

# COSCO CAPITAL GROUP



## INVESTOR PRESENTATION FY 2015 RESULTS & PERFORMANCE

The logo for Puregold, consisting of a stylized gold bar icon followed by the word "PUREGOLD" in a bold, sans-serif font.

PUREGOLD

The logo for S&R Membership Shopping, featuring the letters "S&R" in a large, blue, serif font, with "Membership Shopping" in a smaller font below it. At the bottom, the tagline "The world class shopping experience" is written in a small, blue font.

S&R  
Membership Shopping  
The world class shopping experience

The logo for Premier Wine & Spirits, Inc., featuring the word "PREMIER" in a curved banner above a sunburst icon, with "WINE & SPIRITS, INC." below it.

PREMIER  
WINE & SPIRITS, INC.

The logo for Meritus Prime, featuring the words "Meritus Prime" in a cursive font inside a red oval border, with "A Meritus Group" in a smaller font below it.

Meritus Prime  
A Meritus Group

The logo for Montosco Inc., featuring a red circular icon with a white letter "M" inside, followed by the text "MONTOSCO INC." in a sans-serif font.

MONTOSCO INC.

The logo for 999 Shopping Mall, featuring the number "999" in a large, red, stylized font, with "Shopping Mall" in a smaller, red, cursive font below it.

999  
Shopping Mall

The logo for Liquigaz, featuring a stylized flame icon in blue and orange, followed by the word "Liquigaz" in a sans-serif font.

Liquigaz

The logo for Office Warehouse, featuring the words "Office Warehouse" in a bold, black, sans-serif font, with "Office" on the top line and "Warehouse" on the bottom line, all contained within a yellow square with a black border.

Office  
Warehouse

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# CONGLOMERATE MAP



Lucio Co & Family

73%

Cosco Capital Inc.

51%

Grocery Retailing

100%

Liquor Distribution

100%

Commercial Real Estate

Specialty Retail

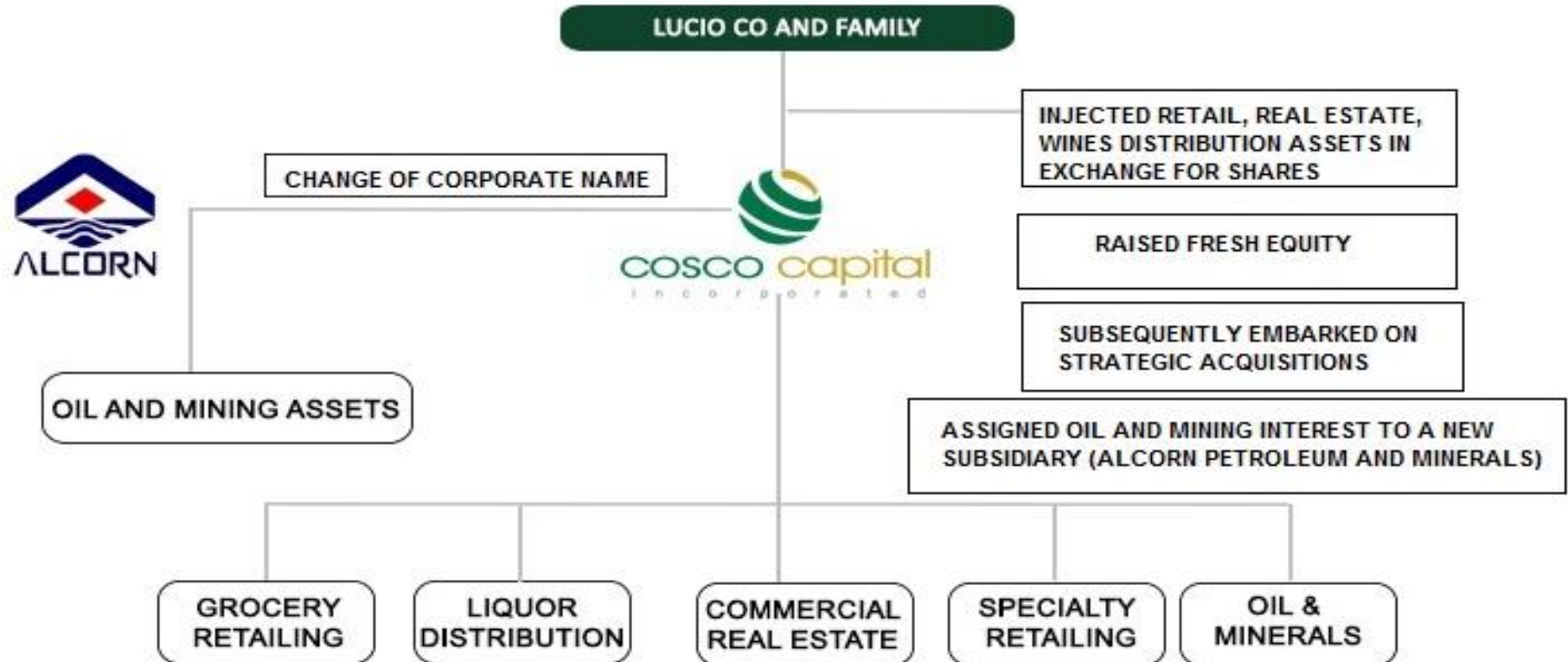
100%

Oil & Minerals



One of the leading retail holding companies in the Philippines

# CORPORATE RESTRUCTURING





# CORPORATE HIGHLIGHTS



2013

2014

2015

**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.

**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 Liguigaz Philippine Corporation through Canaria Holdings Corporation

