

COVER SHEET

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SEC Registration Number

C O S C O C A P I T A L , I N C .

(Company's Full Name)

N O . 9 0 0 R O M U A L D E Z S T . , P A C O ,
M A N I L A

(Business Address: No. Street City/Town/Province)

CANDY H. DACANAY-DATUON

09178612459

(Company Telephone Number)

1 2 3 1
Month Day

SEC FORM 17-C
(Form Type)

0 6 3 0
Month Day

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowing
Domestic Foreign

SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES
REGULATIONS CODE AND SRC RULE 17.2 (C) THEREUNDER

Date of Report	July 27, 2023
SEC Identification Number	147669
BIR Tax Identification Number	000-432-378
Name of Issuer as specified in its charter	Cosco Capital, Inc.
Address of principal office and postal code	No. 900 Romualdez St., Paco, Manila, 1007
Industry Classification Code	
Issuer's Telephone Number	0917-8612459
Former Name	None
Securities registered pursuant to Section 8 and 12 of the SRC or Sections 4 and 8 of the RSA	Number of Common Shares – 7,168,814,764 Treasury Shares – 236,448,800
Indicate the item numbers reported therein	Other Matters/Event

SEC 17 C Report: Cosco Capital, Inc. Results of Board Meeting
July 27, 2023

The Board of Directors of Cosco Capital, Inc. approved in its meeting today, July 27, 2023, its Consolidated Q2 Financial Report for 2023. In relation thereof, please see the attached Company's Management Report and Press Release.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COSCO CAPITAL, INC.



CANDY H. DACANAY-DATUON
Assistant Corporate Secretary & Compliance Officer

COSCO CAPITAL, INC.

Condensed Financial Highlights

For the Period Ended June 30, 2023

I. FINANCIAL HIGHLIGHTS

The following highlights provide a condensed management discussion and analysis of the unaudited consolidated financial performance and financial position of the Group for the period ended June 30, 2023.

II. CONSOLIDATED FINANCIAL PERFORMANCE

The table below shows the consolidated results of operations of the Group for the periods ended June 30, 2023 and 2022.

<i>(In Thousands)</i>	1H2023	%	1H2022	%	INCREASE (DECREASE)	%
REVENUES	98,180,842	100.00%	87,444,057	100.00%	10,736,785	12.28%
COST OF SALES/SERVICES	79,014,351	80.48%	69,865,110	79.90%	9,149,242	13.10%
GROSS PROFIT	19,166,491	19.52%	17,578,948	20.10%	1,587,543	9.03%
OTHER OPERATING INCOME	1,520,833	1.55%	1,468,082	1.68%	52,751	3.59%
GROSS OPERATING INCOME	20,687,324	21.07%	19,047,029	21.78%	1,640,295	8.61%
OPERATING EXPENSES	12,263,411	12.49%	10,753,565	12.30%	1,509,846	14.04%
INCOME FROM OPERATIONS	8,423,913	8.58%	8,293,464	9.48%	130,449	1.57%
OTHER INCOME (CHARGES) - net	(743,670)	-0.76%	(1,047,398)	-1.20%	303,727	-29.00%
INCOME BEFORE INCOME TAX	7,680,243	7.82%	7,246,067	8.29%	434,176	5.99%
INCOME TAX EXPENSE	1,648,215	1.68%	1,650,981	1.89%	(2,766)	-0.17%
NET INCOME FOR THE PERIOD	6,032,028	6.14%	5,595,086	6.40%	436,942	7.81%
PATMI	3,535,197	3.60%	3,239,977	3.71%	295,220	9.11%
Non-controlling interests	2,496,831	2.54%	2,355,109	2.69%	141,722	6.02%
	6,032,028	6.14%	5,595,086	6.40%	436,942	7.81%

Growth in Revenues

Consolidated revenues amounting to P98.18 Billion for the period ended June 30, 2023 increased by P10.74 Billion or representing a growth by 12.28% compared to last year's revenue of P87.44 Billion.

Growth in Consolidated Net Income

During the same period and despite the challenges from the lingering macro-economic impacts on business, the Group, however, managed to realize a consolidated net income of P6.03 Billion which represents a growth of 7.81% as compared to last year's net income of P5.59 Billion.

Net income attributable to equity holders of the parent company (PATMI) in 2023 amounted to about P3.53 Billion which increased by P295.22 million or 9.11% as compared to the 2022 PATMI amounting to P3.24 Billion.

Segment Financial Performance Highlights

Grocery Retail Segment

For the period ended June 30, 2023, the segment posted a consolidated net sales of P91.23 billion for an increase of P9.0 billion or 10.94% compared to P82.23 billion in the same period of 2022.

Consolidated gross profit increased by 7.50% from P15.67 billion in 2022 at 19.06% margin to P16.85 billion at 18.47% margin in the same period of 2023.

The segment earned a consolidated net income of P4.40 billion at 4.82% net margin and an increase of 4.78% from P4.20 billion at 5.11% net margin in the same period of 2022.

