



Wilcon Depot, Inc.

9M2020 Earnings Call



Discussion Agenda

WILCON

DEPOT

1 Results Highlights

2 Financial Results

3 Operating and Financial Statistics

4 Outlook



Results Highlights



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

Results Highlights



Nine Months 2020



- Closed 44 branches in Luzon on Mar 17 pursuant to ECQ rules
- Closed all VisMin branches from Mar 30/31 and gradually re-opened these starting Apr 13
- Pro-actively initiated new operating health and safety standards upon re-opening in VisMin
- Opened 4 new depot stores in Luzon

- Launched Browse, Call & Collect/ Deliver for a more convenient online shopping experience



Results Highlights

WILCON **DEPOT**

Nine Months 2020



- Opened our 61st store in Cabuyao, Laguna on September 18, 2020
- Metro Manila and other nearby provinces placed back on MECQ from Aug 4 to 18. Stores remained open but shortened operating hours due to the 8 pm curfew.
- Implemented more stringent health and safety operating standards
- Relaunch of new and improved e-commerce site by 4Q 2020



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Results Highlights

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3rd Quarter 2020

	JUL	AUG	SEP	3Q20	3Q19
Sales (PhP Million)	2,384	2,126	2,239	6,749	6,257
Operating Inc (PhP Million)	301	188	266	755	698
Net Income (PhP Million)	213	135	186	533	549
YOY Sales Growth	12.4%	1.7%	9.4%	7.9%	
Comp Sales Growth / SSSG	3.1%	-4.7%	2.9%	0.4%	
MM Quarantine Status	GCQ	MECQ	GCQ		

- Contribution of exclusives (in-house and exclusive brands) improved to 51.6% from 49.5% year-on-year
- Gross profit margin expanded to 34.3%

Results Highlights

Nine Months 2020

- Contribution of exclusives (in-house and exclusive brands) improved to 51.4% from 49.2% year-on-year
- Goss profit closed at ₱5.436 billion, resulting in a 34.4% margin
- Net income declined by 42.6% y-o-y to ₱886 million

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Financial Results

3rd Quarter 2020

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(In PHP MM)	3Q2020	% Sales	3Q2019	% Sales	% Growth
Net Sales	6,749	100.0	6,257	100.0	7.9
Cost of Sales	-4,434	-65.7	-4,158	-66.5	6.6
Gross Income	2,314	34.3	2,099	33.5	10.3
Operating Expenses	-1,511	-22.4	-1,387	-22.2	8.9
Interest Exp (Lease Liab)	-110	-1.6	-85	-1.4	29.7
Other Income - Net	61	0.9	71	1.1	-13.6
Income from Operations	755	11.2	698	11.2	8.1
Interest Income	7	0.1	36	0.6	-79.1
Income Before Tax	762	11.3	734	11.7	3.9
Income tax	-229	-3.4	-185	-2.9	24.2
Net Income	533	7.9	549	8.8	-2.9

GPM increased to
34.3%

Nine Months 2020

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(In PHP MM)	9M2020	% Sales	9M2019	% Sales	% Growth
Net Sales	15,789	100.0	18,035	100.0	-12.5
Cost of Sales	-10,353	-65.6	-12,123	-67.2	-14.6
Gross Income	5,436	34.4	5,912	32.8	-8.1
Operating Expenses	-4,113	-26.1	-3,910	-21.7	5.2
Interest Exp (Lease Liab)	-317	-2.0	-208	-1.2	52.3
Other Income - Net	196	1.2	211	1.2	-7.0
Income from Operations	1,203	7.6	2,005	11.1	-40.0
Interest Income	46	0.3	119	0.7	-61.1
Income Before Tax	1,249	7.9	2,124	11.8	-41.2
Income tax	-363	-2.3	-580	-3.2	-37.4
Net Income	886	5.6	1,544	8.6	-42.6

GPM increased to
34.4%

Balance Sheet

(In Php MM)

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	Unaudited Sep 30, 2020	Audited Dec 31, 2019
Current Assets	13,937	15,022
Noncurrent Assets	12,600	11,215
Total Assets	26,536	26,237
Current Liabilities	7,158	7,236
Noncurrent Liabilities	4,577	4,339
Total Liabilities	11,735	11,576
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	56	63
Retained Earnings	5,272	5,125
Total Equity	14,802	14,662
Current ratio	1.95	2.08
Quick ratio	0.56	0.66
Debt to equity ratio	0.79	0.79
Return on asset	3.3%	8.1%
Return on equity	6.0%	14.5%

