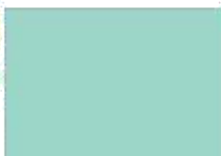




Wilcon Depot, Inc.

Nine Months 2019 Performance Report

January 2020



Discussion Agenda

WILCON

DEPOT

1 Company Overview

2 Strategy Overview

3 Financial Results

4 Outlook



SECTION 1

Company Overview



Leader in the home improvement and construction supply retail space in the Philippines; 43 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

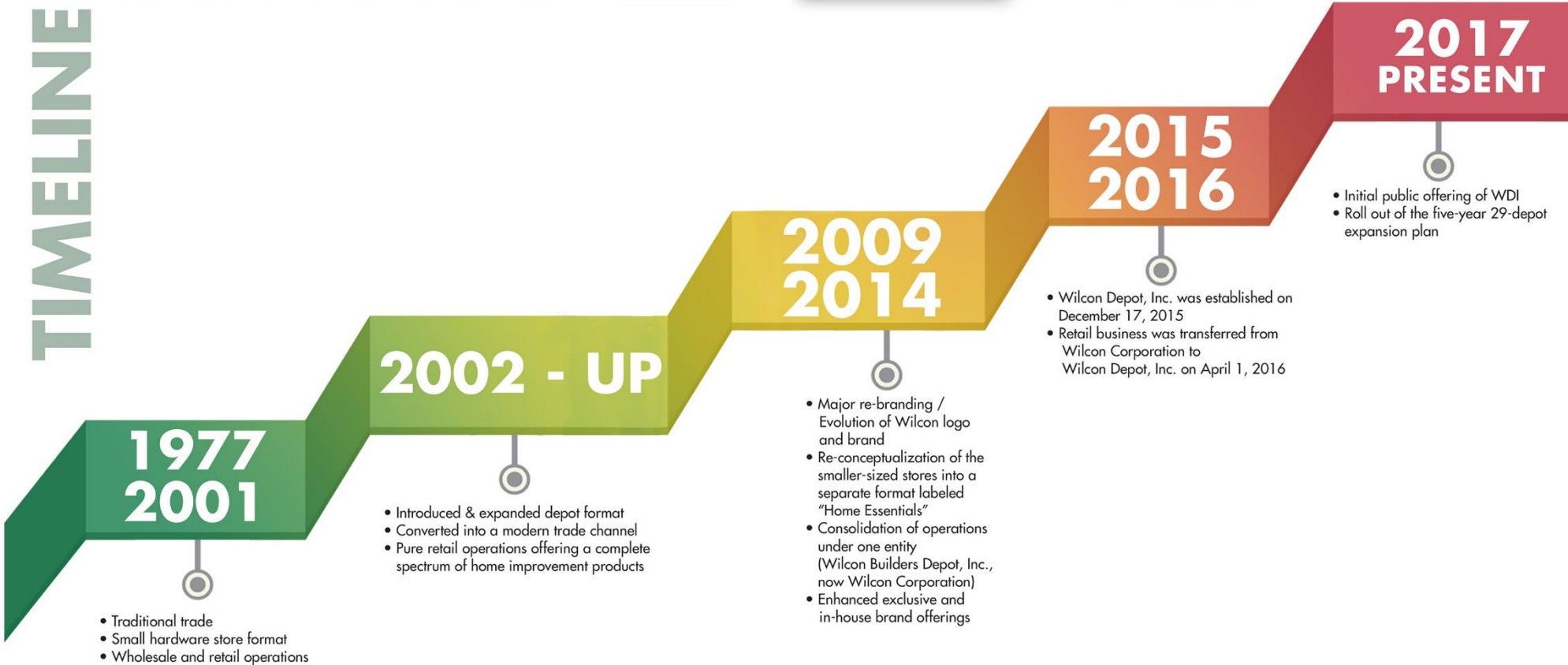




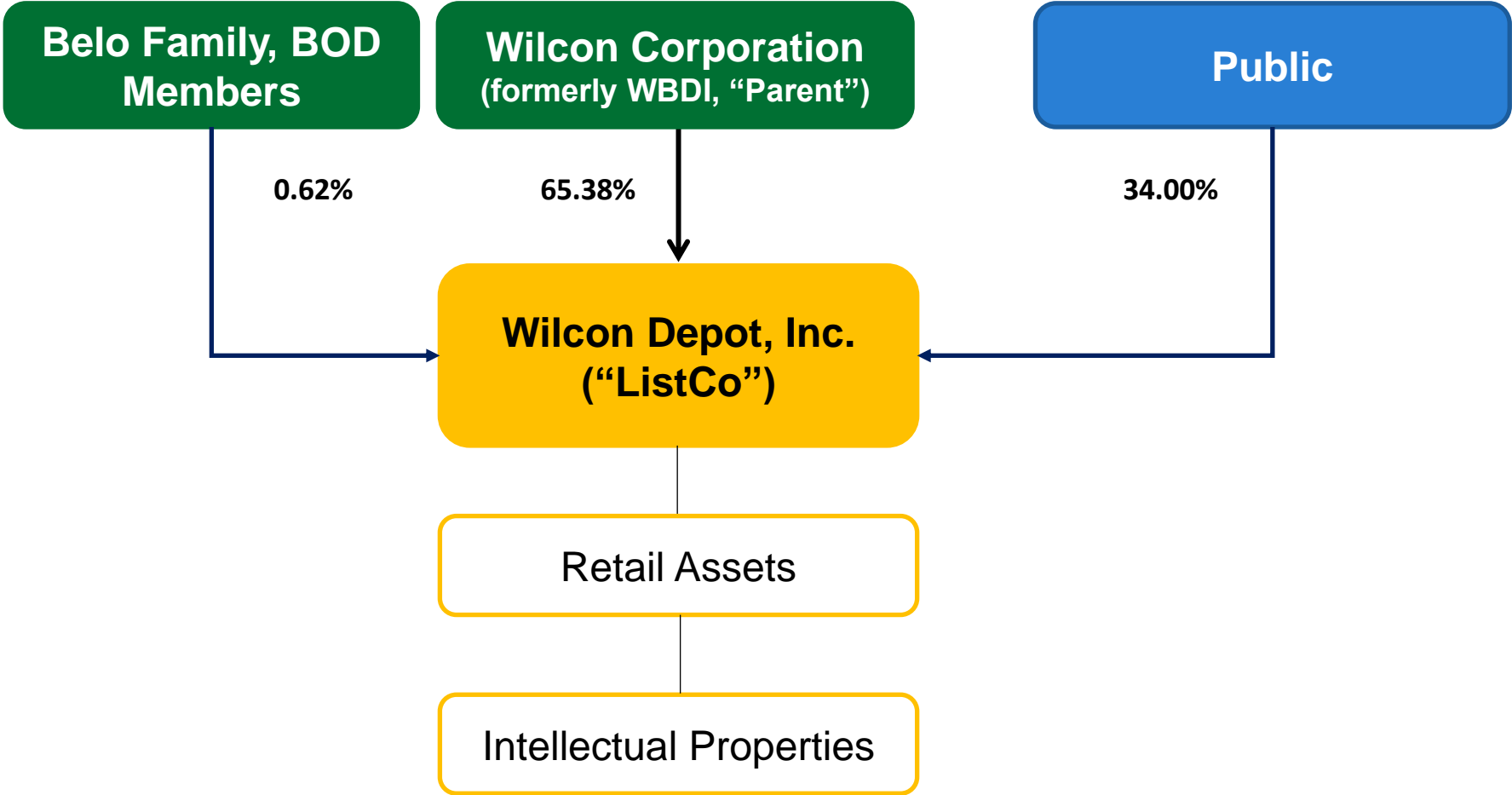
Build anything. We have everything.



