

Cosco Capital, Inc.

FY2016 Results Investor Presentation



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fairview
terraces



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Philippines

Agenda

- Company Overview
- FY2016 Consolidated Financial Results
- Core Businesses
 - Grocery Retailing
 - Liquor Distribution
 - Specialty Retailing
 - Commercial Real Estate

Company Overview

Corporate Structure

Lucio Co Family
73%

Public
27%



51%

100%

100%

Grocery Retailing



PUREGOLD



S&R
Membership Shopping
The world class shopping experience



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Liquor Distribution



MONTOSCO INC.



Meritus Prime
Distributions Inc.



PREMIER
WINE & SPIRITS, INC.

Specialty Retailing



90%
Liquigaz



100%
Office Warehouse

Commercial Real Estate

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

Our Subsidiaries

Grocery Retailing



Puregold Price Club, Inc.

- 2nd largest grocery retail chain in the Philippines
- Nationwide presence with 277 stores across the country



S&R Membership Shopping Club

- Pioneer and dominant player in membership club retailing
- 12 warehouses and 23 Quick Service Stores (“QSR”) nationwide

Liquor Distribution



- Leading player in the premium wine and liquor distribution industry
- Covers 90% of imported wine and liquor in the Philippines
- Global brands such as Jose Cuervo, Alfonso, Johnnie Walker and other well-known imported names

Specialty Retailing



Liquigaz Philippines Corporation

- 2nd largest liquefied petroleum gas (“LPG”) supplier in the Philippines



Office Warehouse, Inc.

- Office and school supplies, furniture and technology products
- 71 retail outlets nationwide

Commercial Real Estate



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- Commercial Real Estate portfolio includes community malls, commercial buildings, land for long-term lease
- 38 commercial properties located mostly in the Metro Manila area as well as in neighboring provinces of Luzon

Company Milestones

2013

April 22: Approval by the Securities and Exchange Commission (SEC) of change in corporate name and increase in capital stock of Parent company.

May 31: Implementation of issuance and listing of new shares, cross trade at the Philippine Stock Exchange (PSE) of PGOLD shares to the Parent company, issuance of shares to the subscribers pursuant to share swap, special block sale at the PSE of new shares.

2014

January 29: Approval of merger of Nation Realty, Inc., Go Fay & Co, Inc., SVF Corporation and 999 Shopping Mall, Inc. (Nation Realty, Inc. as the absorbing entity).

February 28: Acquisition of NE Pacific Shopping Centers Corporation

May 1: Acquisition of Office Warehouse, Inc.

July 17: Acquisition and subscription of additional shares of Canaria Holdings Corporation.

July 21: Acquisition of Liquigaz Philippine Corporation through Canaria Holdings Corporation

2015

February 3

- Puregold Price Club, Inc. acquired nine (9) supermarkets from NE Incorporated.
- Cosco Capital, Inc. through its wholly-owned subsidiary, Ellimac Prime Holdings, Inc., acquired four (4) commercial properties from NE Incorporated

August 5: through wholly-owned subsidiary, Ellimac Prime Holdings, Inc. acquired RFC mall located along Alabang, Zapote, Las Pinas City

