



Investors' Briefing Wilcon Depot, Inc.

March 2017



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Discussion Agenda

- 1 Overview of Wilcon Depot, Inc. (“the Company”)**
- 2 Home Improvement Industry**
- 3 Investment Highlights**
- 4 Key Growth Strategies**
- 5 Financial Highlights**
- 6 Offer Terms**



SECTION I

Overview of Wilcon Depot, Inc.



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

Overview

WILCON **DEPOT**



#1 home improvement and construction supply retailer in the Philippines*



Strong reputation and industry leadership with a 40-year track record



Well-recognized brand and a favored retailer offering a complete spectrum of home improvement products



Directly offers and distributes its in-house brands



Exclusively carries a number of renowned international and local brands



Revolutionized the construction-supply industry by enhancing customer shopping experience

WILCON **DEPOT**

Brief History



◆ Number of Stores



37

1



❖ Opened its **first** branch in Quezon Avenue

❖ Opened its first branch in **Mindanao** (Davao)

❖ Opened the **largest** Wilcon Depot store in **Balintawak** with an area of over 30,000 sqm

❖ Began operating a small-format store under “**Wilcon Home Essentials**”

❖ Began its **corporate restructuring** to promote operational efficiencies

IPO
❖ Publicly list in the Philippine Stock Exchange in [March 2017]

❖ Opened **three** more branches around Metro Manila

❖ Opened in Las Piñas, Alabang, its **first depot** format store with a size of 10,000 sqm

❖ Major rebranding and evolution of the **Wilcon logo and brand**

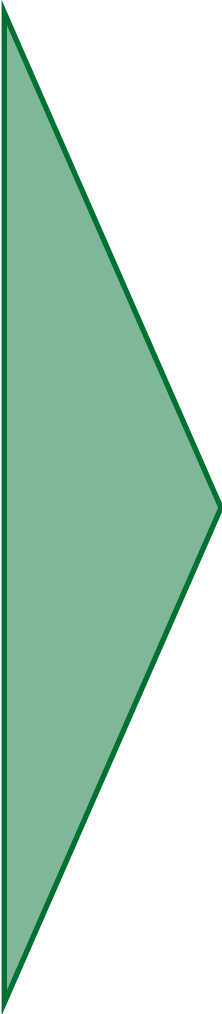
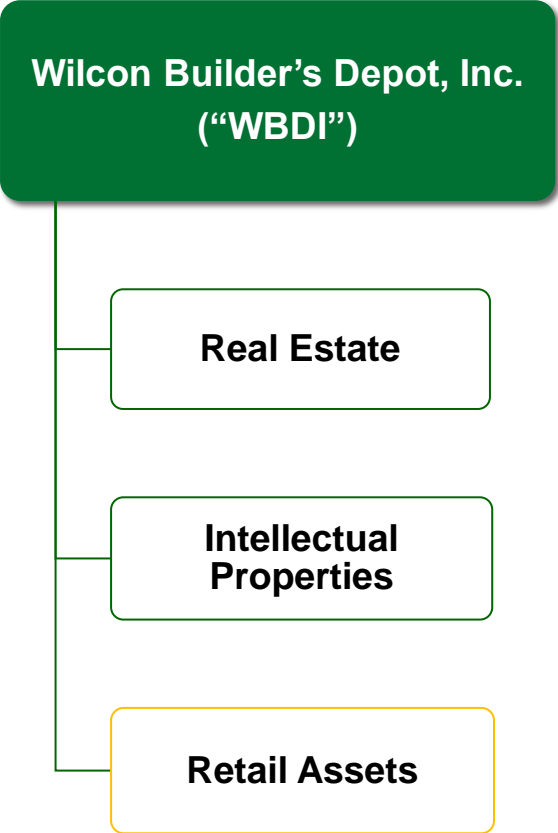
❖ Opened its first branch in the **Visayas Region** (Cebu)