TIMELINE



Wilcon Group: Corporate Structure



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

Store Formats



DEPOT



HOME ESSENTIALS



No. of stores

50

7

Gross Floor Area

- 2,800 sqm to 16,100 sqm, with an average gross floor area of 9,250 sqm

- 740 sqm to 2,800 sqm, with an average gross floor area of 1,445 sqm

*as of December 2019

Store Network & Presence

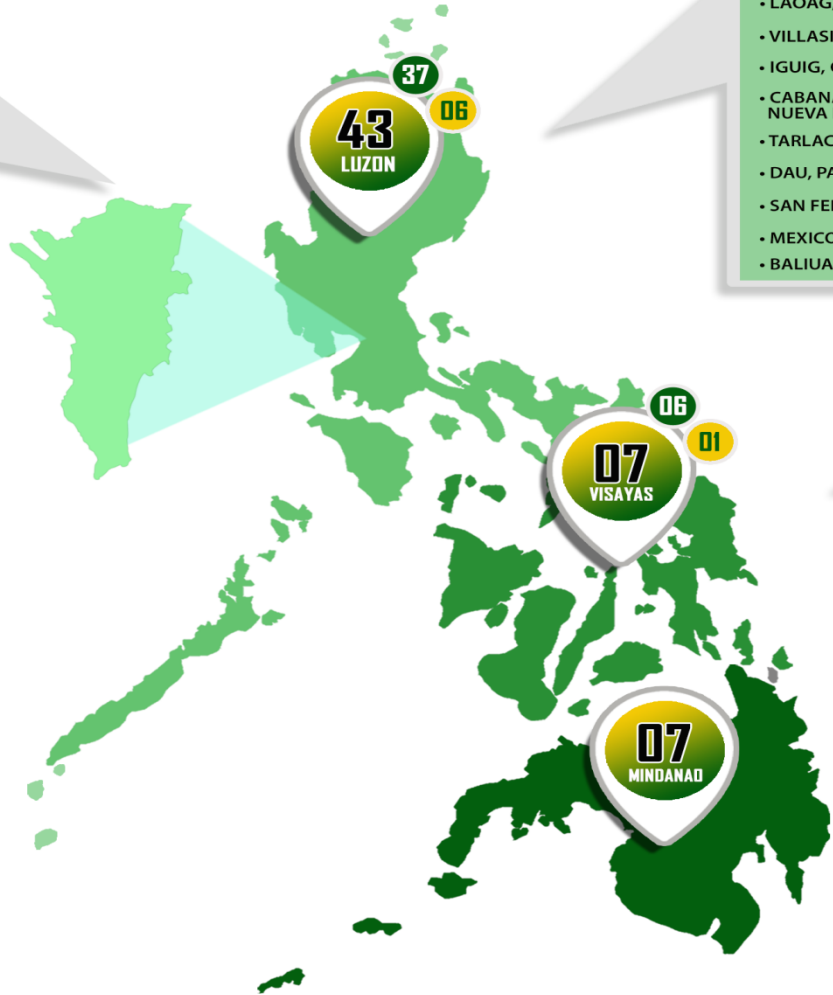
Wilcon operates 57* stores strategically located in dominant markets and in fast-growing cities nationwide.

METRO MANILA (DEPOT)

- VALENZUELA CITY
- FAIRVIEW
- QUIRINO
- BALINTAWAK
- QUEZON AVENUE
- LIBIS
- PASONG TAMO
- WILCON IT HUB
- SUCAT
- ALABANG
- FILINVEST

METRO MANILA (HOME ESSENTIALS)

- MINDANAO AVENUE
- CITY CENTER, VISAYAS AVENUE
- MUÑOZ
- ALI MALL
- STA. MESA
- PASAY CITY



LUZON (DEPOT)

• LAOAG, ILOCOS NORTE	• TAYTAY, RIZAL	• CALAMBA CITY
• VILLASIS, PANGASINAN	• MAYAMOT, ANTIPOLO CITY	• SAN PABLO CITY
• IGUIG, CAGAYAN	• SAN ISIDRO, ANTIPOLO CITY	• STA. ROSA CITY
• CABANATUAN CITY, NUEVA ECIJA	• DASMARIÑAS CITY	• STO. TOMAS CITY
• TARLAC CITY	• GENERAL TRIAS CITY	• ALANGILAN, BATANGAS CITY
• DAU, PAMPANGA	• KAWIT, CAVITE	• LIPA CITY
• SAN FERNANDO, PAMPANGA	• BACOR CITY	• TAYABAS, QUEZON
• MEXICO, PAMPANGA	• SILANG, CAVITE	• NAGA CITY
• BALIUAG, BULACAN		• PUERTO PRINCESA CITY

VISAYAS (DEPOT)

• JARO, ILOILO CITY	• TALISAY - BACOLOD, NEGROS OCCIDENTAL
• TACLOBAN CITY, LEYTE	
• TALISAY CITY, CEBU	
• MANDAUE CITY, CEBU	
• STA. BARBARA, ILOILO	

(HOME ESSENTIALS)

- FESTIVEWALK MALL MANDURRIAO, ILOILO CITY

MINDANAO (DEPOT)

