



Wilcon Depot, Inc.

FY 2019 Earnings Call



Discussion Agenda

WILCON

DEPOT

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2 Financial Results

3 Operating and Financial Statistics

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Results Highlights

FY2019

- Net income rose 15.8% y-o-y to ₱2.125 billion driven by:
 - Gross profit margin improvement to 33.4% from 31.4% in 2018
 - Increase in net sales by 16.3% to ₱24.476 billion with a comparable sales growth of 5.2%
- Six (6) new depots opened in different provinces/cities
- Exclusives (in-house and exclusive brands) accounted for almost half of net sales at 49.5%
- Annual cash dividends distributed increased by 45.4% to ₱0.16 per share from ₱0.11 per share in 2018



SECTION 2

Financial Results



Net Income grew 15.8% to P2.125 B

(FY2019)

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(In PHP MM)	FY2019	% Sales	FY2018	% Sales	% Growth
Net Sales	24,476	100.0	21,041	100.0	16.3
Cost of Sales	-16,300	-66.6	-14,438	-68.6	12.9
Gross Income	8,176	33.4	6,603	31.4	23.8
Operating Expenses	-5,396	-22.0	-4,421	-21.0	22.1
Other Income	311	1.3	165	0.8	88.7
Interest Income	151	0.6	195	0.9	-22.1
Interest Expense	-300	-1.2	-2	0.0	12,707.3
Income Before Tax	2,943	12.0	2,540	12.1	15.9
Income tax	-818	-3.3	-704	-3.3	16.1
Net Income	2,125	8.7	1,835	8.7	15.8

Net Sales up 16.3%

GPM expanded to 33.4%

Net Income grew 30.3% to P0.581B

(4rd Quarter 2019)

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Net Sales up 13.4%

GPM expanded to 35.1%

(In PHP MM)	4Q19	% Sales	4Q18	% Sales	% Growth
Net Sales	6,441	100.0	5,682	100.0	13.4
Cost of Sales	-4,177	-64.9	-3,887	-68.4	7.5
Gross Income	2,264	35.1	1,795	31.6	26.1
Operating Expenses	-1,486	-23.1	-1,276	-22.4	16.5
Other Income	100	1.6	37	0.7	171.3
Interest Income	32	0.5	56	1.0	-42.6
Interest Expense	-93	-1.4	0	-0.0	35,173,448.7
Income Before Tax	818	12.7	613	10.8	33.6
Income tax	-238	-3.7	-167	-2.9	42.2
Net Income	581	9.0	446	7.8	30.3

Balance Sheet

(In Php MM)

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DEPOT

	Audited Dec 31, 2019	Audited Dec 31, 2018
Current Assets	15,023	11,123
Noncurrent Assets	11,212	6,379
Total Assets	26,235	17,502
Current Liabilities	7,234	4,171
Noncurrent Liabilities	4,339	118
Total Liabilities	11,573	4,290
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	63	83
Retained Earnings	5,125	3,656
Total Equity	14,662	13,212
Current ratio	2.08	2.67
Quick ratio	0.66	0.75
Debt to equity ratio	0.79	0.32
Return on asset	8.1%	10.5%
Return on equity	14.5%	13.9%