❖ Incorporated **Wilcon Depot, Inc.**

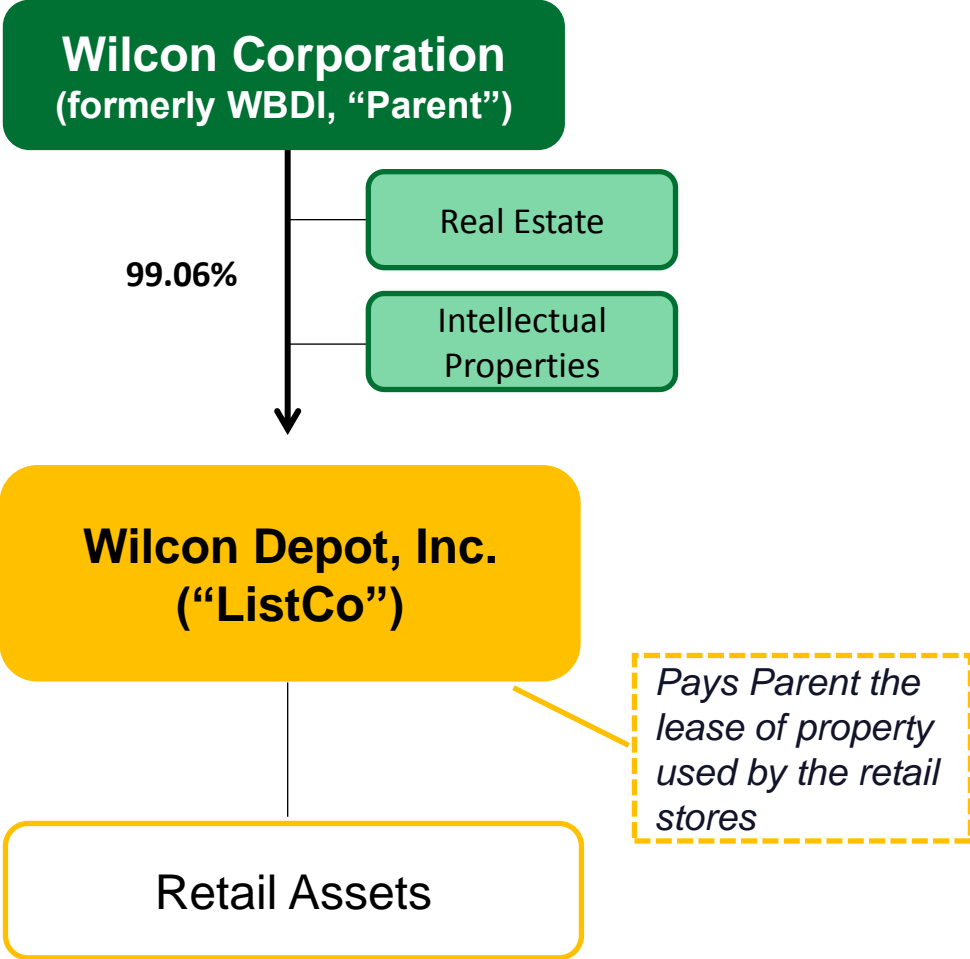
Wilcon Group: Corporate Structure



Old Structure



Post Restructuring



Pays Parent the lease of property used by the retail stores

*Based on SEC approved authorized capital on November 15, 2016

Store Network & Presence

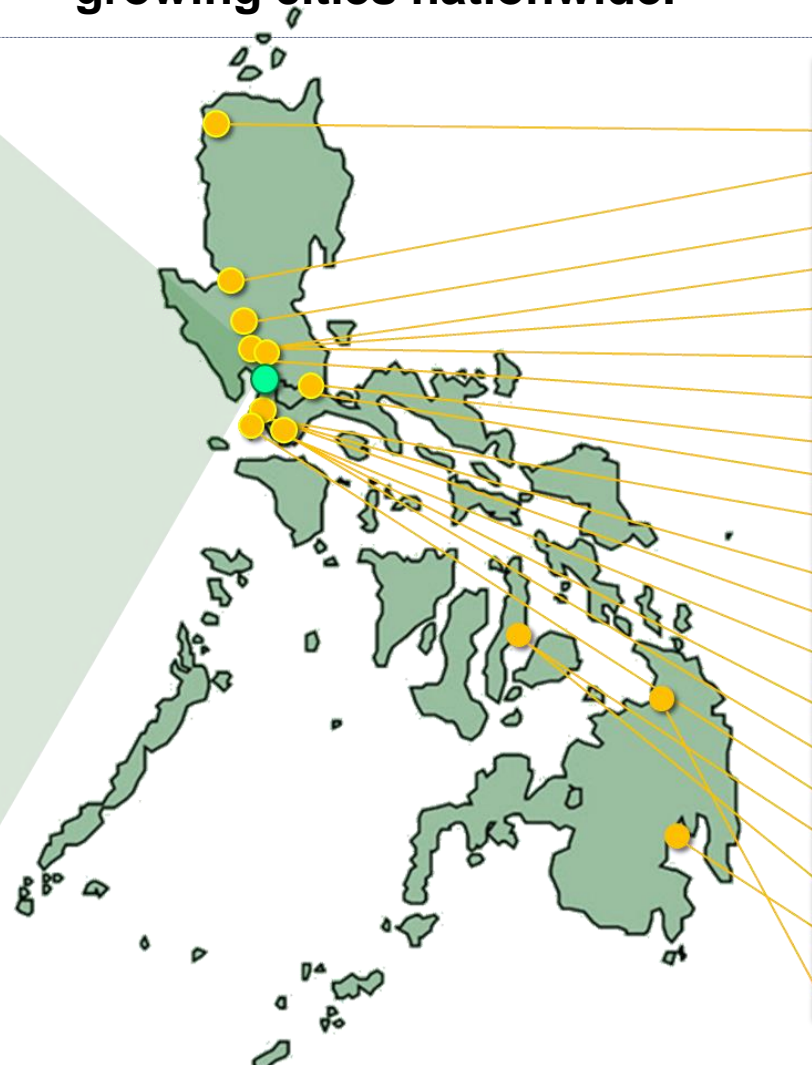
WILCON

DEPOT

Wilcon operates 37 stores strategically located in dominant markets and in fast-growing cities nationwide.

METRO MANILA (DEPOT)	
1	VALENZUELA CITY
2	FAIRVIEW
3	QUIRINO
4	BALINTAWAK
5	QUEZON AVENUE
6	LIBIS
7	WILCON IT HUB
8	PASONG TAMO
9	SUCAT
10	ALABANG
11	FILINVEST

METRO MANILA (HOME ESSENTIALS)	
1	MINDANAO AVENUE
2	CITY CENTER, VISAYAS AVENUE
3	MUÑOZ
4	ALI MALL
5	STA. MESA
6	PASAY CITY



NATIONWIDE (DEPOT)	
1	LAOAG, ILOCOS NORTE
2	VILLASIS, PANGASINAN
3	TARLAC CITY
4	DAU, PAMPANGA
5	SAN FERNANDO, PAMPANGA
6	MEXICO, PAMPANGA
7	BALIUAG, BULACAN
8	TAYTAY, RIZAL
9	ANTIPOLO CITY, RIZAL
10	DASMARIÑAS CITY
11	KAWIT, CAVITE
12	MOLINO, CAVITE
13	CALAMBA CITY, LAGUNA
14	SAN PABLO CITY, LAGUNA
15	STA. ROSA CITY, LAGUNA
16	BATANGAS CITY
17	MANDAUE CITY, CEBU
18	TALISAY CITY, CEBU
19	MATINA, DAVAO
20	BUTUAN CITY