• BUTUAN CITY	• ZAMBOANGA CITY
• CAGAYAN DE ORO CITY, MISAMIS ORIENTAL	• GENERAL SANTOS CITY
• MATINA, DAVAO CITY	• OPOL, MISAMIS ORIENTAL
• PANACAN, DAVAO CITY	

* as of DECEMBER 2019



Major Categories and Select Brands



Plumbing and Sanitary

Tiles / Flooring

Building Materials

Furniture, Furnishing & Houseware

Paints

Hardware and Tools

Electrical and Lighting

Appliances



SECTION 2

Strategy Overview



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

Key Growth Strategies

WILCON

DEPOT

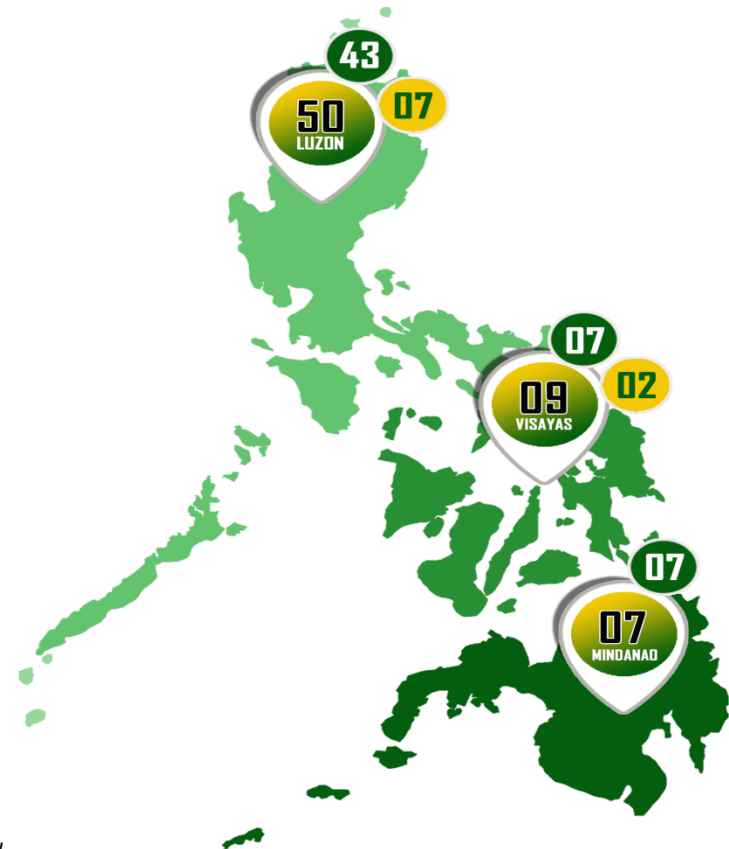
1 Expand Store Network

- ✓ Solidify presence in existing markets
- ✓ Expand foothold in fast-growing cities with focus on Visayas and Mindanao regions
- ✓ Target to open 29 depot branches from 2017 to 2021 (accelerated to 2020)



As of December 2019

Wilcon's Store Network



Legend:



Key Growth Strategies

WILCON

DEPOT

2 Focus on continuous expansion 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



Philippines' Leading Home Improvement and Construction Supply Retailer Wilcon Depot has won the International Award for Excellence in Customer Service from the Federation of Asia-Pacific Retailers Association. Photo shows (L-R): Wilcon SEVP-Chief Operating Officer Rosemarie Bosch-Ong, Wilcon President and CEO Lorraine Belo-Cincochan, and Wilcon VP for Human Resources Grace Tiong accepting the award during the 19th Asia Pacific Retailers Conference and Exhibition (APRCE) in Chongqing, China last September 7, 2019.



BUILD BIG IDEAS WITH US

SHOP ONLINE

[CLICK HERE](#)



- ✓ 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 construction and home improvement



SECTION 3

Financial Results



home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries



plumbing

Results Highlights

9M2019

- Net income grew 11.1% y-o-y to ₱1.544 billion for a net margin of 8.6% driven by:
 - Net sales up 17.4% to ₱18 billion with a comparable sales growth of 5.4%
 - Gross profit margin increased to 32.8% from 31.3% in 9M18
- Product mix improved to 49.2% exceeding the target contribution for the year of 48.0%
- Annual cash dividends increased by 45.4% to P0.16 per share from P0.11 per share in 2018

Net Income grew 11.1% to P1.544 B

(9M2019)

WILCON

DEPOT

(In PHP MM)	9M19	% Sales	9M18	% Sales	% Growth
Net Sales	18,035	100.0	15,359	100.0	17.4
Cost of Sales	-12,123	-67.2	-10,551	-68.7	14.9
Gross Income	5,912	32.8	4,808	31.3	23.0
Operating Expenses	-3,910	-21.7	-3,145	-20.5	24.3
Other Income	211	1.2	128	0.8	64.8
Interest Income	119	0.7	139	0.9	-13.9
Interest Expense	-208	-1.2	-2	0.0	8,764.0
Income Before Tax	2,124	11.8	1,927	12.5	10.2
Income tax	-580	-3.2	-537	-3.5	8.0
Net Income	1,544	8.6	1,390	9.0	11.1

Net Sales up 17.4%

GPM expanded to 32.8%

Net Income grew 15.5% to P549 M

(3rd Quarter 2019)

WILCON

DEPOT

Net Sales up 16.8%

GPM expanded to 33.5%

(In PHP MM)	3Q19	% Sales	3Q18	% Sales	% Growth
Net Sales	6,257	100.0	5,358	100.0	16.8
Cost of Sales	-4,158	-66.5	-3,679	-68.7	13.0
Gross Income	2,099	33.5	1,679	31.3	25.0
Operating Expenses	-1,387	-22.2	-1,105	-20.6	25.5
Other Income	71	1.1	36	0.7	100.2
Interest Income	36	0.6	49	0.9	-27.0
Interest Expense	-85	-1.4	-0	-0.0	42,293,765.4
Income Before Tax	734	11.7	658	12.3	11.5
Income tax	-185	-2.9	-183	-3.4	0.9
Net Income	549	8.8	475	8.9	15.5

Balance Sheet

(In Php MM)