WILCON DEPOT



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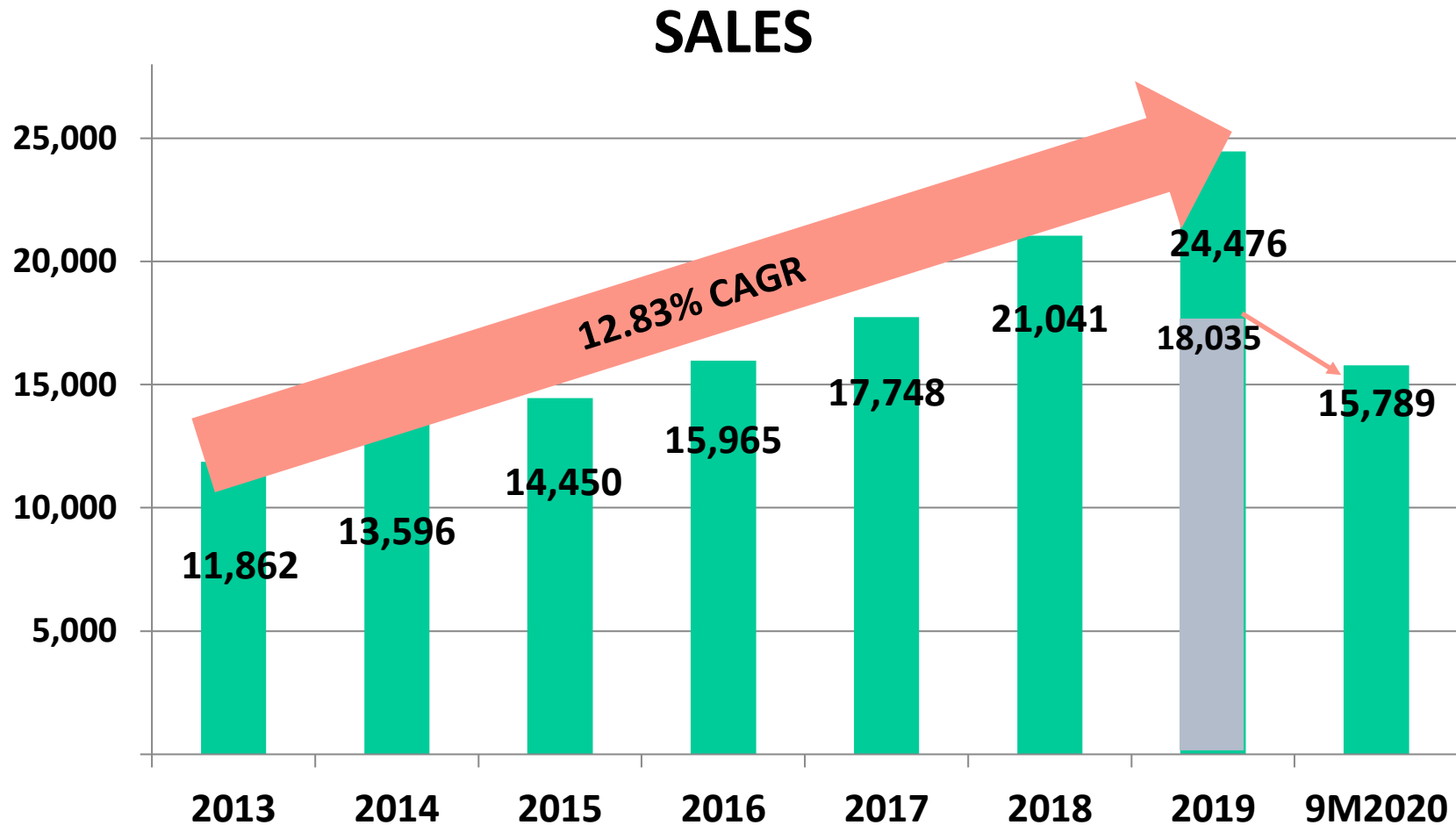
plumbing