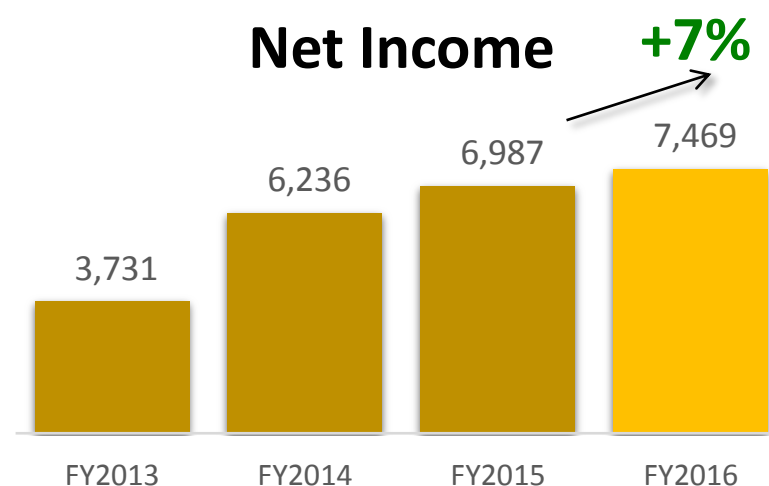
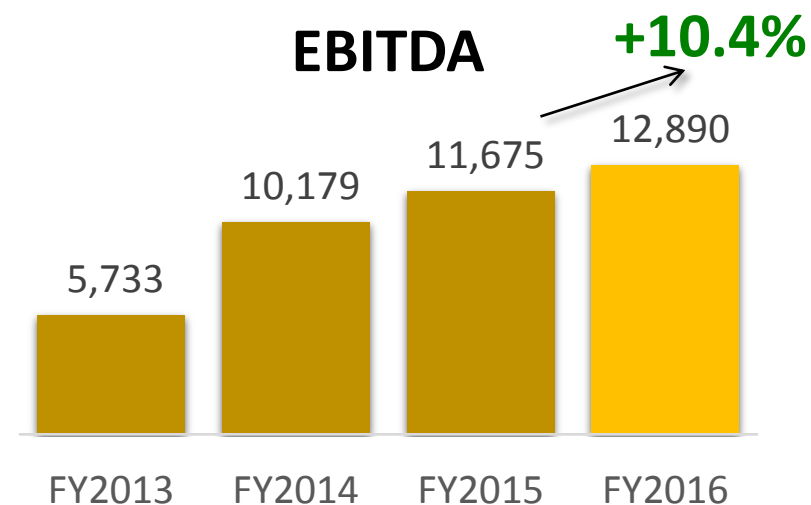
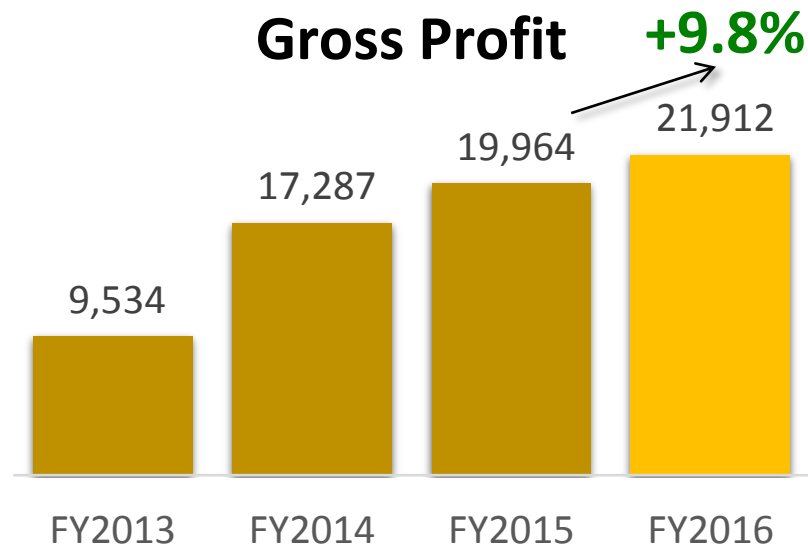
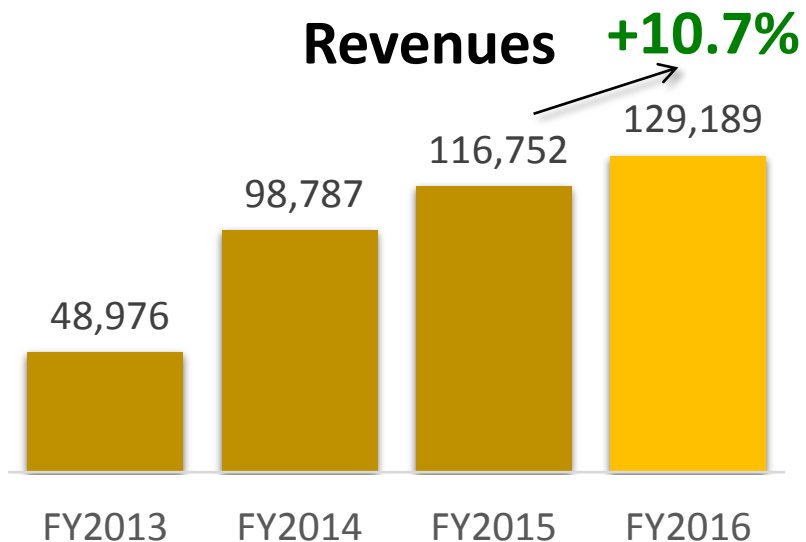
August 6: Puregold Price Club, through wholly-owned subsidiary Entenso Equities and Goldtempo Company, Inc., acquired eight (8) supermarket stores operating under trade name Budgetlane

August 12: Cosco Capital, Inc. through its wholly-owned subsidiary, Ellimac Prime Holdings, Inc., acquired Maunlad mall situated at Malolos Bulacan

FY2016 Consolidated Financial Results

FY2016 Consolidated Financial Highlights

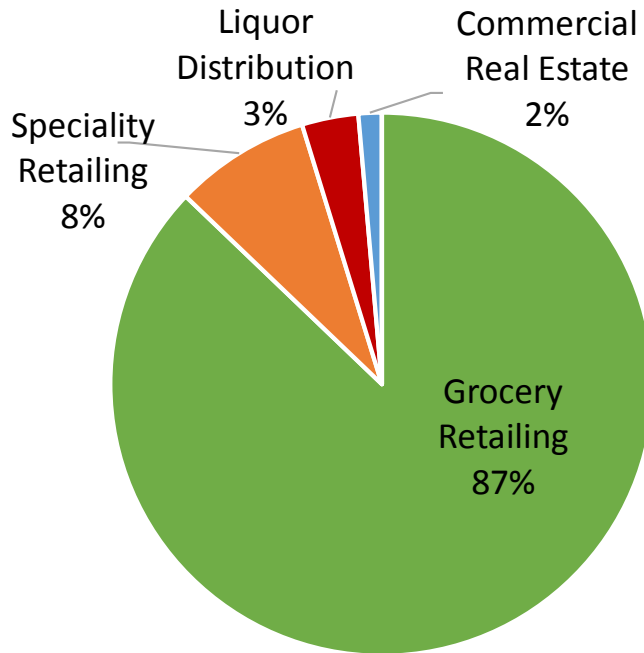
(In PHP millions)



