

Cosco Capital, Inc.

1H 2022 Financial Results Investor Presentation



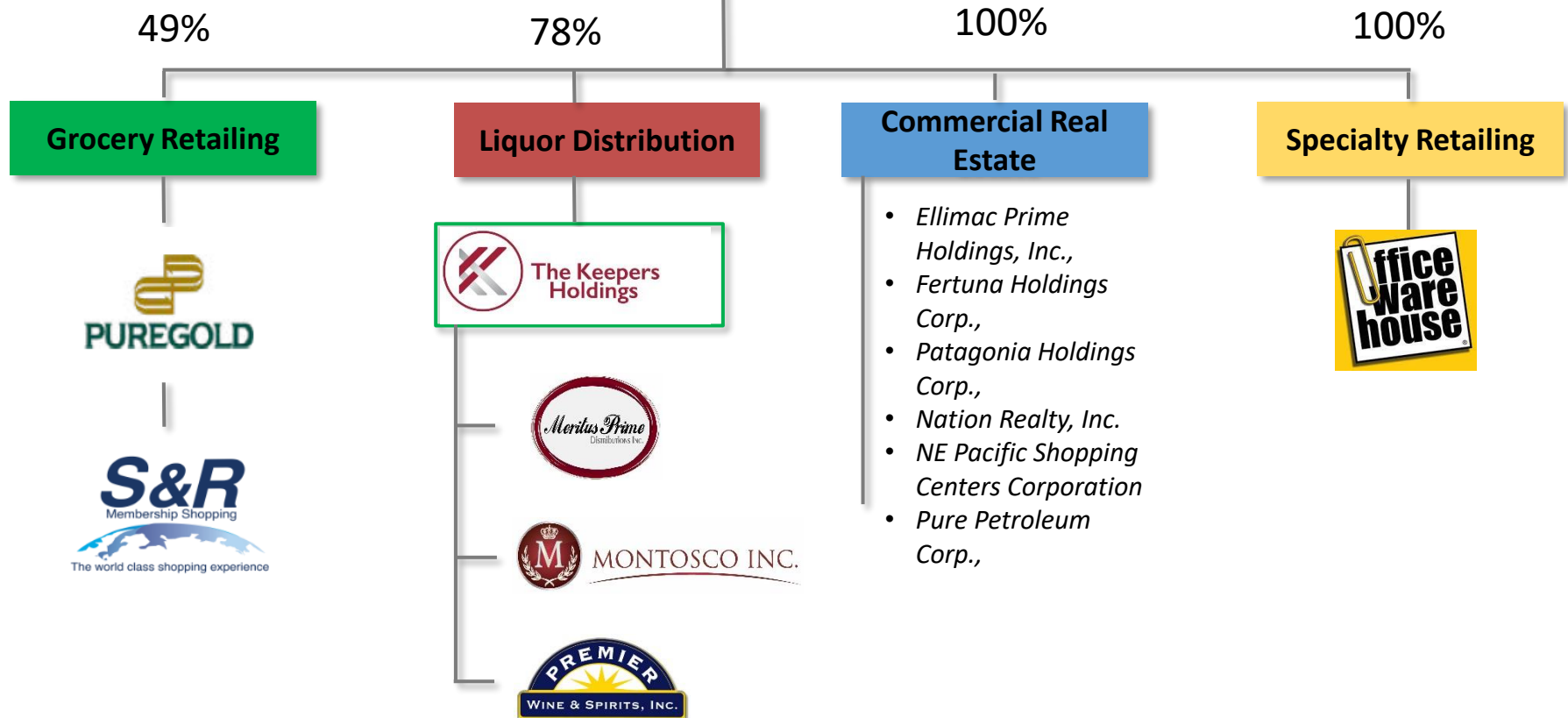
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Head Office Address

