

Cosco Capital, Inc.

1Q 2020 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

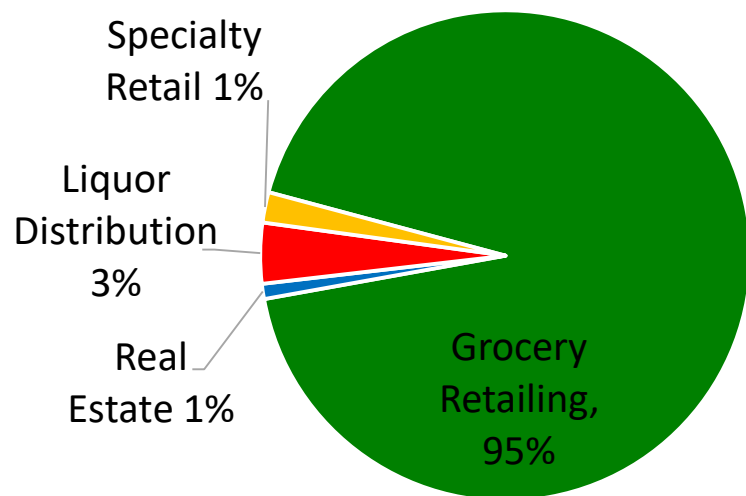


Commercial Real Estate

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

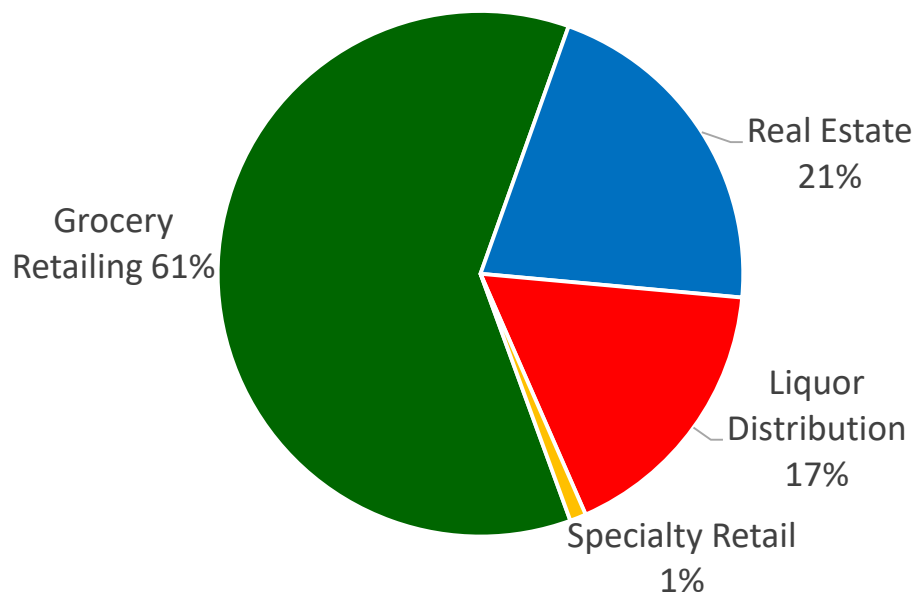
Revenue & Net Income Contribution 1Q 2020