Revenue Contribution

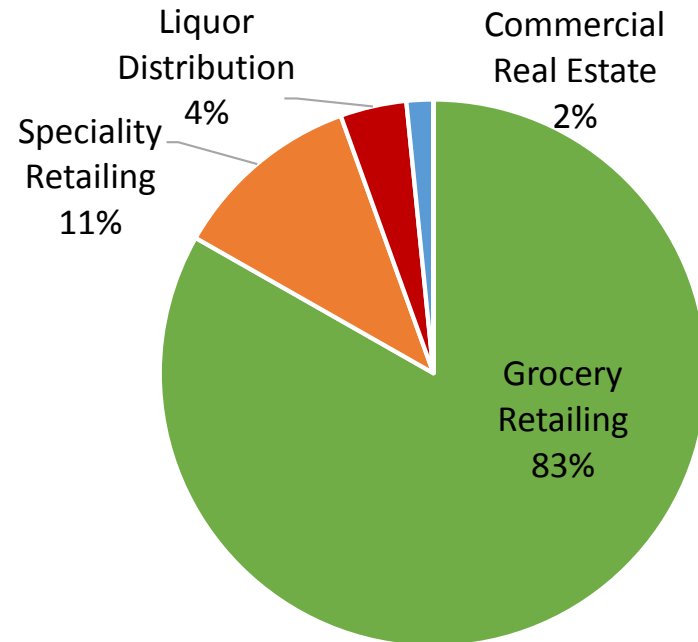
Consolidated Revenues

FY2016



PHP 129.18 billion

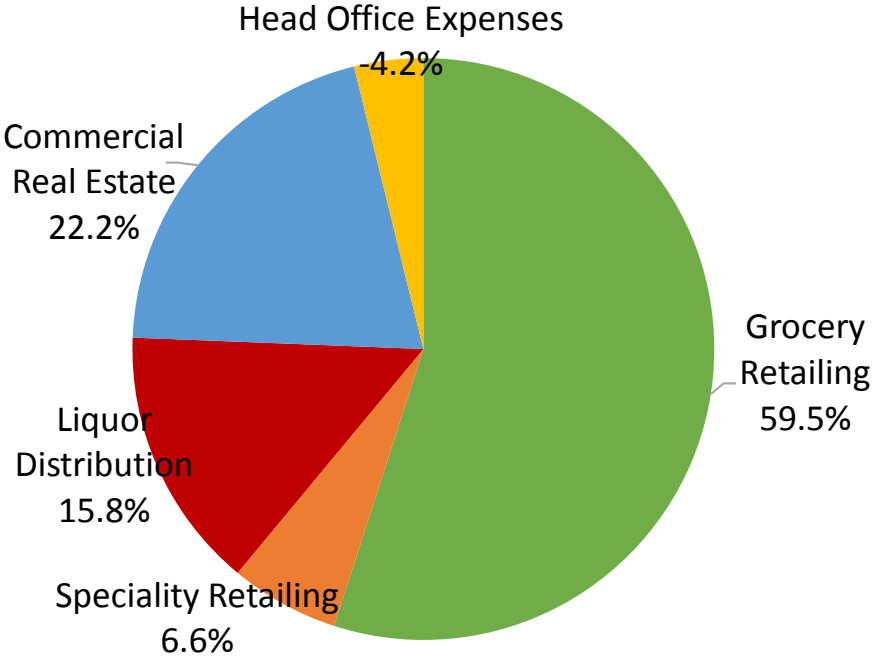
FY2015



PHP116.75 billion

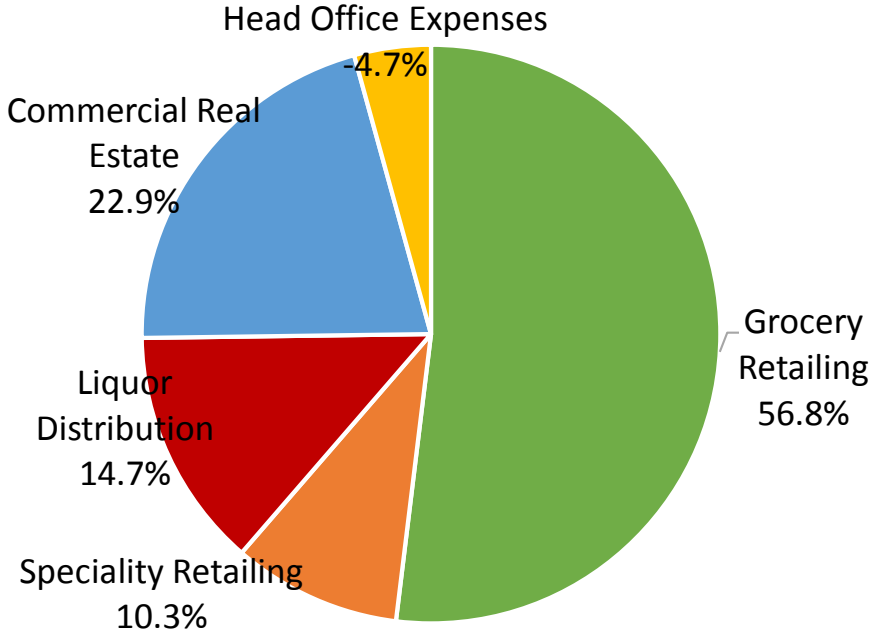
Net Income Contribution

FY2016



PHP4.73 billion

FY2015



PHP 4.49 billion

**attributable to equity holders of the parent company*

FY2016 Consolidated Balance Sheet

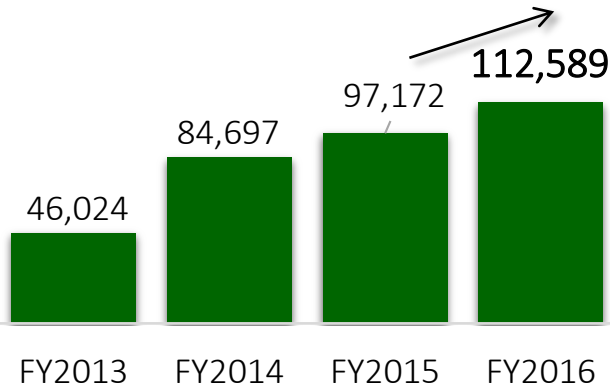
(In PHP millions)	2016	2015	Increase (Decrease)	%
Cash and cash equivalents	12,634	14,541	-1,907	-13%
Total Current Assets	29,399	24,958	4,441	18%
Total Non Current Assets	61,437	58,117	3,320	6%
TOTAL ASSETS	103,469	97,617	5,852	6%
Total Current Liabilities	19,672	19,041	631	3%
Total Non-current Liabilities	11,994	13,032	-1,038	-8%
TOTAL LIABILITIES	31,666	32,073	-407	-1%
TOTAL EQUITY	71,803	65,544	6,259	10%

Grocery Retailing: 9M2016 Financial Highlights

(In PHP millions)

