



## **Cosco Capital net income up 13% at PHP 7.27 billion in 9M 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 7.27 billion for the first nine months of 2021 versus Php 6.23 billion same period in 2020 amidst the decline in consolidated revenues brought about by the continuing impact of the Covid-19 lockdowns experienced by the business segments of the Group.

In the first nine months 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 4.9% to PHP 115.2 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 13.6% growth in net income to PHP 5.73 billion resulting from its strategic initiatives to enhance front margins as well as strategic cost reduction measures. Despite the prevailing environment, the grocery retail group continued to implement its organic expansion strategy and opened a total of 19 new Puregold stores and 2 new S&R warehouse clubs in the first nine months of 2021.

The Liquor Distribution business, on the other hand, posted a 32.1% increase in revenues to PHP 6.6 billion, on the back of a 35% 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 jumped by 57.4% to PHP 1.1 billion resulting from the strong sales performance augmented by management's strategic cost control of its distribution, marketing and promotion expenses.

The Commercial Real Estate segment posted a slight 1.7% decline in revenues to PHP 1.24 billion and net income of PHP 581 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 decreased by 5.8% to PHP 1.18 billion as it continued to deal with the effects of another rounds of hard lockdowns during the period. However, management initiatives to enhance gross profit margins and control business expenses improved its net income by 18.5% to PHP 46 million.