



Wilcon Depot, Inc.

April 2018



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Discussion Agenda

WILCON

DEPOT

1 Company Overview

2 Strategy Overview

3 Financial Results

4 Outlook



SECTION 1

Overview of Wilcon Depot, Inc.



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing



Leader in the home improvement and construction supply retail space in the Philippines; 42 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



Brief Background

WILCON

DEPOT

5

Initial Public Offering of WDI



2017

4

Establishment of WDI and transfer of retail operations from WC to WDI



2015-2016

3

Major re-branding; consolidation of operations under one entity (WBDI, now WC); enhanced exclusive and in-house brand offerings



2009-2014

2



2002-up

1

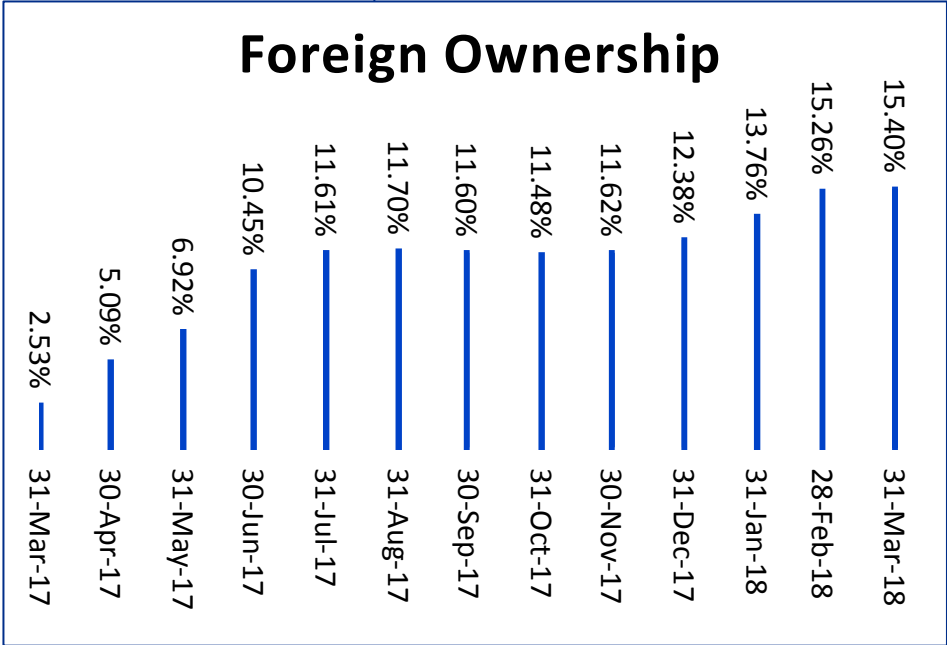
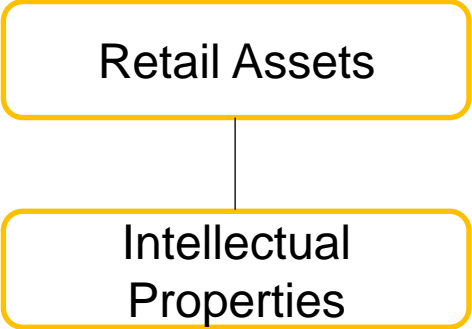
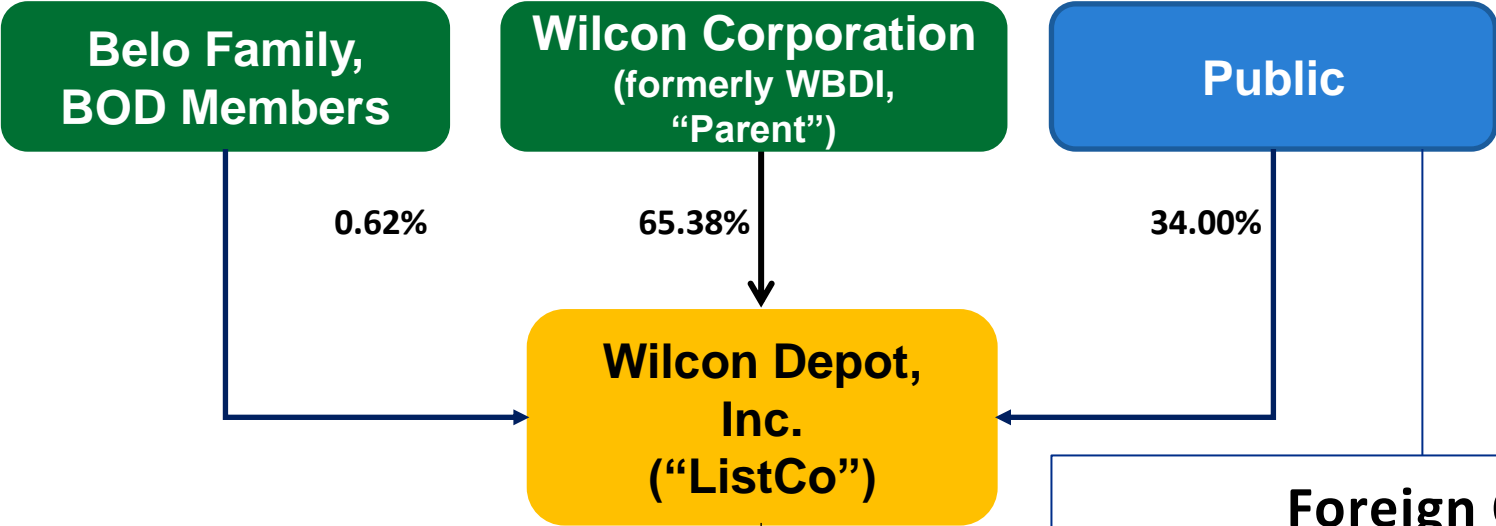


