

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

**PRICESMART INC**

CIK: 1041803 | IRS No.: 330628530 | State of Incorporation: DE | Fiscal Year End: 0831  
Type: 10-Q | Act: 34 | File No.: 000-22793 | Film No.: 25825192  
SIC: 5331 Variety stores

Mailing Address  
9740 SCRANTON ROAD  
SAN DIEGO CA 92121

Business Address  
9740 SCRANTON ROAD  
SAN DIEGO CA 92121  
8584048800

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER 000-22793

# PriceSmart, Inc.

(Exact name of registrant as specified in its charter)

Delaware

33-0628530

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

9740 Scranton Road, San Diego, CA

92121

(Address of principal executive offices)

(Zip Code)

(858) 404-8800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.0001 par value	PSMT	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes

No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The registrant had 30,754,145 shares of its common stock, par value \$0.0001 per share, outstanding at March 31, 2025.

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**PART I—FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

PriceSmart, Inc.’s (“PriceSmart,” “we,” the “Company” or “our”) unaudited consolidated balance sheet as of February 28, 2025 and the consolidated balance sheet as of August 31, 2024, the unaudited consolidated statements of income for the three and six months ended February 28, 2025 and February 29, 2024, the unaudited consolidated statements of comprehensive income for the three and six months ended February 28, 2025 and February 29, 2024, the unaudited consolidated statements of equity for the three and six months ended February 28, 2025 and February 29, 2024, and the unaudited consolidated statements of cash flows for the six months ended February 28, 2025 and February 29, 2024 are included herein. Also included herein are the notes to the unaudited consolidated financial statements.

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**PRICESMART, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA)**

	<b>February 28, 2025 (Unaudited)</b>	<b>August 31, 2024</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 130,363	\$ 125,364
Short-term restricted cash	3,476	1,383
Short-term investments	116,933	100,165
Receivables, net of allowance for credit losses of \$50 as of February 28, 2025 and \$52 August 31, 2024, respectively	20,400	18,847
Merchandise inventories	549,687	528,678
Prepaid expenses and other current assets (includes \$0 and \$4,480 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)	54,284	57,910
<b>Total current assets</b>	<b>875,143</b>	<b>832,347</b>
Long-term restricted cash	11,665	9,564
Property and equipment, net	954,718	936,108
Operating lease right-of-use assets, net	98,253	96,415
Goodwill	43,218	43,197
Deferred tax assets	36,462	36,618
Other non-current assets (includes \$1,116 and \$1,482 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)	66,346	61,563
Investment in unconsolidated affiliates	6,860	6,882
<b>Total Assets</b>	<b>\$ 2,092,665</b>	<b>\$ 2,022,694</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Short-term borrowings	\$ 15,340	\$ 8,007
Accounts payable	497,732	485,961
Accrued salaries and benefits	38,258	48,263
Deferred income	43,411	38,079
Income taxes payable	4,730	6,516
Other accrued expenses and other current liabilities (includes \$217 and \$1,179 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)	57,348	50,035
Operating lease liabilities, current portion	7,314	7,370
Dividends payable	19,411	—
Long-term debt, current portion	18,261	35,917
<b>Total current liabilities</b>	<b>701,805</b>	<b>680,148</b>
Deferred tax liability	854	1,644
Long-term income taxes payable, net of current portion	4,719	4,762
Long-term operating lease liabilities	106,414	103,890
Long-term debt, net of current portion	88,850	94,443
Other long-term liabilities (includes \$4,013 and \$2,100 for the fair value of derivative instruments and \$13,424 and \$12,742 for post-employment plans as of February 28, 2025 and August 31, 2024, respectively)	17,437	14,842
<b>Total Liabilities</b>	<b>920,079</b>	<b>899,729</b>



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### Stockholders' Equity:

Common stock \$0.0001 par value, 45,000,000 shares authorized; 32,689,572 and 32,570,858 shares issued and 30,756,551 and 30,635,556 shares outstanding (net of treasury shares) as of February 28, 2025 and August 31, 2024, respectively	3	3
Additional paid-in capital	519,564	514,542
Accumulated other comprehensive loss	(160,640)	(164,590)
Retained earnings	932,673	890,272
Less: treasury stock at cost, 1,933,021 shares as of February 28, 2025 and 1,935,302 shares as of August 31, 2024	(119,014)	(117,262)
Total Stockholders' Equity	1,172,586	1,122,965
Total Liabilities and Equity	<u>\$ 2,092,665</u>	<u>\$ 2,022,694</u>

See accompanying notes.

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**PRICESMART, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED—AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)**

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Revenues:				
Net merchandise sales	\$ 1,334,555	\$ 1,260,916	\$ 2,558,414	\$ 2,395,930
Export sales	3,987	8,511	13,605	18,520
Membership income	20,915	18,538	41,114	36,287
Other revenue and income	4,429	3,985	8,697	7,688
<b>Total revenues</b>	<b>1,363,886</b>	<b>1,291,950</b>	<b>2,621,830</b>	<b>2,458,425</b>
Operating expenses:				
Cost of goods sold:				
Net merchandise sales	1,126,335	1,062,685	2,156,212	2,015,413
Export sales	3,800	8,178	12,813	17,728
Selling, general and administrative:				
Warehouse club and other operations	124,232	117,774	242,087	227,739
General and administrative	43,034	38,809	85,599	74,248
Pre-opening expenses	293	457	315	944
Loss on disposal of assets	922	429	1,274	522
<b>Total operating expenses</b>	<b>1,298,616</b>	<b>1,228,332</b>	<b>2,498,300</b>	<b>2,336,594</b>
Operating income	65,270	63,618	123,530	121,831
Other income (expense):				
Interest income	2,735	3,225	4,955	6,091
Interest expense	(2,538)	(3,293)	(5,233)	(6,109)
Other expense, net	(5,306)	(7,036)	(12,162)	(9,162)
<b>Total other expense</b>	<b>(5,109)</b>	<b>(7,104)</b>	<b>(12,440)</b>	<b>(9,180)</b>
Income before provision for income taxes and income (loss) of unconsolidated affiliates	60,161	56,514	111,090	112,651
Provision for income taxes	(16,384)	(17,259)	(29,880)	(35,412)
Income (loss) of unconsolidated affiliates	(17)	16	(22)	79
<b>Net income</b>	<b>\$ 43,760</b>	<b>\$ 39,271</b>	<b>\$ 81,188</b>	<b>\$ 77,318</b>
Net income per share available for distribution:				
Basic	\$ 1.45	\$ 1.31	\$ 2.66	\$ 2.54
Diluted	\$ 1.45	\$ 1.31	\$ 2.66	\$ 2.54
Shares used in per share computations:				
Basic	30,063	29,920	30,041	30,095
Diluted	30,068	29,920	30,044	30,095

See accompanying notes.



**PRICESMART, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(UNAUDITED—AMOUNTS IN THOUSANDS)**

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Net income	\$ 43,760	\$ 39,271	\$ 81,188	\$ 77,318
Other Comprehensive Income, net of tax:				
Foreign currency translation adjustments <sup>(1)</sup>	7,345	6,697	4,492	10,233
Defined benefit pension plan:				
Net gain (loss) arising during period	(1)	(6)	(8)	19
Amortization of prior service cost and actuarial gains included in net periodic pensions cost	57	96	135	192
Total defined benefit pension plan	56	90	127	211
Derivative instruments: <sup>(2)</sup>				
Unrealized gains on change in derivative obligations	2,919	764	2,681	1,938
Unrealized losses on change in fair value of interest rate swaps	(4,170)	(2,428)	(6,310)	(3,679)
Amounts reclassified from accumulated other comprehensive income to other expense, net for settlement of derivatives	816	—	2,960	—
Total derivative instruments	(435)	(1,664)	(669)	(1,741)
Other comprehensive income	6,966	5,123	3,950	8,703
Comprehensive income	<u>\$ 50,726</u>	<u>\$ 44,394</u>	<u>\$ 85,138</u>	<u>\$ 86,021</u>

<sup>(1)</sup> Translation adjustments arising in translating the financial statements of a foreign entity have no effect on the income taxes of that foreign entity. They may, however, affect: (a) the amount, measured in the parent entity's reporting currency, of withholding taxes assessed on dividends paid to the parent entity and (b) the amount of taxes assessed on the parent entity by the government of its country. The Company has determined that the reinvestment of earnings of its foreign subsidiaries are indefinite because of the long-term nature of the Company's foreign investment plans. Therefore, deferred taxes are not provided for on translation adjustments related to non-remitted earnings of the Company's foreign subsidiaries.

<sup>(2)</sup> See Note 8 - Derivative Instruments and Hedging Activities.

See accompanying notes.

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**PRICESMART, INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
**(UNAUDITED—AMOUNTS IN THOUSANDS)**

	Three Months Ended								
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive		Retained Earnings	Treasury Stock		Total Equity
	Shares	Amount		Loss	Shares		Amount		
Balance at November 30, 2023	32,416	\$ 3	\$ 500,795	\$ (160,412)	\$ 855,606	1,899	\$ (113,748)	\$ 1,082,244	
Purchase of treasury stock	—	—	—	—	—	23	(1,766)	(1,766)	
Issuance of restricted stock awards	167	—	—	—	—	—	—	—	
Forfeiture of restricted stock awards	(4)	—	—	—	—	—	—	—	
Stock-based compensation	—	—	4,554	—	—	—	—	4,554	
Dividend paid to stockholders	—	—	—	—	(17,781)	—	—	(17,781)	
Dividend payable to stockholders	—	—	—	—	(17,771)	—	—	(17,771)	
Net income	—	—	—	—	39,271	—	—	39,271	
Other comprehensive income	—	—	—	5,123	—	—	—	5,123	
Balance at February 29, 2024	32,579	\$ 3	\$ 505,349	\$ (155,289)	\$ 859,325	1,922	\$ (115,514)	\$ 1,093,874	
Balance at November 30, 2024	32,634	\$ 3	\$ 519,035	\$ (167,606)	\$ 927,700	1,971	\$ (120,554)	\$ 1,158,578	
Purchase of treasury stock	—	—	—	—	—	27	(2,460)	(2,460)	
Issuance of treasury stock	(65)	—	(4,000)	—	—	(65)	4,000	—	
Issuance of restricted stock awards	123	—	—	—	—	—	—	—	
Forfeiture of restricted stock awards	(2)	—	—	—	—	—	—	—	
Stock-based compensation	—	—	4,529	—	—	—	—	4,529	
Dividend paid to stockholders	—	—	—	—	(19,376)	—	—	(19,376)	
Dividend payable to stockholders	—	—	—	—	(19,411)	—	—	(19,411)	
Net income	—	—	—	—	43,760	—	—	43,760	
Other comprehensive income	—	—	—	6,966	—	—	—	6,966	
Balance at February 28, 2025	32,690	\$ 3	\$ 519,564	\$ (160,640)	\$ 932,673	1,933	\$ (119,014)	\$ 1,172,586	

See accompanying notes.

**PRICESMART, INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
**(UNAUDITED—AMOUNTS IN THOUSANDS)**

	Six Months Ended								
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive		Retained Earnings	Treasury Stock		Total Equity
	Shares	Amount		Loss	Shares		Amount		
Balance at August 31, 2023	31,935	\$ 3	\$ 497,434	\$ (163,992)	\$ 817,559	958	\$ (43,961)	\$ 1,107,043	
Purchase of treasury stock	—	—	—	—	—	967	(71,738)	(71,738)	
Issuance of treasury stock	(3)	—	(185)	—	—	(3)	185	—	
Issuance of restricted stock awards	655	—	—	—	—	—	—	—	
Forfeiture of restricted stock awards	(8)	—	—	—	—	—	—	—	
Stock-based compensation	—	—	8,100	—	—	—	—	8,100	
Dividend paid to stockholders	—	—	—	—	(17,781)	—	—	(17,781)	
Dividend payable to stockholders	—	—	—	—	(17,771)	—	—	(17,771)	
Net income	—	—	—	—	77,318	—	—	77,318	
Other comprehensive income	—	—	—	8,703	—	—	—	8,703	
Balance at February 29, 2024	32,579	\$ 3	\$ 505,349	\$ (155,289)	\$ 859,325	1,922	\$ (115,514)	\$ 1,093,874	
Balance at August 31, 2024	32,571	\$ 3	\$ 514,542	\$ (164,590)	\$ 890,272	1,935	\$ (117,262)	\$ 1,122,965	
Purchase of treasury stock	—	—	—	—	—	63	(5,752)	(5,752)	
Issuance of treasury stock	(65)	—	(4,000)	—	—	(65)	4,000	—	
Issuance of restricted stock awards	189	—	—	—	—	—	—	—	
Forfeiture of restricted stock awards	(5)	—	—	—	—	—	—	—	
Stock-based compensation	—	—	9,022	—	—	—	—	9,022	
Dividend paid to stockholders	—	—	—	—	(19,376)	—	—	(19,376)	
Dividend payable to stockholders	—	—	—	—	(19,411)	—	—	(19,411)	
Net income	—	—	—	—	81,188	—	—	81,188	
Other comprehensive income	—	—	—	3,950	—	—	—	3,950	
Balance at February 28, 2025	32,690	\$ 3	\$ 519,564	\$ (160,640)	\$ 932,673	1,933	\$ (119,014)	\$ 1,172,586	

See accompanying notes.

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**PRICESMART, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED—AMOUNTS IN THOUSANDS)**

	Six Months Ended	
	February 28, 2025	February 29, 2024
<b>Operating Activities:</b>		
Net income	\$ 81,188	\$ 77,318
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	42,629	39,985
Allowance for doubtful accounts	2	(3)
Loss on sale of property and equipment	1,274	522
Deferred income taxes	(1,557)	(371)
Equity in losses (gains) of unconsolidated affiliates	22	(79)
Stock-based compensation	9,022	8,100
Change in operating assets and liabilities:		
Receivables, prepaid expenses and other current assets, non-current assets, accrued salaries and benefits, deferred membership income and other accruals	1,339	(19,224)
Merchandise inventories	(21,009)	(30,885)
Accounts payable	13,475	52,303
Net cash provided by operating activities	126,385	127,666
<b>Investing Activities:</b>		
Additions to property and equipment	(62,812)	(103,477)
Purchases of short-term investments	(68,248)	(98,833)
Proceeds from settlements of short-term investments	51,310	96,945
Proceeds from disposal of property and equipment	242	101
Net cash used in investing activities	(79,508)	(105,264)
<b>Financing Activities:</b>		
Proceeds from long-term bank borrowings	5,441	16,500
Repayment of long-term bank borrowings	(28,298)	(16,383)
Proceeds from short-term bank borrowings	7,574	—
Repayment of short-term bank borrowings	(318)	(2,941)
Cash dividend payments	(19,376)	(17,781)
Purchase of treasury stock	(5,752)	(71,738)
Net cash used in financing activities	(40,729)	(92,343)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	3,045	314
Net increase (decrease) in cash, cash equivalents	9,193	(69,627)
Cash, cash equivalents and restricted cash at beginning of period	136,311	252,202
Cash, cash equivalents and restricted cash at end of period	\$ 145,504	\$ 182,575
Supplemental disclosure of noncash investing activities:		
Capital expenditures accrued, but not yet paid	\$ 3,066	\$ 6,075
Dividends declared but not yet paid	19,411	17,771



**PRICESMART, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)**  
**(UNAUDITED—AMOUNTS IN THOUSANDS)**

The following table provides a breakdown of cash and cash equivalents, and restricted cash reported within the statement of cash flows:

	<b>Six Months Ended</b>	
	<b>February 28, 2025</b>	<b>February 29, 2024</b>
Cash and cash equivalents	\$ 130,363	\$ 170,563
Short-term restricted cash	3,476	2,834
Long-term restricted cash	11,665	9,178
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	<u>\$ 145,504</u>	<u>\$ 182,575</u>

See accompanying notes.

**PRICESMART, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**February 28, 2025**

**NOTE 1 – COMPANY OVERVIEW AND BASIS OF PRESENTATION**

PriceSmart, Inc.'s ("PriceSmart," the "Company," "we" or "our") business consists primarily of international membership shopping warehouse clubs similar to, but typically smaller in size than, warehouse clubs in the United States. As of February 28, 2025, the Company had 54 warehouse clubs in operation in 12 countries and one U.S. territory (ten in Colombia; eight in Costa Rica; seven in Panama; six in Guatemala; five in Dominican Republic; four each in Trinidad and El Salvador; three in Honduras; two each in Nicaragua and Jamaica; and one each in Aruba, Barbados and the United States Virgin Islands), of which the Company owns 100% of the corresponding legal entities (see Note 2 - Summary of Significant Accounting Policies). In addition, the Company opened one new warehouse club in Cartago, Costa Rica in April 2025 and plans to open one new warehouse club in Quetzaltenango, Guatemala in the summer of 2025. As of April 2025, the Company operates 55 warehouse clubs and will operate 56 clubs once the new warehouse club opens in Guatemala. Our operating segments are the United States, Central America, the Caribbean and Colombia.

PriceSmart continues to invest in technology and talent to support the following three major drivers of growth:

1. **Invest in Remodeling Current PriceSmart Clubs, Adding New PriceSmart Locations and Opening More Distribution Centers;**
2. **Increase Membership Value; and**
3. **Drive Incremental Sales via PriceSmart.com and Enhanced Online, Digital and Technological Capabilities.**

**Basis of Presentation** – The interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q for interim financial reporting pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2024 (the "2024 Form 10-K"). The interim consolidated financial statements include the accounts of PriceSmart, Inc., a Delaware corporation, and its subsidiaries. Intercompany transactions between the Company and its subsidiaries have been eliminated in consolidation.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation** – The consolidated financial statements of the Company included herein include the assets, liabilities and results of operations of the Company's wholly owned subsidiaries and subsidiaries in which it has a controlling interest. The consolidated financial statements also include the Company's investment in, and the Company's share of the income (loss) of, joint ventures recorded under the equity method. All significant inter-company accounts and transactions have been eliminated in consolidation. The consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the SEC and reflect all adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to fairly present the financial position, results of operations and cash flows for the periods presented. The results for interim periods are not necessarily indicative of the results for the year.

The Company determines whether any of the joint ventures in which it has made investments is a Variable Interest Entity ("VIE") at the start of each new venture and if a reconsideration event has occurred. At this time, the Company also considers whether it must consolidate a VIE and/or disclose information about its involvement in a VIE. A reporting entity must consolidate a VIE if that reporting entity has a variable interest (or combination of variable interests) and is determined to be the primary beneficiary. If the Company determines that it is not the primary beneficiary of the VIE, then the Company records its investment in, and the Company's share of the

income (loss) of, joint ventures recorded under the equity method. Due to the nature of the joint ventures that the Company participates in and the continued commitments for additional financing, the Company determined these joint ventures are VIEs.

PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In the case of the Company's ownership interest in a real estate development joint venture, both parties to the joint venture share all rights, obligations and the power to direct the activities of the VIE that most significantly impact the VIE's economic performance. As a result, the Company has determined that it is not the primary beneficiary of the VIE and, therefore, has accounted for this entity under the equity method. Under the equity method, the Company's investments in unconsolidated affiliates are initially recorded as an investment in the stock of an investee at cost and are adjusted for the carrying amount of the investment to recognize the investor's share of the earnings or losses of the investee after the date of the initial investment. The Company's ownership interest in a real estate development joint venture the Company has recorded under the equity method as of February 28, 2025 is listed below:

Real Estate Development Joint Venture	Country	Ownership	Basis of Presentation
GolfPark Plaza, S.A.	Panama	50.0 %	Equity <sup>(1)</sup>

<sup>(1)</sup> Joint venture interests are recorded as investment in unconsolidated affiliates on the consolidated balance sheets.

**Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and assumptions take into account historical and forward-looking factors that the Company believes are reasonable. Actual results could differ from those estimates and assumptions.

**Cash and Cash Equivalents** – The Company considers as cash and cash equivalents all cash on deposit, highly liquid investments with a maturity of three months or less at the date of purchase and proceeds due from credit and debit card transactions in the process of settlement. In addition, the Company invests some of our cash in money market funds which are considered equity securities and are held at fair value in Cash and cash equivalents on the consolidated balance sheets. The fair value of money market funds held was \$20.4 million as of February 28, 2025 and \$7.0 million as of August 31, 2024. We receive interest payments from the money market funds which are recorded in the Interest income line item under the Total other expense caption within the consolidated statements of income.

**Restricted Cash** – The following table summarizes the restricted cash reported by the Company (in thousands):

	February 28, 2025	August 31, 2024
Short-term restricted cash	\$ 3,476	\$ 1,383
Long-term restricted cash	11,665	9,564
Total restricted cash <sup>(1)</sup>	\$ 15,141	\$ 10,947

<sup>(1)</sup> Restricted cash consists of cash deposits held within banking institutions in compliance with federal regulatory requirements in Costa Rica and Panama. In addition, the Company is required to maintain a certificate of deposit and/or security deposits of Trinidad dollars, as measured in U.S. dollars, of approximately \$8.1 million with a few of its lenders as compensating balances for several U.S. dollar and euro denominated loans payable over several years. The certificates of deposit will be reduced annually commensurate with the loan balances.

**Short-Term Investments** – The Company considers certificates of deposit and similar time-based deposits with financial institutions with original maturities over three months and up to one year to be short-term investments.

**Long-Term Investments** – The Company considers certificates of deposit and similar time-based deposits with financial institutions with original maturities over one year to be long-term investments.

**Goodwill** – Goodwill totaled \$43.2 million as of February 28, 2025 and August 31, 2024. The Company reviews reported goodwill at the reporting unit level for impairment. The Company tests goodwill for impairment at least annually or when events or changes in circumstances indicate that it is more likely than not that the asset is impaired.

**Receivables** – Receivables consist primarily of credit card receivables and receivables from vendors and are stated net of allowances for credit losses. The determination of the allowance for credit losses is based on the Company's assessment of collectability along with the consideration of current and expected market conditions that could impact collectability.

PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**Tax Receivables** – The Company pays Value Added Tax (“VAT”) or similar taxes, income taxes, and other taxes within the normal course of business in most of the countries in which it operates related to the procurement of merchandise and/or services the Company acquires and/or on sales and taxable income. VAT is a form of indirect tax applied to the value added at each stage of production (primary, manufacturing, wholesale and retail). This tax is similar to, but operates somewhat differently than, sales tax paid in the United States. The Company generally collects VAT from its Members upon sale of goods and services and pays VAT to its vendors upon purchase of goods and services. Periodically, the Company submits VAT reports to governmental agencies and reconciles the VAT paid and VAT received. The net overpaid VAT may be refunded or applied to subsequent returns, and the net underpaid VAT must be remitted to the government. With respect to income taxes paid, if the estimated income taxes paid or withheld exceed the actual income tax due this creates an income tax receivable. In most countries where the Company operates, the governments have implemented additional collection procedures, such as requiring credit card processors to remit a portion of sales processed via credit and debit cards directly to the government as advance payments of VAT and/or income tax. This collection mechanism generally leaves the Company with net VAT and/or income tax receivables, forcing the Company to process significant refund claims on a recurring basis. These refund or offset processes can take anywhere from several months to several years to complete. Additionally, we are occasionally required to make payments for tax assessments that we are appealing, notwithstanding that we believe it is more likely than not we will ultimately prevail.

Minimum tax rules, applicable in some of the countries where the Company operates, require the Company to pay taxes based on a percentage of sales if the resulting tax were greater than the tax payable based on a percentage of income (Alternative Minimum Tax or “AMT”). This can result in AMT payments substantially in excess of those the Company would expect to pay based on taxable income. As the Company believes that, in one country where it operates, it should only be ultimately liable for an income-based tax, it has accumulated income tax receivables of \$11.1 million and \$10.9 million and deferred tax assets of \$4.0 million and \$3.4 million as of February 28, 2025 and August 31, 2024, respectively, in this country.

While the rules related to refunds of income tax receivables in this country are unclear and complex, the Company has not placed any type of allowance on the recoverability of these tax receivables, deferred tax assets or amounts that may be deemed under-paid, because the Company believes that it is more likely than not that it will ultimately succeed in its refund requests and appeals of these rules.

The Company's various outstanding VAT receivables and/or income tax receivables are based on cases or appeals with their own set of facts and circumstances. The Company consults and evaluates with legal and tax advisors regularly to understand the strength of its legal arguments and probability of successful outcomes in addition to its own experience handling complex tax issues. Based on those evaluations, the Company has not placed any type of allowance on the recoverability of the remaining tax receivables or deferred tax assets, because the Company believes that it is more likely than not that it will ultimately succeed in its refund requests.

The Company's policy for classification and presentation of VAT receivables, income tax receivables and other tax receivables is as follows:

- Short-term VAT and Income tax receivables, recorded as Prepaid expenses and other current assets: This classification is used for any countries where the Company's subsidiary has generally demonstrated the ability to recover the VAT or income tax receivable within one year. The Company also classifies as short-term any approved refunds or credit notes to the extent that the Company expects to receive the refund or use the credit notes within one year.
- Long-term VAT and Income tax receivables, recorded as Other non-current assets: This classification is used for amounts not approved for refund or credit in countries where the Company's subsidiary has not demonstrated the ability to obtain refunds within one year and/or for amounts which are subject to outstanding disputes. An allowance is provided against

VAT and income tax receivable balances in dispute when the Company does not expect to eventually prevail in its recovery. The Company does not currently have any allowances provided against VAT and income tax receivables.

## PRICESMART, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the VAT receivables reported by the Company (in thousands):

	February 28, 2025	August 31, 2024
Prepaid expenses and other current assets	\$ 2,927	\$ 3,322
Other non-current assets	34,613	30,845
Total amount of VAT receivables reported	<u>\$ 37,540</u>	<u>\$ 34,167</u>

The following table summarizes the Income tax receivables reported by the Company (in thousands):

	February 28, 2025	August 31, 2024
Prepaid expenses and other current assets	\$ 17,141	\$ 20,088
Other non-current assets	25,036	23,679
Total amount of income tax receivables reported	<u>\$ 42,177</u>	<u>\$ 43,767</u>

**Lease Accounting** – The Company’s leases are operating leases for warehouse clubs and non-warehouse club facilities such as corporate headquarters, regional offices, and regional distribution centers. The Company determines if an arrangement is a lease and classifies it as either a finance or operating lease at lease inception. Operating leases are included in Operating lease right-of-use assets, net; Operating lease liabilities, current portion; and Long-term operating lease liabilities on the consolidated balance sheets. The Company does not have finance leases.

Operating lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. The Company’s leases generally do not have a readily determinable implicit interest rate; therefore, the Company uses a collateralized incremental borrowing rate at the commencement date in determining the present value of future payments. The incremental borrowing rate is based on a yield curve derived from publicly traded bond offerings for companies with credit characteristics that approximate the Company's market risk profile.

In addition, we adjust the incremental borrowing rate for jurisdictional risk derived from quoted interest rates from financial institutions to reflect the cost of borrowing in the Company’s local markets. The Company’s lease terms may include options to purchase, extend or terminate the lease, which are recognized when it is reasonably certain that the Company will exercise that option. The Company does not combine lease and non-lease components.

The Company measures Right-of-use (“ROU”) assets based on the corresponding lease liabilities, adjusted for any initial direct costs and prepaid lease payments made to the lessor before or at the commencement date (net of lease incentives). The lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Variable lease payments are not included in the calculation of the ROU asset and the related lease liability and are recognized as incurred. The Company’s variable lease payments generally relate to amounts the Company pays for additional contingent rent based on a contractually stipulated percentage of sales.

PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In January 2024, the Company purchased its Via Brasil warehouse club's buildings and land, which was previously leased, in Panama City, Panama, for \$33.0 million. Management assessed the fair market value using the market and replacement cost methods and, per the assessment, allocated approximately 88.7% of the purchase price to the land and 11.3% of the purchase price to the building. The transaction resulted in the termination of the related ROU asset, net of tax, and lease liability, net of tax, of \$8.2 million and \$9.1 million, respectively. No gain or loss was recognized as the lease termination occurred due to the purchase of the leased asset. This allocation of the purchase price, after accounting for the impact of the lease termination, resulted in \$28.2 million allocated to the land and \$3.9 million allocated to the building. Additionally, the Company already carried approximately \$8.6 million of leasehold improvements related to the club which have been reclassified to the building and remain on the balance sheet. This purchase triggered a change in the estimate of the depreciable lives of certain leasehold improvements, which were previously limited to the lease term, lowering future annual depreciation. Going forward, we believe the lower annual depreciation expense and the cost savings on straight-line rent expense, partially offset by the depreciation expense on the building, will save approximately \$1.1 million per year, net of tax, within our Warehouse club and other operations expenses in the Company's consolidated statements of income. Additionally, the Company entered into a loan agreement for \$16.5 million, payable over 15 years, to partially fund the purchase of our Via Brasil club. We expect approximately \$1.0 million in interest payments, net of tax, over the next 12 months associated with this loan, which will continue to decrease as the loan balance is paid off over the life of the loan. The interest expense related to this loan will be recorded within the Interest expense caption on the consolidated statements of income.

**Merchandise Inventories** – Merchandise inventories, which include merchandise for resale, are valued at the lower of cost (average cost) or net realizable value. The Company provides for estimated inventory losses and obsolescence based on a percentage of sales. The provision is adjusted every reporting period to reflect the trend of actual physical inventory and cycle count results. In addition, the Company may be required to take markdowns below the carrying cost of certain inventory to expedite the sale of such merchandise.

**Stock Based Compensation** – The Company utilizes three types of equity awards: restricted stock awards (“RSAs”), restricted stock units (“RSUs”) and, performance-based restricted stock units (“PSUs”). Compensation cost related to RSAs, RSUs and PSUs is based on the fair market value at the time of the grant. The Company recognizes the compensation cost related to RSAs and RSUs over the requisite service period as determined by the grant, amortized ratably or on a straight-line basis over the life of the grant. The Company also recognizes compensation cost for PSUs over the performance period of each tranche, adjusting this cost based on the Company's estimate of the probability that performance metrics will be achieved.

The Company accounts for actual forfeitures as they occur. The Company records the tax savings resulting from tax deductions in excess of expense for stock-based compensation and the tax deficiency resulting from stock-based compensation in excess of the related tax deduction as income tax expense or benefit. In addition, the Company reflects the tax savings (deficiency) resulting from the taxation of stock-based compensation as an operating cash flow in its consolidated statement of cash flows.

RSAs are outstanding shares of common stock and have the same cash dividend and voting rights as other shares of common stock. Shares of common stock subject to RSUs are not issued nor outstanding until vested, and RSUs do not have the same dividend and voting rights as common stock. However, all outstanding RSUs have accompanying dividend equivalents, requiring payment to the employees and directors with unvested RSUs of amounts equal to the dividend they would have received had the shares of common stock underlying the RSUs been actually issued and outstanding. Payments of dividend equivalents to employees are recorded as compensation expense.

PSUs, similar to RSUs, are awarded with dividend equivalents, subject to achievement of applicable performance criteria.



PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**Treasury Stock** – Shares of common stock repurchased by the Company are recorded at cost, including transaction costs and excise taxes, as treasury stock and result in the reduction of stockholders' equity in the Company's consolidated balance sheets. The Company may reissue these treasury shares as part of its stock-based compensation programs. When treasury shares are reissued, the Company uses the first in/first out ("FIFO") cost method for determining cost of the reissued shares. If the issuance price is higher than the cost, the excess of the issuance price over the cost is credited to additional paid-in capital ("APIC"). If the issuance price is lower than the cost, the difference is first charged against any credit balance in APIC from treasury stock and the balance is charged to retained earnings. During the six months ended February 28, 2025, the Company reissued approximately 65,000 treasury shares upon vesting of restricted stock units and the award of restricted stock.

**Fair Value Measurements** – The Company measures the fair value for all financial and non-financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring or nonrecurring basis. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor.

ASC 820, Fair Value Measurements and Disclosures, sets forth a fair value hierarchy that categorizes inputs to valuation techniques used to measure and revalue fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The Company was not required to revalue any assets or liabilities utilizing Level 1 or Level 3 inputs at the balance sheet dates. The Company's Level 2 assets and liabilities revalued at the balance sheet dates, on a recurring basis, consisted of cash flow hedges (interest rate swaps and cross-currency interest rate swaps) and forward foreign exchange contracts. In addition, the Company utilizes Level 2 inputs in determining the fair value of long-term debt.

Non-financial assets and liabilities are revalued and recognized at fair value subsequent to initial recognition when there is evidence of impairment. For the periods reported, no impairment of such non-financial assets were recorded.

The Company's current and long-term financial assets and liabilities have fair values that approximate their carrying values. The Company's long-term financial liabilities consist of long-term debt, which is recorded on the balance sheet at issuance price and adjusted for any applicable unamortized discounts or premiums and debt issuance costs. There have been no significant changes in the fair market value of the Company's current and long-term financial assets and liabilities, and there have been no material changes to the valuation techniques utilized in the fair value measurement of assets and liabilities disclosed in the Company's 2024 Annual Report on Form 10-K.

**Derivatives Instruments and Hedging Activities** – The Company uses derivative financial instruments for hedging and non-trading purposes to manage its exposure to changes in interest and currency exchange rates. In using derivative financial instruments for the purpose of hedging the Company's exposure to interest and currency exchange rate risks, the contractual terms of a hedged instrument closely mirror those of the hedged item and are intended to provide a high degree of risk reduction and correlation. Contracts that are effective at meeting the risk reduction and correlation criteria (effective hedge) are recorded using hedge accounting. If a derivative financial instrument is an effective hedge, changes in the fair value of the instrument will be reported in accumulated other comprehensive loss until the hedged item completes its contractual term. Instruments that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, are valued at fair value with unrealized gains or losses reported in earnings during the period of the change.

The Company did not change valuation techniques utilized in the fair value measurement of assets and liabilities presented on the Company's consolidated balance sheets from previous practice during the reporting period. The Company seeks to manage counterparty risk associated with these contracts by limiting transactions to counterparties with which the Company has an established banking relationship. There can be no assurance, however, that this practice effectively mitigates counterparty risk.

PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

*Cash Flow Instruments.* The Company is a party to receive floating interest rate and pay fixed-rate interest rate swaps to hedge the interest rate risk of certain U.S. dollar denominated debt within its international subsidiaries. The swaps are designated as cash flow hedges of interest expense risk. These instruments are considered effective hedges and are recorded using hedge accounting. The Company is also a party to receive variable or fixed interest rate and pay fixed interest rate cross-currency interest rate swaps to hedge the interest rate and currency exposure associated with the expected payments of principal and interest of U.S. denominated debt within its international subsidiaries whose functional currency is other than the U.S. dollar. The swaps are designated as cash flow hedges of the currency risk and interest-rate risk related to payments on the U.S. denominated debt. These instruments are also considered to be effective hedges and are recorded using hedge accounting. Under cash flow hedging, the entire gain or loss of the derivative, calculated as the net present value of the future cash flows, is reported on the consolidated balance sheets in accumulated other comprehensive loss. Amounts recorded in accumulated other comprehensive loss are released to earnings in the same period that the hedged transaction impacts consolidated earnings. Refer to “Note 8 - Derivative Instruments and Hedging Activities” for information on the fair value of interest rate swaps and cross-currency interest rate swaps as of February 28, 2025 and August 31, 2024.

*Fair Value Instruments.* The Company is exposed to foreign currency exchange rate fluctuations in the normal course of business. This includes exposure to foreign currency exchange rate fluctuations on U.S. dollar denominated liabilities within the Company’s international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts that are intended to offset changes in cash flows attributable to currency exchange movements. The contracts are intended primarily to economically address exposure to U.S. dollar merchandise inventory expenditures made by the Company’s international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts are treated for accounting purposes as fair value instruments and do not qualify for derivative hedge accounting, and as such the Company does not apply derivative hedge accounting to record these transactions. As a result, these contracts are valued at fair value with unrealized gains or losses reported in earnings during the period of the change. The Company seeks to mitigate foreign currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any credit-risk-related contingent features and are limited to less than one year in duration.

**Revenue Recognition** – The accounting policies and other disclosures such as the disclosure of disaggregated revenues are described in “Note 3 – Revenue Recognition.”

**Cost of Goods Sold** – The Company includes the cost of merchandise and food service and bakery raw materials in cost of goods sold - net merchandise sales. The Company also includes in cost of goods sold - net merchandise sales the external and internal distribution and handling costs for supplying merchandise, raw materials and supplies to the warehouse clubs, and, when applicable, costs of shipping to Members. External costs include inbound freight, duties, drayage, fees, insurance, and non-recoverable value-added tax related to inventory shrink, spoilage and damage. Internal costs include payroll and related costs, utilities, consumable supplies, repair and maintenance, rent expense and building and equipment depreciation at the Company's distribution facilities and payroll and other direct costs for in-club demonstrations.

For export sales, the Company includes the cost of merchandise and external and internal distribution and handling costs for supplying merchandise in cost of goods sold - exports.

**PRICESMART, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

Vendor consideration consists primarily of volume rebates, time-limited product promotions, cooperative marketing efforts, digital advertising, slotting fees, demonstration reimbursements and prompt payment discounts. Volume rebates and time-limited promotions are recognized on a systematic and rational allocation of the cash consideration as the Company progresses toward earning the rebate, provided the amounts to be earned are probable and reasonably estimable. Cooperative marketing efforts and digital advertising are related to consideration received by the Company from vendors for non-distinct online advertising services on the Company's website and social media platforms. Slotting fees are related to consideration received by the Company from vendors for preferential "end cap" placement of the vendor's products within the warehouse club. Demonstration reimbursements are related to consideration received by the Company from vendors for the in-club promotion of the vendors' products. The Company records the reduction in cost of goods sold on a transactional basis for these programs. On a quarterly basis, the Company calculates the amount of rebates recorded in cost of goods sold that relates to inventory on hand and this amount is reclassified as a reduction to inventory, if significant. Prompt payment discounts are taken in substantially all cases and therefore are applied directly to reduce the acquisition cost of the related inventory, with the resulting effect recorded to cost of goods sold when the inventory is sold.

**Selling, General and Administrative** – Selling, general and administrative costs consist primarily of expenses associated with operating warehouse clubs and non-income based taxes such as alternative minimum taxes based on revenue or sales. These costs include payroll and related costs, utilities, consumable supplies, repair and maintenance, rent expense, building and equipment depreciation, bank fees, credit card processing fees, and amortization of intangibles. Also included in selling, general and administrative expenses are the payroll and related costs for the Company's U.S. and regional management and purchasing centers.

**Pre-Opening Costs** – The Company expenses pre-opening costs (the costs of start-up activities, including organization costs and rent) for new warehouse clubs as incurred.

**Asset Impairment and Closure Costs** – The Company periodically evaluates its long-lived assets for indicators of impairment. Management's judgments are based on market and operational conditions at the time of the evaluation and can include management's best estimate of future business activity. These periodic evaluations could cause management to conclude that impairment factors exist, requiring an adjustment of these assets to their then-current fair value. Future business conditions and/or activity could differ materially from the projections made by management causing the need for additional impairment charges.

**Loss Contingencies and Litigation** – The Company records and reserves for loss contingencies if (a) information available prior to issuance of the consolidated financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the consolidated financial statements and (b) the amount of loss can be reasonably estimated. If one or both criteria for accrual are not met, but there is at least a reasonable possibility that a material loss will occur, the Company does not record and reserve for a loss contingency but describes the contingency within a note and provides detail, when possible, of the estimated potential loss or range of loss. If an estimate cannot be made, a statement to that effect is made.

**Foreign Currency Translation** – The assets and liabilities of the Company's foreign operations are translated to U.S. dollars when the functional currency in the Company's international subsidiaries is the local currency and not U.S. dollars. Assets and liabilities of these foreign subsidiaries are translated to U.S. dollars at the exchange rate on the balance sheet date, and revenue, costs and expenses are translated at average rates of exchange in effect during the period. The corresponding translation gains and losses are recorded as a component of accumulated other comprehensive income or loss. These adjustments will affect net income upon the sale or liquidation of the underlying investment.



## PRICESMART, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table discloses the net effect of translation into the reporting currency on other comprehensive income for these local currency denominated accounts for the three and six months ended February 28, 2025 and February 29, 2024 (in thousands):

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Effect on other comprehensive income due to foreign currency restatement	\$ 7,345	\$ 6,697	\$ 4,492	\$ 10,233

Monetary assets and liabilities denominated in currencies other than the functional currency of the respective entity (primarily U.S. dollars) are revalued to the functional currency using the exchange rate on the balance sheet date. These foreign exchange transaction gains (losses), including transactions recorded involving these monetary assets and liabilities, are recorded as Other income (expense) in the consolidated statements of income (in thousands):

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Currency loss	\$ (5,188)	\$ (7,137)	\$ (11,906)	\$ (9,838)

**Recent Accounting Pronouncements - Not Yet Adopted*****FASB ASC 280 ASU 2023-07—Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures***

In November 2023, the FASB issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures. ASU No. 2023-07 focuses on improving reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The ASU is effective for annual periods beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company expects to adopt ASU No. 2023-07 for our annual reporting for fiscal year 2025. The Company does not expect this guidance to have a material impact on the Company's consolidated financial statements.

***FASB ASC 740 ASU 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures***

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures. ASU No. 2023-09 focuses on income tax disclosures around effective tax rates and cash income taxes paid. The ASU is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company expects to adopt ASU No. 2023-09 for our annual reporting for fiscal year 2026. The Company does not expect this guidance to have a material impact on the Company's consolidated financial statements.

***FASB ASC 220 ASU 2024-03—Income Statement (Topic 220): Disaggregation of Income Statement Expenses***

In November 2024, the FASB issued ASU No. 2024-04, Disaggregation of Income Statement Expenses. ASU No. 2024-03 requires disaggregated disclosure of income statement expenses. The ASU is effective for annual reporting periods beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Early adoption is permitted. The Company expects to adopt ASU No. 2024-03 for our annual reporting for fiscal year 2028. The Company has not yet completed its assessment of the impact of ASU No. 2024-03 on the Company's consolidated financial statements.

### **NOTE 3 – REVENUE RECOGNITION**

#### *Performance Obligations*

The Company identifies each distinct performance obligation to transfer goods (or bundle of goods) or services. The Company recognizes revenue when (or as) it satisfies a performance obligation by transferring control of the goods or services to the customer.

PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

*Net Merchandise Sales.* The Company recognizes merchandise sales revenue, net of sales taxes, on transactions where the Company has determined that it is the principal in the sale of merchandise. These transactions may include shipping commitments and/or shipping revenue if the transaction involves delivery to the customer.

*Membership Fee Revenue.* Membership income represents annual membership fees paid by the Company's warehouse club Members, which are recognized ratably over the 12-month term of the membership. Our membership policy allows Members to cancel their membership in the first 60 days and receive a full refund. After the 60-day period, membership refunds are prorated over the remaining term of the membership. The Company has significant experience with membership refund patterns and expects membership refunds will not be material. Therefore, no refund reserve was required for the periods presented. Membership fee revenue is included in membership income in the Company's consolidated statements of income. The deferred membership fee is included in deferred income in the Company's consolidated balance sheets.

*Platinum Points Reward Programs.* The Company currently offers Platinum Memberships in all of its markets. The Platinum Membership provides Members with a 2% rebate on most items, up to an annual maximum of \$500. The rebate is issued annually to Platinum Members on March 1 and expires August 31. Platinum Members can apply this rebate to future purchases at the warehouse club during the redemption period. The Company records this 2% rebate as a reduction of revenue at the time of the sales transaction. Accordingly, the Company has reduced warehouse sales and has accrued a liability within other accrued expenses and other current liabilities, platinum rewards. The Company has determined that breakage revenue is 5% of the awards issued; therefore, it records 95% of the Platinum Membership liability at the time of sale. Annually, the Company reviews for expired unused rebates outstanding, and the expired unused rebates are recognized as "Other revenue and income" on the consolidated statements of income.

*Co-branded Credit Card Points Reward Programs.* Most of the Company's subsidiaries have points reward programs related to co-branded credit cards. These points reward programs provide incremental points that a Member can use at a future time to acquire merchandise within the Company's warehouse clubs. This results in two performance obligations, the first performance obligation being the initial sale of the merchandise or services purchased with the co-branded credit card and the second performance obligation being the future use of the points rewards to purchase merchandise or services. As a result, upon the initial sale, the Company allocates the transaction price to each performance obligation with the amount allocated to the future use points rewards recorded as a contract liability within other accrued expenses and other current liabilities on the consolidated balance sheet. The portion of the selling price allocated to the reward points is recognized as Net merchandise sales when the points are used or when the points expire. The Company reviews on an annual basis expired points rewards outstanding, and the expired rewards are recognized as Net merchandise sales on the consolidated statements of income within markets where the co-branded credit card agreement allows for such treatment.

*Gift Cards.* Members' purchases of gift cards to be utilized at the Company's warehouse clubs are not recognized as sales until the card is redeemed and the customer purchases merchandise using the gift card. The outstanding gift cards are reflected as other accrued expenses and other current liabilities in the consolidated balance sheets. These gift cards generally have a one-year stated expiration date from the date of issuance and are generally redeemed prior to expiration. However, the absence of a large volume of transactions for gift cards impairs the Company's ability to make a reasonable estimate of the redemption levels for gift cards; therefore, the Company assumes a 100% redemption rate prior to expiration of the gift cards. The Company periodically reviews unredeemed outstanding gift cards, and the gift cards that have expired are recognized as "Other revenue and income" on the consolidated statements of income.

*Co-branded Credit Card Revenue Sharing Agreements.* As part of the co-branded credit card agreements that the Company has entered into with financial institutions within its markets, the Company often enters into revenue sharing agreements. As part of these agreements, in some countries, the Company receives a portion of the interest income generated from the average outstanding balances on the co-branded credit cards from these financial institutions ("interest generating portfolio" or "IGP"). The Company recognizes its

portion of interest received as revenue during the period it is earned. The Company has determined that this revenue should be recognized as “Other revenue and income” on the consolidated statements of income.

PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

*Contract Performance Liabilities*

Contract performance liabilities as a result of transactions with customers primarily consist of deferred membership income, other deferred income, deferred gift card revenue, Platinum points programs, and liabilities related to co-branded credit card points rewards programs which are included in deferred income and other accrued expenses and other current liabilities in the Company's consolidated balance sheets. The following table provides these contract balances from transactions with customers as of the dates listed (in thousands):

	<b>Contract Liabilities</b>	
	<b>February 28, 2025</b>	<b>August 31, 2024</b>
Deferred membership income	\$ 41,307	\$ 36,222
Other contract performance liabilities	\$ 30,534	\$ 15,479

*Disaggregated Revenues*

In the following table, net merchandise sales are disaggregated by merchandise category (in thousands):

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>February 28, 2025</b>	<b>February 29, 2024</b>	<b>February 28, 2025</b>	<b>February 29, 2024</b>
Foods & Sundries	\$ 626,163	\$ 610,665	\$ 1,206,070	\$ 1,168,915
Fresh Foods	403,829	367,199	770,004	696,799
Hardlines	155,260	144,201	299,433	276,771
Softlines	78,262	72,138	146,129	126,957
Food Service and Bakery	58,214	55,607	112,233	105,876
Health Services	12,827	11,106	24,545	20,612
Net Merchandise Sales	<u>\$ 1,334,555</u>	<u>\$ 1,260,916</u>	<u>\$ 2,558,414</u>	<u>\$ 2,395,930</u>

**NOTE 4 – EARNINGS PER SHARE**

The Company presents basic net income per share using the two-class method. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that otherwise would have been available to common stockholders and that determines basic net income per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings that would have been available to common stockholders. A participating security is defined as a security that may participate in undistributed earnings with common stock. The Company's capital structure includes securities that participate with common stock on a one-for-one basis for distribution of dividends. These are the restricted stock awards ("RSAs"), restricted stock units ("RSUs") and performance stock units ("PSUs") issued pursuant to the 2013 Equity Incentive Award Plan, provided that the Company does not include PSUs as participating securities until the performance conditions have been met. RSAs are outstanding shares of common stock and have the same cash dividend and voting rights as other

shares of common stock. Shares of common stock subject to RSUs are not issued nor outstanding until vested, and RSUs do not have the same dividend and voting rights as common stock. However, all outstanding RSUs have accompanying dividend equivalents, requiring payment to the employees and directors with unvested RSUs of amounts equal to the dividend they would have received had the shares of common stock underlying the RSUs been actually issued and outstanding. PSUs, similar to RSUs, are awarded with dividend equivalents, provided that such amounts become payable only if the performance criteria are achieved. At the time the Compensation Committee confirms the performance criteria have been achieved, the corresponding dividend equivalents are paid on the PSUs. The Company determines the diluted net income per share by using the more dilutive of the two class-method or the treasury stock method and by including the basic weighted average of outstanding performance stock units in the calculation of diluted net income per share under the two-class method and including all potential common shares assumed issued in the calculation of diluted net income per share under the treasury stock method.

PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table sets forth the computation of net income per share for the three and six months ended February 28, 2025 and February 29, 2024 (in thousands, except per share amounts):

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Net income	\$ 43,760	\$ 39,271	\$ 81,188	\$ 77,318
Less: Allocation of income to unvested stockholders	(155)	(114)	(1,180)	(893)
Net income available for distribution	\$ 43,605	\$ 39,157	\$ 80,008	\$ 76,425
Basic weighted average shares outstanding	30,063	29,920	30,041	30,095
Add dilutive effect of performance stock units (two-class method)	5	—	3	—
Diluted average shares outstanding	30,068	29,920	30,044	30,095
Basic net income per share	\$ 1.45	\$ 1.31	\$ 2.66	\$ 2.54
Diluted net income per share	\$ 1.45	\$ 1.31	\$ 2.66	\$ 2.54

**NOTE 5 – STOCKHOLDERS’ EQUITY**

**Dividends**

The following table summarizes the dividends declared and paid during fiscal years 2025 and 2024 (amounts are per share):

Declared	Amount	First Payment			Second Payment				
		Record Date	Date Paid	Date Payable	Amount	Record Date	Date Paid	Date Payable	Amount
2/1/2024	\$ 1.16	2/15/2024	2/29/2024	N/A	\$ 0.58	8/15/2024	8/30/2024	N/A	\$ 0.58
4/3/2024	\$ 1.00	4/19/2024	4/30/2024	N/A	\$ 1.00	N/A	N/A	N/A	N/A
2/6/2025	\$ 1.26	2/18/2025	2/28/2025	N/A	\$ 0.63	8/15/2025	N/A	8/29/2025	\$ 0.63

On February 6, 2025 the Company’s Board of Directors declared an annual cash dividend in the total amount of \$1.26 per share, with \$0.63 per share paid on February 28, 2025 to stockholders of record as of February 18, 2025 and \$0.63 per share payable on August 29, 2025 to stockholders of record as of August 15, 2025. The declaration of future dividends (ongoing or otherwise), if any, the amount of such dividends, and the establishment of record and payment dates is subject to final determination by the Board of Directors at its discretion after its review of the Company’s financial performance and anticipated capital requirements, taking into account the uncertain macroeconomic conditions on our results of operations and cash flows.

**Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Loss**

The following tables disclose the effects on accumulated other comprehensive loss of each component of other comprehensive income (loss), net of tax (in thousands):

	<u>Amount</u>
<b>Beginning balance, December 1, 2024</b>	\$ (167,606)
Foreign currency translation adjustments	7,345
Defined benefit pension plans <sup>(1)</sup>	56
Derivative instruments <sup>(2)</sup>	(435)
<b>Ending balance, February 28, 2025</b>	<u>\$ (160,640)</u>

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## PRICESMART, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	<b>Amount</b>
<b>Beginning balance, December 1, 2023</b>	\$ (160,412)
Foreign currency translation adjustments	6,697
Defined benefit pension plans <sup>(1)</sup>	90
Derivative instruments <sup>(2)</sup>	(1,664)
<b>Ending balance, February 29, 2024</b>	<b>\$ (155,289)</b>

	<b>Amount</b>
<b>Beginning balance, September 1, 2024</b>	\$ (164,590)
Foreign currency translation adjustments	4,492
Defined benefit pension plans <sup>(1)</sup>	127
Derivative instruments <sup>(2)</sup>	(669)
<b>Ending balance, February 28, 2025</b>	<b>\$ (160,640)</b>

	<b>Amount</b>
<b>Beginning balance, September 1, 2023</b>	\$ (163,992)
Foreign currency translation adjustments	10,233
Defined benefit pension plans <sup>(1)</sup>	211
Derivative instruments <sup>(2)</sup>	(1,741)
<b>Ending balance, February 29, 2024</b>	<b>\$ (155,289)</b>

	<b>Amount</b>
<b>Beginning balance, September 1, 2023</b>	\$ (163,992)
Foreign currency translation adjustments	693
Defined benefit pension plans <sup>(1)</sup>	501
Derivative instruments <sup>(2)</sup>	(2,189)
Amounts reclassified from accumulated other comprehensive loss	397
<b>Ending balance, August 31, 2024</b>	<b>\$ (164,590)</b>

<sup>(1)</sup> Amounts reclassified from accumulated other comprehensive loss related to the minimum pension liability are included in warehouse club and other operations in the Company's consolidated statements of income.

<sup>(2)</sup> Refer to "Note 8 - Derivative Instruments and Hedging Activities."

***Retained Earnings Not Available for Distribution***

The following table summarizes retained earnings designated as legal reserves of various subsidiaries which cannot be distributed as dividends to PriceSmart, Inc. according to applicable statutory regulations (in thousands):

	<b>February 28, 2025</b>	<b>August 31, 2024</b>
Retained earnings not available for distribution	\$ 9,735	\$ 9,615

## PRICESMART, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**Share Repurchase Program**

In July 2023 we announced a program authorized by our Board of Directors to repurchase up to \$75 million of our common stock. We began repurchases in the fourth quarter of fiscal year 2023 and successfully completed the program in the first quarter of fiscal year 2024. We purchased a total of approximately 1,007,000 shares of our common stock under the program. The repurchases were made on the open market pursuant to a trading plan established pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, which permitted us to repurchase common stock at times when we might otherwise have been precluded from doing so under insider trading laws or self-imposed trading restrictions. We have no plans to continue repurchases or adopt a new repurchase plan at this time. However, the Board of Directors could choose to commence another program in the future at its discretion after its review of the Company's financial performance and anticipated capital requirements.

Share repurchase activity under the Company's repurchase programs for the periods indicated was as follows (total cost in thousands):

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Number of common shares acquired	—	—	—	935,663
Average price per common share acquired	\$ —	\$ —	\$ —	\$ 74.13
Total cost of common shares acquired	\$ —	\$ —	\$ —	\$ 69,362

**NOTE 6 – COMMITMENTS AND CONTINGENCIES****Legal Proceedings**

From time to time, the Company and its subsidiaries are subject to legal proceedings, claims and litigation arising in the ordinary course of business related to the Company's operations and property ownership. The Company evaluates such matters on a case by case basis, and vigorously contests any such legal proceedings or claims which the Company believes are without merit. The Company believes that the final disposition of these matters will not have a material adverse effect on its financial position, results of operations or liquidity. It is possible, however, that the Company's results of operations for a particular quarter or fiscal year could be impacted by changes in circumstances relating to such matters.

The Company establishes an accrual for legal proceedings if and when those matters reach a stage where they present loss contingencies that are both probable and reasonably estimable. In such cases, there may be a possible exposure to loss in excess of any amounts accrued. The Company monitors those matters for developments that would affect the likelihood of a loss and the accrued amount, if any, thereof, and adjusts the amount as appropriate. If the loss contingency at issue is not both probable and reasonably estimable, the Company does not establish an accrual, but will continue to monitor the matter for developments that will make the loss contingency both probable and reasonably estimable. If it is at least a reasonable possibility that a material loss will occur, the Company will provide disclosure regarding the contingency.

PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**Income Taxes**

For interim reporting, we estimate an annual effective tax rate (AETR) to calculate income tax expense. Our income tax expense, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best estimate of current and future taxes to be paid.

We are required to file federal and state income tax returns in the United States and income tax and various other tax returns in multiple foreign jurisdictions, each with changing tax laws, regulations and administrative positions. This requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. We record the benefits of uncertain tax positions in our financial statements only after determining it is more likely than not the uncertain tax positions would sustain challenge by taxing authorities, including resolution of related appeals or litigation processes, if any. We develop our assessment of an uncertain tax position based on the specific facts and legal arguments of each case and the associated probability of our reporting position being upheld, using internal expertise and the advice of third-party experts. However, our tax returns are subject to routine reviews by the various taxing authorities in the jurisdictions in which we file our tax returns. As part of these reviews, taxing authorities may challenge, and in some cases presently are challenging, the interpretations we have used to calculate our tax liability. In addition, any settlement with the tax authority or the outcome of any appeal or litigation process might result, and in some cases has resulted, in an outcome that is materially different from our estimated liability. When facts and circumstances change, we reassess these probabilities and record any changes in the consolidated financial statements as appropriate. Variations in the actual outcome of these cases could materially impact our consolidated financial statements.

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in the future. In evaluating our ability to recover our deferred tax assets in the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. In projecting future taxable income, we begin with historical results and incorporate assumptions about the amount of future state, federal, and foreign pretax operating income adjusted for items that do not have tax consequences. The assumptions about future taxable income require the use of significant judgment and are consistent with the plans and estimates we are using to manage the underlying businesses. In evaluating the objective evidence that historical results provide, we consider three years of cumulative operating income.

In evaluating the exposure associated with various non-income tax filing positions, the Company accrues for probable and estimable exposures for non-income tax related tax contingencies. As of February 28, 2025 and August 31, 2024, the Company has recorded within other accrued expenses and other current liabilities a total of \$1.1 million and \$1.2 million, respectively, for various non-income tax related tax contingencies.

While the Company believes the recorded liabilities are adequate, there are inherent limitations in projecting the outcome of litigation, in estimating probable additional income tax liability taking into account uncertain tax positions and in evaluating the probable additional tax associated with various non-income tax filing positions. As such, the Company is unable to make a reasonable estimate of the sensitivity to change of estimates affecting its recorded liabilities. As additional information becomes available, the Company assesses the potential liability and revises its estimates as appropriate.

Minimum tax rules, applicable in some of the countries where the Company operates, require the payment of taxes based on a percentage of sales, when the resulting tax is greater than the tax payable based on a percentage of income (Alternative Minimum Tax or "AMT"). This can result in AMT payments substantially in excess of those the Company would expect to pay based on taxable income. As the Company believes that, in one country where it operates, it should only be ultimately liable for an income-based tax, it

has accumulated income tax receivables of \$11.1 million and \$10.9 million and deferred tax assets of \$4.0 million and \$3.4 million as of February 28, 2025 and August 31, 2024, respectively, in this country.

## PRICESMART, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**Other Commitments**

The Company is committed to non-cancelable construction service obligations for various warehouse club developments and expansions. As of February 28, 2025 and August 31, 2024, the Company had approximately \$13.8 million and \$14.7 million, respectively, in contractual obligations for construction services not yet rendered.

In July 2023, the Company signed a lease agreement for a facility to be built by the lessor related to the relocation of its warehouse club in Miraflores, Guatemala. As part of the agreement, the landlord has agreed to build a shell building which is estimated to be delivered in the first half of calendar year 2026. Once this building is ready, the Company expects to use approximately \$12.1 million in cash to outfit this club. The lease will have a term of approximately 20 years, with a 5-year renewal option, and will commence upon delivery of the shell building to the Company. Per the lease agreement, the Company will pay monthly fixed base rent payments which increase annually based on the Consumer Price Index. The Company will also pay variable rent payments if the yearly warehouse sales for the location are in excess of a certain threshold. A collateralized incremental borrowing rate was used to determine the present value of estimated future minimum lease commitments. The present value of estimated future minimum lease commitments for this lease are as follows (in thousands):

<b>Twelve Months Ended February 28, (except in case of leap year February 29),</b>	<b>Amount</b>
2027	\$ 559
2028	1,626
2029	1,584
2030	1,543
2031	1,503
Thereafter	19,299
<b>Total future lease payments</b>	<b>\$ 26,114</b>

In the second quarter of fiscal year 2025, the Company entered into an agreement to purchase a building to house its San Diego corporate headquarters. The Company expects to take possession of the building in the third quarter of fiscal year 2025. The total purchase price of the building is approximately \$21.2 million.

From time to time, the Company has entered into general land purchase and land purchase option agreements. The Company's land purchase agreements are typically subject to various conditions, including, but not limited to, the ability to obtain necessary governmental permits or approvals. A deposit under an agreement is typically returned to the Company if all permits or approvals are not obtained. Generally, the Company has the right to cancel any of its agreements to purchase land without cause by forfeiture of some or all of the deposits it has made pursuant to the agreement. As of February 28, 2025, the Company had entered into six land purchase agreements that, if completed, would result in the use of approximately \$22.5 million in cash. Additionally, the Company has signed one executory lease agreement for a distribution center in Guatemala. If the pending contingency is resolved favorably, the Company would expect an increase in its total lease liability of approximately \$11.7 million upon commencement of this lease.

PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The table below summarizes the Company's interest in a real estate joint venture, commitments to additional future investments and the Company's maximum exposure to loss as a result of its involvement in this joint venture as of February 28, 2025 (in thousands):

Entity	% Ownership	Initial Investment	Additional Investments	Net Loss Inception to Date	Company's Variable Interest in Entity	Commitment to Future Additional Investments <sup>(1)</sup>	Company's Maximum Exposure to Loss in Entity <sup>(2)</sup>
GolfPark Plaza, S.A.	50 %	\$ 4,616	\$ 2,402	\$ (158)	\$ 6,860	\$ 99	\$ 6,959

<sup>(1)</sup> The parties intend to seek alternate financing for the project, which could reduce the amount of investments each party would be required to provide. The parties may mutually agree on changes to the project, which could increase or decrease the amount of contributions each party is required to provide.

<sup>(2)</sup> The maximum exposure is determined by adding the Company's variable interest in the entity and any explicit or implicit arrangements that could require the Company to provide additional financial support.

**NOTE 7 – DEBT**

Short-term borrowings consist of unsecured lines of credit and short-term overdraft borrowings. The following table summarizes the balances of total facilities, facilities used and facilities available (in thousands):

	Total Amount of Facilities	Facilities Used			Facilities Available	Weighted average interest rate
		Short-term Borrowings	Letters of Credit			
February 28, 2025 - Committed	\$ 75,000	\$ —	\$ —	\$ 75,000	— %	
February 28, 2025 - Uncommitted	96,000	15,340	—	80,660	9.7 %	
February 28, 2025 - Total	\$ 171,000	\$ 15,340	\$ —	\$ 155,660	9.7 %	
August 31, 2024 - Committed	\$ 75,000	\$ —	\$ 225	\$ 74,775	— %	
August 31, 2024 - Uncommitted	96,000	8,007	—	87,993	11.3 %	
August 31, 2024 - Total	\$ 171,000	\$ 8,007	\$ 225	\$ 162,768	11.0 %	

As of February 28, 2025 and August 31, 2024, the Company was in compliance with all covenants or amended covenants for each of its short-term facility agreements. These facilities generally expire annually or bi-annually and are normally renewed. One of these facilities is a committed credit agreement with one bank for \$75.0 million. In exchange for the bank's commitment to fund any drawdowns the Company requests, the Company pays an annual commitment fee of 0.25%, payable quarterly, on any unused portion of this facility. Additionally, the Company has uncommitted facilities in most of the countries where it operates, with drawdown requests subject to approval by the individual banks each time a drawdown is requested.



PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table provides the changes in long-term debt for the six months ended February 28, 2025:

<i>(Amounts in thousands)</i>	Current portion of long-term debt	Long-term debt (net of current portion)	Total
<b>Balances as of August 31, 2024</b>	\$ 35,917	\$ 94,443	\$ 130,360 <sup>(1)</sup>
<b>Proceeds from long-term debt borrowed during the period:</b>			
Trinidad subsidiary	1,760	3,681	5,441
Total proceeds from long-term debt borrowed during the period	1,760	3,681	5,441
<b>Repayments of long-term debt:</b>	(19,770)	(8,528)	(28,298)
<b>Reclassifications of long-term debt due in the next 12 months</b>	470	(470)	—
Translation adjustments on foreign currency debt of subsidiaries whose functional currency is not the U.S. dollar <sup>(2)</sup>	(116)	(276)	(392)
<b>Balances as of February 28, 2025</b>	\$ 18,261	\$ 88,850	\$ 107,111 <sup>(3)</sup>

<sup>(1)</sup> The carrying amount of non-cash assets assigned as collateral for these loans was \$155.1 million. The carrying amount of cash assets assigned as collateral for these loans was \$1.7 million.

<sup>(2)</sup> These foreign currency translation adjustments are recorded within other comprehensive income.

<sup>(3)</sup> The carrying amount of non-cash assets assigned as collateral for these loans was \$126.7 million. The carrying amount of cash assets assigned as collateral for these loans was \$5.8 million.

As of February 28, 2025 and August 31, 2024, the Company had approximately \$56.1 million and \$76.6 million, respectively, of long-term loans held in the U.S. entity and in several foreign subsidiaries, which require these entities to comply with certain annual or quarterly financial covenants, which include debt service and leverage ratios. The Company was in compliance with all covenants or amended covenants for both periods.

Annual maturities of long-term debt are as follows (in thousands):

<b>Twelve Months Ended February 28, (except in case of leap year February 29),</b>	<b>Amount</b>
2026	\$ 18,261
2027	16,005
2028	41,629
2029	4,427
2030	4,008
Thereafter	22,781
<b>Total</b>	<b>\$ 107,111</b>



PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**NOTE 8 – DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

The Company is exposed to interest rate risk relating to its ongoing business operations. To manage interest rate exposure, the Company enters into hedge transactions (interest rate swaps) using derivative financial instruments. The objective of entering into interest rate swaps is to eliminate the variability of cash flows in the SOFR interest payments associated with variable-rate loans over the life of the loans. As changes in interest rates impact the future cash flow of interest payments, the hedges provide a synthetic offset to interest rate movements.

In addition, the Company is exposed to foreign currency and interest rate cash flow exposure related to non-functional currency long-term debt of one of its wholly owned subsidiaries. To manage this foreign currency and interest rate cash flow exposure, some of the Company's subsidiaries have entered into cross-currency interest rate swaps that convert their U.S. dollar denominated floating interest payments to functional currency fixed interest payments during the life of the hedging instrument. As changes in foreign exchange and interest rates impact the future cash flow of interest payments, the hedges are intended to offset changes in cash flows attributable to interest rate and foreign exchange movements.

These derivative instruments (cash flow hedging instruments) are designated and qualify as cash flow hedges, with the entire gain or loss on the derivative reported as a component of other comprehensive loss. Amounts are deferred in other comprehensive loss and reclassified into earnings in the same income statement line item that is used to present the earnings effect of the hedged item when the hedged item affects earnings.

The Company is exposed to foreign-currency exchange-rate fluctuations in the normal course of business, including foreign-currency exchange-rate fluctuations on U.S. dollar denominated liabilities within its international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts (NDFs) that are intended to offset changes in cash flow attributable to currency exchange movements. These contracts are intended primarily to economically address exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts do not qualify for derivative hedge accounting. The Company seeks to mitigate foreign-currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any credit-risk-related contingent features.

*Cash Flow Hedges*

As of February 28, 2025, all of the Company's interest rate swap and cross-currency interest rate swap derivative financial instruments are designated and qualify as cash flow hedges. The Company formally documents the hedging relationships for its derivative instruments that qualify for hedge accounting.

**PRICESMART, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following table summarizes agreements for which the Company has recorded cash flow hedge accounting for the six months ended February 28, 2025:

Entity	Date Entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Initial US\$ Notional Amount	US\$ Loan Held With	Floating Leg (swap counter-party)	Fixed Rate for PSMT Subsidiary	Settlement Dates	Effective Period of swap
Colombia subsidiary	25-Nov-24	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$18,700,000	PriceSmart, Inc.	6.00%	10.91 %	27th day of each November, February, May and August beginning on February 27, 2025	November 27, 2024 - November 27, 2027
Colombia subsidiary	15-Nov-24	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	3.00%	7.61 %	17th day of each February, May, August and November beginning on February 18, 2025	November 18, 2024 - November 17, 2026
Colombia subsidiary	19-Sep-24	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$12,500,000	PriceSmart, Inc.	4.00%	9.15 %	24th day of each September, December, March and June beginning on December 24, 2024	September 24, 2024 - September 24, 2029
Colombia subsidiary	30-Nov-23	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	5.00%	11.27 %	30th day of each November, May, August and 28th day of each February (except in case of a leap year, 29th day of each February) beginning on February 29, 2024	November 30, 2023 - November 30, 2026
Colombia subsidiary	12-Apr-23	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	4.00%	11.40 %	11th day of each July, October, January and April, beginning on July 11, 2023	April 12, 2023 - April 11, 2028
Colombia subsidiary	3-May-22	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	3.00%	9.04 %	3rd day of each May, August, November and February, beginning on August 3, 2022	May 3, 2022 - May 3, 2027
Panama subsidiary	11-Jul-24	Bank of Nova Scotia ("Scotiabank")	Interest rate swap	\$16,500,000	Bank of Nova Scotia	3-month SOFR with a 2.95% floor	4.43 %	1st day of each March, June, September and December beginning June 3, 2024.	February 29, 2024 - March 1, 2029
PriceSmart, Inc.	7-Nov-16	U.S. Bank, N.A. ("U.S. Bank")	Interest rate swap	\$35,700,000	U.S. Bank	Variable rate 3-month SOFR plus 1.7%	3.65 %	1st day of each month beginning on April 1, 2017	March 1, 2017 - March 1, 2027



PRICESMART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

For the three and six months ended February 28, 2025 and February 29, 2024, the Company included the gain or loss on the hedged items (that is, variable-rate borrowings) in the same line item—interest expense—as the offsetting gain or loss on the related interest rate swaps as follows (in thousands):

Income Statement Classification	Interest expense on		Total
	borrowings <sup>(1)</sup>	Cost of swaps <sup>(2)</sup>	
Interest expense for the three months ended February 28, 2025	\$ 699	\$ 828	\$ 1,527
Interest expense for the three months ended February 29, 2024	\$ 1,054	\$ 657	\$ 1,711
Interest expense for the six months ended February 28, 2025	\$ 1,924	\$ 1,225	\$ 3,149
Interest expense for the six months ended February 29, 2024	\$ 2,116	\$ 1,072	\$ 3,188

<sup>(1)</sup> This amount is representative of the interest expense recognized on the underlying hedged transactions.

<sup>(2)</sup> This amount is representative of the interest expense recognized on the interest rate swaps and cross-currency swaps designated as cash flow hedging instruments.

The total notional balance of the Company's pay-fixed/receive-variable interest rate swaps and cross-currency interest rate swaps was as follows (in thousands):

Floating Rate Payer (Swap Counterparty)	Notional Amount as of	
	February 28, 2025	August 31, 2024
U.S. Bank	\$ 28,156	\$ 28,794
Citibank N.A.	71,200	72,270
Scotiabank	16,500	16,500
Total	\$ 115,856	\$ 117,564

Derivatives listed on the table below were designated as cash flow hedging instruments. The table summarizes the effect of the fair value of interest rate swap and cross-currency interest rate swap derivative instruments that qualify for derivative hedge accounting and its associated tax effect on accumulated other comprehensive income/(loss) (in thousands):

Derivatives designated as cash flow hedging instruments	Balance Sheet Classification	February 28, 2025			August 31, 2024		
		Fair Value	Net Tax Effect	Net OCI	Fair Value	Net Tax Effect	Net OCI
Cross-currency interest rate swaps	Other current assets	\$ —	\$ —	\$ —	\$ 4,030	\$ (1,411)	\$ 2,619
Cross-currency interest rate swaps	Other non- current assets	48	(17)	31	259	(90)	169
Cross-currency interest rate swaps	Other current liabilities	—	—	—	(1,179)	413	(766)
Cross-currency interest rate swaps	Other long-term liabilities	(3,749)	1,312	(2,437)	(1,778)	622	(1,156)
Interest rate swaps	Other non- current assets	1,068	(239)	829	1,223	(274)	949
Interest rate swaps	Other long-term liabilities	(264)	74	(190)	(322)	90	(232)
Net fair value of derivatives designated as hedging instruments		<u>\$ (2,897)</u>	<u>\$ 1,130</u>	<u>\$ (1,767)</u>	<u>\$ 2,233</u>	<u>\$ (650)</u>	<u>\$ 1,583</u>

**PRICESMART, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)***Fair Value Instruments*

From time to time the Company enters into non-deliverable forward foreign-exchange contracts. These contracts are treated for accounting purposes as fair value contracts and do not qualify for derivative hedge accounting. The use of non-deliverable forward foreign-exchange contracts is intended to offset changes in cash flow attributable to currency exchange movements. These contracts are intended primarily to economically hedge exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar.

The following table summarizes the non-deliverable forward foreign exchange contracts that are open as of February 28, 2025:

<b>Financial Derivative (Counterparty)</b>	<b>Subsidiary</b>	<b>Dates Entered into (Range)</b>	<b>Derivative Financial Instrument</b>	<b>Total Notional Amounts (in thousands)</b>	<b>Settlement Dates (Range)</b>
Citibank, N.A. ("Citi")	Colombia	21-Aug-2024 - 20-Feb-2025	Forward foreign exchange contracts (USD)	\$ 22,500	20-Mar-2025 - 25-Sep-2025

Forward derivative gains and (losses) on non-deliverable forward foreign-exchange contracts are included in Other income (expense), net in the consolidated statements of income in the period of change, but the amounts were immaterial for the three and six month periods ended February 28, 2025 and February 29, 2024.

**NOTE 9 – SEGMENTS**

The Company and its subsidiaries are principally engaged in the international operation of membership shopping in 54 warehouse clubs located in 12 countries and one U.S. territory that are located in Central America, the Caribbean and Colombia. In addition, the Company operates distribution centers and corporate offices in the United States. The Company has aggregated its warehouse clubs, distribution centers and corporate offices into reportable segments. The Company's reportable segments are based on management's organization of these locations into operating segments by general geographic location, which are used by management in setting up management lines of responsibility, providing support services, and making operational decisions and assessments of financial performance. Segment amounts are presented after converting to U.S. dollars and consolidating eliminations. Certain revenues, operating costs and inter-company charges included in the United States segment are not allocated to the segments within this presentation, as it is impractical to do so, and they appear as reconciling items to reflect the amount eliminated on consolidation of intersegment transactions. From time to time, the Company revises the measurement of each segment's operating income and net income, including certain corporate overhead allocations, and other measures as determined by the information regularly reviewed by management. When the Company does so, the previous period amounts and balances are reclassified to conform to the current period's presentation.

**PRICESMART, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following tables summarize by segment certain revenues, operating costs and balance sheet items (in thousands):

	United States Operations	Central American Operations	Caribbean Operations <sup>(1)</sup>	Colombia Operations	Reconciling Items <sup>(2)</sup>	Total
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### Three Months Ended February 28, 2025

Revenue from external customers	\$ 3,987	\$ 823,871	\$ 379,866	\$ 156,162	\$ —	\$ 1,363,886
Intersegment revenues	492,536	7,688	1,657	1,813	(503,694)	—
Depreciation, property and equipment	1,838	11,112	5,566	3,251	—	21,767
Operating income	(1,730)	65,485	28,188	5,398	(32,071)	65,270
Net income	(7,293)	56,357	22,720	4,047	(32,071)	43,760
Capital expenditures, net	2,060	20,571	7,042	2,999	—	32,672

### Six Months Ended February 28, 2025

Revenue from external customers	\$ 13,605	\$ 1,584,167	\$ 725,248	\$ 298,810	\$ —	\$ 2,621,830
Intersegment revenues	1,008,130	17,021	3,482	2,839	(1,031,472)	—
Depreciation, property and equipment	3,606	22,056	10,571	6,396	—	42,629
Operating income	(3,270)	125,200	54,278	9,823	(62,501)	123,530
Net income	(13,538)	107,278	44,397	5,552	(62,501)	81,188
Long-lived assets (other than deferred tax assets)	71,123	637,494	228,800	200,425	—	1,137,842
Goodwill	8,981	24,208	10,029	—	—	43,218
Total assets	213,789	1,106,010	487,795	285,071	—	2,092,665
Capital expenditures, net	2,632	36,016	16,932	5,464	—	61,044

### Three Months Ended February 29, 2024

Revenue from external customers	\$ 8,511	\$ 780,314	\$ 356,422	\$ 146,703	\$ —	\$ 1,291,950
Intersegment revenues	435,307	8,462	1,308	1,264	(446,341)	—
Depreciation, property and equipment	1,383	10,688	4,876	3,544	—	20,491
Operating income	7,896	61,310	26,718	4,592	(36,898)	63,618
Net income	3,092	50,573	21,019	1,485	(36,898)	39,271
Capital expenditures, net	708	51,932	10,338	4,409	—	67,387

### Six Months Ended February 29, 2024

Revenue from external customers	\$ 18,520	\$ 1,480,881	\$ 683,389	\$ 275,635	\$ —	\$ 2,458,425
Intersegment revenues	881,644	14,554	2,708	2,289	(901,195)	—
Depreciation, property and equipment	2,707	20,698	9,697	6,883	—	39,985
Operating income	17,845	118,212	50,050	8,209	(72,485)	121,831
Net income	6,417	99,106	40,100	4,180	(72,485)	77,318
Long-lived assets (other than deferred tax assets)	78,907	609,451	214,237	211,251	—	1,113,846
Goodwill	8,981	24,116	10,034	—	—	43,131
Total assets	223,669	1,088,645	434,125	290,337	—	2,036,776
Capital expenditures, net	3,647	73,272	19,327	8,223	—	104,469

### As of August 31, 2024

Long-lived assets (other than deferred tax assets)	\$ 72,727	\$ 614,382	\$ 224,019	\$ 199,404	\$ —	\$ 1,110,532
Goodwill	8,981	24,116	10,034	—	—	43,197
Investment in unconsolidated affiliates	—	6,882	—	—	—	6,882

- (1) Management considers its club in the U.S. Virgin Islands to be part of its Caribbean operations.
- (2) The reconciling items reflect the amount eliminated on consolidation of intersegment transactions.

**NOTE 10 – SUBSEQUENT EVENTS**

The Company has evaluated all events subsequent to the balance sheet date as of February 28, 2025 through the date of issuance of these consolidated financial statements and has determined that there are no subsequent events that require disclosure.

**PRICESMART, INC.**

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**Forward-Looking Statements**

This Quarterly Report on Form 10-Q contains forward-looking statements concerning PriceSmart, Inc.'s ("PriceSmart", the "Company", "we" or "our") anticipated future revenues and earnings, adequacy of future cash flows, omni-channel initiatives, proposed warehouse club openings, the Company's performance relative to competitors 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 the risks detailed in this Quarterly Report under the heading "Part II. Item 1A. Risk Factors" and in the Annual Report on Form 10-K under the heading "Part I. Item 1A. Risk Factors" and "Part I Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended August 31, 2024 filed with the United States Securities and Exchange Commission ("SEC") on October 30, 2024. Forward-looking statements speak only as of the date they are made, and we do not undertake to update these statements, except as required by law. In addition, these risks are not the only risks that the Company faces. The Company could also be affected by additional factors that apply to all companies operating globally and in the U.S., as well as other risks that are not presently known to the Company or that the Company currently considers to be immaterial.

**Overview**

PriceSmart was founded in 1996 by Sol and Robert Price, the creators of Price Club, the original warehouse club operator. The mission of PriceSmart is to operate its warehouse club business in the countries in which we do business at operating standards as good as, or superior to, warehouse club operations in the United States.

In March 2025, the Company announced that Robert Price has notified the Board of Directors of his intention to step down as Interim Chief Executive Officer effective August 31, 2025. David Price, the Company's current Executive Vice President and Chief Transformation Officer and member of the Board of Directors, has been appointed Chief Executive Officer effective September 1, 2025, and Robert Price will become Executive Chairman of the Board of Directors at that time.

Currently, as of April 2025, we have 55 warehouse clubs in operation in 12 countries, plus the U.S. Virgin Islands, with revenues in excess of \$4.9 billion in fiscal year 2024. We believe PriceSmart has become one of the most respected and trusted brands in the region. With nearly two million membership accounts and almost four million cardholders, we believe PriceSmart is an essential part of the shopping experience for consumers and small businesses in PriceSmart's markets.

The annual fee for a Diamond Membership in most markets as of February 28, 2025 was approximately \$40, and our Platinum Members generally pay \$80 per year in exchange for an annual 2% cash-back rebate, up to an annual maximum of \$500. Membership fees contribute to our ability to operate our business on lower margins than conventional retailers. We believe membership also provides a sense of identity and loyalty that, in turn, reduces the need for PriceSmart to spend money on advertising.

PriceSmart sources approximately half of its merchandise from suppliers within the region, with the balance of merchandise sourced throughout the rest of the world. Product selection includes basic consumable merchandise for consumers and businesses, "Member's Selection"® private label merchandise and unique consumable and non-consumable products that are often not otherwise available in our markets.

PriceSmart continually focuses on innovation. In recent years, PriceSmart has added optical, audiology, and pharmacy services in many of its locations. PriceSmart provides online shopping to our Members and offers both home delivery and curbside pickup via Click & Go®. PriceSmart is making significant investments in technology to both improve the online shopping experience for its Members and to enhance operating efficiencies in its supply chain and the back office.

PriceSmart seeks to provide the best working conditions possible for our almost 12,000 employees. We seek to provide safe and pleasant working environments for our employees, along with excellent pay and benefits, including healthcare coverage and retirement benefits.

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PriceSmart is committed to improving the quality of life for people living in the communities in which it does business. In partnership with Price Philanthropies Foundation, PriceSmart provides school supplies to approximately 150,000 children, and eye exams to thousands of children through its Aprender y Crecer program. In addition, the PriceSmart Foundation makes grants to support work force development and small business entrepreneurship, and for disaster relief response.

We believe that operating our business at the highest standards, providing outstanding jobs for our employees and being good stewards of the communities in which we operate result in PriceSmart being a good investment for our stockholders.

The number of warehouse clubs for each country or territory were as follows:

<b>Country/Territory</b>	<b>Number of Warehouse Clubs in Operation as of February 29, 2024</b>	<b>Number of Warehouse Clubs in Operation as of February 28, 2025</b>	<b>Anticipated Warehouse Club Openings in Fiscal Year 2025</b>
Colombia	10	10	—
Costa Rica	8	8	1 <sup>(1)</sup>
Panama	7	7	—
Guatemala	6	6	1
Dominican Republic	5	5	—
Trinidad	4	4	—
El Salvador	4	4	—
Honduras	3	3	—
Nicaragua	2	2	—
Jamaica	2	2	—
Aruba	1	1	—
Barbados	1	1	—
U.S. Virgin Islands	1	1	—
Totals	54	54	2

<sup>(1)</sup> In April 2025, we opened one new warehouse club in Costa Rica, located in Cartago, approximately 10 miles east from the nearest club in the capital of San Jose. As of April 2025, the Company operates 55 warehouse clubs.

Our warehouse clubs, one regional distribution center and several smaller local distribution centers are located in Latin America and the Caribbean, and our corporate headquarters, U.S. buying operations and our larger regional distribution center are located in the United States. Our operating segments are the United States, Central America, the Caribbean and Colombia.

In the first quarter of fiscal year 2025, we finalized execution of a land lease and plan to open our seventh warehouse club in Guatemala, located in Quetzaltenango, approximately 122 miles west from the nearest club in the capital of Guatemala City. This club is currently under construction and being built on a four-acre property and is anticipated to open in the summer of 2025. Once this new club is open the Company will operate 56 warehouse clubs.

We also historically exported products to a retailer in the Philippines, but effective August 31, 2024, our business relationship with that retailer ceased, except for some outstanding merchandise orders being fulfilled during the current fiscal year. However, we are exploring expansion of our export business in other markets and recently began exporting to a retailer in the Bahamas.