home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries

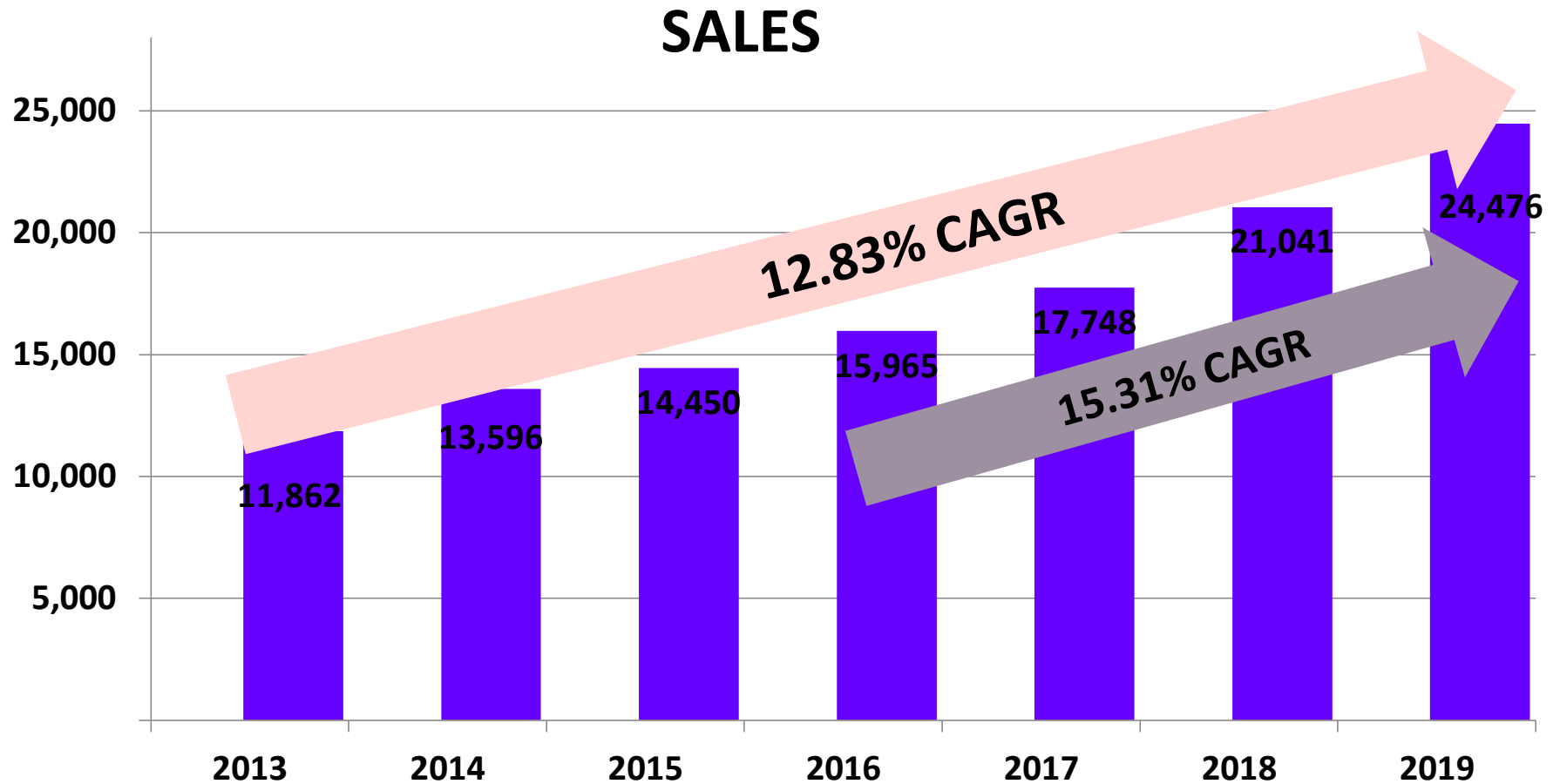


plumbing

SECTION 3

Operating and Financial Statistics

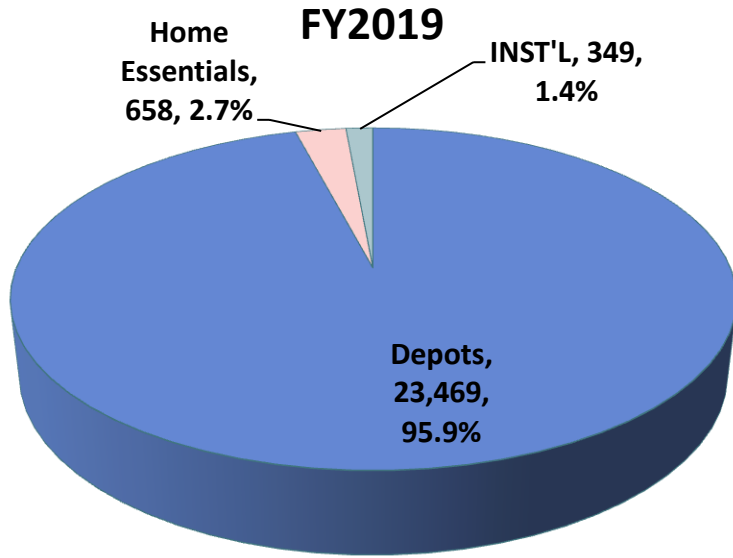
Healthy Sales Growth



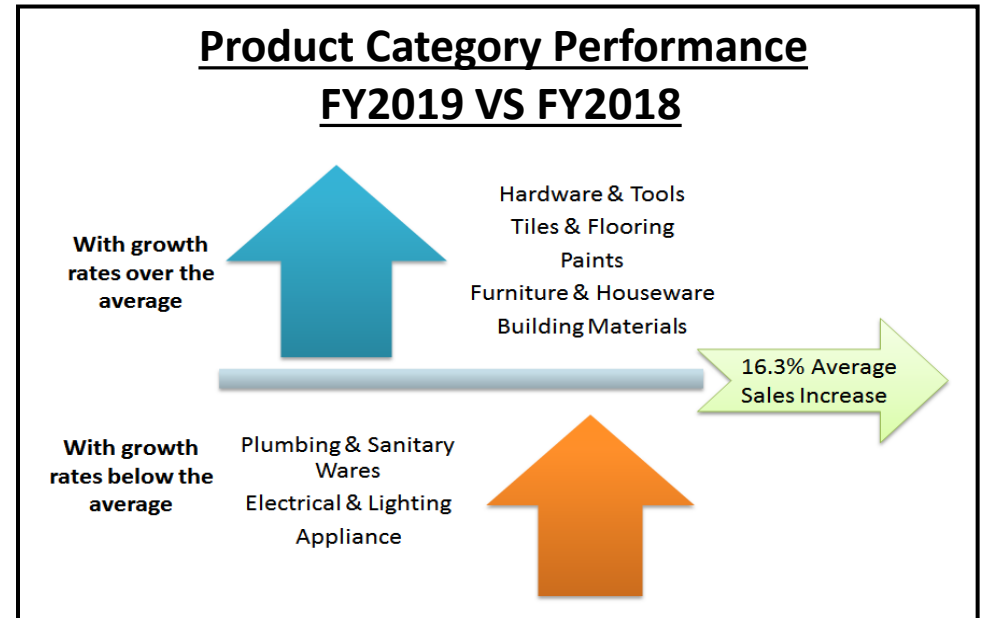
