PriceSmart Announces May Net Merchandise Sales and Earnings Release and Conference Call Details for the Third Quarter of Fiscal 2021

Net Merchandise Sales Increased 16.3% with Negative 1.6% FX Impact
Comparable Net Merchandise Sales Increased 12.0% with Negative 1.6% FX Impact
Trailing 12-Month Membership Renewal Rate Increased to 87.6%
E-Commerce Penetration Contributed 4.0% of Net Merchandise Sales

SAN DIEGO, June 7, 2021 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that net merchandise sales in May increased 16.3% to $286.4 million from $246.3 million in May a year earlier. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by 1.6%, or $3.8 million, versus the same one-month period in the prior year. There were 47 warehouse clubs in operation at the end of May 2021 and 45 warehouse clubs in operation at the end of May 2020.

For the five weeks ended May 30, 2021, comparable net merchandise sales for the 45 warehouse clubs open at least 13 ½ full months increased 12.0% when compared to the same period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 1.6%, or $4.4 million, versus the same period in the prior year.

Sherry S. Bahrambeygui, Chief Executive Officer, commented:

"Our Membership base has increased by 5.2% and our trailing 12-month renewal rate has increased by 8.9% from the lows in August 2020. Our trailing 12-month renewal rate is higher than its pre-COVID peak and our Membership base is nearly there too. This validates that our business model and rigorous commitment to our Members is valued even in the most challenging of circumstances.

"Now, facing the second year of the pandemic and despite continuing restrictions and civil unrest in certain markets, our total and comparable sales grew in May 2021, 16.3% and 12.0%, respectively, versus May of last year. Our Click & Go™ service, including curbside pickup and delivery, contributed 4.0% of net merchandise sales and has enabled an alternate and safe channel for attending to our Members' needs.

"Our team of more than 10,000 associates remains vigilant by keeping our employees and Members safe while providing a compelling shopping experience that includes carefully-curated merchandise from around the world. Our additional services and focus on health and wellness that include optical, our recently-introduced pharmacies and our plan to pilot audiology centers in certain markets should further enhance Member loyalty."

The 12-month membership renewal rate was 87.6% for the period ended May 31, 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 nine months ended May 31, 2021, net merchandise sales increased 7.3% to $2,594.3 million from $2,418.8 million for the nine months ended May 31, 2020. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by 2.7% or $66.3 million versus the same nine-month period in the prior year.

For the 39-week period ended May 30, 2021, comparable net merchandise sales increased 4.3% compared to the same 39-week period a year ago. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by 2.7% or $65.0 million versus the same prior year period.

Third Quarter 2021 Earnings Announcement Details:

PriceSmart plans to release third quarter fiscal year 2021 financial results on Thursday, July 8, 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, July 9, 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 July 16, 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 10156316.

Monthly Sales Reporting

As previously disclosed, this will be the last time that the Company will be reporting monthly sales. 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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