



# PriceSmart Announces November Net Merchandise Sales; Opening of Eighth Warehouse Club in Colombia; and Earnings Release and Conference Call Details for the First Quarter of Fiscal 2021

SAN DIEGO, Dec. 7, 2020 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that for the month of November 2020, net merchandise sales increased 7.9% to \$300.0 million from \$278.1 million in November a year earlier. Foreign currency exchange fluctuations impacted net merchandise sales negatively by 3.4%, or \$9.8 million, versus the same one-month period in the prior year. There were 46 warehouse clubs in operation at the end of November 2020 and 45 warehouse clubs in operation at the end of November 2019.

For the five weeks ended November 29, 2020, comparable net merchandise sales for the 43 warehouse clubs open at least 13 ½ full months increased 5.6% when compared to the same period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 3.5%, or \$11.0 million, versus the same period in the prior year.

## **New Club Opening:**

PriceSmart, Inc. also held the grand opening of its new warehouse club in Bogotá, Colombia on December 4, 2020, bringing to 47 the total number of warehouse clubs in operation. This warehouse club is located within the Usaquéen locality, on the northern side of Bogotá, Colombia. The Usaquéen Club is PriceSmart's eighth warehouse club in Colombia and the third in the greater metropolitan area of Bogotá.

Sherry S. Bahrambeygui, Chief Executive Officer, commented:

"Our strong start to fiscal year 2021 has been fueled by many new practices and improvements that we planned for and set into motion during our prior fiscal year. In November, we experienced continued growth in net merchandise sales and strong comparable sales growth. Of note, last year's Smart Weekend event in the Caribbean was expanded this year to a Smart Week program across all of our markets. Our digital marketing efforts have been strengthened, and net merchandise sales increased across multiple categories in most markets, especially in non-food categories such as electronics.

Our Click & Go™ service, including curbside pickup and delivery, contributed approximately 2.9% of total net merchandise sales for the month of November. The demand for delivery through our Click & Go™ service, which is now available in all of our markets, has been increasing and represents a growing proportion of total Click & Go™ sales. Developing greater efficiencies remains a priority especially within these new sales channels. We believe that Click & Go™ curbside and delivery services will remain important alternative shopping methods and provide increased value for our Members by enabling them to leverage their membership across multiple shopping platforms. We also see value in the insights gained by communicating with our Members through a variety of our online channels.

Last Friday, we celebrated the grand opening of the new Usaquéen Club, which is strategically located in the heart of a densely populated area of Bogotá, and is poised to drive sales growth, provide greater convenience for our Members, and strengthen our presence in this important market that has significant potential. This new club is not terribly distant from our two other clubs in the greater metropolitan area of Bogotá. Therefore, we anticipate some transfer of sales from those existing clubs to the new club, which may adversely impact our comparable net merchandise sales in the near term. However, this location provides opportunity for incremental Membership and sales growth, given the demographics and appeal of our uniquely curated selection of goods and services at great values.

Although pandemic-related restrictions eased somewhat in November, we remain acutely focused on monitoring and responding to changes that could develop in upcoming months. The operating results we experience today are attributable to a combination of improvements that were being developed pre-COVID, the new capabilities that were launched during COVID, and our team's ability to execute quickly to better serve our Members' needs in a dynamic environment. We are well positioned to continue to convert challenges into opportunities for additional growth while enhancing our Members' shopping experience."

Fiscal year to date, which includes the three months ended November 30, 2020, net merchandise sales increased 7.7% to \$838.4 million from \$778.7 million for the three months ended November 30, 2019. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by 3.5% or \$27.5 million versus the same three-month period in the prior year.

For the 13-week period ended November 29, 2020, comparable net merchandise sales increased 3.6% compared to the same 13-week period a year ago. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 3.5% or \$27.0 million versus the same prior year period.

#### **First Quarter 2021 Earnings Announcement Details:**

PriceSmart plans to release first quarter fiscal year 2021 financial results on Thursday, January 7, 2021, 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, January 8, 2021, 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 January 15, 2021, 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 10149960.

#### ***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 47 warehouse clubs in 12 countries and one U.S. territory (eight in Costa Rica and Colombia; seven in 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 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.

This press release may contain forward-looking statements concerning the Company's anticipated future revenues and earnings, adequacy of future cash flows, omni-channel initiatives, 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 in the Risk Factors section of the Company's most recent Annual Report on Form 10-K, and other factors discussed from time to time in other filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov), including Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. 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](mailto:ir@pricesmart.com).

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