

# Cosco Capital, Inc.

## 9M2017 Financial Results Investor Presentation



LAWSON



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### Head Office Address

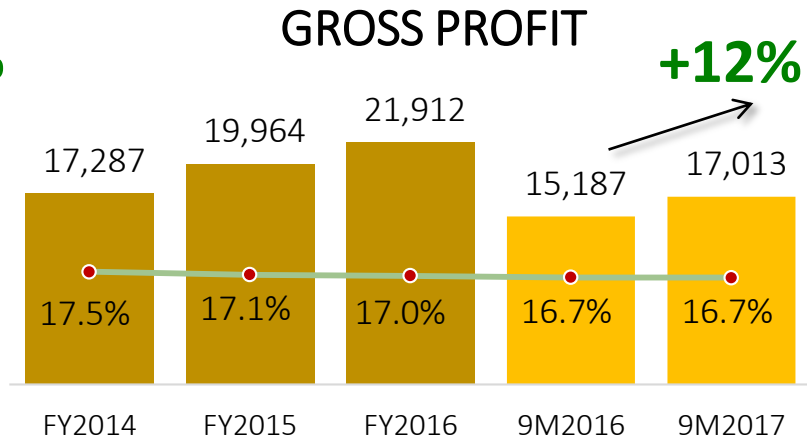
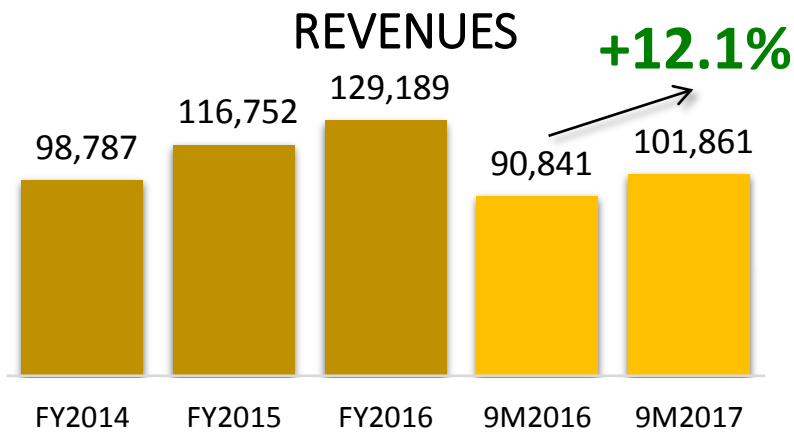
2nd floor, Tabacalera Building, 900 Romualdez Street, Paco, Manila, 1007  
Philippines

# Agenda

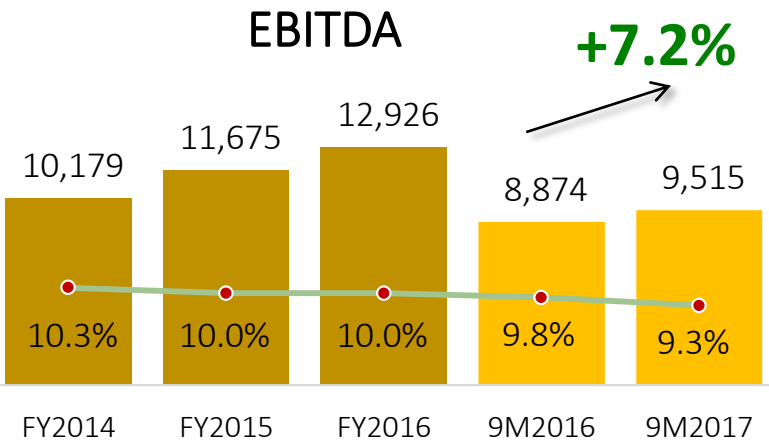
- 9M2017 Consolidated Financial Results
- Core Businesses
  - Grocery Retailing
  - Liquor Distribution
  - Specialty Retailing
  - Commercial Real Estate