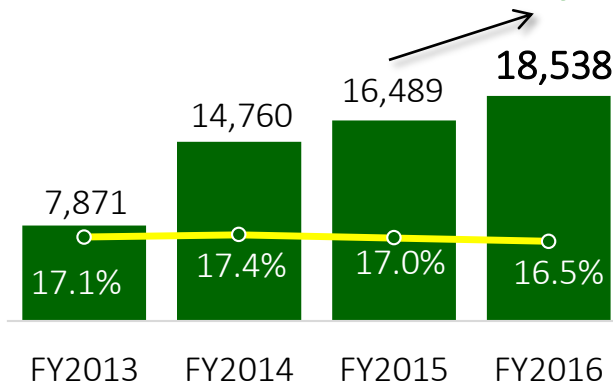
Revenues

+15.9%



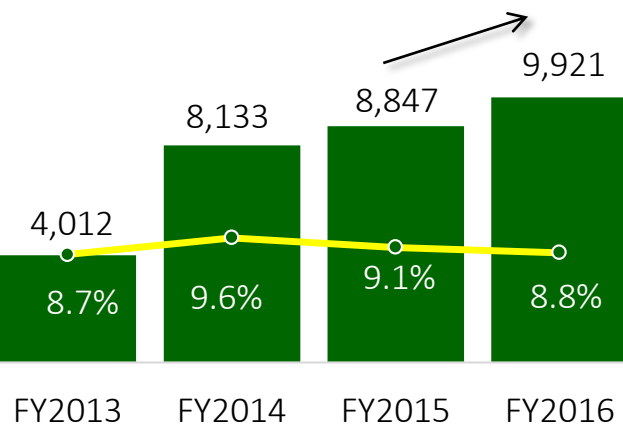
Gross Profit

+12.4%



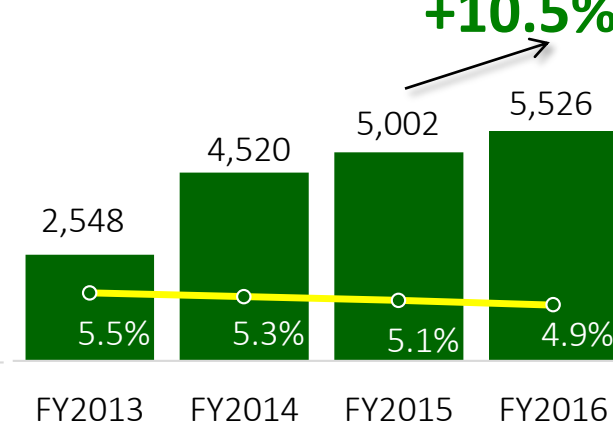
EBITDA

+12.1%



Net Income

+10.5%



Key Highlights

- 15.9% growth in Consolidated Net Sales to PHP 112.58 billion, with Puregold contributing 81% and S&R 19% of total.
- Growth in Revenues driven by Puregold's Same Store Sales Growth ("SSSG") of 6.2% due to positive growth in basket size of 5.5% and traffic count of 0.6%. S&R posted SSSG of 4.4% due to positive growth in traffic of 2.4% and basket size of 2%.
- Consolidated Net Profit Margin of 4.9%. Puregold only net margin is 4.4% while S&R net margin is 9.4%.

Grocery Retailing: Recent Developments



- Puregold opened 26 new stores out of targeted 25 new stores and closed 4 Puregold stores
- S&R opened 2 S&R Warehouse and 10 S&R New York Style Pizza (QSR)
