



Cosco Capital net income hits PHP 12.28 billion in FY 2022 up 16.8%

Manila, Philippines - Cosco Capital, Inc., the listed retail holding firm of Mr. Lucio L. Co, reported a 16.8% growth in its full year 2022 consolidated net income amounting to Php 12.28 billion versus Php 10.5 billion a year ago. Strong revenues from all business segments also lifted consolidated revenues by 13% to Php 197.1 billion from Php 174.4 billion in 2021.

The company continued to benefit from the economic recovery amidst the prevailing macroeconomic challenges by way of higher revenue growth across all its business segments which indicates the recovering consumer demand. Better bottom-line results were due to a combination of the gross margin enhancements thru stronger supplier support, sustained strategic cost and expense management leading to a slower growth in expenses versus revenues.

In 2022, the group's grocery retailing businesses, Puregold Price Club, Inc. and S&R Membership Shopping Club, contributed 63% of total core net income, followed by the Liquor Distribution with 25%, Commercial Real Estate segment with 11% and Specialty Retail at 1%.

The grocery retailing group's consolidated net sales for 2022 was higher by 12.3% to Php 184.3 billion driven by 6.6% full year SSSG and growth in new stores as consumer demand gained momentum driven by the reopening of the economy and in-person activities normalized. Even as inflation spiked, sentiment was lifted by low unemployment, minimum wage hikes, robust OFW remittances and 100% resumption of face-to-face classes. The company still sees continuous growth in its topline in the coming years due to country's healthy underlying fundamentals, underserved demand and relatively raw retail landscape. The grocery retail segment also managed a 13.5% growth in net income to PHP 9.3 billion compared to the same period in 2021.

The Liquor Distribution business thru The Keepers Holdings Inc. has recorded a consolidated revenue amounting to Php 13.96 billion, a 26.5% growth versus same period last year on the back of a 20% growth in volume of cases sold totaling more than 5.3 million cases sold in 2022. This was driven principally by the

continued robust performance of Alfonso, the leading imported brandy in the market, which has already surpassed its pre pandemic levels, preimmunizing market and on-premise channel rebound. Sales performance from our other spirits, wines as well as Specialty Beverages categories also registered remarkable growth contributing to the overall revenue growth during the same period which clearly indicates a recovering demand with the easing of community restrictions. Net income for the liquor segment jumped by 41% to PHP 2.23 billion in 2022 resulting from the strong sales performance from all categories – imported wine, spirits, and specialty beverages. During the year and pursuant to its strategic plans, Keepers has also completed its acquisition of 50% equity interest in Bodegas Williams & Humbert SA, the producers of Alfonso, the Keepers' flagship brand and the number 1 imported brandy in the Philippines.

The Commercial Real Estate segment posted a 7% growth in rental revenue amounting to PHP 1.81 billion in 2022 as business operations has improved due to easing mobility restrictions and increased level of economic activities. The real estate segment saw its net income decreased by 7.6% to PHP 845 million in 2022 versus Php 915 million in 2021 due to higher power and utility costs.

For the Specialty Retailing business segment, Office Warehouse, Inc.'s revenues grew by 15% at PHP 1.79 billion as it continued to see a recovery from its business operations. Net income improved by 38% to Php 69 million in 2022 from Php 50 million in 2021.