

# Cosco Capital, Inc.

## FY 2019 Financial Results Investor Presentation



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## **Head Office Address**

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

# Company Overview

Lucio Co Family  
76%

Public  
24%



49%

100%

100%

100%

## Grocery Retailing



## Liquor Distribution



## Specialty Retailing

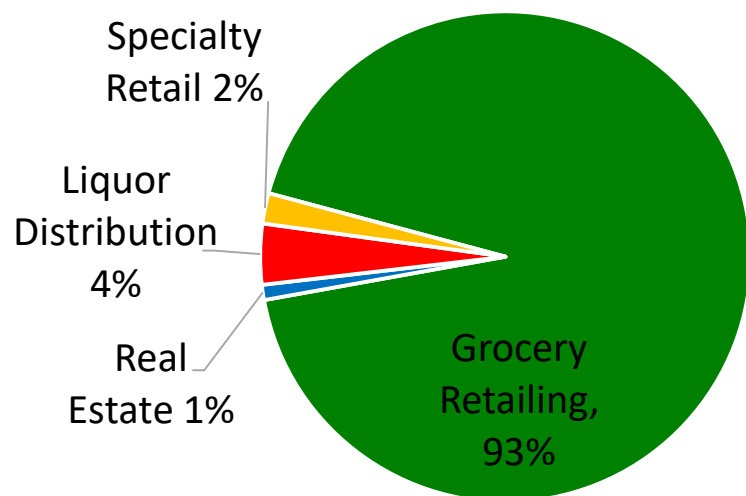


## Commercial Real Estate

- Ellimac Prime Holdings, Inc.,
- Fertuna Holdings Corp.,
- Patagonia Holdings Corp.,
- Nation Realty, Inc.
- NE Pacific Shopping Centers Corporation
- Pure Petroleum Corp.,

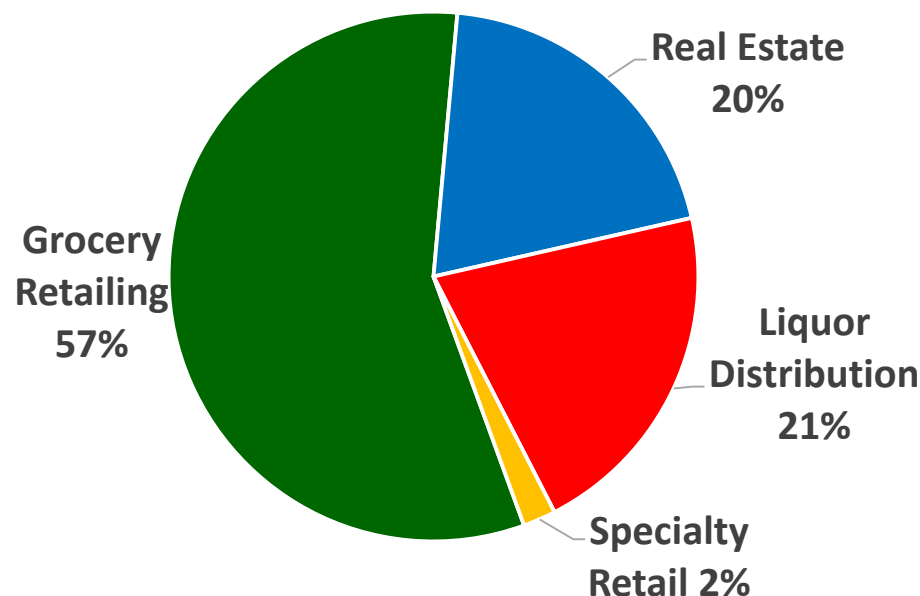
# Revenue & Net Income Contribution FY 2019