1977-2001

Introduced & expanded depot format stores; pure retail operations offering a complete spectrum of home improvement products; modern trade

Traditional trade; wholesale & retail operations

Wilcon Group: Corporate Structure



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

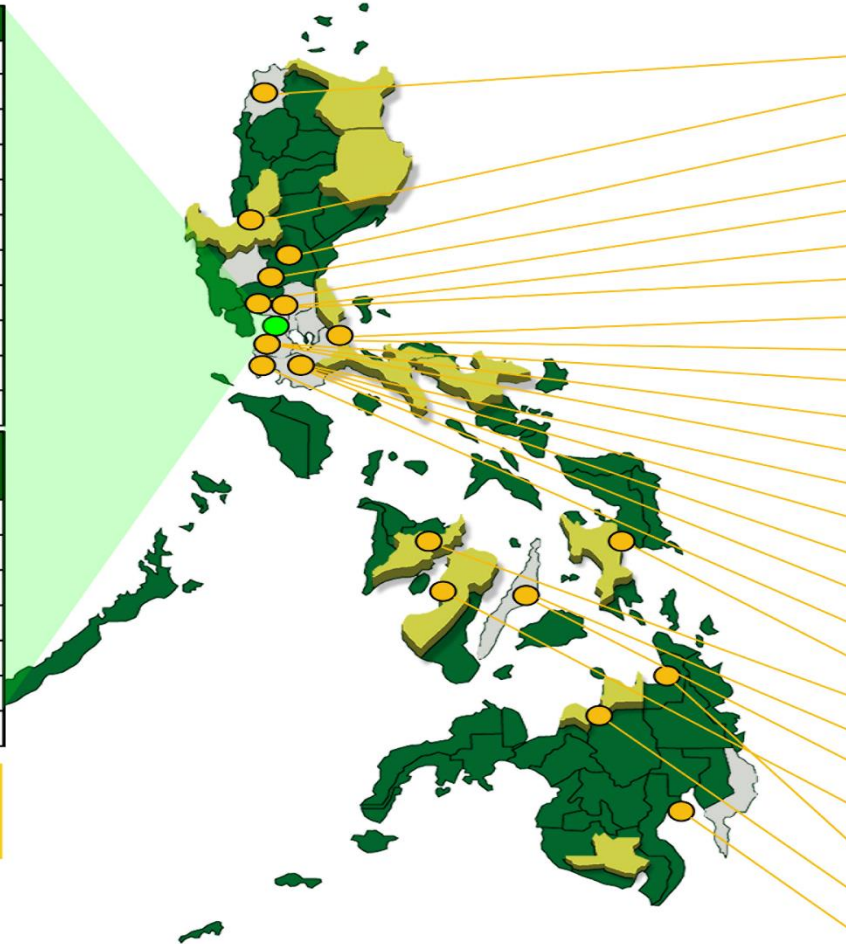
Store Network & Presence



Wilcon operates 42* 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	SUCAT
9	ALABANG
10	FILINVEST
	PASONG TAMO (TEMPORARY CLOSED)

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



NATIONWIDE (DEPOT)	
1	LAOAG, ILOCOS NORTE
2	VILLASIS, PANGASINAN
3	CABANATUAN CITY, NUEVA ECIJA
4	TARLAC CITY
5	DAU, PAMPANGA
6	SAN FERNANDO, PAMPANGA
7	MEXICO, PAMPANGA
8	BALIUAG, BULACAN
9	TAYTAY, RIZAL
10	ANTIPOLO CITY, RIZAL
11	DASMARIÑAS CITY
12	KAWIT, CAVITE
13	MOLINO, CAVITE
14	CALAMBA CITY, LAGUNA
15	SAN PABLO CITY, LAGUNA
16	STA. ROSA CITY, LAGUNA
17	BATANGAS CITY
18	TACLOBAN CITY, LEYTE
19	JARO, ILOILO
20	TALISAY CITY, CEBU
21	MANDAUE CITY, CEBU
22	TALISAY - BACOLOD, NEGROS OCCIDENTAL
23	BUTUAN CITY
24	CAGAYAN DE ORO CITY, MISAMIS ORIENTAL
25	MATINA, DAVAO



