



Wilcon Depot, Inc.

1H2019 Earnings Call



Discussion Agenda

WILCON

DEPOT

1 Results Highlights

2 Financial Results

3 Operating and Financial Statistics

4 Outlook

Results Highlights

First Half 2019

- Net income grew 8.8% y-o-y to ₱995 million for a net margin of 8.4% driven by:
 - Net sales hiked 17.8% y-o-y to ₱11.778 billion with a comparable sales growth of 4.7%
 - Gross profit margin improved to 32.4% from 31.3% in 1H18
- Product mix improved to 49.0% exceeding the target contribution for the year of 48.0%
- Annual cash dividends increased by 45.4% to P0.16 per share from P0.11 per share in 2018



home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries



plumbing

Financial Results

Net Income grew 8.8% to P995 M

(First Half 2019)

WILCON

DEPOT

Net Sales up 17.8%

GPM expanded to
32.4%

(In PHP MM)	1H19	% Sales	1H18	% Sales	% Growth
NET SALES	11,778	100.0	10,001	100.0	17.8
COST OF SALES	-7,965	(67.6)	-6,873	(68.7)	15.9
GROSS INCOME	3,813	32.4	3,128	31.3	21.9
OPERATING EXPENSES	-2,523	(21.4)	-2,039	(20.4)	23.7
OTHER INCOME	140	1.2	92	0.9	51.2
INTEREST INCOME	84	0.7	90	0.9	(6.8)
INTEREST EXPENSE	-123	(1.0)	-2	(0.0)	5,139.4
INCOME BEFORE TAX	1,390	11.8	1,269	12.7	9.6
INCOME TAX	396	3.4	354	3.5	11.7
NET INCOME	995	8.4	914	9.1	8.8

Net Income grew 1.1% to P511 M

(2nd Quarter 2019)

WILCON

DEPOT

Net Sales up 14.1%

GPM expanded to
32.7%

(In PHP MM)	2Q19	% Sales	2Q18	% Sales	% Growth
NET SALES	6,044	100.0	5,296	100.0	14.1
COST OF SALES	-4,065	(67.3)	-3,640	(68.7)	11.7
GROSS INCOME	1,979	32.7	1,656	31.3	19.5
OPERATING EXPENSES	-1,327	(21.9)	-1,049	(19.8)	26.5
OTHER INCOME	81	1.3	50	1.0	59.8
INTEREST INCOME	34	0.6	45	0.9	(25.5)
INTEREST EXPENSE	-70	(1.2)	-1	(0.0)	9,764.4
INCOME BEFORE TAX	697	11.5	703	13.3	(0.7)
INCOME TAX	186	3.1	197	3.7	(5.5)
NET INCOME	511	8.5	505	9.5	1.1

Balance Sheet

(In Php MM)

WILCON **DEPOT**

	Unaudited Jun 30, 2019	Audited Dec 31, 2018
Current Assets	10,400	11,123
Noncurrent Assets	11,848	6,379
Total Assets	22,248	17,502
Current Liabilities	5,420	4,171
Noncurrent Liabilities	3,231	118
Total Liabilities	8,651	4,290
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	128	83
Retained Earnings	3,995	3,656
Total Equity	13,596	13,212
CURRENT RATIO	1.92	2.67
QUICK RATIO	0.39	0.75
DEBT-TO-EQUITY RATIO	0.64	0.32
RETURN ON ASSET	4.5%	10.5%
RETURN ON EQUITY	7.3%	13.9%

