



Wilcon Depot, Inc.

9M2019 Earnings Call



Discussion Agenda

WILCON

DEPOT

1 Results Highlights

2 Financial Results

3 Operating and Financial Statistics

4 Outlook

Results Highlights

9M2019

- Net income grew 11.1% y-o-y to ₱1.544 billion for a net margin of 8.6% driven by:
 - Net sales up 17.4% to ₱18 billion with a comparable sales growth of 5.4%
 - Gross profit margin increased to 32.8% from 31.3% in 9M18
- Product mix improved to 49.2% 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

SECTION 3

Financial Results

Net Income grew 11.1% to P1.544 B

(9M2019)

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(In PHP MM)	9M19	% Sales	9M18	% Sales	% Growth
Net Sales	18,035	100.0	15,359	100.0	17.4
Cost of Sales	-12,123	-67.2	-10,551	-68.7	14.9
Gross Income	5,912	32.8	4,808	31.3	23.0
Operating Expenses	-3,910	-21.7	-3,145	-20.5	24.3
Other Income	211	1.2	128	0.8	64.8
Interest Income	119	0.7	139	0.9	-13.9
Interest Expense	-208	-1.2	-2	0.0	8,764.0
Income Before Tax	2,124	11.8	1,927	12.5	10.2
Income tax	-580	-3.2	-537	-3.5	8.0
Net Income	1,544	8.6	1,390	9.0	11.1

Net Sales up 17.4%

GPM expanded to 32.8%

Net Income grew 15.5% to P549 M

(3rd Quarter 2019)

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DEPOT

Net Sales up 16.8%

GPM expanded to 33.5%

(In PHP MM)	3Q19	% Sales	3Q18	% Sales	% Growth
Net Sales	6,257	100.0	5,358	100.0	16.8
Cost of Sales	-4,158	-66.5	-3,679	-68.7	13.0
Gross Income	2,099	33.5	1,679	31.3	25.0
Operating Expenses	-1,387	-22.2	-1,105	-20.6	25.5
Other Income	71	1.1	36	0.7	100.2
Interest Income	36	0.6	49	0.9	-27.0
Interest Expense	-85	-1.4	-0	-0.0	42,293,765.4
Income Before Tax	734	11.7	658	12.3	11.5
Income tax	-185	-2.9	-183	-3.4	0.9
Net Income	549	8.8	475	8.9	15.5

Balance Sheet

(In Php MM)

WILCON **DEPOT**

	Unaudited Sep 30, 2019	Audited Dec 31, 2018
Current Assets	14,122	11,123
Noncurrent Assets	10,202	6,379
Total Assets	24,324	17,502
Current Liabilities	6,404	4,171
Noncurrent Liabilities	3,717	118
Total Liabilities	10,122	4,290
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	185	83
Retained Earnings	4,544	3,656
Total Equity	14,202	13,212
Current ratio	2.1	2.67
Quick ratio	0.77	0.75
Debt to equity ratio	0.71	0.32
Return on asset	6.3%	10.5%
Return on equity	10.9%	13.9%