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

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

**February 3**

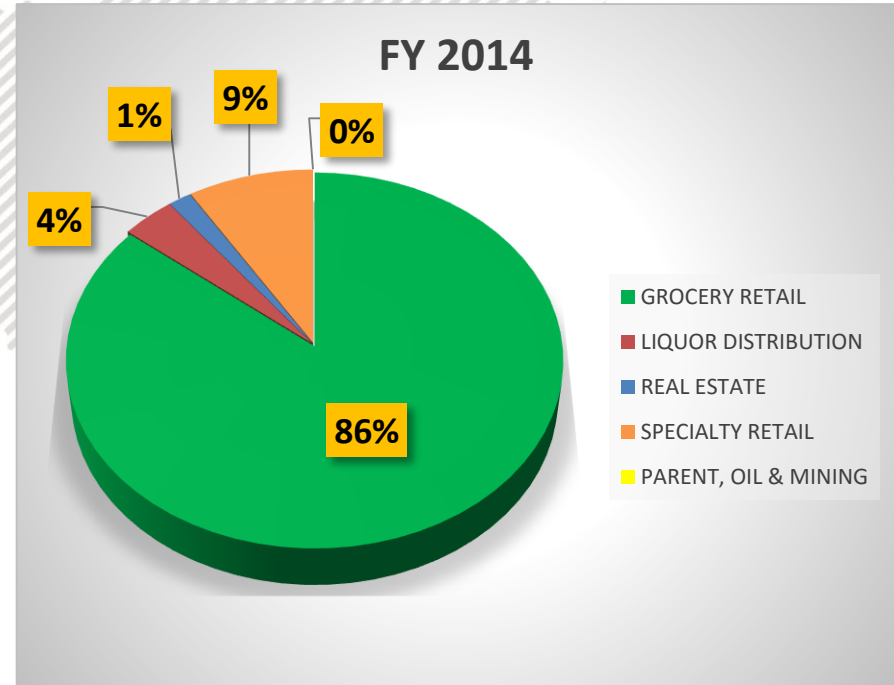
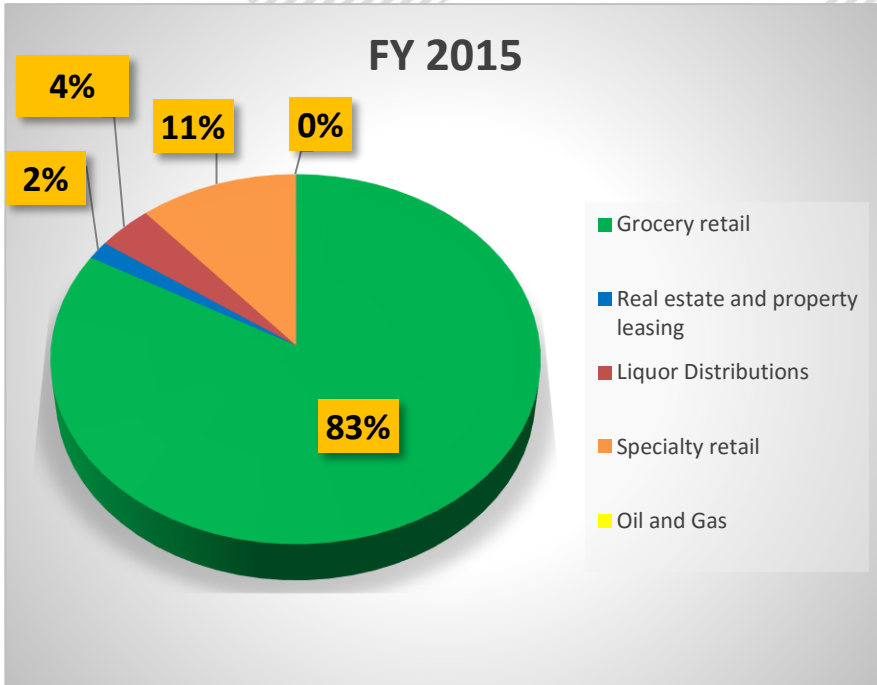
- Puregold Price Club, Inc. acquired nine (9) supermarkets from NE Incorporated.
- Cosco Capital, Inc. through its wholly-owned subsidiary, Ellimac Prime Holdings, Inc., acquired four (4) commercial properties from NE Incorporated

# INVESTMENT SUMMARY

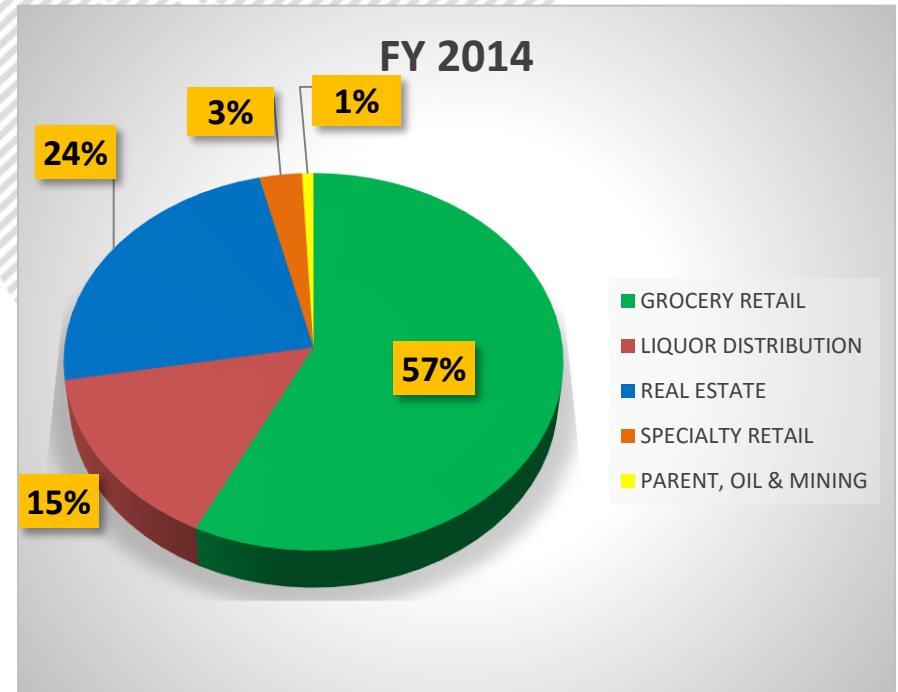
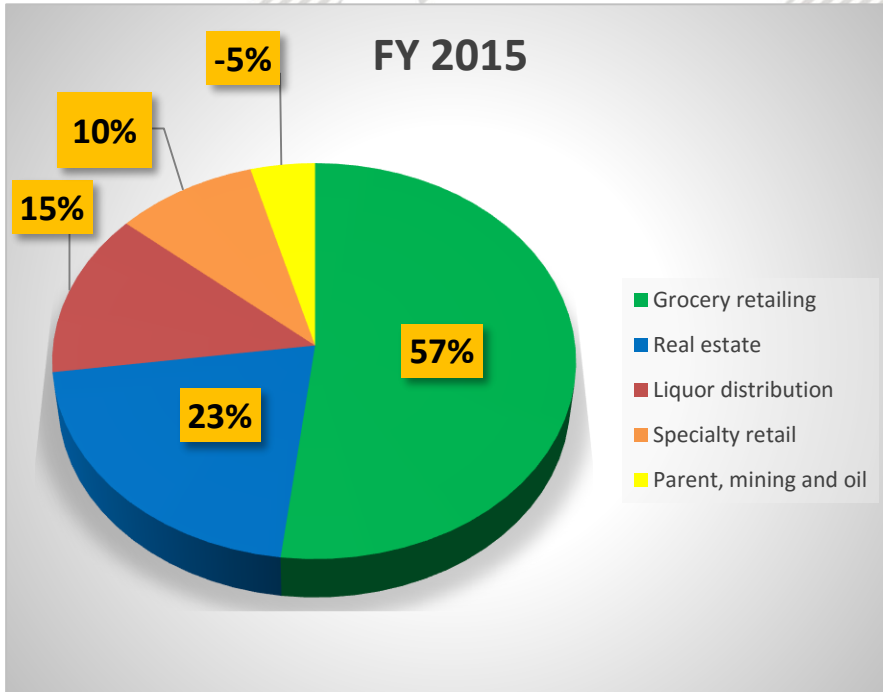