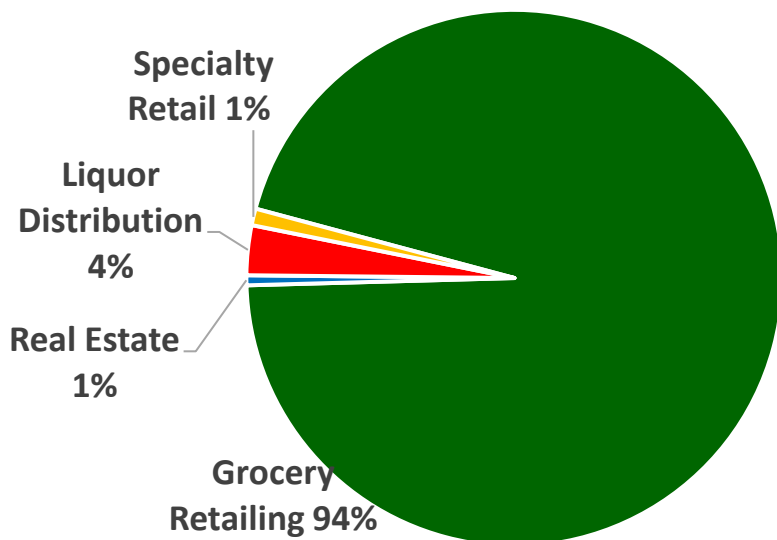
2nd floor, Tabacalera Building, 900 Romualdez Street, Paco, Manila, 1007
Philippines

Company Overview



REVENUE AND PATMI CONTRIBUTIONS 1H 2022

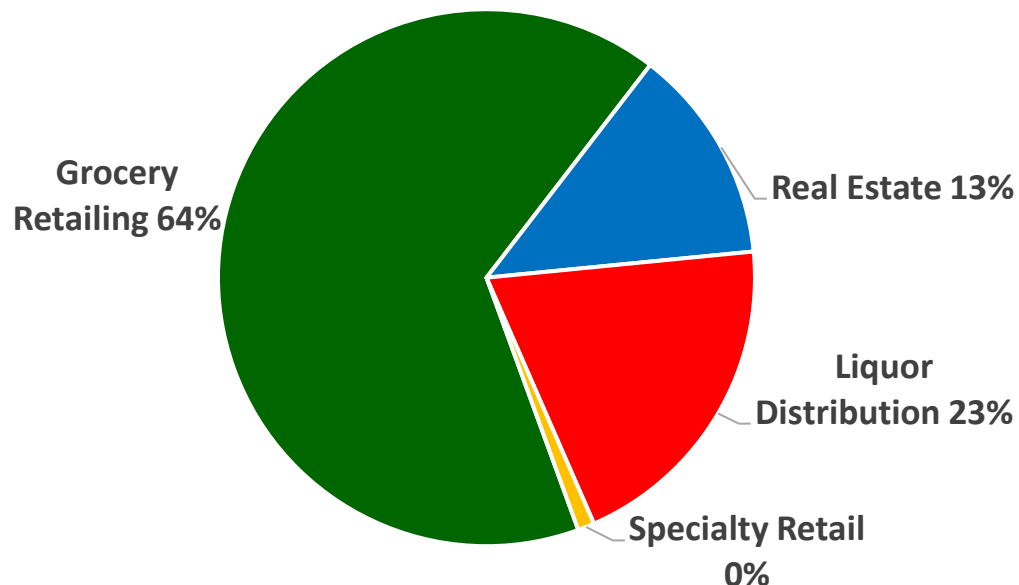
Revenues



PHP 87.44 billion

+8.5% vs 1H 2021

CORE PATMI



PHP 3.24 billion

+9.4% vs 1H 2021

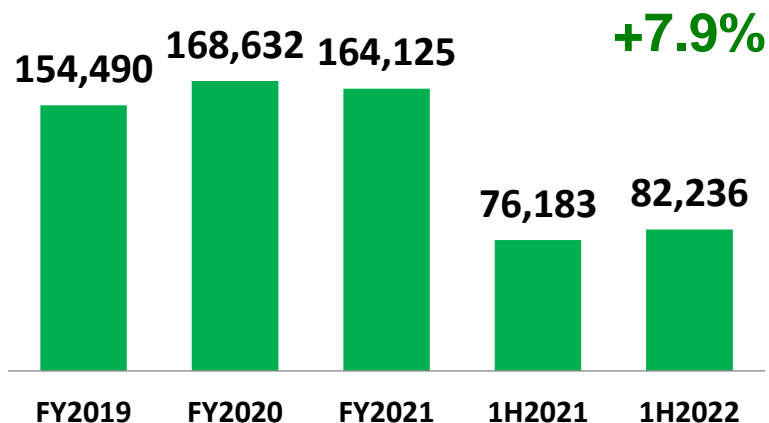
1H 2022 CONSOLIDATED FINANCIAL PERFORMANCE