WILCON DEPOY



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

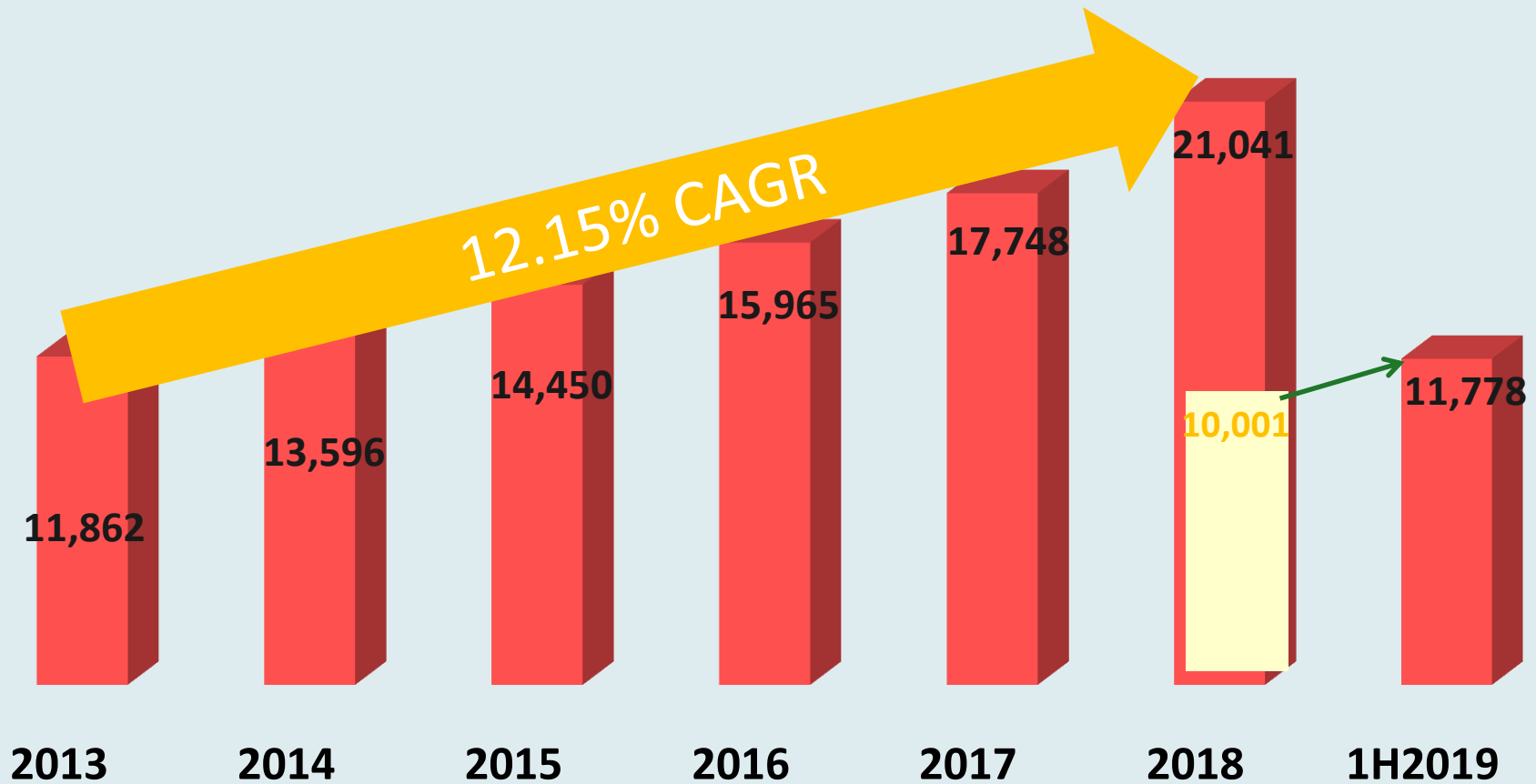
Operating and Financial Statistics

Healthy Sales Growth

WILCON

DEPOT

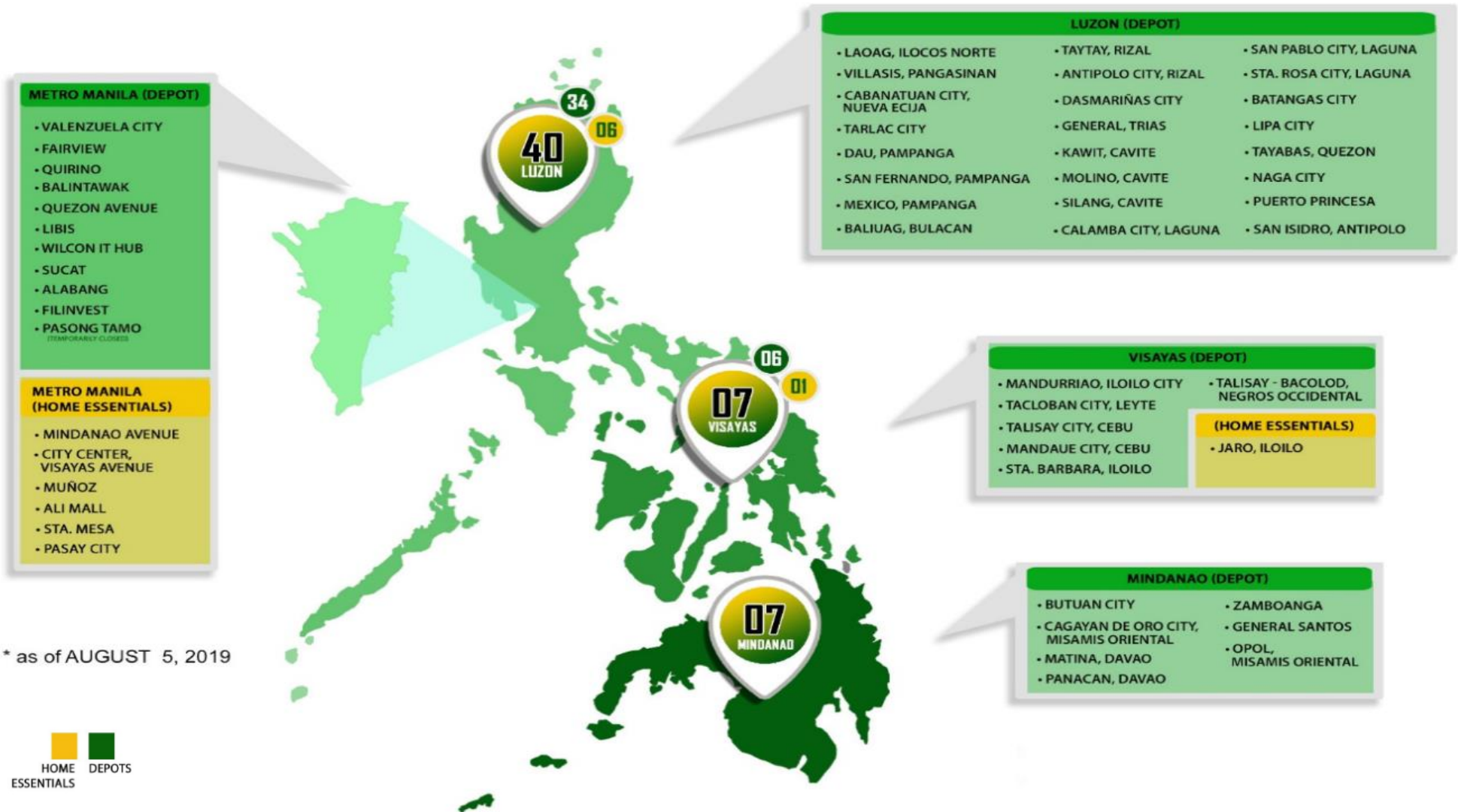
SALES



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

Store Network & Presence

Wilcon operates 54* stores strategically located in dominant markets and in fast-growing cities nationwide.