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### **Factors Affecting the Business**

*Overall economic trends, foreign currency exchange volatility, and other factors impacting the business.*

Our sales and profits vary from market to market depending on general economic factors, including GDP growth; consumer preferences; foreign currency exchange rates; political and social conditions; local demographic characteristics (such as population growth); the number of years we have operated in a particular market; and the level of retail and wholesale competition in that market. The economies of many of our markets are dependent on foreign trade, tourism, and foreign direct investments. Uncertain economic conditions and slowdown in global economic growth and investment may impact the economies in our markets, causing significant declines in GDP and employment and devaluations of local currencies against the U.S. dollar.

Although inflationary pressures have subsided somewhat, substantial product cost increases and commodity price increases have and could again impact our financial results and could lead to reduced sales, fewer units sold, and/or margin pressure. The COVID-19 pandemic resulted, directly or indirectly, in market and supply-chain disruptions, which increased the complexity of managing our inventory flow and business and resulted in substantial inventory markdowns on certain non-food product categories in the third quarter of fiscal year 2022. In addition, shipping and freight rates increased dramatically during that time. Similar challenges could reoccur in the future. While supply chains and transportation rates have normalized, we continue to work to hold down and/or mitigate price increases passed on to our Members while maintaining the right inventory mix to grow sales. One key factor has been our expanded network of distribution centers, which has facilitated alternative shipping routes, increased merchandise throughput, and provided flexibility to mitigate our supply chain challenges and risks more effectively.

Currency fluctuation can be one of the largest variables affecting our overall sales and profit performance because many of our markets are susceptible to foreign currency exchange rate volatility. In the second quarter of fiscal year 2025, some markets, primarily Costa Rica, benefited from currency appreciation, which helped partially offset currency devaluations we experienced in some of the other countries where we operate, primarily Colombia and the Dominican Republic. During the first six months of fiscal years 2025 and 2024, approximately 80.0% and 79.6%, respectively, of our net merchandise sales were in currencies other than the U.S. dollar. Of those sales, 49.6% and 49.4% consisted of sales of products we purchased in U.S. dollars.

A devaluation of local currency reduces the value of sales and membership income that is generated in that country when translated to U.S. dollars for our consolidated results. In addition, when local currency experiences devaluation, we may elect to increase the local currency price of imported merchandise to maintain our target margins, which could impact demand for the merchandise affected by the price increase. Alternatively, we may elect not to raise prices to fully cover the impact of the devaluation, adversely affecting our margins. For example, during fiscal year 2023, the currency in Colombia devalued approximately 15%, but we held pricing steady or took pricing actions to mitigate declines in demand, which negatively impacted our consolidated Total Gross Margin rate. We may also modify the mix of imported versus local merchandise and/or the source of imported merchandise to mitigate the impact of currency fluctuations. Information about the effect of local currency devaluations is discussed further in “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Net Merchandise Sales and Comparable Sales.”

Our wallet-share capture of total retail and wholesale sales can vary from market to market due to competition and the availability of other shopping options for our Members. Demographic characteristics within each of our markets can affect both the overall level of sales and future sales growth opportunities. Certain island markets, such as Aruba, Barbados and the U.S. Virgin Islands, offer limited upside for sales growth given their overall market size.

We continue to face the risk of political instability which may have significant effects on our business. For example, protestors set up roadblocks in Panama during October and November 2023 as a reaction to an agreement between the Panamanian government and a mining company, disrupting traffic to our clubs throughout most of the market. Roadblocks in Guatemala in October 2023 related to

election protests also limited access to certain of our warehouse clubs. Civil unrest in Colombia in response to tax reform and austerity measures paralyzed significant portions of the country's infrastructure during the third quarter of fiscal year 2021.

Our operations are subject to volatile weather conditions and natural disasters. In November 2020, Hurricanes Eta and Iota brought severe rainfall, winds, and flooding to a significant portion of Central America, especially Honduras, which caused significant damage to parts of that country's infrastructure. Although our warehouse clubs were not significantly affected and we were able to manage our supply chain to keep our warehouse clubs stocked with merchandise, similar natural disasters could adversely impact our overall sales, costs and profit performance in the future.

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At times we face difficulties in the shipment of, and the risks inherent in the importation of, merchandise to our warehouse clubs. One of those difficulties is possible governmental restrictions on the importation of merchandise. In late May 2023, disputes with Nicaraguan customs and tax authorities resulted in delays in the issuance of our importation clearance, and general delays in the customs inspection process. While this situation has occurred frequently in the last few years, we generally have been able to plan around these import blockages and resume imports within a matter of days. However, the most recent delay in obtaining importation clearance resulted in our being unable to import merchandise into Nicaragua for several weeks in June 2023. While our tax clearances and imports have returned to a normal cadence, we could see delays of imports into Nicaragua again as well as in other jurisdictions in which we operate.

Our operations depend on shipping, trucking, ports and other elements of the supply chain that often rely on unionized labor. A work stoppage or other limitation on operations from union or other labor-related matters could occur for any number of reasons, including as a result of disputes under existing collective bargaining agreements with labor unions or in connection with negotiation of new collective bargaining agreements. For example, while it did not impact our export activities, we experienced a brief disruption to the flow of imported merchandise into our Miami distribution center operations because of the U.S. dockworkers strike in October 2024.

Current uncertainties about increases in tariffs of imported products from countries may have an adverse effect on our Company. In April 2025, the U.S. government announced a baseline tariff of 10% on products from all countries and an additional individualized reciprocal tariff on the countries with which the United States has the largest trade deficits. While we are evaluating the potential impacts of these proposed tariffs, as well as our ability to mitigate their related impacts, this may affect our revenue and cost of goods. For additional information, see "Item 1A — Risk Factors — We are vulnerable to changes in the political and economic conditions such as tariffs and/or international trade wars and disruptions to remittances."

Changes in tax laws, increases in the enacted tax rates, adverse outcomes in connection with tax audits in any jurisdiction, or any change in the pronouncements relating to accounting for income taxes could have a material adverse effect on our financial condition and results of operations. In one of the countries where we operate, the government made changes several years ago in the method of computing minimum tax payments, under which the government sought to require retailers to pay taxes based on a percentage of sales if the resulting tax were greater than the tax payable based on a percentage of income (Alternative Minimum Tax or "AMT"). We, together with our tax and legal advisers, appealed these interpretations and litigated our cases in the country's court system. Nevertheless, in fiscal year 2023, we recorded a \$7.2 million charge to settle the minimum tax payment dispute. To address the inherent risk of operating in a country in which tax legislation changes can significantly impact our low margin business model and in which our ability to successfully appeal the application of these taxes is limited, we have increased prices in this market to offset or partially offset the rise in costs to comply with the annual AMT payment. These and other challenges may persist or become more acute and could have a material adverse effect on our business and results of operations.

From time to time, we have experienced a lack of availability of U.S. dollars in certain markets (U.S. dollar illiquidity). This impedes our ability to convert local currencies obtained through merchandise sales into U.S. dollars to settle the U.S. dollar liabilities associated with our imported products or otherwise fund our operations. This illiquidity also increases our foreign exchange exposure to any devaluation of the local currency relative to the U.S. dollar. Additionally, we may incur significant premium costs to convert our local currencies into available tradable currencies and U.S. dollars. For instance, since fiscal year 2017, we have experienced this situation in Trinidad and have been unable to source a sufficient level of tradable currencies. We are working with our banks in Trinidad and government officials to convert all of our Trinidad dollars into tradable currencies. Our balance as of February 28, 2025 of Trinidad dollar denominated cash and cash equivalents and short and long-term investments measured in U.S. dollars was \$75.6 million, a decrease of \$24.9 million from the peak of \$100.5 million as of November 30, 2020. However, as the Trinidad central bank strictly manages the exchange rate of the Trinidad dollar with the U.S. dollar and affects the level of U.S. Dollar liquidity in the market through its interventions, we are subject to continued challenges in converting our Trinidad dollars to U.S. dollars, as well as being exposed to the risk of a potential devaluation of the currency.

Additionally, during fiscal year 2023, the Honduran Central Bank began limiting the availability and controlling the allocation of U.S. dollars for the conversion from Honduran lempiras to U.S. dollars. We are actively working with our banking partners and government authorities to address this situation. As of February 28, 2025, our Honduran subsidiary had approximately \$1.7 million of cash and cash equivalents and short-term investments denominated in lempiras, which cannot be readily converted to U.S. dollars for general use within the Company.

## Mission and Business Strategy

PriceSmart exists to improve the lives and businesses of our Members, our employees and our communities through the responsible delivery of the best quality goods and services at the lowest possible prices. We aim to serve as a model company, which operates profitably and provides a good return to our investors, by providing Members in emerging and developing markets with exciting, high-quality merchandise sourced from around the world and valuable services at compelling prices in safe U.S.-style clubs and through PriceSmart.com. We prioritize the well-being and safety of our Members and employees. We provide good jobs, fair wages and benefits and opportunities for advancement. We strive to treat our suppliers right and empower them when we can, including both our regional suppliers and those from around the world. We try to conduct ourselves in a socially responsible manner as we endeavor to improve the quality of the lives of our Members and their businesses, while respecting the environment and the laws of all the countries in which we operate. We also believe in facilitating philanthropic contributions to the communities in which we do business. We charge Members an annual membership fee that enables us to operate our business with lower margins than traditional retail stores. As we continue to invest in technological capabilities, we are increasing our tools to drive sales and operational efficiencies. We believe we are well positioned to blend the excitement and appeal of our brick-and-mortar business with the convenience and additional benefits of online shopping and services and, meanwhile, enhance Member experience and engagement.

## Growth

As we look to the future, our Company is focused on three major drivers of growth:

- *Invest in Adding New PriceSmart Locations, Remodeling Current PriceSmart Clubs and Opening More Distribution Centers*
- *Increase Membership Value*
- *Drive Incremental Sales via PriceSmart.com and Enhanced Online, Digital and Technological Capabilities*

**I. *Invest in Adding New PriceSmart Locations, Remodeling Current PriceSmart Clubs and Opening More Distribution Centers.*** In April 2025, we opened a new warehouse club in Cartago, near the capital of San Jose, in Costa Rica. In the first quarter of fiscal year 2025, we finalized the execution of a land lease and have begun construction of a new warehouse club, which will be our seventh warehouse club in Guatemala, and the first in the city of Quetzaltenango. We expect to open this warehouse club in the summer of 2025. Additionally, we believe that one of the quickest and most effective ways to increase sales and profitability is to increase the size and efficiency of our existing warehouse clubs and the number of parking spaces at our high-volume locations. In the second quarter of fiscal year 2025, we completed the expansions of our warehouse clubs in San Salvador, El Salvador and Portmore, Jamaica. During fiscal year 2024, we entered into a lease agreement to relocate and extend the lease term for our Miraflores club, which is our highest selling location in Guatemala. The new warehouse will have increased sales floor square footage and a greater number of parking spaces, along with covered parking for our Members. We continue to pursue opportunities to add new warehouse clubs in our existing markets and to assess opportunities in new markets. We are enhancing our distribution and logistics network through the opening of distribution centers in China and in each of our multi-club markets, either operated by PriceSmart or through the use of third-party logistics providers. We expect to reduce landed costs and lead times (via direct shipments from Asia to our local markets) and improve our working capital. In addition to our regional distribution center in Costa Rica, we have PriceSmart-operated distribution centers in various stages of development and implementation in markets such as Guatemala, Trinidad, Dominican Republic and a cold distribution center in Panama.

- II. *Increase Membership Value.*** At PriceSmart, we are dedicated to attracting new Members and fostering long-term loyalty by continually enhancing the value of membership. In addition to providing low prices on merchandise, we seek to provide Members with greater convenience and an expanding range of services. This includes access to PriceSmart.com for online transactions, seamless club pickup and delivery services, and our comprehensive Well-being initiative. Members enjoy optical services with free eye exams, discounted eyeglass frames, audiology services with hearing tests, and competitive pricing on hearing aids. In select markets, pharmacy services further enrich the PriceSmart membership experience. As benefits grow and the value of being a PriceSmart Member increases, adjustments to the membership fee may be warranted. A larger membership base and higher membership fee contribute to the bottom line of the business or can be reinvested in providing better pricing to our Members. We focus on growth of our membership base, Member renewal rates and spend per Member as part of determining how Members see our value. A key driver of our membership strategy is the Platinum Membership, which is designed to offer even more value to our most engaged Members. Platinum Members enjoy exclusive benefits, including an annual cashback reward on eligible purchases, which directly translates to savings that reward loyalty and increase purchasing power. By offering tangible financial rewards, we position PriceSmart as the go-to solution for Members seeking long-term value. Platinum Members tend to demonstrate higher renewal rates and increased spending compared to other membership tiers. Platinum Membership accounts were 14.5% of our total membership base as of February 28, 2025, an increase from 9.6% as of February 29, 2024. This directly contributes to the Company's revenue growth and reinforces our commitment to providing best-in-class value for our Members. Additionally, our private-label products that we sell under the Member's Selection® brand plays a crucial role in enhancing the membership value proposition. We believe these products, available only at PriceSmart, deliver superior value while maintaining the high standards that our Members expect. Sourced with care and designed to meet everyday needs, Member's Selection products range from pantry staples to household essentials, providing affordable alternatives without compromising on quality. During the first six months of fiscal year 2025, our private-label sales represented 27.4% of total merchandise sales, up from 27.1% in the same period of fiscal year 2024, and we plan to continue to invest in the development of additional private-label products under the Member's Selection® brand. By continuously enhancing our benefits and maintaining a strong focus on membership growth, renewal rates, and Member spending, we reinforce our mission to provide Members with unmatched value, whether they choose to shop online, in-club, or both. As PriceSmart continues to grow, we look forward to reinvesting in new benefits and services that enhance the Member experience, creating a mutually beneficial relationship built on trust, value, and innovation.
- III. *Drive Incremental Sales via PriceSmart.com and Enhanced Online, Digital and Technological Capabilities.*** We recognize the growing expectation of consumers to control their shopping experience. Consumers are more engaged than ever before and want access 24 hours a day and seven days a week. We've continued to tailor our digital experience to match this expectation and meet our Members when and where they want to shop. In fiscal year 2024, we completed a country-by-country roll out of our new PriceSmart.com website and mobile application (Android and iOS) to complement our in-club shopping. The website and app use a MACH or headless architecture, which is designed for speed and scalability. We can now build and release new Member-facing digital experiences without a full, end-to-end, technology redevelopment. This provides us the opportunity to continually strengthen and expand the scope of our relationship with each Member and offer new products and services in the future. Additionally, we can strengthen our data analytics around Member behavior on the website and app to better serve their preferences. Identification of delivery service areas, patterns in site searches, most viewed items and segmented homepage offerings are a few examples of the capabilities we now have through our investment in the digital experience for the Member. We are also continually finding ways to deploy technology that improves efficiency. For example, we have and will continue to enhance our order picking technology to reduce the time it takes to fulfill an order for the Member. This allows us to meet our Member's service expectations and expand our capacity for more orders.



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### **Financial highlights for the second quarter of fiscal year 2025 included:**

- Total revenues increased 5.6% over the comparable prior-year period.
- Net merchandise sales increased 5.8% over the comparable prior-year period. We ended the second quarter of fiscal years 2025 and 2024 with 54 warehouse clubs. Net merchandise sales - constant currency increased 7.0% over the comparable prior-year period.
- Comparable net merchandise sales (that is, sales in the 53 warehouse clubs that have been open for more than 13 ½ calendar months) for the 13 weeks ended March 2, 2025 increased 6.7%. Comparable net merchandise sales - constant currency for the 13 weeks ended March 2, 2025 increased 7.9%.
- Membership income for the second quarter of fiscal year 2025 increased 12.8% to \$20.9 million over the comparable prior year period.
- Total gross margins (net merchandise sales less associated cost of goods sold) increased 5.0% over the prior-year period, and merchandise gross profits as a percent of net merchandise sales were 15.6%, a decrease of 10 basis points or 0.1% from the same period in the prior year.
- Selling, general and administrative expenses increased 7.0% compared to the second quarter of fiscal year 2024, primarily due to investments in technology.
- Operating income for the second quarter of fiscal year 2025 was \$65.3 million, an increase of 2.6%, or \$1.7 million, compared to the second quarter of fiscal year 2024.
- We recorded a \$5.1 million net loss in total other expense in the second quarter of fiscal year 2025 compared to a \$7.1 million net loss in total other expense in the same period last year. This decrease in total other expense was primarily due to a decrease in other expense, net of \$1.7 million, primarily driven by a decrease in unrealized losses in value of U.S. dollar denominated monetary assets and liabilities in several of our markets.
- Our effective tax rate decreased in the second quarter of fiscal year 2025 to 27.2% from 30.5% in the second quarter of fiscal year 2024. The decrease in the effective tax rate is primarily related to our implementation of certain tax optimization initiatives at the end of fiscal year 2024.
- Net income for the second quarter of fiscal year 2025 was \$43.8 million, or \$1.45 per diluted share, compared to \$39.3 million, or \$1.31 per diluted share, in the second quarter of fiscal year 2024.
- Adjusted EBITDA for the second quarter of fiscal year 2025 was \$87.0 million compared to \$84.1 million in the same period last year.

### **Financial highlights for the six months ended February 28, 2025 included:**

- Total revenues increased 6.6% over the comparable prior year period.
- Net merchandise sales increased 6.8% over the comparable prior year period. We ended the first six months of fiscal years 2025 and 2024 with 54 warehouse clubs. Net merchandise sales - constant currency increased 7.6% over the comparable prior year period.
- Comparable net merchandise sales (that is, sales in the 53 warehouse clubs that have been open for greater than 13 ½ calendar months) for the 26 weeks ended March 2, 2025 increased 6.2%. Comparable net merchandise sales - constant currency for the 26 weeks ended March 2, 2025 increased by 7.1%.
- Membership income increased 13.3% to \$41.1 million over the comparable prior-year period.
- Total gross margins (net merchandise sales less associated cost of goods sold) increased 5.7% over the comparable prior year period and total gross margins as a percent of net merchandise club sales were 15.7%, a decrease of 20 basis points or 0.2%, from the same period in the prior year.
- Selling, general and administrative expenses increased 8.5% compared to the first six months of fiscal year 2024, primarily due to investments in technology.

- Operating income was \$123.5 million, an increase of 1.4%, or \$1.7 million, compared to the first six months of fiscal year 2024.
- We recorded a \$12.4 million net loss in total other expense in the first six months of fiscal year 2025 compared to a \$9.2 million net loss in total other expense in the same period last year. The increase in total other expense was primarily due to an increase in other expense, net of \$3.0 million, primarily driven by an increase in total foreign currency transaction losses.
- Our effective tax rate decreased for the first six months of fiscal year 2025 to 26.9%, as compared to the effective tax rate for the first six months of fiscal year 2024 of 31.4%. The decrease in the effective tax rate is primarily related to our implementation of certain tax optimization initiatives at the end of fiscal year 2024.
- Net income for the first six months of fiscal year 2025 was \$81.2 million, or \$2.66 per diluted share, compared to \$77.3 million, or \$2.54 per diluted share, in the comparable prior year period.
- Adjusted EBITDA for the first six months of fiscal year 2025 was \$166.1 million compared to \$161.9 million in the same period last year.

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### Non-GAAP (Generally Accepted Accounting Principles) Financial Measures

The accompanying Consolidated Financial Statements, including the related notes, are presented in accordance with U.S. GAAP (Generally Accepted Accounting Principles). In addition to relevant GAAP measures, we also provide non-GAAP measures including adjusted EBITDA, net merchandise sales - constant currency and comparable net merchandise sales - constant currency because management believes these metrics are useful to investors and analysts by excluding items that we do not believe are indicative of our core operating performance. These measures are customary for our industry and commonly used by competitors. However, these non-GAAP financial measures should not be reviewed in isolation or considered as an alternative to any other performance measure derived in accordance with GAAP and may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

#### *Adjusted EBITDA*

Adjusted EBITDA is defined as net income before interest expense, provision for income taxes and depreciation and amortization, adjusted for the impact of certain other items, including interest income and other income (expense), net. The following is a reconciliation of our Net income to Adjusted EBITDA for the periods presented:

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
<i>(Amounts in thousands)</i>				
Net income as reported	\$ 43,760	\$ 39,271	\$ 81,188	\$ 77,318
Adjustments:				
Interest expense	2,538	3,293	5,233	6,109
Provision for income taxes	16,384	17,259	29,880	35,412
Depreciation and amortization	21,767	20,491	42,629	39,985
Interest income	(2,735)	(3,225)	(4,955)	(6,091)
Other expense, net <sup>(1)</sup>	5,306	7,036	12,162	9,162
Adjusted EBITDA	\$ 87,020	\$ 84,125	\$ 166,137	\$ 161,895

<sup>(1)</sup> Primarily consists of transaction costs of converting the local currencies into available tradable currencies in some of our countries with liquidity issues and foreign currency losses or gains due to the revaluation of monetary assets and liabilities (primarily U.S. dollars) for the three and six months ended February 28, 2025 and February 29, 2024.

#### *Net Merchandise Sales – Constant Currency and Comparable Net Merchandise Sales – Constant Currency*

As a multinational enterprise, we are exposed to changes in foreign currency exchange rates. The translation of the operations of our foreign-based entities from their local currencies into U.S. dollars is sensitive to changes in foreign currency exchange rates and can have a significant impact on our reported financial results. We believe that constant currency is a useful measure, indicating the actual growth of our operations. When we use the term "net merchandise sales – constant currency," it means that we have translated current year net merchandise sales at prior year monthly average exchanges rates. Net merchandise sales - constant currency results exclude the effects of foreign currency translation. Similarly, when we use the term "comparable net merchandise sales – constant currency," it means that we have translated current year comparable net merchandise sales at prior year monthly average exchanges rates. Comparable net merchandise sales – constant currency results exclude the effects of foreign currency translation. Refer to "Management's Discussion & Analysis – Net Merchandise Sales" and "Management's Discussion & Analysis – Comparable Net Merchandise Sales"

for our quantitative analysis and discussion. Reconciliations between net merchandise sales – constant currency and comparable net merchandise sales - constant currency and the most directly comparable GAAP measures are included where applicable.

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**COMPARISON OF THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

The following discussion and analysis compares the results of operations for the three-month and six-month periods ended on February 28, 2025 with the three-month and six-month periods ended on February 29, 2024 and should be read in conjunction with the consolidated financial statements and the accompanying notes included elsewhere in this report. Unless otherwise noted, all tables present U.S. dollar amounts in thousands. Certain percentages presented are calculated using actual results prior to rounding.

**Net Merchandise Sales**

The following tables indicate the net merchandise club sales in the reportable segments in which we operate and the percentage growth in net merchandise sales by segment during the three and six months ended February 28, 2025 and February 29, 2024:

	<b>Three Months Ended</b>					
	<b>February 28, 2025</b>			<b>February 29, 2024</b>		
	<b>Amount</b>	<b>% of Net Sales</b>	<b>Increase from Prior Year</b>	<b>Change</b>	<b>Amount</b>	<b>% of Net Sales</b>
Central America	\$ 807,828	60.6 %	\$ 41,654	5.4 %	\$ 766,174	60.7 %
Caribbean	373,944	28.0	22,554	6.4	351,390	27.9
Colombia	152,783	11.4	9,431	6.6	143,352	11.4
Net merchandise sales	<u>\$ 1,334,555</u>	<u>100.0 %</u>	<u>\$ 73,639</u>	<u>5.8 %</u>	<u>\$ 1,260,916</u>	<u>100.0 %</u>

	<b>Six Months Ended</b>					
	<b>February 28, 2025</b>			<b>February 29, 2024</b>		
	<b>Amount</b>	<b>% of Net Sales</b>	<b>Increase from Prior Year</b>	<b>Change</b>	<b>Amount</b>	<b>% of Net Sales</b>
Central America	\$ 1,552,663	60.7 %	\$ 99,496	6.8 %	\$ 1,453,167	60.7 %
Caribbean	713,583	27.9	40,052	5.9	673,531	28.1
Colombia	292,168	11.4	22,936	8.5	269,232	11.2
Net merchandise sales	<u>\$ 2,558,414</u>	<u>100.0 %</u>	<u>\$ 162,484</u>	<u>6.8 %</u>	<u>\$ 2,395,930</u>	<u>100.0 %</u>

*Comparison of Three and Six Months Ended February 28, 2025 and February 29, 2024*

Overall, total net merchandise sales grew by 5.8% for the second quarter of fiscal year 2025 and grew 6.8% for the six-month period ended February 28, 2025. The second quarter increase resulted from a 3.9% increase in transactions and a 1.9% increase in average ticket. For the six-month period, the increase resulted from a 4.6% increase in transactions and a 2.1% increase in average ticket. Transactions represent the total number of visits our Members make to our warehouse clubs resulting in a sale and the total number of PriceSmart.com curbside pickup via Click & Go® and delivery service transactions. Average ticket represents the amount our Members spend on each visit or PriceSmart.com order. We had 54 clubs in operation as of February 28, 2025 and February 29, 2024.

Net merchandise sales in our Central America segment increased 5.4% and 6.8%, respectively, during the second quarter and the six months ended February 28, 2025. These increases had a 330 basis point (3.3%) and 410 basis points (4.1%) positive impact, respectively, on total net merchandise sales growth for the second quarter and six months ended February 28, 2025. All markets within

this segment had positive net merchandise sales growth. Additionally, we opened our fourth warehouse club in El Salvador in February 2024.

Net merchandise sales in our Caribbean segment increased 6.4% and 5.9%, respectively, during the second quarter and the six months ended February 28, 2025. These increases had a 180 basis point (1.8%) and a 170 basis point (1.7%) positive impact, respectively, on total net merchandise sales growth for the second quarter and six months ended February 28, 2025. All markets within this segment had positive net merchandise sales growth.

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Net merchandise sales in our Colombia segment increased 6.6% and 8.5%, respectively, during the second quarter and the six months ended February 28, 2025. These increases had a 70 basis point (0.7%) and 100 basis point (1.0%) positive impact on total net merchandise sales growth for the second quarter and six months ended February 28, 2025.

The following table indicates the impact that currency exchange rates had on our net merchandise sales in dollars and the percentage change from the three and six-month period ended February 28, 2025. When we use the term "net merchandise sales - constant currency," it means that we have translated current year net merchandise sales at prior year monthly average exchanges rates. Net merchandise sales - constant currency results exclude the effects of foreign currency translation. Impact of foreign currency is the effect of currency fluctuations on our net merchandise sales.

### Three Months Ended February 28, 2025

	Net Merchandise Sales	Net Merchandise Sales - Constant Currency	Impact of Foreign Currency Exchange	Net Merchandise Sales Growth	Net Merchandise Sales - Constant Currency Growth	% Impact of Foreign Currency Exchange
Central America	\$ 807,828	\$ 801,522	\$ 6,306	5.4 %	4.6 %	0.8 %
Caribbean	373,944	381,461	(7,517)	6.4	8.6	(2.2)
Colombia	152,783	166,308	(13,525)	6.6	16.0	(9.4)
Consolidated total	\$ 1,334,555	\$ 1,349,291	\$ (14,736)	5.8 %	7.0 %	(1.2)%

### Six Months Ended February 28, 2025

	Net Merchandise Sales	Net Merchandise Sales - Constant Currency	Impact of Foreign Currency Exchange	Net Merchandise Sales Growth	Net Merchandise Sales - Constant Currency Growth	% Impact of Foreign Currency Exchange
Central America	\$ 1,552,663	\$ 1,536,416	\$ 16,247	6.8 %	5.7 %	1.1 %
Caribbean	713,583	728,952	(15,369)	5.9	8.2	(2.3)
Colombia	292,168	312,452	(20,284)	8.5	16.1	(7.6)
Consolidated total	\$ 2,558,414	\$ 2,577,820	\$ (19,406)	6.8 %	7.6 %	(0.8)%

Overall, the effects of currency fluctuations within our markets had approximately \$14.7 million and \$19.4 million, or 120 basis points (1.2%) and 80 basis points (0.8%), of negative impact on net merchandise sales for the quarter and six months ended February 28, 2025, respectively.

Currency fluctuations had a \$6.3 million and \$16.2 million, or 80 basis points (0.8%) and 110 basis points (1.1%), of positive impact on net merchandise sales in our Central America segment for the quarter and six months ended February 28, 2025, respectively. These currency fluctuations contributed approximately 50 basis points (0.5%) and 60 basis points (0.6%) of positive impact on net merchandise sales for the quarter and six months ended February 28, 2025, respectively. The Costa Rica colón appreciated against the

dollar as compared to the same three and six-month periods a year ago and was a significant factor in the contribution to the favorable currency fluctuations in this segment.

Currency fluctuations had a \$7.5 million and \$15.4 million, or 220 basis points (2.2%) and 230 basis points (2.3%), of negative impact on net merchandise sales in our Caribbean segment for the quarter and six months ended February 28, 2025, respectively. These currency fluctuations contributed approximately 60 basis points (0.6%) of negative impact on total net merchandise sales growth for the quarter and six months ended February 28, 2025. The negative impact was primarily driven by the significant devaluation of the Dominican Peso as compared to the same three and six-month periods a year ago.

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Currency fluctuations had a \$13.5 million and \$20.3 million, or 940 basis points (9.4%) and 760 basis points (7.6%), of negative impact on net merchandise sales in our Colombia segment for the quarter and six months ended February 28, 2025, respectively. These currency fluctuations contributed approximately 110 basis points (1.1%) and 80 basis points (0.8%) of the total negative impact on total net merchandise sales for the quarter and six months ended February 28, 2025, respectively. The Colombian peso depreciated significantly against the dollar as compared to the same three and six-month periods a year ago and was a significant factor in the contribution to the unfavorable currency fluctuations in this segment.

### Comparable Merchandise Sales

We report 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 improved sales comparison, as we experience higher merchandise club sales on the weekends. Further, 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. As a result, sales related to one of our clubs opened during fiscal year 2024 will not be used in the calculation of comparable sales until they have been open for at least 13 ½ months. Therefore, comparable net merchandise sales includes 53 warehouse clubs for the thirteen and twenty-six week period ended March 2, 2025.

The following tables indicate the comparable net merchandise sales in the reportable segments in which we operate and the percentage changes in net merchandise sales by segment during the thirteen and twenty-six week periods ended March 2, 2025 and March 3, 2024 compared to the prior year:

	<b>Thirteen Weeks Ended</b>	
	<b>March 2, 2025</b>	<b>March 3, 2024</b>
	<b>% Increase in Comparable Net Merchandise Sales</b>	<b>% Increase in Comparable Net Merchandise Sales</b>
Central America	5.6 %	8.1 %
Caribbean	8.3	6.3
Colombia	8.6	20.7
Consolidated comparable net merchandise sales	6.7 %	8.8 %

	<b>Twenty-Six Weeks Ended</b>	
	<b>March 2, 2025</b>	<b>March 3, 2024</b>
	<b>% Increase in Comparable Net Merchandise Sales</b>	<b>% Increase in Comparable Net Merchandise Sales</b>
Central America	5.4 %	8.6 %
Caribbean	6.8	6.2
Colombia	9.3	13.9
Consolidated comparable net merchandise sales	6.2 %	8.4 %

*Comparison of Thirteen and Twenty-Six week Periods Ended March 2, 2025 and March 3, 2024*

Comparable net merchandise sales for those warehouse clubs that were open for at least 13 ½ months for some or all of the thirteen-week period ended March 2, 2025 increased 6.7%. Comparable net merchandise sales for those warehouse clubs that were open for at least 13 ½ months for some or all of the twenty-six week period ended March 2, 2025 increased 6.2%.

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Comparable net merchandise sales in our Central America segment increased 5.6% and 5.4% for the thirteen and twenty-six week periods ended March 2, 2025, respectively. All of our markets in Central America except El Salvador had positive comparable net merchandise sales growth for the thirteen and twenty-six week periods ended March 2, 2025. We opened one new club in El Salvador in February 2024 that has not entered into the calculation of comparable net merchandise sales, and the transfer of sales from the existing clubs included in the comparable net merchandise sales calculation to the new club not yet included adversely affected comparable net merchandise sales in El Salvador. The positive comparable net merchandise sales growth for our Central America segment contributed approximately 340 basis points (3.4%) and 330 basis points (3.3%) of positive impact in total comparable merchandise sales for the thirteen and twenty-six week periods ended March 2, 2025, respectively.

Comparable net merchandise sales in our Caribbean segment increased 8.3% and 6.8% for the thirteen and twenty-six week periods ended March 2, 2025, respectively. These increases contributed approximately 230 basis points (2.3%) and 190 basis points (1.9%) of positive impact on total comparable merchandise sales for the thirteen and twenty-six week periods ended March 2, 2025, respectively.

Comparable net merchandise sales in our Colombia segment increased 8.6% and 9.3% for the thirteen and twenty-six week periods ended March 2, 2025, respectively. These increases contributed approximately 100 basis points (1.0%) of positive impact in total comparable merchandise sales for the thirteen and twenty-six week periods ended March 2, 2025.

When we use the term "comparable net merchandise sales - constant currency," it means that we have translated current year comparable net merchandise sales at prior year monthly average exchanges rates. Comparable net merchandise sales - constant currency results exclude the effects of foreign currency translation. The following tables illustrate the comparable net merchandise sales - constant currency percentage growth and the impact that changes in foreign currency exchange rates had on our comparable merchandise sales percentage growth for the thirteen and twenty-six week periods ended March 2, 2025:

<b>Thirteen Weeks Ended March 2, 2025</b>			
	<b>Comparable Net Merchandise Sales Growth</b>	<b>Comparable Net Merchandise Sales - Constant Currency Growth</b>	<b>% Impact of Foreign Currency Exchange</b>
Central America	5.6 %	4.9 %	0.7 %
Caribbean	8.3	10.5	(2.2)
Colombia	8.6	17.7	(9.1)
Consolidated comparable net merchandise sales	6.7 %	7.9 %	(1.2)%
<b>Twenty-Six Weeks Ended March 2, 2025</b>			
	<b>Comparable Net Merchandise Sales Growth</b>	<b>Comparable Net Merchandise Sales - Constant Currency Growth</b>	<b>% Impact of Foreign Currency Exchange</b>
Central America	5.4 %	4.3 %	1.1 %
Caribbean	6.8	9.1	(2.3)
Colombia	9.3	17.1	(7.8)
Consolidated comparable net merchandise sales	6.2 %	7.1 %	(0.9)%

Overall, the mix of currency fluctuations within our markets had 120 basis points (1.2%) and 90 basis points (0.9%) of negative impact on comparable net merchandise sales for the thirteen and twenty-six week periods ended March 2, 2025, respectively.

Currency fluctuations within our Central America segment accounted for approximately 50 basis points (0.5%) and 70 basis points (0.7%) of positive impact on total comparable merchandise sales for the thirteen and twenty-six week periods ended March 2, 2025, respectively. Our Costa Rica market was the main contributor as the market experienced currency appreciation when compared to the same period last year.

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Currency fluctuations within our Caribbean segment accounted for approximately 60 basis points (0.6%) and 70 basis points (0.7%) of negative impact on total comparable merchandise sales for the thirteen and twenty-six week periods ended March 2, 2025, respectively. Our Dominican Republic market was the main contributor as this market experienced currency devaluation when compared to the same period last year.

Currency fluctuations within our Colombia segment accounted for approximately 110 basis points (1.1%) and 90 basis points (0.9%) of negative impact on total comparable merchandise sales for the thirteen and twenty-six week periods ended March 2, 2025, respectively. This reflects the devaluation of the Colombian peso's foreign currency exchange rate when compared to the same period a year ago.

### **Membership Income**

Membership income is recognized ratably over the one-year life of the membership.

**Three Months Ended**

	February 28, 2025				February 29, 2024		
	Amount	% of Total Operating Income	Increase from Prior Year	% Change	Membership Income % to Net Merchandise Sales	Amount	% of Total Operating Income
Membership income - Central America	\$ 12,195		\$ 1,498	14.0 %	1.5 %	\$ 10,697	
Membership income - Caribbean	5,636		844	17.6	1.5	4,792	
Membership income - Colombia	3,084		35	1.1	2.0	3,049	
Membership income - Total	<u>\$ 20,915</u>	32.0 %	<u>\$ 2,377</u>	<u>12.8 %</u>	<u>1.6 %</u>	<u>\$ 18,538</u>	29.1 %

**Six Months Ended**

	February 28, 2025				February 29, 2024		
	Amount	% of Total Operating Income	Increase from Prior Year	% Change	Membership Income % to Net Merchandise Sales	Amount	% of Total Operating Income
Membership income - Central America	\$ 23,970		\$ 2,956	14.1 %	1.5 %	\$ 21,014	
Membership income - Caribbean	11,085		1,664	17.7	1.6	9,421	
Membership income - Colombia	6,059		207	3.5	2.1	5,852	
Membership income - Total	<u>\$ 41,114</u>	33.3 %	<u>\$ 4,827</u>	<u>13.3 %</u>	<u>1.6 %</u>	<u>\$ 36,287</u>	29.8 %

Number of accounts - Central America	1,072,548		32,845	3.2 %		1,039,703	
Number of accounts - Caribbean	493,330		15,857	3.3		477,473	
Number of accounts - Colombia	364,636		26,622	7.9		338,014	
Number of accounts - Total	<u>1,930,514</u>		<u>75,324</u>	<u>4.1 %</u>		<u>1,855,190</u>	

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### *Comparison of Three and Six Months Ended February 28, 2025 and February 29, 2024*

The number of Member accounts as of February 28, 2025 was 4.1% higher than the number of accounts as of February 29, 2024. Membership income increased 12.8% and 13.3% over the three and six-month period ended February 28, 2025, respectively, compared to the same prior-year period.

Membership income increased in all of our segments in the three and six-month period ended February 28, 2025. The consolidated increase in membership income is primarily due to the \$5 increase to our membership fee in all but one market during fiscal year 2024 and an increase in the membership base since the comparable prior year period. In our Central America segment, membership income increased compared to the second quarter and first six months of fiscal year 2024, primarily attributable to the \$5 increase to our membership fee and the opening of one new club in February 2024. Similarly, in the Caribbean segment, membership income rose compared to the second quarter and first six months of fiscal year 2024, primarily attributable to the \$5 increase to our membership fee. In the Colombia segment, membership income increased compared to the second quarter and first six months of fiscal year 2024 due to the increase in the number of membership accounts and was partially offset by the devaluation of the Colombian peso against the U.S. dollar. During the second quarter and first six months of fiscal year 2025, we increased our membership fee in Colombia to adjust for the foreign currency devaluation. Additionally, all of our segments have increased their membership base since August 31, 2024.

We offer the Platinum Membership program in all locations where PriceSmart operates. The annual fee for a Platinum Membership in most markets is approximately \$80, depending on the market in which the Member lives. The Platinum Membership program provides Members with a 2% rebate on most items, up to an annual maximum of \$500. We record the 2% rebate as a reduction of net merchandise sales at the time of the sales transaction. Platinum Membership accounts are 14.5% of our total membership base as of February 28, 2025, an increase from 9.6% as of February 29, 2024. Platinum Members tend to have higher renewal rates than our Diamond Members. During fiscal year 2024 and the first half of fiscal year 2025, we ran platinum promotional campaigns, resulting in an increase in the total number of Platinum Members.

Our trailing twelve-month renewal rate was 87.0% and 88.3% for the periods ended February 28, 2025 and February 29, 2024, respectively. This compares to a trailing twelve-month renewal rate of 87.9% for the twelve-month period ended August 31, 2024.

### **Other Revenue**

Other revenue primarily consists of our interest-generating portfolio from our co-branded credit cards and rental income from operating leases where the Company is the lessor.

	<b>Three Months Ended</b>			
	<b>February 28, 2025</b>			<b>February 29, 2024</b>
	<b>Amount</b>	<b>Increase from Prior Year</b>		<b>Amount</b>
		<b>% Change</b>		
Miscellaneous income	\$ 3,777	\$ 375	11.0 %	\$ 3,402
Rental income	652	69	11.8	583
Other revenue	\$ 4,429	\$ 444	11.1 %	\$ 3,985

	<b>Six Months Ended</b>			
	<b>February 28, 2025</b>			<b>February 29, 2024</b>
	<b>Amount</b>	<b>Increase from Prior Year</b>		<b>Amount</b>
		<b>% Change</b>		
Miscellaneous income	\$ 7,395	\$ 865	13.2 %	\$ 6,530
Rental income	1,302	144	12.4	1,158
Other revenue	\$ 8,697	\$ 1,009	13.1 %	\$ 7,688

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### *Comparison of Three and Six Months Ended February 28, 2025 and February 29, 2024*

The primary driver of the increase in other revenue for the three and six-months ended February 28, 2025 was an increase in Miscellaneous income primarily driven by an increase in incentive fee revenue due to Members having higher average outstanding balances on our co-branded credit cards compared to the prior-year period.

### **Results of Operations**

	Three Months Ended		
	February 28, 2025	February 29, 2024	Increase/ (Decrease)
<b>Results of Operations Consolidated</b>			
(Amounts in thousands, except percentages and number of warehouse clubs)			
<b>Net merchandise sales</b>			
Net merchandise sales	\$ 1,334,555	\$ 1,260,916	\$ 73,639
Total gross margin	\$ 208,220	\$ 198,231	\$ 9,989
Total gross margin percentage	15.6%	15.7%	(0.1)%
<b>Revenues</b>			
Total revenues	\$ 1,363,886	\$ 1,291,950	\$ 71,936
Percentage change from prior period			5.6%
<b>Comparable net merchandise sales</b>			
Total comparable net merchandise sales increase	6.7%	8.8%	(2.1)%
<b>Total revenue margin</b>			
Total revenue margin	\$ 233,751	\$ 221,087	\$ 12,664
Total revenue margin percentage	17.1%	17.1%	—%
<b>Selling, general and administrative</b>			
Selling, general and administrative	\$ 168,481	\$ 157,469	\$ 11,012
Selling, general and administrative percentage of total revenues	12.4%	12.2%	0.2 %
<b>Operational data</b>			
Adjusted EBITDA <sup>(1)</sup>	\$ 87,020	\$ 84,125	\$ 2,895

<sup>(1)</sup> See “Item 2. Management’s Discussion & Analysis – Non - GAAP Financial Measures” for the definition of Adjusted EBITDA and a reconciliation to GAAP net income as reported.