## Revenues



PHP 166.07 billion

## CORE PATMI



\*PHP 5.87 billion

\*Net Income excludes one-time gain on sale of Liquigaz

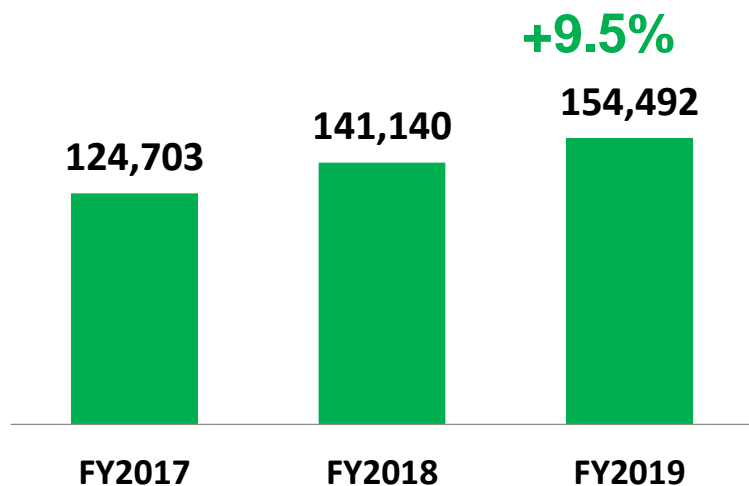
# FY 2019 CONSOLIDATED FINANCIALS

<i>(In Thousands)</i>	FY2019	%	FY2018	%	INCREASE (DECREASE)	%
REVENUES	166,066,712	100.00%	168,210,357	100.00%	(2,143,644)	-1.27%
COST OF SALES/SERVICES	136,177,666	82.00%	139,809,619	83.12%	(3,631,953)	-2.60%
GROSS PROFIT	29,889,046	18.00%	28,400,738	16.88%	1,488,308	5.24%
OTHER OPERATING INCOME	3,262,853	1.96%	2,994,765	1.78%	268,088	8.95%
GROSS OPERATING INCOME	33,151,900	19.96%	31,395,503	18.66%	1,756,397	5.59%
OPERATING EXPENSES	19,147,089	11.53%	18,326,809	10.90%	820,280	4.48%
INCOME FROM OPERATIONS	14,004,811	8.43%	13,068,694	7.77%	936,117	7.16%
OTHER INCOME (CHARGES) - net	4,909,862	2.96%	(1,301,028)	-0.77%	6,210,890	477.38%
INCOME BEFORE INCOME TAX	18,914,673	11.39%	11,767,667	7.00%	7,147,007	60.73%
INCOME TAX EXPENSE	3,521,465	2.12%	3,285,862	1.95%	235,604	7.17%
NET INCOME FOR THE YEAR	15,393,208	9.27%	8,481,805	5.04%	6,911,403	81.49%
CORE NET INCOME	9,319,603	5.61%	8,118,994	4.83%	1,200,608	14.79%
CORE PATMI	5,871,259	3.54%	5,196,452	3.09%	674,807	12.99%
PATMI	11,597,381	6.98%	5,381,485	3.20%	6,215,896	115.51%
Non-controlling interests	3,795,827	2.29%	3,100,319	1.84%	695,508	22.43%
	15,393,208	9.27%	8,481,805	5.04%	6,911,404	81.49%
EARNINGS PER SHARE (EPS)	1.65437		0.75975			117.75%
CORE EPS	0.83754		0.73362			14.16%
EBITDA	17,893,018	10.77%	16,614,851	9.88%	1,278,167	7.69%