Luzon
ex-NCR –
17 stores

Visayas –
5 stores

Mindanao –
3 stores

* as of APRIL 20, 2018



SECTION 2

Strategy Overview



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

Key Growth Strategies

WILCON

DEPOT

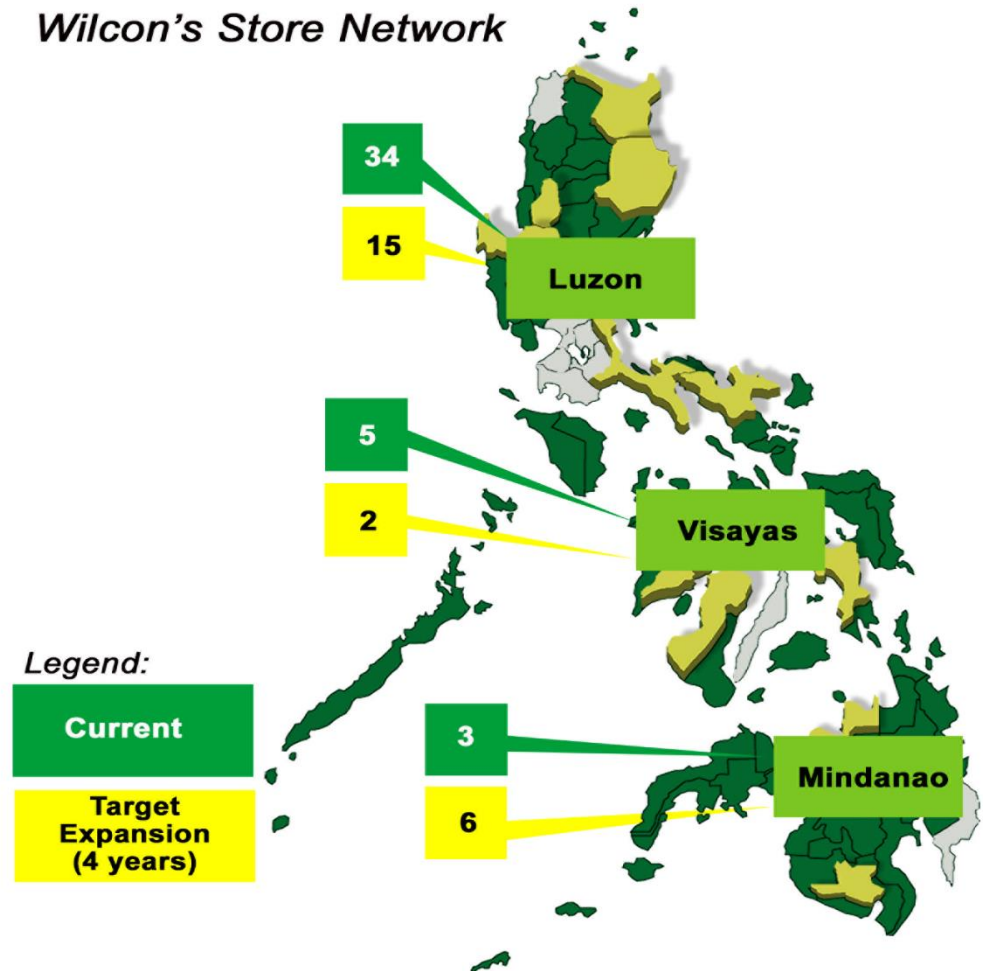
1 Expand Store Network

- ✓ Solidify presence in existing markets
- ✓ Expand foothold in fast-growing cities with focus on Visayas and Mindanao regions
- ✓ Target to open 29 depot branches in the next 5 years (2017 to 2021, 23 to go)
- ✓ Target locations include Cavite, Zamboanga, Bicol, Batangas, Davao, General Santos



As of April 2018

Wilcon's Store Network



Key Growth Strategies

WILCON DEPOT

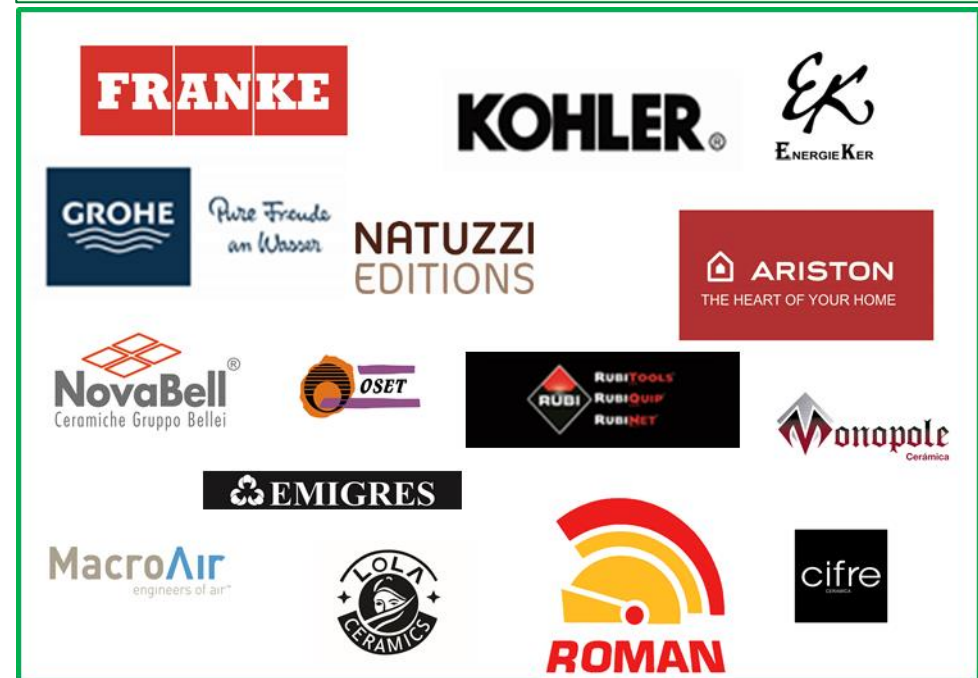
2 Focus on continuous introduction of in-house and exclusive brands