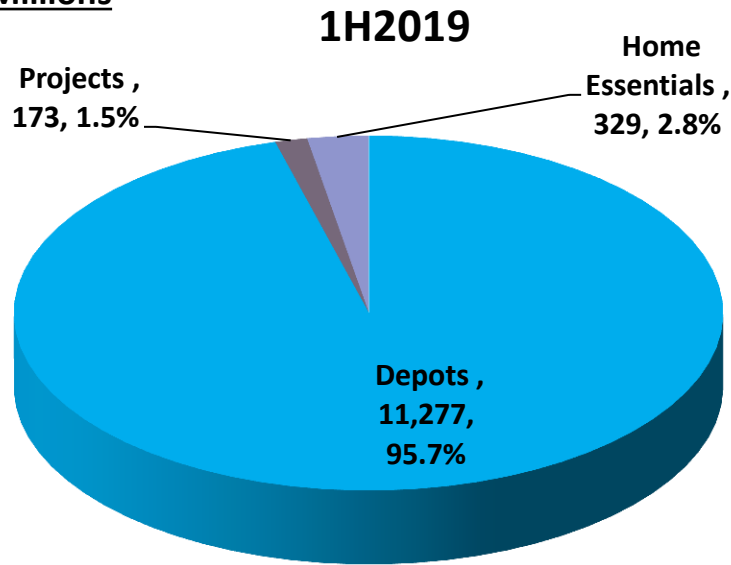


* as of AUGUST 5, 2019

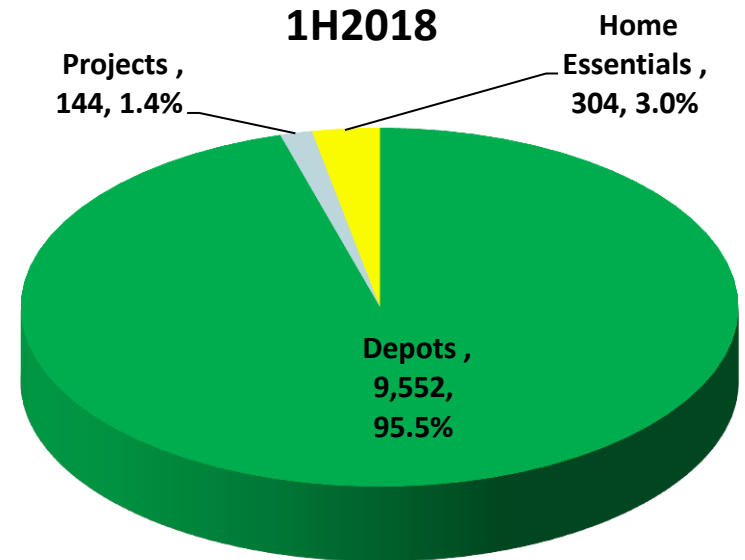
Total Net Sales Breakdown



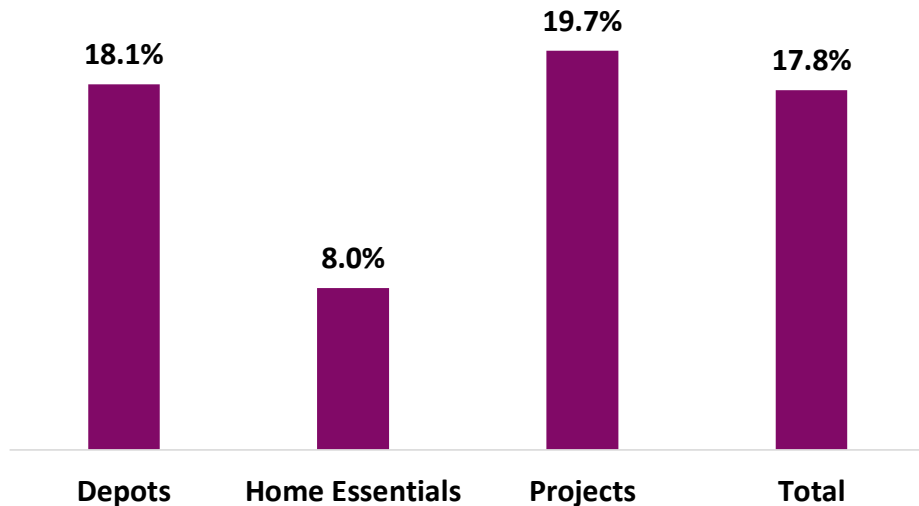
PhP Millions



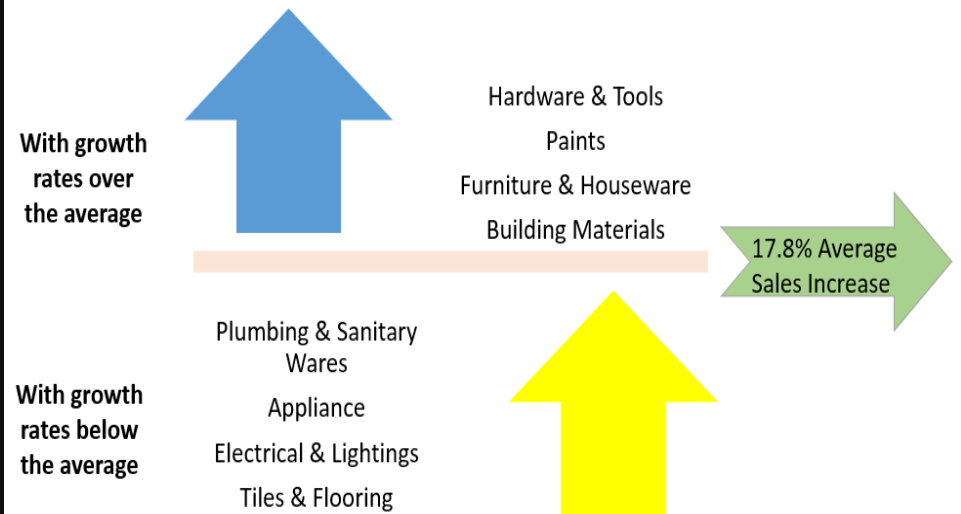
17.8% ↑



Sales Growth per Store Format 1H19 vs 1H18



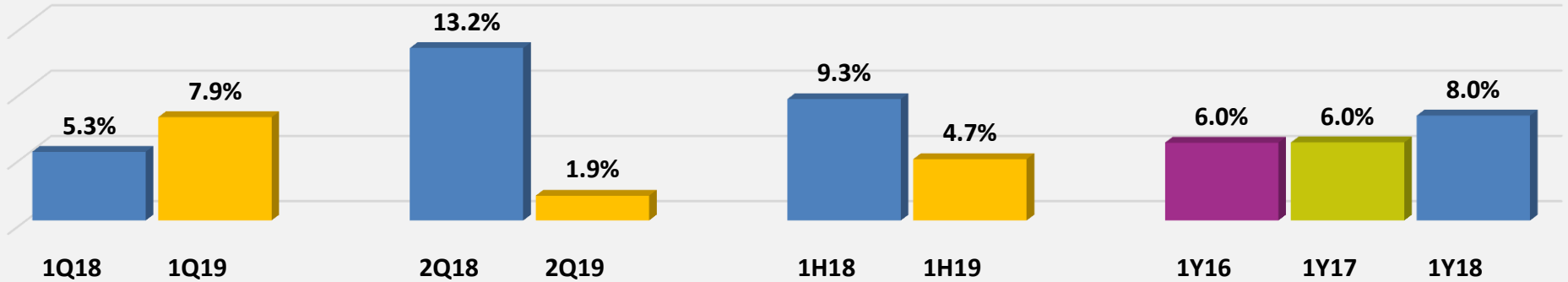
Product Category Performance 1H19 VS 1H18