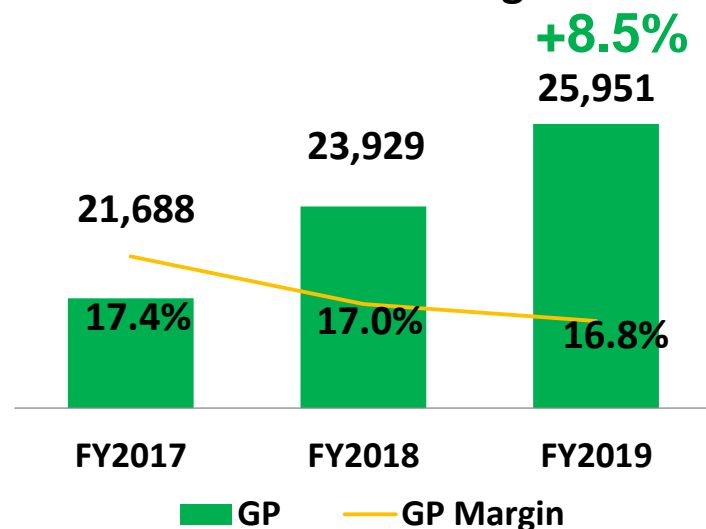
# Grocery Retailing: FY2019 Financial Highlights

(In PHP millions)

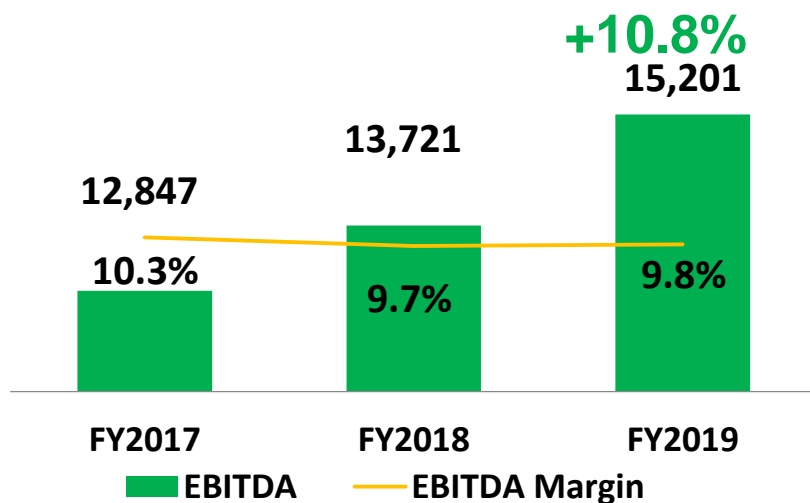
## Revenues



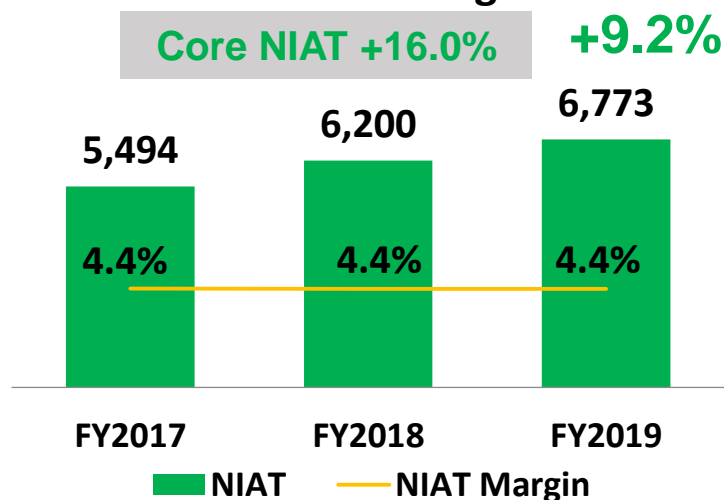
## Gross Profit and Margin



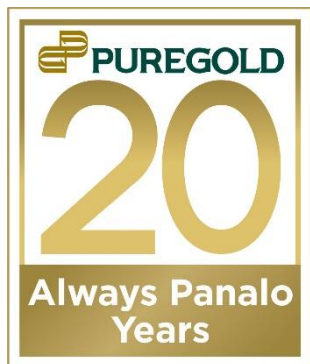
## EBITDA and Margin



## Net Profit and Margin



# Grocery Retailing: Operational Highlights



- Puregold opened **28 new stores** in 2019; closed 2 PGOLD stores
- S&R opened **2 new S&R warehouse**;
- As of FY 2019, the Grocery Retailing segment is operating a **total of 436 stores**
- SSSG PGOLD only is at 4.9% while S&R is at 8.3%