- ✓ 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

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



News



NEWS

Wilcon shares almost double value in five months
 Wilcon founder William Tan Belo shares why he's bullish about the local construction business



- ✓ 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 the construction and home improvement



SECTION 3

Financial Highlights



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

Income Statement Highlights

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DEPOT

4Q 2017

In Php MM

	4Q 2017	% of Sales	4Q 2016	% of Sales	% Growth
NET SALES	4,721	100.00	4,236	100.00	11.44
COST OF SALES	3,381	71.62	2,825	66.69	19.68
GROSS INCOME	1,340	28.38	1,411	33.31	5.06
OPERATING EXPENSES	-985	20.87	-749	17.69	31.44
OPERATING INCOME	355	7.52	662	15.62	46.38
OTHER INCOME - Net	22	0.47	2	0.05	861.25
EBIT	377	7.98	664	15.68	43.25
INTEREST EXPENSE	-2	0.05	-9	0.22	75.67
INCOME BEFORE TAX	375	7.93	655	15.45	42.78
INCOME TAX	107	2.27	194	4.59	44.94
NET INCOME	267	5.67	460	10.86	41.87
Depreciation	30	0.64	22	0.51	39.62
EBITDA	407	8.62	686	16.19	40.63

Income Statement Highlights

WILCON

DEPOT

1Y 2017

In Php MM

	FY 2017	% of Sales	FY 2016	% of Sales	% Growth
NET SALES	17,748	100.00	12,298	100.00	44.31
COST OF SALES	12,482	70.33	8,999	73.18	38.69
GROSS INCOME	5,266	29.67	3,299	26.82	59.62
OPERATING EXPENSES	-3,596	20.26	-2,287	18.60	57.22
OPERATING INCOME	1,670	9.41	1,012	8.23	65.05
OTHER INCOME - Net	185	1.04	34	0.27	450.59
EBIT	1,856	10.46	1,046	8.50	77.47
INTEREST EXPENSE	-22	0.12	-30	0.25	27.93
INCOME BEFORE TAX	1,834	10.33	1,015	8.26	80.60
INCOME TAX	448	2.53	129	1.05	248.70
NET INCOME	1,385	7.81	887	7.21	56.23
Depreciation	104	0.59	63	0.51	66.35
EBITDA	1,960	11.04	1,108	9.01	76.84

*Commercial operations commenced April 1, 2016. The retail business operated under the Parent prior to April 1, 2016