*as of January 31, 2017

Store Formats

WILCON

DEPOT

DEPOT



HOME ESSENTIALS



No. of stores

31

6

Net Selling Space

- 2,800 sqm to 31,000 sqm, with an average net selling space of 9,500 sqm

- 1,500 sqm to 5,200 sqm, with an average net selling space of 2,400 sqm



SECTION II

Home Improvement Industry



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

The Home Improvement Industry



Demand Indicators

Construction Sector

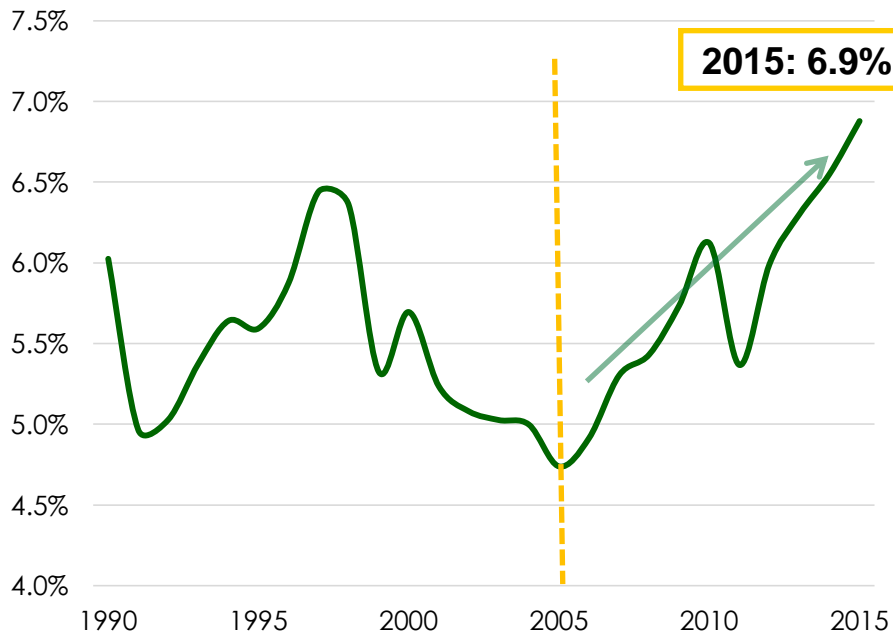
Housing Supply

Household Budget

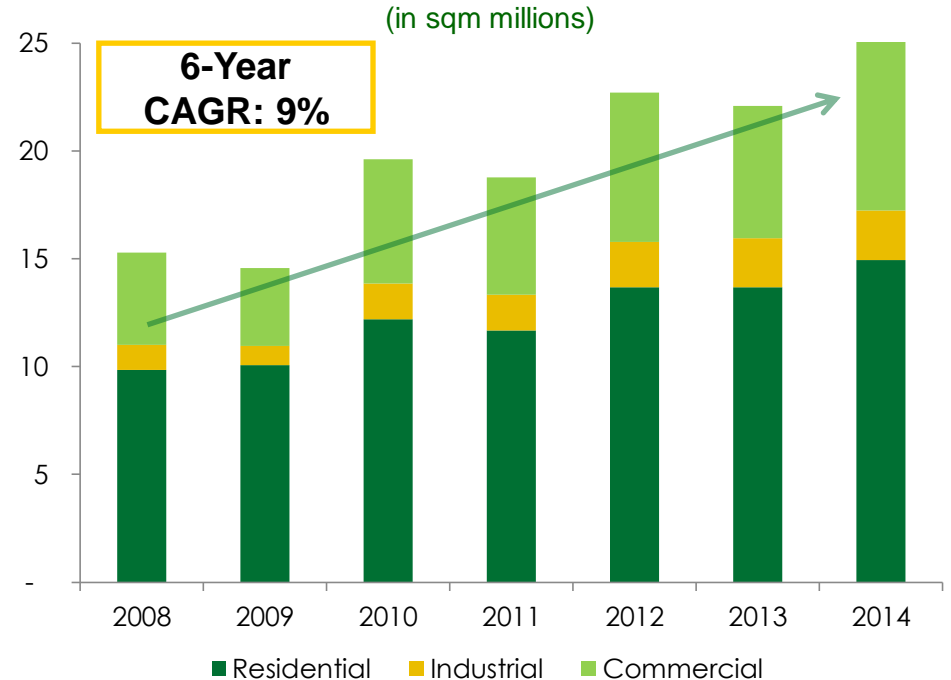
Importation of Home Improvement Goods

The Construction Sector continues to be one of the foundations and growth drivers of the Philippine economy.

Share of GVA Construction to GDP, 1990-2015 (%)



Growth of Philippine Construction Industry, 2008-2014 (in sqm millions)



The Home Improvement Industry



Demand Indicators

Construction Sector

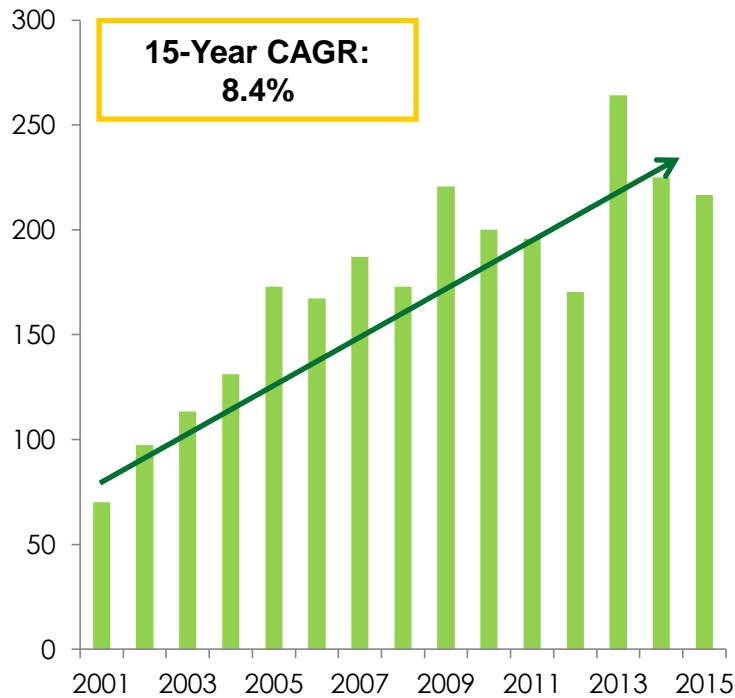
Housing Supply

Household Budget

Importation of Home Improvement Goods

The outlook of Home Improvement sector remains positive backed by robust housing production.

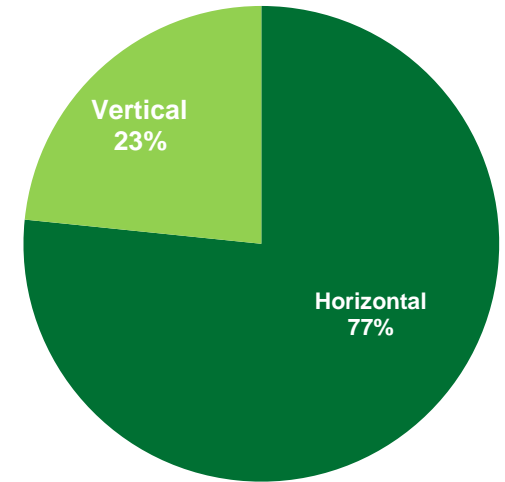
Total Housing Units Produced, 2001-2015 (in '000 units)



Housing Production from 2001-2015

Region	% Contribution
IVA (CALABARZON)	30.9%
NCR	26.5%
III (CENTRAL LUZON)	17.7%
VI	6.4%
VII	6.1%
V	2.0%
XI	2.0%
XII	1.9%
X	1.7%
VIII	0.9%
IX	0.9%
I	0.8%
II	0.8%
CARAGA	0.7%
CAR	0.4%
IVB	0.3%
TOTAL	100.0%

Ave. Share of Horizontal and Vertical Housing, 2001-2015 (%)



Values from the Philippine Statistics Authority (PSA)