# 9M2017 Consolidated Financial Highlights

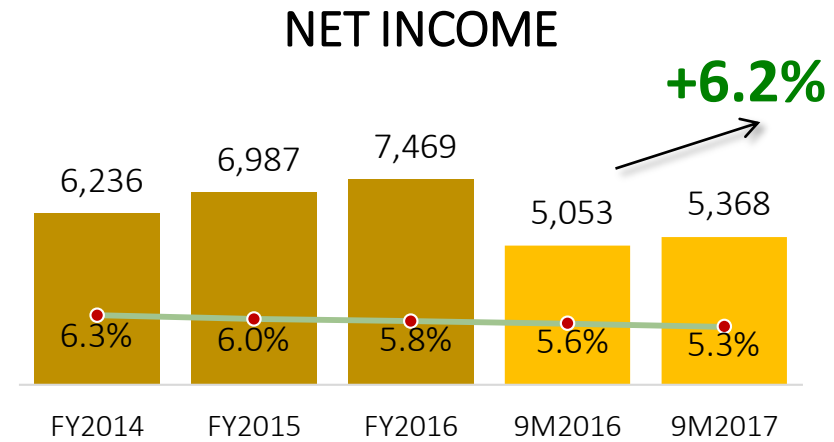
(In PHP millions)