- As of end 2016, the Grocery Retailing segment is operating a total of 329 stores with consolidated NSA of more than 486,700 sqms

	PUREGOLD	S&R	S&R QSR	NE Bodega	Budgetlane
Metro Manila	110	5	14	0	1
Luzon	150	3	7	9	7
Visayas	9	2	1	0	0
Mindanao	8	2	1	0	0
Total	277	12	23	9	8

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

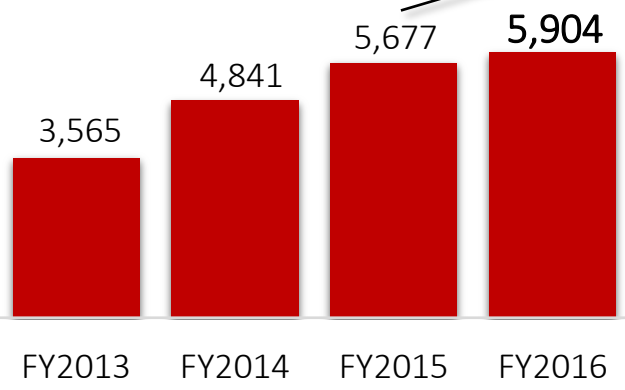
Various Wines

Liquor Distribution: FY2016 Financial Highlights

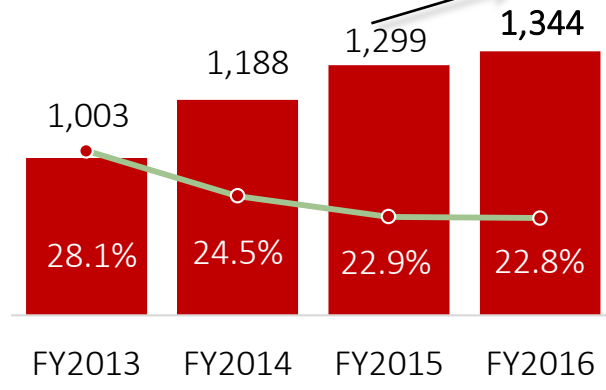
(In PHP millions)



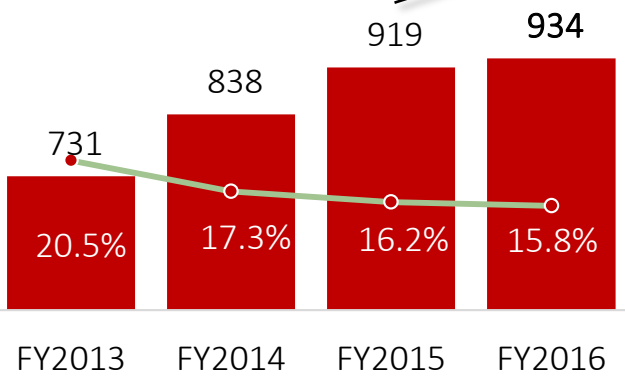
Revenues **+4%**



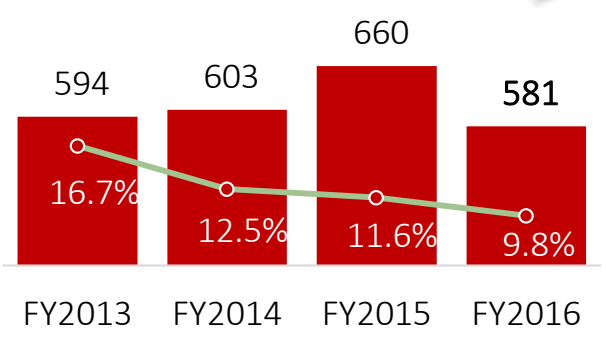
Gross Profit **+3.4%**



EBITDA **+1.6%**



Net Income **-11.9%**



Key Highlights

- Revenues growth due to the 18% increase in volume of cases sold.
- Slight decline in GP Margin due to higher cost of sales
- Net income declined due to increase in operating expenses for marketing and distribution expenses