WILCON DEPOY



home interior



building materials



doors & mouldings



tiles



paints & sundries



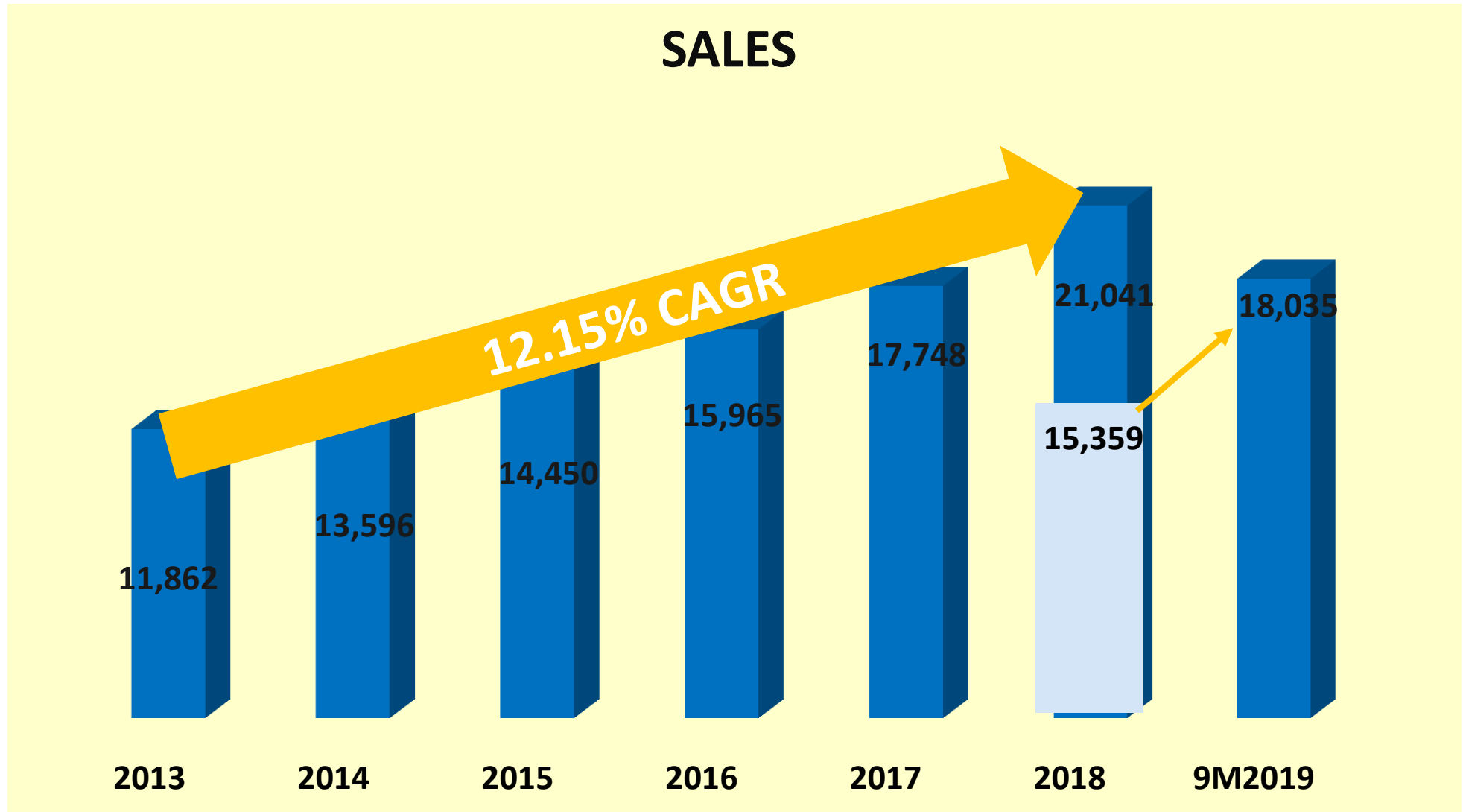
plumbing

Operating and Financial Statistics

Healthy 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

Store Network & Presence



Wilcon operates 56* stores strategically located in dominant markets and in fast-growing cities nationwide.