Balance Sheet Highlights

WILCON

DEPOT

In Php MM

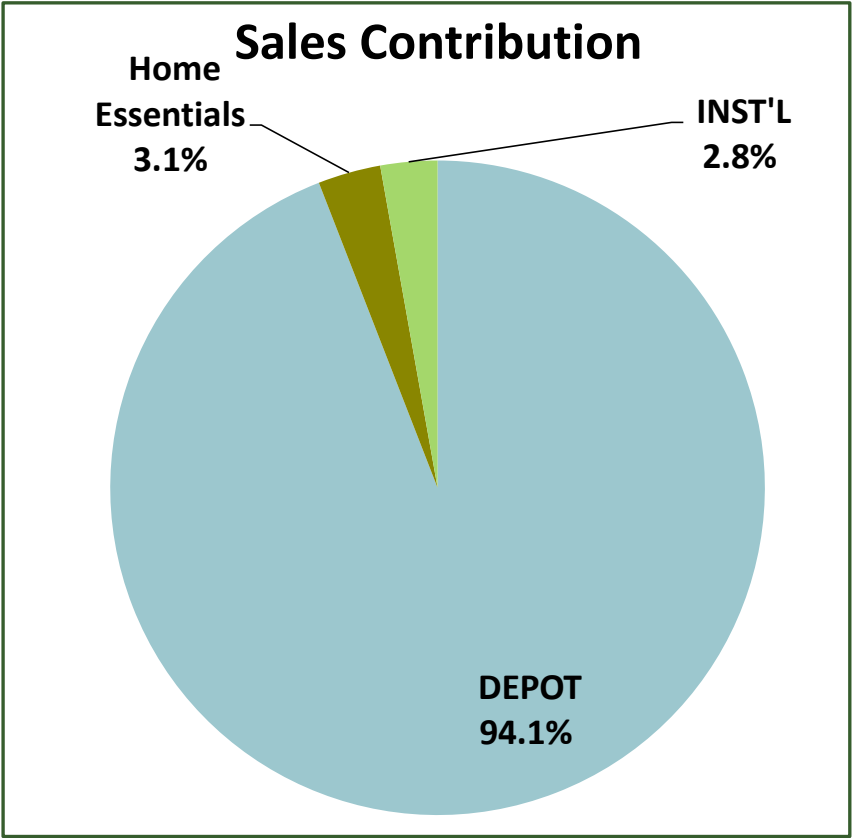
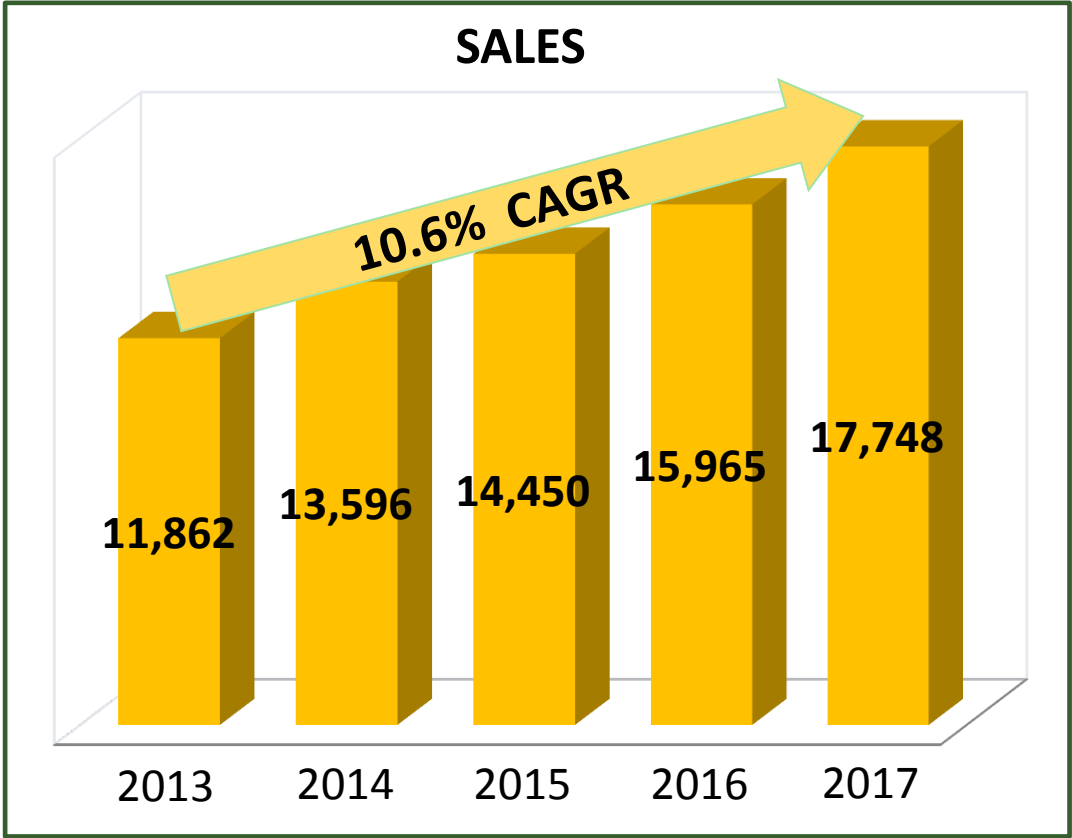
	Audited December 31, 2017	Audited December 31, 2016
Current Assets	11,748	8,406
Noncurrent Assets*	4,277	737
Total Assets	16,024	9,144
Current Liabilities	3,725	4,497
Noncurrent Liabilities	381	1,064
Total Liabilities	4,106	5,561
Capital Stock	4,100	2,706
Additional Paid-in Capital	5,374	-
Other Comprehensive Loss	173	-10
Retained Earnings	2,272	886
Total Equity	11,918	3,582
CURRENT RATIO	3.15	1.87
QUICK RATIO	1.12	0.24
DEBT-TO-EQUITY RATIO	0.34	1.55
RETURN ON ASSET	9%	10%
RETURN ON EQUITY	12%	25%

*Includes AFS assets of P3.0B comprising of RTBs and representing part of the IPO proceeds

Total Sales Summary



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 Sales Summary

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DEPOT

2017 vs 2016

	1Y	% Var	4Q	% Var
Sales (Php Millions)	17,748	11.0	4,721	11.2
Average Ticket Size (Php)	3,769	2.9	3,846	4.3
Sales Transactions ('000)	4,709	8.1	1,227	6.9