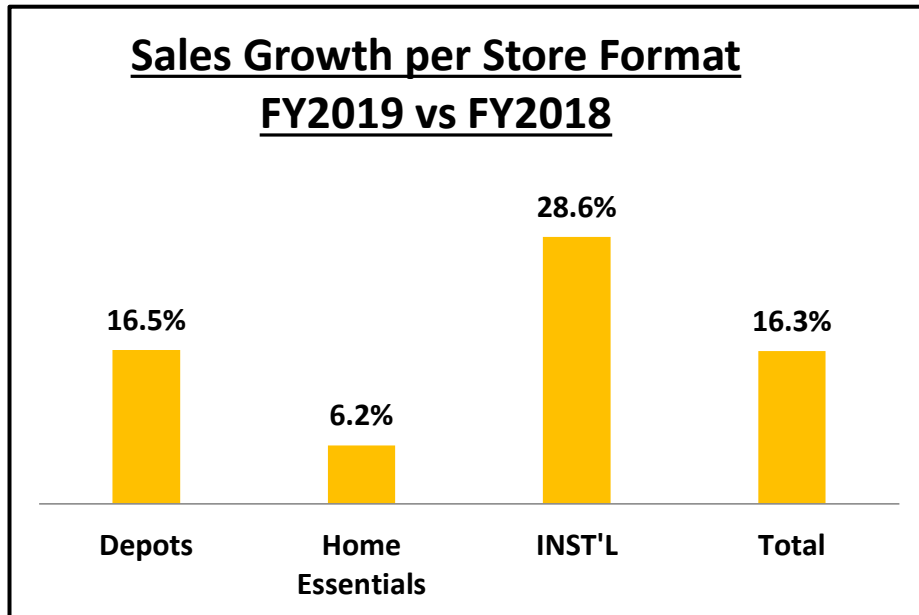
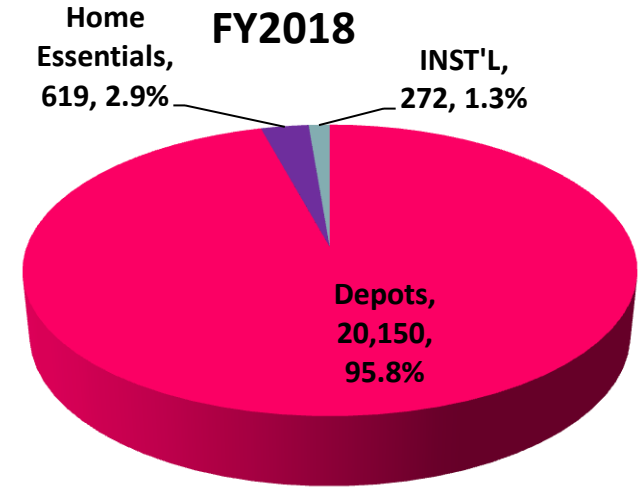
Note: 2013 to 2015 – Pro-forma/Reviewed / 2016 – In-house Pro-forma / 2017 – Actual/Audited
Commercial operations under WDI commenced April 1, 2016