■ Gross Profit ● Gross Profit Margin



■ EBITDA ● EBITDA Margin

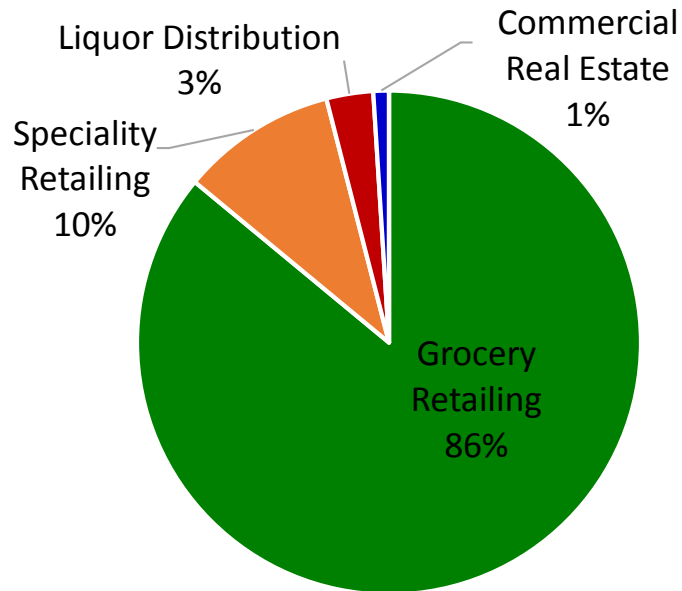


■ Net Income ● Net Income Margin

# Revenue Contribution

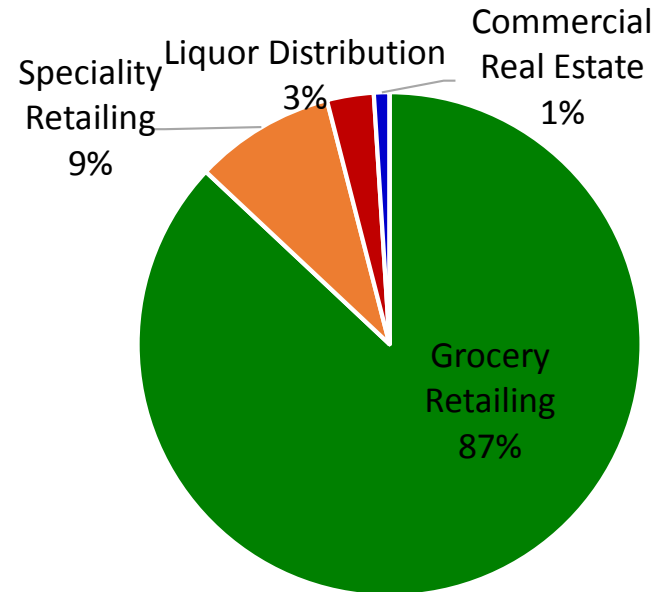
## Consolidated Revenues

9M2017



PHP 101.9 billion

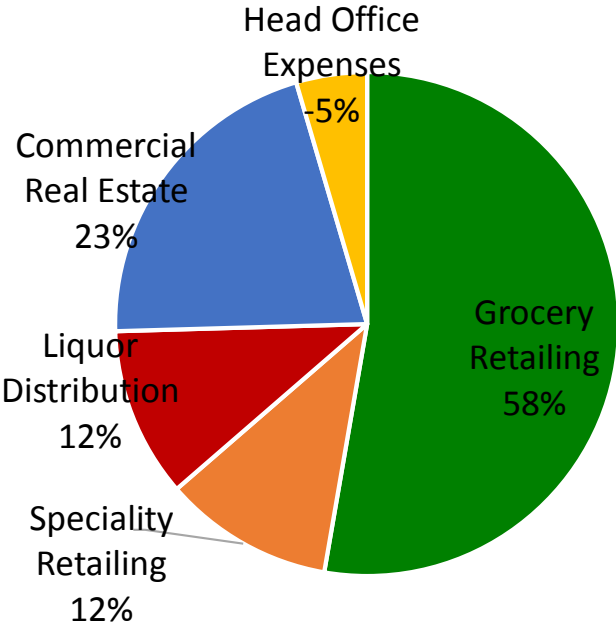
9M2016



PHP90.8 billion

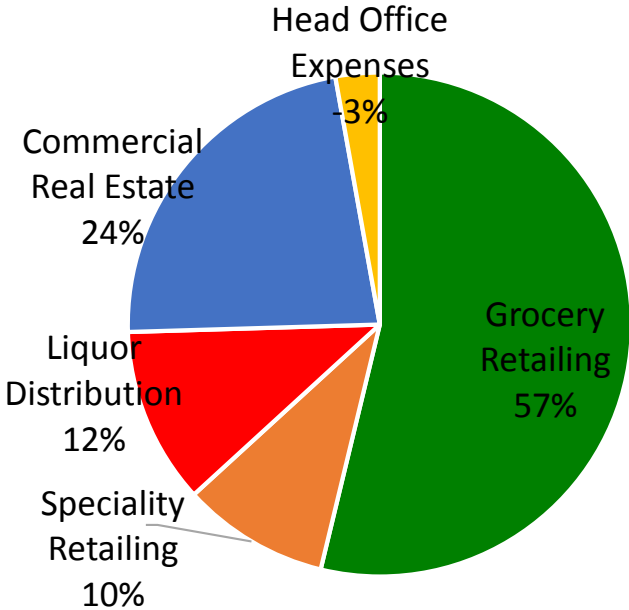
# Net Income Contribution

### 9M2017



**PHP3.42 billion**

### 9M2016



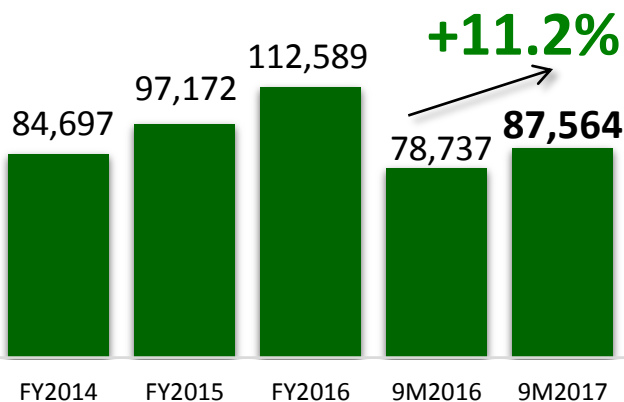
**PHP 3.24 billion**

*\*attributable to equity holders of the parent company*

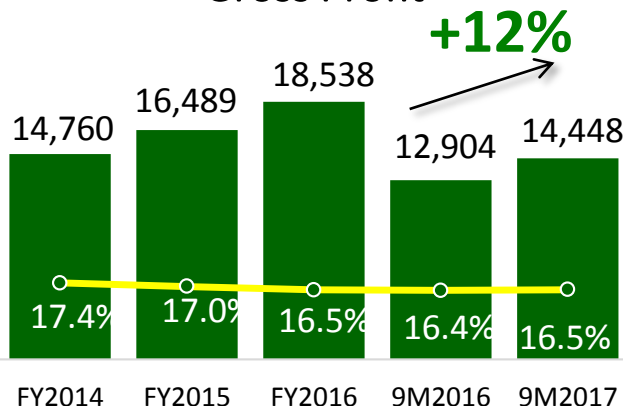
# Grocery Retailing: 9M2017 Financial Highlights

(In PHP millions)