	PUREGOLD	S&R	S&R QSR
Metro Manila	130	8	25
Luzon	206	6	9
Visayas	33	2	4
Mindanao	11	2	0
<b>Total</b>	<b>380</b>	<b>18</b>	<b>38</b>

# Liquor Distribution: Products



## Brandy

Alfonso  
Alfonso Light  
Excelente

## Tequila

Patron

## Whiskey

Johnnie Walker  
Jack Daniels

Various Wines



## Brandy

Fundador  
Fundador Light

## Whiskey

Jim Beam  
Glenfiddich



## Tequila

Jose Cuervo

## Whiskey

Bushmills  
Chivas Regal

## Cognac

Martel

## Vodka

Absolut

## Liqueurs

Jagermeister

## Specialty Beverages

Red Bull

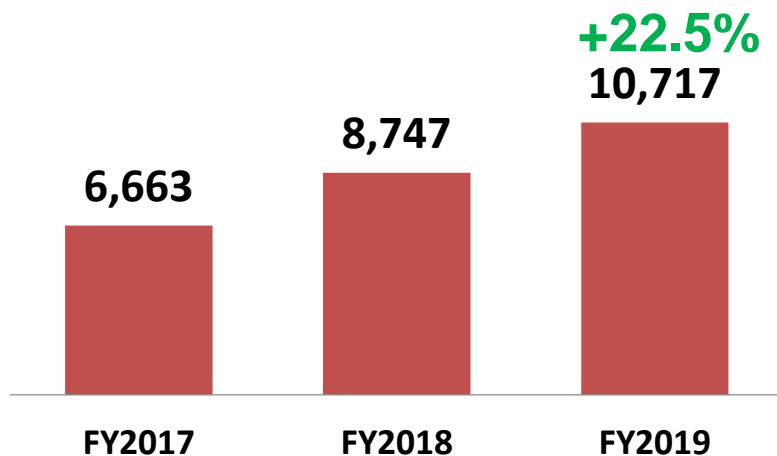
Various Wines



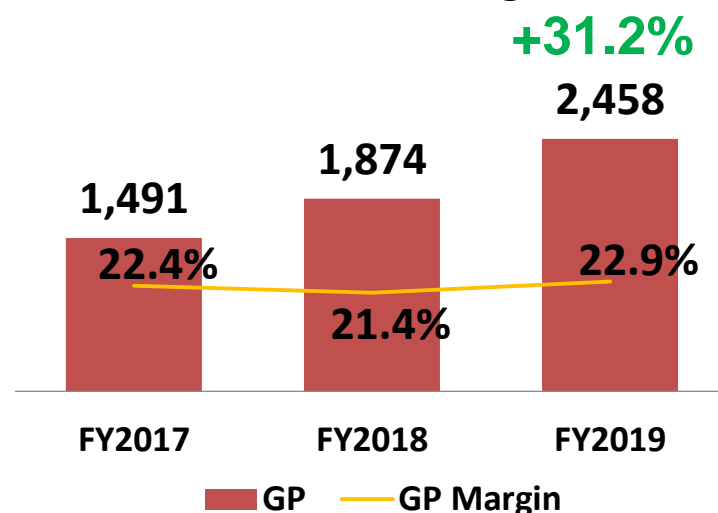
# Liquor Distribution: FY2019 Financial Highlights

(In PHP millions)