Total Net Sales Breakdown

PhP Millions



16.3%



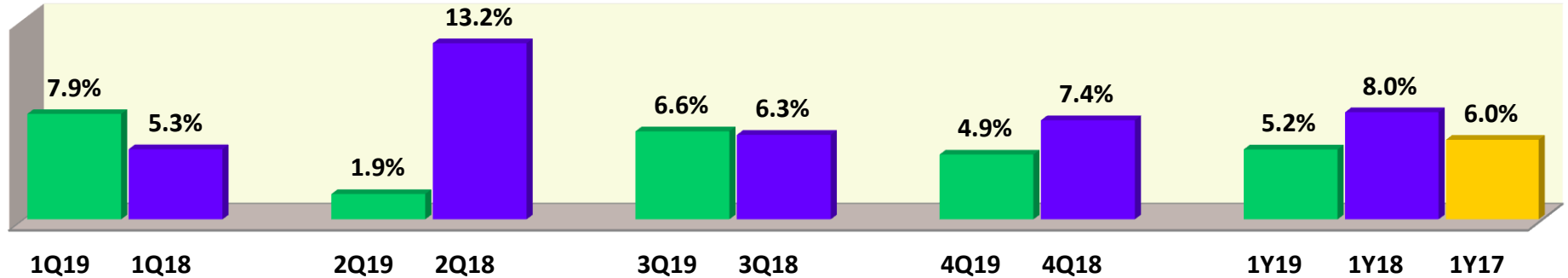
Comparable Sales Summary



Quarterly Trend

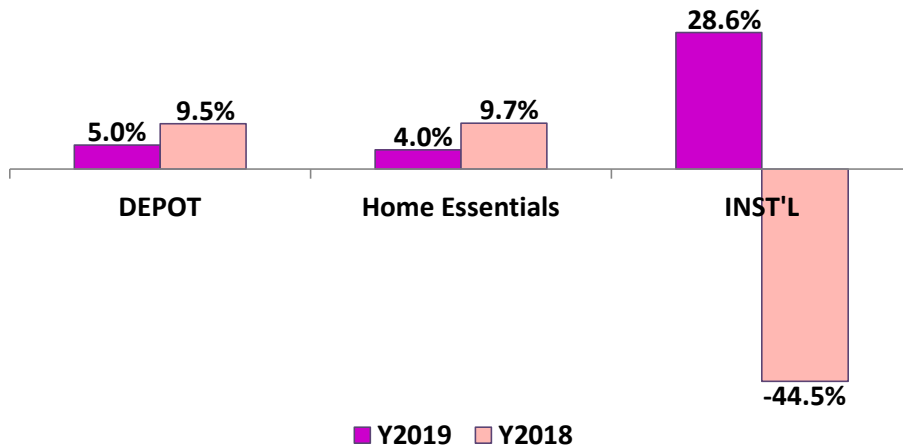
SSSG Excluding Inst'l/ Projects Sales

- 4Q19 – 4.3% FY2019 – 4.9%
- 4Q18 – 9.3% FY2018 – 9.5%

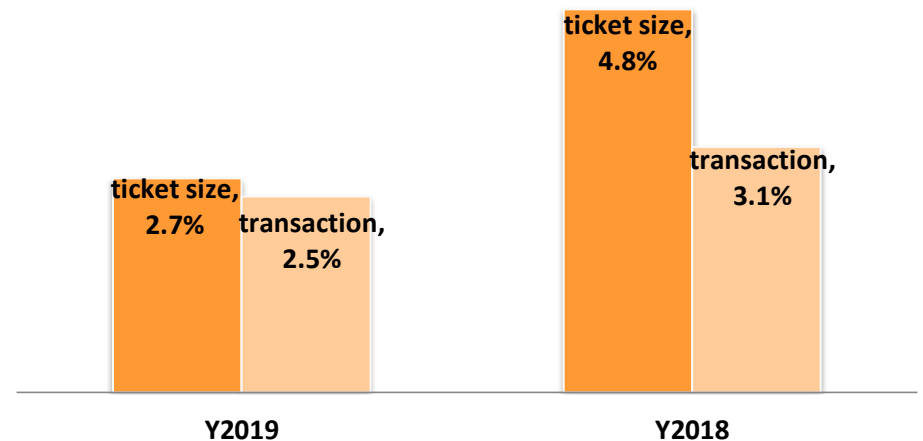


Note: 2016 – In-house Pro-forma
Commercial operations under WDI commenced April 1, 2016

Comparable Sales per Format Y2019 vs Y2018



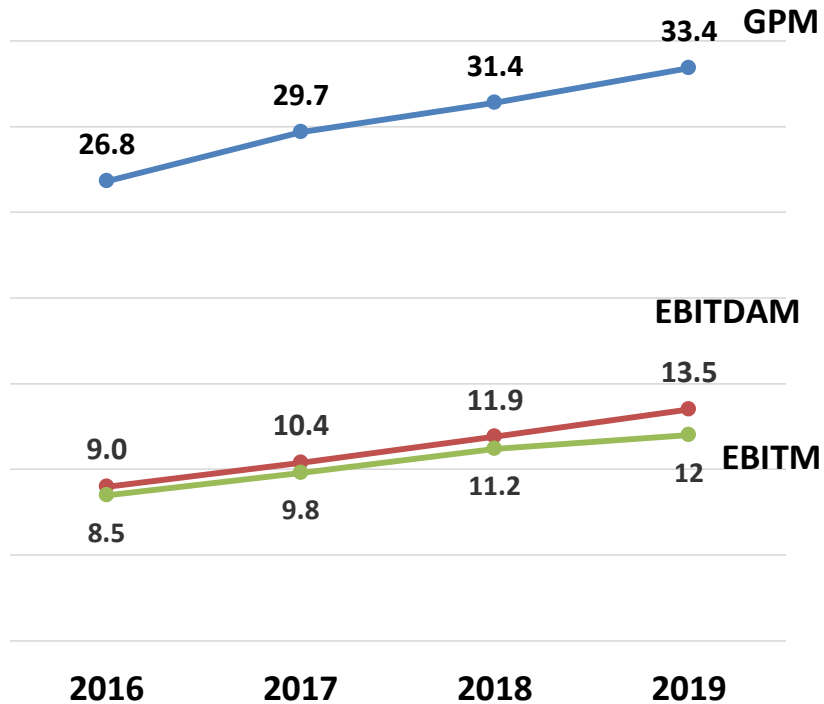
Comparable Ticket Size and Transactions Growth FY2019 vs FY2018