Operating and Financial Statistics

Historical Sales Growth

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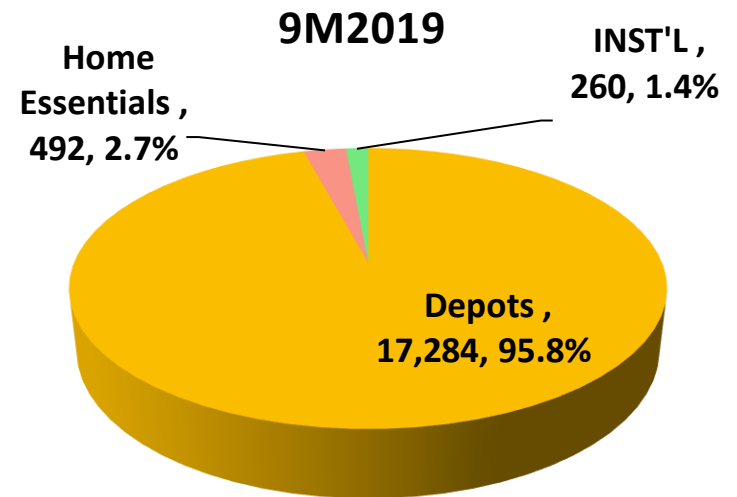
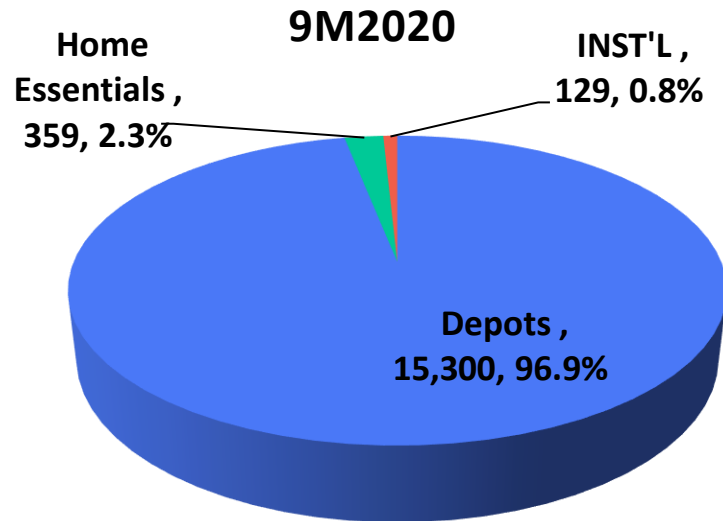
DEPOT



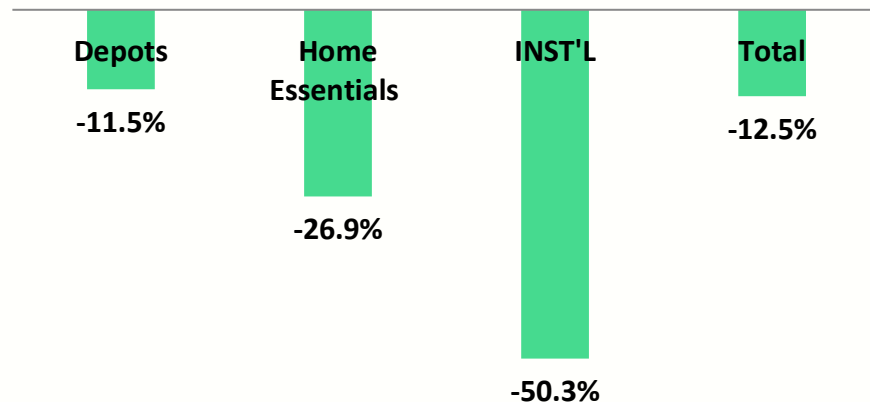
Note: 2013 to 2015 – Pro-forma/Reviewed / 2016 – In-house Pro-forma / 2017 – Actual/Audited
Commercial operations under WDI commenced April 1, 2016

Total Net Sales Breakdown

PhP Millions



Sales Growth per Store Format 9M2020 vs 9M2019



Product Category Performance 9M2020 vs 9M2019

Better than Average

- Appliances
- Furniture, Furnishings & Houseware
- Hardware & Tools
- Electrical & Lighting
- Paints