Liquor Distribution: Total Volume Sales

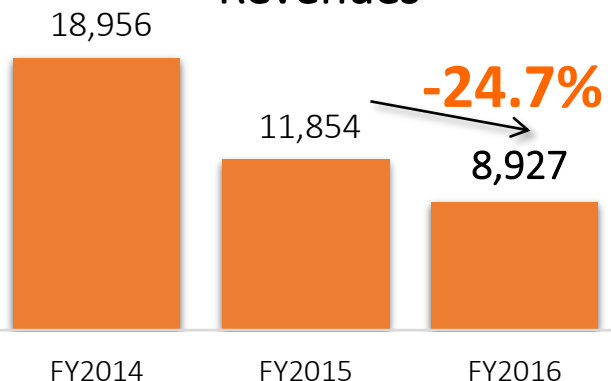
- 18% growth in total volume of cases sold
- Growth mainly driven by Alfonso Light and Alfonso Solera

	FY2016	% to total	FY2015	% to total	Inc (Dec)	% Inc (Dec)
Brandy	1,147,091	62%	951,042	61%	196,049	21%
Other spirits	326,283	18%	306,487	20%	19,796	6%
Wines	216,790	12%	185,260	12%	31,530	17%
Specialty Beverages	145,538	8%	113,628	7%	31,910	28%
Total Volume (in cases)	1,835,702	100%	1,556,417	100%	279,285	18%

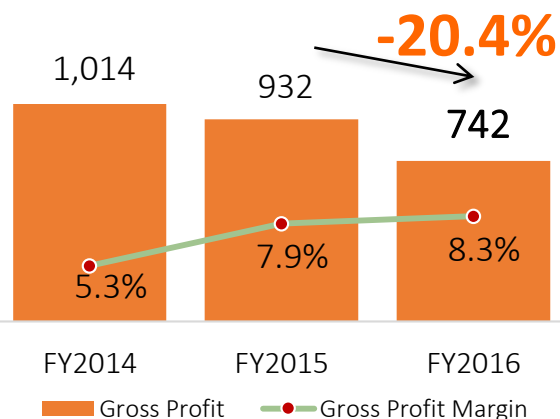
Liquigaz: FY2016 Financial Highlights

(In PHP millions)

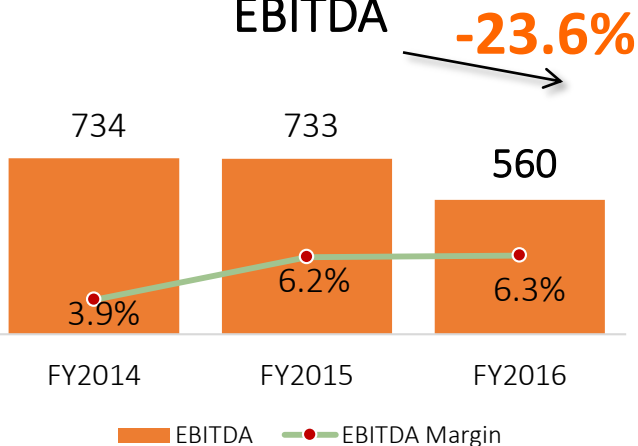
Revenues



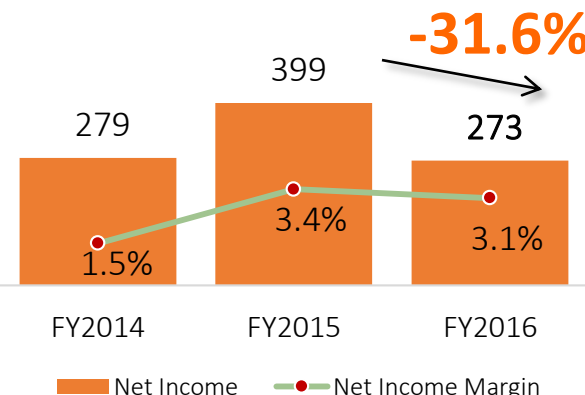
Gross Profit



EBITDA



Net Income



Key Highlights

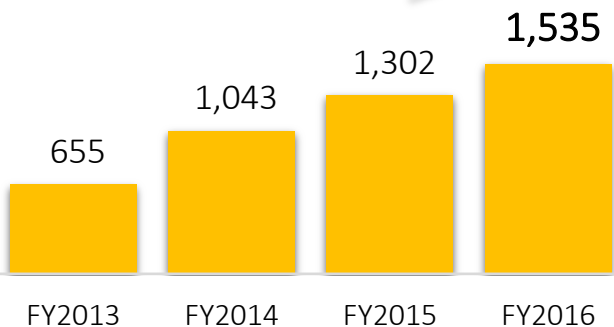
- Decline in revenues due to low global LPG price and 7% decline in total volume sold during the year
- New terminal facility in Sairaya, Quezon to be completed in 2H2017