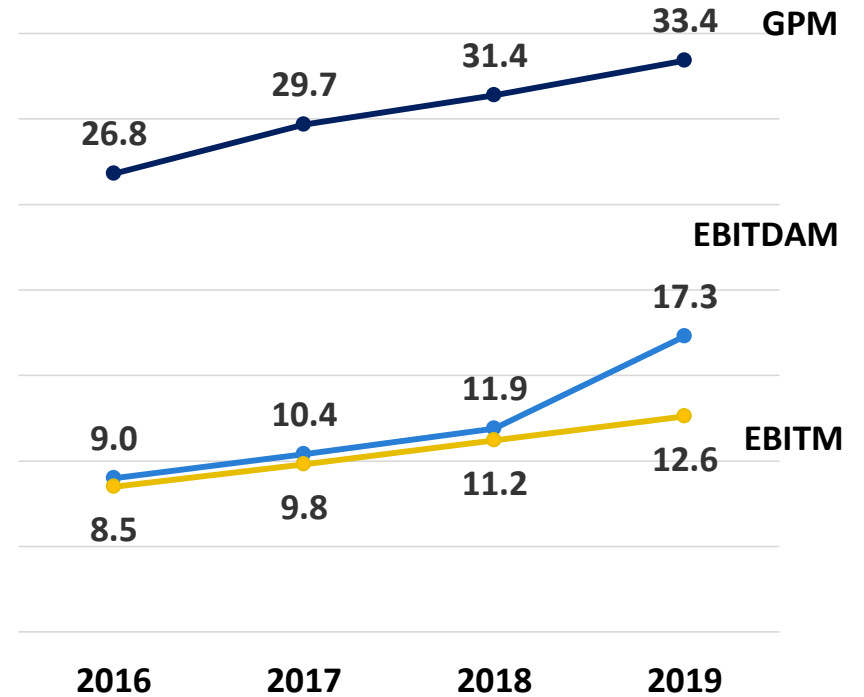
Improving Margins



Philippine Accounting Standard 17 - Leases (OLD)