-12.5%

Lower than Average

- Tiles
- Building Materials
- Plumbing and Sanitary Wares

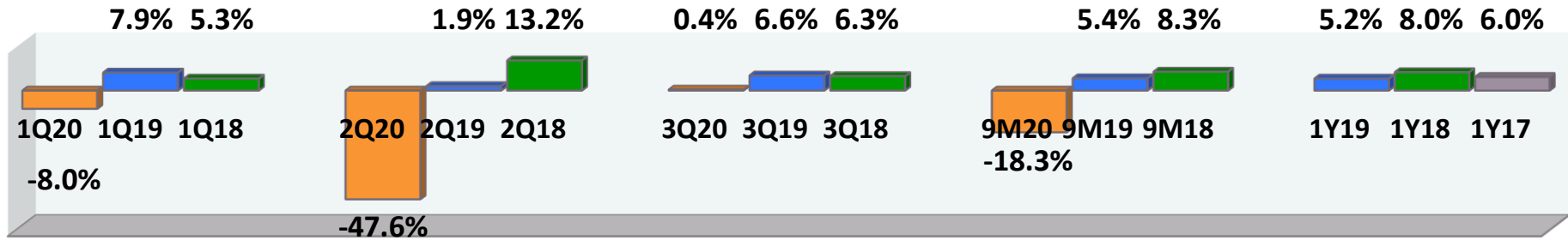
Comparable Sales Summary



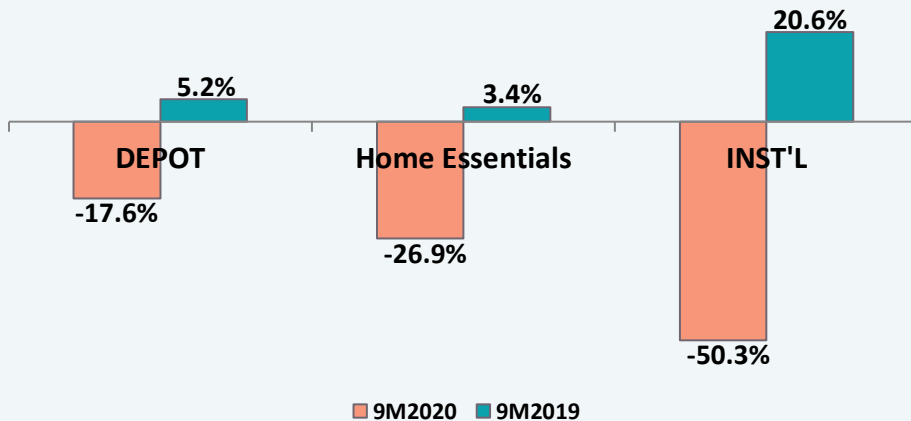
Quarterly Trend

SSSG Excluding Inst'l/ Projects Sales

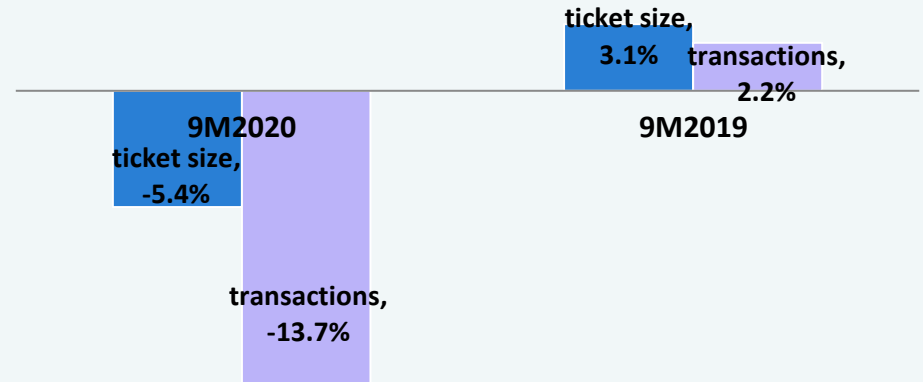
- 9M20 = -17.9% FY2019 = 4.9%
- 9M19 = 5.2% FY2018 = 9.5%
- 9M18 = 9.6% FY2017 = 5.9%