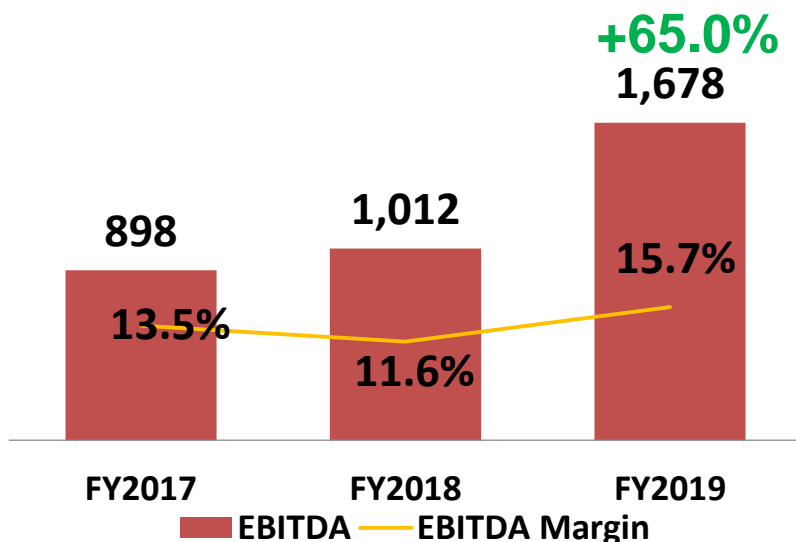
## Revenues



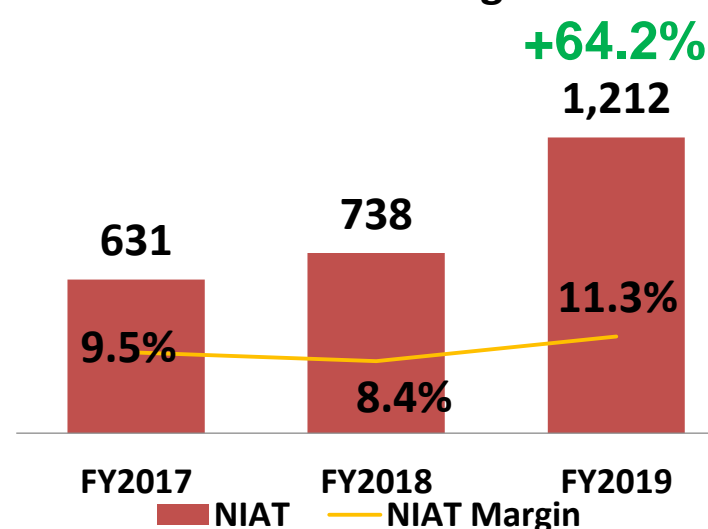
## Gross Profit and Margin



## EBITDA and Margin



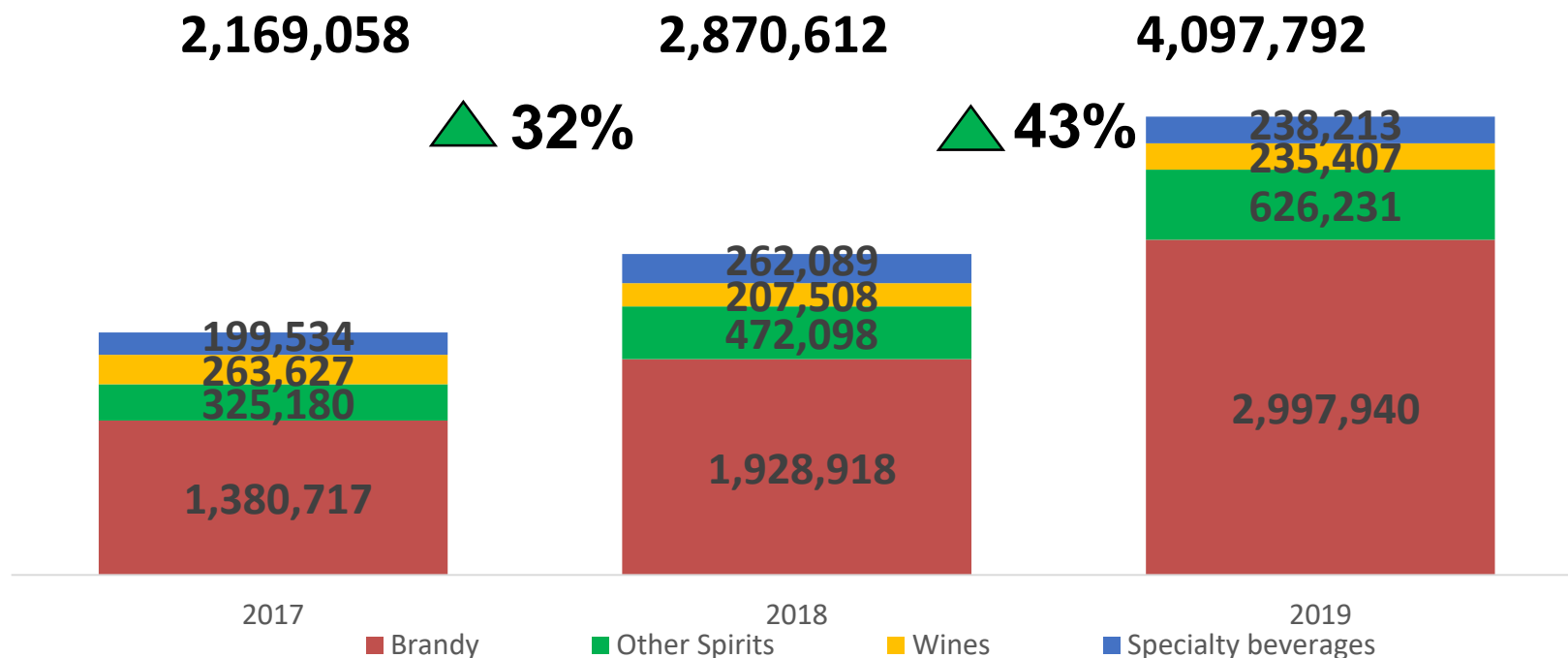
## Net Profit and Margin



# Liquor Distribution: Total Volume Sales

- 43% growth in total volume of cases sold in FY 2019
- Growth driven by the continued strong sales of Alfonso Light and Alfonso Brandy .