Source: CRC, 2016

The Home Improvement Industry

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Demand Indicators

Construction Sector

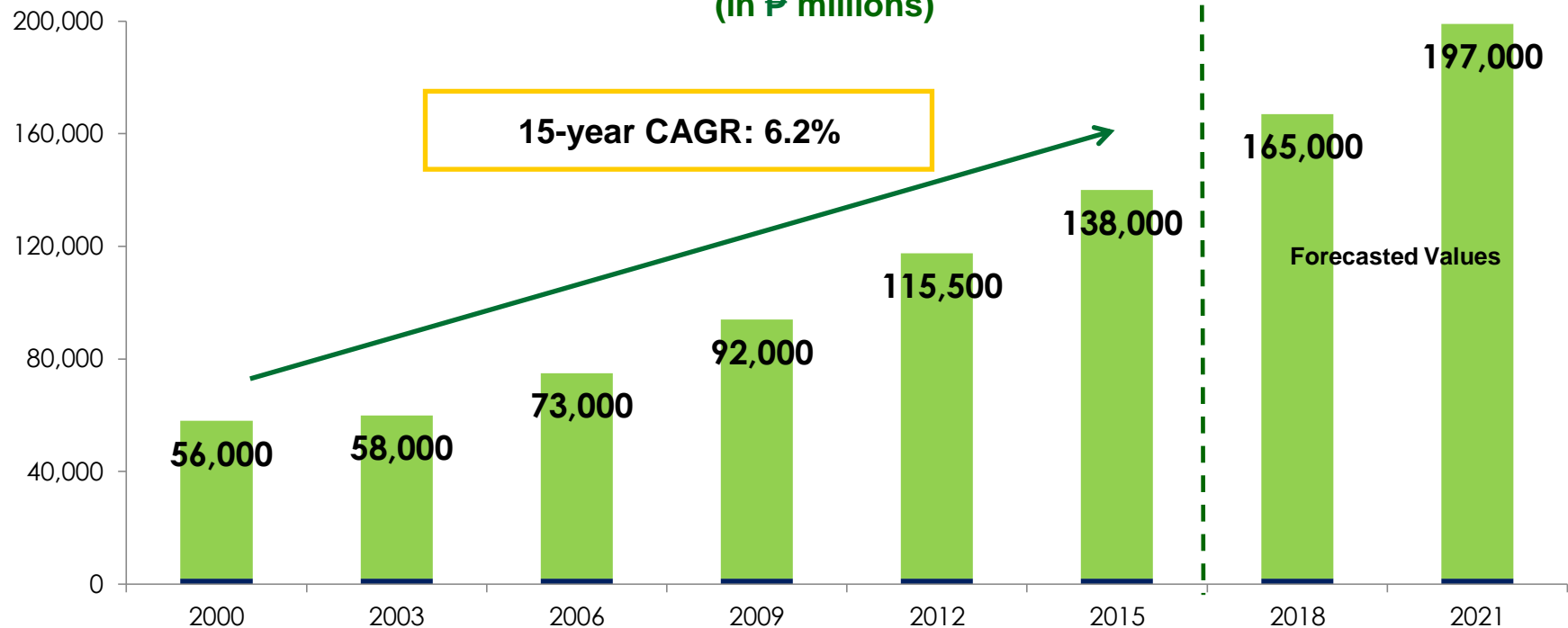
Housing Supply

Household Budget

Importation of Home Improvement Goods

The sustained strength of the Philippine economy, growing household formation, and increasing purchasing power will continue to stimulate households to build new homes and to either renovate and refurbish existing homes.

Total Expenditure on Household Maintenance, Repair & Operation, 2000-2021
(in ₱ millions)



The Home Improvement Industry

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Demand Indicators

Construction Sector

Housing Supply

Household Budget

Importation of Home Improvement Goods

Summary of Major Import Items' Value (in '000 USD) and Ave. Growth (%), 2011-2015

Major Home Improvement Industry Items	Top Three Source Countries	Value (in '000 USD); PH total import	Average Growth Rate From 2011-2015
Tiles/ Flooring	China, Vietnam, Indonesia	277,068	30.4%
Building Materials	China, Rep. of Korea, Vietnam	569,682	26.7%
Appliances	China, Singapore, Hong Kong	1,285,574	21.1%
Plumbing and Sanitary Wares	China, Thailand, Vietnam	53,057	19.5%
Electrical and Lighting	China, Japan, USA	442,330	17.5%
Furniture, Furnishing and Houseware	China, Malaysia, Japan	299,418	17.2%
Hardware and Tools Products	China, Japan, USA	455,812	13.2%
Paints	Singapore, Japan, Thailand	101,156	7.6%
Total		3,484,097	19.8%



SECTION III

Investment Highlights



home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries



plumbing

Investment Highlights

WILCON

DEPOT

- 1 Industry leader in the home improvement sector in the Philippines**
- 2 Well-recognized brand and favored retailer**
- 3 Excellent Customer Service**
- 4 Solid long-term business relationships with key suppliers**
- 5 Strong portfolio of in-house brands**
- 6 Dual-format offering a wide array of products**
- 7 Highly Experienced Management Team**

1

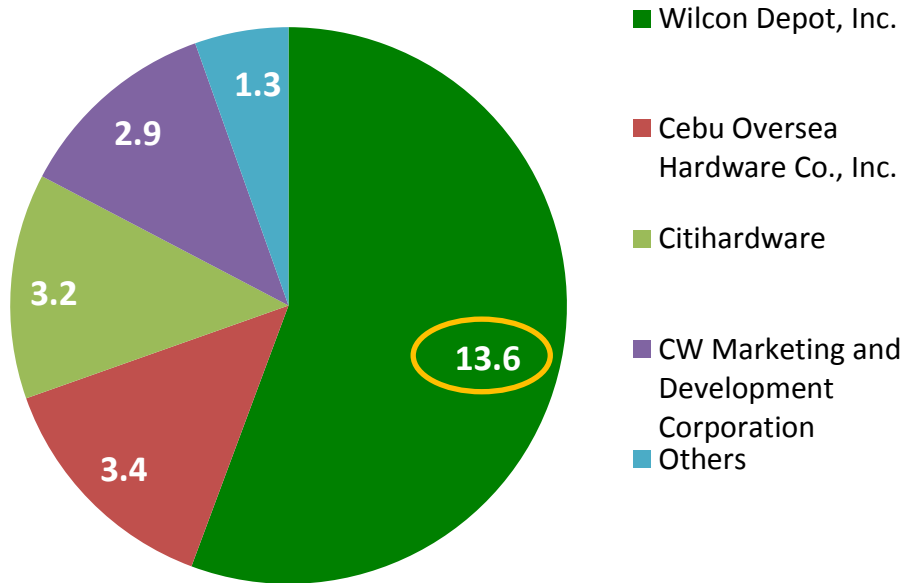
Industry leader in the home improvement sector in the Philippines



Wilcon Depot, Inc. remains to be the market leader in terms of sales for the home improvement industry

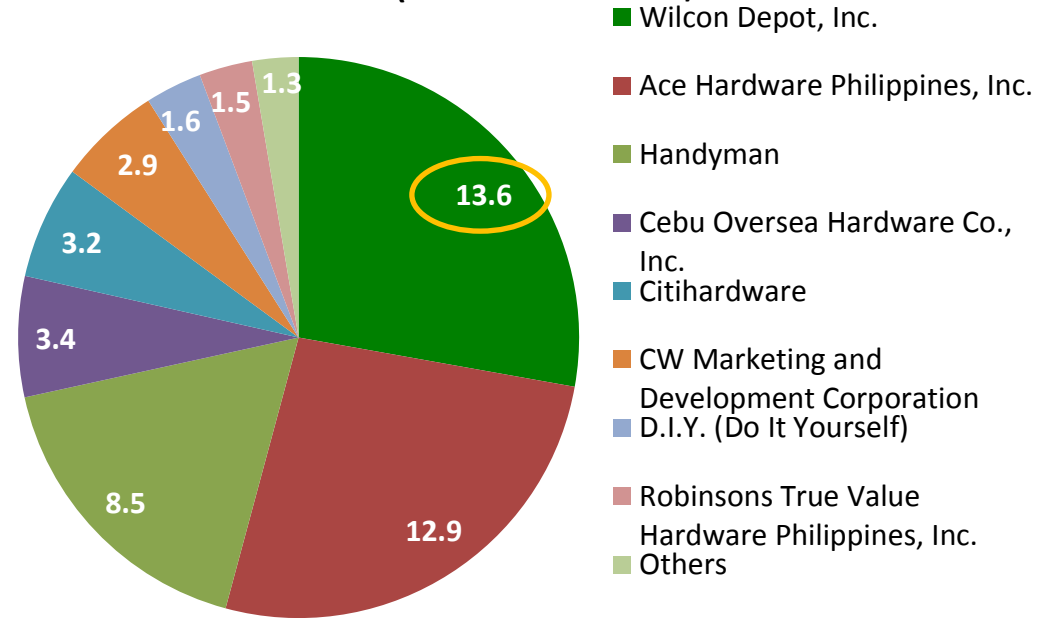
TOP DEPOTS IN TERMS OF SALES FY 2014

amounts in ₱ billions



TOP DEPOTS AND MALL-BASED STORES IN TERMS OF SALES FY 2014

(amounts in ₱ billions)



The Company is well-positioned to take advantage of the continued growth opportunities and positive outlook of the Philippine home improvement sector which is expected to grow by at least 6% per annum.



