

04 - 09 - 2026

# PriceSmart

PriceSmart Q2 2026 Earnings Release Conference Call

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### CORPORATE SPEAKERS:

**Gualberto Hernandez**

*PriceSmart; Chief Financial Officer*

**David Price**

*PriceSmart; Chief Executive Officer*

### PARTICIPANTS:

**Jon Braatz**

*Kansas City Capital; Analyst*

**Hector Maya**

*Scotiabank; Analyst*

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### PRESENTATION:

Operator^ Good afternoon, everyone. Welcome to PriceSmart, Inc.'s Earnings Release Conference Call for the second quarter of Fiscal Year 2026 which ended on February 28, 2026.

After remarks from our company's representatives, David Price, Chief Executive Officer; and Gualberto Hernandez, Chief Financial Officer, you will be given an opportunity to ask questions as time permits. As a reminder, this conference call is limited to one hour and is being recorded today Thursday April 9, 2026. (Operator Instructions) For opening remarks, I would like to turn the call over to PriceSmart's Chief Financial Officer, Gualberto Hernandez. Please proceed, sir.

Gualberto Hernandez^ Thank you, Operator. Welcome to PriceSmart Inc.'s earnings call for the second quarter of fiscal year 2026 which ended on February 28, 2026. We will be discussing the information that we provided in our earnings press release and our 10-Q which were both released yesterday April 8, 2026. Also in these remarks, we refer to non-GAAP financial measures. You can find a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP measures in our earnings press release and our 10-Q. These documents are available on our Investor Relations website at [investors.pricemart.com](https://investors.pricemart.com), where you can also sign up for e-mail alerts. As a reminder, all statements made on this conference call other than statements of historical fact, are forward-looking statements concerning the company's anticipated plans, revenues, and related matters. Forward-looking statements include, but are not limited to statements containing the words expect, believe, plan, will, may should, estimate, and some other expressions. All forward-looking statements are based on

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current expectations and assumptions as of today April 9, 2026. These statements are subject to risks and uncertainties that would cause actual results to differ materially including the risks detailed in the company's most recent annual report on Form 10-K, the quarterly report of our 10-Q filed yesterday and other filings with the SEC which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). These risks may be updated from time to time. The company undertakes no obligation to update forward-looking statements made during this call. Now I will turn the call over to David Price, PriceSmart's Chief Executive Officer.

David Price^ Thank you, Gualberto. And good morning, everyone. Thank you for joining us today.

We delivered a strong second quarter. Growth was broad-based across our regions and our membership renewal rate reached an all-time high. I want to take a moment to express my sincere gratitude to every one of our employees across our 13 countries in Chile. Their dedication, hard work, and passion for doing right by our members is the foundation of our success. We delivered these results against the backdrop of continued global uncertainty including currency volatility, evolving trade policy, and macroeconomic pressures that are dynamic all multinationals face today. That being the case, our business delivers value to our members in good times and bad, and I am excited about the momentum we are carrying into the second half of this fiscal year. With that, let me walk you through highlights from the quarter.

During the second quarter, net merchandise sales and total revenue reached almost \$1.5 billion. Net merchandise sales increased by 9.9%, or 7.8% in constant currency. Comparable net merchandise sales increased by 7.6%, or 5.5% in constant currency. Two of our recent club openings, Cartago and Quetzaltenango are not yet included in our comparable sales numbers.

During the first half of our fiscal year, net merchandise sales reached over \$2.8 billion and total revenue was almost \$2.9 billion. Net merchandise sales increased by 10.2%, or 8.6% in constant currency. Comparable net merchandise sales increased by 7.8%, or 6.2% in constant currency.

During the second quarter, our average sales ticket grew by 2.2% and transactions grew 7.5% versus the same prior year period. The average price per item increased 3.3% year-over-year, while average items per basket decreased 1.0%.

First, in Central America, where we had 32 clubs at quarter end, net merchandise sales increased 8.6% or 7.8% in constant currency. Comparable net merchandise sales increased 4.7% or 4.0% in constant currency. Our Central America segment contributed approximately 280 basis points of positive impact to the growth in total consolidated comparable net merchandise sales for the second quarter.