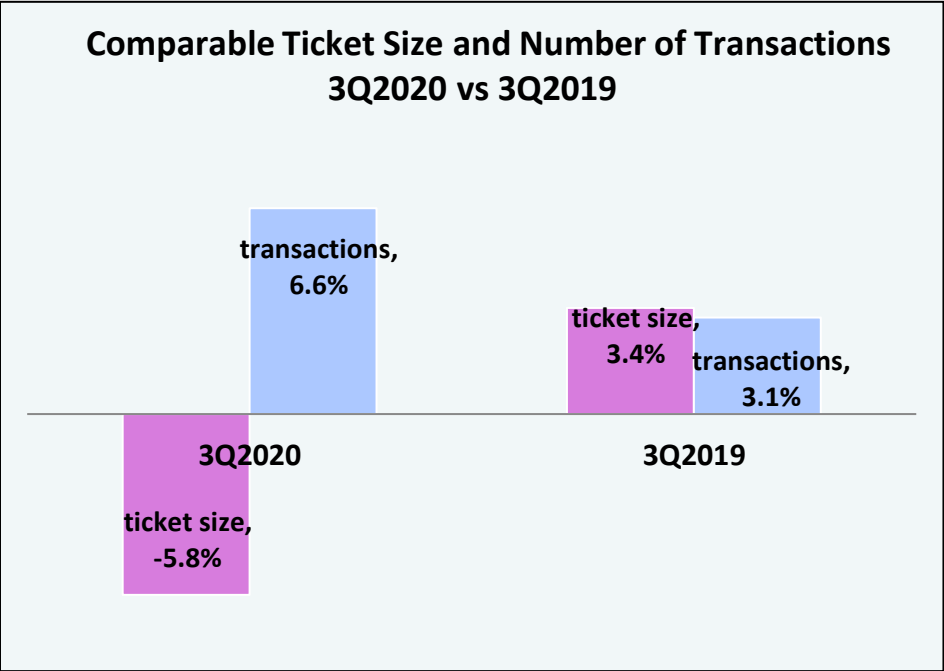
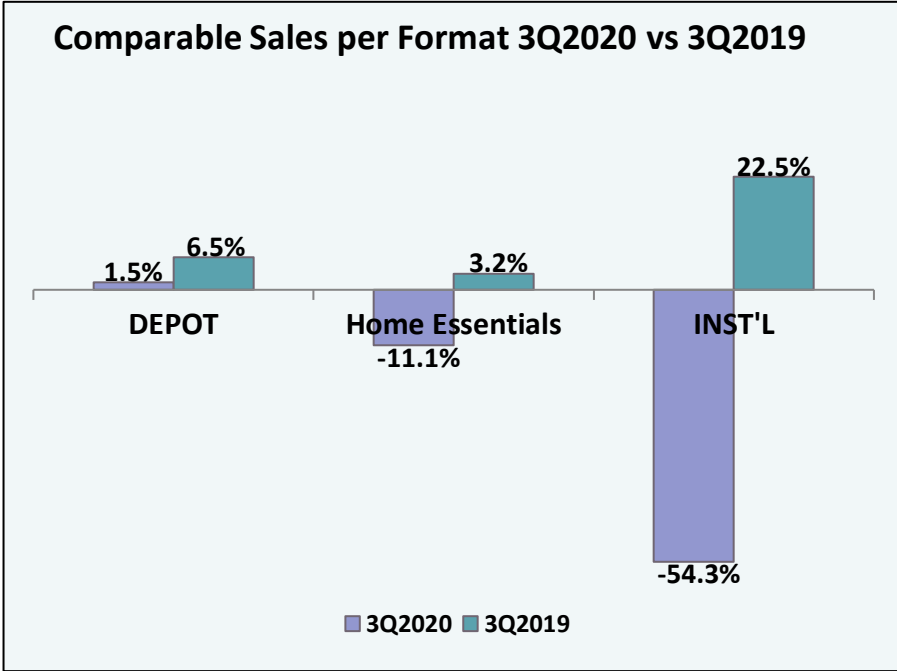
Comparable Sales per Format 9M2020 vs 9M2019



