



Analysts' Briefing Wilcon Depot, Inc.

December 2017



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Discussion Agenda

WILCON

DEPOT

1 Company Overview

2 Strategy Overview

3 Financial Results

4 Outlook



SECTION 1

Overview of Wilcon Depot, Inc.



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing



Leader in the home improvement and construction supply retail space in the Philippines; 40 years in operation

One-stop shop offering the complete spectrum of home improvement products

Strong line-up of quality, value-priced in-house brands

Exclusively carries a number of renowned international and local brands

Revolutionized the construction-supply industry by enhancing customer shopping experience



Brief Background

WILCON

DEPOT

5

Initial Public Offering of WDI



2017

4

Establishment of WDI and transfer of retail operations from WC to WDI



2015-2016

3

Major re-branding; consolidation of operations under one entity (WBDI, now WC); enhanced exclusive and in-house brand offerings



2009-2014

2



2002-up

1

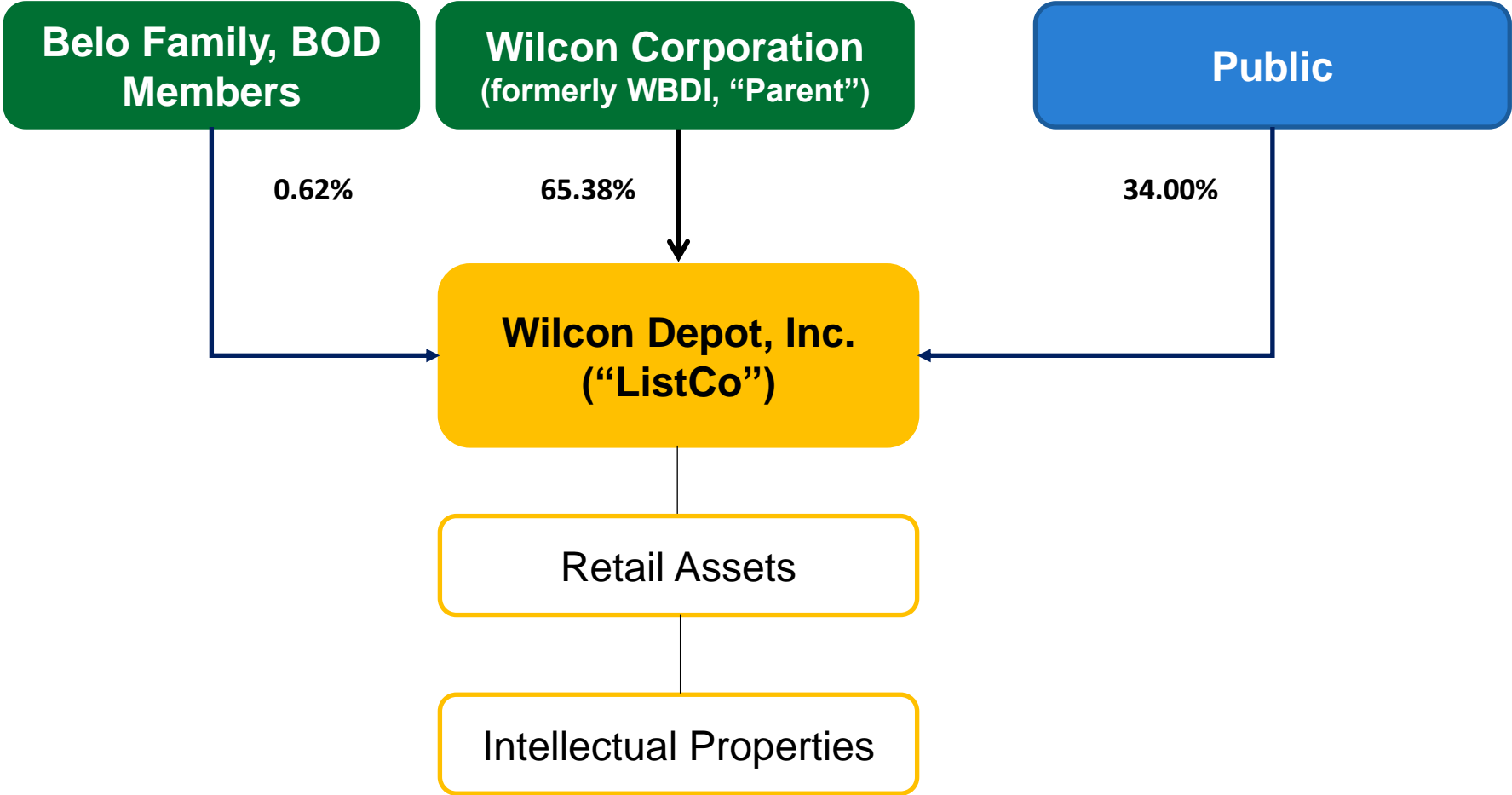


1977-2001

Introduced & expanded depot format stores; pure retail operations offering a complete spectrum of home improvement products; modern trade

