



PriceSmart Announces April Net Merchandise Sales

Comparable Net Merchandise Sales Increased 25.3% with Negative 1.7% FX Impact

Net Merchandise Sales Increased 22.0% with Negative 1.6% FX Impact

Trailing 12-Month Renewal Rate Increased to 86.1%

SAN DIEGO, May 7, 2021 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that net merchandise sales in April increased 22.0% to \$263.4 million from \$216.0 million in April a year earlier. Foreign currency exchange fluctuations impacted net merchandise sales negatively by 1.6%, or \$3.4 million, versus the same one-month period in the prior year. There were 47 warehouse clubs in operation at the end of April 2021 and 45 warehouse clubs in operation at the end of April 2020.

For the four weeks ended April 25, 2021, comparable net merchandise sales for the 45 warehouse clubs open at least 13 ½ full months increased 25.3% when compared to the same period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 1.7%, or \$3.4 million, versus the same period in the prior year.

Sherry S. Bahrambeygui, Chief Executive Officer, commented:

"Our Membership base and 12-month renewal rate are rapidly increasing from their respective recent lows in August 2020, surpassing April of last year, and almost returning to their pre-COVID peaks, in part, due to our online capabilities.

"While now facing the second year of the pandemic and despite continuing restrictions in various markets, our total and comparable sales grew in April 2021, 22.0% and 25.3%, respectively, versus April of last year.

"Demand in our non-food categories in April, particularly electronics and apparel, continued to grow. Our global merchandising team has effectively sourced in-demand items at excellent prices and in appropriate quantities to maintain a strong on-hand inventory. Additionally, the return of incremental club seating capacity in some of our markets positively impacted our food service sales during the month.

"We believe our concept is not only sustainable, it holds potential for growth in times of prosperity as well as times of stress, such as these. Also, with the continual building of our omnichannel capabilities and deeper data about our Members' preferences we see opportunities to deliver greater value to our Members. Our entire team of over 10,000 associates continue to deliver strong results despite ongoing challenges while keeping our employees and Members safe."

The 12-month renewal rate was 86.1% for the period ended April 30, 2021, an increase from the 81.5% and 80.5% 12-month renewal rate for the periods ended February 28, 2021 and August 31, 2020, respectively.

Fiscal year to date, which includes the eight months ended April 30, 2021, net merchandise sales increased 6.2% to \$2,307.8 million from \$2,172.5 million for the eight months ended April 30, 2020. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by 2.9% or \$62.4 million versus the same eight-month period in the prior year.

For the 34-week period ended April 25, 2021, comparable net merchandise sales increased 3.3% compared to the same 34-week period a year ago. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 2.9% or \$60.6 million versus the same prior year period.

Monthly Sales Reporting

The Company will discontinue reporting monthly sales after its May sales release on or around June 7, 2021 at the end of the third quarter of fiscal 2021. This is consistent with current industry practice and the vast majority of the Company's retail peers. The Company believes that aligning its

sales reporting with the disclosure of our quarterly financial results provides greater context for the Company's overall financial performance.

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.

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, 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.

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