Comparable Sales Summary



Quarterly Trend

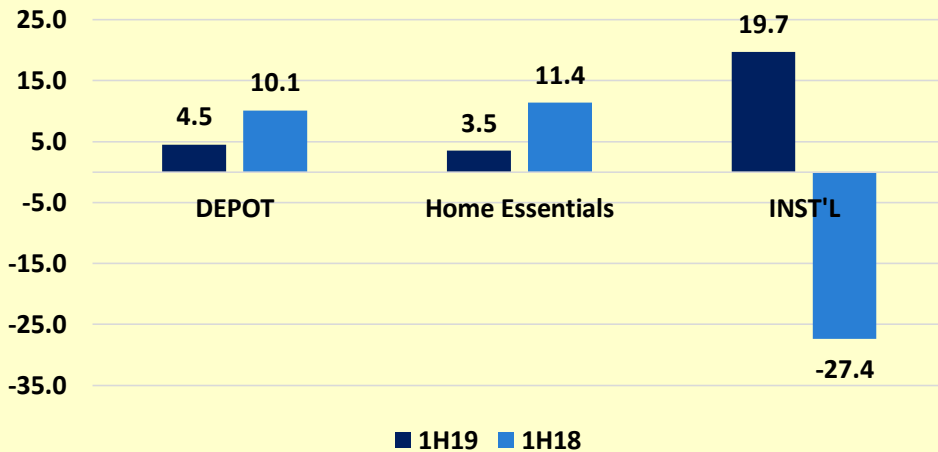


SSSG Excluding Inst'l/ Projects Sales

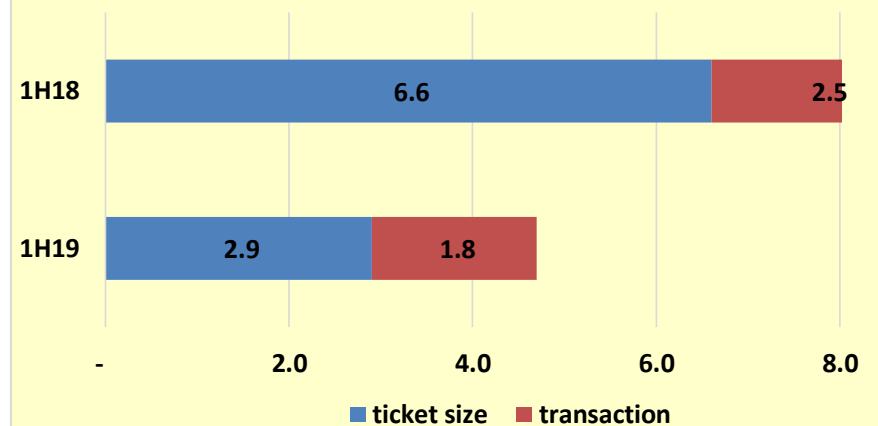
- 2Q18 – 13.3%
- 2Q19 – 1.5%

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