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Second, in the Caribbean, where we had 14 clubs at quarter end, net merchandise sales increased 4.3%, or 5.3% in constant currency. Comparable net merchandise sales increased 4.2%, or 5.1% in constant currency. Our Caribbean region contributed approximately 120 basis points of positive impact to the growth in total consolidated comparable net merchandise sales for the second quarter.

Last, in Colombia, where we had 10 clubs opened at the end of our second quarter, net merchandise sales increased 30.5%, or 13.8% in constant currency. Comparable net merchandise sales increased 31.3%, or 14.7% in constant currency. Colombia contributed approximately 360 basis points of positive impact to the growth in total consolidated comparable net merchandise sales for the quarter. The increase is a result of several factors including the appreciation of the Colombian peso, increases in Member traffic, and continued strengthening of our merchandise offering which I will share more on later in my remarks.

In terms of merchandise categories, when comparing our second quarter sales to the same period in the prior year, our foods category grew approximately 9.2%. Within foods, fresh proteins were a standout. Seafood, poultry and meat each exceeded 15% growth as we continue to elevate quality and value in those departments. Our nonfood category increased approximately 12.4%. Alongside cost efficiencies from our Asia consolidation initiatives, we drove growth with strong performance in casual apparel, especially in our activewear categories and in small appliances.

One of several notable programs included a mix of Shark Ninja items that were especially exciting for our Members and contributed to our focus of creating the “treasure hunt” experience within our clubs and online. Softlines also had a strong quarter, highlighted by our Domestic “White Sale” promotion in January which more than doubled sales compared to the prior year.

Our food service and bakery category increased approximately 12.2% and our health services including optical, audiology and pharmacy increased approximately 13.0%.

Membership accounts grew 7.9% year-over-year to almost 2.1 million accounts, with a strong 12-month renewal rate of 90.2% as of February 28th. It is especially exciting to see our membership renewal rate at an all-time high this past quarter, a clear indication that our Members see the value we deliver and remain engaged with our offering.

A key focus of our membership strategy is growing the Platinum membership base. Platinum is our premium tier designed for our most engaged Members. These members receive an annual cash back reward on eligible purchases, which drives loyalty, increases purchasing frequency, and rewards their continued business with us. By focusing on Platinum growth, we’re investing in our highest value member relationships. As of February 28th, Platinum accounts represented 19.5% of our total membership base, up from 14.5% in the same period last year.

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We are happy with the results of our targeted promotional campaigns and the strong renewal rate we are seeing reflects that our members believe in the value of that upgrade. We believe that a Platinum membership, combined with our strong co-branded credit card which comes with an additional cash back on points earned ensures that participating Members get the very most out of their membership with PriceSmart.

Membership income as a percentage of revenue increased to 1.6% in the second quarter, compared to 1.5% in the prior year period, driven in part by the shift toward Platinum membership. These strong results reflect our team's execution and the strategic initiatives we have underway.

Now let me walk you through the progress we're making across real estate expansion, supply chain transformation and technology investments that are enhancing our ability to serve members and position the company for our next phase of growth.

We are opening our sixth warehouse club in the Dominican Republic, in the La Romana municipality, early next month. We are excited to bring PriceSmart to a new trade area, and we are particularly proud of the sustainable design practices incorporated in its build, including solar panels, a heat reclamation water system that eliminates the need for a water heater, recycled steel in the infrastructure, a modern CO2 refrigeration system, high-efficiency plumbing fixtures and an intelligent energy management system. These features reflect our commitment to doing right by both our members and the planet. Importantly, they also reduce operating costs, making our club more efficient. We look forward to serving members in this new trade area as we continue to deepen our presence in the Dominican Republic.

In Jamaica, we have two clubs under construction, one in Montego Bay and the other on South Camp Road in Kingston which we expect to open in summer and winter of 2026, respectively. Construction is progressing well for both. Recovery efforts have been strong in the aftermath of Hurricane Melissa, and market indicators suggest a robust 2025, 2026 tourism season. That, combined with international relief efforts supporting the island's recovery, give us confidence in the consumer demand environment as both clubs prepare to open.

Additionally, in the second quarter of fiscal year 2026, we purchased land for our tenth warehouse club in Costa Rica in Ciudad Quesada. That's approximately 47 miles northwest from our nearest Club in San Jose. The club will be built on a 6-acre property and is anticipated to open this summer.

