



Cosco Capital net income up 5.2% at PHP 2.44 billion in 1Q 2021

Manila, Philippines – Cosco Capital, Inc., the listed retail holding firm of Mr. Lucio L. Co, reported a consolidated net income of Php 2.44 billion for the first quarter of 2021 versus Php 2.3 billion same period in 2020 amidst the decline in consolidated revenues brought about by the continuing impact of the Covid 19 pandemic experienced by all the business segments of the Group.

In the first quarter of 2021, the group's grocery retailing businesses, Puregold Price Club, Inc. and S&R Membership Shopping Club, contributed 70% of total core net income, followed by the Commercial Real Estate segment with 14% and the Liquor Distribution with 15%. 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 7.9% to PHP 37.7 billion mainly driven by a decline in customer traffic but was able to manage a 14.61% growth in net income to PHP 2.02 billion resulting from its strategic initiatives to enhance front margins as well as cost reduction measures. The grocery retail group continued to implement its organic expansion strategy despite the prevailing environment and opened a total of 10 new Puregold stores in the first quarter of 2021.

The Liquor Distribution business posted a 4.4% decline in revenues to PHP 1.77 billion, on the back of a 8.2% growth in volume of cases sold due to Covid-19 community quarantine restrictions and liquor bans. Net income for the liquor segment, however, decreased only by 2% to PHP 228 million due to strategic cost control of its distribution, marketing and promotion expenses.

The Commercial Real Estate segment posted 20% decline in revenues to PHP 428 million and 32.2% decline in net income of PHP 200 million during the period due to Covid-19 lockdown and the continuing rental waivers/discounts and assistance to affected commercial tenants.

For the Specialty Retailing business segment, Office Warehouse, Inc.'s revenues declined by 20.9% to PHP 424 million while net income decline by 8.3% to PHP 18 million due to store closure during the community quarantine restrictions.