Revenues



PHP 43.09 billion

CORE PATMI



*PHP 1.41 billion

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

Q12020 CONSOLIDATED FINANCIAL PERFORMANCE

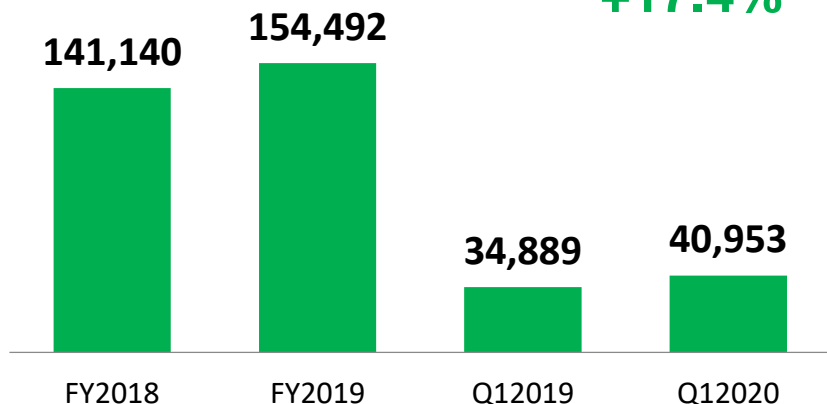
<i>(In Thousands)</i>	Q12020	%	Q12019	%	INCREASE (DECREASE)	%
REVENUES	43,085,267	100.00%	37,428,428	100.00%	5,656,839	15.11%
COST OF SALES/SERVICES	35,344,924	82.03%	30,432,189	81.31%	4,912,735	16.14%
GROSS PROFIT	7,740,343	17.97%	6,996,240	18.69%	744,103	10.64%
OTHER OPERATING INCOME	827,222	1.92%	734,552	1.96%	92,669	12.62%
GROSS OPERATING INCOME	8,567,565	19.89%	7,730,792	20.65%	836,773	10.82%
OPERATING EXPENSES	5,020,400	11.65%	4,437,660	11.86%	582,740	13.13%
INCOME FROM OPERATIONS	3,547,165	8.23%	3,293,132	8.80%	254,033	7.71%
OTHER INCOME (CHARGES) - net	(342,893)	-0.80%	5,681,371	15.18%	(6,024,264)	106.04%
INCOME BEFORE INCOME TAX	3,204,272	7.44%	8,974,503	23.98%	(5,770,231)	-64.30%
INCOME TAX EXPENSE	885,153	2.05%	784,967	2.10%	100,186	12.76%
NET INCOME FOR THE PERIOD	2,319,119	5.38%	8,189,536	21.88%	(5,870,416)	-71.68%
CORE NET INCOME	2,319,119	5.38%	2,056,094	5.49%	263,025	12.79%
CORE NET PATMI	1,413,976	3.28%	1,316,364	3.52%	97,612	7.42%
PATMI	1,413,976	3.28%	6,836,461	18.27%	(5,422,485)	-79.32%
Non-controlling interests	905,143	2.10%	1,353,074	3.62%	(447,931)	-33.10%
EARNINGS PER SHARE (EPS)	0.20285	5.38%	0.97435	21.88%	(5,870,416)	-71.68%
CORE EPS	0.20285		0.18761			8.12%

Grocery Retailing: 1Q 2020 Financial Highlights

(In PHP millions)