Lastly, in the third quarter of fiscal year 2026, we leased land for our eighth warehouse in Guatemala in the municipality of Villa Nueva, approximately 13 miles south from the nearest club in Guatemala City. The club will be built on a 5-acre property and is anticipated to open in the spring of 2027. Although we are still waiting to obtain all permits, we are confident we will receive them and have begun with the initial earthworks for the club. Should we not receive the

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remaining permits we can cancel the lease.

Once these five new clubs are open, we will operate 61 warehouse clubs in total.

We believe that there is opportunity to expand our footprint in our existing markets and plan to continue to diligently procure sites, we think will strengthen our existing network of locations and meet our expected returns. Chile remains a top priority, and we are encouraged by the progress we are seeing there. We have signed executory agreements for two prospective club sites and are actively pursuing additional locations. In parallel, we are laying the foundation for a successful market entry. We have hired a country General Manager and local team members, established our central office and are building out the procurement and logistical infrastructure needed to operate effectively. We look forward to sharing more specific milestones as they develop.

Beyond new growth, we also will begin warehouse club and parking lot expansions and remodels in fiscal year 2026 in Portmore, Jamaica and Barbados.

Now turning to our supply chain transformation strategy, one of the key drivers in keeping prices low is improving how we move and distribute merchandise to our clubs.

Today we operate major distribution centers in Miami, Costa Rica, Panama, and Guatemala. During the second quarter, we began operations at our new distribution center in Trinidad. In addition, we plan to open distribution centers in Colombia and Jamaica during fiscal year 2026 and in the Dominican Republic during fiscal year 2027. Our goals with these distribution centers are to improve product availability, reduce lead times and lower landed costs, among other efficiency gains.

Alongside these new distribution centers, we completed implementing third-party distribution centers in China to consolidate merchandise sourced in the country, which we believe, will drive greater efficiency and lower costs.

We continue to advance our migration to the RELEX forecasting and replenishment platform and remain on track to complete the full implementation in fiscal year 2026. We completed onboarding our U.S.-sourced inventory procurement process, and now we are focused on our local goods procurement process. While the implementation of a new system brings with it an initial learning curve, we are starting to realize its capabilities and expect to see the benefits of improved forecasting, product availability, and operational efficiency long term.

During the second quarter, we advanced our multiphase implementation of the E2Open Global trade management platform designed to enhance automation, compliance and controls across global import and export operations. We believe this platform will strengthen trade compliance, improve data visibility to support scalable international growth once fully implemented.

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Turning now to other ways we are enhancing membership.

On a comparable basis, excluding a reclassification of the produce category, private label penetration increased 50 basis points in the first six months of FY 2026, reflecting continued progress towards our long-term goal of growing this part of our business. Using our updated methodology, penetration of private label was 26.6% of total merchandise sales.

Private label serves multiple strategic purposes. It allows us to offer high-quality products at lower prices than the national brands. It improves our margins, and it gives us leverage with national brand suppliers by providing a trusted alternative that keeps them competitive. Recent additions like avocado oil, fresh chicken and purified drinking water demonstrate our focus on delivering exceptional value across key everyday categories, and we have been able to pass meaningful savings to our members as reduction in commodity costs allow, including price reductions on extra virgin olive oil of 31.5%, frozen French fries of 8.9% and mozzarella cheese of 5.8%.

Our private label water program is a good example of how private label can deliver simultaneously for members for the business and for the planet. By shifting supply for our 10 Colombia clubs to a local bottler, we reduced prices by approximately 23%, roughly \$2 per pack while also lowering our carbon footprint through reduced transportation and packaging made with 50% recycled content.

We continue to invest in omnichannel capabilities to meet our members where they are. In the second quarter, digital channel sales reached \$94.1 million, our highest dollar volume to date, up 23.4% year-over-year and representing 6.4% of total net merchandise sales. Orders placed directly through our website or app grew 10.9%, with average transaction value up 10.8%. As of February 28th, 74.7% of our members have created an online profile and more than one in four members had made a purchase through pricesmart.com or our app, an indicator of the digital engagement we are building across our membership base.

