



Cosco Capital net income up 18% at PHP 4.99 billion in 1H 2021

Manila, Philippines - Cosco Capital, Inc., the listed retail holding firm of Mr. Lucio L. Co, reported a strong growth in its consolidated net income of Php 4.99 billion for the first half of 2021 versus Php 4.23 billion same period in 2020 amidst the decline in consolidated revenues brought about by the continuing impact of the Covid 19 pandemic experienced by the business segments of the Group.

In the first half of 2021, 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 23%, Commercial Real Estate segment with 13%. The group's Specialty Retailing segment, Office Warehouse, Inc., accounted for 1% of net profit.

The grocery retail segment experienced a decline in its consolidated revenues by 7.1% to PHP 76.2 billion mainly driven by a decline in customer traffic in its Puregold supermarkets due to continuing impact of the pandemic but was able to manage a 17.3% growth in net income to PHP 3.99 billion resulting from its strategic initiatives to enhance front margins as well as cost reduction measures. Despite the prevailing environment, the grocery retail group continued to implement its organic expansion strategy and opened a total of 15 new Puregold stores in the first half of 2021.

The Liquor Distribution business posted a 34.8% increase in revenues to PHP 4.3 billion, on the back of a 39% growth in volume of cases sold, driven principally by the continued robust performance of Alfonso, the leading imported brandy in the market, which is now back to its pre pandemic levels. Net income for the liquor segment jump by 67.6% to PHP 709 million which was augmented by management strategic cost control of its distribution, marketing and promotion expenses.

The Commercial Real Estate segment posted flat revenues to PHP 824 million and flat net income of PHP 395 million during the period as it continued to implement its policy of extending rental waivers/discounts and assistance to affected commercial tenants.

For the Specialty Retailing business segment, Office Warehouse, Inc.'s revenues increased by 1.8% to PHP 789 million while net income jumped by 104% to PHP 30 million due to strategic cost controls.