Comparable Ticket Size and Number of Transactions 9M2020 vs 9M2019



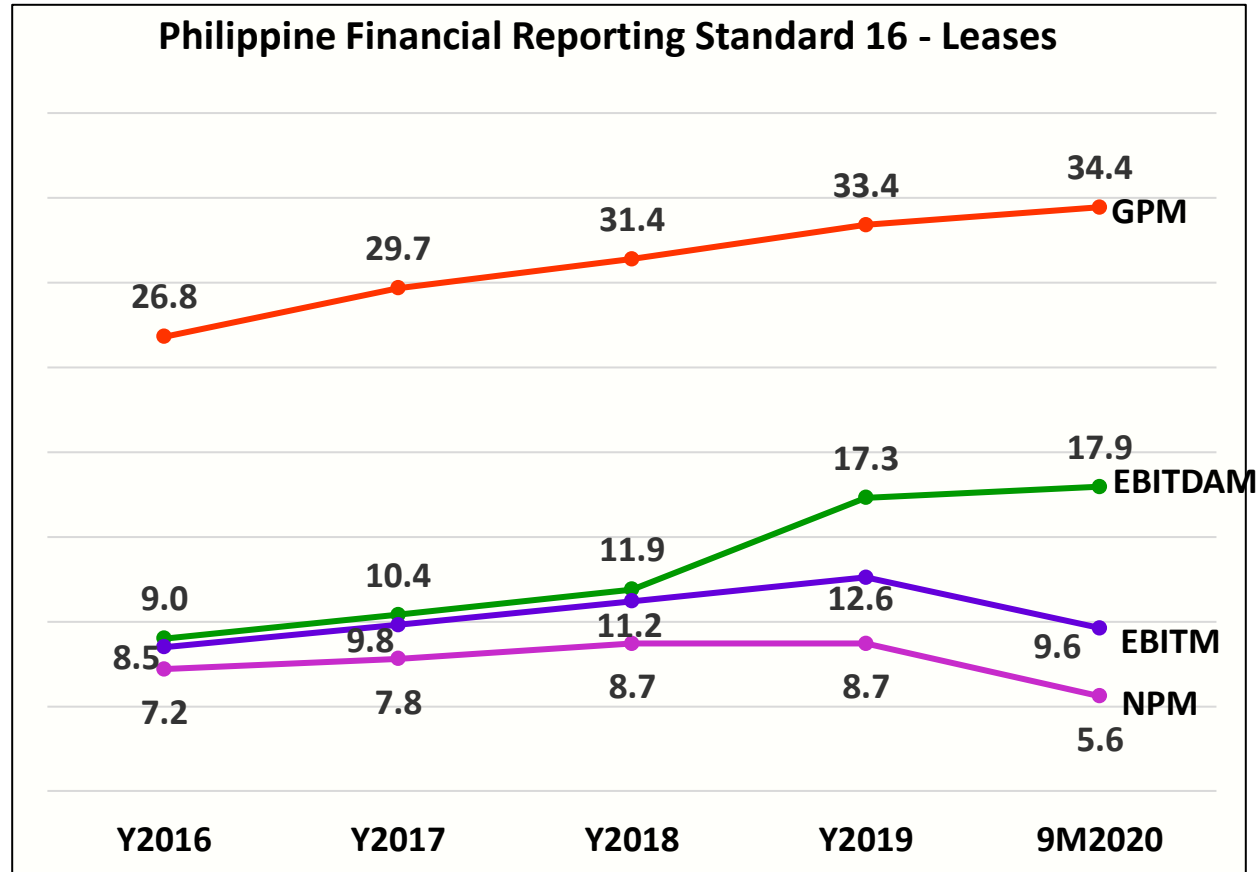
Comparable Sales Summary



Margins

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Outlook



home interior



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doors & mouldings



tiles

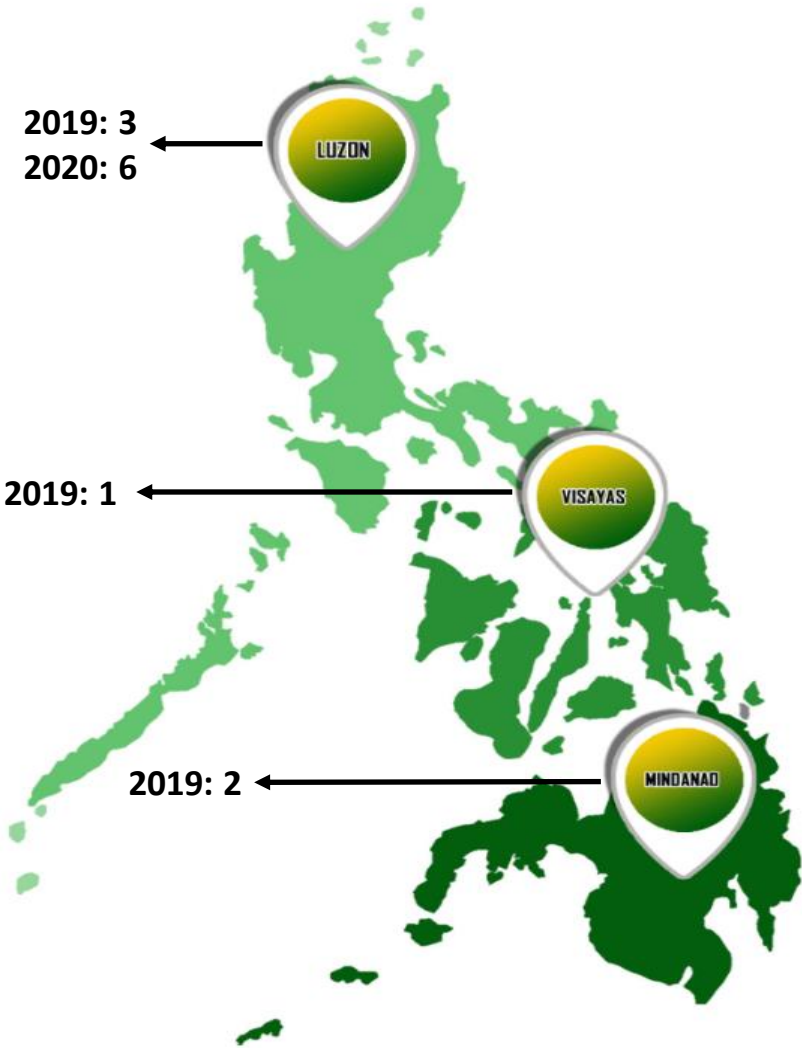


paints & sundries