<i>(In Thousands)</i>	1H2022	%	1H2021	%	INCREASE (DECREASE)	%
REVENUES	87,444,057	100.00%	80,601,462	100.00%	6,842,596	8.49%
COST OF SALES/SERVICES	69,865,110	79.90%	64,789,112	80.38%	5,075,998	7.83%
GROSS PROFIT	17,578,948	20.10%	15,812,350	19.62%	1,766,598	11.17%
OTHER OPERATING INCOME	1,468,082	1.68%	1,567,109	1.94%	(99,028)	-6.32%
GROSS OPERATING INCOME	19,047,029	21.78%	17,379,459	21.56%	1,667,570	9.60%
OPERATING EXPENSES	10,753,565	12.30%	10,166,762	12.61%	586,803	5.77%
INCOME FROM OPERATIONS	8,293,464	9.48%	7,212,697	8.95%	1,080,767	14.98%
OTHER INCOME (CHARGES) - net	(1,047,398)	-1.20%	(1,033,508)	-1.28%	(13,890)	1.34%
INCOME BEFORE INCOME TAX	7,246,067	8.29%	6,179,189	7.67%	1,066,878	17.27%
INCOME TAX EXPENSE	1,650,981	1.89%	1,185,942	1.47%	465,038	39.21%
NET INCOME FOR THE PERIOD	5,595,086	6.40%	4,993,247	6.19%	601,839	12.05%
PATMI	3,239,977	3.71%	2,961,665	3.67%	278,313	9.40%
Non-controlling interests	2,355,109	2.69%	2,031,582	2.52%	323,527	15.92%
	5,595,086	6.40%	4,993,247	6.19%	601,839	12.05%
EARNINGS PER SHARE (EPS)	0.46656		0.42601			9.52%
EBITDA	10,471,483	11.98%	9,514,241	11.80%	957,242	10.06%

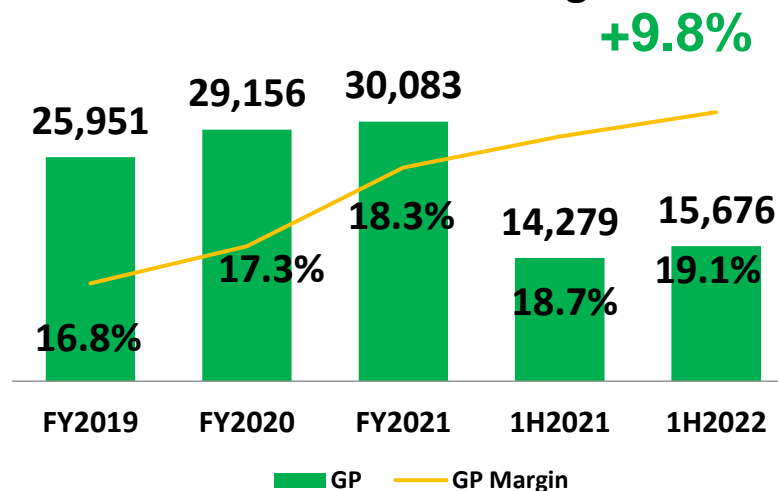
Grocery Retail : 1H 2022 Financial Highlights

(In PHP millions)