Complete spectrum of product offerings

- “One-stop shop”
- **High quality** products across various product categories
- **Extensive portfolio** of over 2,000 local and international brands
- **Exclusive distributor** of a number of renowned international brands
- Owns **16** brands
- Carries approximately **90,000-200,000 SKUs**



Enhanced shopping experience

- Wilcon brand is associated with **convenience** and **comfort**
- **Complete store facilities:** free parking, air-conditioning, a coffee shop, and a play area for children
- **Easy-to-navigate** store layouts



Plumbing and Sanitary



Furniture, Furnishings, & Houseware



Tiles / Flooring



Hardware and Tools



Electrical and Lighting



Paints



Building Materials



Appliances



3 Excellent Customer Service

Knowledgeable and well-trained sales team



Competent design consultants



ABCDE Lounge



After sales support



Wilcon has over **400 local and foreign suppliers**, many of whom have supplied the Company for over 25 years. This has benefitted Wilcon in terms of:



Lowering costs



Sourcing exclusive products



Obtaining products in short supply



Enabling product collaborations

5 Strong portfolio of in-house brands



The Company has 16 in-house brands with strong presence across its product categories.

Plumbing and Sanitary

Furniture, Furnishings, & Houseware

Tiles / Flooring

Hardware & Tools

Electrical and Lighting

Building Materials

Appliances

DEPOT



HOME ESSENTIALS



Product Offering

- Large-scale home improvement and construction supply products.
- Carries 90,000–200,000 SKUs

- Replacement household and do-it-yourself (“DIY”) products

Target Customer

- Middle- high-income class individual homeowners
- institutional accounts including independent contractors and property developers.

- Caters to communities who require easy access to simple tools and materials for housing repair and maintenance.

The Management Team has an average of over 20 years of industry experience in the retail, home improvement and construction industries. Furthermore, succession planning efforts of the Company is strongly evident through the active involvement of family members in the Company's day-to-day operations.

**William T. Belo**

- Chairman
- Founder of the Wilcon business
- 2013 MVP Bossing Awardee

**Lorraine Belo- Cincochan**

- President and CEO
- Joined the business in 2000

**Rosemarie Bosch-Ong**

- Senior Executive Vice President/COO
- Director of the Philippine Contractors Association & Philippine Retailers Association
- Has been with Company for 33 years

**Careen Y. Belo**

- Chief Procurement Officer
- Joined the business in 2004

**Mark. Y. Belo**

- Treasurer and CFO
- Joined the business in 2004



SECTION IV

Key Growth Strategies



home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries



plumbing

Key Growth Strategies

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Expand store network



Continually improve store layouts and product offering



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DEPOT

Leverage market leadership and synergies



Focus on continuous introduction of in-house and exclusive brands



Further strengthen and increase brand awareness and visibility

Key Growth Strategies

WILCON

DEPOT

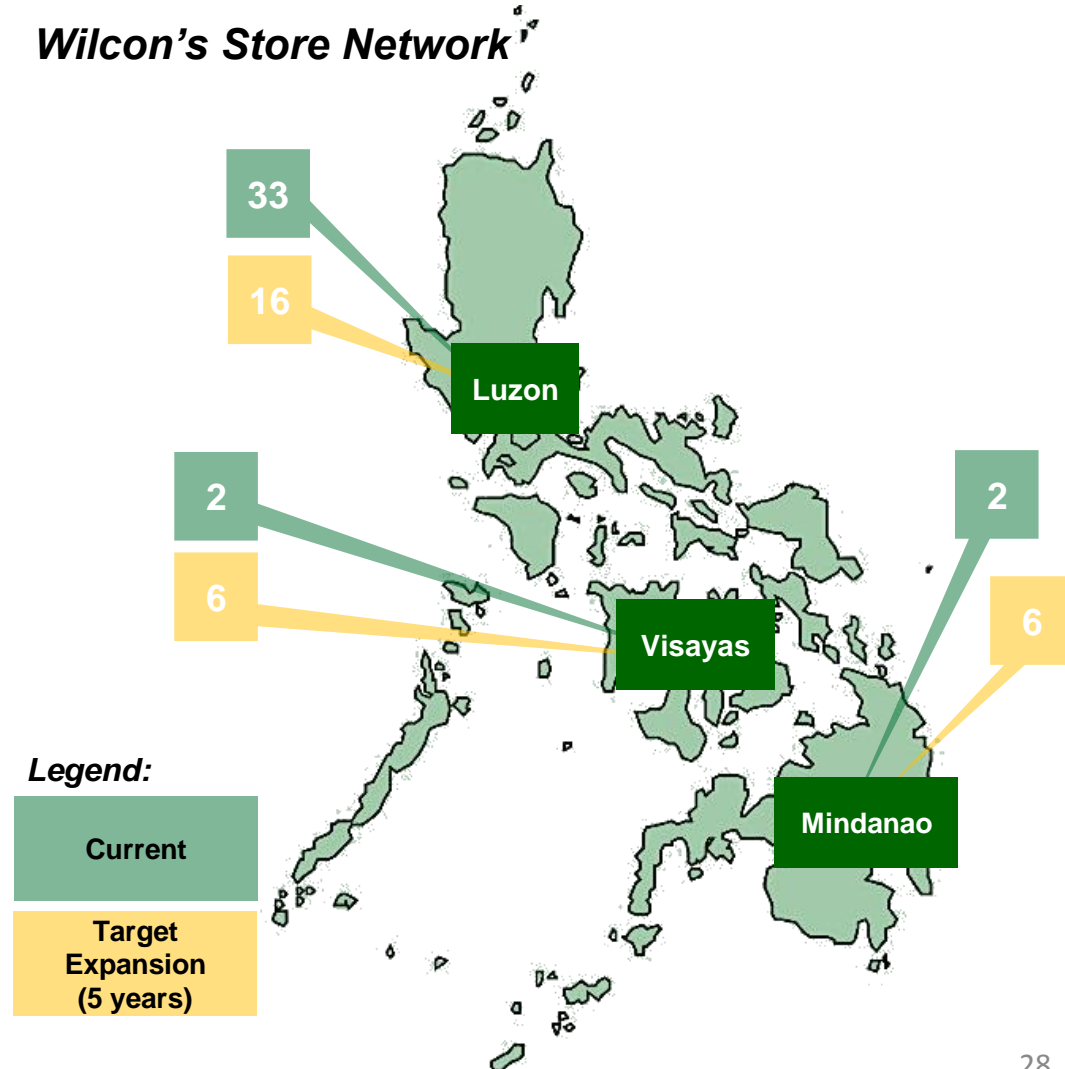
1 Expand Store Network

- ✓ Solidify presence in existing markets
- ✓ Expand foothold in fast-growing cities with focus on Visayas and Mindanao regions
- ✓ Target to open 28 branches in the next 5 years
- ✓ Target locations include Cavite, Laguna, Bicol, Bacolod, CDO, Zamboanga, General Santos, Davao