Comparable Sales per Format 1H19 VS 1H18



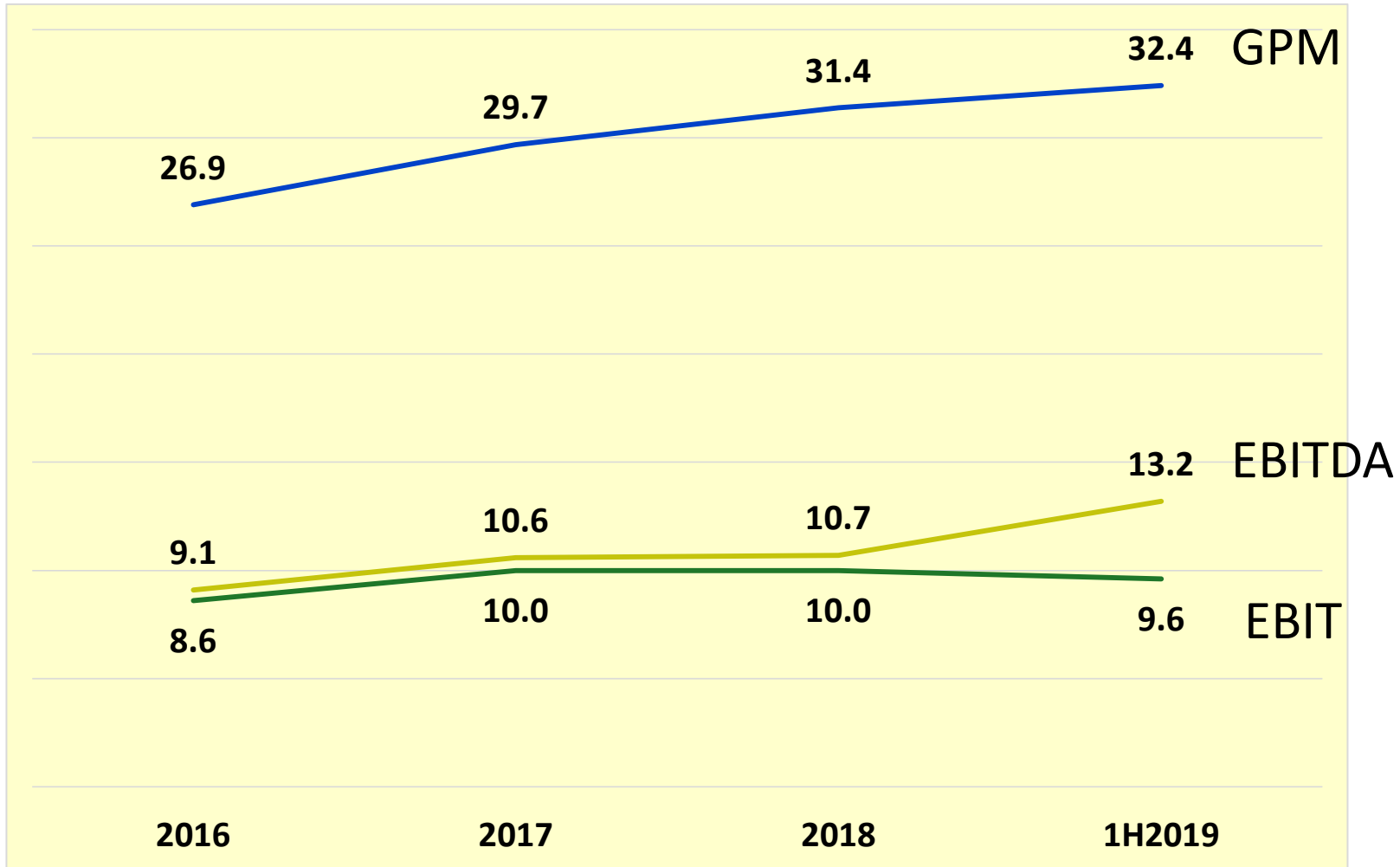
Comparable Ave Ticket/ Transactions



Improving Margins

WILCON

DEPOT



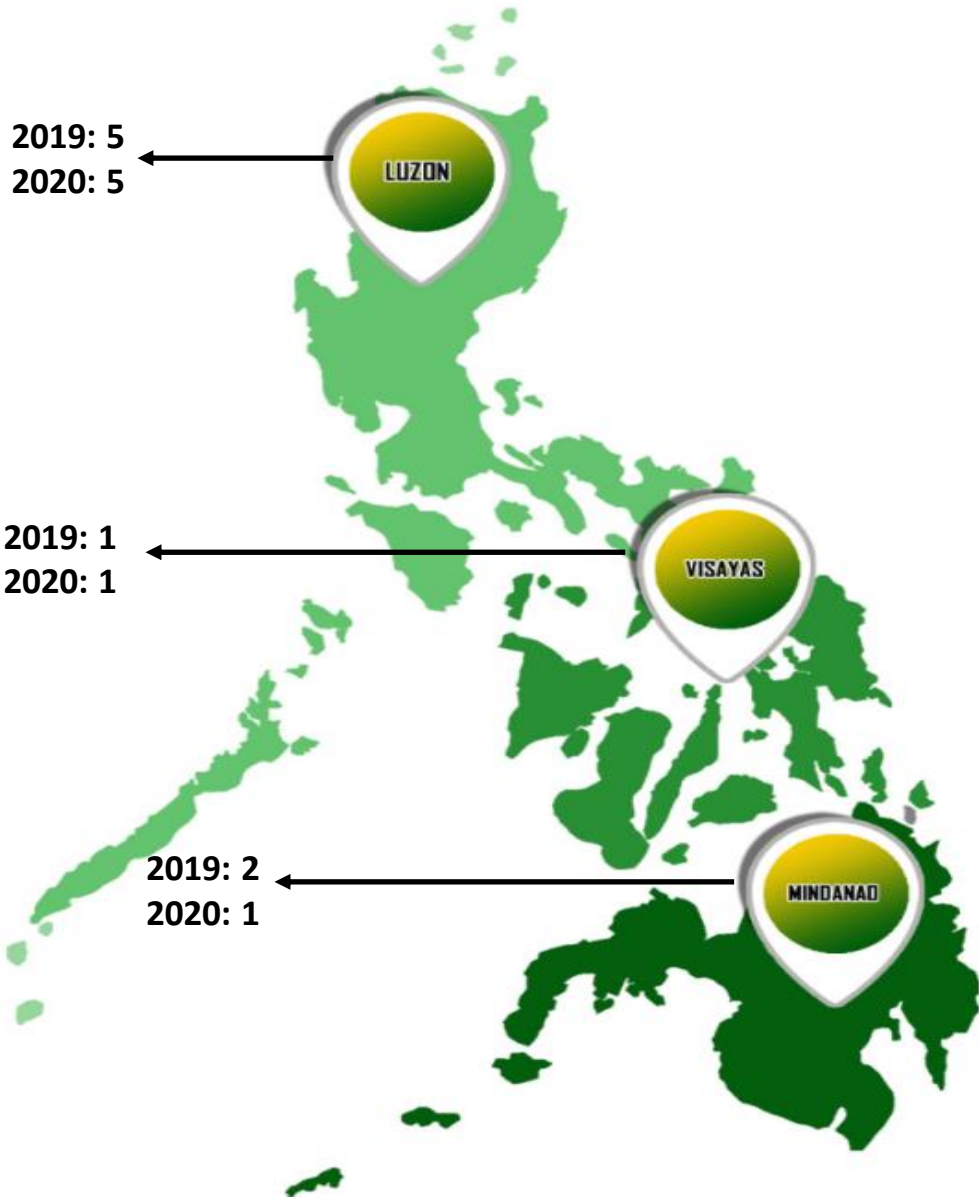
Notes:

1. Replaced Rent Expense with Cash Rent payments
2. 2016 only covered three quarters from April 1 to December 31, 2016



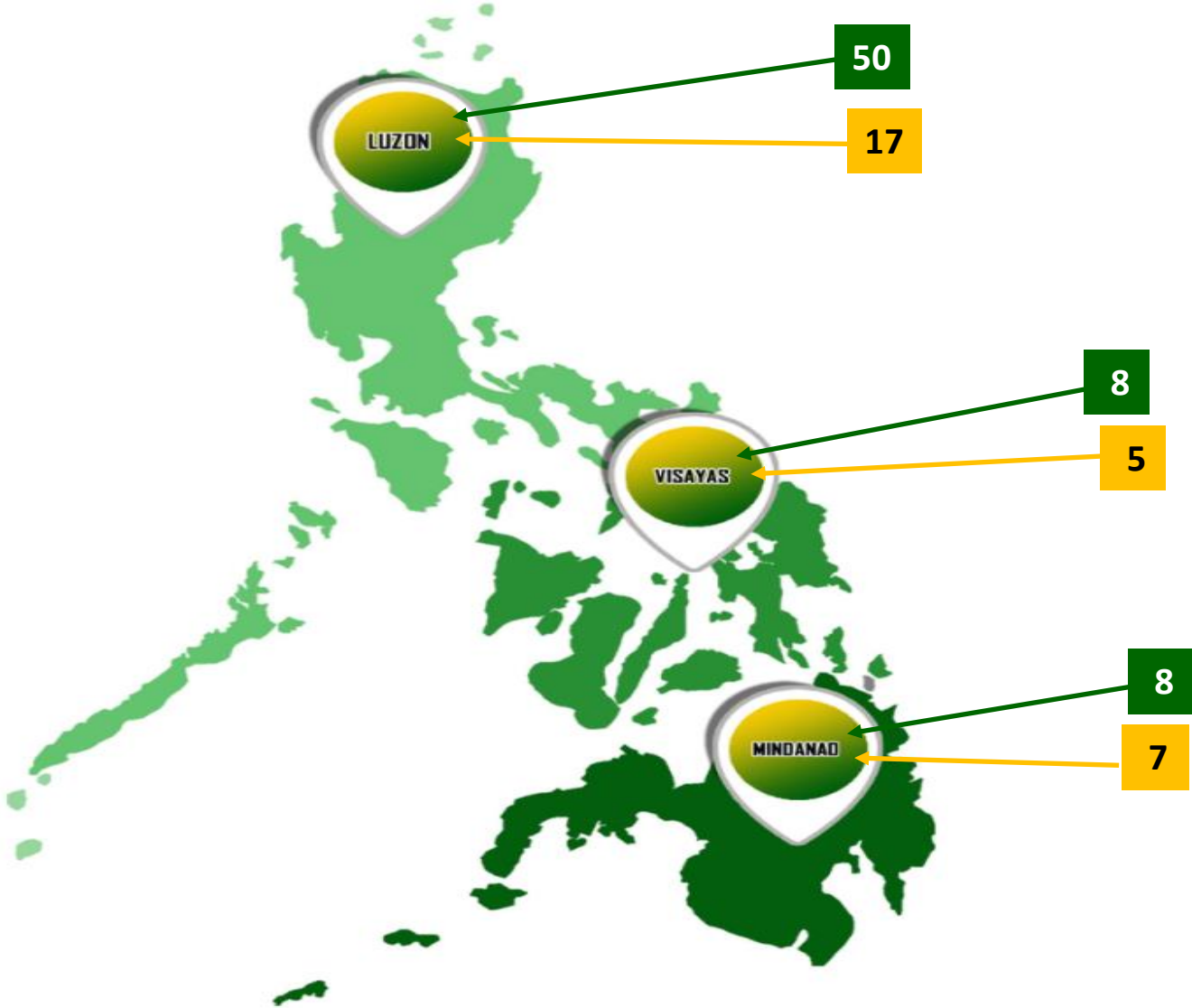
Outlook

2019 - 2020 Store Expansion Plan



	2019
IH	Panacan, Davao – Jan 25 Sta. Barbara, Iloilo – Apr 26
2H	Opol, CDO – Jul 12 San Isidro, Antipolo City – Jul 26 Sto. Tomas, Batangas Del Monte, Bulacan Iguig, Cagayan Valley Daraga, Albay
New, 2019	8
2018 Balance	51
Closed	Essentials Libis – Jul 15
Reopening	Pasong Tamo
Total, end 2019	59