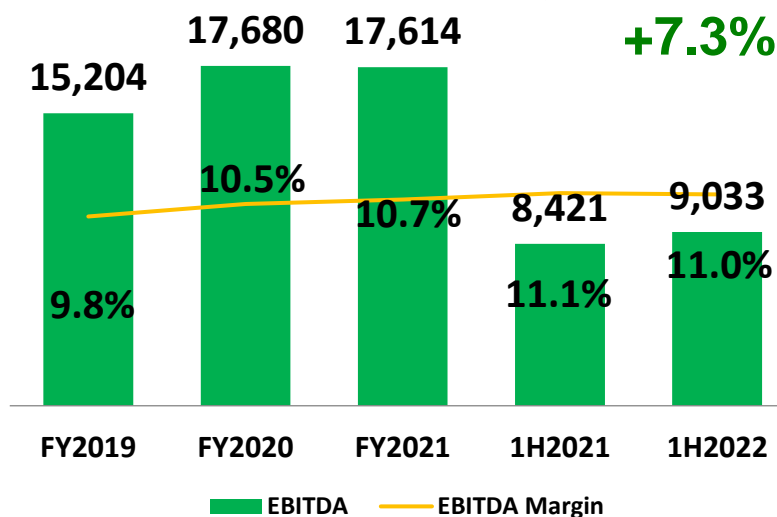
Revenues



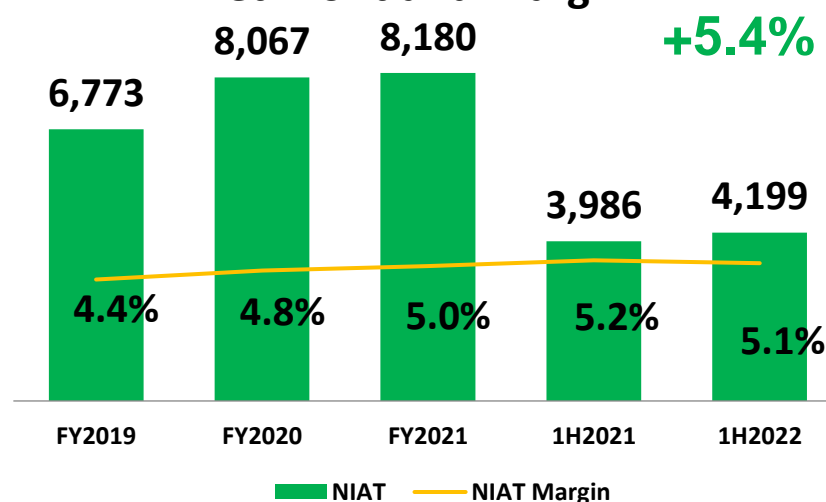
Gross Profit and Margin



EBITDA and Margin



Net Profit and Margin



Grocery Retailing: Operating Highlights



- Puregold opened **9 new stores** during 1H 2022, out of targeted 25 new stores, 1 Metro manila, 7 Luzon, 1 Visayas, closed 1 store in Metro Manila
- As of 1H 2021, the Grocery Retailing segment is operating a total of 507 stores

	PUREGOLD	S&R	S&R QSR
Metro Manila	140	12	25
Luzon	242	6	15
Visayas	42	2	7
Mindanao	14	2	-
Total	438	22	47

1H 2022 SSSG: +0.6% +3.8%



Grocery Retail Segment – Operating Highlights

Sales Performance








































Like-for-like Growth %	Puregold		S&R	
	1H 2022 (399 stores)	1H 2021 (370 stores)	1H 2022 (20 wh)	1H 2021 (18 wh)
Net Sales	0.6%	-13.7%	3.8%	6.5%
Ticket	-5.8%	17.1%	8.2%	2.1%
Traffic	6.8%	-26.3%	-4.1%	4.4%

			Traffic <i>(in thousands)</i>			Ticket		
Overall	Store Count		1H 2022	1H 2021	% growth	1H 2022	1H 2021	% growth
	CY	PY						
Puregold	438	418	59,401	53,816	10.4%	961	1023	-6.0%
S&R WH	22	20	5,241	5,062	3.5%	4,833	4,492	7.6%

Liquor Distribution:



KEEPR has established market leadership in all leading categories of the imported spirits segment¹.

Non-Cognac Brandy	# 1			
Blended Scotch	# 1		# 2	 
Malt Scotch	# 1		# 2	   
US Whiskey	# 1		# 2	 
Soju	# 1			
Cognac	# 2			
Vodka	# 1		# 2	  
Gin	# 1		   	
Rum	# 2		 	
Agave	# 1		 	
Flavored Spirits	# 1		# 2	   
Irish Whiskey	# 1			

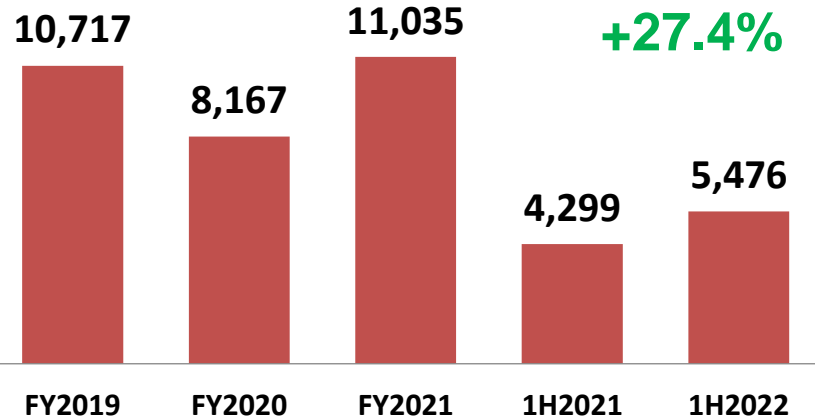
Note 1 – References to the ranking is within the imported spirits segment, according to IWSR.