1. Sustained economic growth of the Philippines
2. Exposure to growing & robust consumer sector
3. Visible growth pipeline in the next 5 years
4. Focused core target market per brand
5. Management focused on the sustainable and Long-Term growth of the company

# REVENUE CONTRIBUTION BY BUSINESS SEGMENT



# PATMI CONTRIBUTION BY BUSINESS SEGMENT



*PATMI – Net income attributable to equity holders of the parent company*

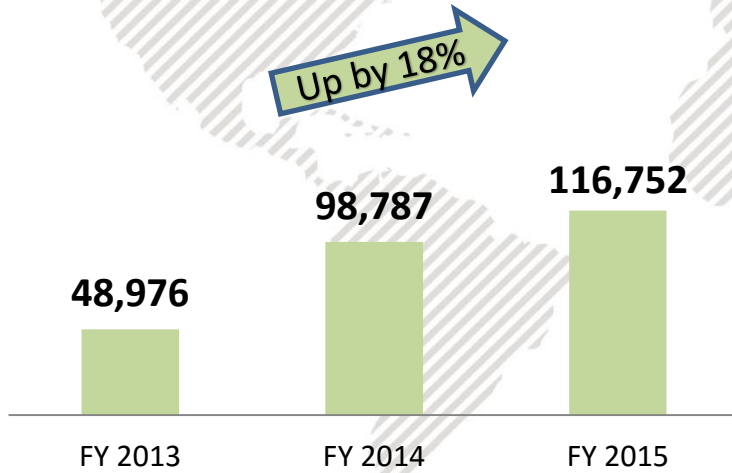


# FY 2015 CONSOLIDATED FINANCIAL PERFORMANCE

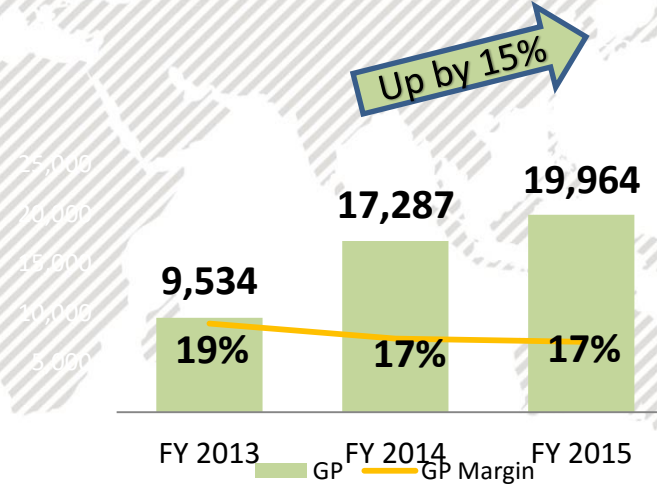


**cosco capital**  
Private

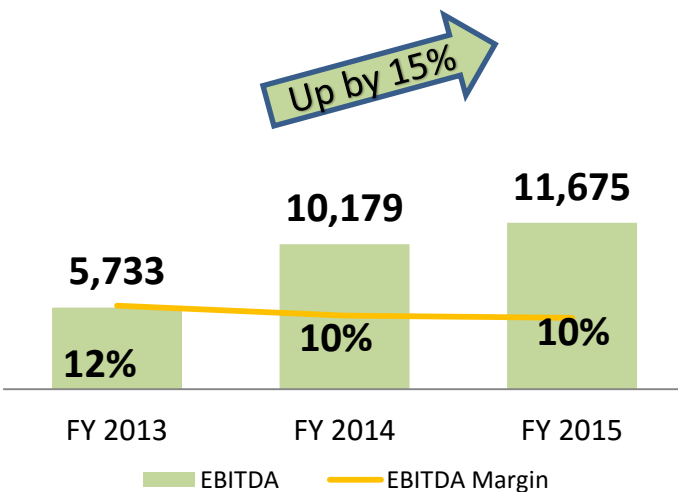
**Revenues (in Php Millions)**



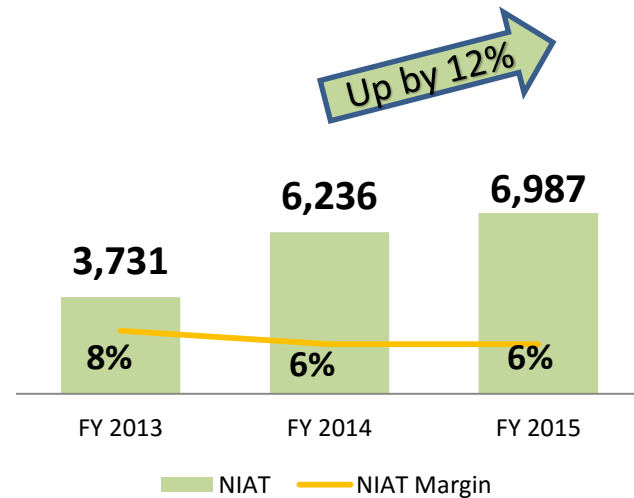
**Gross Profit and Margin (in Php Millions)**