WILCON

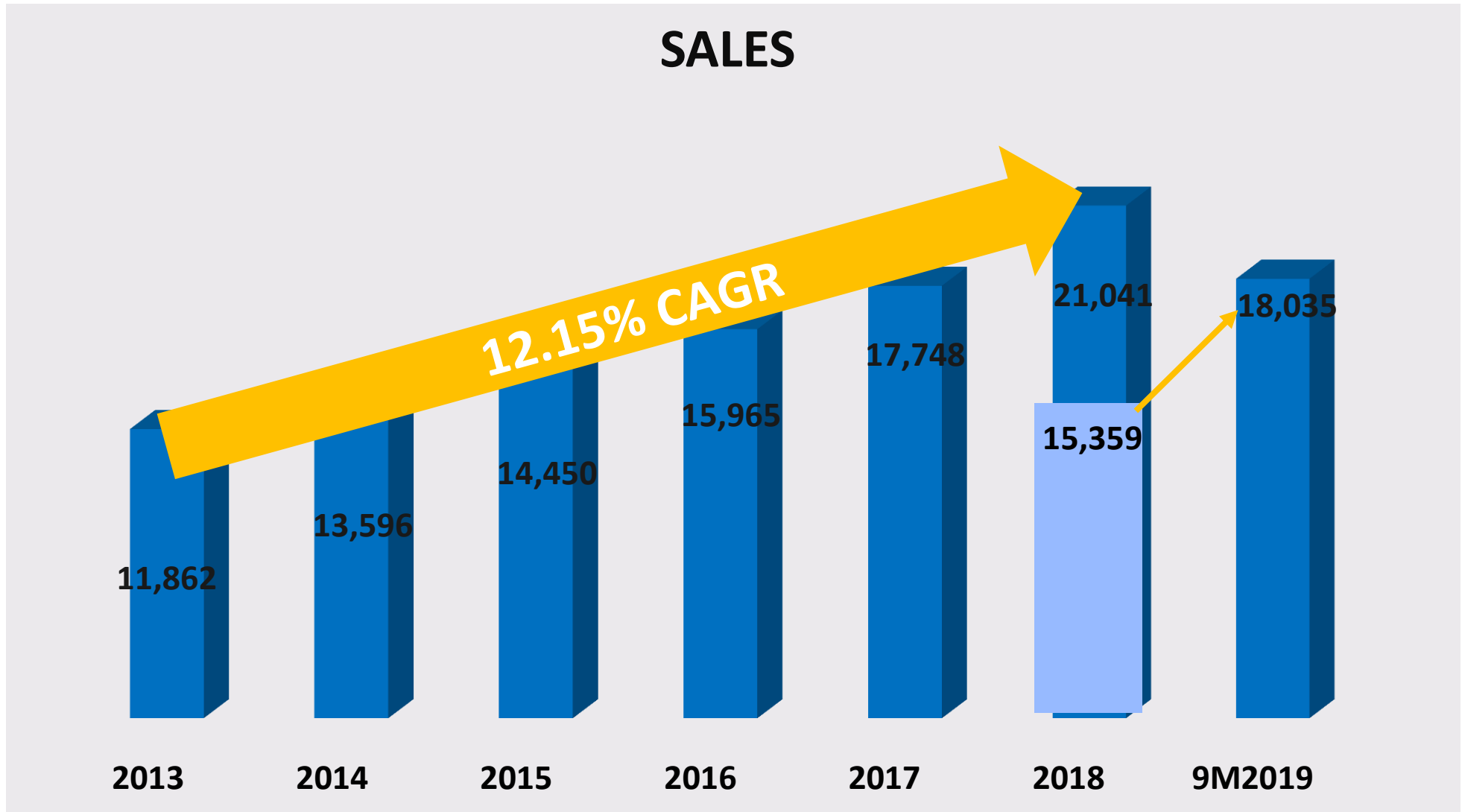
DEPOT

	Unaudited Sep 30, 2019	Audited Dec 31, 2018
Current Assets	14,122	11,123
Noncurrent Assets	10,202	6,379
Total Assets	24,324	17,502
Current Liabilities	6,404	4,171
Noncurrent Liabilities	3,717	118
Total Liabilities	10,122	4,290
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	185	83
Retained Earnings	4,544	3,656
Total Equity	14,202	13,212
Current ratio	2.1	2.67
Quick ratio	0.77	0.75
Debt to equity ratio	0.71	0.32
Return on asset	6.3%	10.5%
Return on equity	10.9%	13.9%

Healthy Sales Growth

WILCON

DEPOT

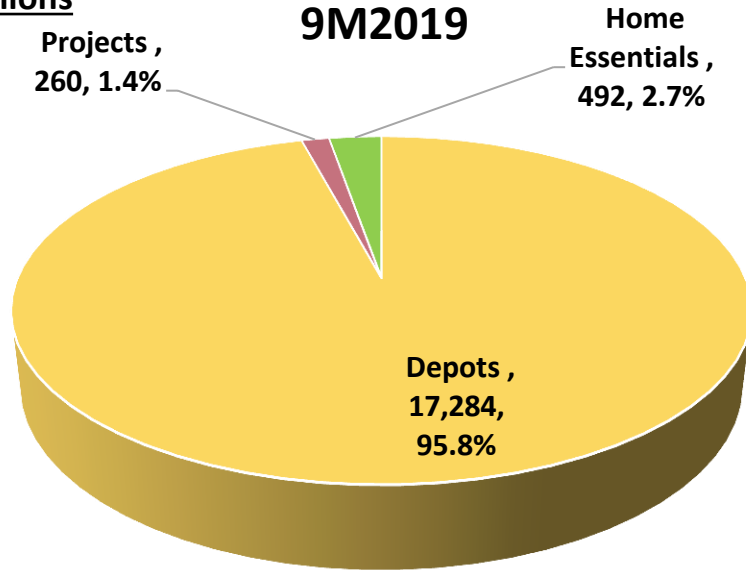


Note: 2013 to 2015 – Pro-forma/Reviewed / 2016 – In-house Pro-forma / 2017 – Actual/Audited
Commercial operations under WDI commenced April 1, 2016