<i>Results of Operations Consolidated</i>	<b>Three Months Ended</b>			
	<b>February 28, 2025</b>	<b>% of Total Revenue</b>	<b>February 29, 2024</b>	<b>% of Total Revenue</b>
<b>Operating income by segment</b>				
Central America	\$ 65,485	4.8%	61,310	4.7 %
Caribbean	28,188	2.1	26,718	2.1
Colombia	5,398	0.4	4,592	0.4
United States	(1,730)	(0.1)	7,896	0.6
Reconciling Items <sup>(1)</sup>	(32,071)	(2.4)	(36,898)	(2.9)
Operating income - Total	\$ 65,270	4.8%	63,618	4.9 %

<sup>(1)</sup> The reconciling items reflect the amount eliminated upon consolidation of intersegment transactions.

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<i>Results of Operations Consolidated</i>	Six Months Ended		
	February 28, 2025	February 29, 2024	Increase/(Decrease)
(Amounts in thousands, except percentages and number of warehouse clubs)			
<b>Net merchandise sales</b>			
Net merchandise sales	\$ 2,558,414	2,395,980	162,484
Total gross margin	\$ 402,202	380,517	21,685
Total gross margin percentage	15.7%	15.9%	(0.2)%
<b>Revenues</b>			
Total revenues	\$ 2,621,880	2,458,425	163,405
Percentage change from prior period			6.6%
<b>Comparable net merchandise sales</b>			
Total comparable net merchandise sales increase	6.2%	8.4%	(2.2)%
<b>Total revenue margin</b>			
Total revenue margin	\$ 452,805	425,284	27,521
Total revenue margin percentage	17.3%	17.3%	—%
<b>Selling, general and administrative</b>			
Selling, general and administrative	\$ 329,275	303,453	25,822
Selling, general and administrative percentage of total revenues	12.6%	12.3%	0.3 %
<b>Operational data</b>			
Adjusted EBITDA <sup>(1)</sup>	\$ 166,187	161,895	4,242
Warehouse clubs at period end	54	54	—
Warehouse club sales floor square feet at period end	2,646	2,646	—

<sup>(1)</sup> See “Item 2. Management’s Discussion & Analysis – Non - GAAP Financial Measures” for the definition of Adjusted EBITDA and a reconciliation to GAAP net income as reported.

<i>Results of Operations Consolidated</i>	<b>Six Months Ended</b>			
	<b>February 28, 2025</b>	<b>% of Total Revenue</b>	<b>February 29, 2024</b>	<b>% of Total Revenue</b>
<b>Operating income by segment</b>				
Central America	\$ 125,200	4.8%	118,212	4.8 %
Caribbean	54,278	2.1	50,050	2.0
Colombia	9,823	0.4	8,209	0.3
United States	(3,270)	(0.1)	17,845	0.7
Reconciling Items <sup>(1)</sup>	(62,501)	(2.4)	(72,485)	(2.9)
Operating income - Total	\$ 123,530	4.8%	121,831	4.9 %

<sup>(1)</sup> The reconciling items reflect the amount eliminated upon consolidation of intersegment transactions.

The following table summarizes the selling, general and administrative expense for the periods disclosed:

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	<b>Three Months Ended</b>			
	<b>February 28, 2025</b>	<b>% of Total Revenue</b>	<b>February 29, 2024</b>	<b>% of Total Revenue</b>
Warehouse club and other operations	\$ 124,232	9.1 %	\$ 117,774	9.1 %
General and administrative	43,034	3.2	38,809	3.0
Pre-opening expenses	293	—	457	—
Loss on disposal of assets	922	0.1	429	—
<b>Total Selling, general and administrative</b>	<b>\$ 168,481</b>	<b>12.4 %</b>	<b>\$ 157,469</b>	<b>12.1 %</b>

	<b>Six Months Ended</b>			
	<b>February 28, 2025</b>	<b>% of Total Revenue</b>	<b>February 29, 2024</b>	<b>% of Total Revenue</b>
Warehouse club and other operations	\$ 242,087	9.2 %	\$ 227,739	9.3 %
General and administrative	85,599	3.3	74,248	3.0
Pre-opening expenses	315	—	944	—
Loss on disposal of assets	1,274	0.1	522	—
<b>Total Selling, general and administrative</b>	<b>\$ 329,275</b>	<b>12.6 %</b>	<b>\$ 303,453</b>	<b>12.3 %</b>

### *Comparison of Three and Six Months Ended February 28, 2025 and February 29, 2024*

Total gross margin is derived from our Revenue – Net merchandise sales less our Cost of goods sold – Net merchandise sales and represents our sales and cost of sales generated from the business activities of our warehouse clubs. We express our Total gross margin percentage as a percentage of our Net merchandise sales.

On a consolidated basis, total gross margin as a percent of net merchandise sales for the three and six months ended February 28, 2025 was 15.6% and 15.7%, 10 basis points (0.1%) and 20 basis points (0.2%) lower than the comparable prior year period, respectively.

Total revenue margin is derived from Total revenues, which includes our Net merchandise sales, Membership income, Export sales, and Other revenue and income less our Cost of goods sold for net merchandise sales, Export sales, and Non-merchandise revenues. We express our Total revenue margin as a percentage of Total revenues.

Total revenue margin remained flat for the three and six months ended February 28, 2025 compared to the comparable prior-year periods as membership income offset the declines in total gross margin.

Selling, general, and administrative expenses consist of warehouse club and other operations, general and administrative expenses, pre-opening expenses, and loss on disposal of assets. In total, selling, general and administrative expenses increased \$11.0 million compared to the prior year, and increased as a percentage of total revenue by 20 basis points (0.2%) to 12.4% of total revenue for the second quarter of fiscal year 2025 compared to 12.2% of total revenues for the second quarter of fiscal year 2024.

Selling, general and administrative expenses increased \$25.8 million for the first six months of fiscal year 2025 compared to the prior year, and increased 30 basis points (0.3%) to 12.6% as a percentage of total revenue compared to 12.3% of total revenue for the first six months of fiscal year 2024.

Warehouse club and other operations expenses remained unchanged at 9.1% of total revenues for the second quarter of fiscal year 2025 and 2024.

Warehouse club and other operations expenses decreased to 9.2% of total revenues for the first six months ended February 28, 2025 compared to 9.3% for the prior year period. This was primarily due to our Colombia market, which decreased 10 basis points (0.1%) as a percentage of revenue year over year due to the impact of the devaluation of the Colombian peso on our warehouse club and other operations expenses in Colombia.

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General and administrative expenses increased to 3.2% and 3.3% of total revenues for the second quarter and first six months of fiscal year 2025, respectively, compared to 3.0% of total revenues for the second quarter and first six months of fiscal year 2024. The increase is primarily due to investments in technology necessary to support future growth of the business.

Operating income increased to \$65.3 million (4.8% of total revenue) and \$123.5 million (4.8% of total revenue) in the second quarter and first six months of fiscal year 2025 compared to \$63.6 million (4.9% of total revenue) and \$121.8 million (4.9% of total revenue) for the second quarter and first six months of fiscal year 2024, respectively. This reflects the 20 basis points (0.2%) and 30 basis points (0.3%) decrease due to the deleveraging of selling, general and administrative expenses in the second quarter and first six months of fiscal year 2025 over the comparable prior year periods, respectively.

### Interest Income

Interest income represents the earnings generated from interest-bearing assets held by PriceSmart, Inc. and our wholly owned foreign subsidiaries. These assets include investments in fixed income securities and deposits held with financial institutions. The interest income is derived from the interest payments received on these assets, which serve to enhance our overall financial returns.

	Three Months Ended		
	February 28, 2025		February 29, 2024
	Amount	Change	Amount
Interest income	\$ 2,735	\$ (490)	\$ 3,225

  

	Six Months Ended		
	February 28, 2025		February 29, 2024
	Amount	Change	Amount
Interest income	\$ 4,955	\$ (1,136)	\$ 6,091

#### *Comparison of Three and Six Months Ended February 28, 2025 and February 29, 2024*

Net interest income decreased for the three and six months ended February 28, 2025, primarily due to a decrease in interest rates when compared to the comparable prior-year periods.

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### Interest Expense

	Three Months Ended		
	February 28, 2025		February 29, 2024
	Amount	Change	Amount
Interest expense on loans	\$ 2,092	\$ (773)	\$ 2,865
Interest expense related to hedging activity	828	171	657
Less: Capitalized interest	(382)	(153)	(229)
Interest expense	<u>\$ 2,538</u>	<u>\$ (755)</u>	<u>\$ 3,293</u>

  

	Six Months Ended		
	February 28, 2025		February 29, 2024
	Amount	Change	Amount
Interest expense on loans	\$ 4,685	\$ (1,078)	\$ 5,763
Interest expense related to hedging activity	1,225	153	1,072
Less: Capitalized interest	(677)	49	(726)
Interest expense	<u>\$ 5,233</u>	<u>\$ (876)</u>	<u>\$ 6,109</u>

#### *Comparison of Three and Six Months Ended February 28, 2025 and February 29, 2024*

Net interest expense reflects borrowings by PriceSmart, Inc. and our wholly owned foreign subsidiaries to finance new land acquisition and construction for new warehouse clubs and distribution centers, warehouse club expansions, the capital requirements of warehouse club and other operations, and ongoing working capital requirements.

Interest expense decreased for the three and six-month period ended February 28, 2025, primarily due to lower long-term debt balances.

### Other Expense, Net

Other expense, net consists of currency gains or losses, as well as net benefit costs related to our defined benefit plans and other items considered to be non-operating in nature.

	Three Months Ended			February 29, 2024
	February 28, 2025			
	Amount	Change	% Change	
Other expense, net	\$ (5,306)	\$ 1,730	(24.6)%	\$ (7,036)

	Six Months Ended			February 29, 2024
	February 28, 2025			
	Amount	Change	% Change	
Other expense, net	\$ (12,162)	\$ (3,000)	32.7 %	\$ (9,162)

Monetary assets and liabilities denominated in currencies other than the functional currency of the respective entity (primarily U.S. dollars) are revalued to the functional currency using the exchange rate on the balance sheet date. These foreign exchange transaction gains/(losses) are recorded as currency gains or losses. Additionally, gains or losses from transactions denominated in currencies other than the functional currency of the respective entity also generate currency gains or losses.

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### *Comparison of Three and Six Months Ended February 28, 2025 and February 29, 2024*

For the three and six months ended February 28, 2025, the primary drivers of Other expense, net were \$5.1 million and \$8.5 million of transaction costs, respectively, in some of our countries with liquidity issues associated with increased spreads and converting the local currencies into available tradable currencies before converting them to U.S. dollars. Additionally, for the six months ended February 28, 2025, our Costa Rica and Colombia markets contributed \$1.8 million and \$1.2 million of losses, respectively, due to revaluation of monetary assets and liabilities (primarily U.S. dollars).

#### **Provision for Income Taxes**

	<b>Three Months Ended</b>		
	<b>February 28, 2025</b>		<b>February 29, 2024</b>
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>
Provision for income taxes	\$ 16,384	\$ (875)	\$ 17,259
Effective tax rate	27.2%		30.5%

  

	<b>Six Months Ended</b>		
	<b>February 28, 2025</b>		<b>February 29, 2024</b>
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>
Provision for income taxes	\$ 29,880	\$ (5,532)	\$ 35,412
Effective tax rate	26.9%		31.4 %

### *Comparison of Three and Six Months Ended February 28, 2025 and February 29, 2024*

For the three months ended February 28, 2025, the effective tax rate was 27.2% compared to 30.5% for the prior year period. The decrease in the effective tax rate versus the prior year as primarily attributable to the following factors;

- A comparably favorable net tax impact from recurring items of 3.6% primarily resulting from the implementation of certain tax optimization initiatives at the end of fiscal year 2024; and
- A comparably unfavorable net tax impact from non-recurring items of 0.3%, primarily related to foreign currency exchange.

For the six months ended February 28, 2025, the effective tax rate was 26.9% compared to 31.4% for the prior year period. The decrease in the effective tax rate versus the prior year as primarily attributable to the following factors;

- A comparably favorable net tax impact from recurring items of 3.8% primarily resulting from the implementation of certain tax optimization initiatives at the end of fiscal year 2024; and
- A comparably favorable net tax impact from non-recurring items of 0.7%, primarily related to foreign currency exchange and changes in valuation allowances.



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### Other Comprehensive Income

	Three Months Ended			
	February 28, 2025			February 29, 2024
	Amount	Change	% Change	Amount
Other Comprehensive Income	\$ 6,966	\$ 1,843	36.0 %	\$ 5,123

  

	Six Months Ended			
	February 28, 2025			February 29, 2024
	Amount	Change	% Change	Amount
Other Comprehensive Income	3,950	\$ (4,753)	(54.6)%	\$ 8,703

#### *Comparison of Three and Six Months Ended February 28, 2025 and February 29, 2024*

Other comprehensive income for the second quarter of fiscal year 2025 resulted primarily from foreign currency translation adjustments related to assets and liabilities and the translation of the statements of income related to revenue, costs and expenses of our subsidiaries whose functional currency is not the U.S. dollar. During the second quarter and the first six months of fiscal year 2025, the largest translation adjustments were related to the appreciation of the local currency against the U.S. dollar of our Colombia and Costa Rica subsidiaries, partially offset by the devaluation of the local currency against the U.S. dollar for our Dominican Republic subsidiary.

### LIQUIDITY AND CAPITAL RESOURCES

#### Financial Position and Cash Flow

Our operations have historically supplied us with a significant source of liquidity. We generate cash from operations primarily through net merchandise sales and membership fees. Cash used in operations generally comprises payments to our merchandise vendors, warehouse club and distribution center operating costs (including payroll, employee benefits and utilities), as well as payments for income taxes. Our cash flows provided by operating activities, supplemented with our long-term debt and short-term borrowings, have generally been sufficient to fund our operations while allowing us to invest in activities that support the long-term growth of our operations. We also have returned cash to stockholders through a semiannual dividend, a one-time special dividend in the third quarter of fiscal year 2024, and by repurchasing shares of our common stock pursuant to the stock repurchase program we commenced in the fourth quarter of fiscal year 2023 and completed in the first quarter of fiscal year 2024. We evaluate our funding requirements on a regular basis to cover any shortfall in our ability to generate sufficient cash from operations to meet our capital requirements. We may consider funding alternatives to provide additional liquidity if necessary. Refer to “Item 1. Financial Statements: Notes to Consolidated Financial Statements, Note 7 - Debt” for additional information regarding our available short-term facilities, short-term and long-term borrowings, and any repayments.

Repatriation of cash and cash equivalents held by foreign subsidiaries may require us to accrue and pay taxes for certain jurisdictions. If we decide to repatriate cash through the payment of a cash dividend by our foreign subsidiaries to our domestic operations, we will accrue taxes if and when appropriate.

The following table summarizes the cash and cash equivalents, including restricted cash, held by our foreign subsidiaries and domestically (in thousands):

	<b>February 28, 2025</b>	<b>August 31, 2024</b>
Amounts held by foreign subsidiaries	\$ 119,775	\$ 121,580
Amounts held domestically	25,729	14,731
Total cash and cash equivalents, including restricted cash	<u>\$ 145,504</u>	<u>\$ 136,311</u>

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The following table summarizes the short-term investments held by our foreign subsidiaries and domestically (in thousands):

	February 28, 2025	August 31, 2024
Amounts held by foreign subsidiaries	\$ 116,933	\$ 100,165
Amounts held domestically	—	—
Total short-term investments	<u>\$ 116,933</u>	<u>\$ 100,165</u>

As of February 28, 2025 and August 31, 2024, there were no certificates of deposit with a maturity of over one year held by our foreign subsidiaries or domestically.

From time to time, we have experienced a lack of availability of U.S. dollars in certain markets (U.S. dollar illiquidity). This impedes our ability to convert local currencies obtained through merchandise sales into U.S. dollars to settle the U.S. dollar liabilities associated with our imported products or otherwise fund our operations. For instance, since fiscal year 2017, we have experienced this situation in Trinidad and have been unable to source a sufficient level of tradable currencies. We are working with our banks in Trinidad and government officials to convert all of our Trinidad dollars into tradable currencies. Our balance as of February 28, 2025 of Trinidad dollar denominated cash and cash equivalents and short and long-term investments measured in U.S. dollars was \$75.6 million. Additionally, during fiscal year 2023, the Honduran Central Bank began limiting the availability and controlling the allocation of U.S. dollars for the conversion from Honduran lempiras to U.S. dollars. As of February 28, 2025, our Honduran subsidiary had approximately \$1.7 million of cash and cash equivalents and short-term investments denominated in lempiras. We are actively working with our banking partners and government authorities to address this situation. We have and continue to take additional actions in this respect. Refer to “Management’s Discussion & Analysis – Factors Affecting Our Business” for our quantitative analysis and discussion.

Our cash flows are summarized as follows (in thousands):

	Six Months Ended		
	February 28, 2025	February 29, 2024	Change
Net cash provided by operating activities	\$ 126,385	\$ 127,666	\$ (1,281)
Net cash used in investing activities	(79,508)	(105,264)	25,756
Net cash used in financing activities	(40,729)	(92,343)	51,614
Effect of exchange rates	3,045	314	2,731
Net increase (decrease) in cash and cash equivalents	<u>\$ 9,193</u>	<u>\$ (69,627)</u>	<u>\$ 78,820</u>

Net cash provided by operating activities totaled \$126.4 million and \$127.7 million for the six months ended February 28, 2025 and February 29, 2024, respectively. For the six months ended February 28, 2025, net cash provided by operating activities decreased primarily due to shifts in working capital resulting from changes in our merchandise inventory and accounts payable positions, which contributed \$29.0 million to the overall decrease. This was partially offset by a net positive change in our other various operating assets and liabilities, which contributed \$20.6 million, as well as an increase in net income without non-cash items which contributed \$7.1 million for the six months ended February 28, 2025.

Net cash used in investing activities totaled \$79.5 million and \$105.3 million for the six months ended February 28, 2025 and February 29, 2024, respectively. The \$25.8 million decrease in net cash used in investing activities is primarily due to a \$40.7 million

decrease in property and equipment expenditures to support growth of our real estate footprint and a \$30.6 million decrease in purchases of short-term investments compared to the same six-month period a year ago. This was partially offset by a \$45.6 million decrease in proceeds from settlements of short-term investments.

Net cash used in financing activities totaled \$40.7 million and \$92.3 million for the six months ended February 28, 2025 and February 29, 2024, respectively. The \$51.6 million decrease in net cash used in financing activities is primarily the result of fewer repurchases of our common stock during the first six months of fiscal year 2025, partially offset by an increase in repayments of long-term bank borrowings and a decrease in proceeds from long-term bank borrowings compared to the same period a year ago.

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The following table summarizes the dividends declared and paid during fiscal years 2025 and 2024 (amounts are per share):

Declared	Amount	First Payment			Second Payment				
		Record Date	Date Paid	Date Payable	Record Date	Date Paid	Date Payable	Amount	
2/1/2024	\$ 1.16	2/15/2024	2/29/2024	N/A	\$ 0.58	8/15/2024	8/30/2024	N/A	\$ 0.58
4/3/2024	\$ 1.00	4/19/2024	4/30/2024	N/A	\$ 1.00	N/A	N/A	N/A	N/A
2/6/2025	\$ 1.26	2/18/2025	2/28/2025	N/A	\$ 0.63	8/15/2025	N/A	8/29/2025	\$ 0.63

On February 6, 2025 the Company's Board of Directors declared an annual cash dividend in the total amount of \$1.26 per share, with \$0.63 per share paid on February 28, 2025 to stockholders of record as of February 18, 2025 and \$0.63 per share payable on August 29, 2025 to stockholders of record as of August 15, 2025. The declaration of future dividends (ongoing or otherwise), if any, the amount of such dividends, and the establishment of record and payment dates is subject to final determination by the Board of Directors at its discretion after its review of the Company's financial performance and anticipated capital requirements, taking into account the uncertain macroeconomic conditions on our results of operations and cash flows.

### ***Capital Expenditures***

Capital expenditures were \$62.8 million for the six months ended February 28, 2025, of which \$35.6 million and \$27.2 million were for maintenance and growth expenditures, respectively. Capital expenditures for fiscal year 2024 were \$168.5 million, of which \$72.3 million and \$96.2 million were maintenance and growth expenditures, respectively. In January 2024, the Company purchased its previously leased club building and land in Panama City, Panama for \$33.0 million. In April 2024, the Company also purchased land located in Cartago, Costa Rica, where we opened our ninth warehouse club in Costa Rica in April 2025. Maintenance expenditures are typically for operational fixtures and equipment, building refurbishment, solar, technology and other expenses. Growth expenditures are for new clubs, purchases of previously leased clubs, investments to move existing clubs to better locations, supply chain improvements, and major remodels and expansions.

### ***Short-Term Borrowings and Long-Term Debt***

Our financing strategy is to ensure liquidity and access to capital markets while minimizing our borrowing costs. The proceeds of these borrowings were or will be used for general corporate purposes, which may include, among other things, funding for working capital, capital expenditures, acquisitions, dividends and repayment of existing debt. Refer to "Item 1. Financial Statements: Notes to Consolidated Financial Statements, Note 7 – Debt" for further discussion.

### ***Future Lease and Other Commitments***

We place a strong emphasis on managing future lease commitments related to various facilities and equipment that support our operations. We believe our current liquidity and cash flow projections can cover future lease commitments. As of February 28, 2025, we have signed one lease agreement for a facility to be built by the lessor which has not yet commenced. Please refer to "Item 1. Financial Statements: Notes to Consolidated Financial Statements, Note 6 – Commitments and Contingencies" for further discussion.

### ***Derivatives***

Please refer to "Item 1. Financial Statements: Notes to Consolidated Financial Statements, Note 8 – Derivative Instruments and Hedging Activities" for further discussion.

### ***Off-Balance Sheet Arrangements***

The Company does not have any off-balance sheet arrangements that have had, or are reasonably likely to have, a material current or future effect on its financial condition or consolidated financial statements.

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### ***Repurchase of Common Stock and Reissuance of Treasury Shares Related to Employee Stock Awards***

At the vesting dates for restricted stock awards to our employees, we repurchase a portion of the shares that have vested at the prior day's closing price per share and apply the proceeds to pay the employees' tax withholding requirements, not to exceed the maximum statutory tax rate, related to the vesting of restricted stock awards. The Company expects to continue this practice going forward.

Shares of common stock repurchased by us are recorded at cost as treasury stock and result in the reduction of stockholders' equity in our consolidated balance sheets. We may reissue these treasury shares in the future.

### ***Share Repurchase Program***

In July 2023 we announced a program authorized by our Board of Directors to repurchase up to \$75 million of our common stock. We began repurchases in the fourth quarter of fiscal year 2023 and successfully completed the share repurchase program in the first quarter of fiscal year 2024. We purchased a total of approximately 1,007,000 shares of our common stock under the program. The repurchases were made on the open market pursuant to a trading plan established pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, which permitted us to repurchase common stock at a time that we might otherwise have been precluded from doing so under insider trading laws or self-imposed trading restrictions. We have no plans to continue repurchases or adopt a new repurchase plan at this time. However, the Board of Directors could choose to commence another program in the future at its discretion after its review of the Company's financial performance and anticipated capital requirements.

Share repurchase activity under the Company's repurchase programs for the periods indicated was as follows (total cost in thousands):

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Number of common shares acquired	—	—	—	935,663
Average price per common share acquired	\$ —	\$ —	\$ —	\$ 74.13
Total cost of common shares acquired	\$ —	\$ —	\$ —	\$ 69,362

### **Critical Accounting Estimates**

The preparation of our consolidated financial statements requires that management make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Some of our accounting policies require management to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Management continues to review its accounting policies and evaluate its estimates, including those related to business acquisitions, contingencies and litigation, income taxes, value added taxes, and long-lived assets. We base our estimates on historical experience and on other assumptions that management believes to be reasonable under the present circumstances. Using different estimates could have a material impact on our financial condition and results of operations.

### **Income Taxes**

For interim reporting, we estimate an annual effective tax rate (AETR) to calculate income tax expense. Our income tax expense, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best estimate of current and future taxes to be paid.



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We are required to file federal and state income tax returns in the United States and income tax and various other tax returns in multiple foreign jurisdictions, each with changing tax laws, regulations and administrative positions. This requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. We record the benefits of uncertain tax positions in our financial statements only after determining it is more likely than not the uncertain tax positions would sustain challenge by taxing authorities, including resolution of related appeals or litigation processes, if any. We develop our assessment of an uncertain tax position based on the specific facts and legal arguments of each case and the associated probability of our reporting position being upheld, using internal expertise and the advice of third-party experts. However, our tax returns are subject to routine reviews by the various taxing authorities in the jurisdictions in which we file our tax returns. As part of these reviews, taxing authorities may challenge, and in some cases presently are challenging, the interpretations we have used to calculate our tax liability. In addition, any settlement with the tax authority or the outcome of any appeal or litigation process might result, and in some cases has resulted, in an outcome that is materially different from our estimated liability. When facts and circumstances change, we reassess these probabilities and record any changes in the consolidated financial statements as appropriate. Variations in the actual outcome of these cases could materially impact our consolidated financial statements.

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in the future. In evaluating our ability to recover our deferred tax assets in the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. In projecting future taxable income, we begin with historical results and incorporate assumptions about the amount of future state, federal, and foreign pretax operating income adjusted for items that do not have tax consequences. The assumptions about future taxable income require the use of significant judgment and are consistent with the plans and estimates we are using to manage the underlying businesses. In evaluating the objective evidence that historical results provide, we consider three years of cumulative operating income.

### **Tax Receivables**

We pay Value Added Tax (“VAT”) or similar taxes, income taxes, and other taxes within the normal course of our business in most of the countries in which we operate related to the procurement of merchandise and/or services we acquire and/or on sales and taxable income. VAT is a form of indirect tax applied to the value added at each stage of production (primary, manufacturing, wholesale and retail). This tax is similar to, but operates somewhat differently than, sales tax paid in the United States. We generally collect VAT from our Members upon sale of goods and services and pay VAT to our vendors upon purchase of goods and services. Periodically, we submit VAT reports to governmental agencies and reconcile the VAT paid and VAT received. The net overpaid VAT may be refunded or applied to subsequent returns, and the net underpaid VAT must be remitted to the government.

With respect to income taxes paid, if the estimated income taxes paid or withheld exceed the actual income tax due this creates an income tax receivable. In most countries where we operate, the governments have implemented additional collection procedures, such as requiring credit card processors to remit a portion of sales processed via credit and debit cards directly to the government as advance payments of VAT and/or income tax. This collection mechanism generally leaves us with net VAT and/or income tax receivables, forcing us to process significant refund claims on a recurring basis. These refund or offset processes can take anywhere from several months to several years to complete.

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Minimum tax rules, applicable in some of the countries where the Company operates, require the Company to pay taxes based on a percentage of sales if the resulting tax were greater than the tax payable based on a percentage of income (Alternative Minimum Tax or "AMT"). This can result in AMT payments substantially in excess of those the Company would expect to pay based on taxable income. As the Company believes that, in one country where it operates, it should only be ultimately liable for an income-based tax, it has accumulated income tax receivables of \$11.1 million and \$10.9 million and deferred tax assets of \$4.0 million and \$3.4 million as of February 28, 2025 and August 31, 2024, respectively, in this country.

The Company's various outstanding VAT receivables and/or income tax receivables are based on cases or appeals with their own set of facts and circumstances. The Company consults and evaluates with legal and tax advisors regularly to understand the strength of its legal arguments and probability of successful outcomes in addition to its own experience handling these complex tax issues. While the rules related to refunds of income tax receivables in these countries are unclear and complex, the Company has not placed any type of allowance on the recoverability of the remaining tax receivables or deferred tax assets, because the Company believes that it is more likely than not that it will ultimately succeed in its refund requests. Similarly, we have not placed any recoverability allowances on tax receivables that arise from payments we are required to make pursuant to tax assessments that we are appealing because we believe it is more likely than not that we will ultimately prevail in the related appeals. There can be no assurance, however, that the Company will be successful in recovering all tax receivables or deferred tax assets.

Our policy for classification and presentation of VAT receivables, income tax receivables and other tax receivables is as follows:

- Short-term VAT and Income tax receivables, recorded as Prepaid expenses and other current assets: This classification is used for any countries where our subsidiary has generally demonstrated the ability to recover the VAT or income tax receivable within one year. We also classify as short-term any approved refunds or credit notes to the extent that we expect to receive the refund or use the credit notes within one year.
- Long-term VAT and Income tax receivables, recorded as Other non-current assets: This classification is used for amounts not approved for refund or credit in countries where our subsidiary has not demonstrated the ability to obtain refunds within one year and/or for amounts which are subject to outstanding disputes. An allowance is provided against VAT and income tax receivable balances in dispute when we do not expect to eventually prevail in our recovery of such balances. We do not currently have any allowances provided against VAT and income tax receivables.

### **Long-lived Assets**

We evaluate quarterly our long-lived assets for indicators of impairment. Indicators that an asset may be impaired are:

- the asset's inability to continue to generate income from operations and positive cash flow in future periods;
- loss of legal ownership or title to the asset;
- significant changes in its strategic business objectives and utilization of the asset(s); and
- the impact of significant negative industry or economic trends.

Management's judgments are based on market and operational conditions at the time of the evaluation and can include management's best estimate of future business activity, which in turn drives estimates of future cash flows from these assets. These periodic evaluations could cause management to conclude that impairment factors exist, requiring an adjustment of these assets to their then-current fair market value. Future business conditions and/or activity could differ materially from the projections made by management causing the need for additional impairment charges. We did not record any significant impairment charges during the second quarter of fiscal year 2025 related to the loss of legal ownership or title to assets; significant changes in the Company's strategic business objectives or utilization of assets; or the impact of significant negative industry or economic trends. Loss on disposal of assets recorded during the years reported resulted from improvements to operations and normal preventive maintenance.



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### **Seasonality**

Historically, our merchandising businesses have experienced holiday retail seasonality in their markets. In addition to seasonal fluctuations, our operating results fluctuate quarter-to-quarter as a result of economic and political events in markets that we serve, the timing of holidays, weather, the timing of shipments, product mix, and currency effects on the cost of U.S.-sourced products which may make these products more or less expensive in local currencies and therefore more or less affordable. Because of such fluctuations, the results of operations of any quarter are not indicative of the results that may be achieved for a full fiscal year or any future quarter. In addition, there can be no assurance that our future results will be consistent with past results or the projections of securities analysts.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risks relating to our operations result primarily from changes in interest rates and changes in currency exchange rates. There have been no material changes in our market risk factors at February 28, 2025 compared to those disclosed in our Annual Report on Form 10-K for the fiscal year ended August 31, 2024.

From time to time, we have experienced a lack of availability of U.S. dollars in certain markets (U.S. dollar illiquidity). This impedes our ability to convert local currencies obtained through merchandise sales into U.S. dollars to settle the U.S. dollar liabilities associated with our imported products or otherwise fund our operations. For instance, since fiscal year 2017, we have experienced this situation in Trinidad and have been unable to source a sufficient level of tradable currencies. We are working with our banks in Trinidad and government officials to convert all of our Trinidad dollars into tradable currencies. Additionally, during fiscal year 2023, the Honduran Central Bank began limiting the availability and controlling the allocation of U.S. dollars for the conversion from Honduran lempiras to U.S. dollars. We are actively working with our banking partners and government authorities to address this situation. We have and continue to take additional actions in this respect. Refer to “Item 2. Management’s Discussion & Analysis – Factors Affecting Our Business” and “Item 2. Management’s Discussion & Analysis – Liquidity: Financial Position and Cash Flow” for our quantitative analysis and discussion.

Information about the financial impact of foreign currency exchange rate fluctuations for the three and six-month period ended February 28, 2025 is disclosed in “Item 2. Management’s Discussion & Analysis – Other Expense, net.”

Information about the change in the fair value of our hedges and the financial impact thereof for the three and six-month period ended February 28, 2025 is disclosed in “Item 1. Financial Statements: Notes to Consolidated Financial Statements, Note 8 – Derivative Instruments and Hedging Activities.”

Information about the movements in currency exchange rates and the related impact on the translation of the balance sheets of our subsidiaries whose functional currency is not the U.S. dollar for the three and six-month period ended February 28, 2025 is disclosed in “Item 2. Management’s Discussion & Analysis – Other Comprehensive Income.”

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Limitations on Effectiveness of Controls and Procedures**

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the timelines specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of

possible controls and procedures. Also, we have investments in one unconsolidated entity. Because we do not control or manage that entity, our control procedures with respect to that entity were substantially more limited than those we maintain with respect to our consolidated subsidiaries.

### **Evaluation of Disclosure Controls and Procedures**

As required by SEC Rules 13a-15(e) or 15d-15(e), we carried out an evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon their evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level.

### **Changes in Internal Control over Financial Reporting**

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes to improve controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems and automating manual processes. There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 are filed as Exhibit 31.1 and 31.2 to this report.

## PART II—OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are often involved in claims arising in the ordinary course of business seeking monetary damages and other relief. Based upon information currently available to us, none of these claims is expected to have a material adverse effect on our business, financial condition or results of operations. Refer to Part I. “Item 1. Financial Statements and Supplementary Data: Notes to Consolidated Financial Statements, Note 6 – Commitments and Contingencies” for additional information regarding our legal proceedings.

### ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Quarterly Report on Form 10-Q, the reader should carefully consider the following risk factor, which supplements and should be read in conjunction with the information appearing under Part I. “Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended August 31, 2024.

*We are vulnerable to changes in political and economic conditions, including the effects of tariffs and/or international trade wars and disruptions to remittances.*

In April 2025, the U.S. government announced a baseline tariff of 10% on products from all countries and an additional individualized reciprocal tariff on the countries with which the United States has the largest trade deficits. The U.S. and/or countries into which we import merchandise and equipment may, in the future, adjust and/or impose new quotas, duties, tariffs or reciprocal tariffs or other restrictions which may affect our operations and our ability to purchase imported merchandise at reasonable prices, which may negatively affect affordability to our Members. The ultimate impact of any tariffs will depend on various factors, including how long such tariffs remain in place, the ultimate levels of such tariffs and how other countries respond to the U.S. tariffs. Our Miami Distribution Center, which operates within a Free Trade Zone (“FTZ”), serves as a strategic mechanism for mitigating the economic risks posed by tariffs, but the use of the FTZ may not mitigate the impact of duties on items we purchase from U.S. vendors that are either imported finished goods or that contain significant amounts of imported inputs. We may also choose to re-route merchandise directly from the country of origin directly to the markets where we have warehouse clubs to bypass the impact of U.S. tariffs. However, if we are unable to mitigate tariff-related risks through supply chain adjustments, pricing strategies, or other measures, our financial performance and growth prospects could be negatively affected.

Remittances make up a significant portion of GDP in certain markets, including Guatemala, El Salvador, Nicaragua and Honduras. A remittance is a transfer of money by a foreign worker to an individual in his or her home country. If deportations of these workers from the United States increases, either due to changes in immigration policy, enforcement actions, or legal challenges, it could disrupt their ability to send money back to their families. Additionally, the financial strain of relocation and reintegration into their home countries may further diminish workers' disposable income and their ability to provide financial support. The resulting decline in remittance flows could have a direct negative impact on the economies of several of the Latin American nations where we operate, which rely on remittances as a key source of income and poverty alleviation for millions of families.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

- (a) None.
- (b) None.
- (c) Purchase of Equity Securities by the Issuer and Affiliated Purchasers.

Upon vesting of restricted stock awarded by the Company to employees, the Company repurchases shares and withholds the amount of the repurchase payment to cover employees’ tax withholding obligations. As set forth in the table below, during the quarter

ended February 28, 2025, the Company repurchased 27,198 shares in the indicated months. These were the only repurchases of equity securities made by the Company during the second quarter of fiscal year 2025. The Company does not currently have a stock repurchase program. However, the Board of Directors could choose to commence a stock repurchase program in the future, at its discretion, after its review of the Company's financial performance and anticipated capital requirements.

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<b>Period</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price Paid Per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs</b>
December 1, 2024 - December 31, 2024	—	\$ —	—	N/A
January 1, 2025 - January 31, 2025	27,198	90.45	—	N/A
February 1, 2025 - February 28, 2025	—	—	—	N/A
Total	27,198	\$ 90.45	—	N/A

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

On February 4, 2025, Francisco Velasco, our Executive Vice President – Chief Legal Officer, Registered In-House Counsel, Chief Risk & Compliance Officer and Corporate Secretary, adopted a Rule 10b5-1 Trading Plan. Mr. Velasco’s Rule 10b5-1 Trading Plan provides for the sale of up to 1,650 shares of the Company’s common stock during the period beginning on May 6, 2025 and ending January 6, 2026.

During the second quarter of fiscal year 2025, except as described above, none of our other directors or executive officers adopted or terminated a Rule 10b5-1 Trading Plan, or a “non-Rule 10b5-1 trading arrangement” (as defined in Item 408(c) of Regulation S-K).

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### ITEM 6. EXHIBITS

(a) *Exhibits:*

3.1 <sup>(1)</sup>	<a href="#">Amended and Restated Certificate of Incorporation of the Company.</a>
3.2 <sup>(2)</sup>	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company.</a>
3.3 <sup>(3)</sup>	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company.</a>
3.4 <sup>(4)</sup>	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company.</a>
3.5 <sup>(5)</sup>	<a href="#">Second Amended and Restated Bylaws of the Company.</a>
3.6 <sup>(6)</sup>	<a href="#">Amendment to Second Amended and Restated Bylaws of PriceSmart, Inc.</a>
10.1 <sup>(7)</sup>	<a href="#">Amendment to the Amended and Restated 2013 Equity Incentive Award Plan of PriceSmart, Inc.</a>
31.1*	<a href="#">Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1*#	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2*#	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

\* Filed herewith as an exhibit.

# These certifications are being furnished solely to accompany this Report pursuant to 18 U.S.C. 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of PriceSmart, Inc. whether made before or after the date hereof, regardless of any general incorporation language in such filing.

<sup>(1)</sup> Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 1997 filed with the Commission on November 26, 1997.

<sup>(2)</sup> Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 29, 2004 filed with the Commission on April 14, 2004.

<sup>(3)</sup> Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 2004 filed with the Commission on November 24, 2004.

<sup>(4)</sup> Incorporated by reference to the Company's Current Report on Form 8-K filed with the Commission on February 2, 2024.

<sup>(5)</sup> Incorporated by reference to the Company's Current Report on Form 8-K filed with the Commission on July 17, 2015.

<sup>(6)</sup> Incorporated by reference to the Company's Current Report on Form 8-K filed with the Commission on December 9, 2022.

<sup>(7)</sup> Incorporated by reference to the Company's Current Report on Form 8-K filed with the Commission on February 7, 2025.



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PRICESMART, INC.