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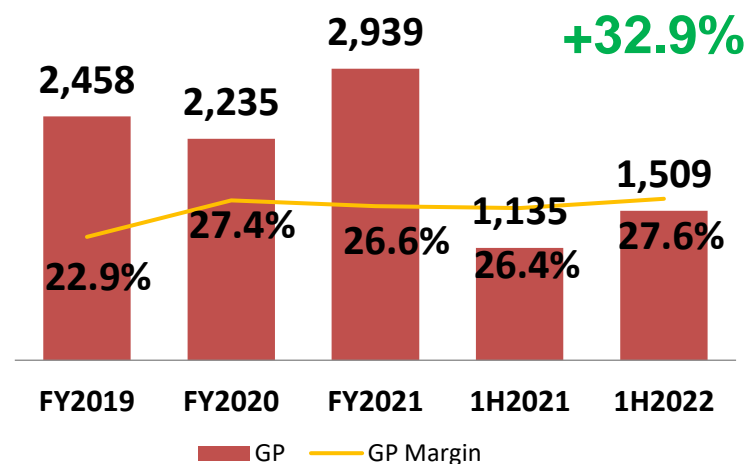
Liquor Distribution: 1H 2022 Financial Highlights

(In PHP millions)

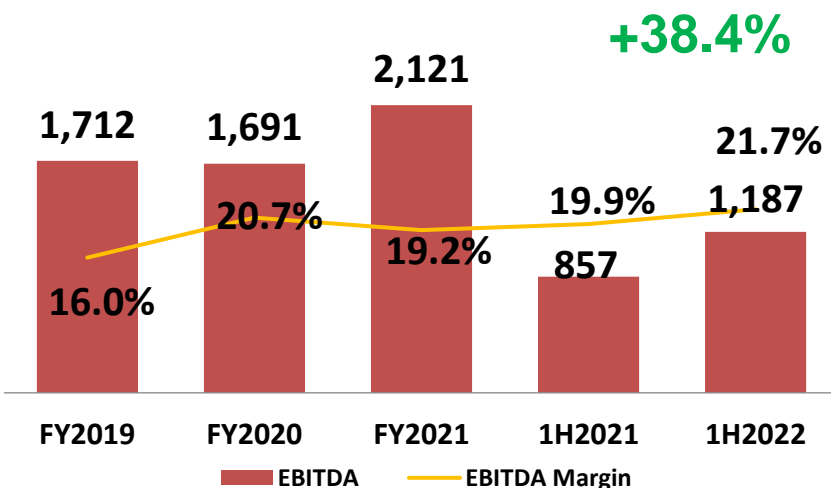
Revenues



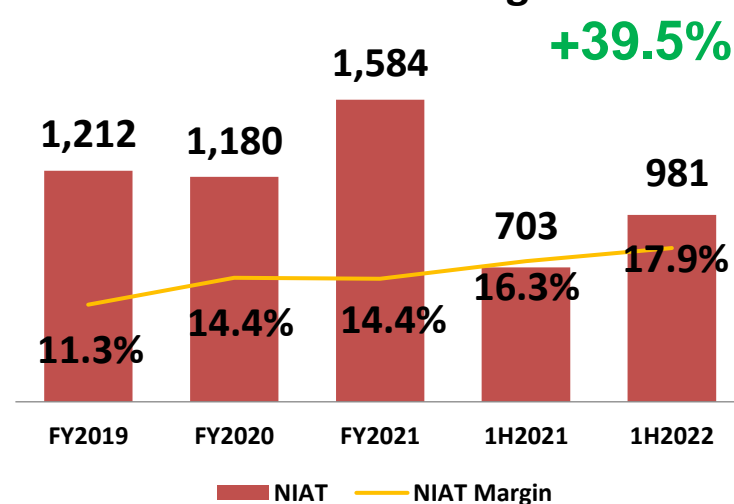
Gross Profit and Margin



EBITDA and Margin



Net Profit and Margin



Liquor Distribution: Operating Highlights

- 23% growth in total volume of cases sold in 1H 2022
- Successful follow-on offering listing on November 19, 2021 in the PSE
- Growth driven by the increase in the brandy, wines and specialty beverages.