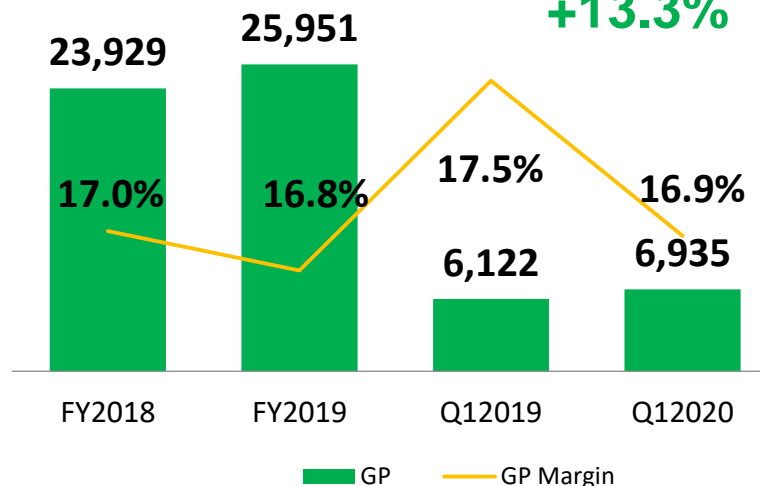
Revenues

+17.4%



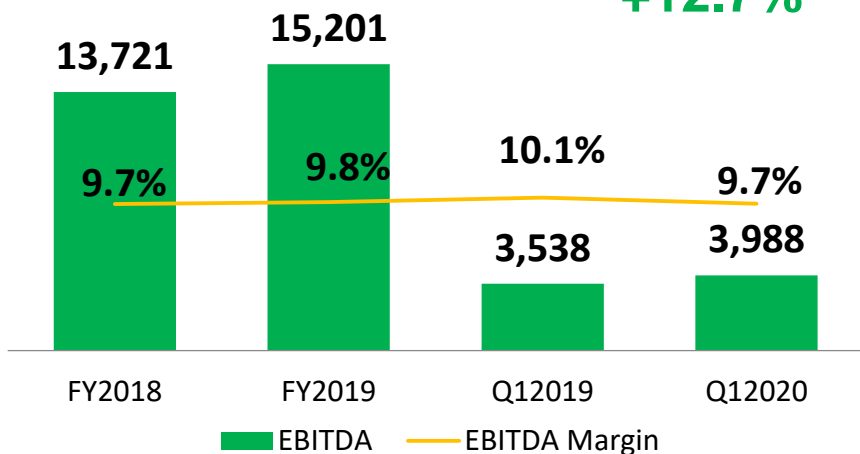
Gross Profit and Margin

+13.3%



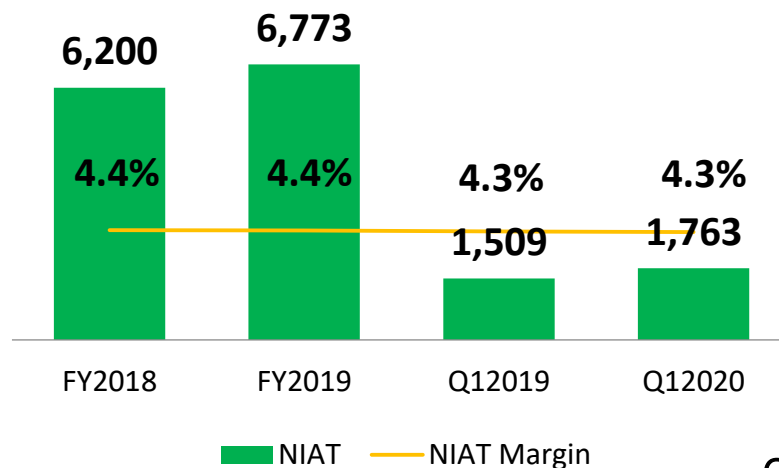
EBITDA and Margin

+12.7%

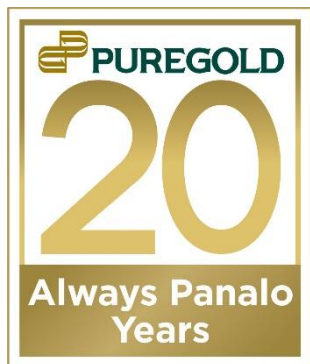


Net Profit and Margin

+16.8%



Grocery Retailing: Operational Highlights



- Puregold opened **6 new stores** in 1Q 2020; closed 2 PGOLD stores
- S&R opened **2 new S&R warehouse**; 1 QSR
- As of 1Q 2020, the Grocery Retailing segment is operating a total of **443 stores**
- SSSG PGOLD only is at 14.4% while S&R is at 5.1%



	PUREGOLD	S&R	S&R QSR
Metro Manila	132	10	24
Luzon	209	6	11
Visayas	32	2	4
Mindanao	11	2	0
Total	384	20	39

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

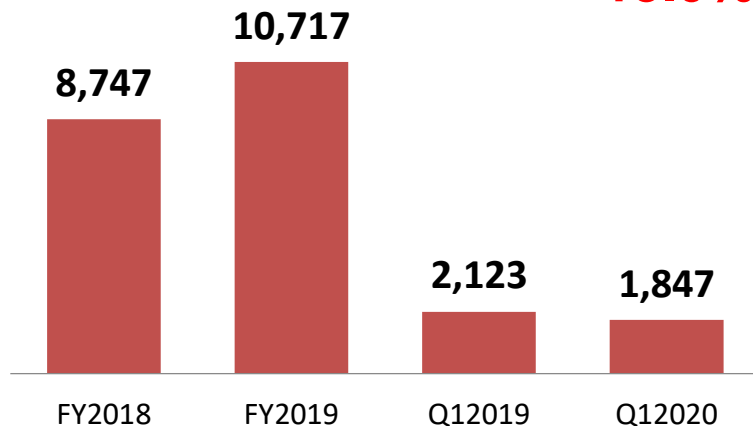
Various Wines

Liquor Distribution: 1Q 2020 Financial Highlights

(In PHP millions)