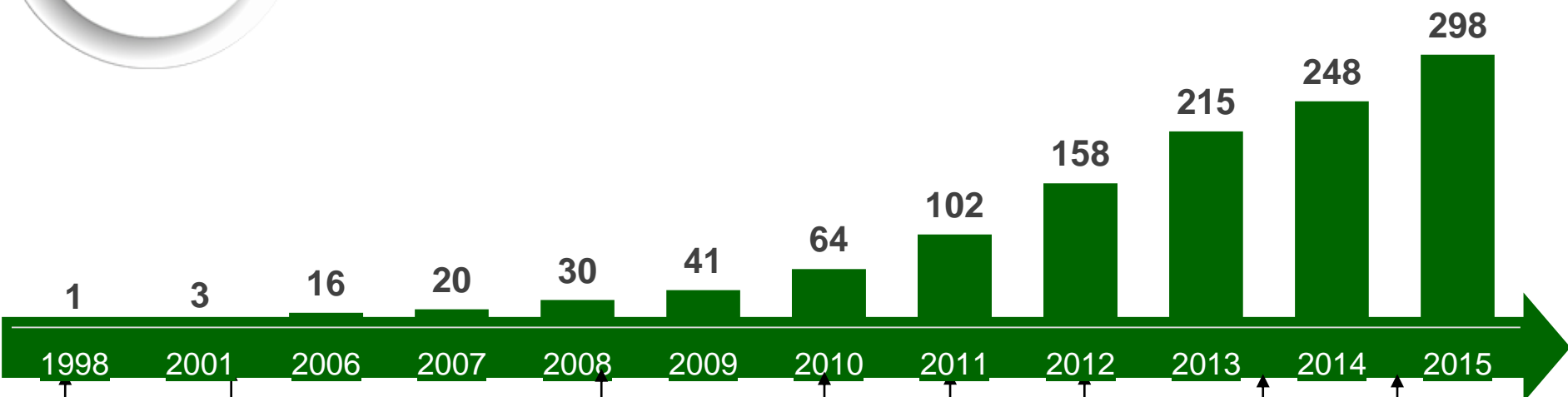
**EBITDA and Margin (in Php Millions)**



**Net Profit and Margin (in Php Millions)**



# Stores roll-out through FY 2015



**First store**

- Opened in Mandaluyong City, Metro Manila

**First format introduction**



**Expansion**

- Launched loyalty program in 2001; renamed as *Tindahan ni Aling Puring* in 2004
- Between 2002 and 2006, launched an average of 3 new stores every year and expanded operations in North and South Luzon

**Brand recognition**

- Reader's Digest Asia's "Most Trusted Brands"

**New format introduction**



**Market leadership**

- The 2<sup>nd</sup> largest hypermarket and supermarket retailer in the Philippines in terms of net sales

**New format introduction - 2010**



**Rapid expansion via organic new Puregold stores roll-out and acquisitions**

- 2011 - Opened 38 new Puregold stores
- 2012 - Opened 31 new Puregold stores; Acquired Parco supermarkets with 19 stores and S&R warehouse membership shopping club with 6 stores



**Continuing new stores roll-out via organic geographic expansion and acquisitions**

- Opened 40 new Puregold and 2 new S&R stores in 2013
- Acquired Company E with 15 stores in 2013
- NE Bodega 9 stores and Budgetlane 8 stores acquisitions in 2015

**Rapid store expansion from 1 to 298 stores in 17 years**

# GROCERY RETAIL SEGMENT HIGHLIGHTS



- Opened 27 new PGOLD stores; 1 S&R Warehouse; 10 S&R New York Style Pizza (QSR) in 2015; acquired 9 Stores NE Bodega, 8 Stores Budgetlane Supermarket and closed 5 PGOLD stores
- Operating 281 stores in 2015; with consolidated NSA of more than 426,000 sqm.; excluding acquisition NE Bodega of around 15,000 sqm and Budgetlane of around 18,000 sqm.
- Consolidated net sales expanded by 14.7% in 2015; Puregold stores sales accounted for about 81.7% of consolidated net sales
- Gross profit grew by 11.7% in 2015; with gross profit margin posted 17.0%
- Operating income increased by 10.4% in 2015; with operating margin at 7.4%
- Consolidated Net income grew by 10.6% in 2015; consolidated net profit margin at 5.1% PGOLD only net margin is at 4.6% while S&R net margin is 10.1%.



# GROCERY RETAIL OPERATING PERFORMANCE



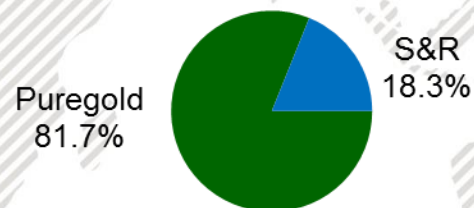
Hypermarket, supermarket, extra



Membership shopping

**Format**

**Revenue contribution**



**Gross profit (PHP million) & Margin (%)**

12,480 (15.7%)

4,008 (22.5%)

**Total traffic (million)**

143.6

5.5

**Average net ticket (PHP)**

543

3,584

**Net sales growth (%)**

15.3%

6.6%

**Traffic growth (%)**

7.5%

11.9%

**Average net ticket growth (%)**

5.0%

-4.7%

**Same Store net sales growth (%)\***

3.8%

-0.1%

**Same Store traffic growth (%)\***

-1.8%

3.0%

**Same Store average net ticket growth (%)\***

5.7%

-3.0%

\*Same Stores Growth for 2015 are based on stores opened as of end December 2013.



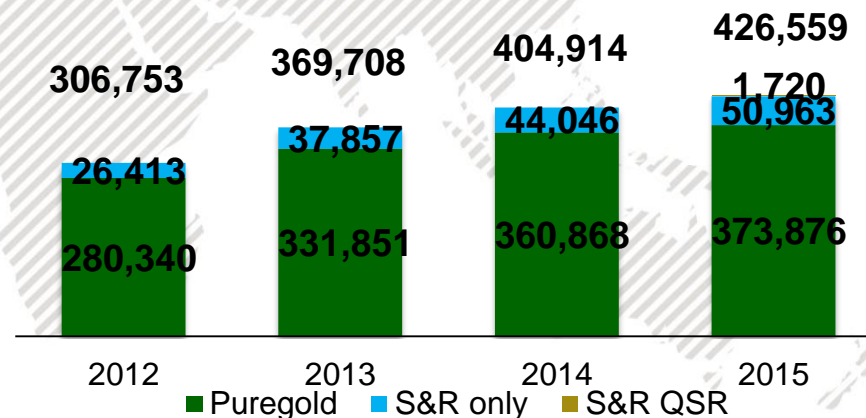
# GROCERY RETAIL OPERATING PERFORMANCE



## Breakdown of Stores (per format)

Group	2012	2013	2014	2015
Hypermarket	87	113	121	134
Supermarket	47	64	83	93
Extra	16	28	29	28
S&R	6	8	9	10
S&R QSR	2	2	6	16
<b>TOTAL</b>	<b>158</b>	<b>215</b>	<b>248</b>	<b>281</b>
<b>Puregold Only</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Metro Manila	69	88	102	104
North Luzon	37	48	58	64
South Luzon	44	63	67	74
Visayas	0	1	1	6
Mindanao	0	5	5	7
<b>TOTAL</b>	<b>150</b>	<b>205</b>	<b>233</b>	<b>255</b>