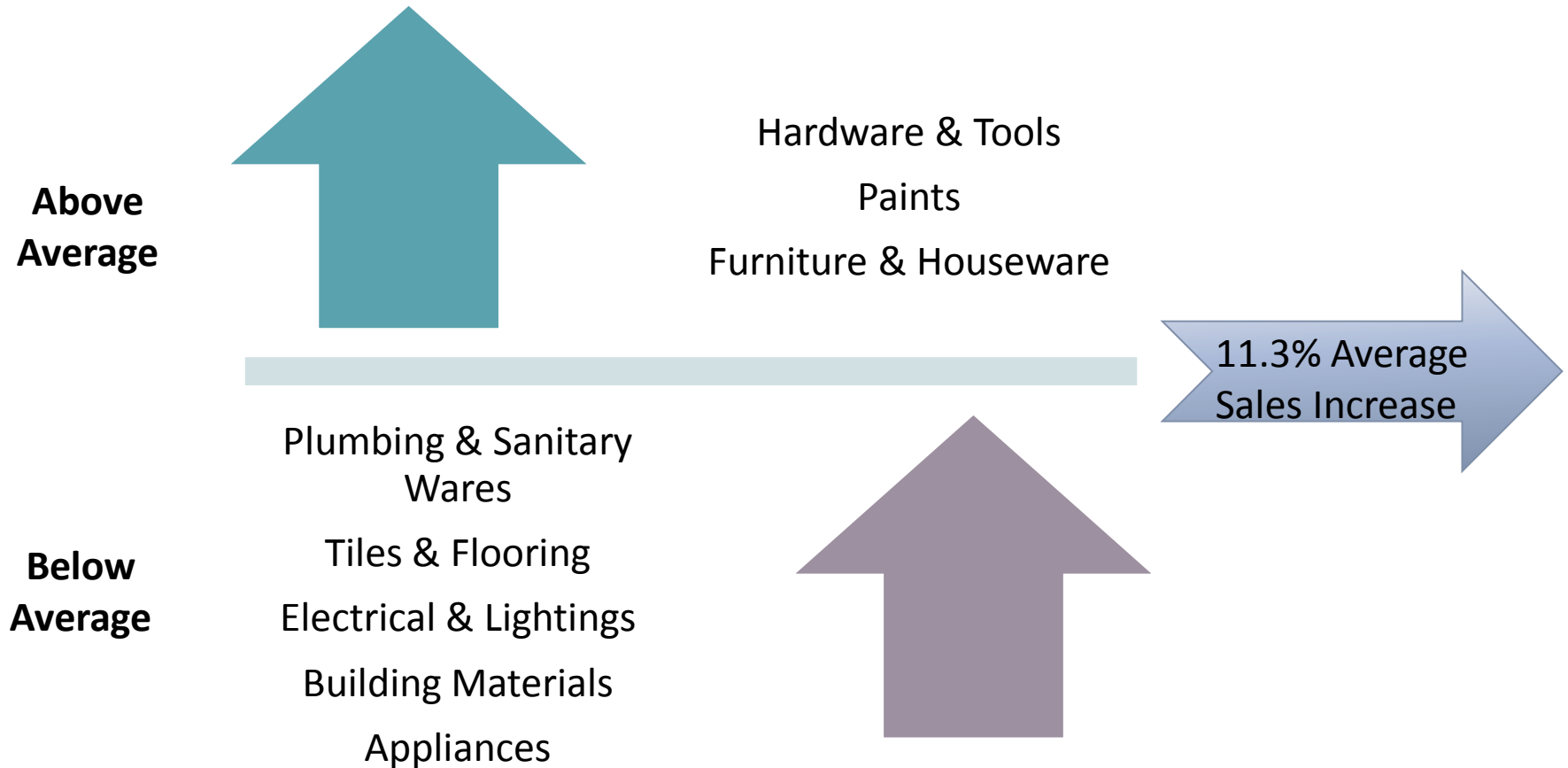
Note: 2016 – In-house Pro-forma / 2017 – Audited
Commercial operations under WDI commenced April 1, 2016

