



# PriceSmart Announces March Net Merchandise Sales

**Net Merchandise Sales Increased 0.5% with Negative 1.5% FX Impact**

**Comparable Net Merchandise Sales Decreased 5.9% with Negative 1.4% FX Impact**

SAN DIEGO, April 9, 2021 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that despite the COVID-driven surge in buying in March 2020, our net merchandise sales increased 0.5% to \$307.6 million from \$306.1 million in March a year earlier. Foreign currency exchange fluctuations impacted net merchandise sales negatively by 1.5%, or \$4.4 million, versus the same one-month period in the prior year. There were 47 warehouse clubs in operation at the end of March 2021 and 45 warehouse clubs in operation at the end of March 2020.

For the four weeks ended March 28, 2021, comparable net merchandise sales for the 45 warehouse clubs open at least 13 ½ full months decreased 5.9% when compared to the same period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 1.4%, or \$4.1 million, versus the same period in the prior year.

Sherry S. Bahrambeygui, Chief Executive Officer, commented:

"March marks the one year anniversary from when we began to experience the impact of the COVID-19 pandemic. Comparable net merchandise sales for March were down 5.9% versus the same period last year when they were up 15.7% due to members stocking up on merchandise ahead of the uncertainty around the global pandemic. The pandemic began to adversely affect our sales in April and May 2020, the last two months of the third fiscal quarter. During the third quarter last year, many of our clubs had severe traffic restrictions, some of our services such as tires, optical and food service courts were closed to members, and we had approximately 225 total club days lost to club closures. Our global team of approximately 10,000 associates has continued to focus on sourcing exciting, distinctive, carefully curated merchandise and services that we deliver at a great value to our Members in a safe and clean environment. Our Click & Go™ service, including curbside pickup and delivery, contributed approximately 3.0% of total net merchandise sales for the month."

Fiscal year to date, which includes the seven months ended March 31, 2021, net merchandise sales increased 4.5% to \$2,044.4 million from \$1,956.5 million for the seven months ended March 31, 2020. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by 3.0% or \$59.1 million versus the same seven-month period in the prior year.

For the thirty-week period ended March 28, 2021, comparable net merchandise sales increased 1.1% compared to the same thirty-week period a year ago. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 3.0% or \$57.3 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," "intend," 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 and illiquidity of certain local currencies in our markets, 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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