	FY2014	FY2015	FY2016
Volume Sold (In metric tons)	432,995	423,151	393,990

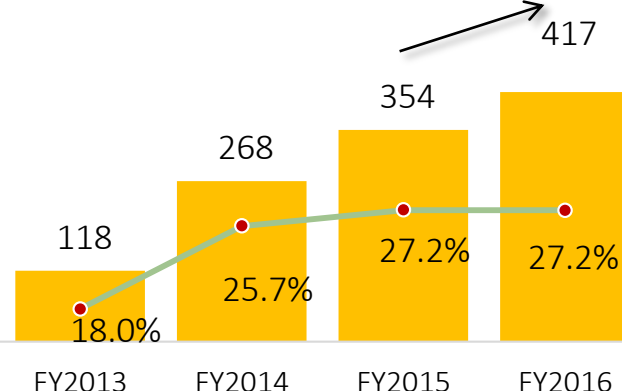
Office Warehouse, Inc. FY2016 Financial Highlights

(In PHP millions)

Revenues **+18%**



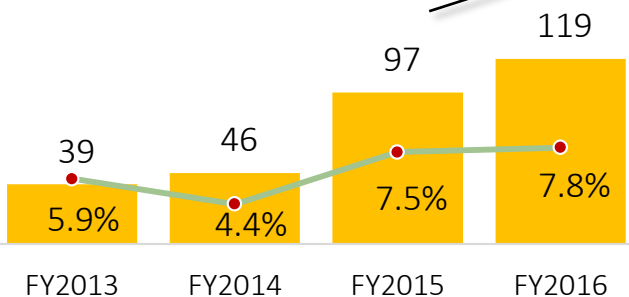
Gross Profit **+17.7%**



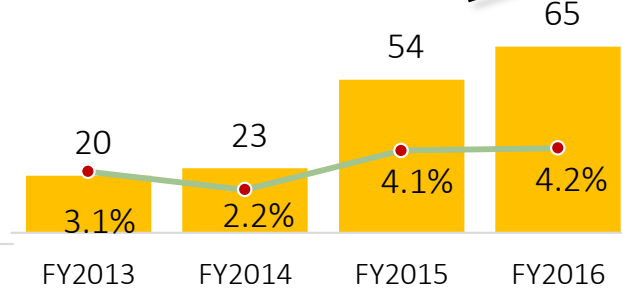
Key Highlights

- Opened 12 new stores for FY2016
- Sales grew by 18% to PHP1.5 billion, driven by SSSG of 9%
- Positive results is due to store network expansion, enhanced product offerings, and active sales and marketing campaigns.

EBITDA **+22.1%**



Net Income **+21.4%**



EBITDA EBITDA Margin

Net Income Net Income Margin

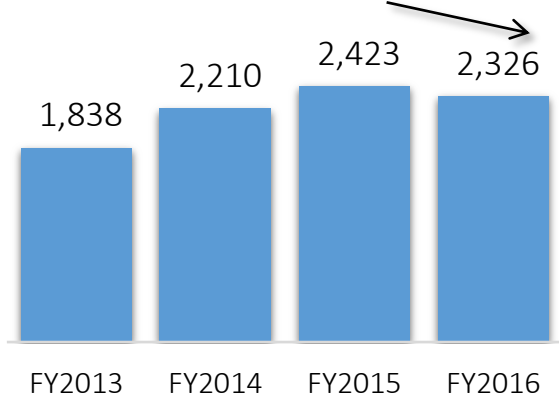
	2014	2015	2016
# of Stores	48	59	71
Net Selling Area		11,036 sqm	14,014 sqm

Commercial Real Estate: FY2016 Financial Highlights

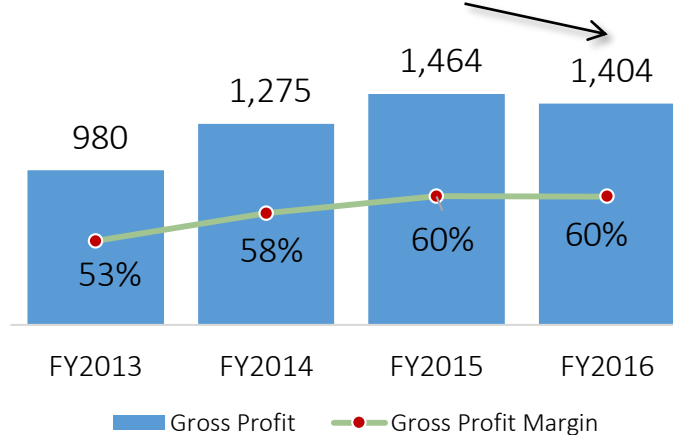


(In PHP millions)