Philippine Financial Reporting Standard 16 - Leases





home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries

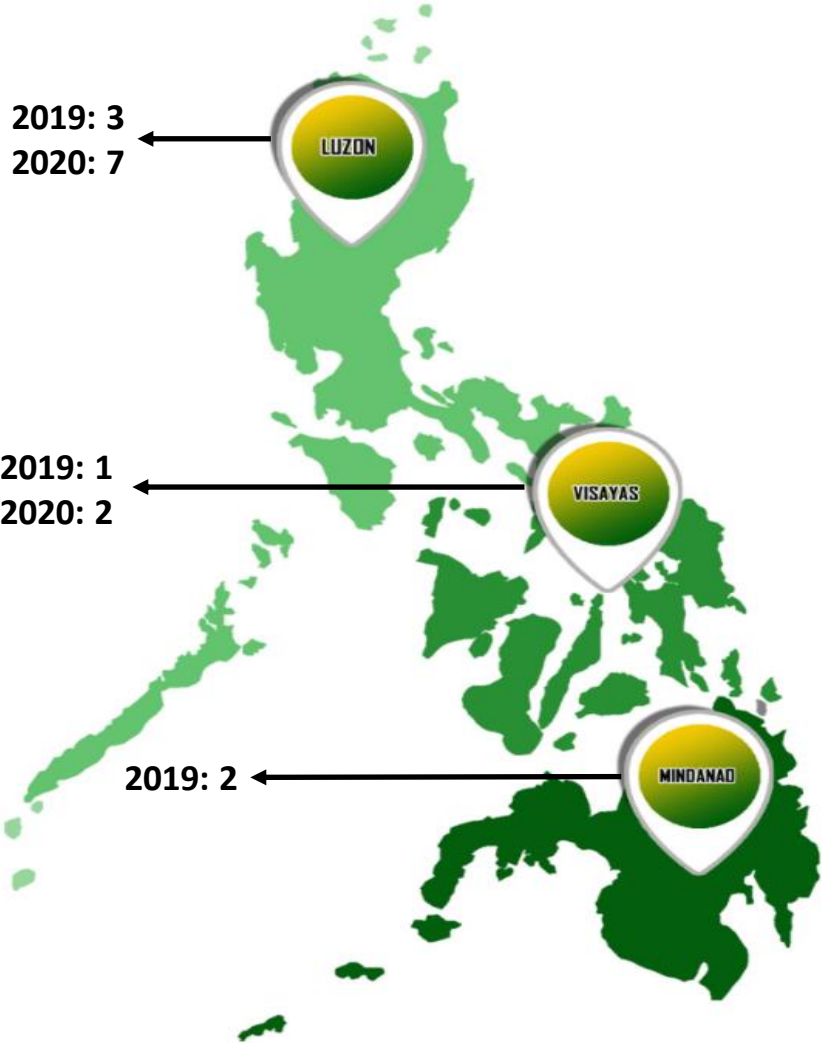


plumbing

SECTION 4

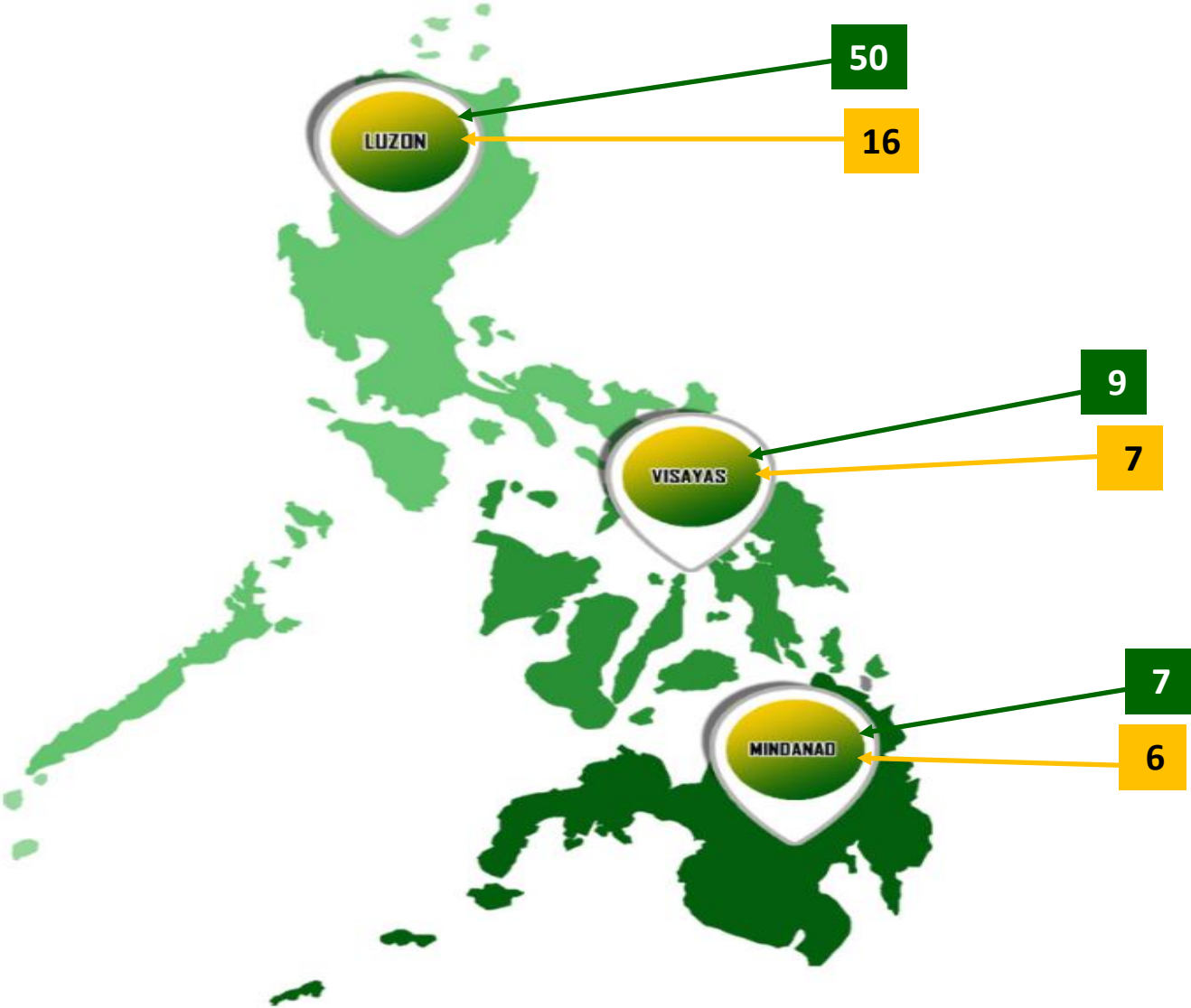
Outlook

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	Commonwealth
	Sto. Tomas City, Batangas	Taytay
	Iguig, Cagayan Valley	San Fernando, La Union
		Ormoc, Leyte
Total, end	57	66

