

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)

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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	May 9, 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 – 7,172,069,764 Treasury Shares – 233,193,800
Indicate the item numbers reported therein	Other Matters/Event

SEC 17-C Result of Cosco Capital Board Meeting dated May 9, 2023

On May 9, 2023, the Board of Directors of Cosco Capital, Inc. approved the following:

1. First Quarter Consolidated Financial Report for 2023
2. Details for the 2023 Annual Stockholders' Meeting:

Date:	June 30, 2023, Friday
Time:	10 AM
Record Date:	May 24, 2023
Manner:	Virtual Meeting
Agenda:	To be determined

3. Amendment of Article III Section 1 of the Company's Bylaws to change the date of the Annual Stockholders Meeting from "the last Friday of June of each year" to "any day of May of each year" at such time as may be fixed by the Board of Directors.

The Company will submit its SEC 17-Q Report on or before May 15, 2023. Please see attached the Company's SEC 17-C Report with Financial Highlights of the Q1-2023 and Company 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 March 31, 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 March 31, 2023.

II. CONSOLIDATED FINANCIAL PERFORMANCE

The table below shows the consolidated results of operations of the Group for the periods ended March 31, 2023 and 2022.

<i>(In Thousands)</i>	Q12023	%	Q12022	%	INCREASE (DECREASE)	%
REVENUES	47,477,202	100.00%	40,680,227	100.00%	6,796,975	16.71%
COST OF SALES/SERVICES	37,886,962	79.80%	32,183,181	79.11%	5,703,781	17.72%
GROSS PROFIT	9,590,240	20.20%	8,497,045	20.89%	1,093,195	12.87%
OTHER OPERATING INCOME	764,838	1.61%	708,412	1.74%	56,426	7.97%
GROSS OPERATING INCOME	10,355,078	21.81%	9,205,458	22.63%	1,149,620	12.49%
OPERATING EXPENSES	5,974,427	12.58%	5,142,268	12.64%	832,159	16.18%
INCOME FROM OPERATIONS	4,380,651	9.23%	4,063,190	9.99%	317,462	7.81%
OTHER INCOME (CHARGES) - net	(411,793)	-0.87%	(534,488)	-1.31%	122,695	-22.96%
INCOME BEFORE INCOME TAX	3,968,859	8.36%	3,528,702	8.67%	440,157	12.47%
INCOME TAX EXPENSE	872,824	1.84%	822,688	2.02%	50,136	6.09%
NET INCOME FOR THE PERIOD	3,096,035	6.52%	2,706,013	6.65%	390,021	14.41%
PATMI	1,778,276	3.75%	1,537,641	3.78%	240,636	15.65%
Non-controlling interests	1,317,758	2.78%	1,168,373	2.87%	149,385	12.79%
	3,096,035	6.52%	2,706,013	6.65%	390,021	14.41%

Growth in Revenues

Consolidated revenues amounting to P47.48 Billion for the period ended March 31, 2023 increased by P6.79 Billion or representing a growth by 16.71% compared to last year's revenue of P40.68 Billion.

The Grocery Retail and Liquor Distribution Segments continued to deliver stronger sales performance and growth during the first quarter of 2023 which reflects recovering consumer demands resulting from the continued easing of mobility restrictions as well as the corresponding economic recovery indicators amidst the current volatilities affecting the global business and markets.

The Commercial Real Estate segment continued to post recovery gains in revenue as it also benefited from the continued easing of mobility restrictions allowing more tenants to gradually recover its business volume and enabling the gradual reduction in rental discounts and reliefs previously granted.

The Specialty Retail segment likewise generated a strong sales performance during the first quarter of 2023 resulting from the sustained economic recovery and easing of community restrictions that enabled its continued store operation which are predominantly located in CBD areas. The resumption of face to face classes also contributed to the growth in revenues. The segment's revenues in the same period of 2022 were affected by the heightened community restrictions and lockdowns imposed from January 15, 2022 to February 15, 2022 due to the extraordinary surge in infection rate caused by the Omicron variant of the Covid-19 virus.

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 P3.09 Billion which represents a growth of 14.41% as compared to last year's net income of P2.71 Billion.

The strong revenue performance across all the business segments were reinforced by a combination of management's strategic initiatives and efficiency measures at all business segments that involved enhancements in the cost of goods sold and services coupled by sustained strategic costs and expense reduction and management. The implementation of the reduced corporate income tax rate under the CREATE Law also contributed to the growth in the group's consolidated net income.

Net income attributable to equity holders of the parent company (PATMI) in 2023 amounted to about P1.78 Billion which increased by P240.64 million or 15.65% as compared to the 2022 PATMI amounting to P1.54 Billion.

