

COVER SHEET

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(Company's Full name)

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(Principal Office)

Atty. Sheila Pasicolan - Camerino

Contact Person

(02) 8634-8387

Tel. No.

PRESS RELEASE

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FORM TYPE

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Secondary License, (if applicable type)

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Dept. requiring this doc

N/A

Amended Articles number

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Total stockholders

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Domestic

Foreign

To be accomplished by SEC personnel concerned

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File Number

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Document I.D.

Cashier

<p>STAMPS</p>

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. 22 March 2024
Date of Report

 2. SEC Identification Number - CS201524712 3. BIR Tax Identification No. - 009-192-878

 4. WILCON DEPOT, INC. doing business under the name and style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (Formerly, WILCON DEPOT, INC. doing business under the name and style of WILCON DEPOT and WILCON HOME ESSENTIALS)
Exact name of issuer as specified in its charter

 5. QUEZON CITY, PHILIPPINES (SEC Use Only)
Province, country or other jurisdiction of Industry Classification Code:
incorporation

 6. 90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City 1110
Address of principal office Postal Code

 7. (02) 8634-8387
Issuer's telephone number, including area code

 8. NOT APPLICABLE
Former name or former address, if changed since last report

 9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON SHARES	4,099,724,116

 10. Indicate the item numbers reported herein: 1
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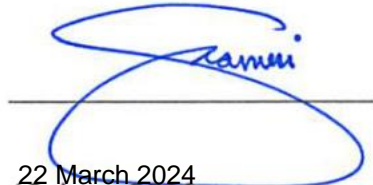
Item. 9. Other Events

Please see attached press release entitled "WILCON POSTS 2023 NET INCOME OF P3.5B"

SIGNATURES

Registrant Atty. Sheila P. Pasicolan - Camerino
Title Asst. Corporate Secretary/Compliance Officer

Signature



Date

22 March 2024

WILCON POSTS 2023 NET INCOME OF P3.5B

- *Net sales of P34.604 billion, up 3.1% year-on-year*
- *Gross profit of P13.694 billion, up 4.3% year-on-year*

Wilcon Depot, Inc., the Philippines' leading home improvement and finishing construction supplies retailer, today reported its full year 2023 results. Net sales of P34.604 billion, increased by 3.1% or P1.033 billion due mainly to the sales generated from the new stores. Gross profit also expanded to P13.694 billion, up 4.3% or P568 million year-on-year. Rising operating expenses, however, mostly contributed by expansion-related expenses lowered net income year-on-year by 9.5% or P365 million to P3.483 billion.

The company's board of directors in its March 20, 2024 meeting approved the distribution of cash dividends totaling P0.26 per share.

"The softness of the market persisted through the fourth quarter, which led to a modest growth in our topline for the year, 100% of which was contributed by the new stores. Comparable sales dipped by 3.4%, impacting directly our net income as operating expenses conversely continued to grow. It can be noted that in 2022, our comparable sales growth was at an impressive 14.2%, which reflected the robust demand for home improvement products post-mobility restrictions. In 2023, on the other hand, there was an apparent slowdown in home improvement spending not only here but globally as well.

Despite this slowdown, we continue to pursue our 100-store goal by 2024, a year earlier than initially planned. We believe that we have to be in the best position to serve our market once home improvement spending rekindles," said Lorraine Belo-Cincochan, President and CEO of Wilcon Depot.

Ms. Belo-Cincochan also said, "we opened nine (9) stores in 2023 and ended the year with 90 stores. We closed one Home Essentials branch and the other one we replaced with a new depot. We have gotten the approval for the use of "Do It Wilcon" (DIW) as an additional trade name and we shall be completing the renaming of our Home Essentials branches into DIW in 2024. For 2024, we are planning to open two (2) DIW branches and eight (8) depot format stores. Anchoring on our 47-year experience in this sector, we remain confident that we will be able to adapt to the post-Covid home improvement market by being consistently customer-centric and improving our operations to continually give excellent value to our customers even as we expand our market reach."

Fourth Quarter 2023 Results

Net sales totaled P8.661 billion, lower by 2.11% or P187 million year-on-year, with the 5.1% increase contributed by new stores offset by the drop in comparable sales of 7.1%. Three new stores were opened during the quarter, two depots in South Luzon and a Home Essentials branch in a mall in Metro Manila.

Depot format stores' net sales of P8.298 billion, contributing 95.8% of total sales for the quarter was lower by 3.1% or P265 million year-on-year. The format's comparable sales declined by 7.9% offsetting the 4.9% increase in net sales generated by new depots.

The Home Essentials format accounted for 2.2% of total net sales, totaling P192 million, increasing by 6.7% or P12 million year-on-year due mainly to the contribution of new branches. The remaining 2.0% was accounted for by project sales or sales to major developers, amounting to P171 million, increasing by P65 million or 62.1% year-on-year.

