



PriceSmart Announces May Merchandise Sales and Earnings Release and Conference Call Dates for the Fiscal Third Quarter 2020

SAN DIEGO, June 5, 2020 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that for the month of May 2020 net merchandise sales decreased 1.9% to \$246.3 million from \$251.0 million in May a year earlier. Foreign currency exchange fluctuations impacted net merchandise sales negatively by \$6.1 million or 2.5% versus the same one-month period in the prior year. There were 45 warehouse clubs in operation at the end of May 2020 and 42 warehouse clubs in operation at the end of May 2019.

For the five weeks ended May 31, 2020, comparable net merchandise sales for the 41 warehouse clubs open at least 13 ½ full months decreased 6.7% when compared to the same five-week period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by \$6.7 million or 2.4% versus the same period in the prior year.

Sherry S. Bahrambeygui, Chief Executive Officer, commented:

"We saw improvement in sales compared to the prior month. This was despite a significant reduction of our normal operating capacity. In May, we continued to experience limitations on our ability to serve our Members due to closures or restrictions impacting food service, tire centers and optical services, several days of total club closures, curfews, stay-at-home mandates, reduced hours, limits on people permitted in the clubs, and other COVID-related mandates and measures. Many governments in our markets are considering or experimenting with reductions in the restrictions in June. However, we cannot predict how quickly and completely these restrictions will be removed or the extent of the impact of COVID-19 on our Members and our markets.

We initiated our Click and Go™ program during the pandemic in one club in Costa Rica. By the end of May, we offered the program at most clubs in 11 of our 13 markets. We are encouraged by our Members' adoption of our Click and Go program, which provides an alternative and convenient way for our Members to shop, while reducing physical contact. Our Click and Go program allows Members to use our e-commerce platform, identify and select merchandise, order and pay online, and then have their order deposited into their car at their nearby club. We expect to launch this program in the remaining two countries during the month of June. We continue to work on improving and expanding our online initiatives, in conjunction with optimizing our club operations to allow Members to shop safely, quickly and efficiently, particularly in those markets still subject to government restrictions on club hours and traffic allowed in the clubs.

I'd like to especially acknowledge our front-line employees. During these challenging times, our employees have shown tremendous commitment to serving our Members while embracing all measures to keep themselves and our Members safe."

Fiscal year to date, which includes the nine months ended May 31, 2020, net merchandise sales increased 4.1% to \$2,418.8 million from \$2,322.7 million for the nine months ended May 31, 2019. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by \$34.4 million or 1.5% versus the same nine-month period in the prior year.

For the 39-week period ended May 31, 2020, comparable net merchandise sales decreased 0.7% compared to the same 39-week period a year ago. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by \$33.0 million or 1.4% versus the same prior year period.

Third Quarter 2020 Earnings Announcement Details:

PriceSmart today also announced that it plans to release third quarter fiscal year 2020 financial results on Thursday, July 9, 2020, after the market closes. PriceSmart management plans to host a conference call at 12:00 p.m. Eastern time (9:00 a.m. Pacific time) on Friday, July 10, 2020, to discuss

the financial results. Individuals interested in participating in the conference call may do so by dialing (855) 209-8211 for domestic callers or (412) 317-5214 for international callers, and asking to join the PriceSmart, Inc. call. A digital replay will be available through July 17, 2020, following the conclusion of the call by dialing (877) 344-7529 for domestic callers, or (412) 317-0088 for international callers, and entering replay access code 10143985.

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). The Company expects to open a smaller format warehouse club in Liberia, Costa Rica on June 17, 2020.

We report 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 an 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.

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, member or business information, cost increases from product and service providers, interruption of supply chains, COVID-19 related factors and challenges, including among others, the duration of the pandemic, the unknown long-term economic impact, the impact of government policies and restrictions that have limited access for our members, and shifts in demand away from discretionary or higher priced products to lower priced products, 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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