Product Category Performance

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1Y17 VS 1Y16

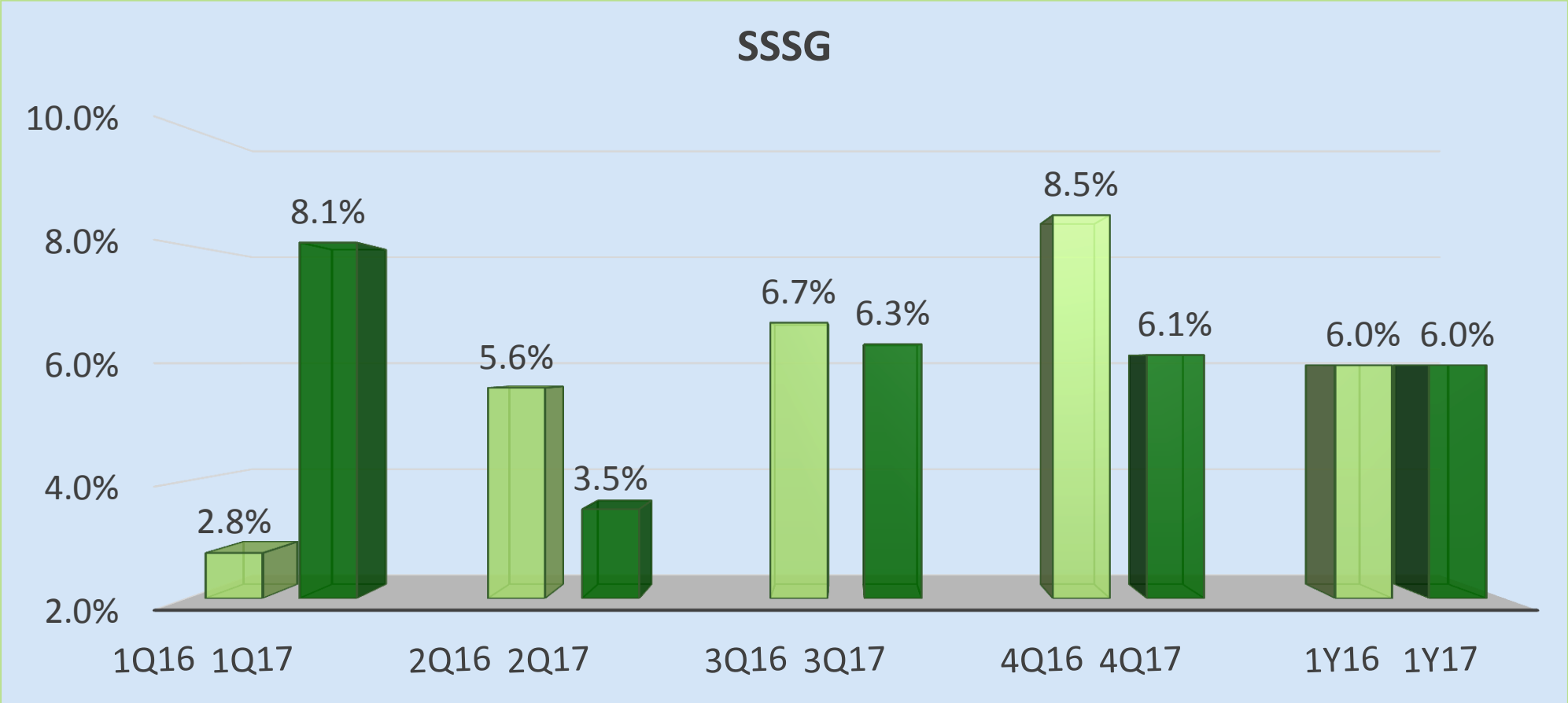


Note: 2016 – In-house Pro-forma / 2017 – Actual/Audited
Commercial operations under WDI commenced April 1, 2016

Same Store Sales Summary



Quarterly Trend



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

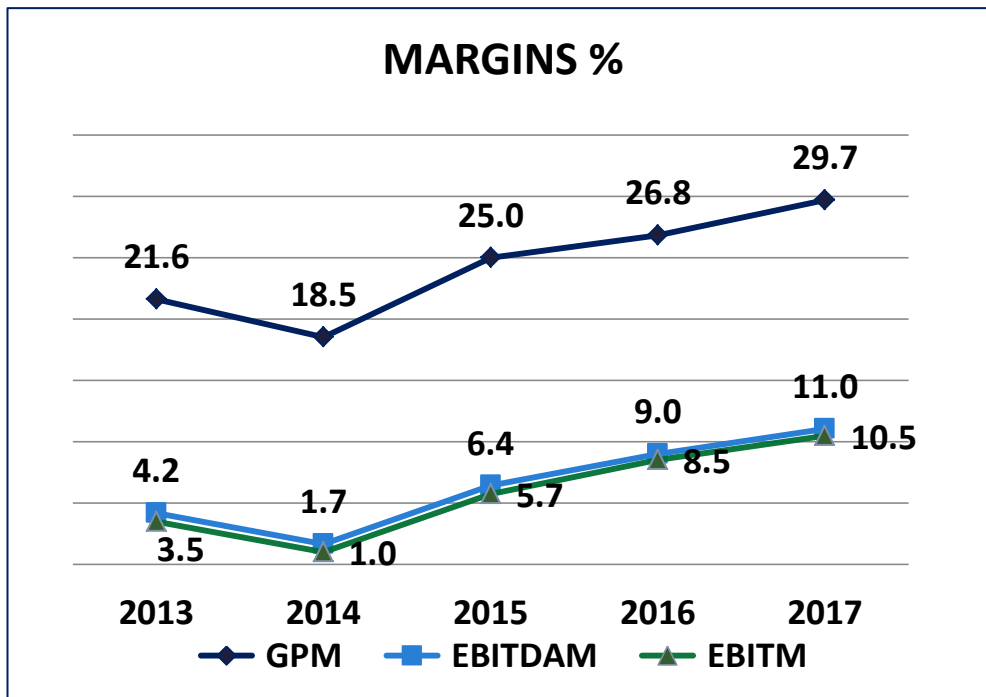
Operating Margins Summary

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DEPOT

Improving margins

1Y17 VS 1Y16



Enhancers

Higher Sales
Product Mix
Volume discounts and incentives/rebates

Higher operating expenses attendant to increasing number of stores and volume of business, e.g., rent, utilities, logistics, etc.