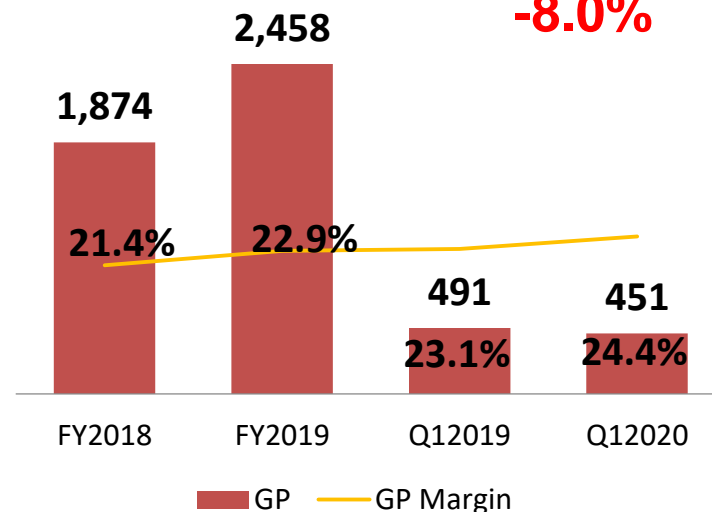
Revenues

-13.0%



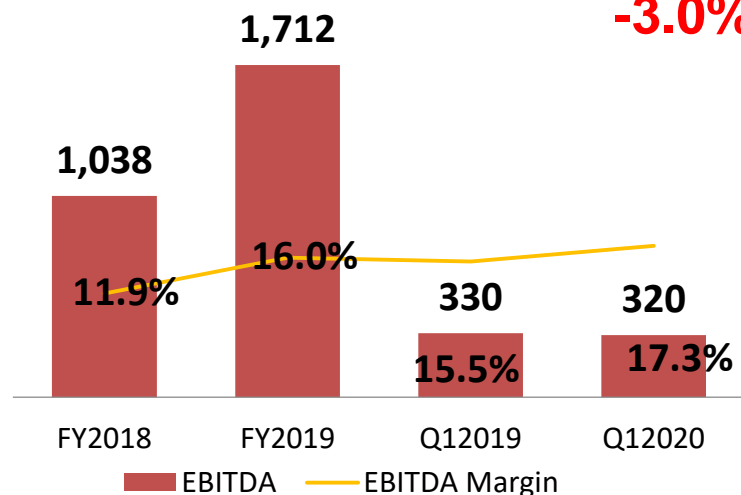
Gross Profit and Margin

-8.0%



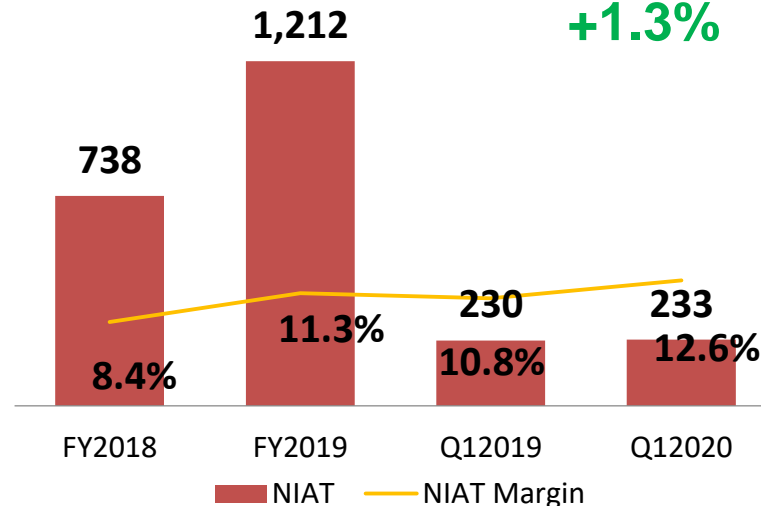
EBITDA and Margin

-3.0%



Net Profit and Margin