We see continued opportunity in this space, and we will keep investing to enhance the digital experience we offer our Members. During the second quarter, we began migrating our mobile application to fully native iOS and Android architectures, to enhance speed, reliability, and accessibility. This foundation will allow faster deployment of new features and help us deliver an outstanding member experience in our digital channels.

Turning to technology investments that enhance both Member and employee experience and operational efficiency.

In the first quarter, we completed implementation of our new point-of-sale system, Elera, across all English-speaking Caribbean markets. We have since begun testing in Central America and are making good progress on our rollout plans for Spanish-speaking markets. Early indicators

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show that Elera is delivering faster checkout times, improved productivity and expanded payment options for our members, tangible improvements to the in-club experience as we roll out the platform across our network.

Also in the second quarter, we furthered implementation of Workday's human capital management system to replace legacy HR applications and expect to go live by end of the third quarter. This upgrade is designed to enhance the employee experience with modern, user-friendly tools while improving processes and strengthening compliance. It will also provide scalable integrated data layer to support our future growth.

Before I turn it over to Gualberto, I want to address a few additional topics.

First, regarding U.S. tariffs. Approximately half of the merchandise we sell is sourced locally, reasonably within Latin America. The other half is sourced from the U.S., Europe, China, and globally. In addition, on February 20, 2026, the U.S. Supreme Court invalidated tariffs imposed under the International Emergency Economic Powers Act.

While the landscape of tariffs continues to evolve, it is important to note that we consolidate many of these international products through our Miami distribution center. They are shipped in bond and are not nationalized in the United States. We also take advantage of free trade agreements where we can. Additionally, we've been leveraging our expanding distribution center network and China consolidation capabilities to shift direct to market where feasible. In short, U.S. import tariffs do not apply to most of our merchandise. And as a result, we are not owed a refund from the U.S. government due to the most recent Supreme Court ruling. We continue to monitor the evolving trade policy environment. But to date, current U.S. tariff policy has not directly impacted our cost structure or business operations.

We are also monitoring developments with respect to the ongoing military conflicts with Iran. We anticipate potential impacts to transportation costs or delays in the shipment or delivery of our products. The cost of fuel is a significant component of transportation cost. If our vendors or any raw material suppliers on which our vendors rely suffer prolonged manufacturing or transportation disruptions, our ability to source product to be adversely impacted which would adversely affect our business. Also fuel prices in some of our markets have increased significantly which may reduce consumer demand impacting frequency and purchasing power. However, we are monitoring and we'll do what we can to ensure we continue to provide the value we are known for in our communities.

Lastly, I want to provide a brief preview of our March sales and some insight into our Semana Santa results. Note that Semana Santa this year started late March, early April versus mid- to late April last year. So the comparability and growth for March will be skewed higher. However our comparable net merchandise sales for the four weeks ended March 29, 2026, grew 12.3% in U.S. dollars and 9.2% in constant currency.

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I'm incredibly proud of the exciting assortment we offered in the outstanding preparation and execution by our merchandising, supply chain and operation teams and also all who are involved at the company to make this year's Semana Santa a success.

With that, I'll turn it over to Gualberto, who'll walk you through the financial results.

Gualberto Hernandez^ Thank you, David. Continuing with the income statement. Total gross margin for the quarter as a percentage of net merchandise sales increased 50 basis points to 16.1% versus Q2 last year. The increase is mainly driven by shifts in product mix, primarily within our nonfood segment and cost savings we are starting to realize from our Asia consolidation efforts when compared to the same period in the prior year.

Total revenue margins improved 60 basis points to 17.7% of total revenue, from 17.1% in the same period last year. This was mainly driven by the increase in our warehouse sales margins and good results in membership renewals and platinum growth, as mentioned before by David.

On overhead costs, total SG&A expenses increased to 12.7% of total revenues for the second quarter of fiscal year 2026 compared to 12.4% for the second quarter of fiscal year 2025. The 30 basis point increase is primarily related to the appreciation of the peso in Colombia and its effect on our warehouse expenses, our continued investments in technology, and executive officer compensation not incurred in previous years.

Operating income for the second quarter of fiscal year '26 increased 15.6% from the same period last year to \$75.4 million. Operating income for the first six months of fiscal year 2026 increased 12.0% from the same period last year to \$138.3 million.