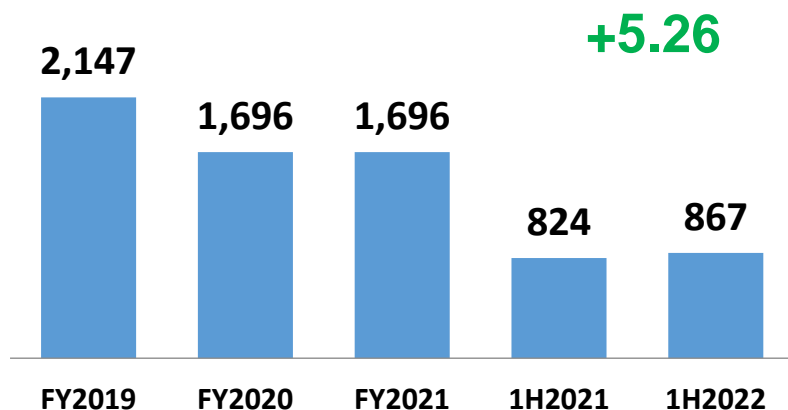
(in thousand cases)

CATEGORY	1H 2022	% Mix	1H 2021	% Mix	% Growth
Brandy	1,566	74%	1,337	78%	17%
Other Spirits	268	13%	228	13%	18%
Wines	108	5%	69	4%	56%
Specialty beverages	163	8%	79	5%	107%
Grand Total	2,105	100%	1,713	100%	23%

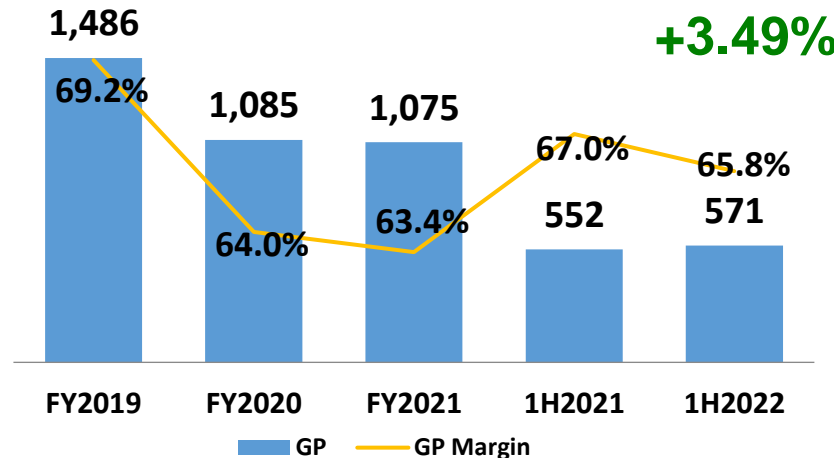
Real Estate Segment: 1H 2022 Financial Highlights

(In PHP millions)