2017 - 2020 Planned New Branches



Total Planned New Depot Stores - 29

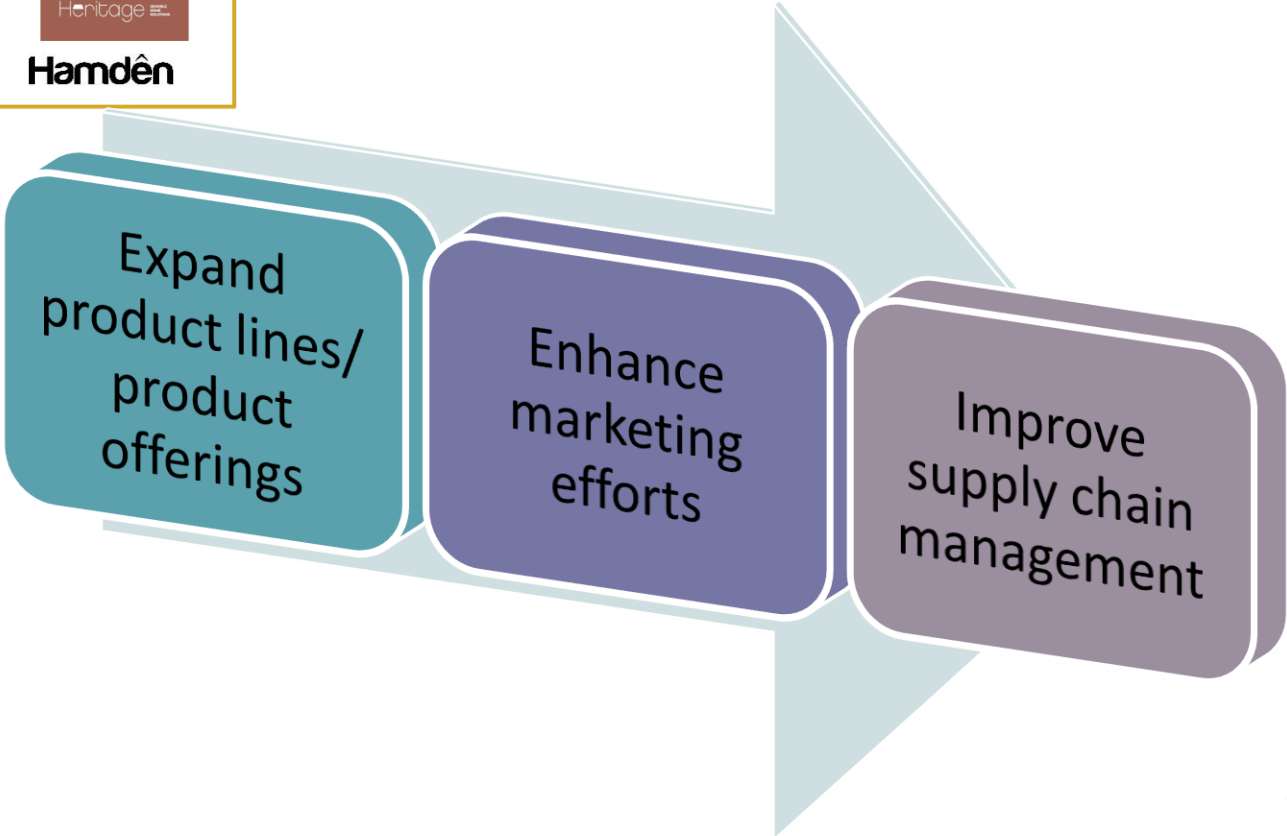
Total number of stores in 2020 - 66

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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