## Net Selling Area of Stores (in sqm)



## Traffic and Ave Ticket Size

Traffic (in M)	Puregold	S&R
<b>2012</b>	93.7	3.0
<b>2013</b>	119.5	3.9
<b>2014</b>	133.6	4.9
<b>2015</b>	143.6	5.5

Ave Ticket (in Php)	Puregold	S&R
<b>2012</b>	548	3,754
<b>2013</b>	511	3,798
<b>2014</b>	517	3,763
<b>2015</b>	543	3,584

\*excludes NE Bodega and Budgetlane stores with a total of 17 stores and 33,000 sqm NSA

## GUIDANCE FOR FY 2016

- Consolidated net sales targeted to grow by 12 to 15% driven by the following:
  - Net sales growth from organic Puregold and S&R stores
  - Positive SSSG for Puregold (3%) and S&R (4 to 5%)
  - Opening of 25 new Puregold stores; 2 S&R stores
  - Full year operations of NE Bodega & Budgetlane Supermarket
- Lower PGOLD inventory days between 45 to 50 days
- Sustain PGOLD consolidated gross and net profit margins
- Pursue acquisitions and expand into new geographic locations

## CAPEX GUIDANCE FOR FY 2016

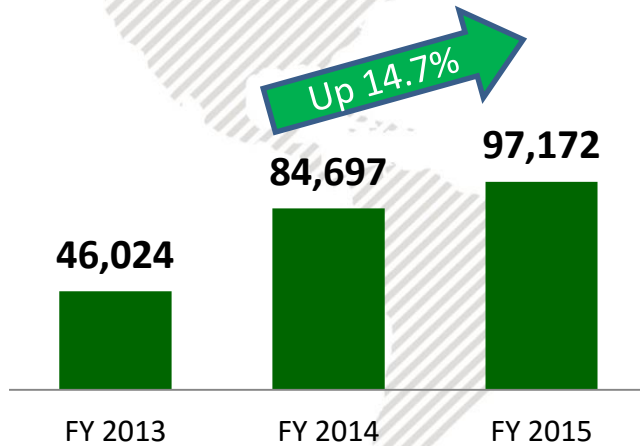
- CAPEX Budget of Php 2.6 billion in 2016
  - Php 1 billion for 25 new Puregold Stores
  - Php 1 billion for 2 S&R stores
  - Php 150 million for 10 S&R QSR
  - Php 450 million for 75 Lawsons Stores
- To be funded by internally generated cash and short term untapped bank credit lines if necessary.

# GROCERY RETAIL SEGMENT FINANCIAL PERFORMANCE

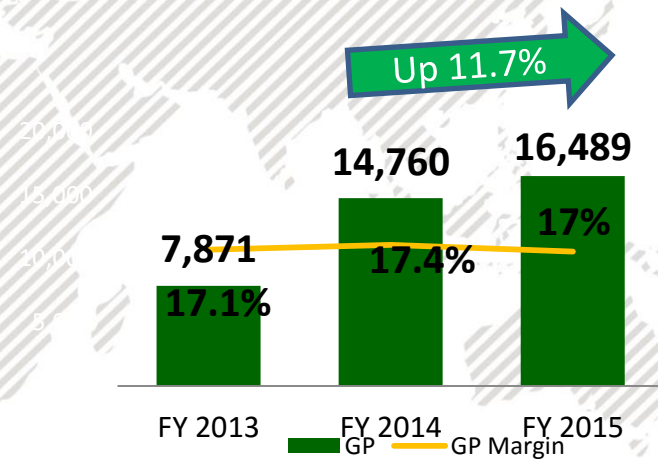


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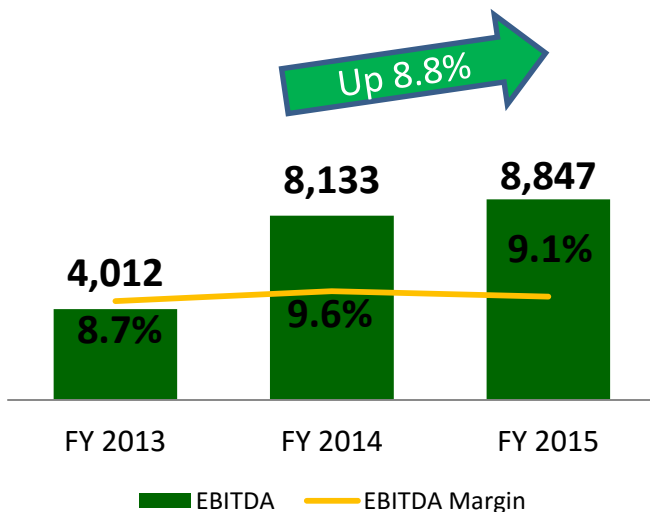
## Revenues (in Php Millions)



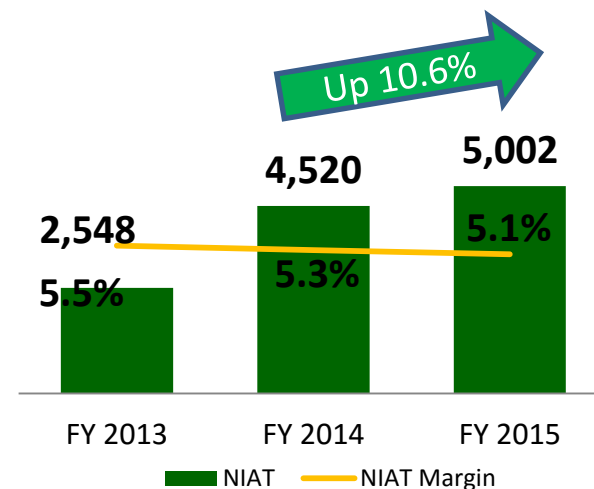
## Gross Profit and Margin (in Php Millions)