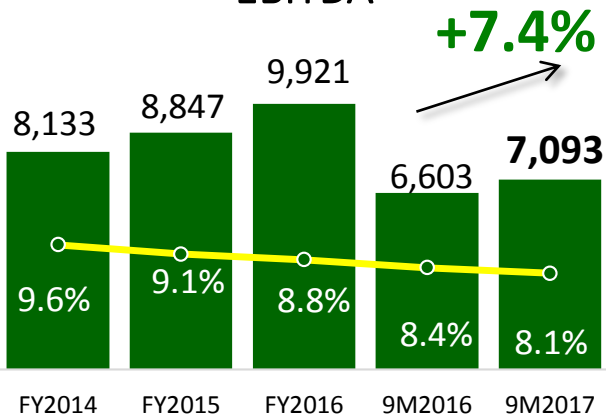
## Revenues



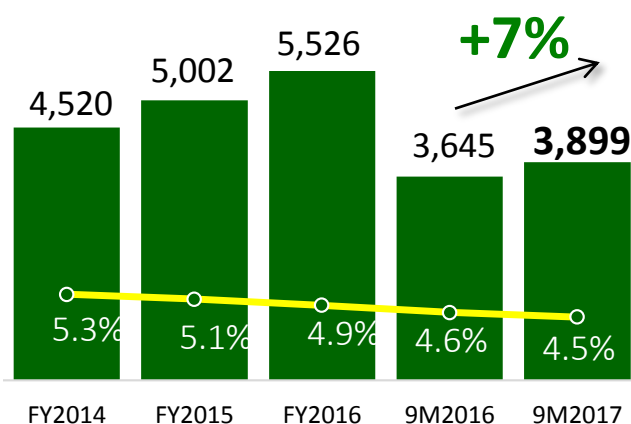
## Gross Profit



## EBITDA



## Net Income



## Key Highlights

- 11.2% growth in Consolidated Net Sales to PHP87.56 billion, with Puregold contributing 80% and S&R 20% of total.
- Growth in Revenues driven by Puregold's Same Store Sales Growth ("SSSG") of 4.5% due to positive growth in traffic count of 1.2%, and growth in basket size of 3.2%. S&R posted SSSG of 10.7% due to positive growth in traffic of 3.5% and basket size of 6.9%.
- Consolidated Net Profit Margin of 4.5%. Puregold only net margin is 3.7% while S&R net margin is 7.5%.

# Grocery Retailing: Recent Developments



- Puregold opened 17 new stores out of targeted 25 new stores
- S&R opened 1 new warehouses and 8 new S&R New York Style Pizza restaurants (QSR)
- As of 9M2017, the Grocery Retailing segment is operating a total of 352 stores

	<b>PUREGOLD</b>	<b>S&amp;R</b>	<b>S&amp;R QSR</b>	<b>NE Bodega</b>	<b>Budgetlane</b>
Metro Manila	111	6	21	0	1
Luzon	159	3	8	9	7
Visayas	13	2	1	0	0
Mindanao	8	2	1	0	0
<b>Total</b>	<b>291</b>	<b>13</b>	<b>31</b>	<b>9</b>	<b>8</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: 9M2017 Financial Highlights

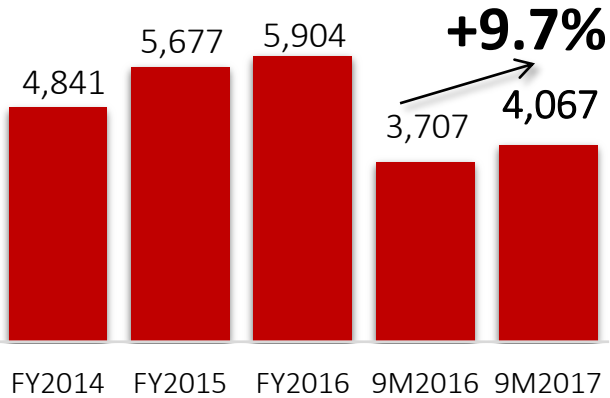
(In PHP millions)



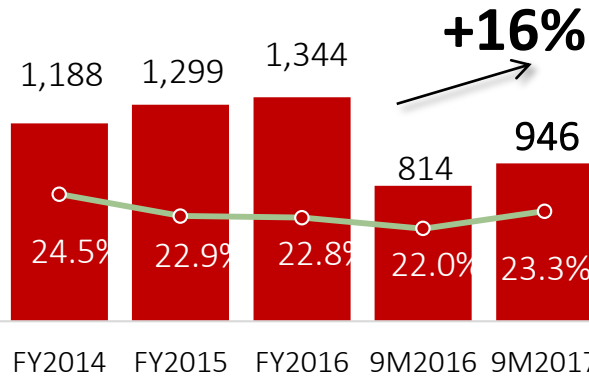
MONTOSCO INC.