Limiters

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



SECTION 4

Outlook



home interior



building materials



doors & mouldings



tiles



paints & sundries



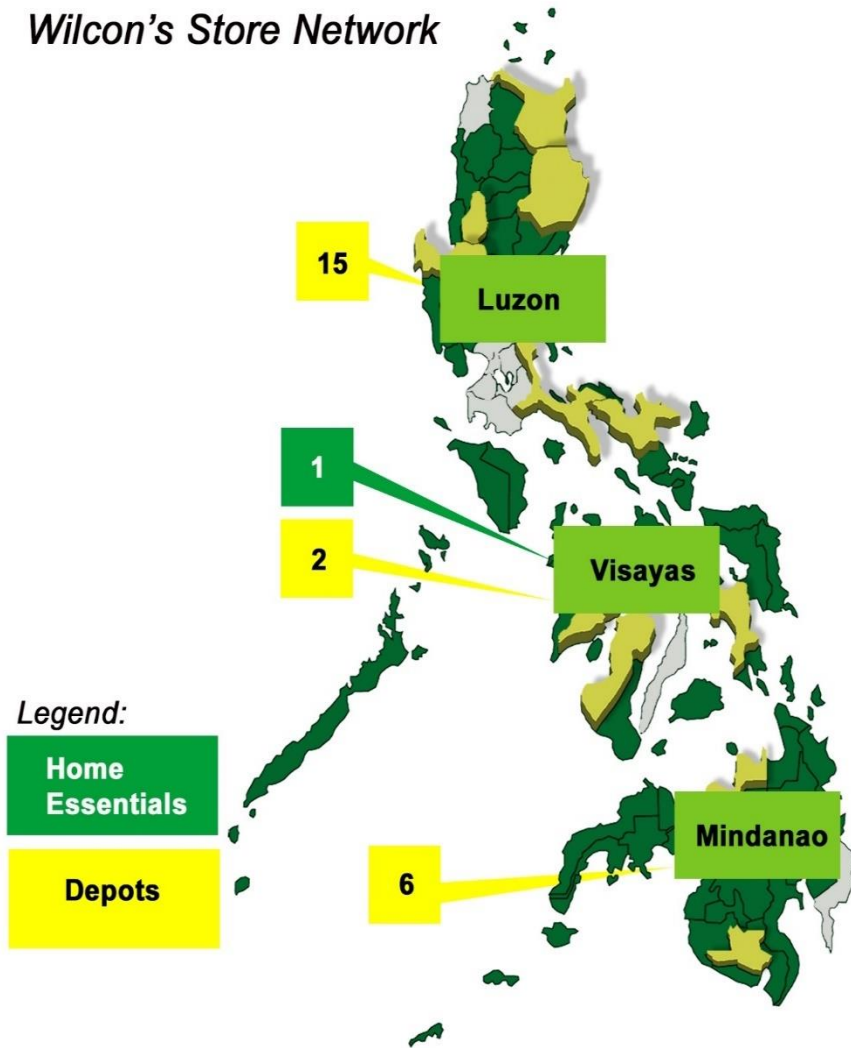
plumbing

2018 to 2021 Store Expansion Plan

WILCON

DEPOT

Wilcon's Store Network

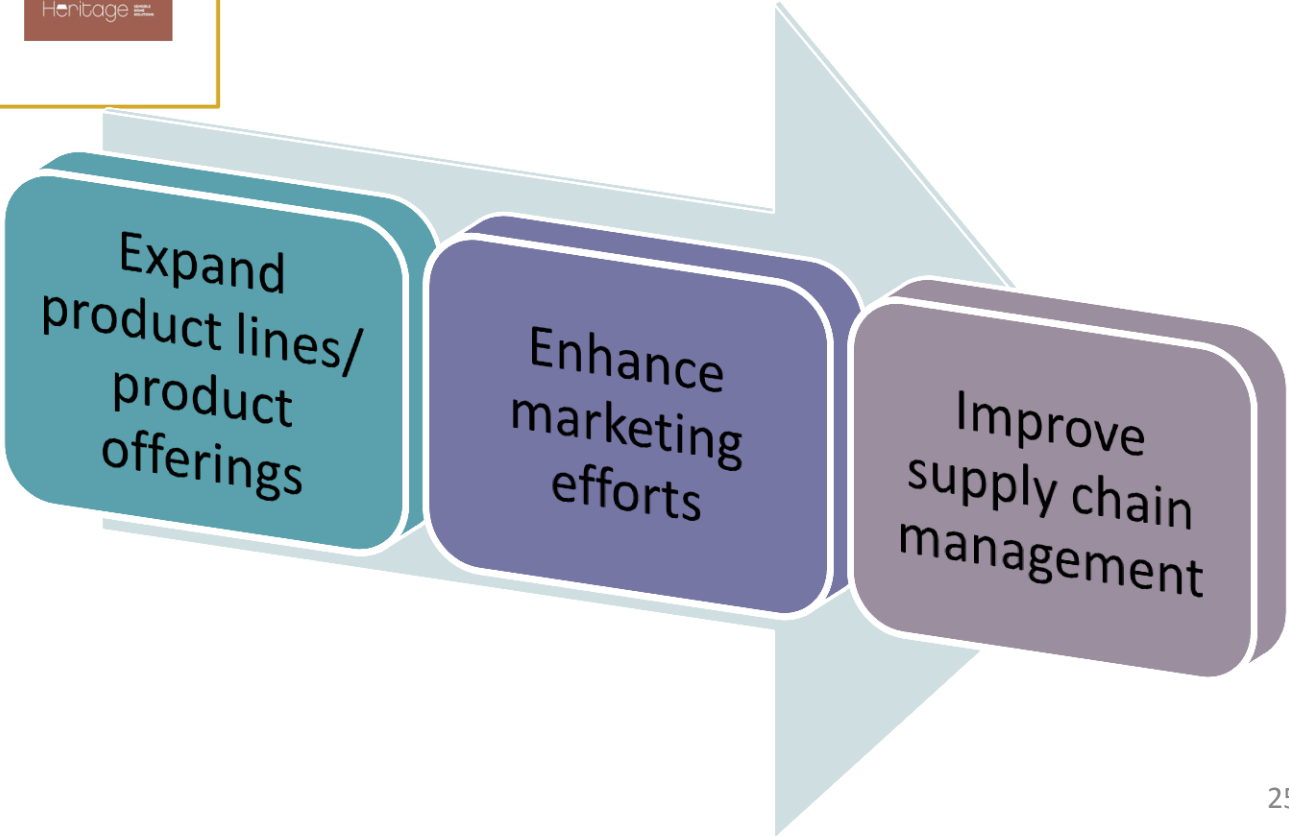


2018	
IH	Libis (Home Essentials) - March 9 Tacloban - April 20 Silang Naga Zamboanga
2H	Iloilo (Home Essentials) Lipa Davao Tayabas General Santos Puerto Princesa
New	11
Temporary Closure - Depot	-1
Total	51

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	



END OF PRESENTATION