Traditional trade; wholesale & retail operations

Wilcon Group: Corporate Structure

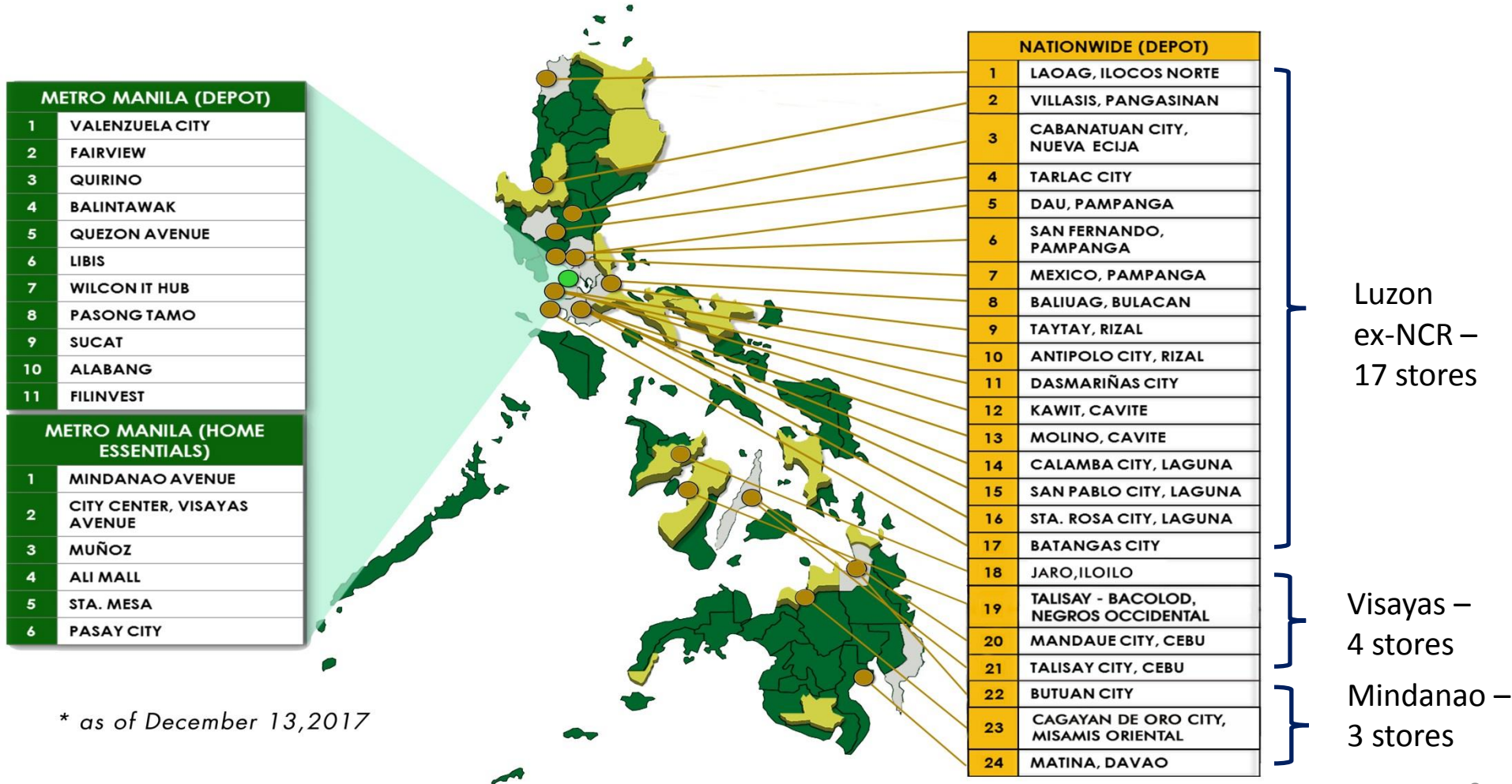


➤ The retail business was transferred to the ListCo on April 1, 2016 from the parent.

Store Network & Presence



Wilcon operates 41* stores strategically located in dominant markets and in fast-growing cities nationwide.