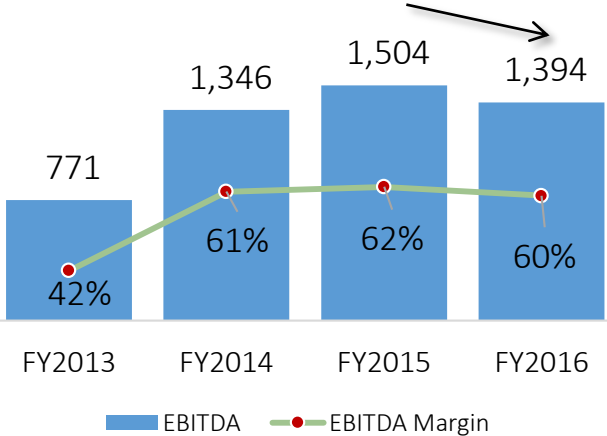
Revenues **-4%**



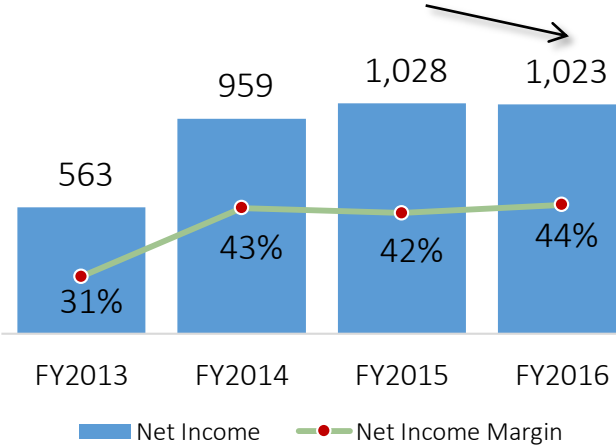
Gross Profit **-4%**



EBITDA **-7%**



Net Income **-0.5%**



Key Highlights

- Flat Net Income due to stable rental income and effective management of operating expenses
- On-going refurbishment of 6 community malls acquired in 2015 and on-going development of 2 new community malls in Arvo Mall, Marikina with target completion by 1H2017 and Binan Laguna by 2H2017

	2016
Rental Yield, gross	11.6%
Rental Yield, net	6.35%
Debt : Equity	0.61
ROE	7.0%

Commercial Real Estate: Property Portfolio

Key statistics

Category	3Q2016	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
Total	38	405,363	17,216.80

* Ave. Occupancy Rate 94.0%

Geographic coverage

Metro Manila

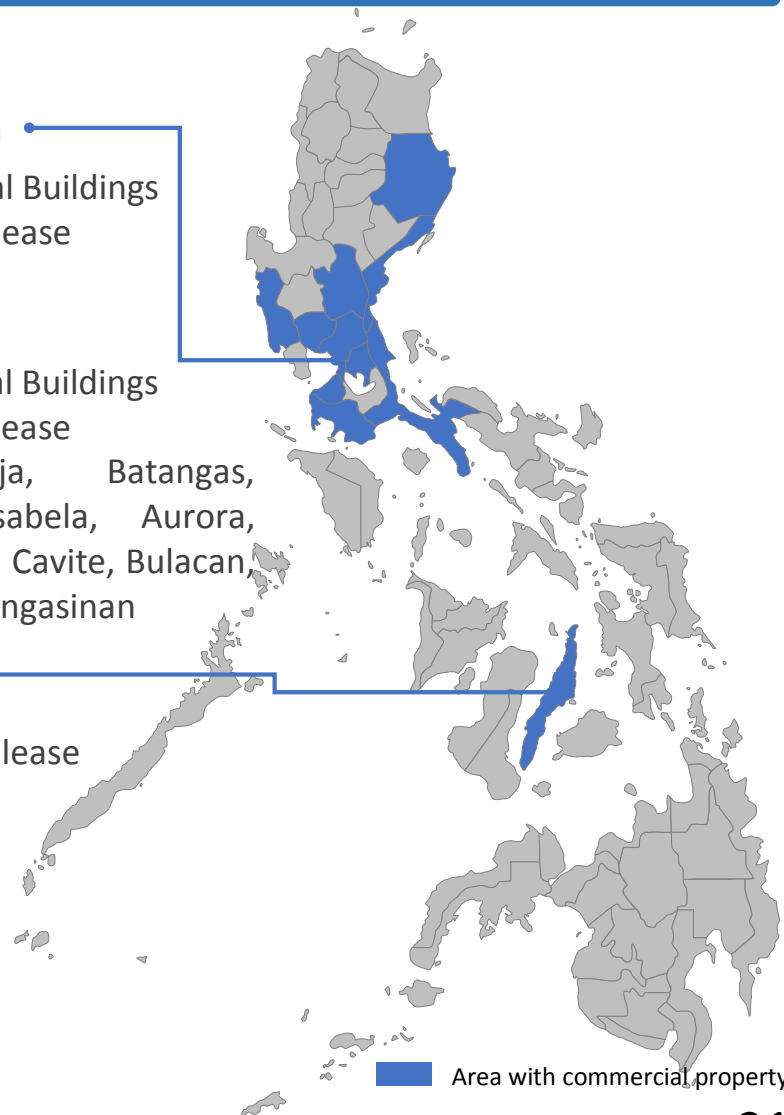
- 13 Commercial Buildings
- 5 Land under lease

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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