As of January 31, 2017

Wilcon's Store Network



Key Growth Strategies

2 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



3 Leverage market leadership and synergies

- ✓ Continue entering into strategic partnerships and other business relationships with suppliers and other business partners, such as institutional contractors.
- ✓ Further build its relationship with customers by providing customer loyalty incentives



As a market leader, the Company can take advantage of its market knowledge and expertise to:

- ✓ Develop and optimize the product range and brand offerings to meet customer expectations
- ✓ Continue to achieve competitive cost prices and develop long-term supplier relationships
- ✓ Utilize its scale and expertise in sourcing and logistics to provide value for money and a wide choice of products

Key Growth Strategies

WILCON DEPOT

4 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



5 Further strengthen and increase brand awareness and visibility

William Belo, Building a Legacy

William Belo, Chairman and CEO of Wilcon Depot, is featured in a newspaper article. The article discusses his leadership and the company's growth. It mentions that Wilcon Depot has been a market leader for over 40 years and is now expanding its reach to new markets. The article also highlights the company's commitment to quality and customer service.

POZZI BATHROOM SOLUTIONS

DESIGNED FOR COMFORT
CRAFTED FOR BEAUTY

WILCON DEPOT WILCON HOME

Visit our stores at:
WILCON DEPOT BAYLAC 12 B1 Stn. Añon Highway Bn. Marikina, Marikina City
WILCON DEPOT BUTUAN Bldg. 4 Corner 3 Brgy. Angawan, Butuan City, Agusan del Norte
www.wilcon.com.ph

WILCON LAUNCHES NEW BRAND AMBASSADORS AND PARTNERSHIP WITH GROHE AND FRANKE

A group of brand ambassadors and company representatives are shown in a professional setting. The image is part of a promotional campaign for Grohe and Franke, highlighting the partnership between Wilcon Depot and these brands.



WILCON DEPOT: FROM HUMBLE BEGINNINGS TO 40 YEARS OF BEING A HOUSEHOLD NAME IN HOMEBUILDING SUPPLIES

FOR FOUR DECADES, Wilcon Depot has established itself as a trusted name in the retail construction industry, supplying high-quality materials and excellent services to its customers. A pioneer in the industry, the company was founded in 1972 and started from humble beginnings as a small hardware store.

Over the 40-year journey to being a household name, Wilcon Depot has expanded its product lines, offering a wide range of homebuilding supplies, including kitchenware, bathroom fixtures, and more. The company's commitment to quality and customer service has been a key factor in its success.

As the industry evolves, Wilcon Depot continues to innovate and adapt, ensuring that it remains a trusted partner for homebuilders and homeowners alike. The company's 40th anniversary is a testament to its enduring legacy and commitment to excellence.

BUILDING BIG IDEAS FOR YOUR HOME

Visit our newly opened stores at:

- STA. ROSA, LAGUNA
- BACOR, CAVITE
- BUTUAN, AGUSAN DEL NORTE

www.wilcon.com.ph

- ✓ Tap various media outlets such as television, 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 V

Financial Highlights



home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries



plumbing

Financial Highlights

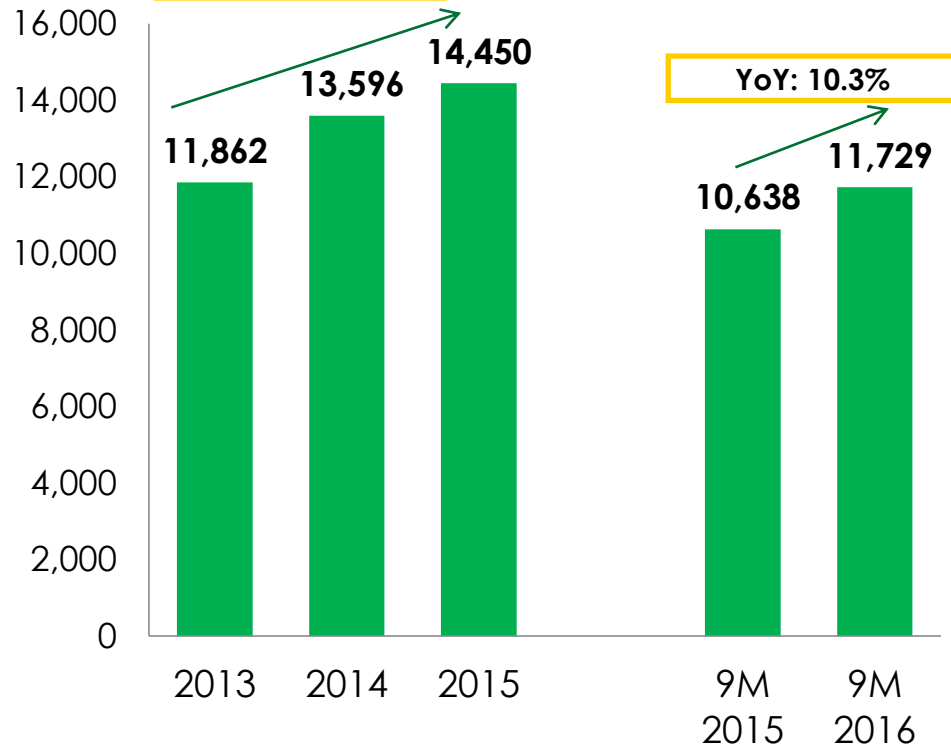
WILCON

DEPOT

Healthy growth of revenues

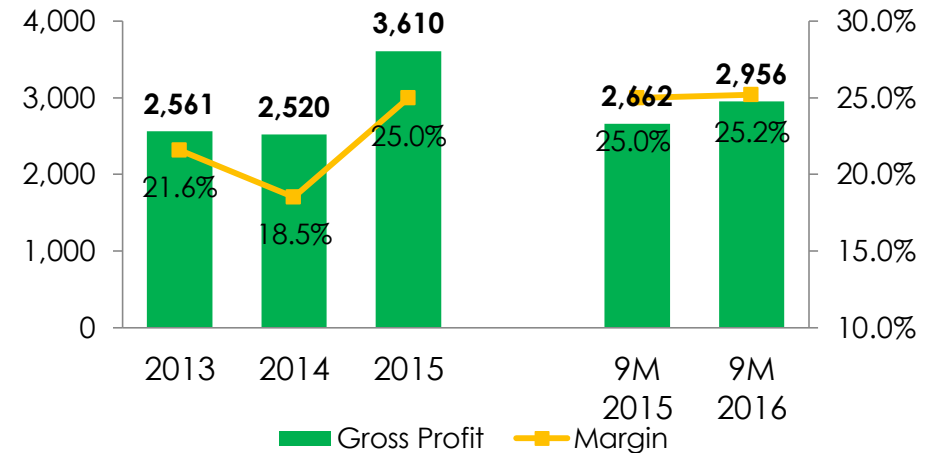
SALES (Pro-forma in ₱ millions)