* as of December 13, 2017



SECTION 2

Strategy Overview



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

Key Growth Strategies

WILCON

DEPOT

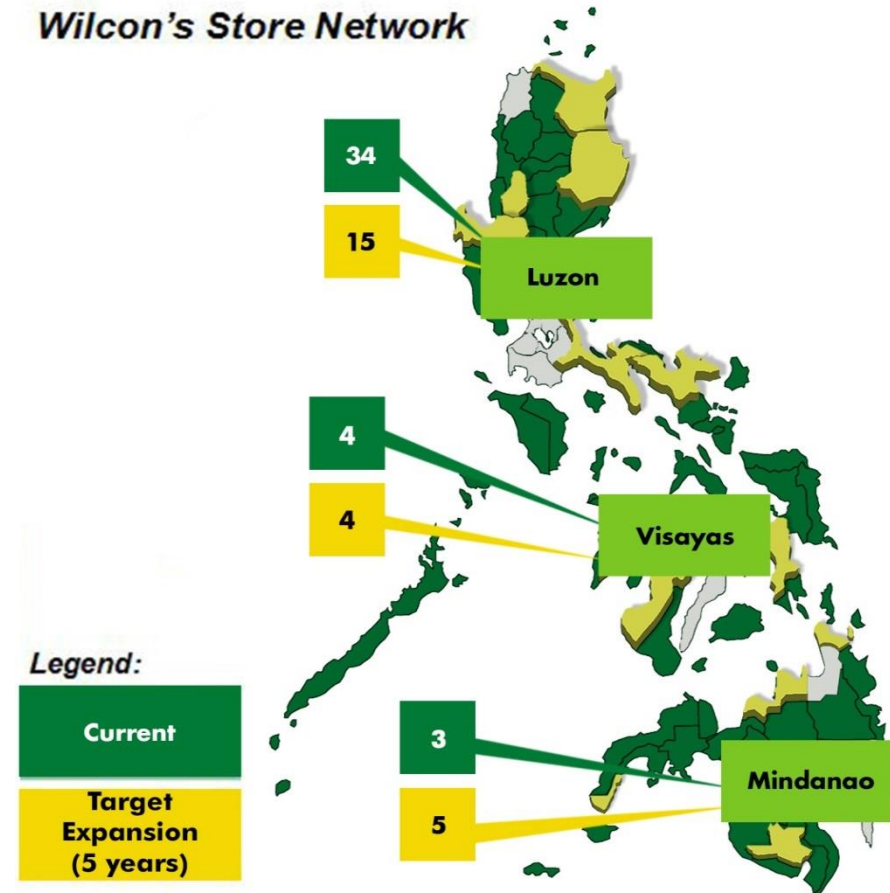
1 Expand Store Network

- ✓ Solidify presence in existing markets
- ✓ Expand foothold in fast-growing cities with focus on Visayas and Mindanao regions
- ✓ Target to open 29 depot branches in the next 5 years (2017 to 2021, 24 to go)
- ✓ Target locations include Cavite, Zamboanga, Bicol, Batangas, Davao, General Santos



As of December, 2017

Wilcon's Store Network



Key Growth Strategies

WILCON DEPOT

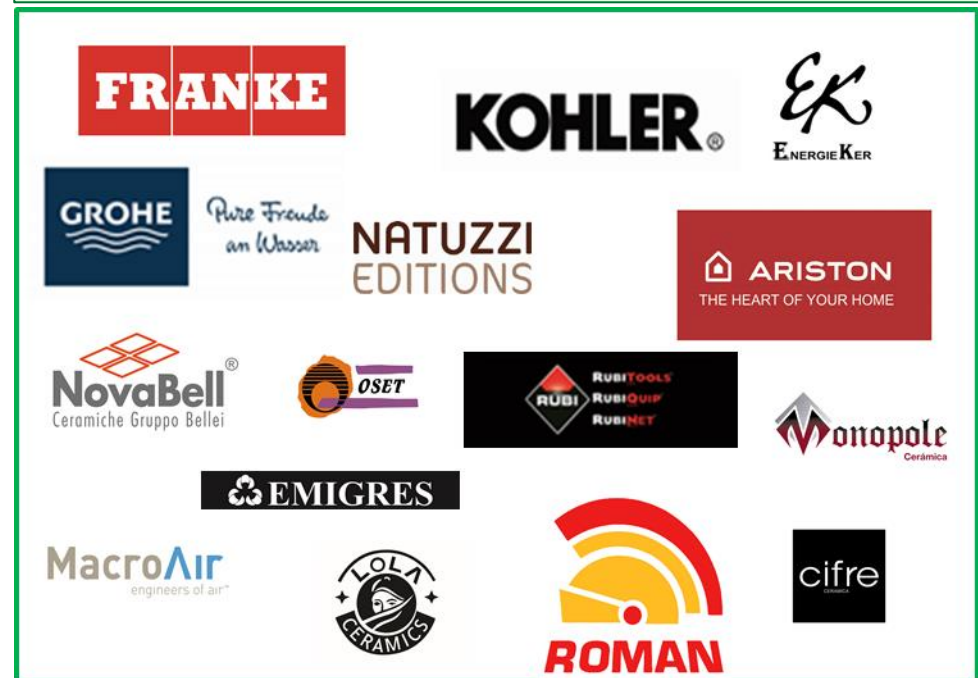
2 Focus on continuous introduction of in-house and exclusive brands

- ✓ Enhance the Company's ability to provide its customers with value for money products
- ✓ Rationalize product offerings

In-house brands



Select Exclusive brands



Key Growth Strategies

WILCON DEPOT

3 Continually improve store layouts and product offering

- ✓ Improve and renovate existing stores to enhance overall shopping experience.
- ✓ Remodel store layouts by optimizing and/or expanding the sales floor areas of existing stores to improve visitor traffic