## Revenues



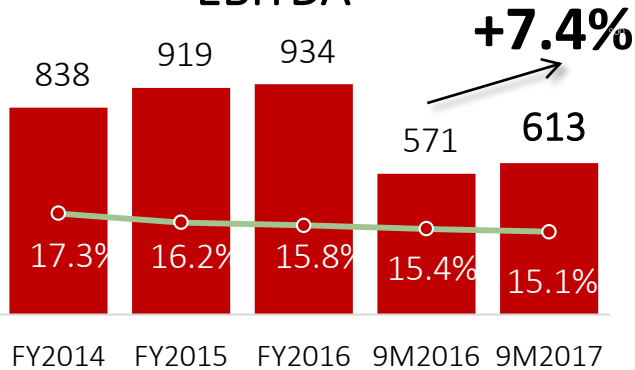
## Gross Profit



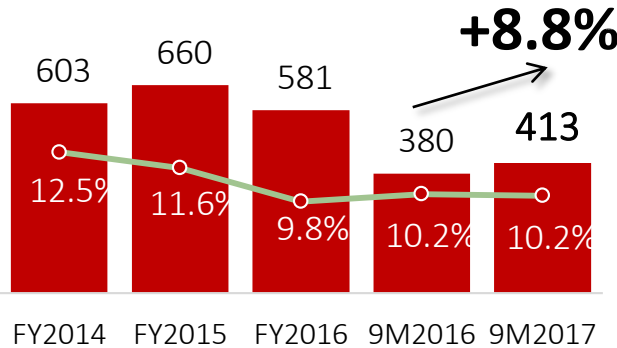
## Key Highlights

- Revenues growth due to the 17% increase in volume of cases sold.
- Increase in gross profit and gross profit margin is due to the net effect of increase in sales volume.

## EBITDA



## Net Income



EBITDA EBITDA Margin

Net Income Net Income Margin

# Liquor Distribution: Total Volume Sales

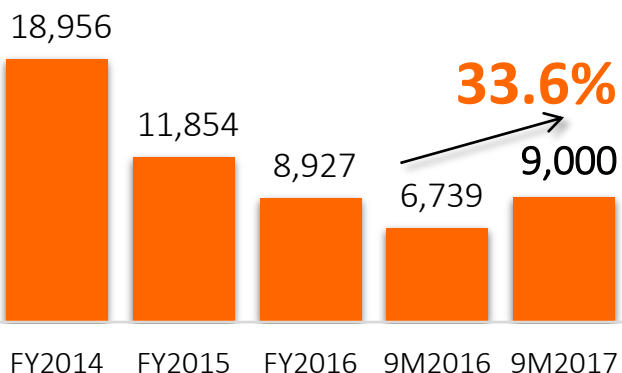
- 17% growth in total volume of cases sold
- Growth driven by the increase in the brandy segment.

<b>CATEGORY</b>	<b>9M2017</b>	<b>%</b>	<b>9M2016</b>	<b>%</b>	<b>INCREASE (DECREASE)</b>	<b>%</b>
Brandy	<b>835,094</b>	63%	705,137	62%	129,957	18%
Other spirits	<b>226,292</b>	17%	227,132	20%	(839)	0%
Wines	<b>129,339</b>	10%	100,148	9%	29,191	29%
Specialty beverages	<b>141,474</b>	11%	101,923	9%	39,551	39%
<b>Total Volume (in cases)</b>	<b>1,332,200</b>	100%	1,134,339	100%	197,861	17%

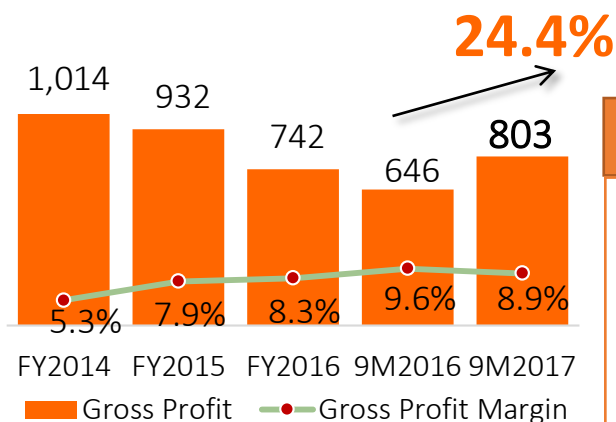
# Liquigaz: 9M2017 Financial Highlights

(In PHP millions)