Gross profit decreased by P63 million or 1.8% year-on-year to total P3.446 billion at the close of the quarter, traced mainly to the decline in net sales. The higher margin exclusive and in-house brands increased its contribution from 51.3% to 52.1% year-on-year resulting in an increase in gross profit margin rate to 39.8%.

Operating expenses increased to P2.378 billion during the quarter, up ₱87 million or 3.8% year-on-year. The increase is attributable mainly to expansion-related expenses, particularly in outsourced services, trucking, depreciation and amortization, and supplies. Lease-related interest expense amounted to P167 million, up 11.7% or P18 million, traced to additional leases for new branches.

Other income (charges) amounted to P108 million, lower by P6 million or 4.9% year-on-year due mainly to lower collection of rent income.

As a result, net income for the quarter amounted to P757 million, lower by 14.7% or P130 million year-on-year.

Full Year 2023 Performance

Net sales for the year 2023, amounted to P34,604 billion, increasing by P1.033 billion or 3.1% year-on-year, all coming from new store sales as comparable sales declined by 3.4%. Nine (9) new stores were opened during the year, seven (7) depots and two (2) Home Essentials. The company closed the year with 90 branches.

On a per format basis, the depots, comprising 96.3% of total net sales, grew by P709 million or 2.2% to P33.323 billion year-on-year. The increase was accounted for by sales from new depots as same store sales declined by 4.1% due to lower transaction count. The Home Essentials format accounted for 2.1% with net sales of P741 million, a P100 million or 15.7% increase year-on-year, contributed wholly by below one-year sales of the format. Same store sales for the format declined by 4.8%. The remaining 1.6% of total net sales was accounted for by project sales, amounting to P540 million, increasing by P224 million or 71.0% year-on-year.

Gross profit grew by P568 million or 4.3% from the 2022 level of P13.126 billion to close at P13.694 billion for the year for a gross profit margin rate of 39.6%. The increase was traced mainly to higher sales for the period and the expansion in gross profit margin rate which grew by 50 basis points year-on-year.

Operating expenses increased to P8.94 billion for the year, up P1.061 billion or 13.5% from the prior year's P7.879 billion. The increase is attributable mainly to expansion-related expenses, particularly depreciation and amortization, outsourced services, trucking and salaries. Lease-related interest expense increased by P96 million or 17.7% year-on-year, to total P641 million, attributable to added leases for new stores.

Other income (charges) for the year amounted to P526 million, up by P103 million or 24.3% year-on-year, traced mainly to a one-off rebate from supplier and higher collection of rent income due to additional stores opened.

The Company recorded net income of P3.483 billion for the year, lower by P365 million or 9.5%, as a result of the higher increase in operating expenses versus the gross profit and other income improvement.

FINANCIAL HIGHLIGHTS

(In Php MM)	12M2023	% Sales	% Growth y-o-y	4Q2023	% Sales	% Growth y-o-y
Net Sales	34,604	100.0	3.1	8,661	100.0	-2.1
Cost of Sales	-20,910	-60.4	2.3	-5,215	-60.2	-2.3
Gross Income	13,694	39.6	4.3	3,446	39.8	-1.8
Operating Expenses	-8,940	-25.8	13.5	-2,378	-27.5	3.8
Interest Exp (Lease Liab)	-641	-1.9	17.7	-167	-1.9	11.7
Other Income - Net	512	1.5	26.0	107	1.2	-0.2
Income from Operations	4,625	13.4	-9.5	1,008	11.6	-14.2
Non PFRS16 Depreciation & Amortization	1,283	3.7	11.7	321	3.7	0.1
EBITDA -Adjusted	5,908	17.1	-5.6	1,329	15.3	-11.1
Non-operating other income	14	0.0	-15.7	1	0.0	-83.8
Income Before Tax	4,639	13.4	-9.5	1,009	11.6	-14.6
Income tax	-1,156	-3.3	-9.5	-252	-2.9	-14.3
Net Income	3,483	10.1	-9.5	757	8.8	-14.7

Balance Sheet	Unaudited December 31, 2023	Audited December 31, 2023
Current Assets	19,749	17,385
Noncurrent Assets	20,032	18,258
Total Assets	39,781	35,643
Current Liabilities	9,097	7,659
Noncurrent Liabilities	8,175	7,441
Total Liabilities	17,272	15,100
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Income	177	177
Retained Earnings	12,859	10,893
Total Equity	22,509	20,543

The above contains statements about future events and expectations that constitute “forward-looking statements.” These forward-looking statements include words or phrases such as the Company or its management “believes”, “expects”, “anticipates”, “intends”, “may”, “plans”, “foresees”, “targets”, “aims” “would”, “could” or other words or phrases of similar import. Similarly, statements that describe the Company’s objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Such forward looking statements are made based on management’s current expectations or beliefs as well as assumptions made by, and information currently available to, management. These forward-looking statements speak only as at the date of this presentation and nothing contained in this presentation is or should be relied upon as a promise, warranty or representation as to the future. The Company expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.