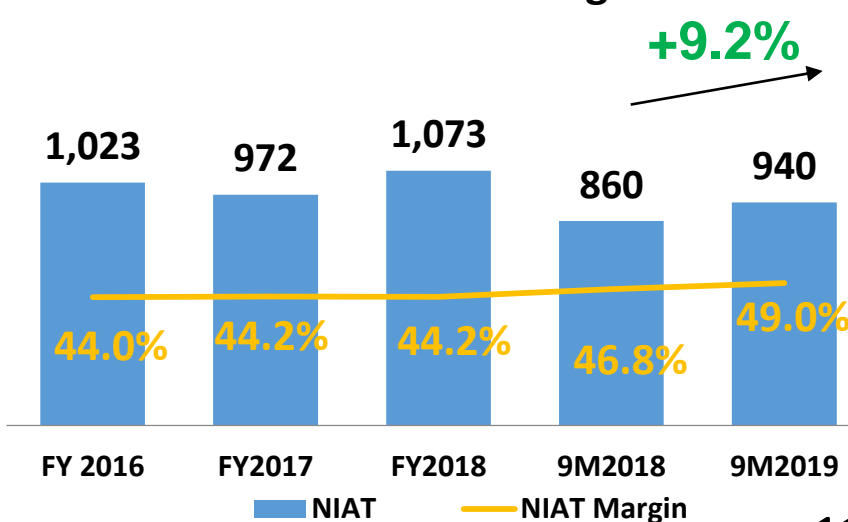
Gross Profit and Margin



EBITDA and Margin



Net Profit and Margin



Real Estate Group: Operational Highlights

- Total of 55 commercial properties with 98% average occupancy rate
- Pure Petroleum operating at 100% capacity in 2018 and 2017 (9 storage tanks with 88.5M liters capacity)

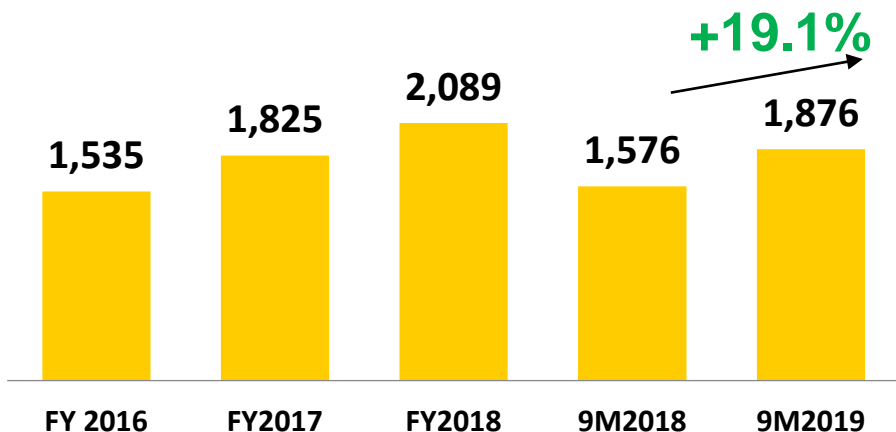
Category	9M 2019	FY2018	9M 2019 GLA/sqm	FY2018 GLA/sqm
Land under lease	11	10	160,921	160,921
Commercial Buildings	33	32	265,740	264,327
Under Development	2	3	8,457	9,605
Future Development	9	8	104,909	85,486
Total	55	53	540,026	517,541

- 1 new community malls opened in Q1 2019 located in **Maria Aurora, Aurora**.
- On-going development of **1 new** community malls in **Las Pinas** to open by Q1 2021
- New Community mall to open in **Bayawan Negros Oriental** will operate by Nov 2019.
- Acquired **1 new** property during the 1H2019 located in Barotac Nuevo, Iloilo
- Appraised Value of Properties: Php 41.44 Billion vs. Booked Value of Php 16.67 Billion

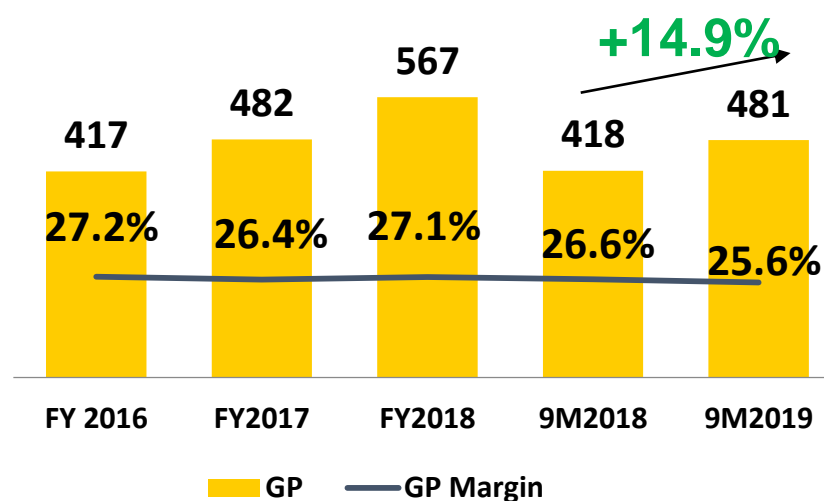
Office Warehouse: 9M2019 Financial Highlights