## Revenues



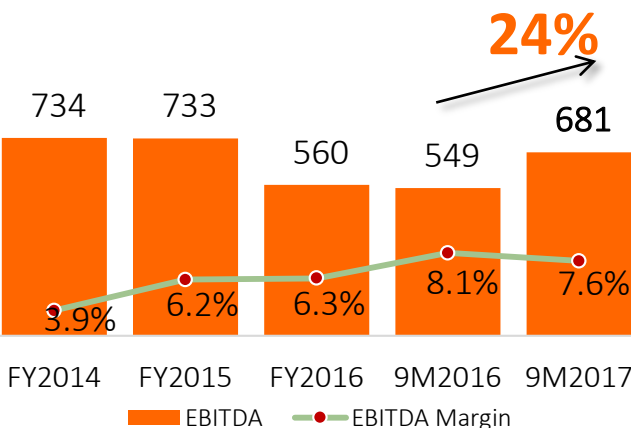
## Gross Profit



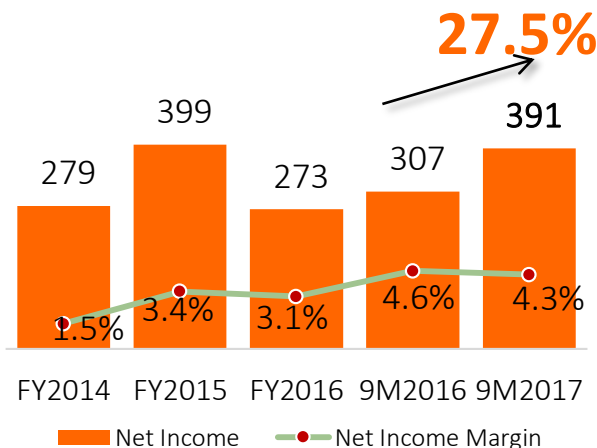
## Key Highlights

- Increase in Revenues due to gradual recovery in LPG prices and increase in volume sold during the period
- The Sariaya terminal expansion is on track and will begin commercial operations starting January 2018.

## EBITDA



## Net Income

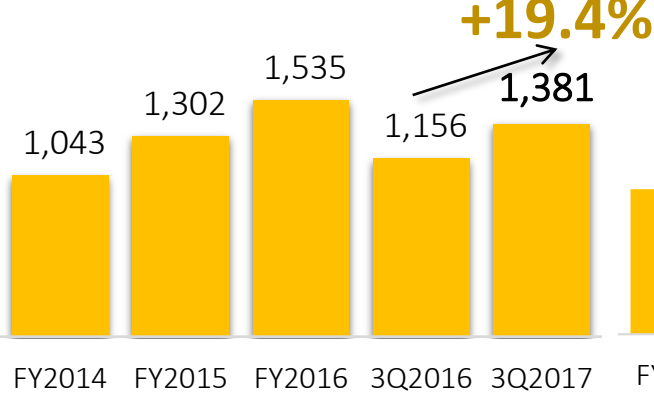


VOLUME SOLD	9M2016	9M2017	Inc (Dec)	% Change
Volume Sold (In metric tons)	303,683	325,768	22,085	7.3%

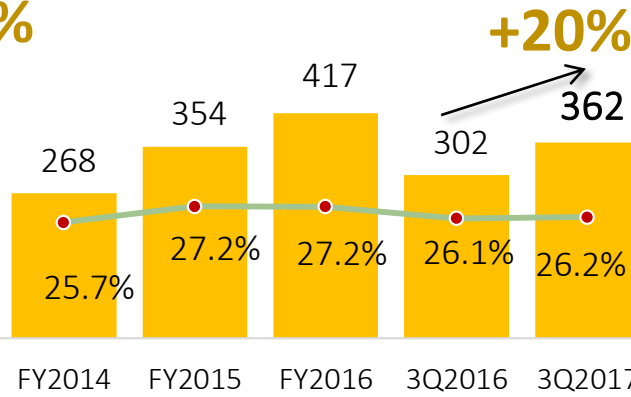
# Office Warehouse, Inc. 9M2017 Financial Highlights

(In PHP millions)