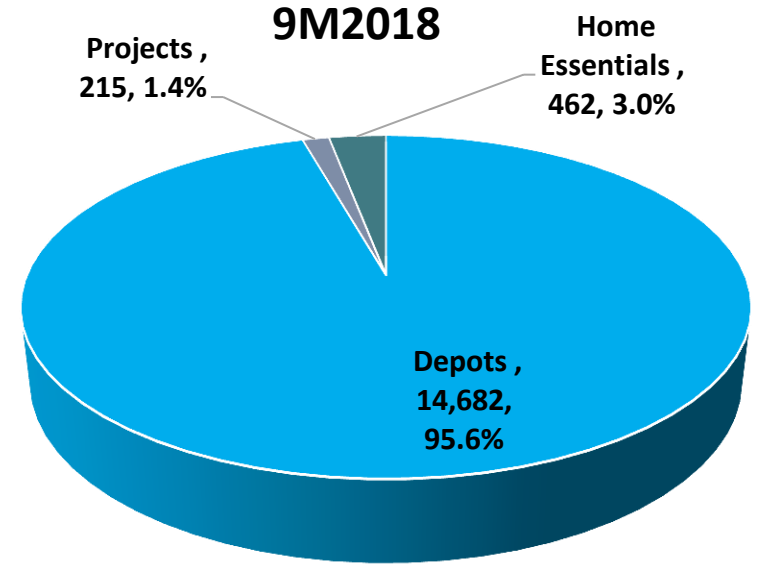
Total Net Sales Breakdown



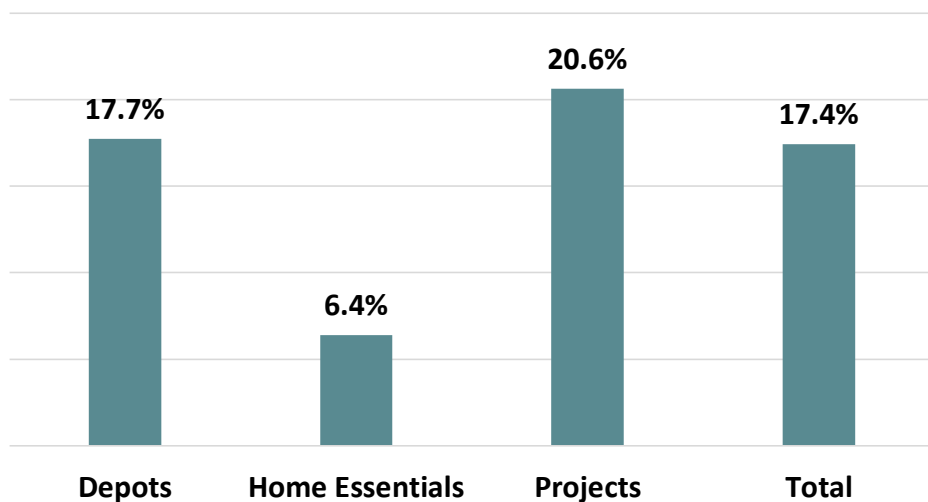
PhP Millions



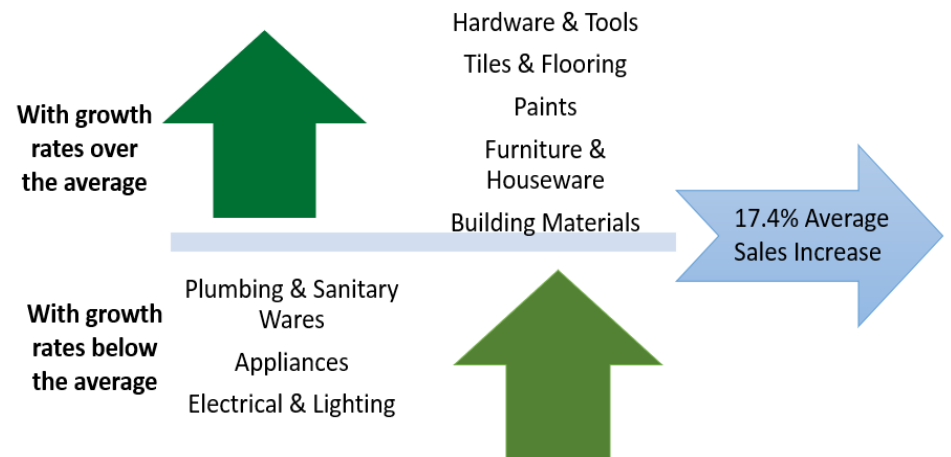
17.4%



Sales Growth per Store Format 9M19 VS 9M18



Product Category Performance 9M19 VS 9M18



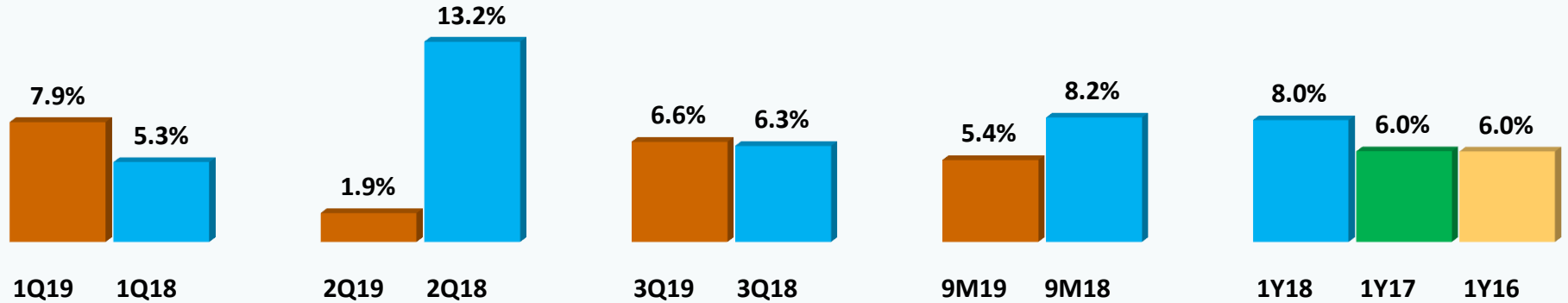
Comparable Sales Summary



Quarterly Trend

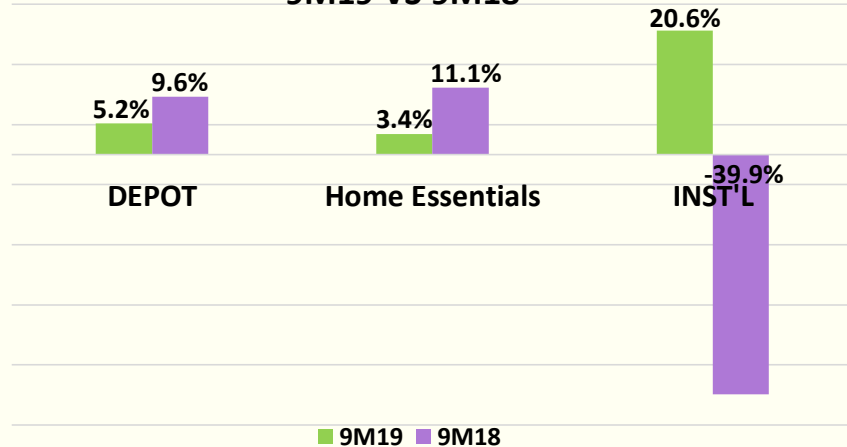