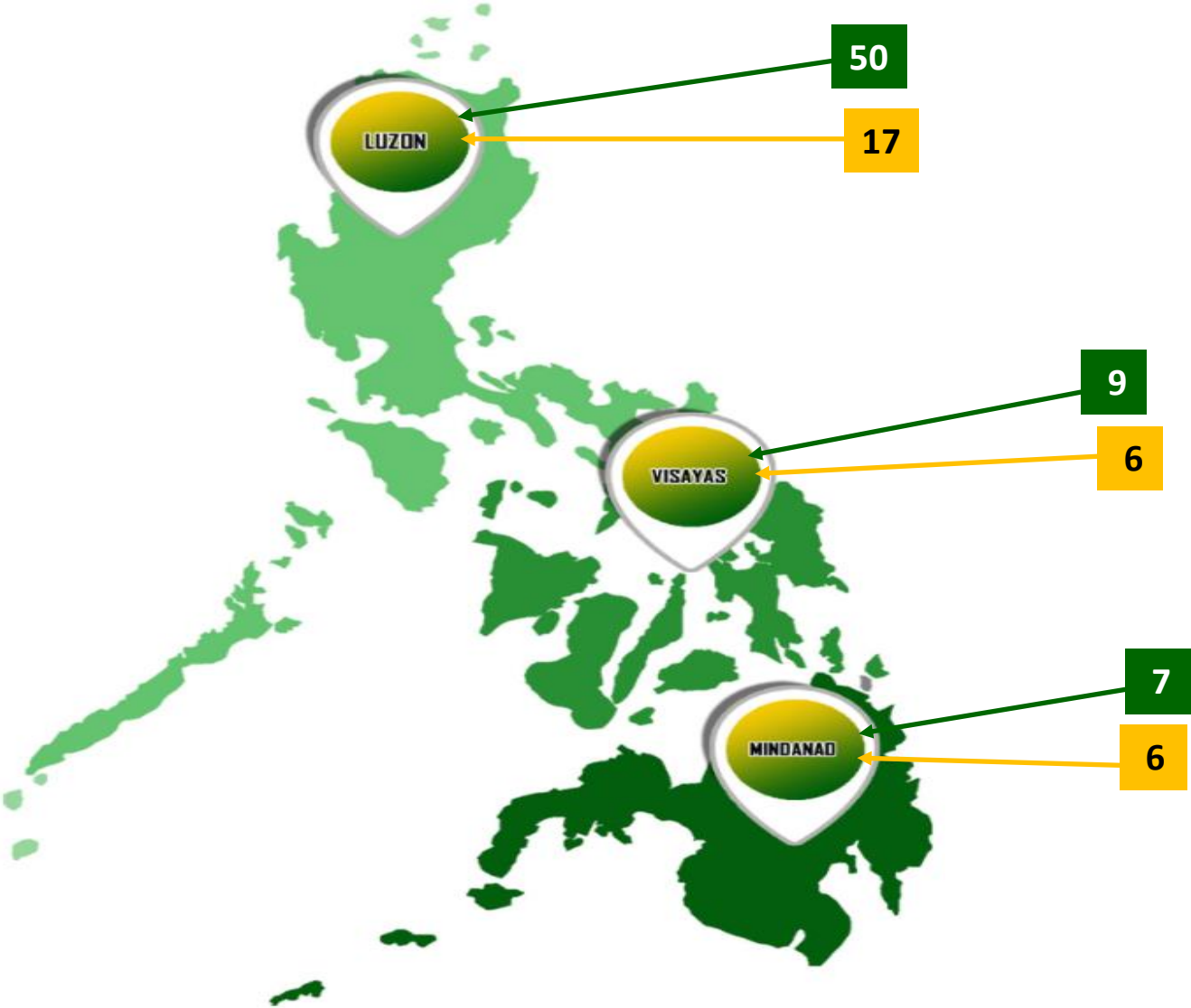
plumbing

2019 - 2020 Store Expansion Plan



	2019	2020 (Max)
Beg. balance	51	57
1H	Panacan, Davao	Daraga, Albay - Mar 6
	Sta. Barbara, Iloilo	San Jose, Del Monte - June 12
		Calumpit, Bulacan - June 26
2H	Opol, CDO	Cabuyao, Laguna - Sep 18
	San Isidro, Antipolo City	Olongapo City
	Sto. Tomas City, Batangas	Taytay
	Iguig, Cagayan Valley	
Total, end	57	63