3 Yr CAGR: 6.80%

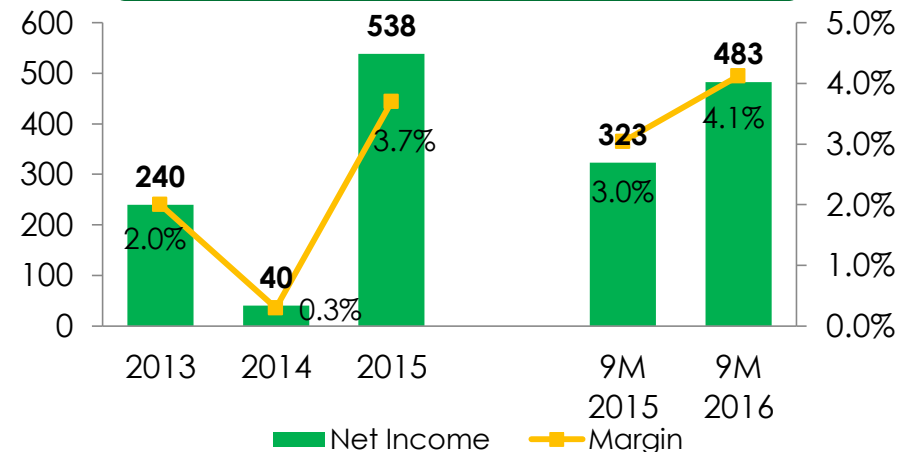


Consistently improving margins

GROSS PROFIT (Pro-forma in ₱ millions)



NET INCOME (Pro-forma in ₱ millions)



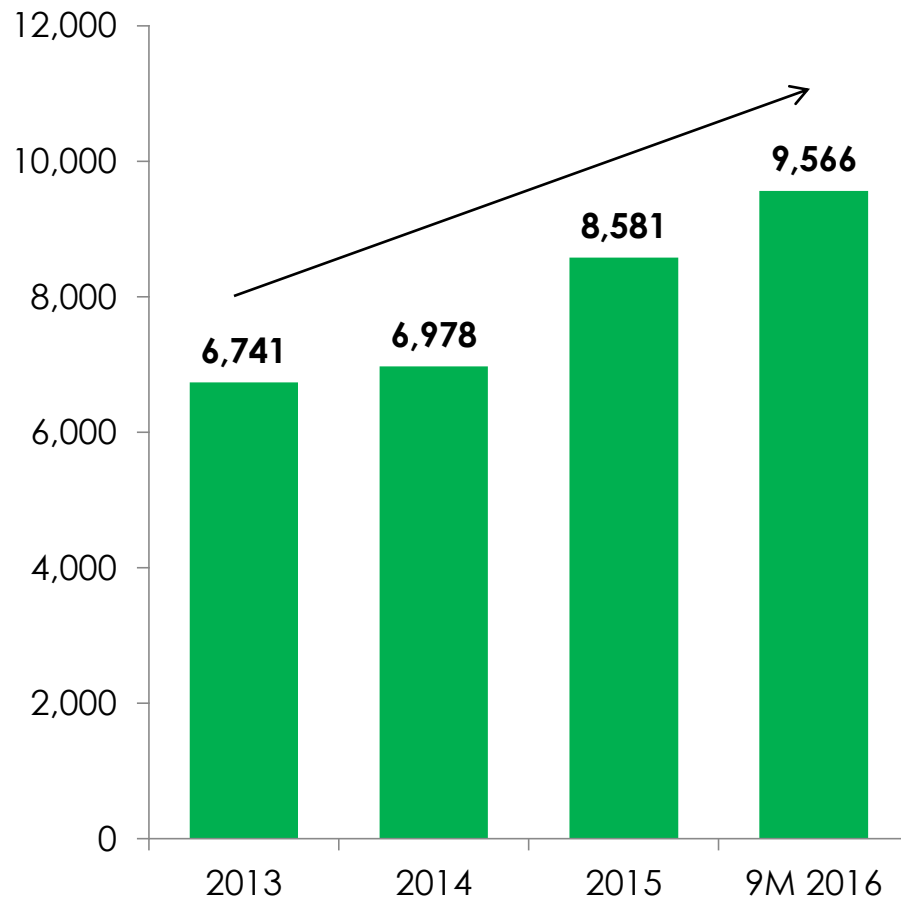
Financial Highlights

WILCON

DEPOT

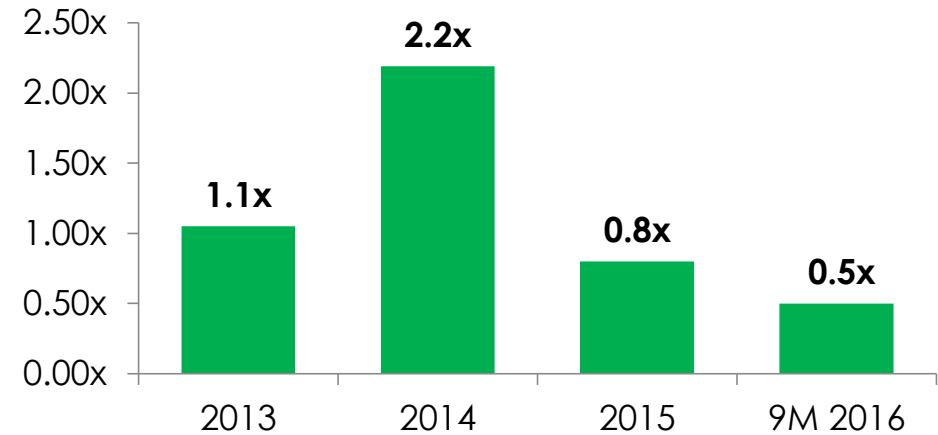
Double-digit growth in assets brought about by Wilcon's continuous expansion

TOTAL ASSETS (Pro-forma in ₱ millions)