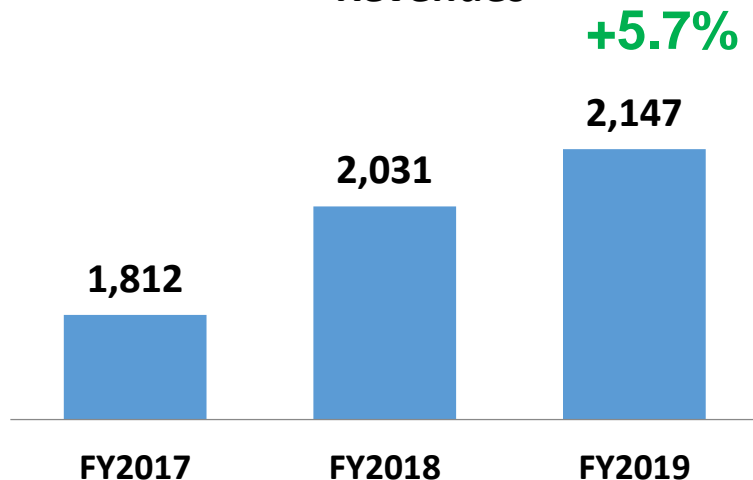
CATEGORY	2017	Mix %	2018	Mix %	2019	Mix %	Growth
Brandy	1,380,717	64%	1,928,918	67%	2,997,940	73%	55%
Other Spirits	325,180	15%	472,098	16%	626,231	15%	33%
Wines	263,627	12%	207,508	7%	235,407	6%	13%
Specialty beverages	199,534	9%	262,089	9%	238,213	6%	-9%
<b>Grand Total</b>	<b>2,169,058</b>	<b>100%</b>	<b>2,870,612</b>	<b>100%</b>	<b>4,097,791</b>	<b>100%</b>	<b>43%</b>