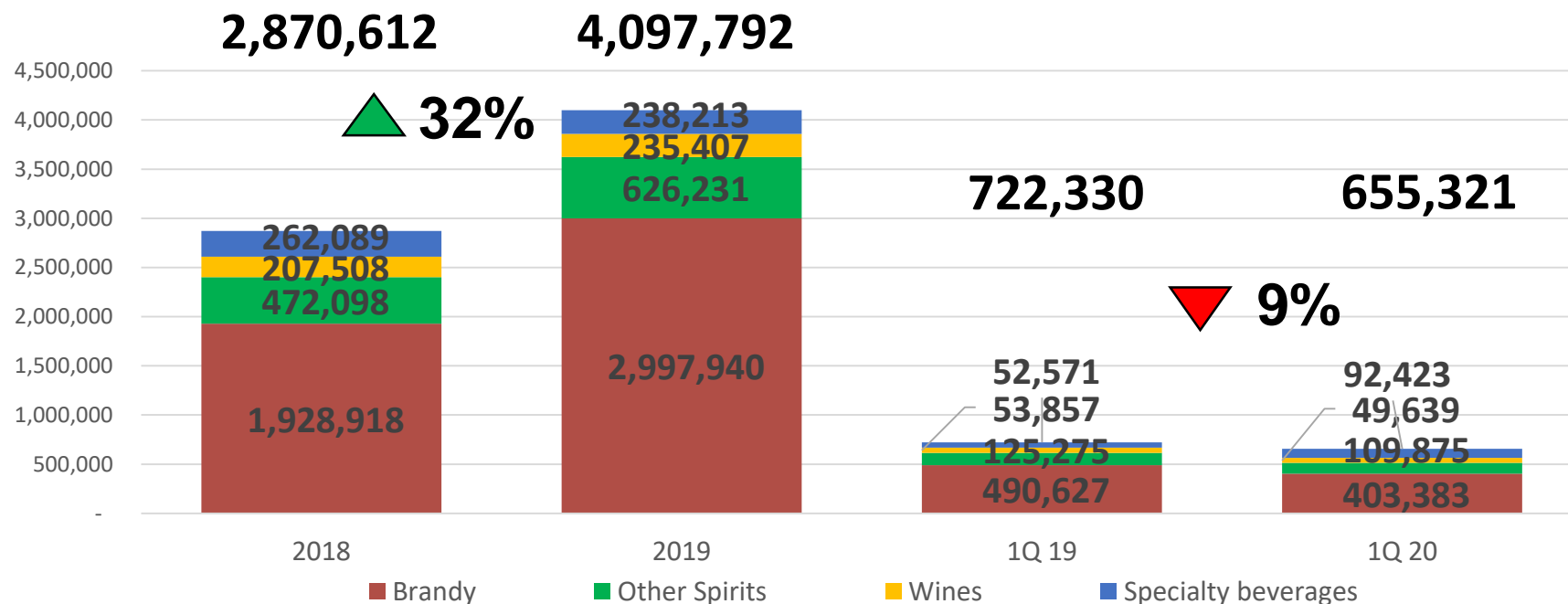
+1.3%



Liquor Distribution: Total Volume Sales

- 9% decline in total volume of cases sold in 1Q 2020
- Decline driven by the government imposed Liquor Ban during COVID-19 Quarantine