2017 - 2021 Planned New Branches



Total Planned New Depot Stores - 29

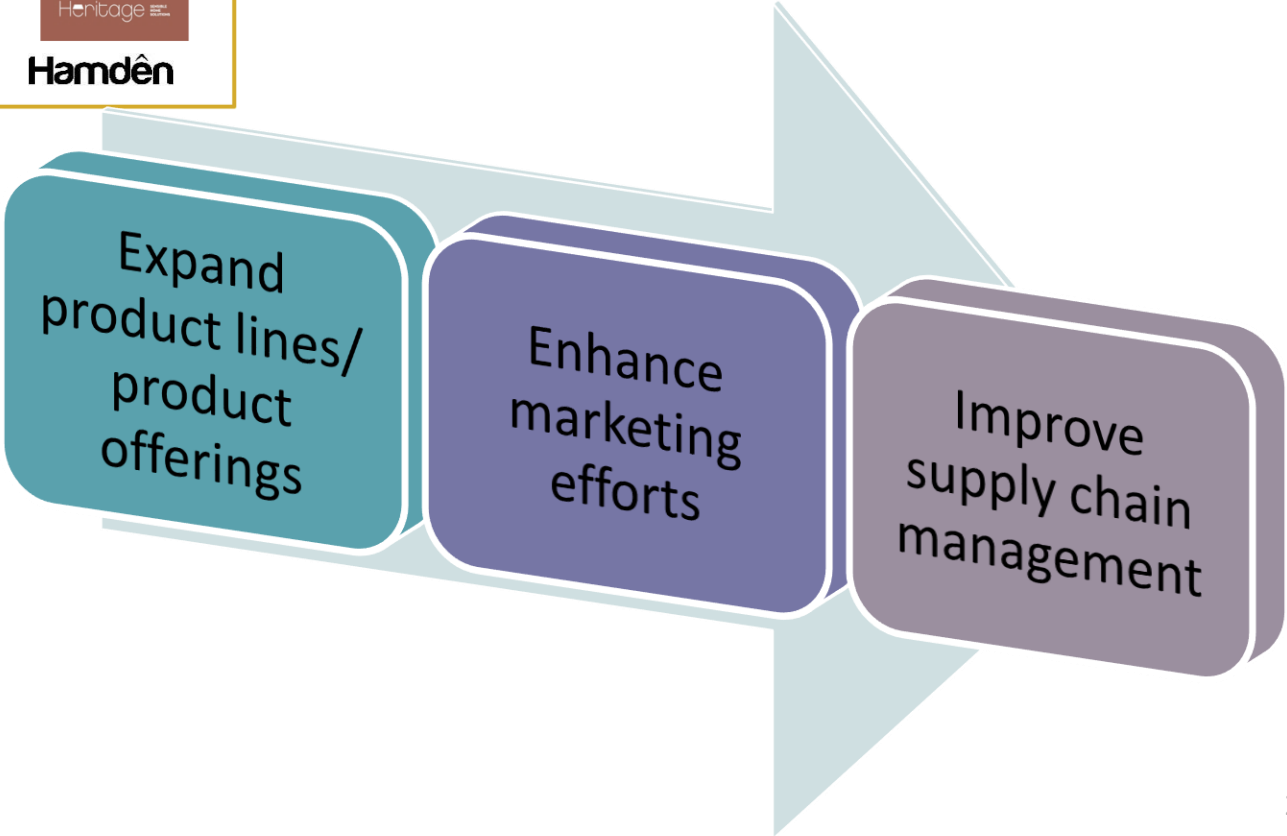
Total number of stores in 1H2021 - 66

From January 2017 to September 2020, twenty five (25) new stores were opened, twenty four (24) 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 Heritage	Tiles / Flooring Arte SOL VERONA PICASSO ROMANTIC	Hardware & Tools DIRECT HARDWARE
Electrical and Lighting ALPHALUX KAZE	Building Materials WOODLAND FOREST SOLUTHERM	Appliances Heritage Hamden	



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