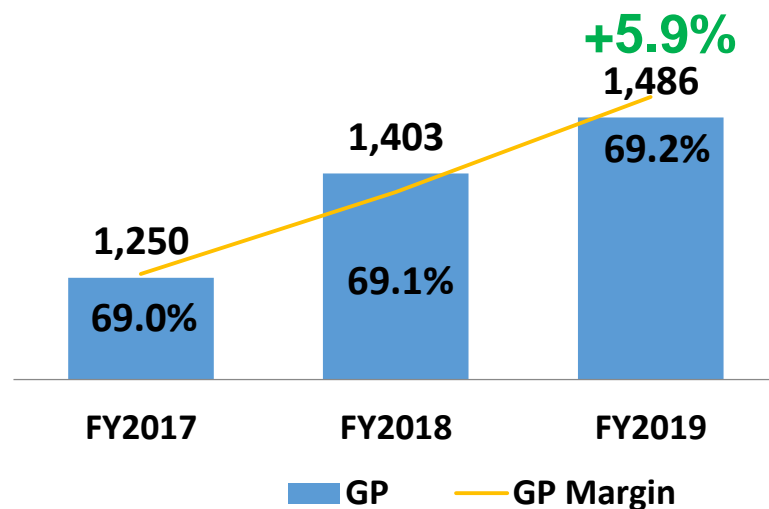
# Real Estate: FY2019 Financial Highlights

(In PHP millions)