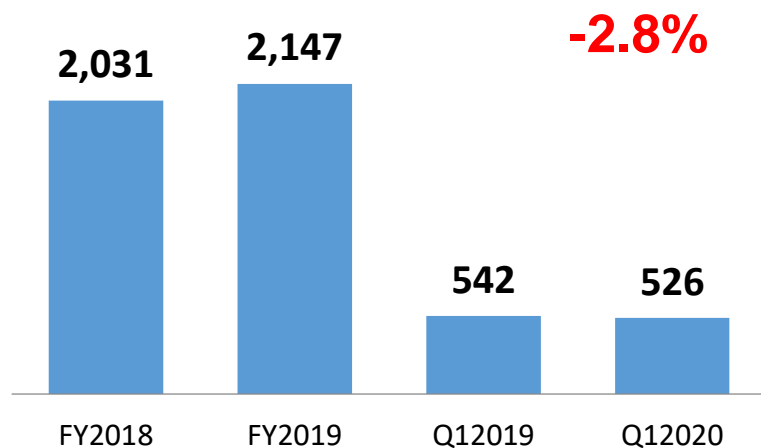
CATEGORY	2018	2019	Mix %	1Q 19	Mix %	1Q 20	Mix %	Inc/Dec	Growth
Brandy	1,928,918	2,997,940	73%	490,627	68%	403,383	62%	(87,244)	-18%
Other Spirits	472,098	626,231	15%	125,275	17%	109,875	17%	(15,400)	-12%
Wines	207,508	235,407	6%	53,857	7%	49,639	8%	(4,218)	-8%
Specialty beverages	262,089	238,213	6%	52,571	7%	92,423	14%	39,852	76%
Grand Total	2,870,612	4,097,791	100%	722,330	100%	655,320	100%	(67,010)	-9%



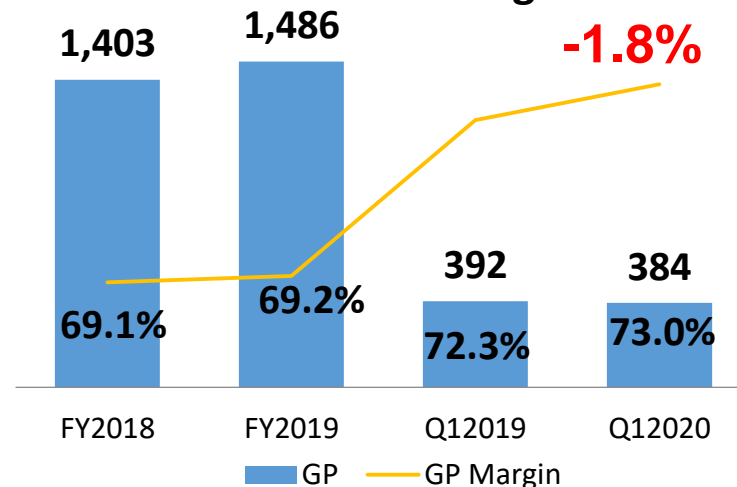
Real Estate: 1Q 2020 Financial Highlights

(In PHP millions)

