



PriceSmart Announces October Merchandise Sales; and Opening of New Warehouse Club in Panama City, Panama

SAN DIEGO, Nov. 7, 2019 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that for the month of October 2019, net merchandise sales increased 3.7% to \$253.9 million from \$244.9 million in October a year earlier. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by \$4.8 million or 1.9% versus the same prior year one-month period.

Fiscal year to date, which includes the two months ended October 31, 2019, net merchandise sales increased 2.5% to \$500.5 million from \$488.5 million for the two months ended October 31, 2018. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by \$9.9 million or 2.0% versus the same prior year two-month period. There were 44 warehouse clubs in operation at the end of October 2019 and 41 warehouse clubs in operation at the end of October 2018.

For the four weeks ended October 27, 2019, comparable net merchandise sales for the 41 warehouse clubs open at least 13 ½ full months increased 1.4%, compared to the same four-week period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by \$4.2 million or 1.9% versus the same prior year period.

For the eight-week period ended October 27, 2019, comparable net merchandise sales increased 1.2%, compared to the same eight-week period a year ago. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by \$8.8 million or 2.0% versus the same prior year period.

New Club Opening:

PriceSmart, Inc. also announced that on October 24, 2019, the Company opened a new warehouse club in Panama City, Panama, bringing to 44 the total number of warehouse clubs in operation by the Company. This warehouse club is located within the Metropark development, in the south eastern side of Panama City, Panama. The Metropark club is PriceSmart's seventh warehouse club in Panama and utilizes the Company's standard warehouse club format.

"We are excited to open the first of the next six clubs currently in our development pipeline. Metropark in Panama City, Panama marks our 44th warehouse club, our seventh in Panama, and second in Panama to open in the last five months. We now have three clubs within a 10-mile radius of Metropark. While we believe Metropark will drive incremental sales growth in this prime area of Panama, we anticipate that some sales will transfer from our existing clubs resulting in a negative impact on our comparable net merchandise sales. In all the existing markets where we are targeting growth, we believe that despite the potential impact on our comparable net merchandise sales results, these are prudent investments to improve member experience. We continue to focus on increasing our market share and maximizing our ability to serve both existing and new members in our thirteen markets with carefully curated, high quality, value-priced products and services," concluded Sherry Bahrambeygui, Chief Executive Officer.

The Company reports comparable net merchandise sales on a "same week" basis with 13 weeks in each quarter beginning on a Monday and ending on a Sunday. The periods are established at the beginning of the fiscal year to provide as close a match as possible to the calendar month and quarter that is used for financial reporting purposes. This approach equalizes the number of weekend days and weekdays in each period for improved sales comparison, as we experience higher merchandise club sales on the weekends. Each of the warehouse clubs used in the calculations was open for at least 13 ½ calendar months before its results for the current period were compared with its results for the prior period.

The term "currency exchange rates" refers to the currency exchange rates we use to convert net merchandise and comparable net merchandise sales for all countries where the functional currency is not the U.S. dollar into U.S. dollars. We calculate the effect of changes in currency exchange


rates as the difference between current period activities translated using the current period's currency exchange rates, and the comparable prior year period's currency exchange rates. The disclosure of the effects of currency exchange rate fluctuations on the Company's results permits investors to understand better our underlying performance.

About PriceSmart

PriceSmart, headquartered in San Diego, owns and operates U.S.-style membership shopping warehouse clubs in Latin America and the Caribbean, selling high quality merchandise at low prices to PriceSmart members. PriceSmart operates 44 warehouse clubs in 12 countries and one U.S. territory (seven each in Colombia, Costa Rica, and Panama; five in the Dominican Republic, four in Trinidad; three each in Guatemala and Honduras; two each in El Salvador and Nicaragua; and one each in Aruba, Barbados, Jamaica and the United States Virgin Islands). The Company is currently constructing and plans to open warehouse clubs in San Cristobal, Guatemala, in November 2019; Liberia, Costa Rica, in the summer of 2020; and Bogota, Colombia, in the fall of 2020. The Company also plans to build new warehouse clubs in Portmore, Jamaica and Bucaramanga, Colombia and open them in the fall of 2020. Once these five new clubs are open, the Company will operate 49 warehouse clubs. PriceSmart is expanding its omni-channel capabilities, including through its e-commerce platform, by investing in and integrating the technology, talent and cross-border logistics infrastructure obtained as part of the acquisition of a company in March 2018. PriceSmart expects these investments and this integration to enhance the membership shopping experience, drive efficiencies and fuel sales growth. The Company acquired by PriceSmart also operates a legacy (marketplace and casillero) business through the Aeropost brand in 38 countries in Latin America and the Caribbean, many of which overlap with markets where PriceSmart operates its warehouse clubs.

This press release may contain forward-looking statements concerning the Company's anticipated future revenues and earnings, adequacy of future cash flow, proposed warehouse club openings, the Company's performance relative to competitors, the outcome of tax proceedings and related matters. These forward-looking statements include, but are not limited to, statements containing the words "expect," "believe," "will," "may," "should," "project," "estimate," "anticipated," "scheduled," and like expressions, and the negative thereof. These statements are subject to risks and uncertainties that could cause actual results to differ materially including, but not limited to: adverse changes in economic conditions in the Company's markets, natural disasters, compliance risks, volatility in currency exchange rates, competition, consumer and small business spending patterns, political instability, increased costs associated with the integration of online commerce with our traditional business, whether the Company can successfully execute strategic initiatives, breaches of security or privacy of member or business information, cost increases from product and service providers, interruption of supply chains, exposure to product liability claims and product recalls, recoverability of moneys owed to PriceSmart from governments, and other important factors discussed under the captions "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended August 31, 2019 filed with the United States Securities and Exchange Commission ("SEC") on October 29, 2019, as such factors may be updated from time to time in our other filings with the SEC, which are accessible on the SEC's website at www.sec.gov. Forward-looking statements speak only as of the date that they are made, and the Company does not undertake to update them, except as required by law.

For further information, please contact Maarten O. Jager, Chief Financial Officer and Principal Accounting Officer (858) 404-8826.

 View original content to download multimedia:<http://www.prnewswire.com/news-releases/pricesmart-announces-october-merchandise-sales-and-opening-of-new-warehouse-club-in-panama-city-panama-300953573.html>

SOURCE PriceSmart, Inc.