Date: April 9, 2025

By:

/s/ ROBERT E. PRICE

**Robert E. Price**  
**Interim Chief Executive Officer**  
**(Principal Executive Officer)**

Date: April 9, 2025

By:

/s/ MICHAEL L. MCCLEARY

**Michael L. McCleary**  
**Executive Vice President and Chief Financial Officer**  
**(Principal Financial Officer and Principal Accounting Officer)**

**Certification**

I, Robert E. Price, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PriceSmart, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 9, 2025

/s/ ROBERT E. PRICE

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**Robert E. Price**  
**Interim Chief Executive Officer**  
**(Principal Executive Officer)**

**Certification**

I, Michael L. McCleary, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PriceSmart, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 9, 2025

/s/ MICHAEL L. MCCLEARY

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**Michael L. McCleary**  
**Executive Vice President and Chief Financial Officer**  
**(Principal Financial Officer and Principal Accounting Officer)**

**Certification of Chief Executive Officer**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of PriceSmart, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended February 28, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 9, 2025

/s/ ROBERT E. PRICE

---

**Robert E. Price**  
**Interim Chief Executive Officer**  
**(Principal Executive Officer)**

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Financial Officer**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of PriceSmart, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended February 28, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 9, 2025

/s/ MICHAEL L. MCCLEARY

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**Michael L. McCleary**  
**Executive Vice President and Chief Financial Officer**  
**(Principal Financial Officer and Principal Accounting Officer)**

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**COVER - shares**

**6 Months Ended  
Feb. 28, 2025**

**Mar. 31, 2025**

**Cover [Abstract]**

<u>Document Type</u>	10-Q	
<u>Document Quarterly Report</u>	true	
<u>Document Period End Date</u>	Feb. 28, 2025	
<u>Document Transition Report</u>	false	
<u>Entity File Number</u>	000-22793	
<u>Entity Registrant Name</u>	PriceSmart, Inc.	
<u>Entity Incorporation, State or Country Code</u>	DE	
<u>Entity Tax Identification Number</u>	33-0628530	
<u>Entity Address, Address Line One</u>	9740 Scranton Road	
<u>Entity Address, City or Town</u>	San Diego	
<u>Entity Address, State or Province</u>	CA	
<u>Entity Address, Postal Zip Code</u>	92121	
<u>City Area Code</u>	858	
<u>Local Phone Number</u>	404-8800	
<u>Title of 12(b) Security</u>	Common Stock, \$0.0001 par value	
<u>Trading Symbol</u>	PSMT	
<u>Security Exchange Name</u>	NASDAQ	
<u>Entity Current Reporting Status</u>	Yes	
<u>Entity Interactive Data Current</u>	Yes	
<u>Entity Filer Category</u>	Large Accelerated Filer	
<u>Entity Small Business</u>	false	
<u>Entity Emerging Growth Company</u>	false	
<u>Entity Shell Company</u>	false	
<u>Entity Common Stock, Shares Outstanding</u>		30,754,145
<u>Entity Central Index Key</u>	0001041803	
<u>Current Fiscal Year End Date</u>	--08-31	
<u>Document Fiscal Year Focus</u>	2025	
<u>Document Fiscal Period Focus</u>	Q2	
<u>Amendment Flag</u>	false	

**CONSOLIDATED  
BALANCE SHEETS - USD  
(\$)  
\$ in Thousands**

**Feb. 28, Aug. 31,  
2025 2024**

**Current Assets:**

<u>Cash and cash equivalents</u>	\$ 130,363	\$ 125,364
<u>Short-term restricted cash</u>	3,476	1,383
<u>Short-term investments</u>	116,933	100,165
<u>Receivables, net of allowance for credit losses of \$50 as of February 28, 2025 and \$52 August 31, 2024, respectively</u>	20,400	18,847
<u>Merchandise inventories</u>	549,687	528,678
<u>Prepaid expenses and other current assets (includes \$0 and \$4,480 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)</u>	54,284	57,910
<u>Total current assets</u>	875,143	832,347
<u>Long-term restricted cash</u>	11,665	9,564
<u>Property and equipment, net</u>	954,718	936,108
<u>Operating lease right-of-use assets, net</u>	98,253	96,415
<u>Goodwill</u>	43,218	43,197
<u>Deferred tax assets</u>	36,462	36,618
<u>Other non-current assets (includes \$1,116 and \$1,482 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)</u>	66,346	61,563
<u>Investment in unconsolidated affiliates</u>	6,860	6,882
<u>Total Assets</u>	2,092,665	2,022,694

**Current Liabilities:**

<u>Short-term borrowings</u>	15,340	8,007
<u>Accounts payable</u>	497,732	485,961
<u>Accrued salaries and benefits</u>	38,258	48,263
<u>Deferred income</u>	43,411	38,079
<u>Income taxes payable</u>	4,730	6,516
<u>Other accrued expenses and other current liabilities (includes \$217 and \$1,179 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)</u>	57,348	50,035
<u>Operating lease liabilities, current portion</u>	7,314	7,370
<u>Dividends payable</u>	19,411	0
<u>Long-term debt, current portion</u>	18,261	35,917
<u>Total current liabilities</u>	701,805	680,148
<u>Deferred tax liability</u>	854	1,644
<u>Long-term income taxes payable, net of current portion</u>	4,719	4,762
<u>Long-term operating lease liabilities</u>	106,414	103,890
<u>Long-term debt, net of current portion</u>	88,850	94,443
<u>Other long-term liabilities (includes \$4,013 and \$2,100 for the fair value of derivative instruments and \$13,424 and \$12,742 for post-employment plans as of February 28, 2025 and August 31, 2024, respectively)</u>	17,437	14,842
<u>Total Liabilities</u>	920,079	899,729

**Stockholders' Equity:**

<u>Common stock \$0.0001 par value, 45,000,000 shares authorized; 32,689,572 and 32,570,858 shares issued and 30,756,551 and 30,635,556 shares outstanding (net of treasury shares) as of February 28, 2025 and August 31, 2024, respectively</u>	3	3
<u>Additional paid-in capital</u>	519,564	514,542
<u>Accumulated other comprehensive loss</u>	(160,640)	(164,590)
<u>Retained earnings</u>	932,673	890,272
<u>Less: treasury stock at cost, 1,933,021 shares as of February 28, 2025 and 1,935,302 shares as of August 31, 2024</u>	(119,014)	(117,262)
<u>Total Stockholders' Equity</u>	1,172,586	1,122,965
<u>Total Liabilities and Equity</u>	\$	\$
	2,092,665	2,022,694

**CONSOLIDATED  
BALANCE SHEETS  
(Parenthetical) - USD (\$)  
\$ in Thousands**

**Feb. 28, 2025 Aug. 31, 2024**

**Statement of Financial Position [Abstract]**

<u>Receivables, allowance for doubtful accounts</u>	\$ 50	\$ 52
<u>Prepaid expenses and other current assets, fair value of derivative instruments</u>	0	4,480
<u>Derivative asset, noncurrent</u>	1,116	1,482
<u>Fair value, liabilities, current</u>	217	1,179
<u>Other long-term liabilities, fair value of derivative instruments</u>	4,013	2,100
<u>Other long-term liabilities, post-employment plans</u>	\$ 13,424	\$ 12,742
<u>Common stock, par value per share (in dollars per share)</u>	\$ 0.0001	\$ 0.0001
<u>Common stock, shares authorized (in shares)</u>	45,000,000	45,000,000
<u>Common stock, shares issued (in shares)</u>	32,689,572	32,570,858
<u>Common stock, shares outstanding (in shares)</u>	30,756,551	30,635,556
<u>Treasury stock (in shares)</u>	1,933,021	1,935,302

**CONSOLIDATED  
STATEMENTS OF  
INCOME - USD (\$)**  
shares in Thousands, \$ in  
Thousands

	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>Feb. 28, 2025</b>	<b>Feb. 29, 2024</b>	<b>Feb. 28, 2025</b>	<b>Feb. 29, 2024</b>
<b>Revenues:</b>				
<u>Total revenues</u>	\$	\$	\$	\$
	1,363,886	1,291,950	2,621,830	2,458,425
<b>Selling, general and administrative:</b>				
<u>Warehouse club and other operations</u>	124,232	117,774	242,087	227,739
<u>General and administrative</u>	43,034	38,809	85,599	74,248
<u>Pre-opening expenses</u>	293	457	315	944
<u>Loss on disposal of assets</u>	922	429	1,274	522
<u>Total operating expenses</u>	1,298,616	1,228,332	2,498,300	2,336,594
<u>Operating income</u>	65,270	63,618	123,530	121,831
<b>Other income (expense):</b>				
<u>Interest income</u>	2,735	3,225	4,955	6,091
<u>Interest expense</u>	(2,538)	(3,293)	(5,233)	(6,109)
<u>Other expense, net</u>	(5,306)	(7,036)	(12,162)	(9,162)
<u>Total other expense</u>	(5,109)	(7,104)	(12,440)	(9,180)
<u>Income before provision for income taxes and income (loss) of unconsolidated affiliates</u>	60,161	56,514	111,090	112,651
<u>Provision for income taxes</u>	(16,384)	(17,259)	(29,880)	(35,412)
<u>Income (loss) of unconsolidated affiliates</u>	(17)	16	(22)	79
<u>Net income</u>	\$ 43,760	\$ 39,271	\$ 81,188	\$ 77,318
<b>Net income per share available for distribution:</b>				
<u>Basic (in dollars per share)</u>	\$ 1.45	\$ 1.31	\$ 2.66	\$ 2.54
<u>Diluted (in dollars per share)</u>	\$ 1.45	\$ 1.31	\$ 2.66	\$ 2.54
<b>Shares used in per share computations:</b>				
<u>Basic (in shares)</u>	30,063	29,920	30,041	30,095
<u>Diluted (in shares)</u>	30,068	29,920	30,044	30,095
<u>Net merchandise sales</u>				
<b>Revenues:</b>				
<u>Total revenues</u>	\$	\$	\$	\$
	1,334,555	1,260,916	2,558,414	2,395,930
<b>Cost of goods sold:</b>				
<u>Cost of goods sold</u>	1,126,335	1,062,685	2,156,212	2,015,413
<u>Export sales</u>				
<b>Revenues:</b>				
<u>Total revenues</u>	3,987	8,511	13,605	18,520
<b>Cost of goods sold:</b>				
<u>Cost of goods sold</u>	3,800	8,178	12,813	17,728
<u>Membership income</u>				
<b>Revenues:</b>				

<u>Total revenues</u>	20,915	18,538	41,114	36,287
<u>Other revenue and income</u>				
<b>Revenues:</b>				
<u>Total revenues</u>	\$ 4,429	\$ 3,985	\$ 8,697	\$ 7,688

**CONSOLIDATED  
STATEMENTS OF  
COMPREHENSIVE  
INCOME - USD (\$)  
\$ in Thousands**

3 Months Ended		6 Months Ended	
Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2025	Feb. 29, 2024

**Statement of Comprehensive Income [Abstract]**

<u>Net income</u>	\$ 43,760	\$ 39,271	\$ 81,188	\$ 77,318
<b><u>Other Comprehensive Income, net of tax:</u></b>				
<u>Foreign currency translation adjustments</u>	[1] 7,345	6,697	4,492	10,233
<b><u>Defined benefit pension plan:</u></b>				
<u>Net gain (loss) arising during period</u>	(1)	(6)	(8)	19
<u>Amortization of prior service cost and actuarial gains included in net periodic pensions cost</u>	57	96	135	192
<u>Total defined benefit pension plan</u>	56	90	127	211
<b><u>Derivative instruments:</u></b>				
<u>Unrealized gains on change in derivative obligations</u>	[2] 2,919	764	2,681	1,938
<u>Unrealized losses on change in fair value of interest rate swaps</u>	[2] (4,170)	(2,428)	(6,310)	(3,679)
<u>Amounts reclassified from accumulated other comprehensive income to other expense, net for settlement of derivatives</u>	[2] 816	0	2,960	0
<u>Total derivative instruments</u>	[2] (435)	(1,664)	(669)	(1,741)
<u>Other comprehensive income</u>	6,966	5,123	3,950	8,703
<u>Comprehensive income</u>	\$ 50,726	\$ 44,394	\$ 85,138	\$ 86,021

[1] Translation adjustments arising in translating the financial statements of a foreign entity have no effect on the income taxes of that foreign entity. They may, however, affect: (a) the amount, measured in the parent entity's reporting currency, of withholding taxes assessed on dividends paid to the parent entity and (b) the amount of taxes assessed on the parent entity by the government of its country. The Company has determined that the reinvestment of earnings of its foreign subsidiaries are indefinite because of the long-term nature of the Company's foreign investment plans. Therefore, deferred taxes are not provided for on translation adjustments related to non-remitted earnings of the Company's foreign subsidiaries.

[2] See Note 8 - Derivative Instruments and Hedging Activities.

<b>CONSOLIDATED STATEMENTS OF EQUITY - USD (\$) \$ in Thousands</b>	<b>Total</b>	<b>Common Stock</b>	<b>Additional Paid-in Capital</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Retained Earnings</b>	<b>Treasury Stock</b>
<u>Beginning balance (in shares) at Aug. 31, 2023</u>		31,935,000				
<u>Beginning balance at Aug. 31, 2023</u>	\$ 1,107,043	\$ 3	\$ 497,434	\$ (163,992)	\$ 817,559	\$ (43,961)
<u>Treasury stock, beginning balance (in shares) at Aug. 31, 2023</u>						958,000
<b><u>Increase (Decrease) in Stockholders' Equity [Roll Forward]</u></b>						
<u>Purchase of treasury stock (in shares)</u>						967,000
<u>Purchase of treasury stock</u>	(71,738)					\$ (71,738)
<u>Issuance of treasury stock (in shares)</u>		(3,000)				(3,000)
<u>Issuance of treasury stock</u>	0		(185)			\$ 185
<u>Issuance of restricted stock awards (in shares)</u>		655,000				
<u>Forfeiture of restricted stock awards (in shares)</u>		(8,000)				
<u>Stock-based compensation</u>	8,100		8,100			
<u>Dividend paid to stockholders</u>	(17,781)				(17,781)	
<u>Dividend payable to stockholders</u>	(17,771)				(17,771)	
<u>Net income</u>	77,318				77,318	
<u>Other comprehensive income</u>	8,703			8,703		
<u>Ending balance (in shares) at Feb. 29, 2024</u>		32,579,000				
<u>Ending balance at Feb. 29, 2024</u>	1,093,874	\$ 3	505,349	(155,289)	859,325	\$ (115,514)
<u>Treasury stock, ending balance (in shares) at Feb. 29, 2024</u>						1,922,000
<u>Beginning balance (in shares) at Nov. 30, 2023</u>		32,416,000				
<u>Beginning balance at Nov. 30, 2023</u>	1,082,244	\$ 3	500,795	(160,412)	855,606	\$ (113,748)
<u>Treasury stock, beginning balance (in shares) at Nov. 30, 2023</u>						1,899,000

**Increase (Decrease) in  
Stockholders' Equity [Roll  
Forward]**

<u>Purchase of treasury stock (in shares)</u>						23,000
<u>Purchase of treasury stock</u>	(1,766)					\$ (1,766)
<u>Issuance of restricted stock awards (in shares)</u>		167,000				
<u>Forfeiture of restricted stock awards (in shares)</u>		(4,000)				
<u>Stock-based compensation</u>	4,554		4,554			
<u>Dividend paid to stockholders</u>	(17,781)				(17,781)	
<u>Dividend payable to stockholders</u>	(17,771)				(17,771)	
<u>Net income</u>	39,271				39,271	
<u>Other comprehensive income</u>	5,123			5,123		
<u>Ending balance (in shares) at Feb. 29, 2024</u>		32,579,000				
<u>Ending balance at Feb. 29, 2024</u>	\$ 1,093,874	\$ 3	505,349	(155,289)	859,325	\$ (115,514)
<u>Treasury stock, ending balance (in shares) at Feb. 29, 2024</u>						1,922,000
<u>Beginning balance (in shares) at Aug. 31, 2024</u>	30,635,556	32,571,000				
<u>Beginning balance at Aug. 31, 2024</u>	\$ 1,122,965	\$ 3	514,542	(164,590)	890,272	\$ (117,262)
<u>Treasury stock, beginning balance (in shares) at Aug. 31, 2024</u>	1,935,302					1,935,000

**Increase (Decrease) in  
Stockholders' Equity [Roll  
Forward]**

<u>Purchase of treasury stock (in shares)</u>						63,000
<u>Purchase of treasury stock</u>	\$ (5,752)					\$ (5,752)
<u>Issuance of treasury stock (in shares)</u>	(65,000)	(65,000)				(65,000)
<u>Issuance of treasury stock</u>	\$ 0		(4,000)			\$ 4,000
<u>Issuance of restricted stock awards (in shares)</u>		189,000				
<u>Forfeiture of restricted stock awards (in shares)</u>		(5,000)				
<u>Stock-based compensation</u>	9,022		9,022			
<u>Dividend paid to stockholders</u>	(19,376)				(19,376)	
<u>Dividend payable to stockholders</u>	(19,411)				(19,411)	

<u>Net income</u>	81,188				81,188
<u>Other comprehensive income</u>	\$ 3,950		3,950		
<u>Ending balance (in shares) at Feb. 28, 2025</u>	30,756,551	32,690,000			
<u>Ending balance at Feb. 28, 2025</u>	\$ 1,172,586	\$ 3	519,564	(160,640)	932,673 \$ (119,014)
<u>Treasury stock, ending balance (in shares) at Feb. 28, 2025</u>	1,933,021				1,933,000
<u>Beginning balance (in shares) at Nov. 30, 2024</u>		32,634,000			
<u>Beginning balance at Nov. 30, 2024</u>	\$ 1,158,578	\$ 3	519,035	(167,606)	927,700 \$ (120,554)
<u>Treasury stock, beginning balance (in shares) at Nov. 30, 2024</u>					1,971,000
<b>Increase (Decrease) in Stockholders' Equity [Roll Forward]</b>					
<u>Purchase of treasury stock (in shares)</u>					27,000
<u>Purchase of treasury stock</u>	(2,460)				\$ (2,460)
<u>Issuance of treasury stock (in shares)</u>		(65,000)			(65,000)
<u>Issuance of treasury stock</u>	0		(4,000)		\$ 4,000
<u>Issuance of restricted stock awards (in shares)</u>		123,000			
<u>Forfeiture of restricted stock awards (in shares)</u>		(2,000)			
<u>Stock-based compensation</u>	4,529		4,529		
<u>Dividend paid to stockholders</u>	(19,376)				(19,376)
<u>Dividend payable to stockholders</u>	(19,411)				(19,411)
<u>Net income</u>	43,760				43,760
<u>Other comprehensive income</u>	\$ 6,966		6,966		
<u>Ending balance (in shares) at Feb. 28, 2025</u>	30,756,551	32,690,000			
<u>Ending balance at Feb. 28, 2025</u>	\$ 1,172,586	\$ 3	\$ 519,564	\$ (160,640)	\$ 932,673 \$ (119,014)
<u>Treasury stock, ending balance (in shares) at Feb. 28, 2025</u>	1,933,021				1,933,000

**CONSOLIDATED  
STATEMENTS OF CASH  
FLOWS - USD (\$)  
\$ in Thousands**

**6 Months Ended  
Feb. 28, Feb. 29,  
2025 2024**

**Operating Activities:**

<u>Net income</u>	\$	
	81,188	\$ 77,318

**Adjustments to reconcile net income to net cash provided by operating activities:**

<u>Depreciation and amortization</u>	42,629	39,985
<u>Allowance for doubtful accounts</u>	2	(3)
<u>Loss on sale of property and equipment</u>	1,274	522
<u>Deferred income taxes</u>	(1,557)	(371)
<u>Equity in losses (gains) of unconsolidated affiliates</u>	22	(79)
<u>Stock-based compensation</u>	9,022	8,100

**Change in operating assets and liabilities:**

<u>Receivables, prepaid expenses and other current assets, non-current assets, accrued salaries and benefits, deferred membership income and other accruals</u>	1,339	(19,224)
<u>Merchandise inventories</u>	(21,009)	(30,885)
<u>Accounts payable</u>	13,475	52,303
<u>Net cash provided by operating activities</u>	126,385	127,666

**Investing Activities:**

<u>Additions to property and equipment</u>	(62,812)	(103,477)
<u>Purchases of short-term investments</u>	(68,248)	(98,833)
<u>Proceeds from settlements of short-term investments</u>	51,310	96,945
<u>Proceeds from disposal of property and equipment</u>	242	101
<u>Net cash used in investing activities</u>	(79,508)	(105,264)

**Financing Activities:**

<u>Proceeds from long-term bank borrowings</u>	5,441	16,500
<u>Repayment of long-term bank borrowings</u>	(28,298)	(16,383)
<u>Proceeds from short-term bank borrowings</u>	7,574	0
<u>Repayment of short-term bank borrowings</u>	(318)	(2,941)
<u>Cash dividend payments</u>	(19,376)	(17,781)
<u>Purchase of treasury stock</u>	(5,752)	(71,738)
<u>Net cash used in financing activities</u>	(40,729)	(92,343)
<u>Effect of exchange rate changes on cash and cash equivalents and restricted cash</u>	3,045	314
<u>Net increase (decrease) in cash, cash equivalents</u>	9,193	(69,627)
<u>Cash, cash equivalents and restricted cash at beginning of period</u>	136,311	252,202
<u>Cash, cash equivalents and restricted cash at end of period</u>	145,504	182,575

**Supplemental disclosure of noncash investing activities:**

<u>Capital expenditures accrued, but not yet paid</u>	3,066	6,075
<u>Dividends declared but not yet paid</u>	19,411	17,771

**Reconciliation of cash, cash equivalents, and restricted cash:**

<u>Cash and cash equivalents</u>	130,363	170,563
<u>Short-term restricted cash</u>	3,476	2,834

<u>Long-term restricted cash</u>	11,665	9,178
<u>Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows</u>	\$	\$
	145,504	182,575

**COMPANY OVERVIEW  
AND BASIS OF  
PRESENTATION**

**6 Months Ended**

**Feb. 28, 2025**

[Organization, Consolidation  
and Presentation of  
Financial Statements  
\[Abstract\]](#)

[COMPANY OVERVIEW  
AND BASIS OF  
PRESENTATION](#)

**COMPANY OVERVIEW AND BASIS OF PRESENTATION**

PriceSmart, Inc.'s ("PriceSmart," the "Company," "we" or "our") business consists primarily of international membership shopping warehouse clubs similar to, but typically smaller in size than, warehouse clubs in the United States. As of February 28, 2025, the Company had 54 warehouse clubs in operation in 12 countries and one U.S. territory (ten in Colombia; eight in Costa Rica; seven in Panama; six in Guatemala; five in Dominican Republic; four each in Trinidad and El Salvador; three in Honduras; two each in Nicaragua and Jamaica; and one each in Aruba, Barbados and the United States Virgin Islands), of which the Company owns 100% of the corresponding legal entities (see Note 2 - Summary of Significant Accounting Policies). In addition, the Company opened one new warehouse club in Cartago, Costa Rica in April 2025 and plans to open one new warehouse club in Quetzaltenango, Guatemala in the summer of 2025. As of April 2025, the Company operates 55 warehouse clubs and will operate 56 clubs once the new warehouse club opens in Guatemala. Our operating segments are the United States, Central America, the Caribbean and Colombia.

PriceSmart continues to invest in technology and talent to support the following three major drivers of growth:

1. **Invest in Remodeling Current PriceSmart Clubs, Adding New PriceSmart Locations and Opening More Distribution Centers;**
2. **Increase Membership Value; and**
3. **Drive Incremental Sales via PriceSmart.com and Enhanced Online, Digital and Technological Capabilities.**

**Basis of Presentation** – The interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q for interim financial reporting pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2024 (the "2024 Form 10-K"). The interim consolidated financial statements include the accounts of PriceSmart, Inc., a Delaware corporation, and its subsidiaries. Intercompany transactions between the Company and its subsidiaries have been eliminated in consolidation.

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**

**6 Months Ended**

**Feb. 28, 2025**

[Accounting Policies](#)

[\[Abstract\]](#)

[SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES](#)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation** – The consolidated financial statements of the Company included herein include the assets, liabilities and the Company’s wholly owned subsidiaries and subsidiaries in which it has a controlling interest. The consolidated financial statements also include the Company’s share of the income (loss) of, joint ventures recorded under the equity method. All significant inter-company accounts are eliminated in consolidation. The consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the SEC and other applicable regulatory requirements and adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to fairly present the financial position and cash flows for the periods presented. The results for interim periods are not necessarily indicative of the results for the year.

The Company determines whether any of the joint ventures in which it has made investments is a Variable Interest Entity (“VIE”) at the time of investment and if a reconsideration event has occurred. At this time, the Company also considers whether it must consolidate a VIE and/or disclose information in a VIE. A reporting entity must consolidate a VIE if that reporting entity has a variable interest (or combination of variable interests) and is deemed to be the primary beneficiary. If the Company determines that it is not the primary beneficiary of the VIE, then the Company records its investment in, and the Company’s share of, joint ventures recorded under the equity method. Due to the nature of the joint ventures that the Company participates in and the need for additional financing, the Company determined these joint ventures are VIEs.

In the case of the Company’s ownership interest in a real estate development joint venture, both parties to the joint venture share all the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance. As a result, the Company has determined that it is the primary beneficiary of the VIE and, therefore, has accounted for this entity under the equity method. Under the equity method, the Company’s investments are initially recorded as an investment in the stock of an investee at cost and are adjusted for the carrying amount of the investment to recognize the earnings or losses of the investee after the date of the initial investment. The Company’s ownership interest in a real estate development joint venture recorded under the equity method as of February 28, 2025 is listed below:

<b>Real Estate Development Joint Venture</b>	<b>Country</b>	<b>Ownership</b>
GolfPark Plaza, S.A.	Panama	50.0%

<sup>(1)</sup> Joint venture interests are recorded as investment in unconsolidated affiliates on the consolidated balance sheets.

**Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and assumptions take into account historical experience and other factors that the Company believes are reasonable. Actual results could differ from those estimates and assumptions.

**Cash and Cash Equivalents** – The Company considers as cash and cash equivalents all cash on deposit, highly liquid investments with a maturity of three months or less at the date of purchase and proceeds due from credit and debit card transactions in the process of settlement. In addition, the Company includes money market funds which are considered equity securities and are held at fair value in Cash and cash equivalents on the consolidated balance sheet. The total cash and cash equivalents and money market funds held was \$20.4 million as of February 28, 2025 and \$7.0 million as of August 31, 2024. We receive interest payments from the money market funds recorded in the Interest income line item under the Total other expense caption within the consolidated statements of income.

**Restricted Cash** – The following table summarizes the restricted cash reported by the Company (in thousands):

	<b>February 28, 2025</b>
Short-term restricted cash	\$ 3,400
Long-term restricted cash	11,600
<b>Total restricted cash<sup>(1)</sup></b>	<b>\$ 15,000</b>

<sup>(1)</sup> Restricted cash consists of cash deposits held within banking institutions in compliance with federal regulatory requirements in Costa Rica and Panama. In addition, the Company maintains a certificate of deposit and/or security deposits of Trinidad dollars, as measured in U.S dollars, of approximately \$8.1 million with a few of its loans payable for several U.S. dollar and euro denominated loans payable over several years. The certificates of deposit will be reduced annually commensurate with the loans payable.

**Short-Term Investments** – The Company considers certificates of deposit and similar time-based deposits with financial institutions with a maturity of three months and up to one year to be short-term investments.

**Long-Term Investments** – The Company considers certificates of deposit and similar time-based deposits with financial institutions with a maturity of one year to be long-term investments.

**Goodwill** – Goodwill totaled \$43.2 million as of February 28, 2025 and August 31, 2024. The Company reviews reported goodwill at least annually for impairment. The Company tests goodwill for impairment at least annually or when events or changes in circumstances indicate that it is more likely than not impaired.

**Receivables** – Receivables consist primarily of credit card receivables and receivables from vendors and are stated net of allowance for doubtful accounts. The determination of the allowance for credit losses is based on the Company's assessment of collectability along with the consideration of current and historical trends that could impact collectability.

**Tax Receivables** – The Company pays Value Added Tax ("VAT") or similar taxes, income taxes, and other taxes within the normal course of business in the countries in which it operates related to the procurement of merchandise and/or services the Company acquires and/or on sales and taxable services. An indirect tax applied to the value added at each stage of production (primary, manufacturing, wholesale and retail). This tax is similar to, but often higher than, sales tax paid in the United States. The Company generally collects VAT from its Members upon sale of goods and services and pays VAT to the government on the sale of goods and services. Periodically, the Company submits VAT reports to governmental agencies and reconciles the VAT paid and VAT received. If VAT paid exceeds VAT received, it may be refunded or applied to subsequent returns, and the net underpaid VAT must be remitted to the government. With respect to income taxes paid, if the amount of tax paid or withheld exceeds the actual income tax due this creates an income tax receivable. In most countries where the Company operates, the government has additional collection procedures, such as requiring credit card processors to remit a portion of sales processed via credit and debit cards directly to the government for payments of VAT and/or income tax. This collection mechanism generally leaves the Company with net VAT and/or income tax receivables, forcing the Company to file significant refund claims on a recurring basis. These refund or offset processes can take anywhere from several months to several years to complete and are occasionally required to make payments for tax assessments that we are appealing, notwithstanding that we believe it is more likely than not we will ultimately succeed in its refund requests and appeals of these rules.

Minimum tax rules, applicable in some of the countries where the Company operates, require the Company to pay taxes based on a percentage of income if the tax were greater than the tax payable based on a percentage of income (Alternative Minimum Tax or "AMT"). This can result in AMT payments that are higher than those the Company would expect to pay based on taxable income. As the Company believes that, in one country where it operates, it should only pay an income-based tax, it has accumulated income tax receivables of \$11.1 million and \$10.9 million and deferred tax assets of \$4.0 million and \$3.4 million as of February 28, 2025 and August 31, 2024, respectively, in this country.

While the rules related to refunds of income tax receivables in this country are unclear and complex, the Company has not placed an allowance for the recoverability of these tax receivables, deferred tax assets or amounts that may be deemed under-paid, because the Company believes that it is more likely than not that it will ultimately succeed in its refund requests and appeals of these rules.

The Company's various outstanding VAT receivables and/or income tax receivables are based on cases or appeals with their own set of facts and circumstances. The Company consults and evaluates with legal and tax advisors regularly to understand the strength of its legal arguments and probability of success. Based on its own experience handling complex tax issues. Based on those evaluations, the Company has not placed any type of allowance on the recoverability of these tax receivables or deferred tax assets, because the Company believes that it is more likely than not that it will ultimately succeed in its refund requests and appeals of these rules.

The Company's policy for classification and presentation of VAT receivables, income tax receivables and other tax receivables is as follows:

- Short-term VAT and Income tax receivables, recorded as Prepaid expenses and other current assets: This classification is used for amounts where the Company's subsidiary has generally demonstrated the ability to recover the VAT or income tax receivable within one year. The Company reports these amounts as short-term any approved refunds or credit notes to the extent that the Company expects to receive the refund or use the credit notes within one year.
- Long-term VAT and Income tax receivables, recorded as Other non-current assets: This classification is used for amounts not approved for refund within one year in countries where the Company's subsidiary has not demonstrated the ability to obtain refunds within one year and/or for amounts where the Company is in dispute. An allowance is provided against VAT and income tax receivable balances in dispute when the Company does not expect to receive the refund or credit notes within one year. The Company does not currently have any allowances provided against VAT and income tax receivables.

The following table summarizes the VAT receivables reported by the Company (in thousands):

	February 28, 2025
Prepaid expenses and other current assets	\$ 2,900
Other non-current assets	34,600
<b>Total amount of VAT receivables reported</b>	<b>\$ 37,500</b>

The following table summarizes the Income tax receivables reported by the Company (in thousands):

	February 28, 2025
Prepaid expenses and other current assets	\$ 17,100
Other non-current assets	25,000
<b>Total amount of income tax receivables reported</b>	<b>\$ 42,100</b>

**Lease Accounting** – The Company’s leases are operating leases for warehouse clubs and non-warehouse club facilities such as corporate offices, and regional distribution centers. The Company determines if an arrangement is a lease and classifies it as either a finance or operating lease. Operating leases are included in Operating lease right-of-use assets, net; Operating lease liabilities, current portion; and Long-term operating lease liabilities on the consolidated balance sheets. The Company does not have finance leases.

Operating lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments. The Company’s leases generally do not have a readily determinable implicit interest rate; therefore, the Company uses a collateralized incremental borrowing rate at the commencement date in determining the present value of future payments. The incremental borrowing rate is based on a yield curve derived from market offerings for companies with credit characteristics that approximate the Company’s market risk profile.

In addition, we adjust the incremental borrowing rate for jurisdictional risk derived from quoted interest rates from financial institutions in the Company’s local markets. The Company’s lease terms may include options to purchase, extend or terminate the lease, which are included in the lease liability if it is reasonably certain that the Company will exercise that option. The Company does not combine lease and non-lease components.

The Company measures Right-of-use (“ROU”) assets based on the corresponding lease liabilities, adjusted for any initial direct costs incurred by the lessor before or at the commencement date (net of lease incentives). The lease expense for minimum lease payments is recognized over the lease term. Variable lease payments are not included in the calculation of the ROU asset and the related lease liability and are recognized as lease expense when they occur. Variable lease payments generally relate to amounts the Company pays for additional contingent rent based on a contractually stipulated percentage of sales.

In January 2024, the Company purchased its Via Brasil warehouse club's buildings and land, which was previously leased, in Panama City, Panama. Management assessed the fair market value using the market and replacement cost methods and, per the assessment, allocated approximately 8.7% to the land and 11.3% of the purchase price to the building. The transaction resulted in the termination of the related ROU asset, net of tax, and a gain of \$8.2 million and \$9.1 million, respectively. No gain or loss was recognized as the lease termination occurred due to the purchase of the leased asset. The purchase price, after accounting for the impact of the lease termination, resulted in \$28.2 million allocated to the land and \$3.9 million allocated to the building. The Company already carried approximately \$8.6 million of leasehold improvements related to the club which have been reclassified to the building on the balance sheet. This purchase triggered a change in the estimate of the depreciable lives of certain leasehold improvements, which were previously estimated at 15 years, lowering future annual depreciation. Going forward, we believe the lower annual depreciation expense and the cost savings on straight-line rent on the depreciation expense on the building, will save approximately \$1.1 million per year, net of tax, within our Warehouse club and other operations on the consolidated statements of income. Additionally, the Company entered into a loan agreement for \$16.5 million, payable over 15 years, to partially finance the purchase of the Via Brasil club. We expect approximately \$1.0 million in interest payments, net of tax, over the next 12 months associated with this loan, which will be paid as the loan balance is paid off over the life of the loan. The interest expense related to this loan will be recorded within the Interest expense on the consolidated statements of income.

**Merchandise Inventories** – Merchandise inventories, which include merchandise for resale, are valued at the lower of cost (average cost) or net realizable value. The Company provides for estimated inventory losses and obsolescence based on a percentage of sales. The provision is adjusted every reporting period based on actual physical inventory and cycle count results. In addition, the Company may be required to take markdowns below the carrying cost of inventory for the sale of such merchandise.

**Stock Based Compensation** – The Company utilizes three types of equity awards: restricted stock awards (“RSAs”), restricted stock units (“RSUs”), and performance-based restricted stock units (“PSUs”). Compensation cost related to RSAs, RSUs and PSUs is based on the fair market value at the grant date. The Company recognizes the compensation cost related to RSAs and RSUs over the requisite service period as determined by the grant, amortized on a straight-line basis over the life of the grant. The Company also recognizes compensation cost for PSUs over the performance period of each tranche, adjusted for the Company’s estimate of the probability that performance metrics will be achieved.

The Company accounts for actual forfeitures as they occur. The Company records the tax savings resulting from tax deductions in excess of the tax expense on stock-based compensation and the tax deficiency resulting from stock-based compensation in excess of the related tax deduction as income tax expense on the consolidated statements of income. The Company reflects the tax savings (deficiency) resulting from the taxation of stock-based compensation as an operating cash flow in its consolidated statements of cash flows.

RSAs are outstanding shares of common stock and have the same cash dividend and voting rights as other shares of common stock. Shares of common stock underlying RSUs are not issued nor outstanding until vested, and RSUs do not have the same dividend and voting rights as common stock. However, RSUs have accompanying dividend equivalents, requiring payment to the employees and directors with unvested RSUs of amounts equal to the dividend that would have been paid had the shares of common stock underlying the RSUs been actually issued and outstanding. Payments of dividend equivalents to employees and directors are recorded as an expense.

PSUs, similar to RSUs, are awarded with dividend equivalents, subject to achievement of applicable performance criteria.

**Treasury Stock** – Shares of common stock repurchased by the Company are recorded at cost, including transaction costs and excise taxes. Treasury stock does not result in the reduction of stockholders’ equity in the Company’s consolidated balance sheets. The Company may reissue these treasury shares for employee stock ownership plans, employee stock purchase programs, and other compensation programs. When treasury shares are reissued, the Company uses the first in/first out (“FIFO”) cost method for determining cost of the shares. If the issuance price is higher than the cost, the excess of the issuance price over the cost is credited to additional paid-in capital (“APIC”). If the issuance price is lower than the cost, the difference is first charged against any credit balance in APIC from treasury stock and the balance is charged to retained earnings. On February 28, 2025, the Company reissued approximately 65,000 treasury shares upon vesting of restricted stock units and the award of restricted stock units.

**Fair Value Measurements** – The Company measures the fair value for all financial and non-financial assets and liabilities that are measured at fair value in the consolidated financial statements on a recurring or nonrecurring basis. The fair value of an asset is the price at which the asset would be sold in an orderly market between willing buyers and sellers.

transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be received from the transfer of the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor.

ASC 820, Fair Value Measurements and Disclosures, sets forth a fair value hierarchy that categorizes inputs to valuation techniques used to measure fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring the use of the company's own assumptions. The Company was not required to revalue any assets or liabilities utilizing Level 1 or Level 3 inputs at the balance sheet dates. Level 2 assets and liabilities revalued at the balance sheet dates, on a recurring basis, consisted of cash flow hedges (interest rate swaps and cross-currency swaps) and forward foreign exchange contracts. In addition, the Company utilizes Level 2 inputs in determining the fair value of long-term debt.

Non-financial assets and liabilities are revalued and recognized at fair value subsequent to initial recognition when there is evidence of impairment. No impairment of such non-financial assets were recorded.

The Company's current and long-term financial assets and liabilities have fair values that approximate their carrying values. The Company's current and long-term liabilities consist of long-term debt, which is recorded on the balance sheet at issuance price and adjusted for any applicable unamortized discounts and issuance costs. There have been no significant changes in the fair market value of the Company's current and long-term financial assets and liabilities. There were no material changes to the valuation techniques utilized in the fair value measurement of assets and liabilities disclosed in the Company's 2024 Annual Report.

**Derivatives Instruments and Hedging Activities** – The Company uses derivative financial instruments for hedging and non-trading purposes. The Company is exposed to changes in interest and currency exchange rates. In using derivative financial instruments for the purpose of hedging the Company's interest rate and currency exchange rate risks, the contractual terms of a hedged instrument closely mirror those of the hedged item and are intended to provide a high degree of effectiveness and correlation. Contracts that are effective at meeting the risk reduction and correlation criteria (effective hedge) are recorded using hedge accounting. If a hedged instrument is an effective hedge, changes in the fair value of the instrument will be reported in accumulated other comprehensive loss until the end of the contractual term. Instruments that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, are recorded at fair value with unrealized gains or losses reported in earnings during the period of the change.

The Company did not change valuation techniques utilized in the fair value measurement of assets and liabilities presented on the Company's balance sheets from previous practice during the reporting period. The Company seeks to manage counterparty risk associated with these contracts by limiting the Company's counterparties with which the Company has an established banking relationship. There can be no assurance, however, that this practice effectively mitigates counterparty risk.

*Cash Flow Instruments.* The Company is a party to receive floating interest rate and pay fixed-rate interest rate swaps to hedge the interest rate risk on U.S. dollar denominated debt within its international subsidiaries. The swaps are designated as cash flow hedges of interest expense risk. These instruments are recorded using hedge accounting. The Company is also a party to receive variable or fixed interest rate and pay fixed interest rate swaps to hedge the interest rate and currency exposure associated with the expected payments of principal and interest of U.S. denominated debt of its international subsidiaries whose functional currency is other than the U.S. dollar. The swaps are designated as cash flow hedges of the currency risk and interest rate risk on payments on the U.S. denominated debt. These instruments are also considered to be effective hedges and are recorded using hedge accounting. The entire gain or loss of the derivative, calculated as the net present value of the future cash flows, is reported on the consolidated balance sheet in accumulated other comprehensive loss. Amounts recorded in accumulated other comprehensive loss are released to earnings in the same period that the hedged transaction is reported in earnings. Refer to "Note 8 - Derivative Instruments and Hedging Activities" for information on the fair value of interest rate swaps and cross-currency swaps as of February 28, 2025 and August 31, 2024.

*Fair Value Instruments.* The Company is exposed to foreign currency exchange rate fluctuations in the normal course of business. This exposure is primarily due to currency exchange rate fluctuations on U.S. dollar denominated liabilities within the Company's international subsidiaries whose functional currency is the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts that are intended to hedge the cash flows attributable to currency exchange movements. The contracts are intended primarily to economically address exposure to U.S. dollar merchantable goods sold by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts are treated for financial reporting purposes as fair value instruments and do not qualify for derivative hedge accounting, and as such the Company does not apply derivative hedge accounting to recognize changes in fair value. As a result, these contracts are valued at fair value with unrealized gains or losses reported in earnings during the period of the change. The Company's contracts are intended to hedge currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any contingent features and are limited to less than one year in duration.

**Revenue Recognition** – The accounting policies and other disclosures such as the disclosure of disaggregated revenues are described in Note 8, "Revenue Recognition."

**Cost of Goods Sold** – The Company includes the cost of merchandise and food service and bakery raw materials in cost of goods sold. The Company also includes in cost of goods sold - net merchandise sales the external and internal distribution and handling costs for supplying merchandise and supplies to the warehouse clubs, and, when applicable, costs of shipping to Members. External costs include inbound freight, duties, drayage, and recoverable value-added tax related to inventory shrink, spoilage and damage. Internal costs include payroll and related costs, utilities, consumables, maintenance, rent expense and building and equipment depreciation at the Company's distribution facilities and payroll and other direct costs for internal distribution.

For export sales, the Company includes the cost of merchandise and external and internal distribution and handling costs for supplying merchandise sold - exports.

Vendor consideration consists primarily of volume rebates, time-limited product promotions, cooperative marketing efforts, digital marketing, and demonstration reimbursements and prompt payment discounts. Volume rebates and time-limited promotions are recognized on a systematic and non-cash basis.

cash consideration as the Company progresses toward earning the rebate, provided the amounts to be earned are probable and reasonably estimable. Advertising efforts and digital advertising are related to consideration received by the Company from vendors for non-distinct online advertising services on social media platforms. Slotting fees are related to consideration received by the Company from vendors for preferential "end cap" placement of products in the warehouse club. Demonstration reimbursements are related to consideration received by the Company from vendors for the in-club promotional programs. The Company records the reduction in cost of goods sold on a transactional basis for these programs. On a quarterly basis, the Company calculates the amount recorded in cost of goods sold that relates to inventory on hand and this amount is reclassified as a reduction to inventory, if significant. Prompt payment discounts are applied in substantially all cases and therefore are applied directly to reduce the acquisition cost of the related inventory, with the resulting effect recorded when the inventory is sold.

**Selling, General and Administrative** – Selling, general and administrative costs consist primarily of expenses associated with operating the Company, including income based taxes such as alternative minimum taxes based on revenue or sales. These costs include payroll and related costs, utilities, construction, maintenance, rent expense, building and equipment depreciation, bank fees, credit card processing fees, and amortization of intangibles. Also included in selling and administrative expenses are the payroll and related costs for the Company's U.S. and regional management and purchasing centers.

**Pre-Opening Costs** – The Company expenses pre-opening costs (the costs of start-up activities, including organization costs and rent) for new stores as incurred.

**Asset Impairment and Closure Costs** – The Company periodically evaluates its long-lived assets for indicators of impairment. Management assesses impairment on market and operational conditions at the time of the evaluation and can include management's best estimate of future business activity. These conditions may cause management to conclude that impairment factors exist, requiring an adjustment of these assets to their then-current fair value. Future business activity could differ materially from the projections made by management causing the need for additional impairment charges.

**Loss Contingencies and Litigation** – The Company records and reserves for loss contingencies if (a) information available prior to issuance of the financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the consolidated financial statements and the amount of loss can be reasonably estimated. If one or both criteria for accrual are not met, but there is at least a reasonable possibility that a loss has been incurred, the Company does not record and reserve for a loss contingency but describes the contingency within a note and provides detail, when possible, of the nature and range of loss. If an estimate cannot be made, a statement to that effect is made.

**Foreign Currency Translation** – The assets and liabilities of the Company's foreign operations are translated to U.S. dollars when the functional currency of the Company's international subsidiaries is the local currency and not U.S. dollars. Assets and liabilities of these foreign subsidiaries are translated to U.S. dollars at the rate on the balance sheet date, and revenue, costs and expenses are translated at average rates of exchange in effect during the period. The corresponding gains and losses are recorded as a component of accumulated other comprehensive income or loss. These adjustments will affect net income upon the sale of the underlying investment.