Key Growth Strategies



4 Further strengthen and increase brand awareness and visibility



News



NEWS

Wilcon shares almost double value in five months
 Wilcon founder William Tan Belo shares why he's bullish about the local construction business



- ✓ Tap various media outlets such as radio, newspapers, billboards, and social media to enhance customer's awareness
- ✓ Use brand ambassadors to represent the Company's products and brands
- ✓ Actively participate in industry associations and trade conventions related to the construction and home improvement



SECTION 3

Financial Highlights



home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries



plumbing

Income Statement Highlights

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3Q 2017

In Php MM

	3Q 2017	% of Sales	3Q 2016	% of Sales	% Growth
NET SALES	4,549	100.0	4,054	100.0	12.2
COST OF SALES	3,180	69.9	3,141	77.5	1.3
GROSS INCOME	1,369	30.1	914	22.5	49.9
OPERATING EXPENSES	-938	20.6	-780	19.2	20.2
OPTNG INC BEF OTHER INCOME	432	9.5	133	3.3	223.6
OTHER INCOME - Net	70	1.5	20	0.5	239.9
EBIT	501	11.0	154	3.8	225.8
INTEREST EXPENSE	-4	0.1	-10	0.2	-60.5
INCOME BEFORE TAX	497	10.9	144	3.5	245.7
INCOME TAX	142	3.1	8	0.2	1,678.8
NET INCOME	355	7.8	136	3.4	161.5
Depreciation	27	0.6	22	0.5	24.4
EBITDA	528	11.6	176	4.3	200.8

Income Statement Highlights

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9M 2017

In Php MM

	9M 2017	% of Sales	9M* 2016	% of Sales	% Growth
NET SALES	13,027	100.0	8,062	100.0	61.6
COST OF SALES	9,101	69.9	6,175	76.6	47.4
GROSS INCOME	3,926	30.1	1,888	23.4	108.0
OPERATING EXPENSES	-2,611	20.0	-1,538	19.1	69.8
OPTNG INC BEF OTHER INCOME	1,315	10.1	350	4.3	275.6
OTHER INCOME - Net	163	1.3	31	0.4	420.6
EBIT	1,479	11.4	382	4.7	287.5
INTEREST EXPENSE	-20	0.1	-21	0.3	-6.4
INCOME BEFORE TAX	1,459	11.2	361	4.5	304.5
INCOME TAX	341	2.6	-66	-0.8	-618.1
NET INCOME	1,118	8.6	427	5.3	162.0
Depreciation	74	0.6	41	0.5	80.5
EBITDA	1,553	11.9	423	5.2	267.4

*Commercial operations commenced April 1, 2016. The retail business operated under the Parent prior to April 1, 2016