Commercial Real Estate Segment

The Group's Real Estate Segment posted a revenue of P952.45 million in 2023 or 9.80% growth from the P867.40 million revenue generated in 2022.

This was mainly attributable to the continued easing of mobility restrictions and corresponding benefits from a recovering level of economic activities benefiting its tenants to gradually improve their business operations and the resumption of rental rates based on contracts.

Net income for the period amounted to P463.40 million or a 9.19% decrease from last year's P424.38 Million due mainly to the increase in revenue.

Liquor Distribution Segment

Revenues generated by the Liquor Distribution Segment in 2023 increased to P6.50 Billion or 18.72% higher from last year's P5.47 Billion on the back of a 10% growth in volume (no. of cases) of sales.

As a result, net income for the period grew by 26.47% from P332.54 million in 2022 to P42.58 million in 2023.

Specialty Retail Segment

Sales revenues amounted to P1.04 million in 2023 which grew by 32.0 compared to the 2022 revenue of P788.32million which reflects a recovering consumer demand on account of the continued easing of mobility restrictions.

Net income in 2023 amounted to about P32.29 million which increased by P9.75 million or 38.2% as compared to the net income contribution in 2022 amounting to P25.55llion.

III. CONSOLIDATED FINANCIAL POSITION

The Group's consolidated financial position as at June 30, 2023 continued to remain very strong and robust which provides a solid platform for the Group to navigate its business operations and implement its strategic expansion plans not only for the balance of the year but for the medium term.

Total Assets

As at June 30, 2023 and December 31, 2022, total assets amounted to P207.82 Billion and P218.54 Billion, respectively, for a decrease of P10.71 Billion or 4.90%. The decrease was due basically to the net effect of the net operating cash flows, collection of receivables and settlement of trade and non-trade payables, cash dividend declared increase in inventories, short term cash investments and additional capital expenditures in store network expansion.

Total Liabilities

As at June 30, 2023 and December 31, 2022, total liabilities amounted to P69.05 Billion and P85.73 Billion respectively, for an decrease of P16.68 Billion or 19.46% due to the net effect of payments of trade and non-trade liabilities, short term loans, settlements of cash dividends declared by the Grocery Retail segment and Parent Company in December 2022, recognition additional lease liability from lease contracts.

Equity

As at June 30, 2023 and December 31, 2022, total equity amounted to P138.77 Billion and P132.80 Billion, respectively, for an increase of P5.96 Billion or 4.49% due to profit realized by the Group.



Cosco Capital net income hits PHP 6 billion in 1H 2023

Manila, Philippines - Cosco Capital, Inc., the listed retail holding firm of Mr. Lucio L. Co, reported a 7.8% growth in its first half consolidated net income amounting to Php 6 billion versus Php 5.6 billion a year ago. Strong revenues from all business segments also lifted consolidated revenues by 12.3% to Php 98.2 billion from Php 87.4 billion in the same period of 2022.

The Group 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.

In the first half of 2023, the group's grocery retailing businesses, Puregold Price Club, Inc. and S&R Membership Shopping Club, contributed 73% of total net income, followed by the Liquor Distribution with 19% and Commercial Real Estate segment with 8%.

The grocery retailing group's consolidated net sales for the first half of 2023 rose by 11% to Php 91 billion driven by higher comparative sales. In the first half, groupwide same stores sales was up 7% versus the same period last year as traffic was higher by 6.7% and basket were flattish at 0.2% year on year. Broken down by banners, the enterprise experienced positive same store sales growth (SSSG) of +5.9% from Puregold Stores and +9.5% from S&R Warehouse Clubs. SSSG tended towards more normalization starting in the second quarter as a contrast to the more flattering base effects felt in the first quarter of this year. The grocery retail group's net income in the first half rose by 4.8% year on year to Php 4.4 billion. For the period, double-digit topline growth was partially offset by compressed margins and higher operating expenses.

The Liquor Distribution business thru The Keepers Holdings Inc. has recorded a consolidated revenues amounting to Php 6.5 billion, a 19% growth versus previous year on the back of a 10% growth in volume of cases sold for the period. This was driven principally by Alfonso, the leading imported brandy in the market,

which has already surpassed its pre pandemic levels, premiumizing market and on-premise channel rebound. Net income for the liquor segment rose by 18% to PHP 1.16 billion in the first half of 2023 resulting from the strong sales performance from imported brandy, wines, and specialty beverages.

The Commercial Real Estate segment posted a 9.8% growth in rental revenue amounting to PHP 952 million in the first half of 2023 as business operations of its tenants portfolio has improved due to easing mobility restrictions and increased level of economic activities as well as full resumption of rental rates based on contracts. The real estate segment saw its net income grew by 9.2% to PHP 463 million in the first half of 2023 versus Php 424 million in the same period 2022.

For the Specialty Retailing business segment, Office Warehouse, Inc.'s revenues grew by 32% at PHP 1.04 billion as it continued to see a strong recovery from its business operations as compared to its 2022 level which were still affected by the pandemic restrictions. Net income improved by 38% to Php 35 million in the first half of 2023 from Php 26 million in the same period 2022.