The following table discloses the net effect of translation into the reporting currency on other comprehensive income for these local currencies for the three and six months ended February 28, 2025 and February 29, 2024 (in thousands):

	Three Months Ended		Six Months Ended
	February 28, 2025	February 29, 2024	February 28, 2025
Effect on other comprehensive income due to foreign currency restatement	\$ 7,345	\$ 6,697	\$ 4,400

Monetary assets and liabilities denominated in currencies other than the functional currency of the respective entity (primarily U.S. dollars) are translated into the functional currency using the exchange rate on the balance sheet date. These foreign exchange transaction gains (losses), including transactional gains (losses) on monetary assets and liabilities, are recorded as Other income (expense) in the consolidated statements of income (in thousands):

	Three Months Ended		Six Months Ended
	February 28, 2025	February 29, 2024	February 28, 2025
Currency loss	\$ (5,188)	\$ (7,137)	\$ (11,900)

#### Recent Accounting Pronouncements - Not Yet Adopted

##### *FASB ASC 280 ASU 2023-07—Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*

In November 2023, the FASB issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures. ASU No. 2023-07 focuses on segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The ASU is effective for annual periods beginning in 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company expects to adopt the ASU for annual reporting for fiscal year 2025. The Company does not expect this guidance to have a material impact on the Company's consolidated financial statements.

##### *FASB ASC 740 ASU 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures*

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures. ASU No. 2023-09 focuses on income tax effective tax rates and cash income taxes paid. The ASU is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company expects to adopt ASU No. 2023-09 for our annual reporting for fiscal year 2026. The Company does not expect this guidance to have a material impact on the Company's consolidated financial statements.

***FASB ASC 220 ASU 2024-03—Income Statement (Topic 220): Disaggregation of Income Statement Expenses***

In November 2024, the FASB issued ASU No. 2024-04, Disaggregation of Income Statement Expenses. ASU No. 2024-03 requires disaggregation of income statement expenses. The ASU is effective for annual reporting periods beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Early adoption is permitted. The Company expects to adopt ASU No. 2024-03 for our annual reporting for fiscal year 2028. The Company is currently assessing the impact of ASU No. 2024-03 on the Company's consolidated financial statements.

## REVENUE RECOGNITION

6 Months Ended  
Feb. 28, 2025

### [Revenue from Contract with Customer \[Abstract\]](#)

#### [REVENUE RECOGNITION](#) REVENUE RECOGNITION

##### *Performance Obligations*

The Company identifies each distinct performance obligation to transfer goods (or bundle of goods) or services. The Company recognizes revenue when it satisfies a performance obligation by transferring control of the goods or services to the customer.

*Net Merchandise Sales.* The Company recognizes merchandise sales revenue, net of sales taxes, on transactions where the Company is the principal in the sale of merchandise. These transactions may include shipping commitments and/or shipping revenue if the transaction involves delivery of goods.

*Membership Fee Revenue.* Membership income represents annual membership fees paid by the Company's warehouse club Members, over the 12-month term of the membership. Our membership policy allows Members to cancel their membership in the first 60 days and receive a full refund. After the 60-day period, membership refunds are prorated over the remaining term of the membership. The Company has significant experience with membership cancellations and membership refunds will not be material. Therefore, no refund reserve was required for the periods presented. Membership fee revenue is included in the Company's consolidated statements of income. The deferred membership fee is included in deferred income in the Company's consolidated balance sheet.

*Platinum Points Reward Programs.* The Company currently offers Platinum Memberships in all of its markets. The Platinum Memberships include a 2% rebate on most items, up to an annual maximum of \$500. The rebate is issued annually to Platinum Members on March 1 and expires August 31. Members can apply this rebate to future purchases at the warehouse club during the redemption period. The Company records this 2% rebate as a reduction of the sales transaction. Accordingly, the Company has reduced warehouse sales and has accrued a liability within other accrued expenses and other current liabilities on the consolidated balance sheet. The Company has determined that breakage revenue is 5% of the awards issued; therefore, it records 95% of the Platinum Membership awards as revenue. Annually, the Company reviews for expired unused rebates outstanding, and the expired unused rebates are recognized as "Other revenue and income" on the consolidated statements of income.

*Co-branded Credit Card Points Reward Programs.* Most of the Company's subsidiaries have points reward programs related to co-branded credit cards. Points reward programs provide incremental points that a Member can use at a future time to acquire merchandise within the Company's warehouse clubs. Each sale of merchandise or services under a co-branded credit card agreement involves two performance obligations, the first performance obligation being the initial sale of the merchandise or services purchased with the co-branded credit card and the second performance obligation being the future use of the points rewards to purchase merchandise or services. As a result, upon the initial sale, the Company records the selling price to each performance obligation with the amount allocated to the future use points rewards recorded as a contract liability within other accrued liabilities on the consolidated balance sheet. The portion of the selling price allocated to the reward points is recognized as Net merchandise sales when the points expire. The Company reviews on an annual basis expired points rewards outstanding, and the expired rewards are recognized as "Other revenue and income" on the consolidated statements of income within markets where the co-branded credit card agreement allows for such treatment.

*Gift Cards.* Members' purchases of gift cards to be utilized at the Company's warehouse clubs are not recognized as sales until the card is used to purchase merchandise using the gift card. The outstanding gift cards are reflected as other accrued expenses and other current liabilities in the consolidated balance sheet. These gift cards generally have a one-year stated expiration date from the date of issuance and are generally redeemed prior to expiration. However, the volume of transactions for gift cards impairs the Company's ability to make a reasonable estimate of the redemption levels for gift cards; therefore, the Company recognizes a 100% redemption rate prior to expiration of the gift cards. The Company periodically reviews unredeemed outstanding gift cards, and the gift cards are recognized as "Other revenue and income" on the consolidated statements of income.

*Co-branded Credit Card Revenue Sharing Agreements.* As part of the co-branded credit card agreements that the Company has entered into within its markets, the Company often enters into revenue sharing agreements. As part of these agreements, in some countries, the Company receives a portion of the income generated from the average outstanding balances on the co-branded credit cards from these financial institutions ("interest generating assets"). The Company recognizes its portion of interest received as revenue during the period it is earned. The Company has determined that this revenue should be recognized as "Other revenue and income" on the consolidated statements of income.

##### *Contract Performance Liabilities*

Contract performance liabilities as a result of transactions with customers primarily consist of deferred membership income, other deferred revenue, card revenue, Platinum points programs, and liabilities related to co-branded credit card points rewards programs which are included in deferred revenue and other accrued expenses and other current liabilities in the Company's consolidated balance sheets. The following table provides these contract balances from transactions as of the dates listed (in thousands):

		Contract Performance Liabilities
		February 28, 2025
Deferred membership income	\$	41,300
Other contract performance liabilities	\$	30,500

*Disaggregated Revenues*

In the following table, net merchandise sales are disaggregated by merchandise category (in thousands):

	Three Months Ended		Six M
	February 28, 2025	February 29, 2024	February 28, 2025
Foods & Sundries	\$ 626,163	\$ 610,665	\$ 1,206,0
Fresh Foods	403,829	367,199	770,0
Hardlines	155,260	144,201	299,4
Softlines	78,262	72,138	146,1
Food Service and Bakery	58,214	55,607	112,2
Health Services	12,827	11,106	24,5
Net Merchandise Sales	<u>\$ 1,334,555</u>	<u>\$ 1,260,916</u>	<u>\$ 2,558,4</u>

## EARNINGS PER SHARE

**6 Months Ended**  
**Feb. 28, 2025**

[Earnings Per Share](#)

[\[Abstract\]](#)

[EARNINGS PER SHARE](#)

## EARNINGS PER SHARE

The Company presents basic net income per share using the two-class method. The two-class method is an earnings allocation formula that treats participating security as having rights to earnings that otherwise would have been available to common stockholders and that determines basic net income per share of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings that would otherwise be available to common stockholders. A participating security is defined as a security that may participate in undistributed earnings with common stock. The two-class method includes securities that participate with common stock on a one-for-one basis for distribution of dividends. These are the restricted stock awards, restricted stock units (“RSUs”) and performance stock units (“PSUs”) issued pursuant to the 2013 Equity Incentive Award Plan, provided that the Company has not paid dividends on the participating securities until the performance conditions have been met. RSAs are outstanding shares of common stock and have the same cash value as other shares of common stock. Shares of common stock subject to RSUs are not issued nor outstanding until vested, and RSUs do not have the same rights as common stock. However, all outstanding RSUs have accompanying dividend equivalents, requiring payment to the employees and directors of amounts equal to the dividend they would have received had the shares of common stock underlying the RSUs been actually issued and outstanding. PSUs are awarded with dividend equivalents, provided that such amounts become payable only if the performance criteria are achieved. At the time the Company confirms the performance criteria have been achieved, the corresponding dividend equivalents are paid on the PSUs. The Company determines net income per share by using the more dilutive of the two class-method or the treasury stock method and by including the basic weighted average of outstanding shares in the calculation of diluted net income per share under the two-class method and including all potential common shares assumed issued in the calculation of diluted net income per share under the treasury stock method.

The following table sets forth the computation of net income per share for the three and six months ended February 28, 2025 and February 28, 2024 (except per share amounts):

	Three Months Ended		Six Months Ended
	February 28, 2025	February 29, 2024	February 28, 2025
Net income	\$ 43,760	\$ 39,271	\$ 81,100
Less: Allocation of income to unvested stockholders	(155)	(114)	(1,100)
Net income available for distribution	\$ 43,605	\$ 39,157	\$ 80,000
Basic weighted average shares outstanding	30,063	29,920	30,000
Add dilutive effect of performance stock units (two-class method)	5	—	—
Diluted average shares outstanding	30,068	29,920	30,000
Basic net income per share	\$ 1.45	\$ 1.31	\$ 2.67
Diluted net income per share	\$ 1.45	\$ 1.31	\$ 2.67

**STOCKHOLDERS'  
EQUITY**

**6 Months Ended  
Feb. 28, 2025**

[Equity \[Abstract\]](#)

**STOCKHOLDERS' EQUITY**

**Dividends**

The following table summarizes the dividends declared and paid during fiscal years 2025 and 2024 (amounts are per share):

Declared	Amount	First Payment				Second Payment	
		Record Date	Date Paid	Date Payable	Amount	Record Date	Date Paid
2/1/2024	\$ 1.16	2/15/2024	2/29/2024	N/A	\$ 0.58	8/15/2024	8/30/2024
4/3/2024	\$ 1.00	4/19/2024	4/30/2024	N/A	\$ 1.00	N/A	N/A
2/6/2025	\$ 1.26	2/18/2025	2/28/2025	N/A	\$ 0.63	8/15/2025	N/A

On February 6, 2025 the Company's Board of Directors declared an annual cash dividend in the total amount of \$1.26 per share, with \$0.58 per share payable on February 28, 2025 to stockholders of record as of February 18, 2025 and \$0.63 per share payable on August 29, 2025 to stockholders of record as of February 18, 2025. The declaration of future dividends (ongoing or otherwise), if any, the amount of such dividends, and the establishment of record and payment dates will be determined by the Board of Directors at its discretion after its review of the Company's financial performance and anticipated capital requirements in light of uncertain macroeconomic conditions on our results of operations and cash flows.

**Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Loss**

The following tables disclose the effects on accumulated other comprehensive loss of each component of other comprehensive income (in thousands):

**Beginning balance, December 1, 2024**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>

Derivative instruments <sup>(2)</sup>

**Ending balance, February 28, 2025**

**Beginning balance, December 1, 2023**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>

Derivative instruments <sup>(2)</sup>

**Ending balance, February 29, 2024**

**Beginning balance, September 1, 2024**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>

Derivative instruments <sup>(2)</sup>

**Ending balance, February 28, 2025**

**Beginning balance, September 1, 2023**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>

Derivative instruments <sup>(2)</sup>

**Ending balance, February 29, 2024**

**Beginning balance, September 1, 2023**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>Derivative instruments <sup>(2)</sup>

Amounts reclassified from accumulated other comprehensive loss

**Ending balance, August 31, 2024**

<sup>(1)</sup> Amounts reclassified from accumulated other comprehensive loss related to the minimum pension liability are included in warehouse club and other consolidated statements of income.

<sup>(2)</sup> Refer to "Note 8 - Derivative Instruments and Hedging Activities."

***Retained Earnings Not Available for Distribution***

The following table summarizes retained earnings designated as legal reserves of various subsidiaries which cannot be distributed as dividends according to applicable statutory regulations (in thousands):

	<b>February 28, 2025</b>
Retained earnings not available for distribution	\$ 9,7

***Share Repurchase Program***

In July 2023 we announced a program authorized by our Board of Directors to repurchase up to \$75 million of our common stock. We announced the program in the fourth quarter of fiscal year 2023 and successfully completed the program in the first quarter of fiscal year 2024. We purchased a total of approximately \$75 million of our common stock under the program. The repurchases were made on the open market pursuant to a trading plan established pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, which permitted us to repurchase common stock at times when we might otherwise have been precluded from doing so by applicable trading laws or self-imposed trading restrictions. We have no plans to continue repurchases or adopt a new repurchase plan at this time. However, we could choose to commence another program in the future at its discretion after its review of the Company's financial performance and anticipated future cash flows.

Share repurchase activity under the Company's repurchase programs for the periods indicated was as follows (total cost in thousands):

	<b>Three Months Ended</b>		<b>Six Months Ended</b>
	<b>February 28, 2025</b>	<b>February 29, 2024</b>	<b>February 28, 2025</b>
Number of common shares acquired	—	—	—
Average price per common share acquired	\$ —	\$ —	\$ —
Total cost of common shares acquired	\$ —	\$ —	\$ —

## COMMITMENTS AND CONTINGENCIES

[Commitments and Contingencies Disclosure](#)  
[\[Abstract\]](#)

[COMMITMENTS AND CONTINGENCIES](#)

6 Months Ended  
Feb. 28, 2025

### COMMITMENTS AND CONTINGENCIES

#### Legal Proceedings

From time to time, the Company and its subsidiaries are subject to legal proceedings, claims and litigation arising in the ordinary course of the Company's operations and property ownership. The Company evaluates such matters on a case by case basis, and vigorously contests any such matters which the Company believes are without merit. The Company believes that the final disposition of these matters will not have a material adverse effect on the Company's position, results of operations or liquidity. It is possible, however, that the Company's results of operations for a particular quarter or fiscal year could be affected in circumstances relating to such matters.

The Company establishes an accrual for legal proceedings if and when those matters reach a stage where they present loss contingencies that are reasonably estimable. In such cases, there may be a possible exposure to loss in excess of any amounts accrued. The Company monitors those matters that would affect the likelihood of a loss and the accrued amount, if any, thereof, and adjusts the amount as appropriate. If the loss contingency at issue is not reasonably estimable, the Company does not establish an accrual, but will continue to monitor the matter for developments that will make the loss reasonably estimable and reasonably estimable. If it is at least a reasonable possibility that a material loss will occur, the Company will provide disclosure regarding the loss.

#### Income Taxes

For interim reporting, we estimate an annual effective tax rate (AETR) to calculate income tax expense. Our income tax expense, deferred tax assets and liabilities for unrecognized tax benefits reflect management's best estimate of current and future taxes to be paid.

We are required to file federal and state income tax returns in the United States and income tax and various other tax returns in multiple jurisdictions with changing tax laws, regulations and administrative positions. This requires significant judgment, the use of estimates, and the interpretation of tax laws. We record the benefits of uncertain tax positions in our financial statements only after determining it is more likely than not the uncertain tax position will not be challenged by taxing authorities, including resolution of related appeals or litigation processes, if any. We develop our assessment of an uncertain tax position based on specific facts and legal arguments of each case and the associated probability of our reporting position being upheld, using internal expertise and the advice of tax experts. However, our tax returns are subject to routine reviews by the various taxing authorities in the jurisdictions in which we file our tax returns. In some cases, taxing authorities may challenge, and in some cases presently are challenging, the interpretations we have used to calculate our tax liability. In addition, the tax authority or the outcome of any appeal or litigation process might result, and in some cases has resulted, in an outcome that is materially different from our liability. When facts and circumstances change, we reassess these probabilities and record any changes in the consolidated financial statements and the actual outcome of these cases could materially impact our consolidated financial statements.

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. These differences will result in taxable or deductible amounts in the future. In evaluating our ability to recover our deferred tax assets in the jurisdiction from which they arose, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and recent operations. In projecting future taxable income, we begin with historical results and incorporate assumptions about the amount of future taxable income adjusted for items that do not have tax consequences. The assumptions about future taxable income require the use of significant judgment consistent with the plans and estimates we are using to manage the underlying businesses. In evaluating the objective evidence that historical results are consistent with three years of cumulative operating income.

In evaluating the exposure associated with various non-income tax filing positions, the Company accrues for probable and estimable exposure to non-income tax related tax contingencies. As of February 28, 2025 and August 31, 2024, the Company has recorded within other accrued expenses and other liabilities of \$1.1 million and \$1.2 million, respectively, for various non-income tax related tax contingencies.

While the Company believes the recorded liabilities are adequate, there are inherent limitations in projecting the outcome of litigation and the potential for additional income tax liability taking into account uncertain tax positions and in evaluating the probable additional tax associated with various non-income tax filing positions. As such, the Company is unable to make a reasonable estimate of the sensitivity to change of estimates affecting its recorded liabilities. As additional information becomes available, the Company assesses the potential liability and revises its estimates as appropriate.

Minimum tax rules, applicable in some of the countries where the Company operates, require the payment of taxes based on a percentage of the tax liability if the tax is greater than the tax payable based on a percentage of income (Alternative Minimum Tax or "AMT"). This can result in AMT payment in excess of those the Company would expect to pay based on taxable income. As the Company believes that, in one country where it operates, it should only pay income-based tax, it has accumulated income tax receivables of \$11.1 million and \$10.9 million and deferred tax assets of \$4.0 million and \$3.4 million as of February 28, 2025 and August 31, 2024, respectively, in this country.

#### Other Commitments

The Company is committed to non-cancelable construction service obligations for various warehouse club developments and expansion projects. As of February 28, 2025 and August 31, 2024, the Company had approximately \$13.8 million and \$14.7 million, respectively, in contractual obligations for construction services.

In July 2023, the Company signed a lease agreement for a facility to be built by the lessor related to the relocation of its warehouse club. As part of the agreement, the landlord has agreed to build a shell building which is estimated to be delivered in the first half of calendar year 2026. The Company expects to use approximately \$12.1 million in cash to outfit this club. The lease will have a term of approximately 20 years, with a will commence upon delivery of the shell building to the Company. Per the lease agreement, the Company will pay monthly fixed base rent payments based on the Consumer Price Index. The Company will also pay variable rent payments if the yearly warehouse sales for the location are in excess of the collateralized incremental borrowing rate was used to determine the present value of estimated future minimum lease commitments. The present value of minimum lease commitments for this lease are as follows (in thousands):

**Twelve Months Ended February 28, (except in case of leap year February 29),**

2027
2028
2029
2030
2031
Thereafter
<b>Total future lease payments</b>

In the second quarter of fiscal year 2025, the Company entered into an agreement to purchase a building to house its San Diego corporate headquarters. The Company expects to take possession of the building in the third quarter of fiscal year 2025. The total purchase price of the building is approximately \$21.2 million.

From time to time, the Company has entered into general land purchase and land purchase option agreements. The Company's land purchases are subject to various conditions, including, but not limited to, the ability to obtain necessary governmental permits or approvals. A deposit under these agreements is returned to the Company if all permits or approvals are not obtained. Generally, the Company has the right to cancel any of its agreements to purchase land by forfeiture of some or all of the deposits it has made pursuant to the agreement. As of February 28, 2025, the Company had entered into six such agreements that, if completed, would result in the use of approximately \$22.5 million in cash. Additionally, the Company has signed one executory lease agreement for a center in Guatemala. If the pending contingency is resolved favorably, the Company would expect an increase in its total lease liability of approximately \$1.5 million at commencement of this lease.

The table below summarizes the Company's interest in a real estate joint venture, commitments to additional future investments and maximum exposure to loss as a result of its involvement in this joint venture as of February 28, 2025 (in thousands):

Entity	% Ownership	Initial Investment	Additional Investments	Net Loss Inception to Date	Company's Variable Interest in Entity	Commitment to Future Additional Investment
GolfPark Plaza, S.A.	50 %	\$ 4,616	\$ 2,402	\$ (158)	\$ 6,860	\$

- (1) The parties intend to seek alternate financing for the project, which could reduce the amount of investments each party would be required to provide. The amount of financing changes to the project, which could increase or decrease the amount of contributions each party is required to provide.
- (2) The maximum exposure is determined by adding the Company's variable interest in the entity and any explicit or implicit arrangements that could require the Company to provide financial support.

DEBT

6 Months Ended  
Feb. 28, 2025

[Debt Disclosure \[Abstract\]](#)  
[DEBT](#)

DEBT

Short-term borrowings consist of unsecured lines of credit and short-term overdraft borrowings. The following table summarizes the facilities used and facilities available (in thousands):

	Total Amount of Facilities	Facilities Used		Facilities Available
		Short-term Borrowings	Letters of Credit	
February 28, 2025 - Committed	\$ 75,000	\$ —	\$ —	\$ 75,000
February 28, 2025 - Uncommitted	96,000	15,340	—	80,660
February 28, 2025 - Total	\$ 171,000	\$ 15,340	\$ —	\$ 155,660
August 31, 2024 - Committed	\$ 75,000	\$ —	\$ 225	\$ 74,775
August 31, 2024 - Uncommitted	96,000	8,007	—	87,992
August 31, 2024 - Total	\$ 171,000	\$ 8,007	\$ 225	\$ 162,768

As of February 28, 2025 and August 31, 2024, the Company was in compliance with all covenants or amended covenants for each agreement. These facilities generally expire annually or bi-annually and are normally renewed. One of these facilities is a committed credit agreement for \$75.0 million. In exchange for the bank's commitment to fund any drawdowns the Company requests, the Company pays an annual commitment fee of 0.5% quarterly, on any unused portion of this facility. Additionally, the Company has uncommitted facilities in most of the countries where it operates, which are subject to approval by the individual banks each time a drawdown is requested.

The following table provides the changes in long-term debt for the six months ended February 28, 2025:

(Amounts in thousands)	Current portion of long-term debt	Long-term debt (net of current portion)
<b>Balances as of August 31, 2024</b>	\$ 35,917	\$ 94,443
<b>Proceeds from long-term debt borrowed during the period:</b>		
Trinidad subsidiary	1,760	3,681
Total proceeds from long-term debt borrowed during the period	1,760	3,681
<b>Repayments of long-term debt:</b>	(19,770)	(8,528)
<b>Reclassifications of long-term debt due in the next 12 months</b>	470	(470)
Translation adjustments on foreign currency debt of subsidiaries whose functional currency is not the U.S. dollar <sup>(2)</sup>	(116)	(276)
<b>Balances as of February 28, 2025</b>	\$ 18,261	\$ 88,850

(1) The carrying amount of non-cash assets assigned as collateral for these loans was \$155.1 million. The carrying amount of cash assets assigned as collateral for these loans was \$126.7 million.

(2) These foreign currency translation adjustments are recorded within other comprehensive income.

(3) The carrying amount of non-cash assets assigned as collateral for these loans was \$126.7 million. The carrying amount of cash assets assigned as collateral for these loans was \$155.1 million.

As of February 28, 2025 and August 31, 2024, the Company had approximately \$56.1 million and \$76.6 million, respectively, of long-term debt in several foreign subsidiaries, which require these entities to comply with certain annual or quarterly financial covenants, which include debt to capitalization ratios. The Company was in compliance with all covenants or amended covenants for both periods.

Annual maturities of long-term debt are as follows (in thousands):

**Twelve Months Ended February 28, (except in case of leap year February 29),**

2026

2027

2028

2029

2030

Thereafter

Total

**DERIVATIVE  
INSTRUMENTS AND  
HEDGING ACTIVITIES**

**Derivative Instruments and  
Hedging Activities  
Disclosure [Abstract]**

**DERIVATIVE  
INSTRUMENTS AND  
HEDGING ACTIVITIES**

**6 Months Ended**

**Feb. 28, 2025**

**DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

The Company is exposed to interest rate risk relating to its ongoing business operations. To manage interest rate exposure, the Company enters into interest rate swaps (interest rate swaps) using derivative financial instruments. The objective of entering into interest rate swaps is to eliminate the variability of cash payments associated with variable-rate loans over the life of the loans. As changes in interest rates impact the future cash flow of interest payments, the Company uses a synthetic offset to interest rate movements.

In addition, the Company is exposed to foreign currency and interest rate cash flow exposure related to non-functional currency long-term owned subsidiaries. To manage this foreign currency and interest rate cash flow exposure, some of the Company's subsidiaries have entered into interest rate swaps that convert their U.S. dollar denominated floating interest payments to functional currency fixed interest payments during the life of the swaps. As changes in foreign exchange and interest rates impact the future cash flow of interest payments, the hedges are intended to offset changes in cash flow due to interest rate and foreign exchange movements.

These derivative instruments (cash flow hedging instruments) are designated and qualify as cash flow hedges, with the entire gain or loss recorded in other comprehensive loss as a component of other comprehensive loss. Amounts are deferred in other comprehensive loss and reclassified into earnings in the same income statement line item used to present the earnings effect of the hedged item when the hedged item affects earnings.

The Company is exposed to foreign-currency exchange-rate fluctuations in the normal course of business, including foreign-currency exchange rate risk on U.S. dollar denominated liabilities within its international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages this risk, in part, through the use of non-deliverable forward foreign-exchange contracts (NDFs) that are intended to offset changes in cash flow attributable to exchange rate movements. These contracts are intended primarily to economically address exposure to U.S. dollar merchandise inventory expenditures made by the Company's subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts do not qualify for derivative hedge accounting. The Company manages its foreign-currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not have any related contingent features.

*Cash Flow Hedges*

As of February 28, 2025, all of the Company's interest rate swap and cross-currency interest rate swap derivative financial instruments are designated and qualify as cash flow hedges. The Company formally documents the hedging relationships for its derivative instruments that qualify for hedge accounting.

The following table summarizes agreements for which the Company has recorded cash flow hedge accounting for the six months ended February 28, 2025.

Entity	Date Entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Initial USS Notional Amount	USS Loan Held With	Floating Leg (swap counter-party)	Fixed Rate for PSMT Subsidiary	Settlement Dates
Colombia subsidiary	25-Nov-24	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$18,700,000	PriceSmart, Inc.	6.00%	10.91 %	27th day of each November, February, May and August beginning on February 27, 2025
Colombia subsidiary	15-Nov-24	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	3.00%	7.61 %	17th day of each February, May, August and November beginning on February 18, 2025
Colombia subsidiary	19-Sep-24	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$12,500,000	PriceSmart, Inc.	4.00%	9.15 %	24th day of each September, December, March and June beginning on December 24, 2024
Colombia subsidiary	30-Nov-23	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	5.00%	11.27 %	30th day of each November, May, August and 28th day of each February (except in case of a leap year, 29th day of each February) beginning on February 29, 2024
Colombia subsidiary	12-Apr-23	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	4.00%	11.40 %	11th day of each July, October, January and April, beginning on July 11, 2023
Colombia subsidiary	3-May-22	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	3.00%	9.04 %	3rd day of each May, August, November and February, beginning on August 3, 2022
Panama subsidiary	11-Jul-24	Bank of Nova Scotia ("Scotiabank")	Interest rate swap	\$16,500,000	Bank of Nova Scotia	3-month SOFR with a 2.95% floor	4.43 %	1st day of each March, June, September and December beginning June 3, 2024.
PriceSmart, Inc.	7-Nov-16	U.S. Bank, N.A. ("U.S. Bank")	Interest rate swap	\$35,700,000	U.S. Bank	Variable rate 3-month SOFR plus 1.7%	3.65 %	1st day of each month beginning on April 1, 2017

For the three and six months ended February 28, 2025 and February 29, 2024, the Company included the gain or loss on the hedged borrowings) in the same line item—interest expense—as the offsetting gain or loss on the related interest rate swaps as follows (in thousands):

Income Statement Classification	Interest expense on borrowings <sup>(1)</sup>	Cost of swaps <sup>(2)</sup>
Interest expense for the three months ended February 28, 2025	\$ 699	\$ 828
Interest expense for the three months ended February 29, 2024	\$ 1,054	\$ 657
Interest expense for the six months ended February 28, 2025	\$ 1,924	\$ 1,225
Interest expense for the six months ended February 29, 2024	\$ 2,116	\$ 1,072

<sup>(1)</sup> This amount is representative of the interest expense recognized on the underlying hedged transactions.

<sup>(2)</sup> This amount is representative of the interest expense recognized on the interest rate swaps and cross-currency swaps designated as cash flow hedging instruments.

The total notional balance of the Company's pay-fixed/receive-variable interest rate swaps and cross-currency interest rate swaps was as follows:

Floating Rate Payer (Swap Counterparty)	Notional Amount
	February 28, 2025
U.S. Bank	\$ 28,100,000
Citibank N.A.	71,200,000
Scotiabank	16,500,000
Total	\$ 115,800,000

Derivatives listed on the table below were designated as cash flow hedging instruments. The table summarizes the effect of the fair value of cross-currency interest rate swap derivative instruments that qualify for derivative hedge accounting and its associated tax effect on accumulated other comprehensive income (loss) (in thousands):

Derivatives designated as cash flow hedging instruments	Balance Sheet Classification	February 28, 2025			August 31, 2024	
		Fair Value	Net Tax Effect	Net OCI	Fair Value	Net OCI
Cross-currency interest rate swaps	Other current assets	\$ —	\$ —	\$ —	\$ 4,030	\$ —
Cross-currency interest rate swaps	Other non-current assets	48	(17)	31	259	—
Cross-currency interest rate swaps	Other current liabilities	—	—	—	(1,179)	—
Cross-currency interest rate swaps	Other long-term liabilities	(3,749)	1,312	(2,437)	(1,778)	—
Interest rate swaps	Other non-current assets	1,068	(239)	829	1,223	—
Interest rate swaps	Other long-term liabilities	(264)	74	(190)	(322)	—
Net fair value of derivatives designated as hedging instruments		\$ (2,897)	\$ 1,130	\$ (1,767)	\$ 2,233	\$ —

#### Fair Value Instruments

From time to time the Company enters into non-deliverable forward foreign-exchange contracts. These contracts are treated for accounting purposes as non-derivative contracts and do not qualify for derivative hedge accounting. The use of non-deliverable forward foreign-exchange contracts is intended to be attributable to currency exchange movements. These contracts are intended primarily to economically hedge exposure to U.S. dollar merchandise sales made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar.

The following table summarizes the non-deliverable forward foreign exchange contracts that are open as of February 28, 2025:

Financial Derivative (Counterparty)	Subsidiary	Dates Entered into (Range)	Derivative Financial Instrument	Total Notional Amounts (in thousands)
Citibank, N.A. ("Citi")	Colombia	21-Aug-2024 - 20-Feb-2025	Forward foreign exchange contracts (USD)	\$ 22,500

Forward derivative gains and (losses) on non-deliverable forward foreign-exchange contracts are included in Other income (expenses) in the statements of income in the period of change, but the amounts were immaterial for the three and six month periods ended February 28, 2025 and 2024.

## SEGMENTS

**6 Months Ended  
Feb. 28, 2025**

[Segment Reporting](#)  
[\[Abstract\]](#)  
[SEGMENTS](#)

## SEGMENTS

The Company and its subsidiaries are principally engaged in the international operation of membership shopping in 54 warehouse clubs in one U.S. territory that are located in Central America, the Caribbean and Colombia. In addition, the Company operates distribution centers and corporate offices in the United States. The Company has aggregated its warehouse clubs, distribution centers and corporate offices into reportable segments. The Company's reportable segments are based on management's organization of these locations into operating segments by general geographic location, which are used by management in the assignment of responsibility, providing support services, and making operational decisions and assessments of financial performance. Segment amounts are presented in U.S. dollars and consolidating eliminations. Certain revenues, operating costs and inter-company charges included in the United States segment are eliminated in the segments within this presentation, as it is impractical to do so, and they appear as reconciling items to reflect the amount eliminated on consolidated transactions. From time to time, the Company revises the measurement of each segment's operating income and net income, including certain operating costs and other measures as determined by the information regularly reviewed by management. When the Company does so, the previous period's results are reclassified to conform to the current period's presentation.

The following tables summarize by segment certain revenues, operating costs and balance sheet items (in thousands):

	United States Operations	Central American Operations	Caribbean Operations <sup>(1)</sup>	Colombia Operations	Reconciling Items
<b>Three Months Ended February 28, 2025</b>					
Revenue from external customers	\$ 3,987	\$ 823,871	\$ 379,866	\$ 156,162	\$ —
Intersegment revenues	492,536	7,688	1,657	1,813	—
Depreciation, property and equipment	1,838	11,112	5,566	3,251	—
Operating income	(1,730)	65,485	28,188	5,398	—
Net income	(7,293)	56,357	22,720	4,047	—
Capital expenditures, net	2,060	20,571	7,042	2,999	—
<b>Six Months Ended February 28, 2025</b>					
Revenue from external customers	\$ 13,605	\$ 1,584,167	\$ 725,248	\$ 298,810	\$ —
Intersegment revenues	1,008,130	17,021	3,482	2,839	—
Depreciation, property and equipment	3,606	22,056	10,571	6,396	—
Operating income	(3,270)	125,200	54,278	9,823	—
Net income	(13,538)	107,278	44,397	5,552	—
Long-lived assets (other than deferred tax assets)	71,123	637,494	228,800	200,425	—
Goodwill	8,981	24,208	10,029	—	—
Total assets	213,789	1,106,010	487,795	285,071	—
Capital expenditures, net	2,632	36,016	16,932	5,464	—
<b>Three Months Ended February 29, 2024</b>					
Revenue from external customers	\$ 8,511	\$ 780,314	\$ 356,422	\$ 146,703	\$ —
Intersegment revenues	435,307	8,462	1,308	1,264	—
Depreciation, property and equipment	1,383	10,688	4,876	3,544	—
Operating income	7,896	61,310	26,718	4,592	—
Net income	3,092	50,573	21,019	1,485	—
Capital expenditures, net	708	51,932	10,338	4,409	—
<b>Six Months Ended February 29, 2024</b>					
Revenue from external customers	\$ 18,520	\$ 1,480,881	\$ 683,389	\$ 275,635	\$ —
Intersegment revenues	881,644	14,554	2,708	2,289	—
Depreciation, property and equipment	2,707	20,698	9,697	6,883	—
Operating income	17,845	118,212	50,050	8,209	—
Net income	6,417	99,106	40,100	4,180	—
Long-lived assets (other than deferred tax assets)	78,907	609,451	214,237	211,251	—
Goodwill	8,981	24,116	10,034	—	—
Total assets	223,669	1,088,645	434,125	290,337	—
Capital expenditures, net	3,647	73,272	19,327	8,223	—
<b>As of August 31, 2024</b>					
Long-lived assets (other than deferred tax assets)	\$ 72,727	\$ 614,382	\$ 224,019	\$ 199,404	\$ —
Goodwill	8,981	24,193	10,023	—	—
Investment in unconsolidated affiliates	—	6,882	—	—	—
Total assets	220,076	1,065,493	451,265	285,860	—

<sup>(1)</sup> Management considers its club in the U.S. Virgin Islands to be part of its Caribbean operations.

<sup>(2)</sup> The reconciling items reflect the amount eliminated on consolidation of intersegment transactions.

## SUBSEQUENT EVENTS

**6 Months Ended**

**Feb. 28, 2025**

[Subsequent Events](#)

[\[Abstract\]](#)

[SUBSEQUENT EVENTS](#)

## SUBSEQUENT EVENTS

The Company has evaluated all events subsequent to the balance sheet date as of February 28, 2025 through the date of issuance of these consolidated financial statements and has determined that there are no subsequent events that require disclosure.

Pay vs Performance Disclosure - USD (\$) \$ in Thousands	3 Months Ended		6 Months Ended	
	Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2025	Feb. 29, 2024
<u>Pay vs Performance Disclosure</u>				
<u>Net income</u>	\$ 43,760	\$ 39,271	\$ 81,188	\$ 77,318

**Insider Trading  
Arrangements**

**3 Months Ended  
Feb. 28, 2025  
shares**

**Trading Arrangements, by  
Individual**

Non-Rule 10b5-1  
Arrangement Adopted false

Rule 10b5-1 Arrangement  
Terminated false

Non-Rule 10b5-1  
Arrangement Terminated false

Francisco Velasco [Member]

**Trading Arrangements, by  
Individual**

**Material Terms of Trading  
Arrangement**

On February 4, 2025, Francisco Velasco, our Executive Vice President – Chief Legal Officer, Registered In-House Counsel, Chief Risk & Compliance Officer and Corporate Secretary, adopted a Rule 10b5-1 Trading Plan. Mr. Velasco's Rule 10b5-1 Trading Plan provides for the sale of up to 1,650 shares of the Company's common stock during the period beginning on May 6, 2025 and ending January 6, 2026.

Name

Francisco Velasco

Title

Executive Vice President – Chief Legal Officer, Registered In-House Counsel, Chief Risk & Compliance Officer and Corporate Secretary

Rule 10b5-1 Arrangement  
Adopted

true

Adoption Date

February 4, 2025

Expiration Date

January 6, 2026

Arrangement Duration

610 days

Aggregate Available

1,650

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES  
(Policies)**

**6 Months Ended**

**Feb. 28, 2025**

[Accounting Policies  
\[Abstract\]  
Basis of Presentation](#)

**Basis of Presentation** – The interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-K reporting pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”).

These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company’s Report on Form 10-K for the fiscal year ended August 31, 2024 (the “2024 Form 10-K”). The interim consolidated financial statements include the Company, a Delaware corporation, and its subsidiaries. Intercompany transactions between the Company and its subsidiaries have been eliminated in consolidation.

[Principles of Consolidation](#)

**Principles of Consolidation** – The consolidated financial statements of the Company included herein include the assets, liabilities and equity of the Company’s wholly owned subsidiaries and subsidiaries in which it has a controlling interest. The consolidated financial statements also include the Company’s share of the income (loss) of, joint ventures recorded under the equity method. All significant inter-company accounts and transactions have been eliminated in consolidation. The consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the SEC and adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to fairly present the financial position and cash flows for the periods presented. The results for interim periods are not necessarily indicative of the results for the year.

The Company determines whether any of the joint ventures in which it has made investments is a Variable Interest Entity (“VIE”) at the time of investment and if a reconsideration event has occurred. At this time, the Company also considers whether it must consolidate a VIE and/or disclose information about a VIE. A reporting entity must consolidate a VIE if that reporting entity has a variable interest (or combination of variable interests) and is deemed to be the primary beneficiary. If the Company determines that it is not the primary beneficiary of the VIE, then the Company records its investment in, and the Company’s share of the income (loss) of, joint ventures recorded under the equity method. Due to the nature of the joint ventures that the Company participates in and the need for additional financing, the Company determined these joint ventures are VIEs.

In the case of the Company’s ownership interest in a real estate development joint venture, both parties to the joint venture share all decision-making power to direct the activities of the VIE that most significantly impact the VIE’s economic performance. As a result, the Company has determined that it is the primary beneficiary of the VIE and, therefore, has accounted for this entity under the equity method. Under the equity method, the Company’s investments in the joint venture are initially recorded as an investment in the stock of an investee at cost and are adjusted for the carrying amount of the investment to recognize the earnings or losses of the investee after the date of the initial investment. The Company’s ownership interest in a real estate development joint venture recorded under the equity method as of February 28, 2025 is listed below:

<b>Real Estate Development Joint Venture</b>	<b>Country</b>	<b>Ownership</b>
GolfPark Plaza, S.A.	Panama	50.0%

<sup>(1)</sup> Joint venture interests are recorded as investment in unconsolidated affiliates on the consolidated balance sheets.

[Use of Estimates](#)

**Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and assumptions take into account historical experience and other factors that the Company believes are reasonable. Actual results could differ from those estimates and assumptions.

[Cash and Cash Equivalents](#)

**Cash and Cash Equivalents** – The Company considers as cash and cash equivalents all cash on deposit, highly liquid investments with a maturity of three months or less at the date of purchase and proceeds due from credit and debit card transactions in the process of settlement. The Company invests some of our cash in money market funds which are considered equity securities and are held at fair value. Cash and cash equivalents on the consolidated balance sheets.

[Restricted Cash](#)

**Restricted Cash** – The following table summarizes the restricted cash reported by the Company (in thousands):

	<b>February 28, 2025</b>
Short-term restricted cash	\$ 3,400
Long-term restricted cash	11,600
<b>Total restricted cash<sup>(1)</sup></b>	<b>\$ 15,000</b>

<sup>(1)</sup> Restricted cash consists of cash deposits held within banking institutions in compliance with federal regulatory requirements in Costa Rica and Panama. In addition, the Company maintains a certificate of deposit and/or security deposits of Trinidad dollars, as measured in U.S dollars, of approximately \$8.1 million with a few of its loans and for several U.S. dollar and euro denominated loans payable over several years. The certificates of deposit will be reduced annually commensurate with the loan maturities.

[Short-Term Investments](#)

**Short-Term Investments** – The Company considers certificates of deposit and similar time-based deposits with financial institutions that have maturities over three months and up to one year to be short-term investments.

## [Long-Term Investments](#)

**Long-Term Investments** – The Company considers certificates of deposit and similar time-based deposits with financial institutions with a maturity of one year to be long-term investments.

## [Goodwill](#)

**Goodwill** – The Company reviews reported goodwill at the reporting unit level for impairment. The Company tests goodwill at least annually or when events or changes in circumstances indicate that it is more likely than not that the asset is impaired.

## [Receivables](#)

**Receivables** – Receivables consist primarily of credit card receivables and receivables from vendors and are stated net of allowance for doubtful accounts. The determination of the allowance for credit losses is based on the Company's assessment of collectability along with the consideration of current and historical trends that could impact collectability.