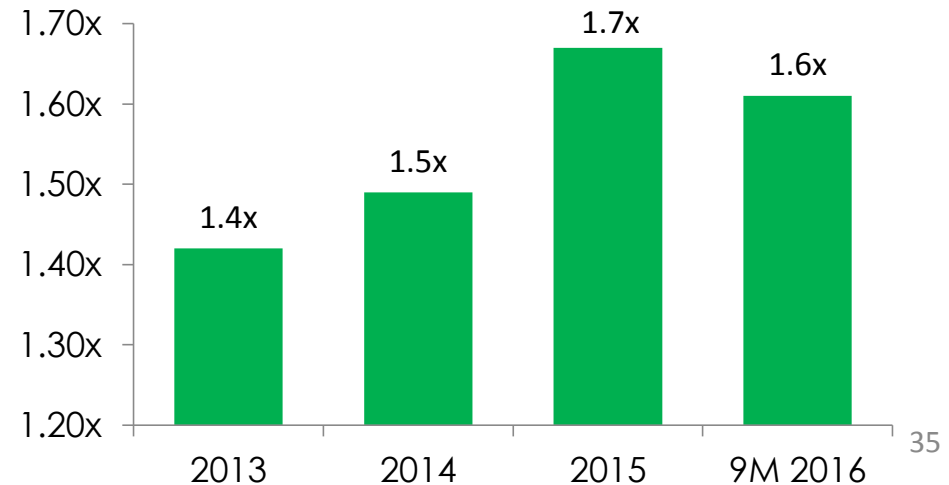


Low D/E (Bank Debts / Equity) levels provide headroom for further expansion

D/E RATIO



CURRENT RATIO



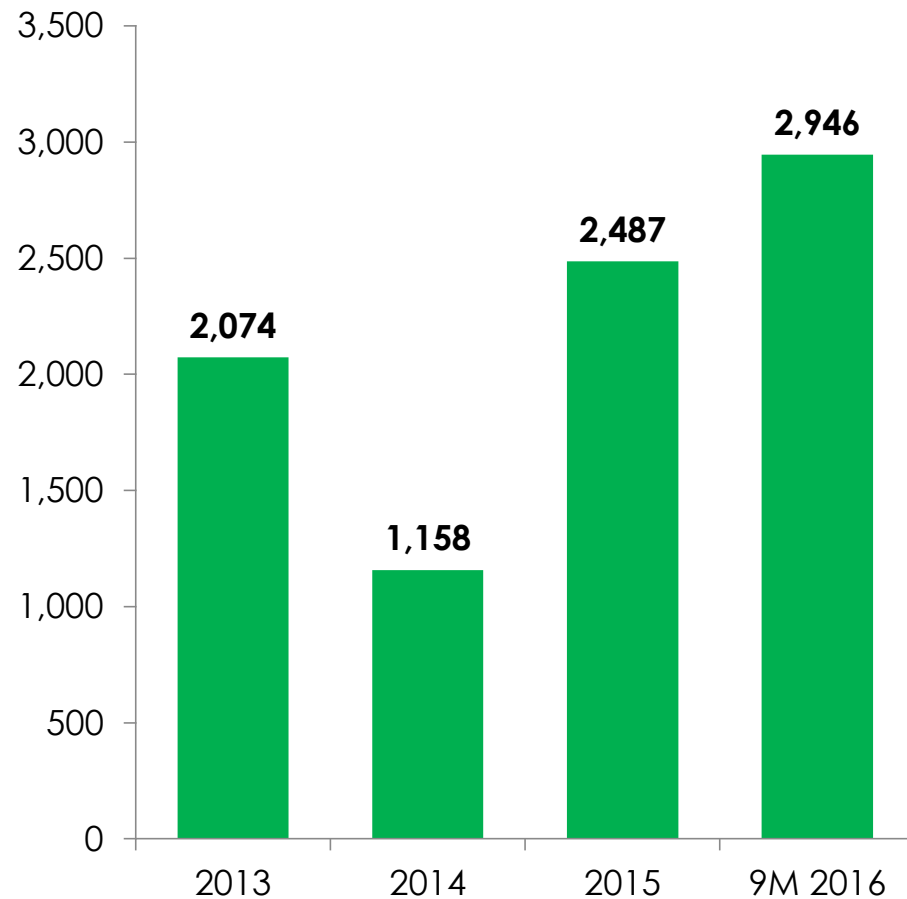
Financial Highlights

WILCON

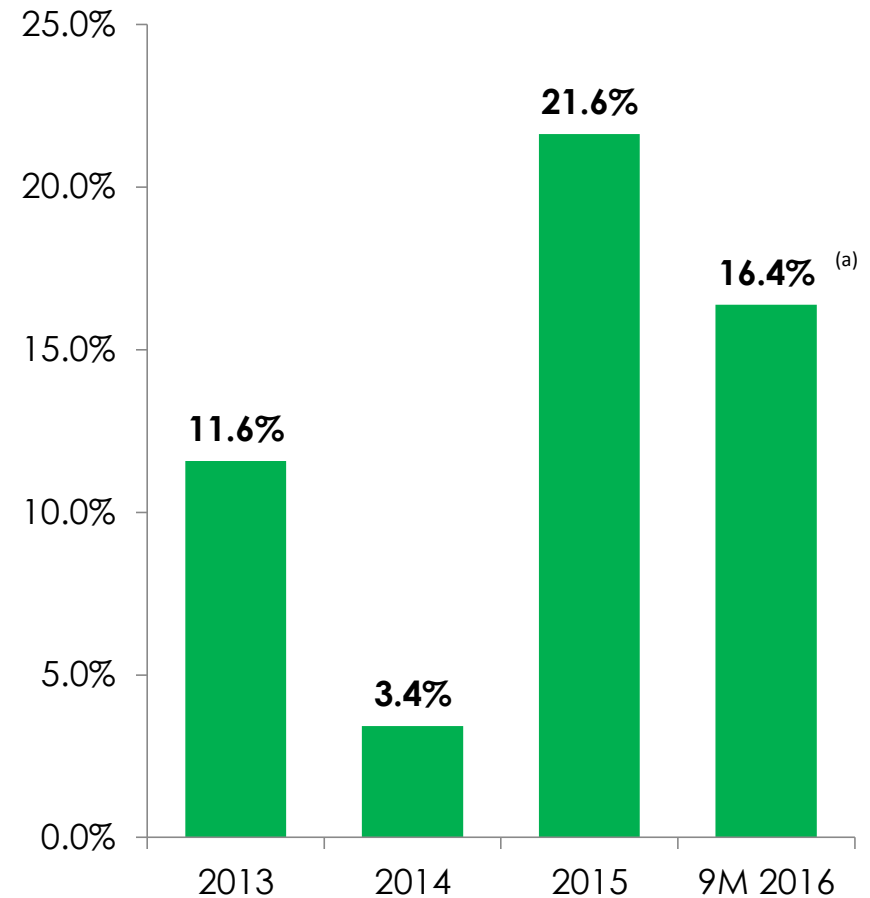
DEPOT

Double-digit ROE levels indicate strong shareholder value

EQUITY (Pro-forma in ₱ millions)



ROE (%)



(a) Not annualized



SECTION VI

Offer Terms and Conditions



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

Offer Terms and Conditions

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Issuer	■ Wilcon Depot, Inc. (“WILCON”)
Share offering	■ 1,393,906,200 primary shares (“Offer Shares”)
Estimated offer size	■ Offer price range: ₱5.05 per share ■ Offer size range: ₱7 Bn
Estimated Market Capitalization	■ ₱20.7 Bn
Public Float	■ 34%
Use of proceeds	■ To fund expansion of store network ■ To repay debt ■ General corporate purposes
Listing venue	■ Philippine Stock Exchange (PSE)
Issue Manager, Bookrunner	■ First Metro Investment Corporation (FMIC)
Joint Lead Underwriters	■ FMIC and BDO Capital & Investment Corporation
Co-lead Underwriter	■ RCBC Capital Corporation
Participating Underwriter	■ Penta Capital Investment Corporation

Use of Net Proceeds

WILCON

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USE OF NET PROCEEDS	ESTIMATED AMOUNT*	%	ESTIMATED TIMING
Store Network Expansion	₱ 6,111.8 Mn	91%	2017-2021
Debt Repayment	428.1 Mn	6%	2017-2018
General Corporate	200.0 Mn	3%	2017-2018
TOTAL	₱ 6,739.9 Mn	100%	

Timetable

WILCON

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Date	Activity
March 17	Pricing Announcement
March 20	Start of Offer Period
March 24	End of Offer Period
March 31	Listing and Trading



SECTION VII

Q & A



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

END OF PRESENTATION