SSSG Excluding Inst'l/ Projects Sales

- 3Q19 – 6.4% 9M19 – 5.2%
- 3Q18 – 8.6% 9M18 – 9.6%

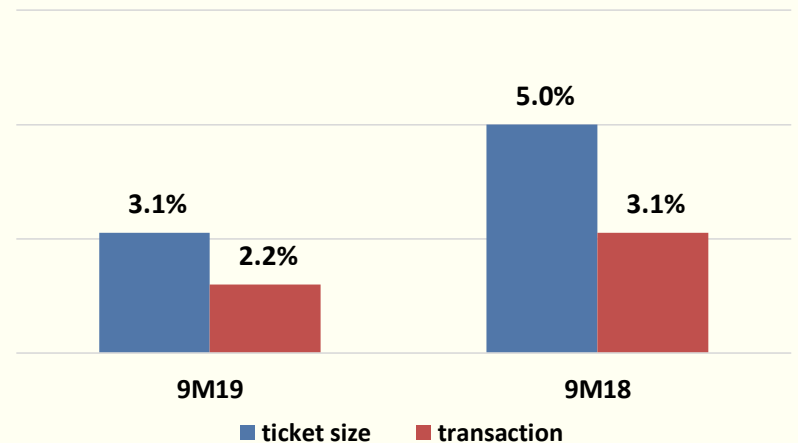


Note: 2016 – In-house Pro-forma
Commercial operations under WDI commenced April 1, 2016

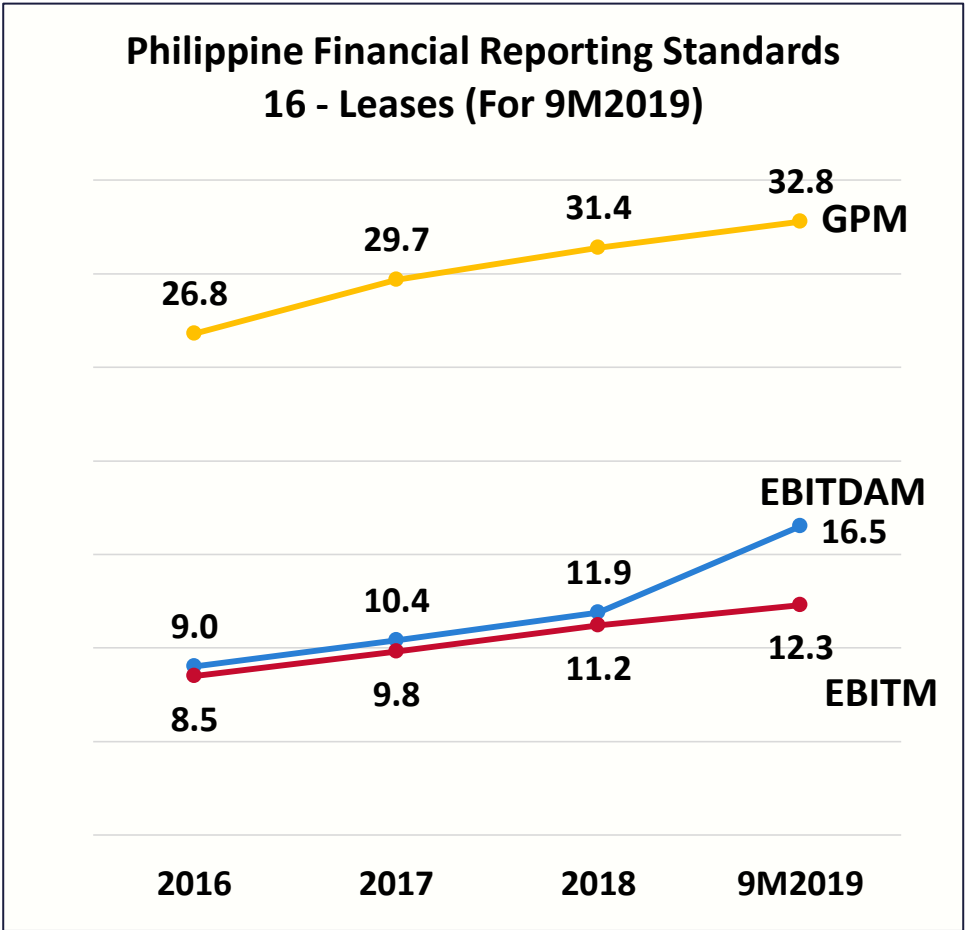
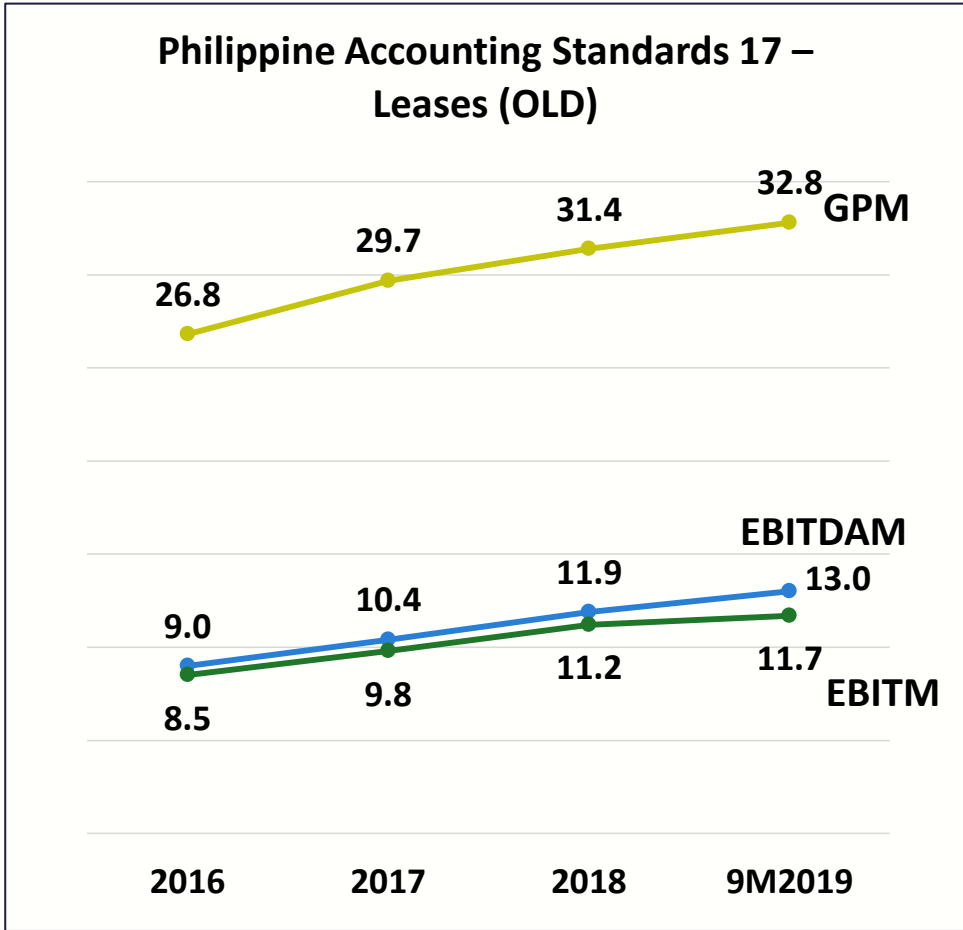
Comparable Sales Growth per Format 9M19 VS 9M18