2017 - 2020 Planned New Branches



Total Planned New Depot Stores - 29

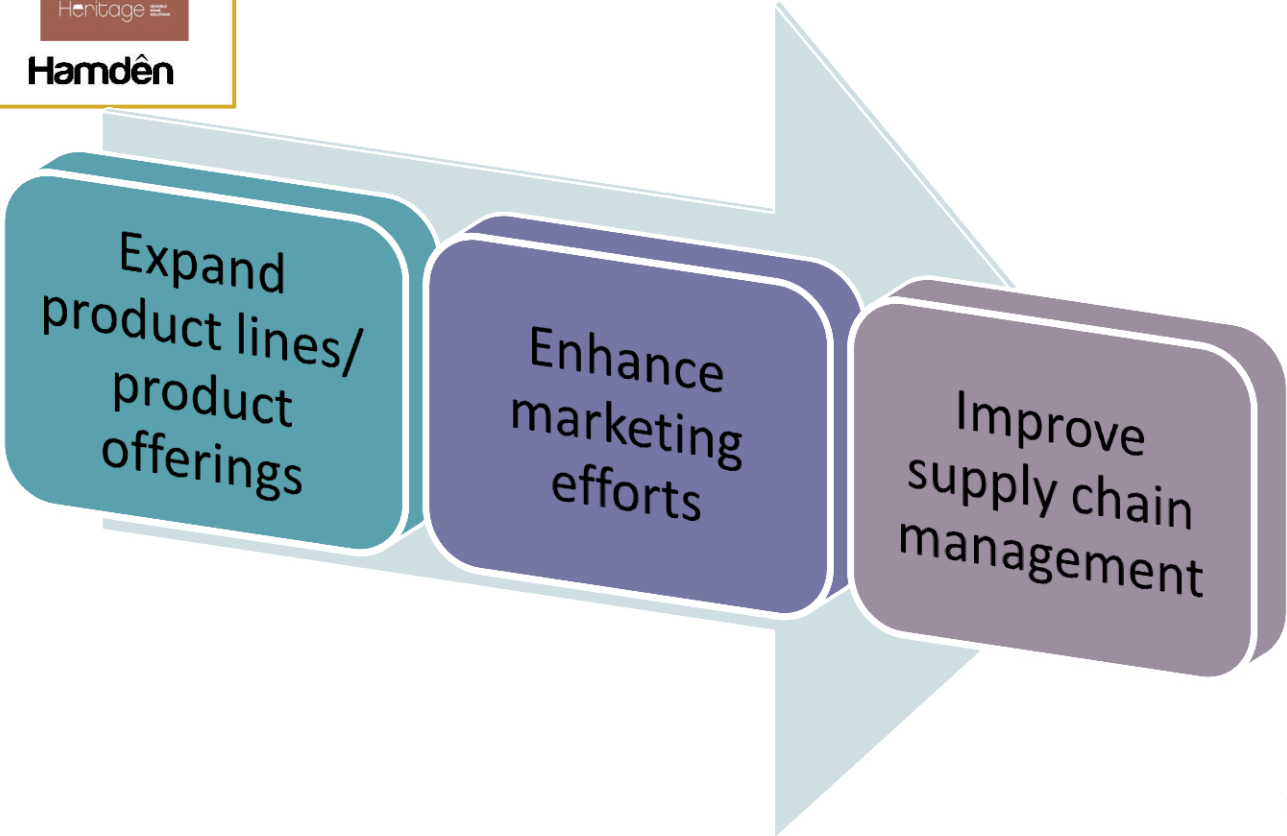
Total number of stores in 2020 - 66

From January 2017 to July 2019, nineteen (19) new stores were opened, eighteen (18) 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	



Disclaimer

This presentation does not constitute a prospectus or any kind of offering memorandum in whole or in part. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company. There shall be no sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to any qualification under the securities laws of such state or jurisdiction. This presentation has not been and will not be reviewed or approved by any statutory or regulatory authority or any stock exchange in the Philippines or elsewhere. Prospective investors should undertake their own assessment with regard to their investment and they should obtain independent advice on any such investment's suitability, inherent risks and merits and any tax, legal and accounting implications which it may have for them.

This presentation 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.

This presentation and the contents hereof are restricted for only the intended recipient(s). This presentation and the contents hereof should not be (i) forwarded or delivered or transmitted in any manner whatsoever, to any other person other than the intended recipient(s); or (ii) reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this presentation in whole or in part is unauthorized. This presentation must not be distributed to the press or any media organization.

Neither the Company nor its advisor, nor any of their respective affiliates, shareholders, directors, employees, agents or advisers makes any expressed or implied representations or warranties as to the accuracy and completeness of the information contained herein or any other information (whether communicated in written or oral form) and each of the foregoing parties expressly disclaim any and all responsibility and liability of any kind (including any contractual, non-contractual, or third party liability) for any loss or damage, whether or not arising from any error or omission in compiling such information or as a result of any party's reliance or use of such information. The information in this presentation has not been independently verified. The information and opinions in this presentation are subject to change without notice, and no obligation is assumed by the Company nor its advisor, nor any of their respective affiliates, shareholders, directors, employees, agents or advisers to provide the recipient(s) with access to any additional information.