Segment Financial Performance Highlights

Grocery Retail Segment

For the period ended March 31, 2023, the segment posted a consolidated net sales of P44.35 billion for an increase of P5.84 billion or 15.18% compared to P38.51 billion in the same period of 2022.

Consolidated gross profit increased by 10.68% from P7.70 billion in 2023 at 19.99% margin to P8.52 billion at 19.21% margin in the same period of 2022.

The segment earned a consolidated net income of P2.40 billion at 5.43% net margin and an increase of 11.85% from P2.15 billion at 5.59% net margin in the same period of 2022.

Commercial Real Estate Segment

The Group's Real Estate Segment posted a revenue of P488.18 million in 2023 or 8.68% growth from the P449.18 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 P247.19 million or a 9.01% decrease from last year's P226.77 Million due mainly to the increase in revenue.

Liquor Distribution Segment

Revenues generated by the Liquor Distribution Segment in 2022 increased to P2.90 Billion or 33.56% higher from last year's P2.17 Billion on the back of a 30% 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 P555.94 million in 2023 which grew by 42.51% compared to the 2022 revenue of P390.12 million which reflects a recovering consumer demand on account of the continued easing of mobility restrictions.

The company also capitalized on the back-to-school season big time savings promo to augment its sales performance.

Net income in 2023 amounted to about P28.49 million which increased by P12.07 million or 73.56% as compared to the net income contribution in 2022 amounting to P16.41 million.

III. CONSOLIDATED FINANCIAL POSITION

The Group's consolidated financial position as at March 31, 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 March 31, 2023 and December 31, 2022, total assets amounted to P209.47 Billion and P218.54 Billion, respectively, for a decrease of P9.06 Billion or 4.15%. 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 March 31, 2023 and December 31, 2022, total liabilities amounted to P73.61 Billion and P85.73 Billion respectively, for an decrease of P12.12 Billion or 14.14% 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 March 31, 2023 and December 31, 2022, total equity amounted to P135.86 Billion and P132.80 Billion, respectively, for an increase of P3.06 Billion or 2.30% due to profit realized by the Group.



Cosco Capital net income hits PHP 3.1 billion in 1Q 2023 up 14%

Manila, Philippines - Cosco Capital, Inc., the listed retail holding firm of Mr. Lucio L. Co, reported a 14.4% growth in its first quarter consolidated net income amounting to Php 3.1 billion versus Php 2.7 billion a year ago. Strong revenues from all business segments also lifted consolidated revenues by 16% to Php 47.5 billion from Php 40.7 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. 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 the first quarter of 2023, the group's grocery retailing businesses, Puregold Price Club, Inc. and S&R Membership Shopping Club, contributed 78% of total net income, followed by the Liquor Distribution with 13% and Commercial Real Estate segment with 9%

The grocery retailing group's consolidated net sales for the first quarter of 2023 rose by 15% to Php 44.4 billion driven by higher comparative sales. Topline growth momentum continued as consumption was robust even as inflationary pressures persisted. In the first quarter, groupwide same stores sales was up 11.3% versus the same period last year. Broken down by banners, the enterprise experienced positive same store sales growth (SSSG) of +8.8% from Puregold Stores and +16.8% from S&R Warehouse Clubs. For the topline, Puregold Stores contributed Php 30 billion while S&R Warehouses contributed Php 14.4 billion, up 12% and 23%, respectively, versus the same period last year. The grocery retail segment also managed a 12% growth in net income to PHP 2.4 billion compared to the same period in 2022.

The Liquor Distribution business thru The Keepers Holdings Inc. has recorded a consolidated revenues amounting to Php 2.9 billion, a 33.6% growth versus previous year on the back of a 30% growth in volume of

cases sold for the period. 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, premiumizing market and on-premise channel rebound. Sales performance from our Other Spirits, Wines as well as Specialty Beverages categories also registered strong rebounds contributing to the overall revenue growth clearly indicating a recovering demand as the country transitions to normalization and zero pandemic restrictions. Net income for the liquor segment rose by 26.5% to PHP 420 million in the first quarter of 2023 resulting from the strong sales performance from all categories – imported brandy, wines, spirits, and specialty beverages.

The Commercial Real Estate segment posted a 8.7% growth in rental revenue amounting to PHP 488 million in the first quarter of 2023 as business operations 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% to PHP 247 million in the first quarter of 2023 versus Php 227 million in the same period 2022.

For the Specialty Retailing business segment, Office Warehouse, Inc.'s revenues grew by 42.5% at PHP 556 million 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 74% to Php 28 million in the first quarter of 2023 from Php 16 million in the same period 2022.