Comparable Ticket Size and Transactions Growth 9M19 VS 9M18



Improving Margins





home
interior



building
materials



doors &
mouldings



tiles



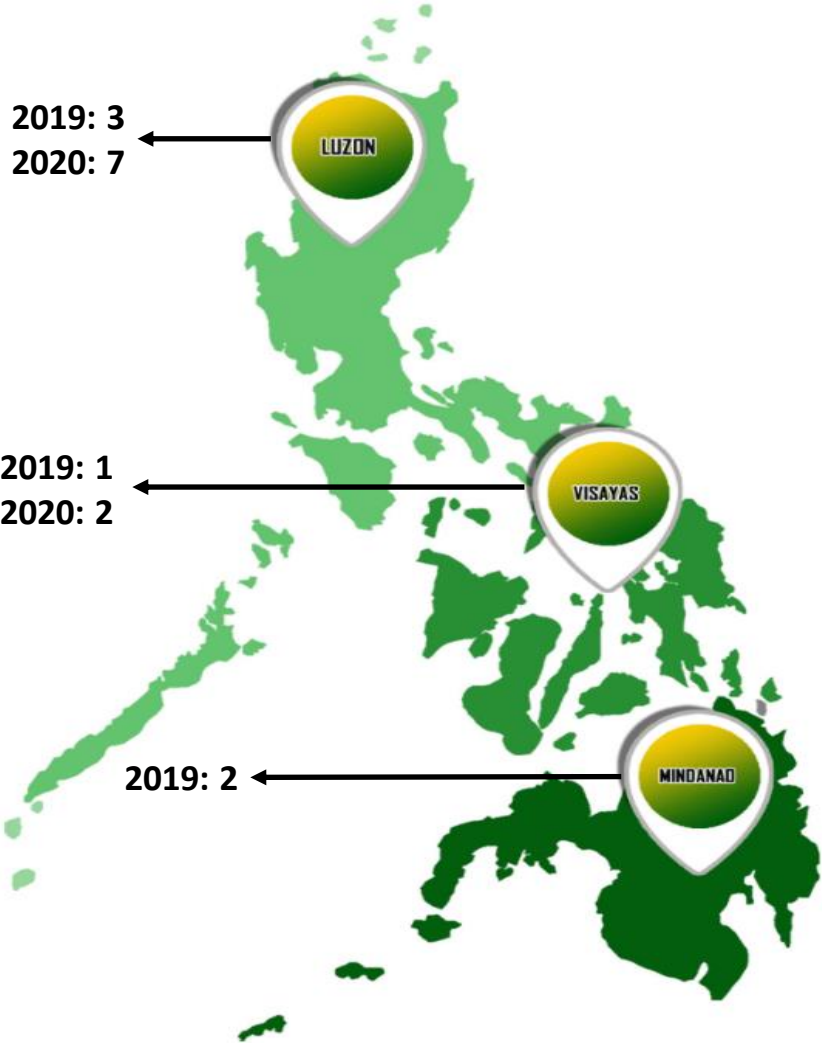
paints &
sundries



plumbing

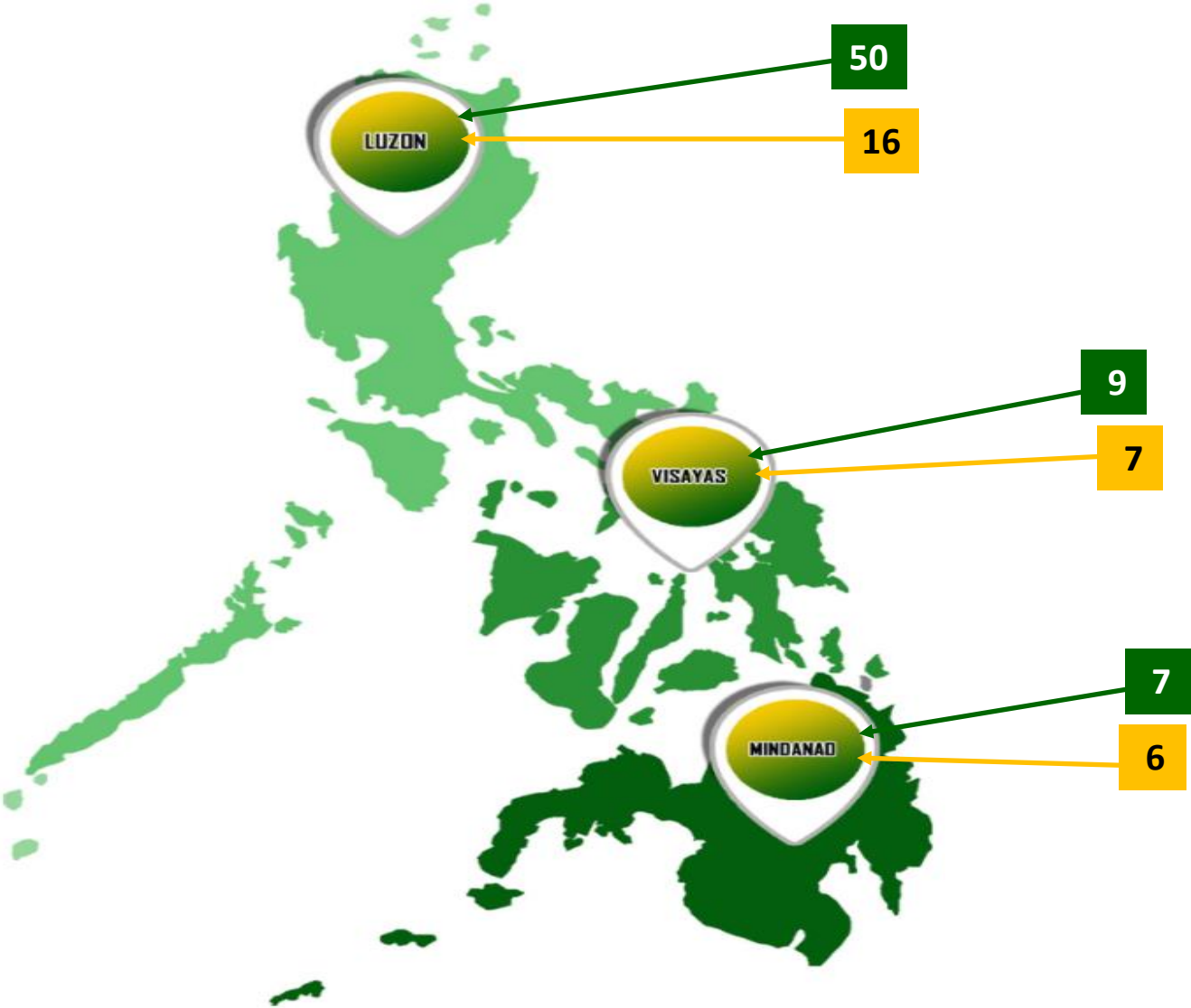
Outlook

2019 - 2020 Store Expansion Plan



	2019	2020
Beg. balance	51	57
1H	Panacan, Davao	Daraga, Albay
	Sta. Barbara, Iloilo	San Jose, Del Monte
		Cabuyao, Laguna
		Calumpit, Bulacan
2H	Opol, CDO	Makato, Aklan
	San Isidro, Antipolo City	San Fernando, La Union
	Sto. Tomas City, Batangas	Bantay, Vigan