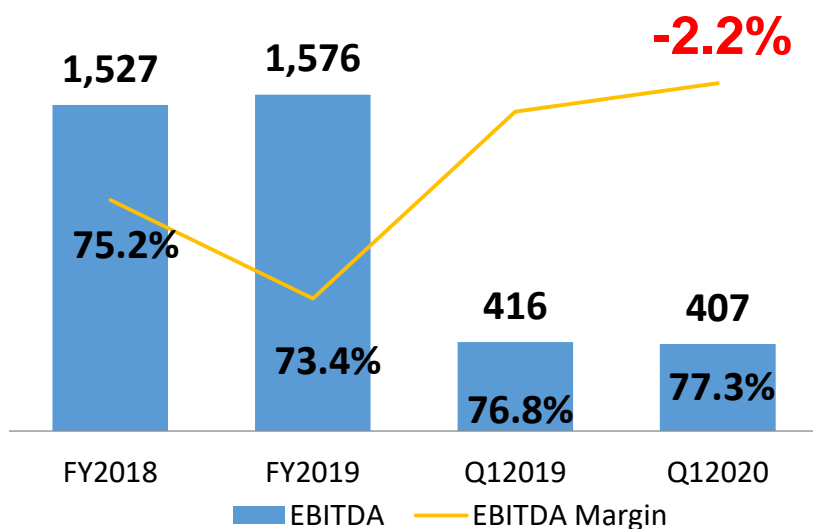
Revenues



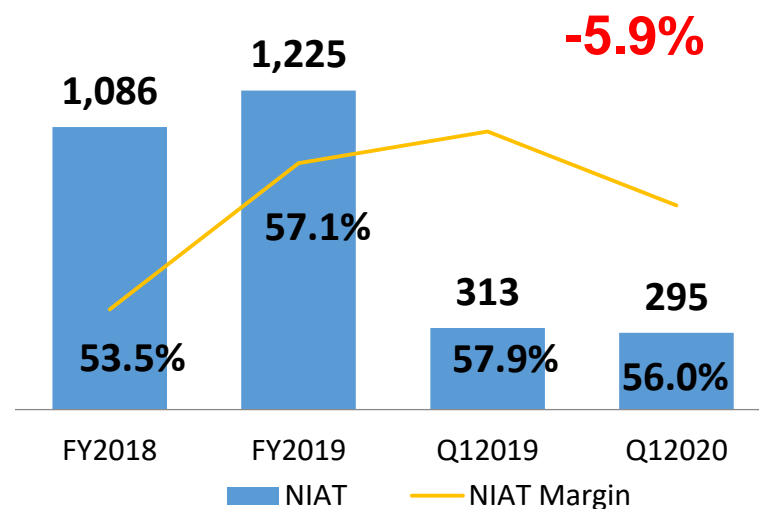
Gross Profit and Margin



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	Q12020	FY2019	Q12020 GLA/sqm	FY2019 GLA/sqm
Land under lease	11	11	160,921	160,921
Commercial Buildings	34	34	277,052	277,052
Under Development	1	1	8,457	8,457
Future Development	9	9	104,909	104,909
Total	55	55	551,338	551,338

- 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

	Q12020	Q12019	FY2019	Computation
Gross Rental Yield	3.3%	3.3%	11.0%	Rental income over book value of investment property
Net Rental Yield	2.1%	2.2%	8.0%	EBIT over book value of investment property

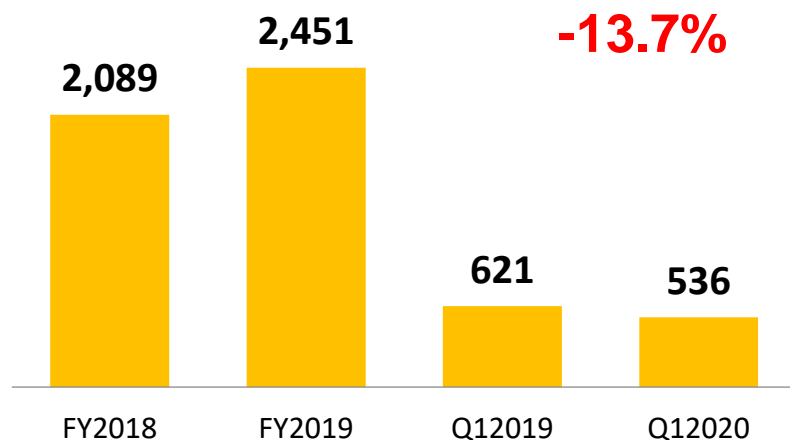
Appraisal of Properties

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

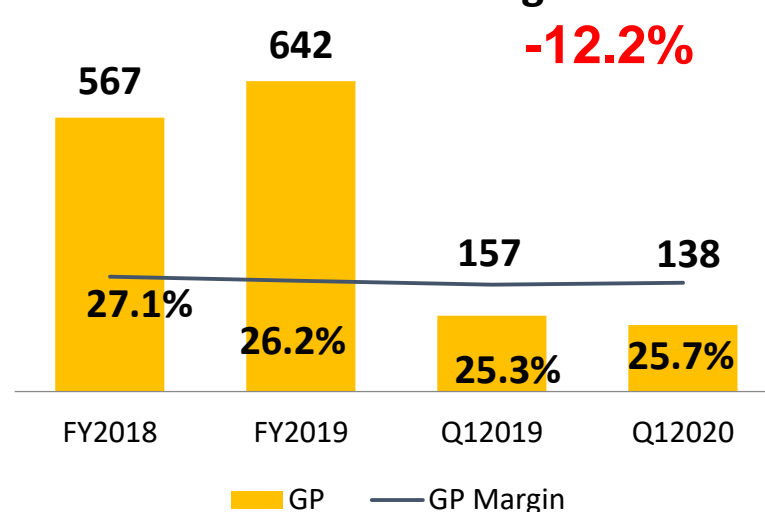
Office Warehouse: 1Q 2020 Financial Highlights