Balance Sheet Highlights

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In Php MM

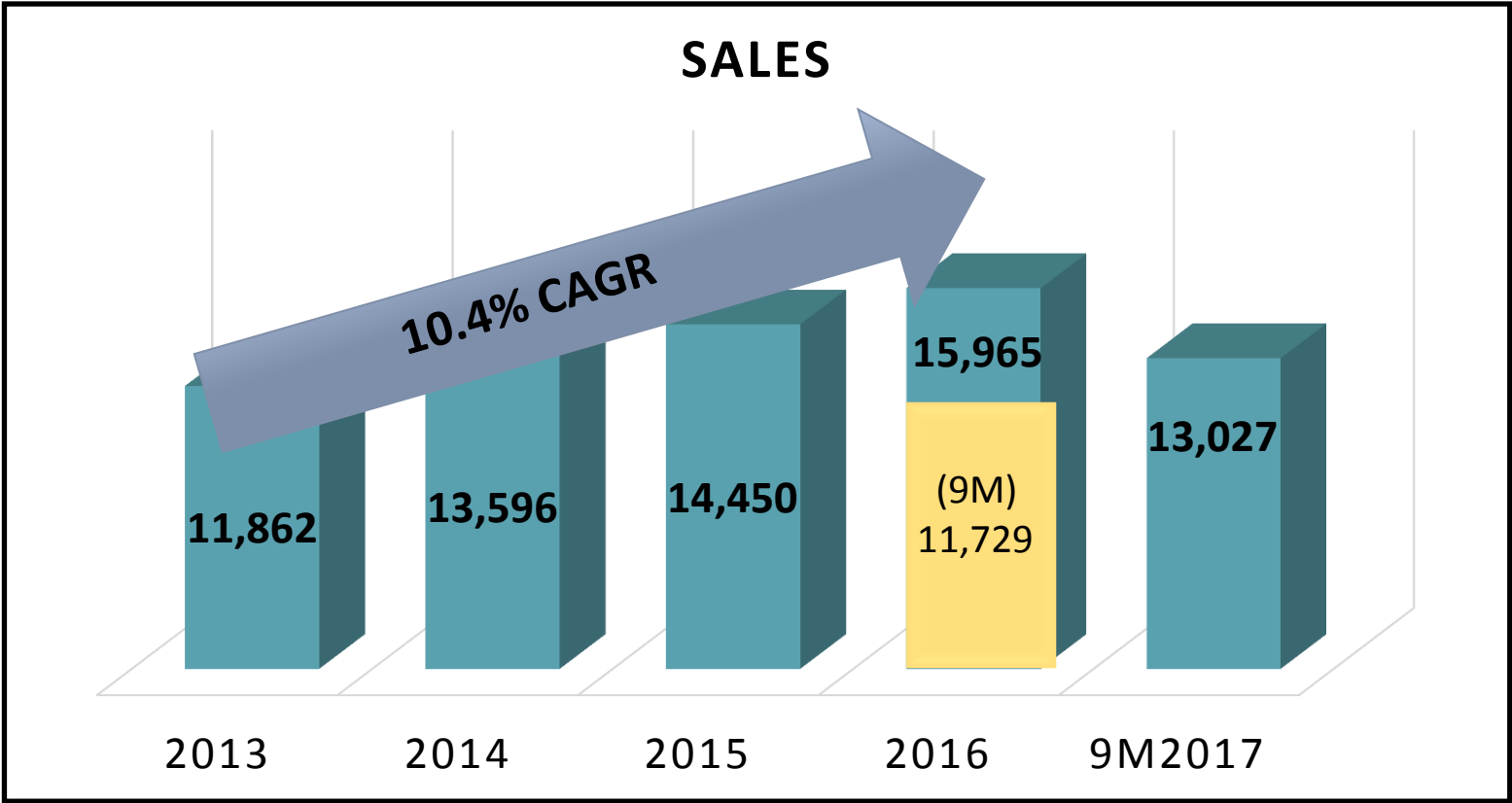
	Unaudited September 30, 2017	Audited December 31, 2016
Current Assets	12,193	8,406
Noncurrent Assets*	4,138	737
Total Assets	16,331	9,144
Current Liabilities	4,095	4,497
Noncurrent Liabilities	726	1,064
Total Liabilities	4,821	5,561
Capital Stock	4,100	2,706
Additional Paid-in Capital	5,374	-
Other Comprehensive Loss	32	-10
Retained Earnings	2,004	886
Total Equity	11,510	3,582
Current Ratio	2.98:1	1.87:1
Quick Ratio	0.99:1	0.24:1
Debt to Equity	0.42:1	1.55:1
Return on Equity	9.71%	24.75%

*Includes AFS assets of P3.0B comprising of RTBs and representing part of the IPO proceeds

Total Sales Summary



Healthy sales growth



Note: 2013 to 2015 – Pro-forma/Reviewed / 2016 – In-house Pro-forma / 2017 – Actual/Reviewed
Commercial operations under WDI commenced April 1, 2016

Total Sales Summary

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2017 vs 2016

	9M	% Var	3Q	% Var
Sales (Php Millions)	13,027	11.1	4,549	12.2
Average Ticket Size (Php)	3,742	2.4	3,820	4.0
Sales Transactions ('000)	3,481	8.5	1,191	7.9