Below the operating income line, in the second quarter of fiscal year 2026, we recorded an \$8.7 million net loss in total other expense, an increase from a \$5.1 million net loss in the same period last year. The primary cost of the increase is due to foreign currency-related losses, predominantly from unrealized noncash losses related to the revaluation of the net U.S. dollar monetary asset position we have in Costa Rica as there was a significant appreciation of the Costa Rica colon in the month of February. This loss was partially offset by lower foreign currency exchange transaction costs during the quarter and for the first six months of the fiscal year in Trinidad as we executed fewer sourcing transactions. However, in March and subsequent to quarter end, we have executed and will be sourcing more foreign currency and incur additional transaction costs for the remaining part of the fiscal year.

When and how many transactions we executed in any given period is dependent on various factors including available trading currencies and the cost to convert. Lastly, in light of increased volatility in the exchange rates, we are also actively exploring options to expand our hedging program in select markets.

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In terms of income tax, our effective tax rate for the second quarter of fiscal year 2026 came in at 26.4%, a slightly favorable result versus 27.2% a year ago. For the six months ended February 28, 2026, our effective tax rate was 27.1%, almost in line with a 26.9% effective tax rate of the comparable prior year period.

Finally, net income for the second quarter of fiscal year 2026 was \$49.1 million, or \$1.62 per diluted share, an increase of 11.7%, up from \$43.8 million or \$1.45 per diluted share in the second quarter of fiscal year 2025. Adjusted EBITDA for the second quarter of fiscal year 2026 was \$99.7 million, compared to \$87.0 million in the same period last year, a growth of 14.6%.

Net income for the first six months of fiscal year 2026 was \$89.3 million, or \$2.91 per diluted share, an increase of 9.4%, up from \$81.2 million or \$2.66 per diluted share in the first six months of fiscal year 2025. Adjusted EBITDA for the first six months of fiscal year 2026 was \$186.6 million compared to \$166.1 million in the same period last year, a growth of 12.3%.

Moving on to our balance sheet.

We ended the quarter with cash, cash equivalents, and restricted cash totaling \$195.1 million, plus approximately \$149.7 million of short-term investments, typically held in certificates of deposit. When reviewing our cash balances, it's important to note that as of February 28, 2026, we had \$76.9 million of cash, cash equivalents and short-term investments denominated in local currency in Trinidad which we could not really convert into U.S. dollars.

Turning to cash flow. Net cash provided by operating activities reached \$133.3 million for the first six months of fiscal year 2026, an increase of \$6.9 million versus the prior year period. The increase is primarily driven by a \$10.6 million increase in net income adjusted for noncash items and a \$5.3 million overall net positive changes in other various operating assets and liabilities. This is partially offset by shifts in working capital, mainly due to higher overall inventory balances which used \$9.0 million of cash in operating activities.

Net cash used in investing activities increased by \$89.9 million for the first six months of fiscal year 2026, compared to the prior year, primarily due to net changes in short-term investments of \$59.6 million, a \$25.5 million increase in property and equipment expenditures, and an \$11.9 million increase in purchases of long-term investments.

Net cash used in financing activities increased by \$21.7 million for the first six months of fiscal year 2026 compared to the prior year, primarily due to a \$15.9 million increase in net repayments of short-term bank borrowings, a \$3.1 million increase in the purchase of treasury stock upon vesting of restricted stock awards to cover employee tax withholding obligations and a \$2.3 million increase in cash dividend payments.

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In February, we declared our annual cash dividend which in total is \$1.40 per share, or an 11.1% increase over last year's dividend. That's five consecutive years of increases and double what we declared per share in 2021. This is another signal of the strength of our cash-generating abilities. Our priority remains executing consistently and responsibly for our long-term success.

We believe our established processes, diversified footprint and experienced teams provide a solid foundation as we manage the business day to day with that long-term perspective, guiding us forward. We appreciate the continued support of our members, employees and shareholders, and we thank our teams for their ongoing efforts. Thank you for joining our call today. I will now turn the call over to the operator to take your questions.

Operator, you may now start taking our callers' questions.

Operator^ (Operator Instructions) Your first question comes from the line of Jon Braatz from Kansas City Capital.

