



# PriceSmart Announces January Net Merchandise Sales

**Net Merchandise Sales grew 5.2%, after negative 3.5% FX impact; Comparable Net Merchandise Sales increased 2.8%, after negative 3.3% FX impact; E-Commerce Penetration was 3.6% of Total Net Merchandise Sales**

SAN DIEGO, Feb. 5, 2021 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that for the month of January 2021, net merchandise sales grew 5.2% to \$267.1 million from \$254.0 million in January a year earlier. Foreign currency exchange fluctuations impacted net merchandise sales negatively by 3.5%, or \$8.9 million, versus the same one-month period in the prior year. There were 47 warehouse clubs in operation at the end of January 2021 and 45 warehouse clubs in operation at the end of January 2020.

For the four weeks ended January 24, 2021, comparable net merchandise sales for the 45 warehouse clubs open at least 13 ½ full months increased 2.8% when compared to the same period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 3.3%, or \$7.7 million, versus the same period in the prior year.

Sherry S. Bahrambeygui, Chief Executive Officer, commented:

"In January, net merchandise sales and comparable net merchandise sales grew despite a surge in COVID cases and increased COVID-related restrictions in some of our markets. Consolidated comparable sales increased in January but were partially offset by declines in Colombia and Trinidad. The Colombia comparable net merchandise sales decline was primarily due to two significant factors: the increase in reported COVID cases that drove an increase in restrictions on circulation and the impact from sales that transferred from existing clubs to our recently opened Usaquéen club in Bogotá. Sales declined in our Trinidad market largely due to our decision to limit U.S. merchandise imports because of ongoing insufficient U.S. dollar liquidity. We are pursuing alternative solutions to mitigate the current illiquidity challenges in Trinidad, while continuing to reassess the current limitations on an ongoing basis. As this pandemic persists, we lost approximately 70 club days in January, where in-club shopping was prohibited. In addition, several locations contended with reduced operating hours, restrictions on segments of the population permitted to shop or circulate, limitations on the number of people allowed inside our clubs and restrictions on certain areas of our business such as food services and Optical.

"Our Click & Go™ service, including curbside pickup and delivery, contributed approximately 3.6% of total net merchandise sales for the month. Delivery through Click & Go™ is now available in all of our markets, and the demand for delivery continues to grow as a portion of total Click & Go™ sales. Developing greater efficiencies remains a priority, especially within these new sales channels. We recently introduced the option for our Members to select specific dates and windows of time for curbside pickup and delivery, which allows us to improve service and offer greater convenience to our Members.

"Our team's persistence, performance and insistence to continually improve is remarkable, especially in the face of ongoing challenges and uncertainties resulting from the recent resurgence of COVID in our markets. Thank you for your dedication."

Fiscal year to date, which includes the five months ended January 31, 2021, net merchandise sales increased 6.0% to \$1,478.1 million from \$1,395.0 million for the five months ended January 31, 2020. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by 3.4% or \$46.9 million versus the same five-month period in the prior year.

For the twenty-one-week period ended January 24, 2021, comparable net merchandise sales increased 2.2% compared to the same twenty-one-week period a year ago. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 3.3% or \$43.9 million versus the same prior year period.

***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 also plans to open new warehouse clubs in Guatemala City, Guatemala and Bucaramanga, Colombia in the fall of 2021, and in Portmore, Jamaica in the spring of 2022. Once these three new clubs are open, the Company will operate 50 warehouse clubs.


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 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, cybersecurity breaches that could cause disruptions in our systems or jeopardize the security of 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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