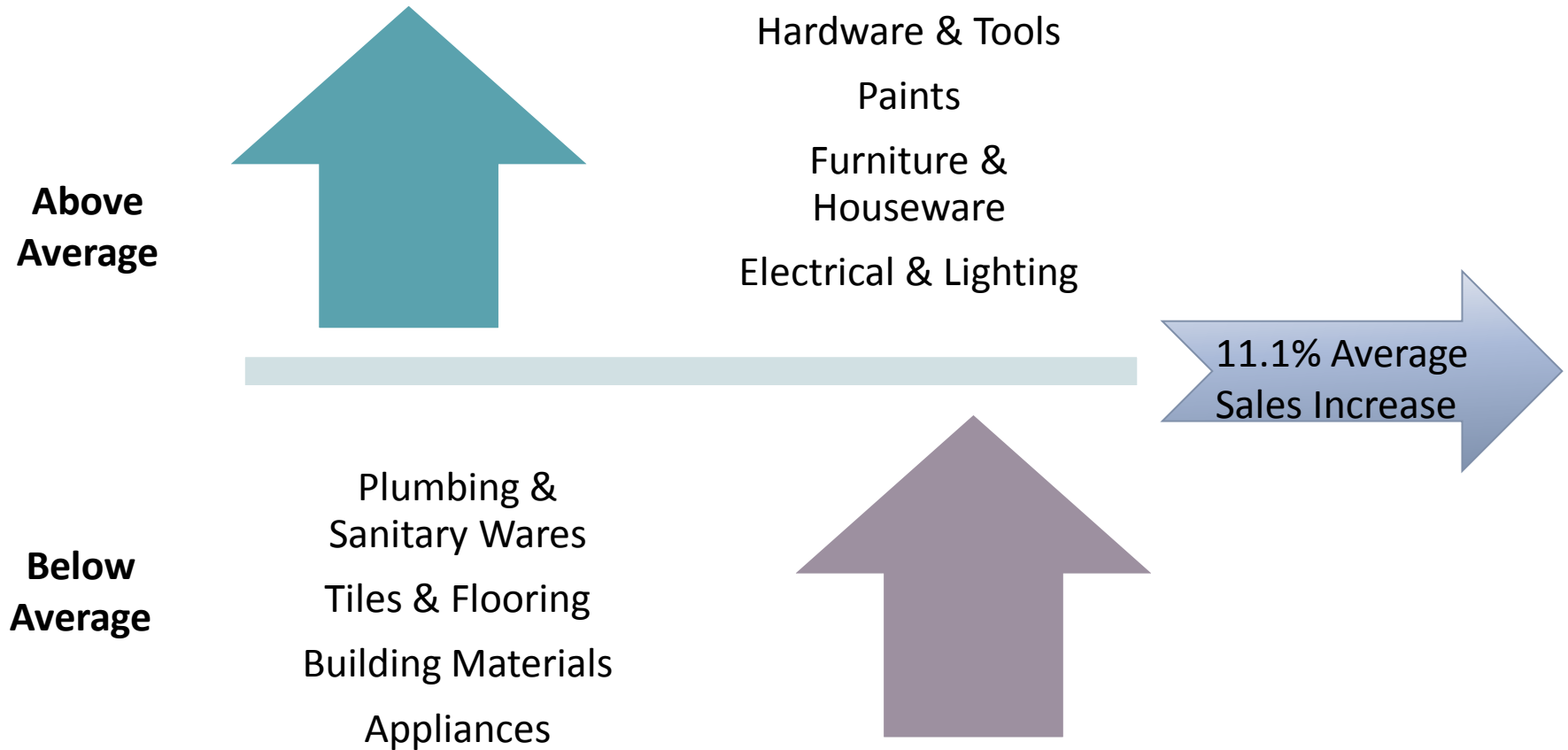
Note: 2016 – In-house Pro-forma / 2017 – Actual/Reviewed
Commercial operations under WDI commenced April 1, 2016