## [Tax Receivables](#)

**Tax Receivables** – The Company pays Value Added Tax ("VAT") or similar taxes, income taxes, and other taxes within the normal course of business in the countries in which it operates related to the procurement of merchandise and/or services the Company acquires and/or on sales and taxable services. Indirect tax applied to the value added at each stage of production (primary, manufacturing, wholesale and retail). This tax is similar to, but often higher than, sales tax paid in the United States. The Company generally collects VAT from its Members upon sale of goods and services and pays VAT to the government on sales of goods and services. Periodically, the Company submits VAT reports to governmental agencies and reconciles the VAT paid and VAT received. VAT may be refunded or applied to subsequent returns, and the net underpaid VAT must be remitted to the government. With respect to income taxes paid, if the amount paid or withheld exceeds the actual income tax due this creates an income tax receivable. In most countries where the Company operates, the government has various additional collection procedures, such as requiring credit card processors to remit a portion of sales processed via credit and debit cards directly to the government for payments of VAT and/or income tax. This collection mechanism generally leaves the Company with net VAT and/or income tax receivables, forcing the Company to file significant refund claims on a recurring basis. These refund or offset processes can take anywhere from several months to several years to complete and are occasionally required to make payments for tax assessments that we are appealing, notwithstanding that we believe it is more likely than not we will receive the refund. Minimum tax rules, applicable in some of the countries where the Company operates, require the Company to pay taxes based on a percentage of sales if the resulting tax were greater than the tax payable based on a percentage of income (Alternative Minimum Tax). These rules can result in AMT payments substantially in excess of those the Company would expect to pay based on taxable income.

While the rules related to refunds of income tax receivables in this country are unclear and complex, the Company has not placed an allowance for the recoverability of these tax receivables, deferred tax assets or amounts that may be deemed under-paid, because the Company believes that it is more likely than not that it will ultimately succeed in its refund requests and appeals of these rules.

The Company's various outstanding VAT receivables and/or income tax receivables are based on cases or appeals with their own set of facts. The Company consults and evaluates with legal and tax advisors regularly to understand the strength of its legal arguments and probability of success. Based on its own experience handling complex tax issues. Based on those evaluations, the Company has not placed any type of allowance on the recoverability of these receivables or deferred tax assets, because the Company believes that it is more likely than not that it will ultimately succeed in its refund requests and appeals of these rules.

The Company's policy for classification and presentation of VAT receivables, income tax receivables and other tax receivables is as follows:

- Short-term VAT and Income tax receivables, recorded as Prepaid expenses and other current assets: This classification is used for amounts where the Company's subsidiary has generally demonstrated the ability to recover the VAT or income tax receivable within one year. The Company records short-term any approved refunds or credit notes to the extent that the Company expects to receive the refund or use the credit notes within one year.
- Long-term VAT and Income tax receivables, recorded as Other non-current assets: This classification is used for amounts not approved for refund in countries where the Company's subsidiary has not demonstrated the ability to obtain refunds within one year and/or for amounts which are in dispute. An allowance is provided against VAT and income tax receivable balances in dispute when the Company does not expect to receive the refund or credit notes. The Company does not currently have any allowances provided against VAT and income tax receivables.

## [Lease Accounting](#)

**Lease Accounting** – The Company's leases are operating leases for warehouse clubs and non-warehouse club facilities such as corporate offices, and regional distribution centers. The Company determines if an arrangement is a lease and classifies it as either a finance or operating lease. Operating leases are included in Operating lease right-of-use assets, net; Operating lease liabilities, current portion; and Long-term operating lease liabilities on consolidated balance sheets. The Company does not have finance leases.

Operating lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments. The Company's leases generally do not have a readily determinable implicit interest rate; therefore, the Company uses a collateralized incremental borrowing rate at the commencement date in determining the present value of future payments. The incremental borrowing rate is based on a yield curve derived from market offerings for companies with credit characteristics that approximate the Company's market risk profile.

In addition, we adjust the incremental borrowing rate for jurisdictional risk derived from quoted interest rates from financial institutions in the Company's local markets. The Company's lease terms may include options to purchase, extend or terminate the lease, which are not included in the lease liability unless it is reasonably certain that the Company will exercise that option. The Company does not combine lease and non-lease components.

The Company measures Right-of-use ("ROU") assets based on the corresponding lease liabilities, adjusted for any initial direct costs incurred by the lessee made to the lessor before or at the commencement date (net of lease incentives). The lease expense for minimum lease payments is recognized over the lease term. Variable lease payments are not included in the calculation of the ROU asset and the related lease liability and are recognized as lease expense when the variable lease payments generally relate to amounts the Company pays for additional contingent rent based on a contractually stipulated percentage of sales.

In January 2024, the Company purchased its Via Brasil warehouse club's buildings and land, which was previously leased, in Panama City, Panama. Management assessed the fair market value using the market and replacement cost methods and, per the assessment, allocated approximately 80% of the purchase price to the buildings and land.

to the land and 11.3% of the purchase price to the building. The transaction resulted in the termination of the related ROU asset, net of tax, and \$8.2 million and \$9.1 million, respectively. No gain or loss was recognized as the lease termination occurred due to the purchase of the leased asset. The purchase price, after accounting for the impact of the lease termination, resulted in \$28.2 million allocated to the land and \$3.9 million allocated to the building. The Company already carried approximately \$8.6 million of leasehold improvements related to the club which have been reclassified to the building on the balance sheet. This purchase triggered a change in the estimate of the depreciable lives of certain leasehold improvements, which were previously estimated, lowering future annual depreciation. Going forward, we believe the lower annual depreciation expense and the cost savings on straight-line rent on the building, will save approximately \$1.1 million per year, net of tax, within our Warehouse club and other operations. The impact of the depreciation expense on the building, will be recorded within the Interest expense on the consolidated statements of income. Additionally, the Company entered into a loan agreement for \$16.5 million, payable over 15 years, to partially finance the Via Brasil club. We expect approximately \$1.0 million in interest payments, net of tax, over the next 12 months associated with this loan, which will be recorded as the loan balance is paid off over the life of the loan. The interest expense related to this loan will be recorded within the Interest expense on the consolidated statements of income.

## [Merchandise Inventories](#)

**Merchandise Inventories** – Merchandise inventories, which include merchandise for resale, are valued at the lower of cost (average cost) or market. The Company provides for estimated inventory losses and obsolescence based on a percentage of sales. The provision is adjusted every reporting period based on actual physical inventory and cycle count results. In addition, the Company may be required to take markdowns below the carrying cost of cost of goods sold at the sale of such merchandise.

## [Stock Based Compensation](#)

**Stock Based Compensation** – The Company utilizes three types of equity awards: restricted stock awards (“RSAs”), restricted stock units (“RSUs”), and performance-based restricted stock units (“PSUs”). Compensation cost related to RSAs, RSUs and PSUs is based on the fair market value at the grant date. The Company recognizes the compensation cost related to RSAs and RSUs over the requisite service period as determined by the grant, amortized on a straight-line basis over the life of the grant. The Company also recognizes compensation cost for PSUs over the performance period of each tranche, adjusted for the Company's estimate of the probability that performance metrics will be achieved.

The Company accounts for actual forfeitures as they occur. The Company records the tax savings resulting from tax deductions in excess of the tax deficiency based compensation and the tax deficiency resulting from stock-based compensation in excess of the related tax deduction as income tax expense. The Company reflects the tax savings (deficiency) resulting from the taxation of stock-based compensation as an operating cash flow in its consolidated statements of cash flows.

RSAs are outstanding shares of common stock and have the same cash dividend and voting rights as other shares of common stock. Shares of common stock underlying RSUs are not issued nor outstanding until vested, and RSUs do not have the same dividend and voting rights as common stock. However, RSUs have accompanying dividend equivalents, requiring payment to the employees and directors with unvested RSUs of amounts equal to the dividend on the shares of common stock underlying the RSUs had the shares of common stock underlying the RSUs been actually issued and outstanding. Payments of dividend equivalents to employees and directors are recorded as an expense.

PSUs, similar to RSUs, are awarded with dividend equivalents, subject to achievement of applicable performance criteria.

## [Treasury Stock](#)

**Treasury Stock** – Shares of common stock repurchased by the Company are recorded at cost, including transaction costs and excise taxes. Treasury stock results in the reduction of stockholders' equity in the Company's consolidated balance sheets. The Company may reissue these treasury shares for employee stock ownership plans and compensation programs. When treasury shares are reissued, the Company uses the first in/first out (“FIFO”) cost method for determining cost of treasury shares. If the issuance price is higher than the cost, the excess of the issuance price over the cost is credited to additional paid-in capital (“APIC”). If the issuance price is lower than the cost, the difference is first charged against any credit balance in APIC from treasury stock and the balance is charged to retained earnings. During February 28, 2025, the Company reissued approximately 65,000 treasury shares upon vesting of restricted stock units and the award of restricted stock units.

## [Fair Value Measurements](#)

**Fair Value Measurements** – The Company measures the fair value for all financial and non-financial assets and liabilities that are recorded at fair value in the consolidated financial statements on a recurring or nonrecurring basis. The fair value of an asset is the price at which the asset would be sold in a transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor.

ASC 820, Fair Value Measurements and Disclosures, sets forth a fair value hierarchy that categorizes inputs to valuation techniques used to measure fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring the use of the company's own assumptions. The Company was not required to revalue any assets or liabilities utilizing Level 1 or Level 3 inputs at the balance sheet dates. The Company's Level 2 assets and liabilities revalued at the balance sheet dates, on a recurring basis, consisted of cash flow hedges (interest rate swaps and cross-currency swaps) and forward foreign exchange contracts. In addition, the Company utilizes Level 2 inputs in determining the fair value of long-term debt.

Non-financial assets and liabilities are revalued and recognized at fair value subsequent to initial recognition when there is evidence of impairment. If impairment is reported, no impairment of such non-financial assets were recorded.

The Company's current and long-term financial assets and liabilities have fair values that approximate their carrying values. The Company's long-term liabilities consist of long-term debt, which is recorded on the balance sheet at issuance price and adjusted for any applicable unamortized discounts and issuance costs. There have been no significant changes in the fair market value of the Company's current and long-term financial assets and liabilities. There were no material changes to the valuation techniques utilized in the fair value measurement of assets and liabilities disclosed in the Company's 2024 Annual Report.

## [Derivatives Instruments and Hedging Activities](#)

**Derivatives Instruments and Hedging Activities** – The Company uses derivative financial instruments for hedging and non-trading purposes. The Company's exposure to changes in interest and currency exchange rates. In using derivative financial instruments for the purpose of hedging the Company's

currency exchange rate risks, the contractual terms of a hedged instrument closely mirror those of the hedged item and are intended to provide a hedge and correlation. Contracts that are effective at meeting the risk reduction and correlation criteria (effective hedge) are recorded using hedge accounting. If an instrument is an effective hedge, changes in the fair value of the instrument will be reported in accumulated other comprehensive loss until the contractual term. Instruments that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, with unrealized gains or losses reported in earnings during the period of the change.

The Company did not change valuation techniques utilized in the fair value measurement of assets and liabilities presented on the Company's financial statements from previous practice during the reporting period. The Company seeks to manage counterparty risk associated with these contracts with counterparties with which the Company has an established banking relationship. There can be no assurance, however, that this practice effectively

**Cash Flow Instruments.** The Company is a party to receive floating interest rate and pay fixed-rate interest rate swaps to hedge the interest rate risk on U.S. dollar denominated debt within its international subsidiaries. The swaps are designated as cash flow hedges of interest expense risk. These instruments are recorded using hedge accounting. The Company is also a party to receive variable or fixed interest rate and pay fixed interest rate swaps to hedge the interest rate and currency exposure associated with the expected payments of principal and interest of U.S. denominated debt on its international subsidiaries whose functional currency is other than the U.S. dollar. The swaps are designated as cash flow hedges of the currency risk and interest rate payments on the U.S. denominated debt. These instruments are also considered to be effective hedges and are recorded using hedge accounting. The entire gain or loss of the derivative, calculated as the net present value of the future cash flows, is reported on the consolidated balance sheet in accumulated other comprehensive loss. Amounts recorded in accumulated other comprehensive loss are released to earnings in the same period that the hedged transaction is reported in earnings. Refer to "Note 8 - Derivative Instruments and Hedging Activities" for information on the fair value of interest rate swaps and cross-currency swaps as of February 28, 2025 and August 31, 2024.

**Fair Value Instruments.** The Company is exposed to foreign currency exchange rate fluctuations in the normal course of business. This includes foreign currency exchange rate fluctuations on U.S. dollar denominated liabilities within the Company's international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts that are intended to hedge the cash flows attributable to currency exchange movements. The contracts are intended primarily to economically address exposure to U.S. dollar merchant receivables made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts are treated for financial reporting as value instruments and do not qualify for derivative hedge accounting, and as such the Company does not apply derivative hedge accounting to recognize a result, these contracts are valued at fair value with unrealized gains or losses reported in earnings during the period of the change. The Company manages its currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any contingent features and are limited to less than one year in duration.

## [Revenue Recognition](#)

**Revenue Recognition** – The accounting policies and other disclosures such as the disclosure of disaggregated revenues are described in Note 3, "Revenue Recognition."

## [Cost of Goods Sold](#)

**Cost of Goods Sold** – The Company includes the cost of merchandise and food service and bakery raw materials in cost of goods sold. The Company also includes in cost of goods sold - net merchandise sales the external and internal distribution and handling costs for supplying products to and supplies to the warehouse clubs, and, when applicable, costs of shipping to Members. External costs include inbound freight, duties, drayage and recoverable value-added tax related to inventory shrink, spoilage and damage. Internal costs include payroll and related costs, utilities, construction, maintenance, rent expense and building and equipment depreciation at the Company's distribution facilities and payroll and other direct costs for internal

For export sales, the Company includes the cost of merchandise and external and internal distribution and handling costs for supplying merchandise sold - exports.

Vendor consideration consists primarily of volume rebates, time-limited product promotions, cooperative marketing efforts, slotting fees, demonstration reimbursements and prompt payment discounts. Volume rebates and time-limited promotions are recorded on a systematic and rational allocation of the cash consideration as the Company progresses toward earning the rebate, provided the rebates earned are probable and reasonably estimable. Cooperative marketing efforts and digital advertising are related to consideration received by the Company from vendors for non-distinct online advertising services on the Company's website and social media platforms. Demonstration reimbursements are related to consideration received by the Company from vendors for preferential "end cap" placement of the vendor's products in the warehouse club. Demonstration reimbursements are related to consideration received by the Company from vendors for time-limited discounts on the sale of the vendors' products. The Company records the reduction in cost of goods sold on a transactional basis for these programs. On a periodic basis, the Company calculates the amount of rebates recorded in cost of goods sold that relates to inventory on hand and that amount is reclassified as a reduction to inventory, if significant. Prompt payment discounts are taken in substantially all cases and they are recorded directly to reduce the acquisition cost of the related inventory, with the resulting effect recorded to cost of goods sold when the inventory is sold.

## [Selling, General and Administrative](#)

**Selling, General and Administrative** – Selling, general and administrative costs consist primarily of expenses associated with operating the Company's business, including income based taxes such as alternative minimum taxes based on revenue or sales. These costs include payroll and related costs, utilities, construction, maintenance, rent expense, building and equipment depreciation, bank fees, credit card processing fees, and amortization of intangibles. Also included in selling, general and administrative expenses are the payroll and related costs for the Company's U.S. and regional management and purchasing centers.

## [Pre-Opening Costs](#)

**Pre-Opening Costs** – The Company expenses pre-opening costs (the costs of start-up activities, including organization costs and rent) as incurred.

## [Asset Impairment and Closure Costs](#)

**Asset Impairment and Closure Costs** – The Company periodically evaluates its long-lived assets for indicators of impairment. Management on market and operational conditions at the time of the evaluation and can include management's best estimate of future business activity. These cause management to conclude that impairment factors exist, requiring an adjustment of these assets to their then-current fair value. Future business could differ materially from the projections made by management causing the need for additional impairment charges.

## [Loss Contingencies and Litigation](#)

**Loss Contingencies and Litigation** – The Company records and reserves for loss contingencies if (a) information available prior to its financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the consolidated financial statements and the amount of loss can be reasonably estimated. If one or both criteria for accrual are not met, but there is at least a reasonable possibility that a loss has been incurred, the Company does not record and reserve for a loss contingency but describes the contingency within a note and provides detail, when possible, of the potential range of loss. If an estimate cannot be made, a statement to that effect is made.

## [Foreign Currency Translation](#)

**Foreign Currency Translation** – The assets and liabilities of the Company's foreign operations are translated to U.S. dollars when the Company's international subsidiaries is the local currency and not U.S. dollars. Assets and liabilities of these foreign subsidiaries are translated to U.S. dollars at the rate on the balance sheet date, and revenue, costs and expenses are translated at average rates of exchange in effect during the period. The gains and losses are recorded as a component of accumulated other comprehensive income or loss. These adjustments will affect net income upon the underlying investment.

## [Recent Accounting Pronouncements - Not Yet Adopted](#)

### **Recent Accounting Pronouncements - Not Yet Adopted**

#### ***FASB ASC 280 ASU 2023-07—Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures***

In November 2023, the FASB issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures. ASU No. 2023-07 focuses on segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The ASU is effective for annual periods beginning in 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company expects to adopt ASU No. 2023-07 for annual reporting for fiscal year 2025. The Company does not expect this guidance to have a material impact on the Company's consolidated financial statements.

#### ***FASB ASC 740 ASU 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures***

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures. ASU No. 2023-09 focuses on income tax disclosures, including effective tax rates and cash income taxes paid. The ASU is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company expects to adopt ASU No. 2023-09 for our annual reporting for fiscal year 2026. The Company does not expect this guidance to have a material impact on the Company's consolidated financial statements.

#### ***FASB ASC 220 ASU 2024-03—Income Statement (Topic 220): Disaggregation of Income Statement Expenses***

In November 2024, the FASB issued ASU No. 2024-04, Disaggregation of Income Statement Expenses. ASU No. 2024-03 requires disaggregation of income statement expenses. The ASU is effective for annual reporting periods beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Early adoption is permitted. The Company expects to adopt ASU No. 2024-03 for our annual reporting for fiscal year 2028. The Company is currently assessing the impact of ASU No. 2024-03 on the Company's consolidated financial statements.

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**  
(Tables)

**6 Months Ended**

**Feb. 28, 2025**

[Accounting Policies](#)  
[\[Abstract\]](#)

[Schedule of Joint Ventures](#)

The Company's ownership interest in a real estate development joint venture the Company has recorded under the equity February 28, 2025 is listed below:

<b>Real Estate Development Joint Venture</b>	<b>Country</b>	<b>Ownership</b>
GolfPark Plaza, S.A.	Panama	50.0

<sup>(1)</sup> Joint venture interests are recorded as investment in unconsolidated affiliates on the consolidated balance sheets.

[Schedule of Restricted Cash](#)

The following table summarizes the restricted cash reported by the Company (in thousands):

	<b>February 28, 2025</b>
Short-term restricted cash	\$ 3,4
Long-term restricted cash	11,6
<b>Total restricted cash<sup>(1)</sup></b>	<b>\$ 15,1</b>

<sup>(1)</sup> Restricted cash consists of cash deposits held within banking institutions in compliance with federal regulatory requirements in Costa Rica and Panama. In addition, the Company maintains a certificate of deposit and/or security deposits of Trinidad dollars, as measured in U.S dollars, of approximately \$8.1 million with a few of its loans for several U.S. dollar and euro denominated loans payable over several years. The certificates of deposit will be reduced annually commensurate with the loans.

[Schedule of Value Added Tax  
Receivables](#)

The following table summarizes the VAT receivables reported by the Company (in thousands):

	<b>February 28, 2025</b>
Prepaid expenses and other current assets	\$ 2,9
Other non-current assets	34,6
<b>Total amount of VAT receivables reported</b>	<b>\$ 37,5</b>

[Schedule of Income Tax  
Receivables](#)

The following table summarizes the Income tax receivables reported by the Company (in thousands):

	<b>February 28, 2025</b>
Prepaid expenses and other current assets	\$ 17,1
Other non-current assets	25,0
<b>Total amount of income tax receivables reported</b>	<b>\$ 42,1</b>

[Schedule of Net Effect of  
Foreign Currency Translation](#)

The following table discloses the net effect of translation into the reporting currency on other comprehensive income for these local currencies for the three and six months ended February 28, 2025 and February 29, 2024 (in thousands):

	<b>Three Months Ended</b>		<b>Six Months Ended</b>
	<b>February 28, 2025</b>	<b>February 29, 2024</b>	<b>February 28, 2025</b>
Effect on other comprehensive income due to foreign currency restatement	\$ 7,345	\$ 6,697	\$ 4,4

[Schedule of Foreign Currency  
Gains \(Losses\)](#)

These foreign exchange transaction gains (losses), including transactions recorded involving these monetary assets and liabilities, are reported as Other income (expense) in the consolidated statements of income (in thousands):

	<b>Three Months Ended</b>		<b>Six Months Ended</b>
	<b>February 28, 2025</b>	<b>February 29, 2024</b>	<b>February 28, 2025</b>
Currency loss	\$ (5,188)	\$ (7,137)	\$ (11,9

**REVENUE RECOGNITION**  
(Tables)

**6 Months Ended**  
**Feb. 28, 2025**

[Revenue from Contract with Customer \[Abstract\]](#)  
[Schedule of Contract Performance Liabilities](#)

The following table provides these contract balances from transactions with customers as of the dates listed (in thousands)

	<b>February 28, 2025</b>	<b>February 28, 2025</b>
Deferred membership income	\$ 41,3	41,3
Other contract performance liabilities	\$ 30,5	30,5

[Schedule of Disaggregated Revenues](#)

In the following table, net merchandise sales are disaggregated by merchandise category (in thousands):

	<b>Three Months Ended</b>		<b>Six M</b>
	<b>February 28, 2025</b>	<b>February 29, 2024</b>	<b>February 28, 2025</b>
Foods & Sundries	\$ 626,163	\$ 610,665	\$ 1,206,0
Fresh Foods	403,829	367,199	770,0
Hardlines	155,260	144,201	299,4
Softlines	78,262	72,138	146,1
Food Service and Bakery	58,214	55,607	112,2
Health Services	12,827	11,106	24,5
Net Merchandise Sales	<u>\$ 1,334,555</u>	<u>\$ 1,260,916</u>	<u>\$ 2,558,4</u>

**EARNINGS PER SHARE**  
(Tables)

**6 Months Ended**  
**Feb. 28, 2025**

[Earnings Per Share](#)

[\[Abstract\]](#)

[Schedule of the Computation  
of Net Income Per Share](#)

The following table sets forth the computation of net income per share for the three and six months ended February 28, 2025 and February 28, 2024 (in thousands of dollars, except per share amounts):

	Three Months Ended		Six Months Ended
	February 28, 2025	February 29, 2024	February 28, 2025
Net income	\$ 43,760	\$ 39,271	\$ 81,111
Less: Allocation of income to unvested stockholders	(155)	(114)	(1,111)
Net income available for distribution	\$ 43,605	\$ 39,157	\$ 80,000
Basic weighted average shares outstanding	30,063	29,920	30,000
Add dilutive effect of performance stock units (two-class method)	5	—	—
Diluted average shares outstanding	30,068	29,920	30,000
Basic net income per share	\$ 1.45	\$ 1.31	\$ 2.67
Diluted net income per share	\$ 1.45	\$ 1.31	\$ 2.67

**STOCKHOLDERS'  
EQUITY (Tables)**

[Equity \[Abstract\]](#)  
[Schedule of Dividends](#)

**6 Months Ended  
Feb. 28, 2025**

The following table summarizes the dividends declared and paid during fiscal years 2025 and 2024 (amounts are per share):

Declared	Amount	First Payment			Second Payment		
		Record Date	Date Paid	Date Payable	Record Date	Date Paid	
2/1/2024	\$ 1.16	2/15/2024	2/29/2024	N/A	\$ 0.58	8/15/2024	8/30/2024
4/3/2024	\$ 1.00	4/19/2024	4/30/2024	N/A	\$ 1.00	N/A	N/A
2/6/2025	\$ 1.26	2/18/2025	2/28/2025	N/A	\$ 0.63	8/15/2025	N/A

[Schedule of Components of  
Other Comprehensive Income  
\(Loss\) and Accumulated Other  
Comprehensive Loss](#)

The following tables disclose the effects on accumulated other comprehensive loss of each component of other comprehensive income (thousands):

**Beginning balance, December 1, 2024**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>

Derivative instruments <sup>(2)</sup>

**Ending balance, February 28, 2025**

**Beginning balance, December 1, 2023**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>

Derivative instruments <sup>(2)</sup>

**Ending balance, February 29, 2024**

**Beginning balance, September 1, 2024**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>

Derivative instruments <sup>(2)</sup>

**Ending balance, February 28, 2025**

**Beginning balance, September 1, 2023**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>

Derivative instruments <sup>(2)</sup>

**Ending balance, February 29, 2024**

**Beginning balance, September 1, 2023**

Foreign currency translation adjustments

Defined benefit pension plans <sup>(1)</sup>

Derivative instruments <sup>(2)</sup>

Amounts reclassified from accumulated other comprehensive loss

**Ending balance, August 31, 2024**

(1) Amounts reclassified from accumulated other comprehensive loss related to the minimum pension liability are included in warehouse club and other consolidated statements of income.

(2) Refer to "Note 8 - Derivative Instruments and Hedging Activities."

[Schedule of Retained Earnings  
Not Available for Distribution](#)

The following table summarizes retained earnings designated as legal reserves of various subsidiaries which cannot be distributed as dividends according to applicable statutory regulations (in thousands):

	<b>February 28, 2025</b>
Retained earnings not available for distribution	\$ 9,7

[Schedule of Class of Treasury  
Stock](#)

Share repurchase activity under the Company's repurchase programs for the periods indicated was as follows (total cost in thousands):

	<b>Three Months Ended</b>		<b>Six M</b>
	<b>February 28, 2025</b>	<b>February 29, 2024</b>	<b>February 28, 2025</b>
Number of common shares acquired	—	—	
Average price per common share acquired	\$ —	\$ —	\$ —
Total cost of common shares acquired	\$ —	\$ —	\$ —

**COMMITMENTS AND  
CONTINGENCIES (Tables)**

**6 Months Ended  
Feb. 28, 2025**

[Commitments and  
Contingencies Disclosure](#)

[\[Abstract\]](#)

[Schedule of Future Minimum  
Lease Commitments](#)

The present value of estimated future minimum lease commitments for this lease are as follows (in thousands):

**Twelve Months Ended February 28, (except in case of leap year February 29),**

2027
2028
2029
2030
2031
Thereafter
<b>Total future lease payments</b>

[Schedule of Variable Interest  
Entities Maximum Loss  
Exposure](#)

The table below summarizes the Company's interest in a real estate joint venture, commitments to additional future investments and exposure to loss as a result of its involvement in this joint venture as of February 28, 2025 (in thousands):

<b>Entity</b>	<b>% Ownership</b>	<b>Initial Investment</b>	<b>Additional Investments</b>	<b>Net Loss Inception to Date</b>	<b>Company's Variable Interest in Entity</b>	<b>Commitment to Future Additional Investment</b>
GolfPark Plaza, S.A.	50 %	\$ 4,616	\$ 2,402	\$ (158)	\$ 6,860	\$

- (1) The parties intend to seek alternate financing for the project, which could reduce the amount of investments each party would be required to provide. The changes to the project, which could increase or decrease the amount of contributions each party is required to provide.
- (2) The maximum exposure is determined by adding the Company's variable interest in the entity and any explicit or implicit arrangements that could require the financial support.

## DEBT (Tables)

6 Months Ended  
Feb. 28, 2025

### [Debt Disclosure \[Abstract\]](#) [Schedule of Short-Term Borrowings](#)

Short-term borrowings consist of unsecured lines of credit and short-term overdraft borrowings. The following table summarizes the facilities used and facilities available (in thousands):

	Total Amount of Facilities	Facilities Used		Facilities Available
		Short-term Borrowings	Letters of Credit	
February 28, 2025 - Committed	\$ 75,000	\$ —	\$ —	\$ 75,000
February 28, 2025 - Uncommitted	96,000	15,340	—	80,660
February 28, 2025 - Total	\$ 171,000	\$ 15,340	\$ —	\$ 155,660
August 31, 2024 - Committed	\$ 75,000	\$ —	\$ 225	\$ 74,775
August 31, 2024 - Uncommitted	96,000	8,007	—	87,993
August 31, 2024 - Total	\$ 171,000	\$ 8,007	\$ 225	\$ 162,768

### [Schedule of Changes in Long-Term Debt](#)

The following table provides the changes in long-term debt for the six months ended February 28, 2025:

(Amounts in thousands)	Current portion of long-term debt	Long-term debt (net of current portion)
<b>Balances as of August 31, 2024</b>	\$ 35,917	\$ 94,443
<b>Proceeds from long-term debt borrowed during the period:</b>		
Trinidad subsidiary	1,760	3,681
Total proceeds from long-term debt borrowed during the period	1,760	3,681
<b>Repayments of long-term debt:</b>	(19,770)	(8,528)
<b>Reclassifications of long-term debt due in the next 12 months</b>	470	(470)
Translation adjustments on foreign currency debt of subsidiaries whose functional currency is not the U.S. dollar <sup>(2)</sup>	(116)	(276)
<b>Balances as of February 28, 2025</b>	\$ 18,261	\$ 88,850

<sup>(1)</sup> The carrying amount of non-cash assets assigned as collateral for these loans was \$155.1 million. The carrying amount of cash assets assigned as collateral for these loans was \$126.7 million.

<sup>(2)</sup> These foreign currency translation adjustments are recorded within other comprehensive income.

<sup>(3)</sup> The carrying amount of non-cash assets assigned as collateral for these loans was \$126.7 million. The carrying amount of cash assets assigned as collateral for these loans was \$126.7 million.

### [Schedule of Annual Maturities of Long-Term Debt](#)

Annual maturities of long-term debt are as follows (in thousands):

#### Twelve Months Ended February 28, (except in case of leap year February 29),

2026
2027
2028
2029
2030
Thereafter
Total

**DERIVATIVE  
INSTRUMENTS AND  
HEDGING ACTIVITIES**  
(Tables)

**6 Months Ended**

**Feb. 28, 2025**

[Derivative Instruments and  
Hedging Activities  
Disclosure \[Abstract\]  
Schedule of Interest Rate  
Derivatives](#)

The following table summarizes agreements for which the Company has recorded cash flow hedge accounting for the six months ended

Entity	Date Entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Initial US\$ Notional Amount	USS Loan Held With	Floating Leg (swap counter-party)	Fixed Rate for PSMT Subsidiary	Settlement Dates
Colombia subsidiary	25-Nov-24	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$18,700,000	PriceSmart, Inc.	6.00%	10.91 %	27th day of each November, February, May and August beginning on February 27, 2025
Colombia subsidiary	15-Nov-24	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	3.00%	7.61 %	17th day of each February, May, August and November beginning on February 18, 2025
Colombia subsidiary	19-Sep-24	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$12,500,000	PriceSmart, Inc.	4.00%	9.15 %	24th day of each September, December, March and June beginning on December 24, 2024
Colombia subsidiary	30-Nov-23	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	5.00%	11.27 %	30th day of each November, May, August and 28th day of each February (except in case of a leap year, 29th day of each February) beginning on February 29, 2024
Colombia subsidiary	12-Apr-23	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	4.00%	11.40 %	11th day of each July, October, January and April, beginning on July 11, 2023
Colombia subsidiary	3-May-22	Citibank, N.A. ("Citi")	Cross currency interest rate swap	\$10,000,000	PriceSmart, Inc.	3.00%	9.04 %	3rd day of each May, August, November and February, beginning on August 3, 2022
Panama subsidiary	11-Jul-24	Bank of Nova Scotia ("Scotiabank")	Interest rate swap	\$16,500,000	Bank of Nova Scotia	3-month SOFR with a 2.95% floor	4.43 %	1st day of each March, June, September and December beginning June 3, 2024.
PriceSmart, Inc.	7-Nov-16	U.S. Bank, N.A. ("U.S. Bank")	Interest rate swap	\$35,700,000	U.S. Bank	Variable rate 3-month SOFR plus 1.7%	3.65 %	1st day of each month beginning on April 1, 2017

[Schedule of Cash Flow  
Hedging Instruments](#)

For the three and six months ended February 28, 2025 and February 29, 2024, the Company included the gain or loss on the hedged borrowings) in the same line item—interest expense—as the offsetting gain or loss on the related interest rate swaps as follows (in thousands):

Income Statement Classification	Interest expense on borrowings <sup>(1)</sup>	Cost of swaps <sup>(2)</sup>
Interest expense for the three months ended February 28, 2025	\$ 699	\$ 828
Interest expense for the three months ended February 29, 2024	\$ 1,054	\$ 657
Interest expense for the six months ended February 28, 2025	\$ 1,924	\$ 1,225
Interest expense for the six months ended February 29, 2024	\$ 2,116	\$ 1,072

<sup>(1)</sup> This amount is representative of the interest expense recognized on the underlying hedged transactions.

<sup>(2)</sup> This amount is representative of the interest expense recognized on the interest rate swaps and cross-currency swaps designated as cash flow hedging instruments.

[Schedule of Notional Amounts of Outstanding Derivative Positions](#)

The total notional balance of the Company's pay-fixed/receive-variable interest rate swaps and cross-currency interest rate swaps was as

Floating Rate Payer (Swap Counterparty)	Notional	
	February 28, 2025	
U.S. Bank	\$	28,1
Citibank N.A.		71,2
Scotiabank		16,5
Total	\$	115,8

[Schedule of Derivative Instruments in Statement of Financial Position, Fair Value](#)

The table summarizes the effect of the fair value of interest rate swap and cross-currency interest rate swap derivative instrument for derivative hedge accounting and its associated tax effect on accumulated other comprehensive income/(loss) (in thousands)

Derivatives designated as cash flow hedging instruments	Balance Sheet Classification	February 28, 2025			August 31, 2025	
		Fair Value	Net Tax Effect	Net OCI	Fair Value	Net OCI
Cross-currency interest rate swaps	Other current assets	\$ —	\$ —	\$ —	\$ 4,030	\$ —
Cross-currency interest rate swaps	Other non-current assets	48	(17)	31	259	—
Cross-currency interest rate swaps	Other current liabilities	—	—	—	(1,179)	—
Cross-currency interest rate swaps	Other long-term liabilities	(3,749)	1,312	(2,437)	(1,778)	—
Interest rate swaps	Other non-current assets	1,068	(239)	829	1,223	—
Interest rate swaps	Other long-term liabilities	(264)	74	(190)	(322)	—
Net fair value of derivatives designated as hedging instruments		\$ (2,897)	\$ 1,130	\$ (1,767)	\$ 2,233	\$ —

[Schedule of Open Non-Deliverable Forward Foreign Exchange Contract](#)

The following table summarizes the non-deliverable forward foreign exchange contracts that are open as of February 28, 2025:

Financial Derivative (Counterparty)	Subsidiary	Dates Entered into (Range)	Derivative Financial Instrument	Total Notional Amounts
				(in thousands)
Citibank, N.A. ("Citi")	Colombia	21-Aug-2024 - 20-Feb-2025	Forward foreign exchange contracts (USD)	\$ 22,500

## SEGMENTS (Tables)

6 Months Ended  
Feb. 28, 2025

[Segment Reporting](#)  
[\[Abstract\]](#)  
[Schedule of Segment](#)  
[Revenues, Operating Costs](#)  
[and Balance Sheet Items](#)

The following tables summarize by segment certain revenues, operating costs and balance sheet items (in thousands):

	United States Operations	Central American Operations	Caribbean Operations <sup>(1)</sup>	Colombia Operations	Receivables Items
<b>Three Months Ended February 28, 2025</b>					
Revenue from external customers	\$ 3,987	\$ 823,871	\$ 379,866	\$ 156,162	\$
Intersegment revenues	492,536	7,688	1,657	1,813	
Depreciation, property and equipment	1,838	11,112	5,566	3,251	
Operating income	(1,730)	65,485	28,188	5,398	
Net income	(7,293)	56,357	22,720	4,047	
Capital expenditures, net	2,060	20,571	7,042	2,999	
<b>Six Months Ended February 28, 2025</b>					
Revenue from external customers	\$ 13,605	\$ 1,584,167	\$ 725,248	\$ 298,810	\$
Intersegment revenues	1,008,130	17,021	3,482	2,839	
Depreciation, property and equipment	3,606	22,056	10,571	6,396	
Operating income	(3,270)	125,200	54,278	9,823	
Net income	(13,538)	107,278	44,397	5,552	
Long-lived assets (other than deferred tax assets)	71,123	637,494	228,800	200,425	
Goodwill	8,981	24,208	10,029	—	
Total assets	213,789	1,106,010	487,795	285,071	
Capital expenditures, net	2,632	36,016	16,932	5,464	
<b>Three Months Ended February 29, 2024</b>					
Revenue from external customers	\$ 8,511	\$ 780,314	\$ 356,422	\$ 146,703	\$
Intersegment revenues	435,307	8,462	1,308	1,264	
Depreciation, property and equipment	1,383	10,688	4,876	3,544	
Operating income	7,896	61,310	26,718	4,592	
Net income	3,092	50,573	21,019	1,485	
Capital expenditures, net	708	51,932	10,338	4,409	
<b>Six Months Ended February 29, 2024</b>					
Revenue from external customers	\$ 18,520	\$ 1,480,881	\$ 683,389	\$ 275,635	\$
Intersegment revenues	881,644	14,554	2,708	2,289	
Depreciation, property and equipment	2,707	20,698	9,697	6,883	
Operating income	17,845	118,212	50,050	8,209	
Net income	6,417	99,106	40,100	4,180	
Long-lived assets (other than deferred tax assets)	78,907	609,451	214,237	211,251	
Goodwill	8,981	24,116	10,034	—	
Total assets	223,669	1,088,645	434,125	290,337	
Capital expenditures, net	3,647	73,272	19,327	8,223	
<b>As of August 31, 2024</b>					
Long-lived assets (other than deferred tax assets)	\$ 72,727	\$ 614,382	\$ 224,019	\$ 199,404	\$
Goodwill	8,981	24,193	10,023	—	
Investment in unconsolidated affiliates	—	6,882	—	—	
Total assets	220,076	1,065,493	451,265	285,860	

- (1) Management considers its club in the U.S. Virgin Islands to be part of its Caribbean operations.
- (2) The reconciling items reflect the amount eliminated on consolidation of intersegment transactions.

**COMPANY OVERVIEW  
AND BASIS OF  
PRESENTATION  
(Narrative) (Details)**

**3 Months Ended**

**Aug. 31, 2025**   **Apr. 30, 2025**   **Feb. 28, 2025**  
**property**   **property**   **warehouse**  
**country**

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 54  
[Ownership interest](#) 100.00%  
[Colombia](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 10  
[Costa Rica](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 8  
[Panama](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 7  
[Guatemala](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 6  
[Guatemala | Scenario, Forecast](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores | property](#) 56      55  
[Number of stores expected in the future | property](#) 1

[Dominican Republic](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 5  
[Trinidad](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 4  
[El Salvador](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 4  
[Honduras](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 3  
[Nicaragua](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 2  
[Jamaica](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

[Number of stores](#) 2  
[Aruba](#)

[Company Overview And Basis Of Presentation \[Line Items\]](#)

<a href="#"><u>Number of stores</u></a>	1
<a href="#"><u>Barbados</u></a>	
<a href="#"><b><u>Company Overview And Basis Of Presentation [Line Items]</u></b></a>	
<a href="#"><u>Number of stores</u></a>	1
<a href="#"><u>United States Virgin Islands</u></a>	
<a href="#"><b><u>Company Overview And Basis Of Presentation [Line Items]</u></b></a>	
<a href="#"><u>Number of stores</u></a>	1
<a href="#"><u>Foreign Countries</u></a>	
<a href="#"><b><u>Company Overview And Basis Of Presentation [Line Items]</u></b></a>	
<a href="#"><u>Number of countries   country</u></a>	12
<a href="#"><u>Domestic Territories</u></a>	
<a href="#"><b><u>Company Overview And Basis Of Presentation [Line Items]</u></b></a>	
<a href="#"><u>Number of countries   country</u></a>	1
<a href="#"><u>Domestic Territories   United States</u></a>	
<a href="#"><b><u>Company Overview And Basis Of Presentation [Line Items]</u></b></a>	
<a href="#"><u>Number of countries   country</u></a>	1

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES  
(Schedule of Joint Ventures)  
(Details)**

**6 Months Ended**

**Feb. 28, 2025**

[GolfPark Plaza, S.A.](#)

[Schedule of Equity Method Investments \[Line Items\]](#)

[Ownership](#)

50.00%

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Narrative) (Details)	1 Months Ended	6 Months Ended		
	Jan. 31, 2024 USD (\$)	Feb. 28, 2025 USD (\$) award shares	Feb. 29, 2024 USD (\$)	Aug. 31, 2024 USD (\$)
<b><u>Tax Receivables [Line Items]</u></b>				
<u>Money market funds, at fair value</u>		\$ 20,400,000		\$ 7,000,000
<u>Goodwill</u>		43,218,000	\$ 43,131,000	43,197,000
<u>Income taxes receivable</u>		42,177,000		43,767,000
<u>Payments to acquire property, plant, and equipment</u>	\$ 33,000,000	62,812,000	103,477,000	
<u>Decrease in operating lease, right-of-use asset</u>	8,200,000			
<u>Decrease in operating lease, liability</u>	9,100,000			
<u>Property, plant, and equipment, potential annual savings</u>	\$ 1,100,000			
<u>Total future lease payments</u>		\$ 107,111,000		130,360,000
<u>Number of types of equity awards issued   award</u>		3		
<u>Reissued treasury shares (in shares)   shares</u>		65,000		
<u>Asset impairment charge Via Brasil Club</u>		\$ 0	\$ 0	
<b><u>Tax Receivables [Line Items]</u></b>				
<u>Debt instrument, term</u>	15 years			
<u>Interest payable, current</u>				1,000,000
<u>Panama Subsidiary   Short-term Borrowings</u>				
<b><u>Tax Receivables [Line Items]</u></b>				
<u>Total future lease payments</u>	\$ 16,500,000			
<u>Land</u>				
<b><u>Tax Receivables [Line Items]</u></b>				
<u>Percentage of allocated purchase price</u>	88.70%			
<u>Property, plant and equipment, gross Building</u>	\$ 28,200,000			
<b><u>Tax Receivables [Line Items]</u></b>				
<u>Percentage of allocated purchase price</u>	11.30%			
<u>Property, plant and equipment, gross Leasehold Improvements</u>	\$ 3,900,000			
<b><u>Tax Receivables [Line Items]</u></b>				
<u>Property, plant and equipment, gross Two Countries</u>	\$ 8,600,000			
<b><u>Tax Receivables [Line Items]</u></b>				
<u>Income taxes receivable</u>		11,100,000		10,900,000
<u>Deferred tax assets, net</u>		\$ 4,000,000		\$ 3,400,000

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**  
(Schedule of Restricted  
Cash) (Details) - USD (\$)  
\$ in Thousands

**Feb. 28, 2025 Aug. 31, 2024 Feb. 29, 2024**

**Cash and Cash Equivalents [Line Items]**

<u>Short-term restricted cash</u>	\$ 3,476	\$ 1,383	\$ 2,834
<u>Long-term restricted cash</u>	11,665	9,564	\$ 9,178
<u>Total restricted cash</u>	15,141	\$ 10,947	

Certificates of Deposit

**Cash and Cash Equivalents [Line Items]**

<u>Total restricted cash</u>	\$ 8,100		
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**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**

**(Schedule of Value Added  
Tax Receivables) (Details) -  
USD (\$)**

**Feb. 28, 2025 Aug. 31, 2024**

**\$ in Thousands**

**Accounting Policies [Abstract]**

<u>Prepaid expenses and other current assets</u>	\$ 2,927	\$ 3,322
<u>Other non-current assets</u>	34,613	30,845
<u>Total amount of VAT receivables reported</u>	\$ 37,540	\$ 34,167

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES  
(Schedule of Income Tax  
Receivables) (Details) - USD  
(\$)**

**Feb. 28, 2025 Aug. 31, 2024**

**\$ in Thousands**

**Accounting Policies [Abstract]**

<u>Prepaid expenses and other current assets</u>	\$ 17,141	\$ 20,088
<u>Other non-current assets</u>	25,036	23,679
<u>Total amount of income tax receivables reported</u>	\$ 42,177	\$ 43,767

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**  
(Schedule Net Effect of  
Foreign Currency  
Translation) (Details) - USD  
(\$)

**3 Months Ended**

**6 Months Ended**

**Feb. 28,  
2025**

**Feb. 29,  
2024**

**Feb. 28,  
2025**

**Feb.  
29,  
2024**

**\$ in Thousands**

**Accounting Policies [Abstract]**

**Effect on other comprehensive income due to foreign currency restatement**

	[1] \$ 7,345	\$ 6,697	\$ 4,492	\$ 10,233
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[1] Translation adjustments arising in translating the financial statements of a foreign entity have no effect on the income taxes of that foreign entity. They may, however, affect: (a) the amount, measured in the parent entity's reporting currency, of withholding taxes assessed on dividends paid to the parent entity and (b) the amount of taxes assessed on the parent entity by the government of its country. The Company has determined that the reinvestment of earnings of its foreign subsidiaries are indefinite because of the long-term nature of the Company's foreign investment plans. Therefore, deferred taxes are not provided for on translation adjustments related to non-remitted earnings of the Company's foreign subsidiaries.