## EBITDA and Margin (in Php Millions)



## Net Profit and Margin (in Php Millions)





# LIQUOR SEGMENT HIGHLIGHTS

## Products



### Rhum

Bacardi

### Tequila

Cuervo

### Whisky

Bushmills whiskies

Chivas

### Cognac

Vodka

Liquers



### Brandy

Fundador light

Fundador

### Whisky

JB/Grants



### Brandy

Alfonso

Alfonso light

Exelente

Carlos

### Tequila

Patron

### Whisky

Johnnie walker



cosco capital  
corporated

# LIQUOR SEGMENT HIGHLIGHTS



## SALES MIX

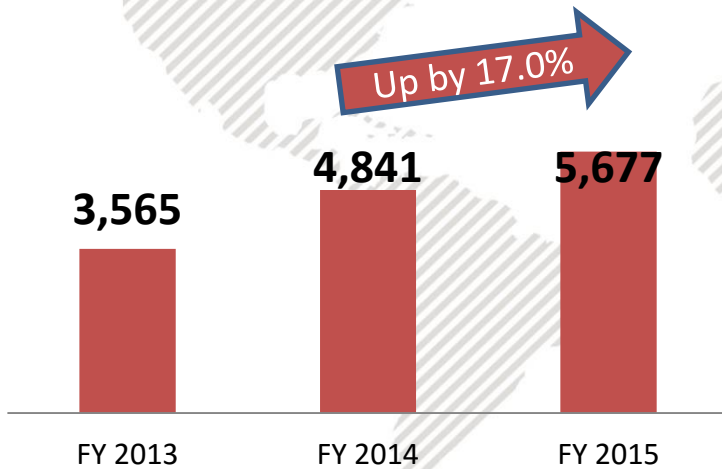
CATEGORY	2015	2014	INCREASE (DECREASE)	%
Brandy	952,289	860,048	92,241	10.73%
Other spirits	306,487	253,833	52,654	20.74%
	<b>1,258,776</b>	<b>1,113,881</b>	<b>144,895</b>	<b>13.01%</b>
Wines	185,260	187,228	(1,968)	-1.05%
Specialty beverages	113,628	88,792	24,836	27.97%
	<b>298,888</b>	<b>276,020</b>	<b>22,868</b>	<b>8.28%</b>
	<b>1,557,664</b>	<b>1,389,901</b>	<b>167,763</b>	<b>12.07%</b>

# LIQUOR DISTRIBUTION FINANCIAL PERFORMANCE

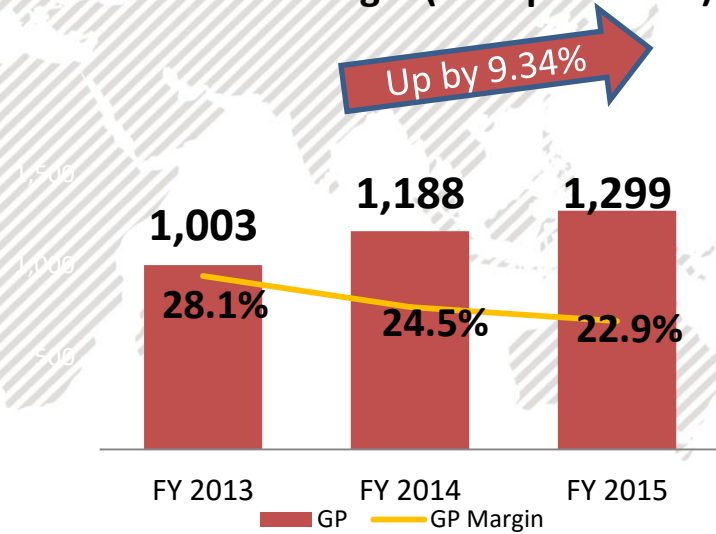


**cosco capital**  
INCORPORATED

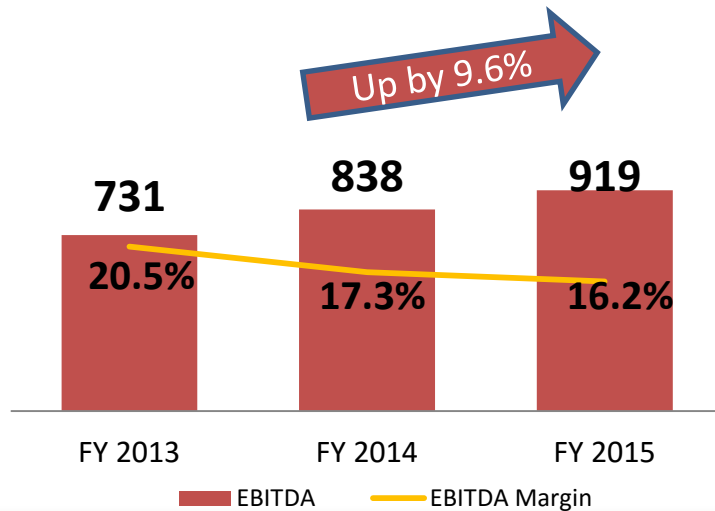
### Revenues (in Php Millions)



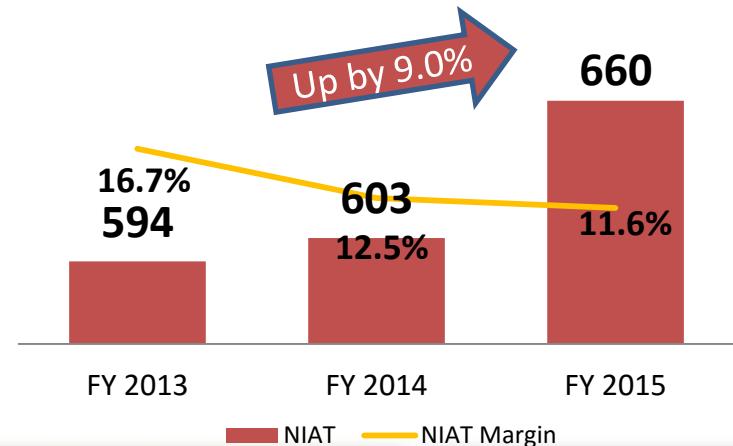
### Gross Profit and Margin (in Php Millions)



### EBITDA and Margin (in Php Millions)



### Net Profit and Margin (in Php Millions)



# REAL ESTATE SEGMENT HIGHLIGHTS



- Total of **38** properties in 2015 and **32** in 2014.
- Gross Leasable Area (GLA) in 2015 **414,405 sqm** and 378,756 sqm in 2014 (up 9%).
- Acquisitions of six (6) commercial properties in 2015 adding GLA of 35,649 sq. m.