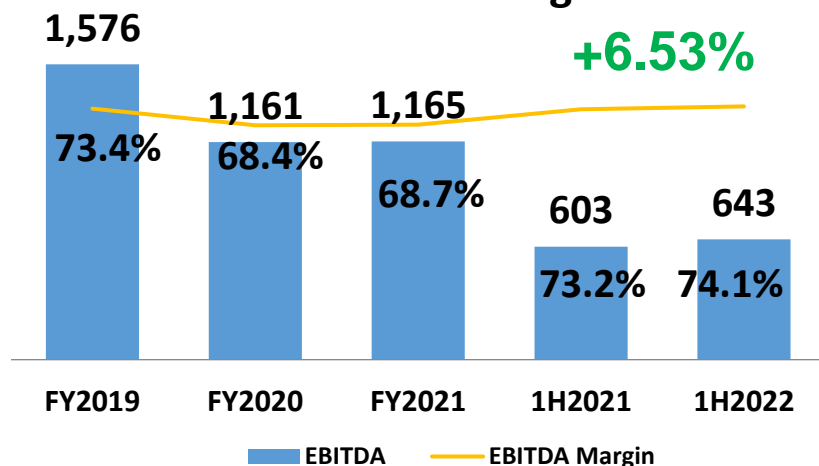
Revenues



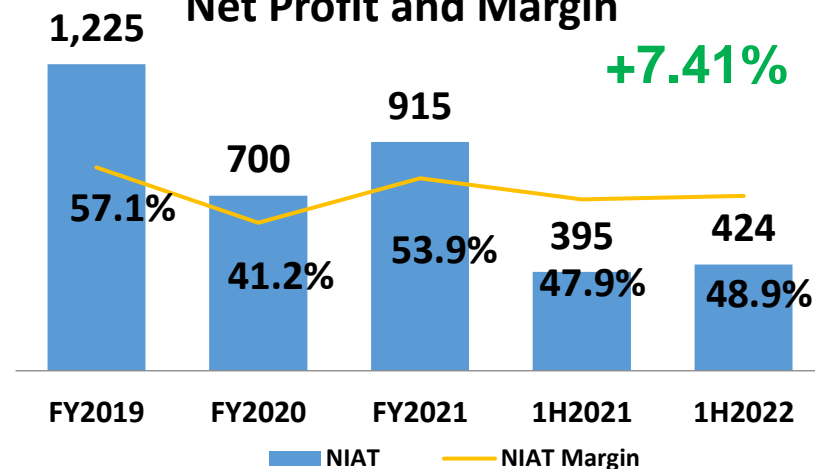
Gross Profit and Margin



EBITDA and Margin



Net Profit and Margin





PUREGOLD-ANTIPOLO (SUMULONG)

PROJECT COST: **P119M**
ACCOMPLISHMENT: **50.20%**
TARGET COMPLETION:
November 2022



PUREGOLD-BIÑAN

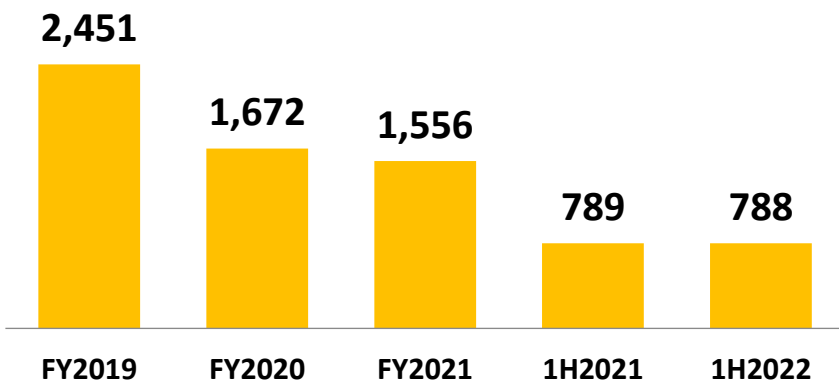
PROJECT COST: **P142M**
ACCOMPLISHMENT: **71.41%**
TARGET COMPLETION:
Opened July 2022

- 2Q - Acquired 8,678 sqm lot in Sandoval Ave. in Pasig City

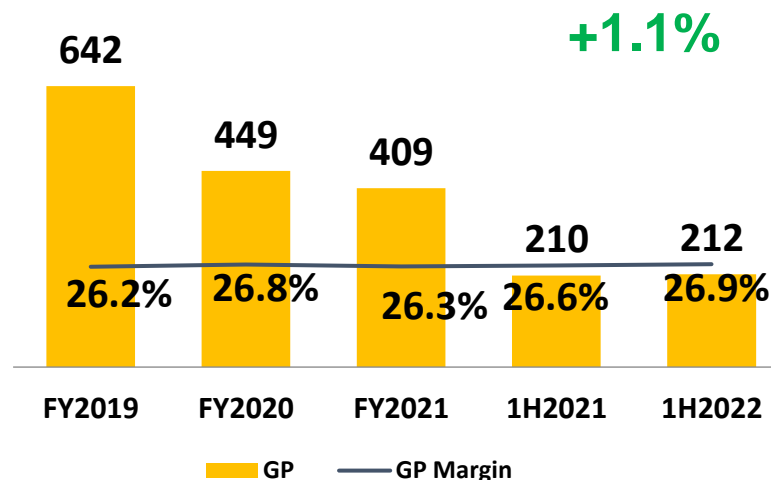
Office Warehouse: 1H 2022 Financial Highlights

(In PHP millions)