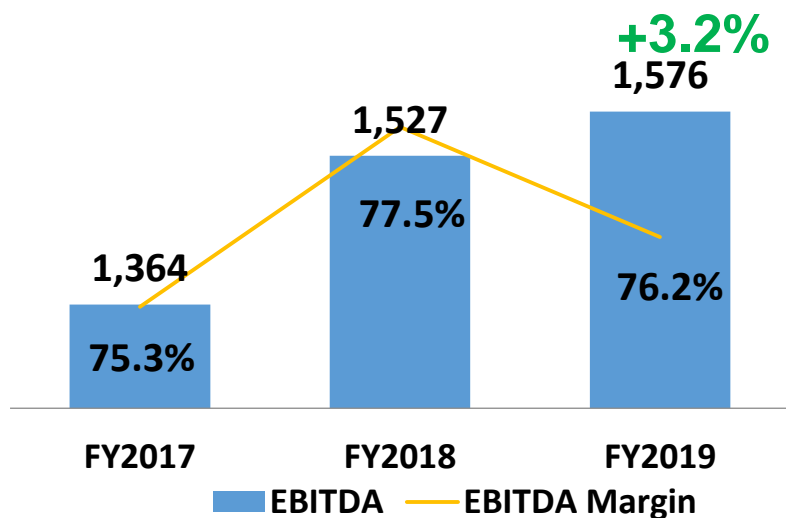
## Revenues



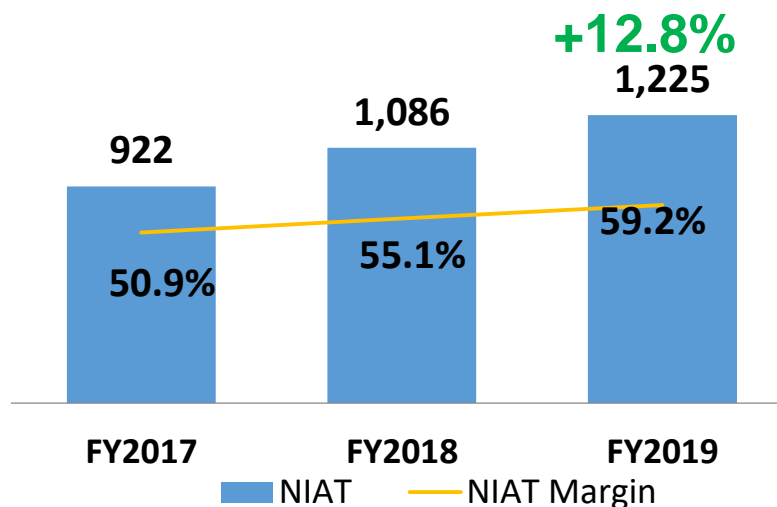
## Gross Profit and Margin



## EBITDA and Margin



## Net Profit and Margin



# Real Estate Group: Operational Highlights

- Total of 55 commercial properties with 97% average occupancy rate
- Pure Petroleum operating at 100% capacity in FY2019 and FY2018 (9 storage tanks with 88.5M liters capacity)

Category	FY 2019	FY2018	FY 2019 GLA/sqm	FY2018 GLA/sqm
Land under lease	11	10	160,921	160,921
Commercial Buildings	34	32	277,052	264,327
Under Development	1	3	8,457	9,605
Future Development	9	8	104,909	85,486
<b>Total</b>	<b>55</b>	<b>53</b>	<b>551,338</b>	<b>517,541</b>

- 2 **new** community malls opened in located in **Maria Aurora, Aurora** and **Bayawan, Negros Oriental** in 2019.
- On-going development of **1 new** community malls in **Las Pinas** to open by Q1 2021
- Acquired **1 new** property during the 1H2019 located in Barotac Nuevo, Iloilo

# Real Estate Group: Operational Highlights

## COMMERCIAL REAL ESTATE

### Rental Yields

	<b>FY2019</b>	<b>FY2018</b>	<b>Computation</b>
<b>Gross Rental Yield</b>	<b>11.0%</b>	10.60%	Rental income over book value of investment property
<b>Net Rental Yield</b>	<b>8.0%</b>	7.70%	EBIT over book value of investment property

### Appraisal of Properties

	<b>Appraised value</b>	<b>Book value FY2019</b>	<b>Appraisal increment</b>
<b>Land</b>	33,108,292,490	9,445,921,136	23,662,371,354
<b>Building and machineries</b>	8,336,452,217	7,544,147,592	792,304,625
<b>TOTAL</b>	<b>41,444,744,707</b>	<b>16,990,068,728</b>	<b>24,454,675,979</b>

# Office Warehouse: FY2019 Financial Highlights

(In PHP millions)

## Revenues

+17.3%

2,451

1,825

2,089

FY2017

FY2018

FY2019

## Gross Profit and Margin

+13.3%

642

482

567

26.4%

27.1%

26.2%

FY2017

FY2018

FY2019

GP — GP Margin

## EBITDA and Margin

+26.2%

251

154

199

8.5%

9.5%

10.3%

FY2017

FY2018

FY2019

EBITDA — EBITDA Margin

## Net Profit and Margin

+48.0%

97

56

66

3.0%

3.1%

4.0%

FY2017

FY2018

FY2019

NIAT — NIAT Margin

# Office Warehouse: Operational Highlights

## OFFICE WAREHOUSE, INC.

- Strong growth driven by store expansion and enhanced product offerings
- Opened **4 new store** outlets in 2019 ; closed down 3 stores
- Strong SSSG of 12.2% in 2019 vs 9.1% in 2018



	2016	2017	2018	2019
<b>No. Stores</b>	71	82	88	89
<b>Net selling area</b>	14,014 sqm	15,945 sqm	16,738 sqm	15,589 sqm

- **CAPEX Budget of Php 3.6 billion in 2020**
  - Php 3.4 billion for Puregold Group
  - Php 150 million for Real Estate Group
  - Php 50 million for Office Warehouse
- To be funded by internally generated cash and short term untapped bank credit lines if necessary





# Thank you.

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