Product Category Performance

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9M17 VS 9M16

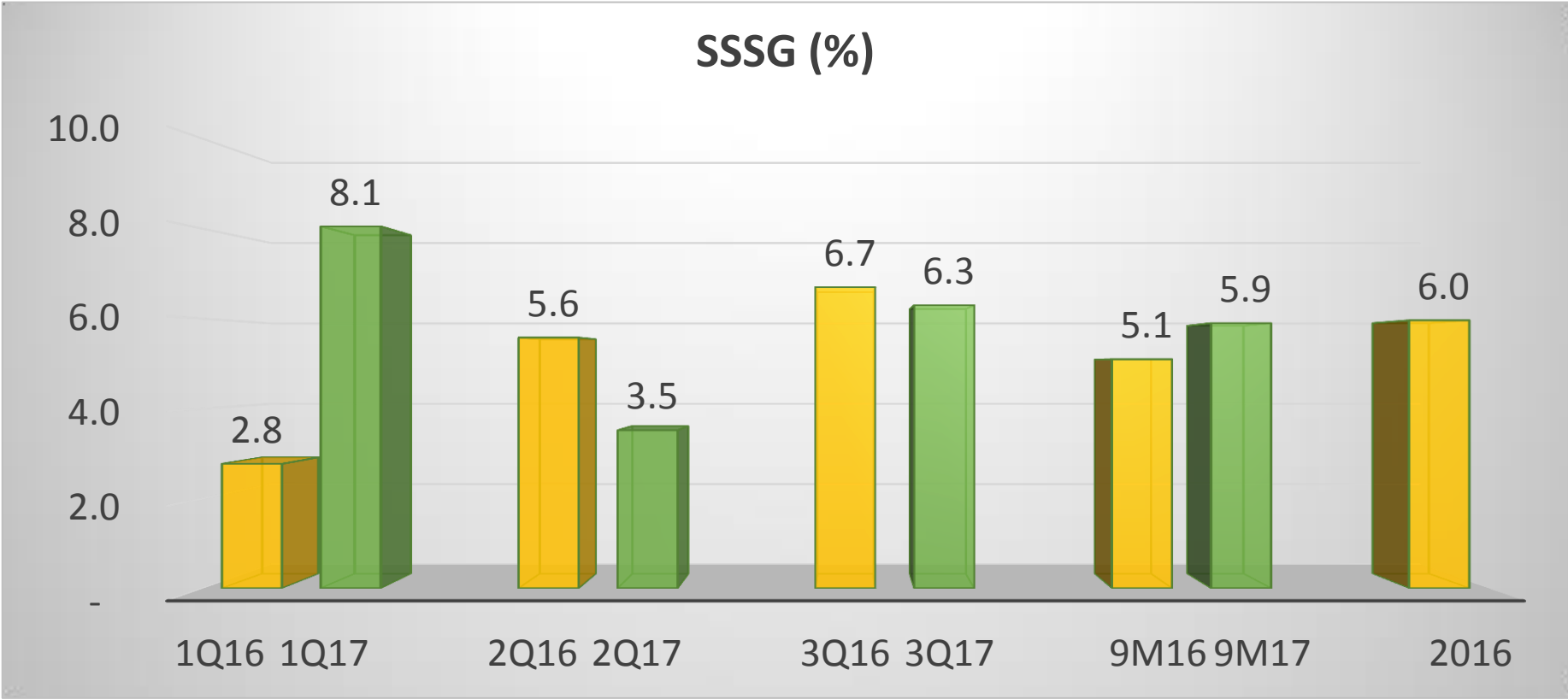


Note: 2016 – In-house Pro-forma / 2017 – Actual/Reviewed
Commercial operations under WDI commenced April 1, 2016

Same Store Sales Summary



Quarterly Trend



Note: 2015 – Pro-forma/Reviewed / 2016 – In-house Pro-forma / 2017 – Actual/Reviewed
Commercial operations under WDI commenced April 1, 2016

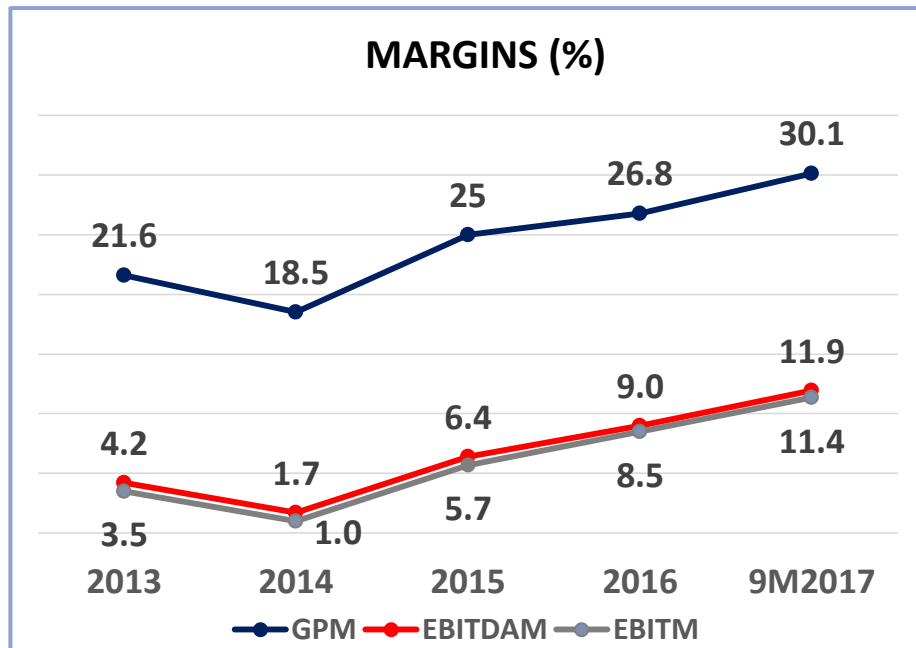
Operating Margins Summary

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Improving margins

9M17 VS 9M16



Enhancers

Higher Sales
Product Mix
Volume
discounts and
incentives/
rebates

Higher operating
expenses attendant
to increasing
number of stores
and volume of
business, e.g., rent,
utilities, logistics,
etc.

Limiters

Note: 2013 to 2015 – Pro-forma/Reviewed / 2016 – Actual/Audited / 2017 – Actual/Reviewed.
Commercial operations under WDI commenced April 1, 2016



SECTION 4

Outlook



home interior



building materials



doors & mouldings



tiles



paints & sundries



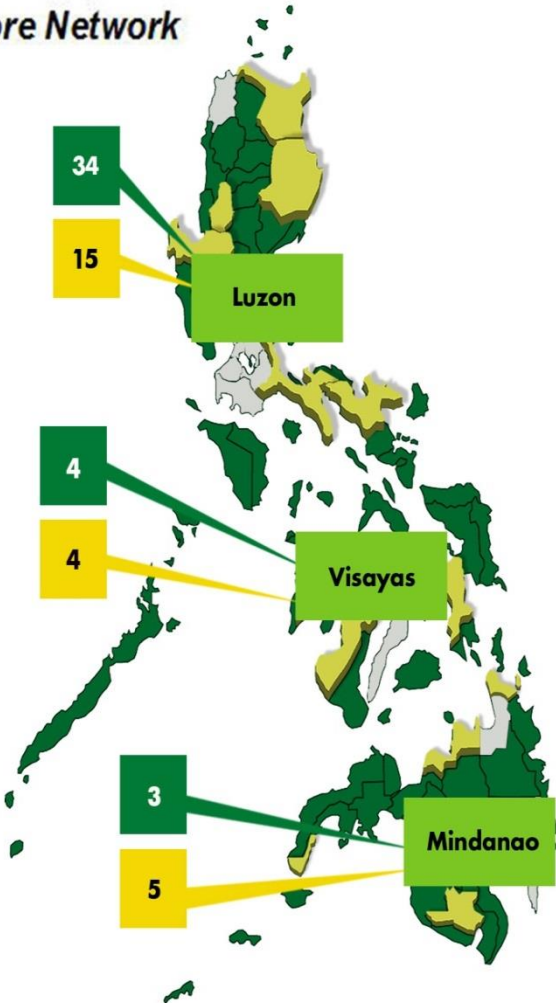
plumbing

2017 and 2018 Store Expansion Plan

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Wilcon's Store Network



Legend:

Current

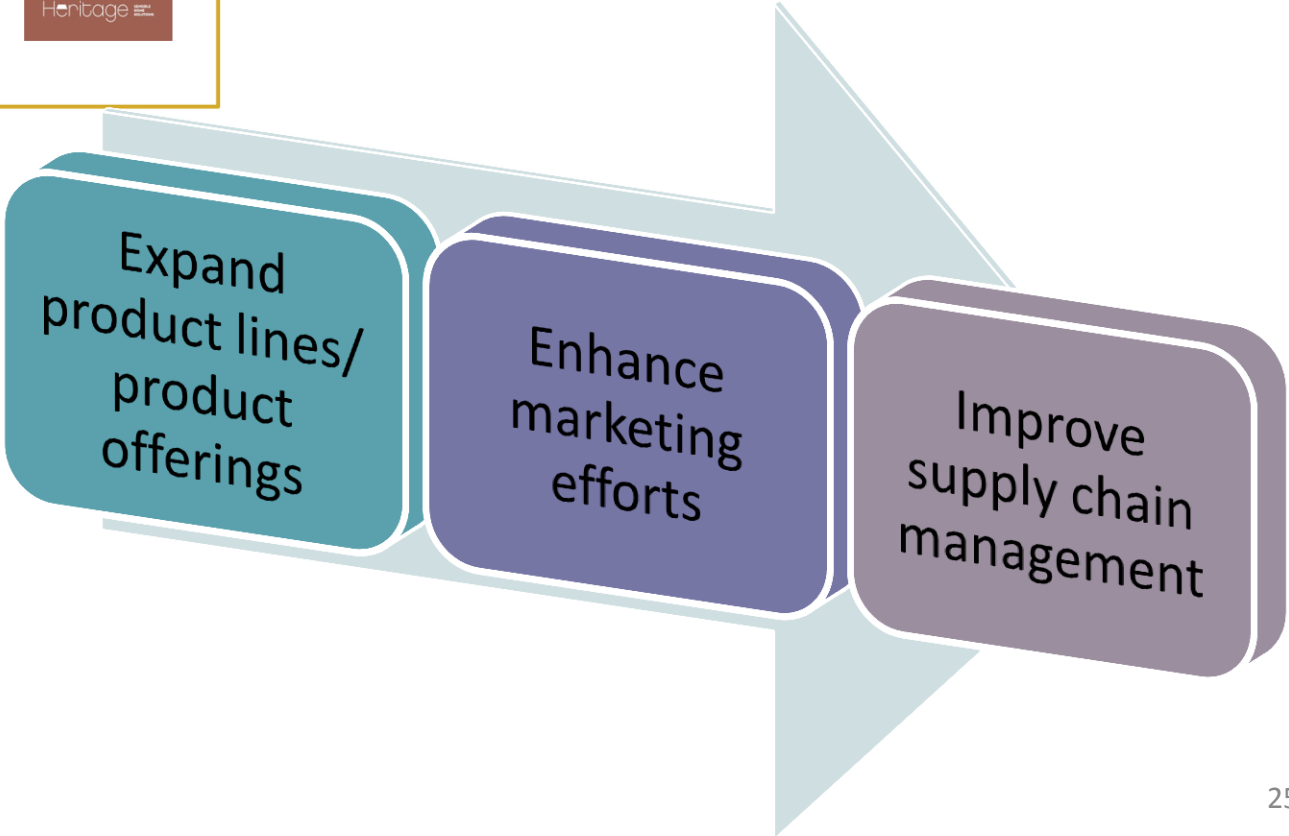
Target
Expansion
(5 years)

	2017	2018
IH	Butuan Bacolod	Tacloban Silang Zamboanga Naga Libis (Home Essentials)
2H	CDO Cabanatuan Iloilo	Lipa Davao Tayabas General Santos Puerto Princesa Iloilo (Home Essentials)
New	5	11
Temporary Closure		
- Depot		-1
Total	41	51

Increase margins thru in-house & exclusive brands expansion



Plumbing and Sanitary SEFA Crown Sink POZZI Käsch	Furniture, Furnishings, & Houseware HEIM Heritage	Tiles / Flooring Arte SOL VERONA PICASSO ROMANTIC	Hardware & Tools DIRECT HARDWARE
Electrical and Lighting ALPHALUX KAZE	Building Materials WOODLAND FOREST PRODUCTS SOLUTHERM	Appliances Heritage	



END OF PRESENTATION