# REAL ESTATE SEGMENT HIGHLIGHTS



## Portfolio of Properties

		December 2014	December 2015	
1.	Land under Lease			
	Number of properties	9	9	
	Total area in sqms	145,980	145,980	
	Book value	Php4,243mm	Php4,243mm	
2.	Commercial Buildings			
	Number of buildings	21	27	
	Total GLA in sqms	177,476	213,125	
	Investment costs	Php7,549mm	Php8,811mm	
3.	Divisoria 999			
	Number of buildings	2	2	
	Total GLA in sqms	55,300	55,300	
	Investment cost	Php4,162mm	Php4,162mm	
<b>TOTALS</b>				
	Number of properties	32	38	
	Investment costs	Php15,954mm	Php17,216mm	Up by 7.9%
	Total in GLA	378,756 sq.m	414,405 sq.m	Up by 9.4%

# REAL ESTATE SEGMENT HIGHLIGHTS

## FY 2015 Occupancy rates



Branches	Rate
Sto. Cristo, Baliuag	98.1%
Cabanatuan	94.4%
Candelaria	93.1%
Cubao	98.9%
Don Antonio Heights	100.0%
Tabang, Guiguinto	95.5%
Caloocan, Monumento	98.8%
Pasig	100.0%
Q.I.	95.7%
San Juan, Batangas	100.0%
Sucacat	100.0%

Branches	Rate
Taguig	100.0%
Taytay	100.0%
Tayuman	95.1%
Valenzuela	94.4%
Dau	95.5%
Anabu, Cavite	96.1%
Subic Harbor Point	63.0%
Fairview Terraces	59.0%
Angeles, Pampanga	100.0%
Cabanatuan, NE	99.7%
Las Pinas (RFC Mall)	47.6%

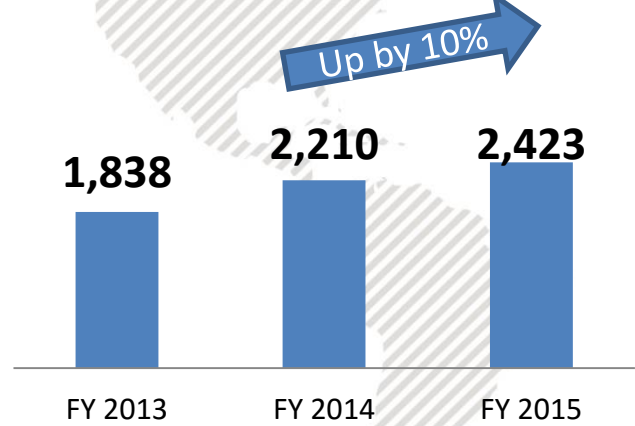
## Selected Financial Ratios

		2015	2014
A.	Ebitda / Rentals	81.1%	95.0%
B.	Rentals / Property & Eqpt	12.2%	12.2%
C.	Ebitda / Property & Eqpt	10.5%	11.5%
D.	Debt : Equity	0.58	0.47
E.	NIAT / Equity	7.7%	8.0%

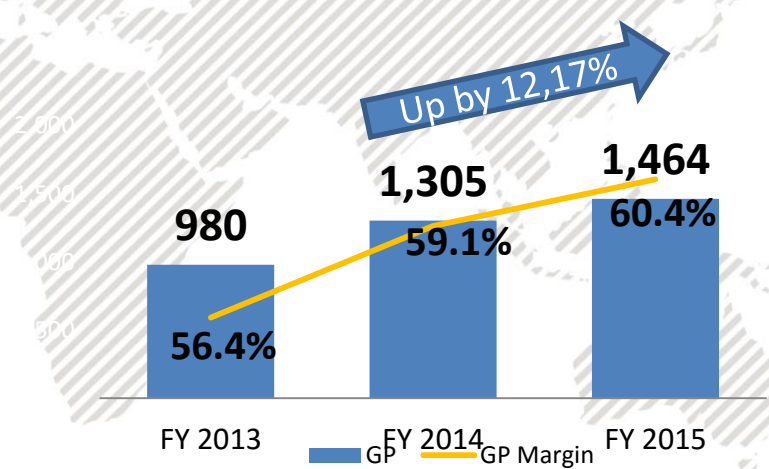
# REAL ESTATE FINANCIAL PERFORMANCE



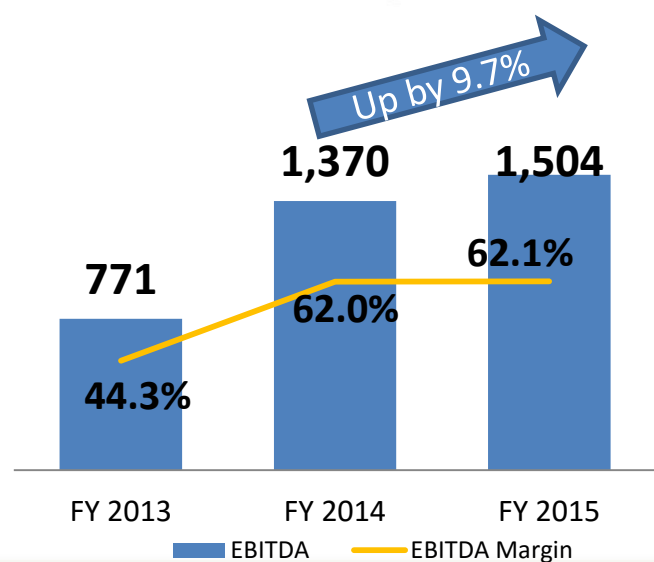
Revenues (in Php Millions)