	Iguig, Cagayan Valley	Taytay
		Ormoc, Leyte
Total, end	57	66

2017 - 2020 Planned New Branches



Total Planned New Depot Stores - 29

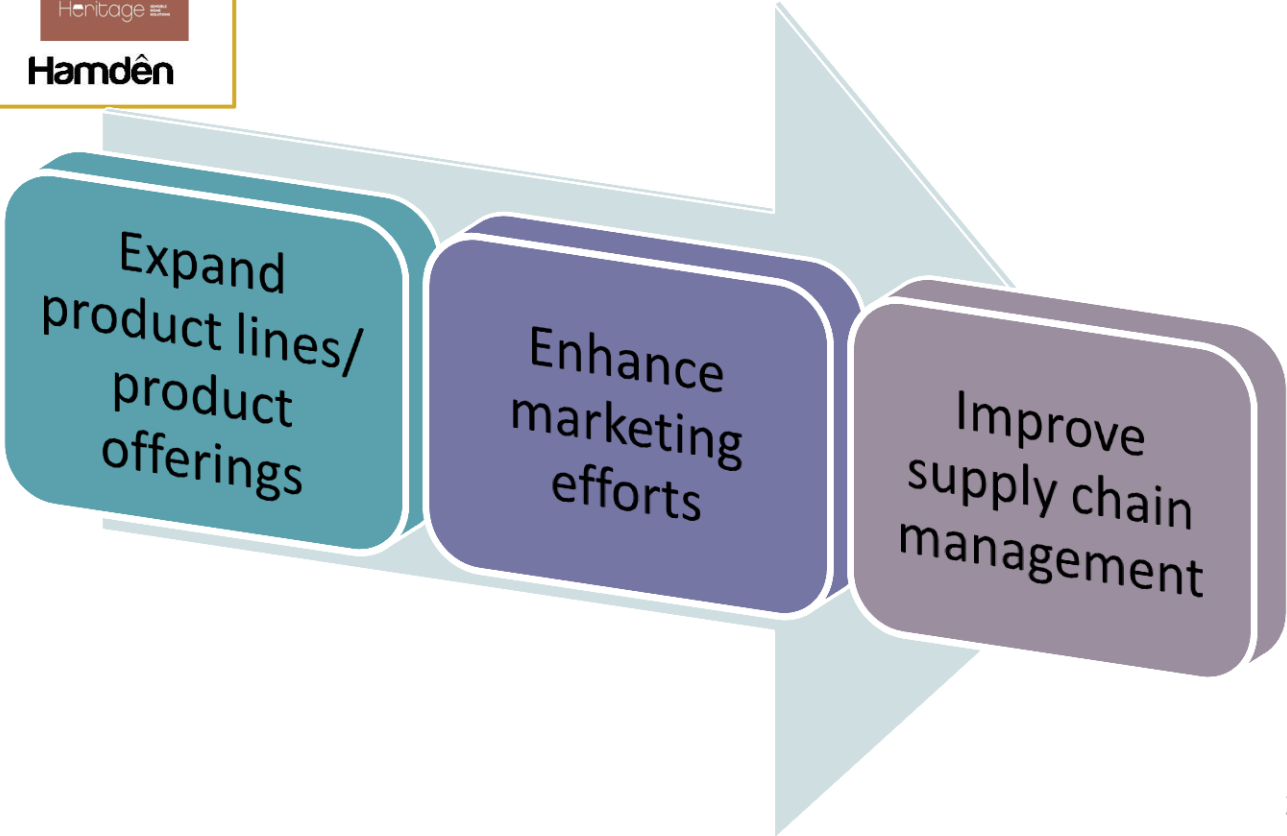
Total number of stores in 2020 - 66

From January 2017 to December 2019, twenty one (21) new stores were opened, twenty (20) depots and one (1) smaller format Home Essentials.

Continue to increase margins thru in-house & exclusive brands expansion



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



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