(In PHP millions)

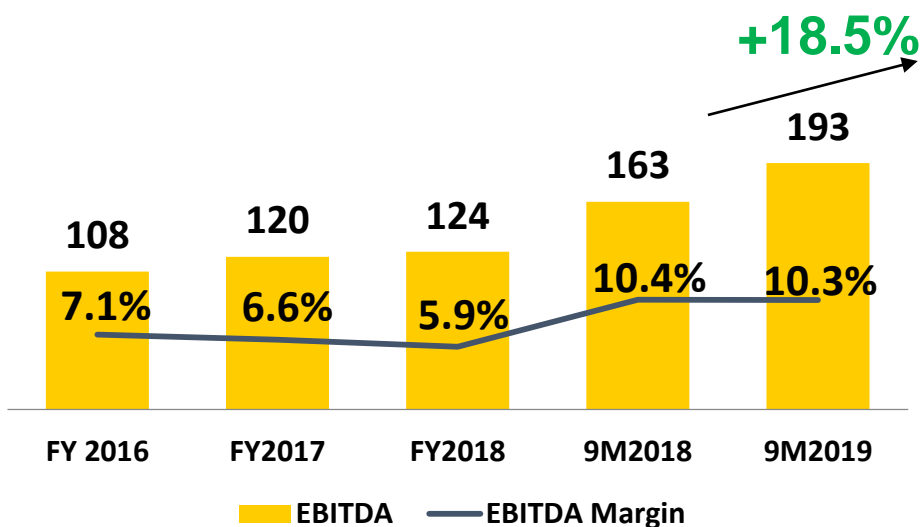
Revenues



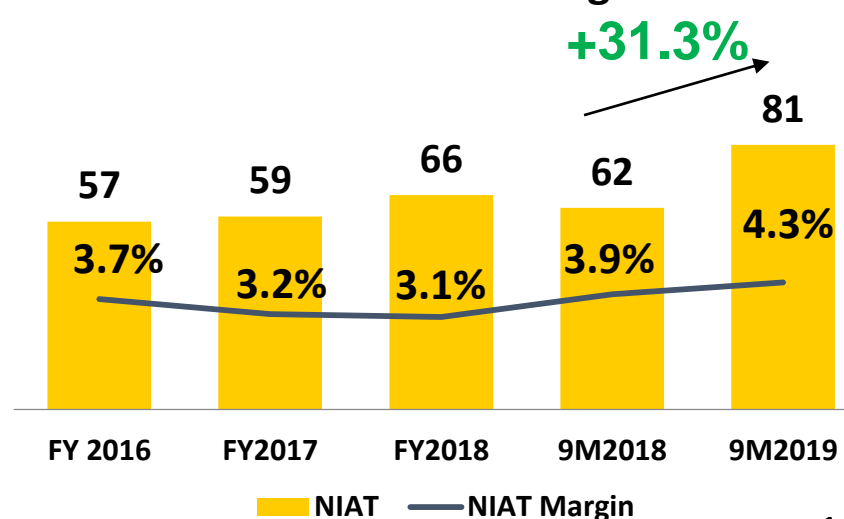
Gross Profit and Margin



EBITDA and Margin



Net Profit and Margin



Office Warehouse: Operational Highlights

OFFICE WAREHOUSE, INC.

- Strong growth driven by store expansion and enhanced product offerings
- Opened **4 new store** outlets in 9M 2019 ; closed down 1 store
- Strong SSSG of 13.5% in 9M 2019



	2016	2017	2018	9M 19
No. Stores	71	82	88	91
Net selling area	14,014 sqm	15,945 sqm	16,738 sqm	16,935 sqm

- **CAPEX Budget of Php 5.8 billion in 2019**
 - Php 5.2 billion for Puregold Group
 - Php 500 million for Real Estate Group
 - Php 75 million for Office Warehouse
- To be funded by internally generated cash and short term untapped bank credit lines if necessary



Thank you.

www.coscocapital.com