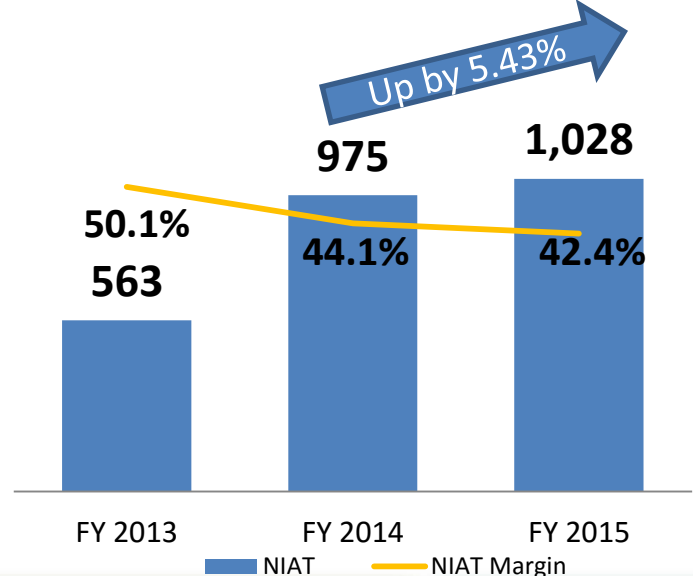
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)





## Liquigaz Philippine Corporation

- **423, 151 mT** volume sold in 2015 and 432,995 mT in 2014
- Operates in 5 business segments
- Current market share of around 30%.
- Acquisition of G&G and Velgas refiling tank in 2015.
- Infrastructures:
  - Bataan Terminal
  - North hub 75 mT tank size
  - South hub 40 mT tank size
  - Tanks at customer premises
  - Cylinders
  - Auto gas stations
  - Bulk trucks
  - Cylinder truck

### Five Business Segments

1. Wholesale
2. Commercial
3. Industrial
4. Autogas
5. Cylinders





## Office Warehouse, Inc.

- A total 59 stores in December 2015 and 48 in 2014
- Net selling area of **11,036** sq.m.
- 63% of outlets are mall based and 37% are stand alone

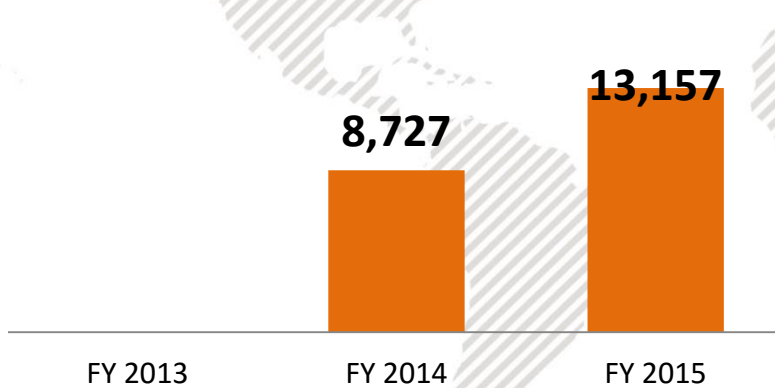


# SPECIALTY RETAIL FINANCIAL PERFORMANCE

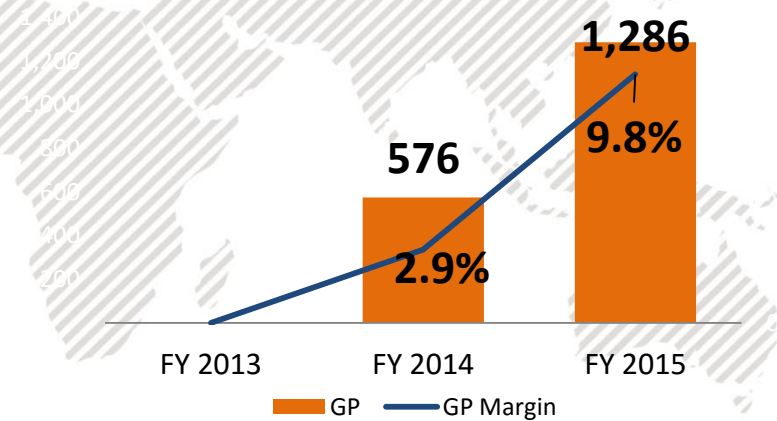


**cosco capital**  
incorporated

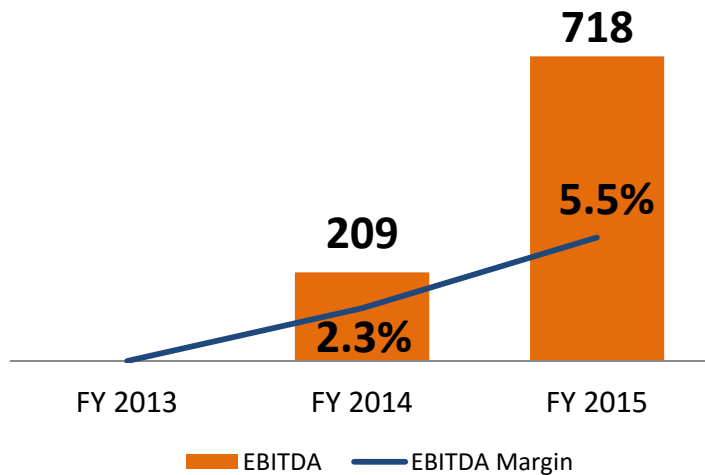
### Revenues (in Php Millions)



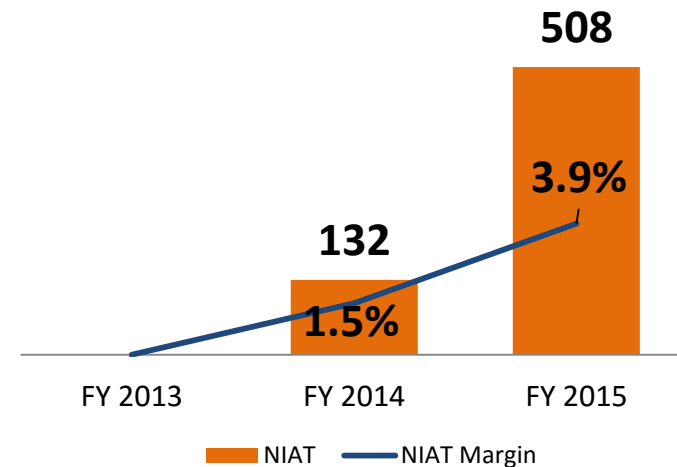
### Gross Profit and Margin (in Php Millions)



### EBITDA and Margin (in Php Millions)



### Net Profit and Margin (in Php Millions)





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

**Thank you**