



PriceSmart Announces September Net Merchandise Sales

SAN DIEGO, Oct. 7, 2020 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that for the month of September 2020, net merchandise sales increased 4.6% to \$258.1 million from \$246.7 million in September a year earlier. Foreign currency exchange fluctuations impacted net merchandise sales negatively by 3.5%, or \$8.6 million, versus the same one-month period in the prior year. There were 46 warehouse clubs in operation at the end of September 2020 and 43 warehouse clubs in operation at the end of September 2019.

For the four weeks ended September 27, 2020, comparable net merchandise sales for the 43 warehouse clubs open at least 13 ½ full months increased 0.3% when compared to the same period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 3.5%, or \$8.0 million, versus the same period in the prior year.

Sherry S. Bahrambeygui, Chief Executive Officer, commented:

"As we embark upon the new fiscal year, we experienced growth in net merchandise sales and positive comparable sales, despite 30 club days lost in the month of September. We are, at the moment, experiencing some relief on the numerous restrictions due to COVID-19 on our ability to operate as usual. However, Panama, one of our largest markets, continues to be subject to significant restrictions on the days clubs can be open.

We saw improvement in net merchandise sales in our Colombian market and experienced negative comparable net merchandise sales in some markets in Central America. We remain pleased with the performance of our new clubs in Guatemala and Panama, but, as expected, opening new clubs in existing markets adversely affects comparable net merchandise sales due to sales transfers from existing clubs.

Our Click & Go™ service, including curbside pickup and delivery, contributed approximately 3.3% of total net merchandise sales for the month of September 2020. We believe that as more of our clubs were permitted to open in September, Members took the opportunity to visit our clubs. Nonetheless, we believe that over the long-run, Click & Go™ and online shopping will remain an important alternative and service to our Members. Curbside pickup is available in all of our clubs in all markets and delivery options have expanded to nine markets, up from six last month. We continue to focus on increasing efficiencies with our new sales channels and providing increased value for our Members enabling them to leverage their membership over multiple shopping platforms.

Although September showed improvements in terms of clubs being open and mandated restrictions being eased, the potential for future club days lost remains. We are focused on and are preparing for, various scenarios that could arise in upcoming months. The PriceSmart team continues to be nimble, creative and ready to serve our Members in the most responsible ways. I thank our wonderful team for all of the steadfast dedication they are showing to remaining a trusted source of goods and services in the markets in which we operate."

Fourth Quarter 2020 Earnings Announcement Details:

PriceSmart plans to release fourth quarter and full year 2020 financial results on Thursday, October 29, 2020, after the market closes. PriceSmart management will host a conference call at 12:00 p.m. Eastern time (9:00 a.m. Pacific time) on Friday, October 30, 2020, to discuss the financial results. Individuals interested in participating in the conference call may do so by dialing (855) 209-8211 toll free, or (412) 317-5214 for international callers, and asking to join the PriceSmart, Inc. call. A digital replay will be available through November 6, 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 passcode 10147692.

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 46 warehouse clubs in 12 countries and one U.S. territory (eight in Costa Rica; seven each in Colombia 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 is currently constructing and plans to open a warehouse club in Bogota, Colombia in December 2020.


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 an improved sales comparison, as the Company experiences 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 the Company uses 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. The Company calculates 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 Company believes the disclosure of the effects of currency exchange rate fluctuations on the Company's results permits investors to understand better the Company's underlying performance.

Club days lost means the total number of days one or more clubs are closed for an entire day because of government prohibitions on offering in-store shopping. For example, if one club was prohibited from offering in-store sales for five days during a month and another club was prohibited from offering in-store sales for two days during that month, we would say that we had seven club days lost during the month.

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 and our Quarterly Report on Form 10-Q for the three months ended February 29, 2020 filed with the SEC on April 8, 2020. 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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