Jon Braatz^ A couple of questions. First of all, David, when you think of -- it's been a couple of quarters since you first began talking about Chile and the media or the press in Chile has wrote a number of published number of articles about where your stores might be and some of the people you hire, but is it taking a little bit longer to sort of dot I's and cross the Ts and get permits and all this other stuff to begin construction of stores?

Is it just a little bit longer than you would have anticipated?

David Price^ Thanks for the question, Jon. Yes. You're right about the media. It's been really interesting to observe just how active the press media is in the business news media is in Chile versus our other markets.

It's been something that surprised us, quite frankly.

It's not necessarily a bad thing, but certainly, the press will write a lot of things, whether or not they're able to validate that they're true.

They still will publish, and that's something that's kind of been interesting.

But we haven't seen that things are taking any longer necessarily than any other market. The process actually compared to some of our other markets is better in the sense that it's much more clear, in terms of the quality of the institutions and the steps that you have to go through that good permits.

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But we're quite conservative in terms of when we announce openings. We typically announce once we have permits in hand and we don't and so we haven't announced. So that's been our policy and our approach. So we try to be consistent in how we approach announcing new openings.

Jon Braatz^ Okay. Two other questions. David, a lot of conversations surrounding remittances in your markets. Have you seen any impact because of that?

Then secondly, I was distracted a little bit when you were talking about the situation in the Middle East. Beyond the higher cost of energy, what was your comments about maybe supply chain impact if there is?

David Price^ Sure, sure. Thank you for the question.

So in terms of remittances, we haven't seen any visible changes in consumption as a result of changes in remittances.

And in fact, the data has been fairly clear that the remittances are still flowing to the markets at rates that are not that different from what has occurred in the past which is interesting actually because one would think that there maybe would be bigger changes.

But I think these are patterns that have been around for many years, and they're probably quite difficult to change.

So we haven't seen any changes in terms of consumption patterns among our members as a result of changes (inaudible).

On the topic of what's happening in Iran and Strait of Hormuz, from a supply chain standpoint, there's a lot of -- I mean it's still somewhat early in the conflict. For sure, we're seeing there are changes in fuel costs around the globe. And that's something that I think all retailers and all distributors are dealing with. I think it hits in different ways, and we have the ocean component via the U.S. domestic component. So as it fuels is a large part of transportation of the cost. And so certainly, that's a piece of something that we're seeing shift. Otherwise, we haven't had major supply chain disruptions at this point because a lot of the merchandise that's coming into our markets is not coming by -- well not coming by way of the Strait. But besides that, there's some POs, a delay here and there but nothing that's really significant. I mean -- which is good, but that doesn't mean it can't happen. I mean I think there's still yet to be seen all of the impacts of this conflict. And I think even after the conflict resolves, there still may be impacts.

There was an interesting article I read in the New York Times just last night about World War I and the impact that happened many years after. I recommend you read it because it got me

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thinking about that could happen here for sure. So we're just trying to remain as vigilant as we can but also as flexible as we can to have a resilient supply chain. I think the work that we're doing with consolidation and then beginning to diversify how we procure products, it's all good because as the world becomes more volatile, the more resilient and diverse our supply chain is the better.

Gualberto Hernandez^ And we have run some simulations. This is Gualberto, Jon.

We have run some simulations and are actively looking into this. There will be some smaller impacts in terms of financials but nothing really material or nothing or...

David Price^ Not at this point.

Gualberto Hernandez^ Yes.

Operator^ Your next question comes from the line of Hector Maya from Scotiabank.

Hector Maya^ Could you please share more details on the drivers of the higher gross margin, particularly if this is more structural or temporary?

And if there will be some investments going forward?

I mean I saw you had a better mix and solid membership income, but just wanted to understand a bit more about this.

Gualberto Hernandez^ Yes. Thank you for the question, Hector. This is Gualberto.

We -- there are a couple of variables that usually, it's not only one single, but we have benefited from a shift in mix by category. Foods went a little bit down in terms of say participation versus fresh that has been helped with better margins, debase of that is on nonfood hard lines. First, that's an interesting play in harness versus softline improved the margin itself versus prior versus the same quarter in the last year, but still below the margin of Softline. Softline went up versus also a mix change there that ahead. We have started to benefit also from the Asia consolidation efforts, so there are savings in shipping costs have one routes as we are keeping the Miami saving and handling fees. So that all was in favor of the margin improvement this quarter and year-to-date.