(In PHP millions)

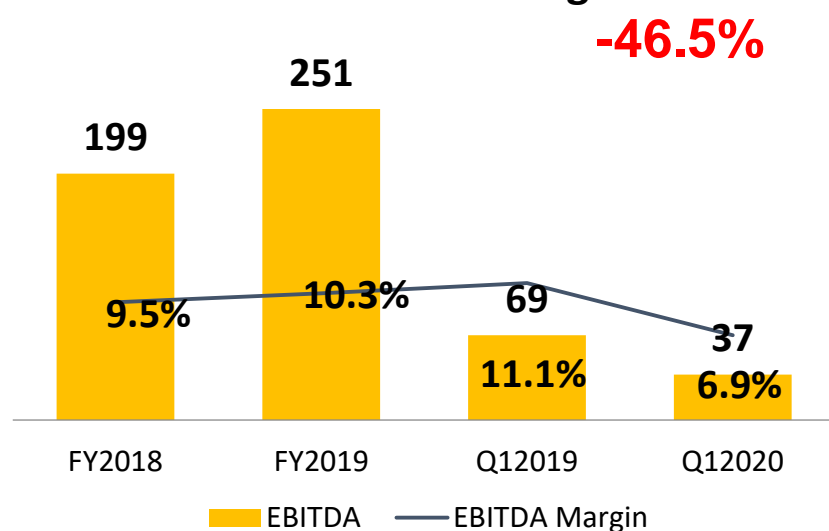
Revenues



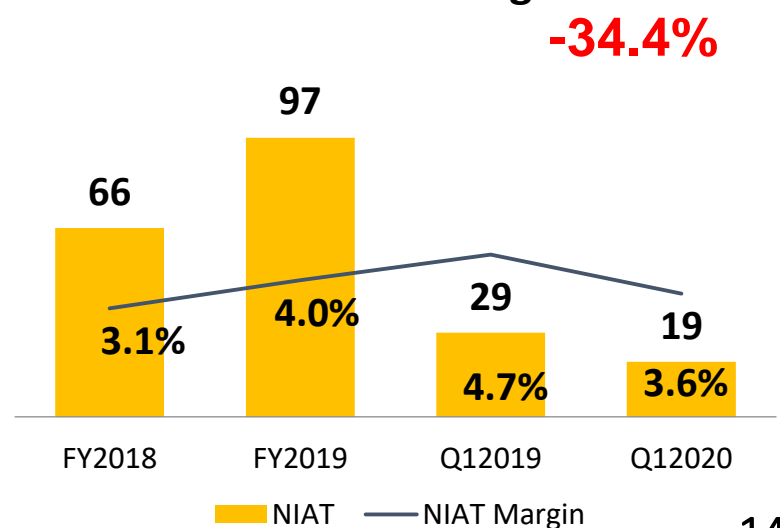
Gross Profit and Margin



EBITDA and Margin



Net Profit and Margin



Office Warehouse: Operational Highlights

OFFICE WAREHOUSE, INC.

- Strong growth driven by store expansion and enhanced product offerings
- closed down 1 store
- SSSG of **-15.3%** in 1Q 2020 vs +18.2% in 1Q 2019 due to government lockdown and community quarantine starting March 16, 2020



	2016	2017	2018	2019	1Q 20
No. Stores	71	82	88	89	88
Net selling area (in sqm)	14,014	15,945	16,738	15,589	15,489

- **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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