



PriceSmart Announces April Merchandise Sales

SAN DIEGO, May 7, 2020 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that for the month of April 2020 net merchandise sales decreased 10.9% to \$216.0 million from \$242.5 million in April a year earlier. Foreign currency exchange fluctuations impacted net merchandise sales negatively by \$5.5 million or 2.2% versus the same one-month period in the prior year. There were 45 warehouse clubs in operation at the end of April 2020 and 41 warehouse clubs in operation at the end of April 2019.

Fiscal year to date, which includes the eight months ended April 30, 2020, net merchandise sales increased 4.9% to \$2,172.5 million from \$2,071.7 million for the eight months ended April 30, 2019. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by \$28.2 million or 1.3% versus the same eight-month period in the prior year.

For the four weeks ended April 26, 2020, comparable net merchandise sales for the 41 warehouse clubs open at least 13 ½ full months decreased 19.2% when compared to the same four-week period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by \$4.8 million or 2.1% versus the same period in the prior year.

For the 34-week period ended April 26, 2020, comparable net merchandise sales increased 0.2%, compared to the same 34-week period a year ago. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by \$26.3 million or 1.3% versus the same prior year period.

Sherry Bahrambeygui, Chief Executive Officer, commented:

"Throughout April, governments in our markets imposed restrictions of varying degrees on nearly all businesses, including essential businesses such as ours. These governments have mandated various protocols resulting in limitations on the number of people in our clubs, reduced hours of operation, restrictions on or closure of food and other services areas, and, in some cases, complete closure of clubs for periods of days or weeks. These, in combination with consumer trepidation about the spread of COVID-19, have caused reduced traffic in our clubs. Therefore, we have had to quickly adapt and adjust from how we normally operate.

"We are working to mitigate these challenges by focusing on the safety of our Members and employees and by implementing and expanding on additional ways for Members to shop efficiently, conveniently and with the option of minimizing physical contact. We expect that these efforts will serve as the foundation for improving how we will serve our Members in the future.

"During this last month, we tested and began rolling out our 'Click and Go' program in most of our Central American and Colombian markets. 'Click and Go' allows our Members to see a catalogue of club merchandise online, place their order, pay online and then retrieve their order at the club the same or next day, without having to get out of their car. Our Assisted Shopping Program allows Members to view product information online and pick up or have the order delivered promptly without spending time in the club and while reducing physical contact and exposure. We have increased arrangements with third parties for delivery and, in some markets, we provide delivery ourselves.

"Our sales improved somewhat in relative terms during the second half of the month. We are encouraged by the response of our Members as they also adapt and engage with our technology-enabled shopping alternatives. However, we continue to experience significant challenges and uncertainty due to government-mandated measures, which remain in flux. We also cannot yet quantify the future ramifications of this pandemic on our markets, our Members and our employees.

"Faced with these realities, we are proud of how we have prioritized the safety and well-being of our employees and our Members, and how we are reinforcing our reputation in our markets as a responsible operator and employer and a trusted source of quality merchandise for our Members, their families and businesses."

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 and services at low prices to PriceSmart Members. PriceSmart operates 45 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 and Guatemala; three in Honduras; two each in El Salvador and Nicaragua; and one each in Aruba, Barbados, Jamaica and the United States Virgin Islands).

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, epidemic, pandemic or other public health issues, 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. These risk 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 Michael L. McCleary, EVP, Chief Financial Officer and Principal Accounting Officer (858) 404-8826 or send an email to ir@pricesmart.com.

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