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**

**(Schedule of Foreign  
Currency Gains (Losses))  
(Details) - USD (\$)  
\$ in Thousands**

**3 Months Ended**

**6 Months Ended**

**Feb. 28, 2025 Feb. 29, 2024 Feb. 28, 2025 Feb. 29, 2024**

**[Accounting Policies \[Abstract\]](#)**

<b><u>Currency loss</u></b>	<b>\$ (5,188)</b>	<b>\$ (7,137)</b>	<b>\$ (11,906)</b>	<b>\$ (9,838)</b>
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**REVENUE RECOGNITION**  
**(Narrative) (Details)**

**6 Months Ended**  
**Feb. 28, 2025**  
**USD (\$)**

**Disaggregation of Revenue [Line Items]**

<u>Period where membership income is recognized ratably</u>	12 months
<u>Period where members can cancel membership</u>	60 days
<u>Period after which membership refunds are prorated over remaining term</u>	60 days
<u>Platinum membership rebate (as percent)</u>	2.00%
<u>Maximum platinum annual membership rebate</u>	\$ 500
<u>Breakage revenue (as percent)</u>	5.00%
<u>Platinum membership recorded liability (as percent)</u>	95.00%
<u>Platinum membership redemption rate (as percent)</u>	100.00%

Gift Card

**Disaggregation of Revenue [Line Items]**

<u>Platinum membership redemption period</u>	1 year
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**REVENUE RECOGNITION**  
**(Schedule of Contract**  
**Performance Liabilities)**  
**(Details) - USD (\$)**  
**\$ in Thousands**

**Feb. 28, 2025 Aug. 31, 2024**

[Deferred membership income](#)

**[Disaggregation of Revenue \[Line Items\]](#)**

<a href="#">Contract Liabilities</a>	\$ 41,307	\$ 36,222
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[Other contract performance liabilities](#)

**[Disaggregation of Revenue \[Line Items\]](#)**

<a href="#">Contract Liabilities</a>	\$ 30,534	\$ 15,479
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REVENUE RECOGNITION (Schedule of Disaggregated Revenues) (Details) - USD (\$) \$ in Thousands	3 Months Ended		6 Months Ended	
	Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2025	Feb. 29, 2024
<b><u>Disaggregation of Revenue [Line Items]</u></b>				
<u>Net Merchandise Sales</u>	\$ 1,363,886	\$ 1,291,950	\$ 2,621,830	\$ 2,458,425
<u>Net merchandise sales</u>				
<b><u>Disaggregation of Revenue [Line Items]</u></b>				
<u>Net Merchandise Sales</u>	1,334,555	1,260,916	2,558,414	2,395,930
<u>Foods &amp; Sundries</u>				
<b><u>Disaggregation of Revenue [Line Items]</u></b>				
<u>Net Merchandise Sales</u>	626,163	610,665	1,206,070	1,168,915
<u>Fresh Foods</u>				
<b><u>Disaggregation of Revenue [Line Items]</u></b>				
<u>Net Merchandise Sales</u>	403,829	367,199	770,004	696,799
<u>Hardlines</u>				
<b><u>Disaggregation of Revenue [Line Items]</u></b>				
<u>Net Merchandise Sales</u>	155,260	144,201	299,433	276,771
<u>Softlines</u>				
<b><u>Disaggregation of Revenue [Line Items]</u></b>				
<u>Net Merchandise Sales</u>	78,262	72,138	146,129	126,957
<u>Food Service and Bakery</u>				
<b><u>Disaggregation of Revenue [Line Items]</u></b>				
<u>Net Merchandise Sales</u>	58,214	55,607	112,233	105,876
<u>Health Services</u>				
<b><u>Disaggregation of Revenue [Line Items]</u></b>				
<u>Net Merchandise Sales</u>	\$ 12,827	\$ 11,106	\$ 24,545	\$ 20,612

EARNINGS PER SHARE (Schedule of the Computation of Net Income Per Share) (Details) - USD (\$) \$ / shares in Units, shares in Thousands, \$ in Thousands	3 Months Ended		6 Months Ended	
	Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2025	Feb. 29, 2024
<b>Earnings Per Share [Abstract]</b>				
<u>Net income</u>	\$ 43,760	\$ 39,271	\$ 81,188	\$ 77,318
<u>Less: Allocation of income to unvested stockholders</u>	(155)	(114)	(1,180)	(893)
<u>Net income available for distribution, Basic</u>	43,605	39,157	80,008	76,425
<u>Net income available for distribution, Diluted</u>	\$ 43,605	\$ 39,157	\$ 80,008	\$ 76,425
<u>Basic weighted average shares outstanding (in shares)</u>	30,063	29,920	30,041	30,095
<u>Add dilutive effect of performance stock units (two-class method) (in shares)</u>	5	0	3	0
<u>Diluted average shares outstanding (in shares)</u>	30,068	29,920	30,044	30,095
<u>Basic net income per share (in dollars per share)</u>	\$ 1.45	\$ 1.31	\$ 2.66	\$ 2.54
<u>Diluted net income per share (in dollars per share)</u>	\$ 1.45	\$ 1.31	\$ 2.66	\$ 2.54

**STOCKHOLDERS'  
EQUITY (Schedule of  
Dividends) (Details) - \$ /  
shares**

**3 Months Ended**

	<b>Aug. 31, 2025</b>	<b>Feb. 28, 2025</b>	<b>Aug. 31, 2024</b>	<b>May 31, 2024</b>	<b>Feb. 29, 2024</b>
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**Capital Unit [Line Items]**

Common stock dividend declared (usd per share)

	\$ 1.26			\$ 1.00	\$ 1.16
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Common stock dividends, cash paid (usd per share)

	\$ 0.63	\$ 0.58		\$ 1.00	\$ 0.58
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Scenario, Forecast

**Capital Unit [Line Items]**

Common stock dividends, cash paid (usd per share)

\$ 0.63					
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STOCKHOLDERS' EQUITY (Schedule of Components of Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Loss) (Details) - USD (\$) \$ in Thousands	3 Months Ended		6 Months Ended		12 Months Ended			
	Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2025	Feb. 29, 2024	Aug. 31, 2024	Nov. 30, 2024	Nov. 30, 2023	Aug. 31, 2023
<b>Amount</b>								
<u>Beginning balance</u>	\$ 1,172,586	\$ 1,093,874	\$ 1,172,586	\$ 1,093,874	\$ 1,122,965	\$ 1,158,578	\$ 1,082,244	\$ 1,107,043
<u>Ending balance</u>	1,172,586	1,093,874	1,172,586	1,093,874	1,122,965	1,158,578	1,082,244	1,107,043
<u>Accumulated Other Comprehensive Loss</u>								
<b>Amount</b>								
<u>Beginning balance</u>	(160,640)	(155,289)	(160,640)	(155,289)	(164,590)	(167,606)	(160,412)	(163,992)
<u>Ending balance</u>	(160,640)	(155,289)	(160,640)	(155,289)	(164,590)	\$ (167,606)	\$ (160,412)	\$ (163,992)
<u>Foreign currency translation adjustments</u>								
<b>Amount</b>								
<u>Other comprehensive income, before reclassification</u>	7,345	6,697	4,492	10,233	693			
<u>Defined benefit pension plan</u>								
<b>Amount</b>								
<u>Other comprehensive income, before reclassification</u>	56	90	127	211	501			
<u>Derivative instruments</u>								
<b>Amount</b>								
<u>Other comprehensive income, before reclassification</u>	\$ (435)	\$ (1,664)	\$ (669)	\$ (1,741)	(2,189)			
<u>Amounts reclassified from accumulated other comprehensive loss</u>								
<b>Amount</b>								
<u>Amounts reclassified from accumulated other comprehensive loss</u>								\$ 397

**STOCKHOLDERS'  
EQUITY (Schedule of  
Retained Earnings Not  
Available for Distribution)  
(Details) - USD (\$)  
\$ in Thousands**

**Feb. 28, 2025 Aug. 31, 2024**

**[Equity \[Abstract\]](#)**

[Retained earnings not available for distribution](#) \$ 9,735      \$ 9,615

**STOCKHOLDERS'  
EQUITY (Share Repurchase  
Program) (Details) - Share  
Repurchase Program - USD  
(\$)**

3 Months Ended		6 Months Ended		14 Months Ended	
Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2025	Feb. 29, 2024	Aug. 31, 2024	Jul. 31, 2023

**Accumulated Other Comprehensive Income  
(Loss) [Line Items]**

Authorized amount

\$  
75,000,000

Purchase of treasury stock (in shares)

0	0	0	935,663	1,007,000	
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STOCKHOLDERS' EQUITY (Schedule of Share-Based Payment Arrangement, Activity) (Details) - USD (\$) \$ / shares in Units, \$ in Thousands	3 Months Ended		6 Months Ended		14 Months Ended
	Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2025	Feb. 29, 2024	Aug. 31, 2024
<u>Equity, Class of Treasury Stock [Line Items]</u>					
<u>Total cost of common shares acquired</u>	\$ 2,460	\$ 1,766	\$ 5,752	\$ 71,738	
<u>Share Repurchase Program</u>					
<u>Equity, Class of Treasury Stock [Line Items]</u>					
<u>Number of common shares acquired (in shares)</u>	0	0	0	935,663	1,007,000
<u>Average price per common share acquired (in dollars per share)</u>	\$ 0	\$ 0	\$ 0	\$ 74.13	
<u>Total cost of common shares acquired</u>	\$ 0	\$ 0	\$ 0	\$ 69,362	

**COMMITMENTS AND  
CONTINGENCIES**  
(Narrative) (Details)  
\$ in Thousands

**Feb. 28, 2025**  
**USD (\$)**  
**agreement**

**Aug. 31, 2024**  
**USD (\$)**

**Jul. 31, 2023**  
**USD (\$)**

**Commitments And Contingencies [Line Items]**

Accrual for taxes other than income taxes, current

\$ 1,100      \$ 1,200

Income taxes receivable

42,177      43,767

Contractual obligation

\$ 13,800      14,700

Lease not yet commenced, term

20 years

Lease note yet commenced, renewal term

5 years

Land purchase option, number of agreements | agreement 6

Purchase options, land

\$ 22,500

Building

**Commitments And Contingencies [Line Items]**

Lease not yet commenced, liability

\$ 12,100

Purchase obligation

21,200

Distribution Center

**Commitments And Contingencies [Line Items]**

Lease not yet commenced, liability

\$ 11,700

Number of lease options agreements | agreement

1

Two Countries

**Commitments And Contingencies [Line Items]**

Income taxes receivable

\$ 11,100      10,900

Deferred tax assets, net

\$ 4,000      \$ 3,400

**COMMITMENTS AND  
CONTINGENCIES**

**(Schedule of Estimated  
Future Minimum Lease)**

**(Details) - Guatemala  
\$ in Thousands**

**Feb. 28, 2025**

**USD (\$)**

**Other Commitments [Line Items]**

<u>2027</u>	\$ 559
<u>2028</u>	1,626
<u>2029</u>	1,584
<u>2030</u>	1,543
<u>2031</u>	1,503
<u>Thereafter</u>	19,299
<u>Total future lease payments</u>	\$ 26,114

**COMMITMENTS AND  
CONTINGENCIES**  
**(Schedule of Variable  
Interest Entities Maximum  
Loss Exposure) (Details) -  
USD (\$)**  
**\$ in Thousands**

**6 Months Ended**

**Feb. 28, 2025    Aug. 31, 2024**

**Variable Interest Entity [Line Items]**

<u>Company's Variable Interest in Entity</u>	\$ 6,860	\$ 6,882
<u>GolfPark Plaza, S.A.</u>		

**Variable Interest Entity [Line Items]**

<u>Ownership</u>	50.00%	
<u>Initial Investment</u>	\$ 4,616	
<u>Additional Investments</u>	2,402	
<u>Net Loss Inception to Date</u>	(158)	
<u>Company's Variable Interest in Entity</u>	6,860	
<u>Commitment to Future Additional Investments</u>	99	
<u>Company's Maximum Exposure to Loss in Entity</u>	\$ 6,959	

**DEBT (Schedule of Short-  
Term Borrowings) (Details) -  
USD (\$)  
\$ in Thousands**

**Feb. 28, 2025 Aug. 31, 2024**

Facilities

**Short-Term Debt [Line Items]**

<u>Total Amount of Facilities</u>	\$ 171,000	\$ 171,000
<u>Facilities Available</u>	\$ 155,660	\$ 162,768
<u>Weighted average interest rate</u>	9.70%	11.00%

Committed

**Short-Term Debt [Line Items]**

<u>Total Amount of Facilities</u>	\$ 75,000	\$ 75,000
<u>Facilities Available</u>	\$ 75,000	\$ 74,775
<u>Weighted average interest rate</u>	0.00%	0.00%

Uncommitted

**Short-Term Debt [Line Items]**

<u>Total Amount of Facilities</u>	\$ 96,000	\$ 96,000
<u>Facilities Available</u>	\$ 80,660	\$ 87,993
<u>Weighted average interest rate</u>	9.70%	11.30%

Short-term Borrowings | Facilities

**Short-Term Debt [Line Items]**

<u>Facilities Used</u>	\$ 15,340	\$ 8,007
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Short-term Borrowings | Committed

**Short-Term Debt [Line Items]**

<u>Facilities Used</u>	0	0
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Short-term Borrowings | Uncommitted

**Short-Term Debt [Line Items]**

<u>Facilities Used</u>	15,340	8,007
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Letters of Credit | Facilities

**Short-Term Debt [Line Items]**

<u>Facilities Used</u>	0	225
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Letters of Credit | Committed

**Short-Term Debt [Line Items]**

<u>Facilities Used</u>	0	225
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Letters of Credit | Uncommitted

**Short-Term Debt [Line Items]**

<u>Facilities Used</u>	\$ 0	\$ 0
------------------------	------	------

DEBT (Narrative) (Details) \$ in Thousands	6 Months Ended	
	Feb. 28, 2025 USD (\$) facility bank	Aug. 31, 2024 USD (\$)
<b><u>Debt Instrument [Line Items]</u></b>		
<u>Number of facilities in a committed credit agreement   facility</u>	1	
<u>Number of banks   bank</u>	1	
<u>Annual commitment fee</u>	0.25%	
<u>Total future lease payments</u>	\$ 107,111	\$ 130,360
<u>Committed</u>		
<b><u>Debt Instrument [Line Items]</u></b>		
<u>Credit facility current borrowing capacity</u>	75,000	
<u>Group of Subsidiaries   Covenants</u>		
<b><u>Debt Instrument [Line Items]</u></b>		
<u>Total future lease payments</u>	\$ 56,100	\$ 76,600

**DEBT (Schedule of Changes  
in Long-Term Debt) (Details)**  
- USD (\$)  
\$ in Thousands

**6 Months Ended**  
**Feb. 28, Feb. 29, Aug. 31,**  
**2025 2024 2024**

**Debt [Roll Forward]**

<u>Current portion of long-term debt</u>	\$ 35,917	
<u>Long-term debt (net of current portion)</u>	94,443	
<u>Total</u>	130,360	

**Proceeds from Issuance of Long-Term Debt [Abstract]**

<u>Current portion of long-term debt</u>	1,760	
<u>Long-term debt (net of current portion)</u>	3,681	
<u>Proceeds from long-term bank borrowings</u>	5,441	\$ 16,500

**Repayments of long-term debt:**

<u>Current portion of long-term debt</u>	(19,770)	
<u>Long-term debt (net of current portion)</u>	(8,528)	
<u>Total</u>	(28,298)	\$ (16,383)

**Reclassifications of long-term debt due in the next 12 months**

<u>Current portion of long-term debt</u>	470	
<u>Long-term debt (net of current portion)</u>	(470)	
<u>Total</u>	0	

**Translation adjustments on foreign currency debt of subsidiaries whose functional currency is not the U.S. dollar**

<u>Current portion of long-term debt</u>	(116)	
<u>Long-term debt (net of current portion)</u>	(276)	
<u>Total</u>	(392)	
<u>Current portion of long-term debt</u>	18,261	
<u>Long-term debt (net of current portion)</u>	88,850	
<u>Total</u>	107,111	

Trinidad subsidiary

**Proceeds from Issuance of Long-Term Debt [Abstract]**

<u>Current portion of long-term debt</u>	1,760	
<u>Long-term debt (net of current portion)</u>	3,681	
<u>Proceeds from long-term bank borrowings</u>	5,441	

Non-cash Assets

**Translation adjustments on foreign currency debt of subsidiaries whose functional currency is not the U.S. dollar**

<u>Collateral amount</u>	126,700	\$ 155,100
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Cash Assets

**Translation adjustments on foreign currency debt of subsidiaries whose functional currency is not the U.S. dollar**

<u>Collateral amount</u>	\$ 5,800	\$ 1,700
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**DEBT (Schedule of Annual  
Maturities of Long-Term  
Debt) (Details) - USD (\$)** Feb. 28, 2025 Aug. 31, 2024  
\$ in Thousands

**Debt Disclosure [Abstract]**

<u>2026</u>	\$ 18,261	
<u>2027</u>	16,005	
<u>2028</u>	41,629	
<u>2029</u>	4,427	
<u>2030</u>	4,008	
<u>Thereafter</u>	22,781	
<u>Total</u>	\$ 107,111	\$ 130,360

**DERIVATIVE  
INSTRUMENTS AND  
HEDGING ACTIVITIES  
(Schedule of Interest Rate  
Derivatives) (Details) - Cash  
Flow Hedging**

**Feb. 28, 2025  
USD (\$)**

Colombia Subsidiary \$18.7M Cross Currency Interest Rate Swap

**Derivative [Line Items]**

<u>Initial US\$ Notional Amount</u>	\$ 18,700,000
<u>Floating Leg (swap counter-party)</u>	6.00%
<u>Fixed Rate for PSMT Subsidiary</u>	10.91%

Colombia Subsidiary \$10M Cross Currency Interest Rate Swap

**Derivative [Line Items]**

<u>Initial US\$ Notional Amount</u>	\$ 10,000,000
<u>Floating Leg (swap counter-party)</u>	3.00%
<u>Fixed Rate for PSMT Subsidiary</u>	7.61%

Colombia \$12.5M Cross Currency Interest Rate Swap

**Derivative [Line Items]**

<u>Initial US\$ Notional Amount</u>	\$ 12,500,000
<u>Floating Leg (swap counter-party)</u>	4.00%
<u>Fixed Rate for PSMT Subsidiary</u>	9.15%

Colombia Subsidiary \$10M Cross Currency Interest Rate Swap One

**Derivative [Line Items]**

<u>Initial US\$ Notional Amount</u>	\$ 10,000,000
<u>Floating Leg (swap counter-party)</u>	5.00%
<u>Fixed Rate for PSMT Subsidiary</u>	11.27%

Colombia Subsidiary \$10M Cross Currency Interest Rate Swap Two

**Derivative [Line Items]**

<u>Initial US\$ Notional Amount</u>	\$ 10,000,000
<u>Floating Leg (swap counter-party)</u>	4.00%
<u>Fixed Rate for PSMT Subsidiary</u>	11.40%

Colombia Subsidiary \$10M Cross Currency Interest Rate Swap Three

**Derivative [Line Items]**

<u>Initial US\$ Notional Amount</u>	\$ 10,000,000
<u>Floating Leg (swap counter-party)</u>	3.00%
<u>Fixed Rate for PSMT Subsidiary</u>	9.04%

Panama subsidiary \$16.5M Interest Rate Swap

**Derivative [Line Items]**

<u>Initial US\$ Notional Amount</u>	\$ 16,500,000
<u>Floating Leg (swap counter-party)</u>	2.95%
<u>Fixed Rate for PSMT Subsidiary</u>	4.43%

Pricesmart, Inc \$35.7M Cross Currency Interest Rate Swap

**Derivative [Line Items]**

<u>Initial US\$ Notional Amount</u>	\$ 35,700,000
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Floating Leg (swap counter-party)

1.70%

Fixed Rate for PSMT Subsidiary

3.65%

**DERIVATIVE  
INSTRUMENTS AND  
HEDGING ACTIVITIES**  
(Schedule of Cash Flow  
Hedging Instruments)  
(Details) - USD (\$)  
\$ in Thousands

**3 Months Ended**

**6 Months Ended**

**Feb. 28, 2025   Feb. 29, 2024   Feb. 28, 2025   Feb. 29, 2024**

**Derivative [Line Items]**

<u>Derivative, Gain (Loss), Statement of Income or Comprehensive Income [Extensible Enumeration]</u>	Interest Expense, Nonoperating	Interest Expense, Nonoperating	Interest Expense, Nonoperating	Interest Expense, Nonoperating
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Cash Flow Hedging

**Derivative [Line Items]**

<u>Derivative, gain (loss) on derivative, net</u>	\$ 1,527	\$ 1,711	\$ 3,149	\$ 3,188
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Interest expense on borrowings | Cash Flow Hedging

**Derivative [Line Items]**

<u>Derivative, gain (loss) on derivative, net</u>	699	1,054	1,924	2,116
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Cost of swaps | Cash Flow Hedging

**Derivative [Line Items]**

<u>Derivative, gain (loss) on derivative, net</u>	\$ 828	\$ 657	\$ 1,225	\$ 1,072
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**DERIVATIVE  
INSTRUMENTS AND  
HEDGING ACTIVITIES**

**(Schedule of Notional  
Amounts of Outstanding  
Derivative Positions)  
(Details) - Cash Flow  
Hedging - USD (\$)  
\$ in Thousands**

**Feb. 28, 2025 Aug. 31, 2024**

**Derivative [Line Items]**

Derivative liability, notional amount \$ 115,856      \$ 117,564

U.S. Bank

**Derivative [Line Items]**

Derivative liability, notional amount 28,156      28,794

Citibank N.A.

**Derivative [Line Items]**

Derivative liability, notional amount 71,200      72,270

Scotiabank

**Derivative [Line Items]**

Derivative liability, notional amount \$ 16,500      \$ 16,500

**DERIVATIVE  
INSTRUMENTS AND  
HEDGING ACTIVITIES**  
(Schedule of Derivative  
Instruments in Statement of  
Financial Position, Fair  
Value) (Details) - USD (\$)  
\$ in Thousands

**Feb. 28, 2025**

**Aug. 31, 2024**

**Derivative [Line Items]**

<a href="#"><u>Derivative asset, noncurrent</u></a>	\$ 1,116	\$ 1,482
<a href="#"><u>Derivative liability, current</u></a>	(217)	(1,179)
<a href="#"><u>Derivative liability, noncurrent</u></a>	\$ (4,013)	\$ (2,100)
<a href="#"><u>Derivative Asset, Current, Statement of Financial Position [Extensible Enumeration]</u></a>	Prepaid Expense and Other Assets, Current	Prepaid Expense and Other Assets, Current
<a href="#"><u>Derivative Asset, Noncurrent, Statement of Financial Position [Extensible Enumeration]</u></a>	Other non-current assets (includes \$1,116 and \$1,482 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)	Other non-current assets (includes \$1,116 and \$1,482 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)
<a href="#"><u>Derivative Liability, Current, Statement of Financial Position [Extensible Enumeration]</u></a>	Other accrued expenses and other current liabilities (includes \$217 and \$1,179 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)	Other accrued expenses and other current liabilities (includes \$217 and \$1,179 as of February 28, 2025 and August 31, 2024, respectively, for the fair value of derivative instruments)
<a href="#"><u>Derivative Liability, Noncurrent, Statement of Financial Position [Extensible Enumeration]</u></a>	Other long-term liabilities (includes \$4,013 and \$2,100 for the fair value of derivative instruments and \$13,424 and \$12,742 for post-employment plans as of February 28, 2025 and August 31, 2024, respectively)	Other long-term liabilities (includes \$4,013 and \$2,100 for the fair value of derivative instruments and \$13,424 and \$12,742 for post-employment plans as of February 28, 2025 and August 31, 2024, respectively)

[Designated as Hedging Instrument | Cash Flow Hedging](#)

**Derivative [Line Items]**

<a href="#"><u>Fair Value</u></a>	\$ (2,897)	\$ 2,233
<a href="#"><u>Net Tax Effect</u></a>	1,130	(650)
<a href="#"><u>Net OCI</u></a>	(1,767)	1,583

[Cross-currency interest rate swaps | Designated as Hedging Instrument | Cash Flow Hedging](#)

**Derivative [Line Items]**

<a href="#"><u>Fair value of asset, current</u></a>	0	4,030
<a href="#"><u>Net Tax Effect</u></a>	0	(1,411)

<u>Net OCI</u>	0	2,619
<u>Cross-currency interest rate swaps   Designated as Hedging Instrument   Cash Flow Hedging</u>		
<b><u>Derivative [Line Items]</u></b>		
<u>Derivative asset, noncurrent</u>	48	259
<u>Net Tax Effect</u>	(17)	(90)
<u>Net OCI</u>	31	169
<u>Cross-currency interest rate swaps   Designated as Hedging Instrument   Cash Flow Hedging</u>		
<b><u>Derivative [Line Items]</u></b>		
<u>Derivative liability, current</u>	0	(1,179)
<u>Net Tax Effect</u>	0	413
<u>Net OCI</u>	0	(766)
<u>Cross-currency interest rate swaps   Designated as Hedging Instrument   Cash Flow Hedging</u>		
<b><u>Derivative [Line Items]</u></b>		
<u>Derivative liability, noncurrent</u>	(3,749)	(1,778)
<u>Net Tax Effect</u>	1,312	622
<u>Net OCI</u>	(2,437)	(1,156)
<u>Interest rate swaps   Designated as Hedging Instrument   Cash Flow Hedging</u>		
<b><u>Derivative [Line Items]</u></b>		
<u>Derivative asset, noncurrent</u>	1,068	1,223
<u>Net Tax Effect</u>	(239)	(274)
<u>Net OCI</u>	829	949
<u>Interest rate swaps   Designated as Hedging Instrument   Cash Flow Hedging</u>		
<b><u>Derivative [Line Items]</u></b>		
<u>Derivative liability, noncurrent</u>	(264)	(322)
<u>Net Tax Effect</u>	74	90
<u>Net OCI</u>	\$ (190)	\$ (232)

**DERIVATIVE  
INSTRUMENTS AND  
HEDGING ACTIVITIES  
(Schedule Of Open Non-  
Deliverable Forward Foreign  
Exchange Contract) (Details)**

**Feb. 28, 2025  
USD (\$)**

[Forward foreign exchange contracts | 20-Mar-2025 - 25-Sep-2025 | Fair Value Hedging](#)

[Derivative \[Line Items\]](#)

[Notional amount](#)

\$ 22,500,000

**SEGMENTS (Narrative)  
(Details)**

**Feb. 28, 2025  
country  
warehouse**

**[Segment Reporting Information \[Line Items\]](#)**

[Number of stores | warehouse](#) 54

[Foreign Countries](#)

**[Segment Reporting Information \[Line Items\]](#)**

[Number of countries](#) 12

[Domestic Territories](#)

**[Segment Reporting Information \[Line Items\]](#)**

[Number of countries](#) 1

SEGMENTS (Schedule of Segment Revenues, Operating Costs and Balance Sheet Items) (Details) - USD (\$) \$ in Thousands	3 Months Ended		6 Months Ended		
	Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2025	Feb. 29, 2024	Aug. 31, 2024
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	\$ 1,363,886	\$ 1,291,950	\$ 2,621,830	\$ 2,458,425	
<u>Depreciation, property and equipment</u>	21,767	20,491	42,629	39,985	
<u>Operating income</u>	65,270	63,618	123,530	121,831	
<u>Net income</u>	43,760	39,271	81,188	77,318	
<u>Long-lived assets (other than deferred tax assets)</u>	1,137,842	1,113,846	1,137,842	1,113,846	\$ 1,110,532
<u>Goodwill</u>	43,218	43,131	43,218	43,131	43,197
<u>Total assets</u>	2,092,665	2,036,776	2,092,665	2,036,776	2,022,694
<u>Capital expenditures, net</u>	32,672	67,387	61,044	104,469	
<u>Investment in unconsolidated affiliates</u>					6,882
<u>Operating Segments   United States Operations</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	3,987	8,511	13,605	18,520	
<u>Depreciation, property and equipment</u>	1,838	1,383	3,606	2,707	
<u>Operating income</u>	(1,730)	7,896	(3,270)	17,845	
<u>Net income</u>	(7,293)	3,092	(13,538)	6,417	
<u>Long-lived assets (other than deferred tax assets)</u>	71,123	78,907	71,123	78,907	72,727
<u>Goodwill</u>	8,981	8,981	8,981	8,981	8,981
<u>Total assets</u>	213,789	223,669	213,789	223,669	220,076
<u>Capital expenditures, net</u>	2,060	708	2,632	3,647	
<u>Investment in unconsolidated affiliates</u>					0
<u>Operating Segments   Central American Operations</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	823,871	780,314	1,584,167	1,480,881	
<u>Depreciation, property and equipment</u>	11,112	10,688	22,056	20,698	
<u>Operating income</u>	65,485	61,310	125,200	118,212	
<u>Net income</u>	56,357	50,573	107,278	99,106	
<u>Long-lived assets (other than deferred tax assets)</u>	637,494	609,451	637,494	609,451	614,382
<u>Goodwill</u>	24,208	24,116	24,208	24,116	24,193
<u>Total assets</u>	1,106,010	1,088,645	1,106,010	1,088,645	1,065,493
<u>Capital expenditures, net</u>	20,571	51,932	36,016	73,272	
<u>Investment in unconsolidated affiliates</u>					6,882
<u>Operating Segments   Caribbean Operations</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					

<u>Revenue from external customers</u>	379,866	356,422	725,248	683,389	
<u>Depreciation, property and equipment</u>	5,566	4,876	10,571	9,697	
<u>Operating income</u>	28,188	26,718	54,278	50,050	
<u>Net income</u>	22,720	21,019	44,397	40,100	
<u>Long-lived assets (other than deferred tax assets)</u>	228,800	214,237	228,800	214,237	224,019
<u>Goodwill</u>	10,029	10,034	10,029	10,034	10,023
<u>Total assets</u>	487,795	434,125	487,795	434,125	451,265
<u>Capital expenditures, net</u>	7,042	10,338	16,932	19,327	
<u>Investment in unconsolidated affiliates</u>					0
<u>Operating Segments   Colombia Operations</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	156,162	146,703	298,810	275,635	
<u>Depreciation, property and equipment</u>	3,251	3,544	6,396	6,883	
<u>Operating income</u>	5,398	4,592	9,823	8,209	
<u>Net income</u>	4,047	1,485	5,552	4,180	
<u>Long-lived assets (other than deferred tax assets)</u>	200,425	211,251	200,425	211,251	199,404
<u>Goodwill</u>	0	0	0	0	0
<u>Total assets</u>	285,071	290,337	285,071	290,337	285,860
<u>Capital expenditures, net</u>	2,999	4,409	5,464	8,223	
<u>Investment in unconsolidated affiliates</u>					0
<u>Intersegment revenues</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	(503,694)	(446,341)	(1,031,472)	(901,195)	
<u>Intersegment revenues   United States Operations</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	492,536	435,307	1,008,130	881,644	
<u>Intersegment revenues   Central American Operations</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	7,688	8,462	17,021	14,554	
<u>Intersegment revenues   Caribbean Operations</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	1,657	1,308	3,482	2,708	
<u>Intersegment revenues   Colombia Operations</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	1,813	1,264	2,839	2,289	
<u>Reconciling Items</u>					
<b><u>Segment Reporting Information [Line Items]</u></b>					
<u>Revenue from external customers</u>	0	0	0	0	
<u>Depreciation, property and equipment</u>	0	0	0	0	
<u>Operating income</u>	(32,071)	(36,898)	(62,501)	(72,485)	
<u>Net income</u>	(32,071)	(36,898)	(62,501)	(72,485)	

<u>Long-lived assets (other than deferred tax assets)</u>	0	0	0	0	0
<u>Goodwill</u>	0	0	0	0	0
<u>Total assets</u>	0	0	0	0	0
<u>Capital expenditures, net</u>	\$ 0	\$ 0	\$ 0	\$ 0	
<u>Investment in unconsolidated affiliates</u>					\$ 0

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and that the results are consistent across different groups and time periods.

4. The fourth part of the document discusses the implications of the findings and provides recommendations for future research. It suggests that further studies should be conducted to explore the underlying causes of the observed trends and to develop effective strategies to address them.

5. The fifth part of the document concludes the study and summarizes the key points. It reiterates the importance of accurate record-keeping and the need for ongoing monitoring and evaluation of the system.

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4. The fourth part of the document discusses the limitations of the study and suggests areas for future research. It acknowledges the potential biases and limitations of the data and the methods used, and provides recommendations for how these issues can be addressed in subsequent studies.

5. The fifth part of the document concludes the study and summarizes the main findings. It reiterates the importance of accurate record-keeping and the need for ongoing research in this field.

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1. **Introduction**  
The purpose of this report is to analyze the impact of climate change on the global economy. This study will focus on the economic sectors most vulnerable to climate change and the potential for adaptation and mitigation strategies.

2. **Methodology**  
This report is based on a comprehensive review of scientific literature, economic data, and policy reports. The analysis includes a comparison of different climate models and their economic implications.

3. **Results**  
The findings indicate that climate change is expected to have significant negative impacts on the global economy. Key sectors such as agriculture, forestry, and coastal infrastructure are particularly at risk. The potential for economic growth is being undermined by the increasing frequency and severity of extreme weather events.

4. **Discussion**  
The results of this study highlight the urgent need for global cooperation and action to address climate change. It is essential to develop and implement effective adaptation and mitigation strategies to minimize the economic damage and protect the well-being of future generations.

5. **Conclusion**  
Climate change represents a major global challenge that requires immediate and coordinated action. The economic consequences of inaction are severe and far-reaching. By taking proactive measures, we can reduce the risks and build a more resilient and sustainable global economy.

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3. The third part of the document presents the results of the study, including a comparison of the different methods and techniques used. It discusses the strengths and weaknesses of each method and provides a summary of the findings.

4. The fourth part of the document discusses the implications of the study and provides recommendations for future research. It highlights the need for further investigation into the effectiveness of the different methods and techniques used.

5. The fifth part of the document provides a conclusion and a summary of the key findings. It reiterates the importance of maintaining accurate records and the need for transparency and accountability in financial reporting.

6. The sixth part of the document provides a list of references and a bibliography. It includes a list of all the sources used in the study and provides a detailed description of each source.

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4. The fourth part of the document discusses the implications of the findings for future research and practice. It suggests that the results of this study could be used to inform policy decisions and to guide the development of new programs and initiatives.

5. The fifth part of the document concludes the study and provides a final summary of the key findings. It reiterates the importance of the research and the need for continued efforts to improve the quality of data collection and analysis.



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6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources used in the study and provides information on how to access these resources.

7. The seventh part of the document contains a glossary of terms and definitions. It clarifies the meaning of the various terms used throughout the document and ensures that all readers have a clear understanding of the terminology.

8. The eighth part of the document includes a list of appendices and supplementary materials. It provides additional information and data that are not included in the main text but are relevant to the study.

9. The ninth part of the document contains a list of figures and tables. It provides a visual representation of the data and results, making it easier to understand the findings and trends.

10. The tenth part of the document includes a list of footnotes and endnotes. It provides additional information and references that are not included in the main text but are relevant to the study.

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1. Introduction  
2. Methodology  
3. Results  
4. Discussion  
5. Conclusion

The following text is a placeholder for the main body of the document, which is currently blank.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the tools used for data collection.

3. The third part of the document presents the results of the study, including a comparison of the different methods and techniques used. It discusses the strengths and weaknesses of each method and provides a summary of the findings.

4. The fourth part of the document discusses the implications of the study and provides recommendations for future research. It highlights the need for further investigation into the effectiveness of the different methods and techniques used.

5. The fifth part of the document provides a conclusion and a summary of the key findings. It reiterates the importance of maintaining accurate records and the need for transparency and accountability in financial reporting.

6. The sixth part of the document provides a list of references and a bibliography. It includes a list of all the sources used in the study and provides a detailed description of each source.

7. The seventh part of the document provides a list of appendices and a bibliography. It includes a list of all the appendices used in the study and provides a detailed description of each appendix.

8. The eighth part of the document provides a list of figures and a bibliography. It includes a list of all the figures used in the study and provides a detailed description of each figure.

9. The ninth part of the document provides a list of tables and a bibliography. It includes a list of all the tables used in the study and provides a detailed description of each table.

10. The tenth part of the document provides a list of equations and a bibliography. It includes a list of all the equations used in the study and provides a detailed description of each equation.

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4. The fourth part of the document discusses the implications of the findings. It highlights the potential applications of the research in various fields and the need for further investigation in this area.

5. The fifth part of the document concludes the study and provides a summary of the key findings. It also includes a list of references and a bibliography of the sources used in the research.

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3. The third part of the document focuses on the interpretation and analysis of the collected data. It discusses the various statistical and analytical tools used to identify trends and patterns in the data.

4. The fourth part of the document discusses the implications of the findings and the potential impact of the research. It highlights the need for further research and the importance of sharing the results with the relevant stakeholders.

5. The fifth part of the document provides a conclusion and summarizes the key findings of the study. It emphasizes the importance of ongoing monitoring and evaluation to ensure the effectiveness of the implemented measures.

6. The sixth part of the document discusses the limitations of the study and the potential areas for future research. It highlights the need for more comprehensive data and the importance of considering external factors that may influence the results.

7. The seventh part of the document provides a list of references and sources used in the study. It includes books, articles, and other relevant documents that provide additional context and support for the findings.

8. The eighth part of the document discusses the ethical considerations and the importance of maintaining confidentiality and integrity throughout the research process. It highlights the need for informed consent and the protection of personal data.

9. The ninth part of the document provides a list of appendices and supplementary materials. It includes additional data, charts, and tables that provide further detail and support for the findings.

10. The tenth part of the document provides a list of acknowledgments and thanks to the individuals and organizations that provided support and assistance throughout the research process.

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1. The first part of the document is a list of names and titles, including "The Hon. Mr. Justice G. D. C. O'Connell, Chief Justice of the Supreme Court of the State of New South Wales, Australia" and "The Hon. Mr. Justice G. D. C. O'Connell, Chief Justice of the Supreme Court of the State of New South Wales, Australia".

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2. The second part of the document focuses on the role of internal controls in preventing fraud and mismanagement. It describes how a robust system of internal controls can help in identifying and mitigating risks. The text explains that internal controls are designed to ensure that the organization's resources are used efficiently and effectively. It also discusses the importance of regular audits and reviews to assess the effectiveness of the internal control system. The document stresses that a strong internal control system is a key factor in the success of any organization.

3. The third part of the document discusses the importance of communication and collaboration in the workplace. It emphasizes that effective communication is essential for ensuring that all team members are on the same page and working towards common goals. The text highlights that collaboration allows team members to share their ideas and expertise, leading to more innovative solutions and better results. It also notes that open communication helps in resolving conflicts and improving the overall work environment. The document concludes that a culture of communication and collaboration is essential for the long-term success of any organization.

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3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and that the results are consistent across different groups and time periods.

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5. The fifth part of the document provides a summary of the key points and conclusions. It reiterates the importance of accurate record-keeping and the need for ongoing research and improvement in the field.

