



Cosco Capital net income hits PHP 5.6 billion in 1H 2022 up 12%

Manila, Philippines - Cosco Capital, Inc., the listed retail holding firm of Mr. Lucio L. Co, reported a 12% growth in its consolidated net income of Php 5.6 billion for the first half of 2022 versus Php 4.99 billion in the same period in 2021. Consolidated Revenues for Cosco amounted to Php 87.44 billion in the first half of 2022, up 8.5% versus Php 80.6 billion in the same period of 2021.

The company continued to benefit by way of a better bottom line results from a combination of the gross margin enhancements thru stronger suppliers supports, sustained strategic cost and expense management.

For the first half of 2022, the group's grocery retailing businesses, Puregold Price Club, Inc. and S&R Membership Shopping Club, contributed 64% of total core net income, followed by the Liquor Distribution with 23%, Commercial Real Estate segment with 13%.

The grocery retail segment experienced an increase in its consolidated revenues by 7.9% to PHP 82.24 billion. Sales had an uplift as mobility eased further in the second quarter. Total traffic to all stores increased by 10% versus the same period last year. With increased shopper confidence, the enterprise experienced positive same store sales growth (SSSG) of 0.6% for Puregold Stores and 3.8% for S&R Warehouse Clubs. Gross Profit of Php 15.70 billion grew at a faster clip by 9.8% year on year as operating expenses rose to Php 10.4bn - a 6.9% increase from a year ago. The grocery retail segment also managed a 5.4% growth in net income to PHP 4.2 billion compared to the same period in 2021.

The Liquor Distribution business thru The Keepers Holdings Inc. has recorded a consolidated revenue amounting to Php 5.48 billion, a 27.4% growth versus same period last year on the back of a 23% growth in volume of cases sold totaling more than 2.1 million cases sold in the first half of 2022. 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, preimmunizing market and on-premise channel rebound. Sales performance from our Wines as well as Specialty Beverages categories also registered

remarkable growth contributing to the overall revenue growth during the same period which clearly indicates a recovering demand with the easing of community restrictions. Net income for the liquor segment jumped by 39.5% to PHP 981 million in the first half of 2022 resulting from the strong sales performance from all categories – imported wine, spirits, and specialty beverages.

The Commercial Real Estate segment posted a 5% growth in rental revenue amounting to PHP 867 million in the first half of 2022 as with the gradual opening up of the economy. The real estate segment also managed to improve its net income by 7.4% to PHP 424 million for the period in 2022 versus Php 395 million in the same period in 2021 due to a combination of strategic cost efficiencies in the management of its cost of services as well as operating expenses. The real estate group continued to expand its real estate assets portfolio through acquisitions of additional land banking assets for future development and initiated the development of two commercial assets to be completed during the year.

For the Specialty Retailing business segment, Office Warehouse, Inc.'s revenues posted flat growth at PHP 788 million as it continued to recover from the effects of lockdowns during the first quarter of 2022. Net income slightly declined to Php 26 million in first half 2022 from Php 30 million in same period 2021.