Revenues

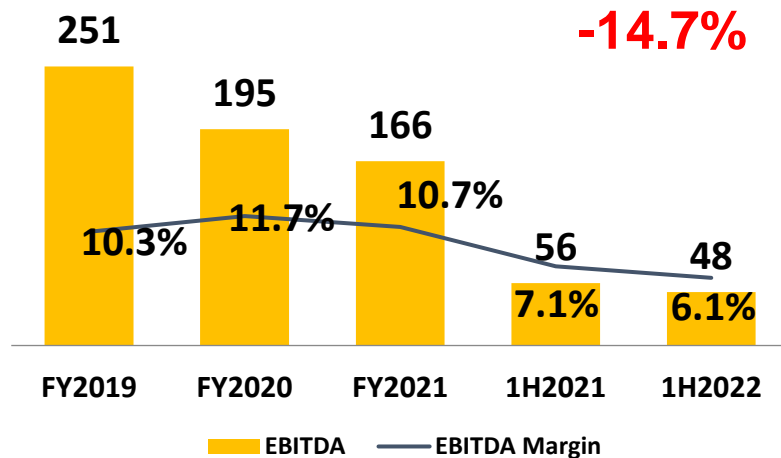


Gross Profit and Margin



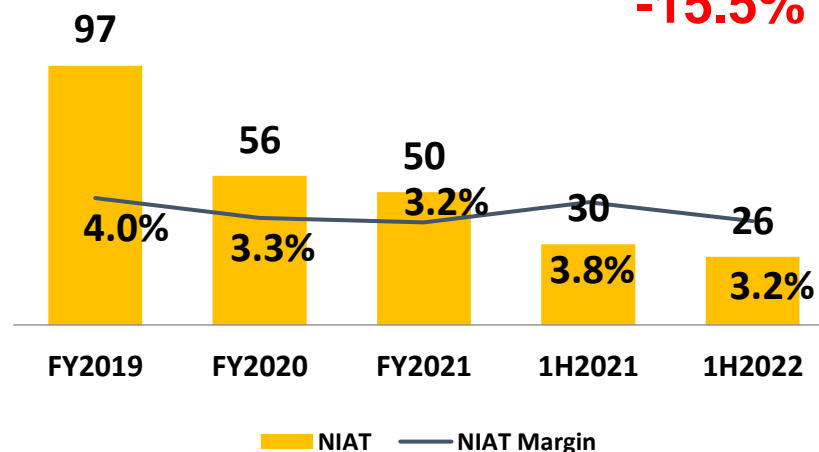
EBITDA and Margin

-14.7%



Net Profit and Margin

-15.5%



Office Warehouse: Operating Highlights

OFFICE WAREHOUSE, INC.

- SSSG of **-1.3%** in 1H 2022 vs **-1.6%** in 1H 2021 due to government lockdown and community quarantine starting March 16, 2020



	2020	2021	1H 2022
No. Stores	89	87	85
Net selling area (in sqm)	15,546	15,267	14,973

Sustainability Highlights

Economic Contribution



Php 4.25B
Taxes paid to
the Government



97%
of Cosco economic value
generated distributed to
key stakeholders



Php 10.7M
Invested to
scholarship and
community
development



Php 3B
Employee wages
and benefits



11,647
Total no. of direct employees
>95% local hiring



0
Incidents of
Corruption

Environment Performance

6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



157

Wastewater treatment
facilities compliant
with Clean Water Act



2%

Clean energy used.
Solar rooftop
installation in **12** stores.



57%

Direct GHG
Emissions
Reduction



99.97%

Compliant to
Environmental Laws
& Regulations



100%

of Puregold and S&R
stores were converted
to LED lamps.



100M

Reduction of plastic
bags used in Puregold
and S&R stores. 63%
Puregold stores use
paper bags.

Social Responsibility

4 QUALITY
EDUCATION



5 GENDER
EQUALITY



10 REDUCED
INEQUALITIES



753

Scholars graduated
107 Passed licensure
exam **381** Current no.
of scholars



56%

Female employees in
the workforce



238

Employees from
indigenous
communities and
vulnerable sector



4,325

Employees
attended technical
and behavioral skills
training



612

Employees in Puregold
and S&R promoted



0

legal actions or
employee grievance
on forced or child
labor

- **CAPEX Budget of Php 6.1 billion in 2022**
 - Php 5.8 billion for Puregold Group
 - Php 261 million for Real Estate Group
 - Php 60 million for Office Warehouse
- To be funded by internally generated cash and short term untapped bank credit lines if necessary



Thank you