## Revenues



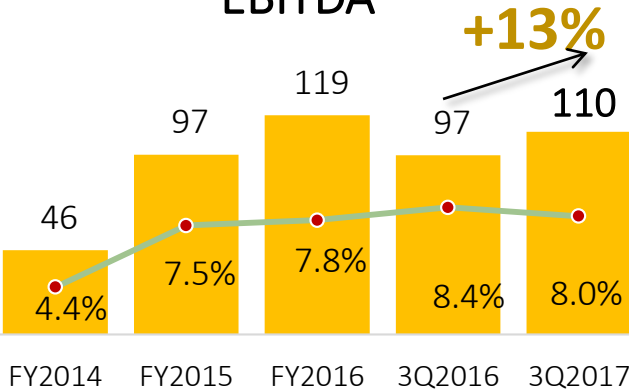
## Gross Profit



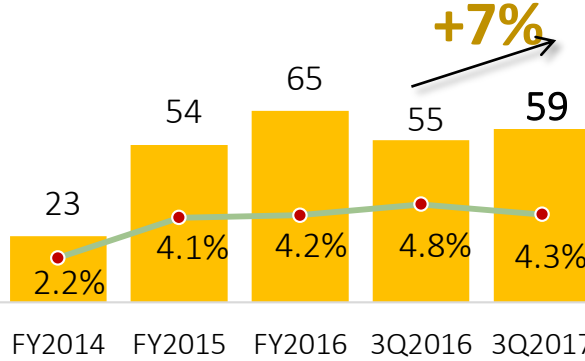
## Key Highlights

- Opened 9 new stores and closed down 3 stores as of 3Q2017, total store count of 77
- Sales grew by 19.4% to PHP1.38billion, driven by SSSG of 6.86%
- Positive results is due to store network expansion, enhanced product offerings, and active sales and marketing campaigns.

## EBITDA



## Net Income



Legend: EBITDA (Yellow bar), EBITDA Margin (Green line with red dot)

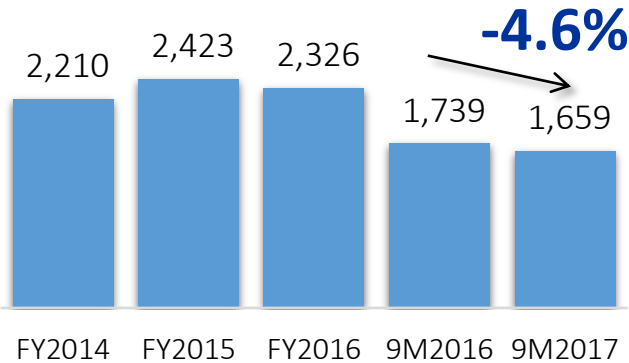
Legend: Net Income (Yellow bar), Net Income Margin (Green line with red dot)

	2014	2015	2016	3Q2017
# of Stores	48	59	71	77
Net Selling Area		11,036sqm	14,014 sqm	14,681sqm

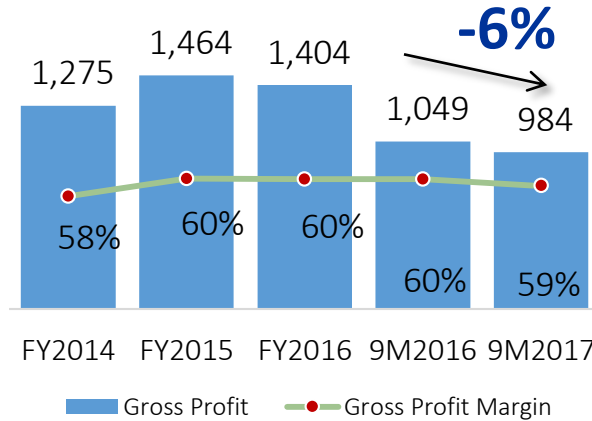
# Commercial Real Estate: 9M2017 Financial Highlights

(In PHP millions)