Hector Maya^ Also given that Central America and the Caribbean are highly dependent on remittances and all imports, how are you preparing for a potential macro challenge there?

I mean at least on the side of remittances, I understand that we haven't seen material changes in the region just yet, but we have seen of central banks in Central America coming out with

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projections that point to a deceleration for 2026 in remittances due to declining integration trends to the U.S. The 1% tax remittances that started this year. So basically, how would you say that you could be preparing for potential risks on this?

Gualberto Hernandez^ Well I think we have some type of natural protection to that also because of the profile of our members that are less reliant on remittances. So that gives us some type of natural protection. But we don't this means, I mean you made a very good point with we don't dismiss the risk and we're watching carefully. But again there are only projections so far. We're tracking them. As David explained, we haven't really seen anything. As you know the actual data about has some material lags in terms of how we retest. But I would just repeat what David said. We have not seen anything yet. We believe we have some type of network protection against the heating remittances, and we will continue following this closing.

David Price^ And maybe -- Hector, I'll add one other thing which is our -- we're one of our kind of -- the way we think about our business, one of our missions is to keep driving down costs supply chain and becoming more competitive, so we can offer better and better value to our members. I think that's a natural -- also a natural way to protect against changes in remittance. I mean we can only do what we can do, right? I mean if there's macro swings happening, we just have to run our business as well as we can. So as we build a better supply chain that's more efficient and more efficient than our competitors, particularly in those markets, that's going to help us continue to drive up value for the member drive market share, drive sales.

So that, I think is the best thing we can do.

Hector Maya^ (inaudible) we noticed that one plant cloud in Costa Rica and one in Jamaica have earlier opening dates now. So just wondering what was behind that? And also on Chile, if you could give us an update on not so much in progress because I understand that it is something that you see as going forward as you were expecting.

But progress on how much you're learning so far from the potential opportunities in that market?

And I mean aside from the media, the media behavior that you haven't noticed, what other learnings that you're getting from this new market?

David Price^ Sure. Thank you.

On the topic of the accelerated club opening, I always challenge our team to find ways to open earlier because every day that we save of time that we open is the day that we started getting our investment paid off and creating a good return for our shareholders.

So they get a lot of pressure from me to figure out ways to go faster.

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But besides that, we actually received permits a little earlier than we expected. So that's probably the most significant thing. I mean because we only do -- we're always trying to learn how to be better at constructing these buildings, but certainly getting permits are help.

So -- on Chile, we're learning a lot. We're learning a lot. We've had a number of different kind of delegations of buyers that have gone down. I was down there a couple of times last year and I'll be down again a few times this year, I'm sure. So I mean there's all sorts of things that we could dig into, but it's a very advanced market from the standpoint of both the consumer, but then also on the supply chain side. I mean distribution space is high quality, high quality is in the United States, and processing capabilities for fresh products are very high quality in terms of chicken and produce and otherwise. I think there's a desire for international goods. We see it the other retailers in the market the floor and the other retailers that they're carrying a lot of USBs and U.S. and European products, certainly German products, we see a lot of the market as well and there's -- the shopping experience occurs in a lot digitally but not only.

I mean it's a very digitalized market, as I mentioned on prior calls, it's the highest penetration of Internet in the region, all of Latin America.

So we're learning a whole lot. I mean infrastructure is a whole lot better than our other markets in terms of mobility, right? There's toll roads that are quite robust to go from Visa Cuda, Sachiubeo or around the city, I mean there's the coolants partially on the ground. For me, as someone that spends a lot of my professional and personal life in Central America is going to Santiago for the first time was really eye opening. I mean tremendously eye opening in terms of how sophisticated the market is and the capabilities there. So we're learning a whole lot, and we believe that we have something that would be very desirable and valuable for the consumer in the marketplace. So we're going to do our best.

Operator^ And that concludes our question and answer session. I will now turn the call back over to David Price for closing remarks.

David Price^ Thank you for joining the call everyone, and have a great day. Thank you very much.

Operator^ This concludes today's conference call. Thank you for your participation. You may now disconnect.