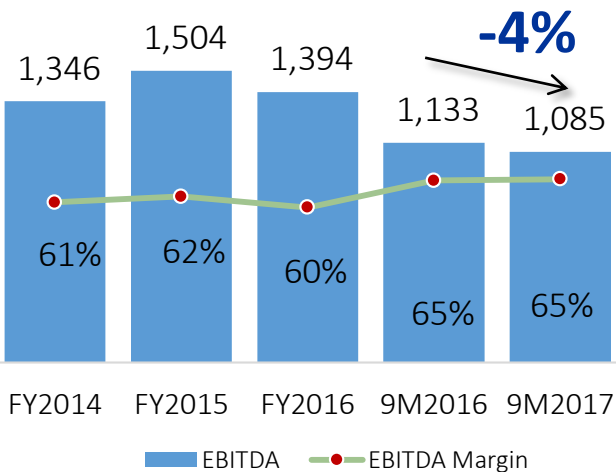
## Revenues



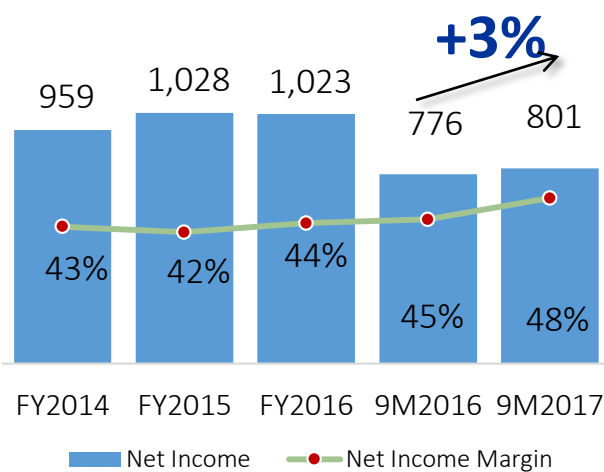
## Gross Profit



## EBITDA



## Net Income



## Key Highlights

- Increase in Net Income due to controlled expenses and efficient operations

	9M2017
Rental Yield, gross	10.8%
Rental Yield, net	6.55%
Debt : Equity	0.59
ROE	7.1%

# Commercial Real Estate: Property Portfolio

## Key statistics

Category	1H2017	GLA/Lot Area in sq.m.	Investment cost in PHP million
Land under lease	9	146,148	4,243.50
Commercial Buildings	29	259,215	12,973.30
<b>Total</b>	<b>38</b>	<b>405,363</b>	<b>17,216.80</b>

\* Ave. Occupancy Rate 96%

## Geographic coverage

### Metro Manila

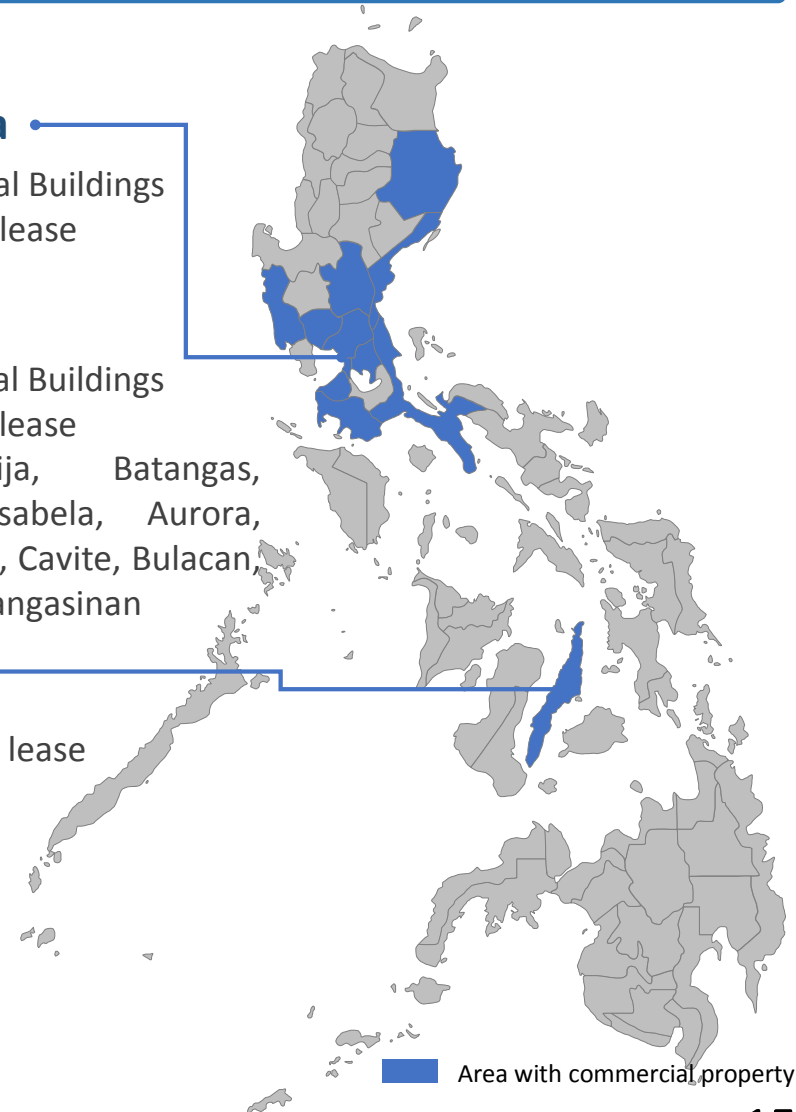
- 13 Commercial Buildings
- 5 Land under lease

### Luzon

- 16 Commercial Buildings
- 3 Land under lease
- Nueva Ecija, Batangas, Zambales, Isabela, Aurora, Quezon, Rizal, Cavite, Bulacan, Pampanga, Pangasinan

### Visayas

- 1 Land under lease
- Cebu City





**Thank you.**

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