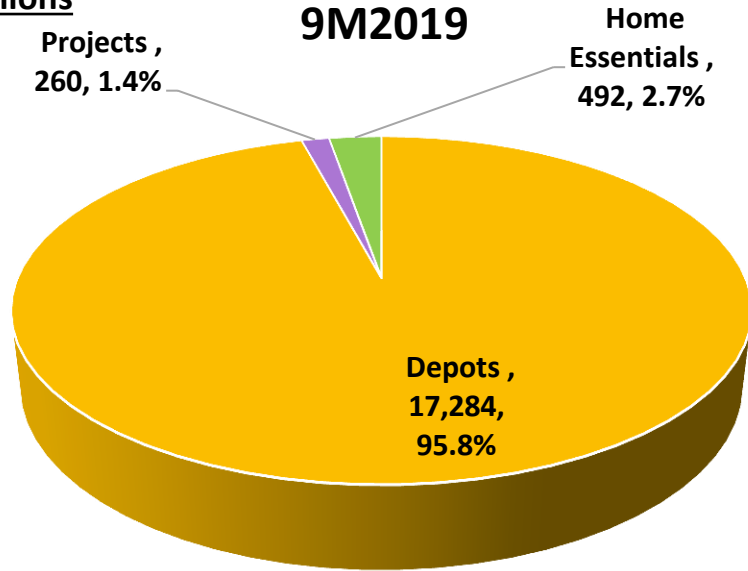
* as of OCTOBER, 2019



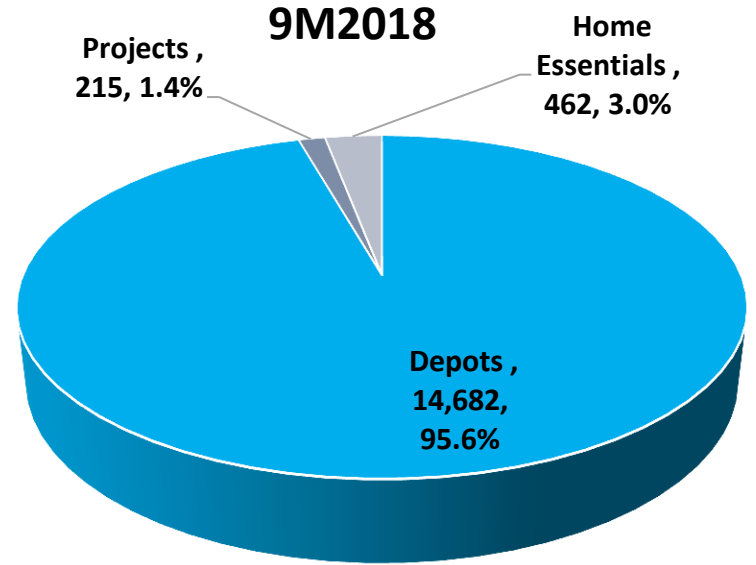
Total Net Sales Breakdown



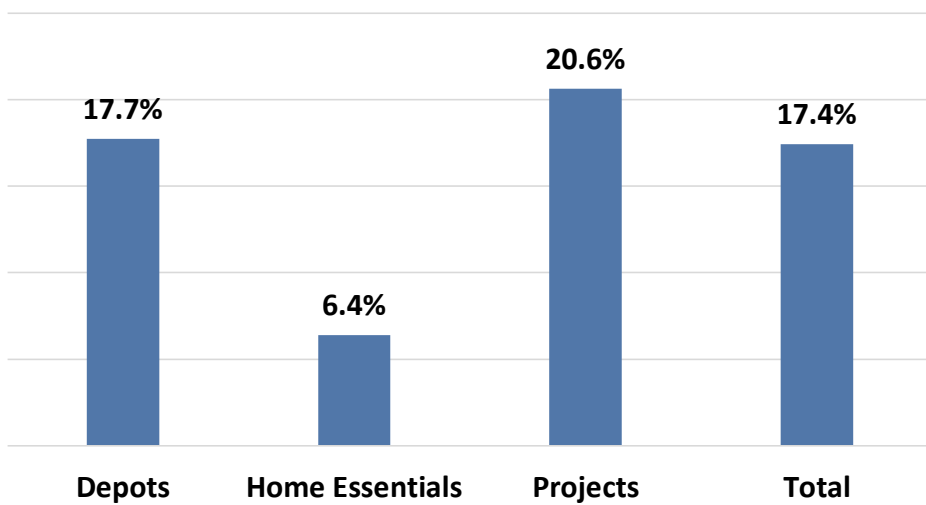
PhP Millions



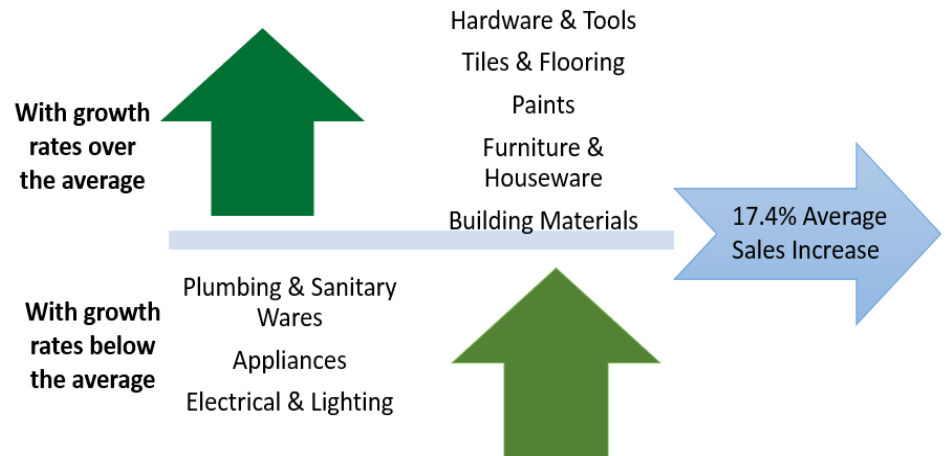
17.4%



Sales Growth per Store Format 9M19 VS 9M18



Product Category Performance 9M19 VS 9M18



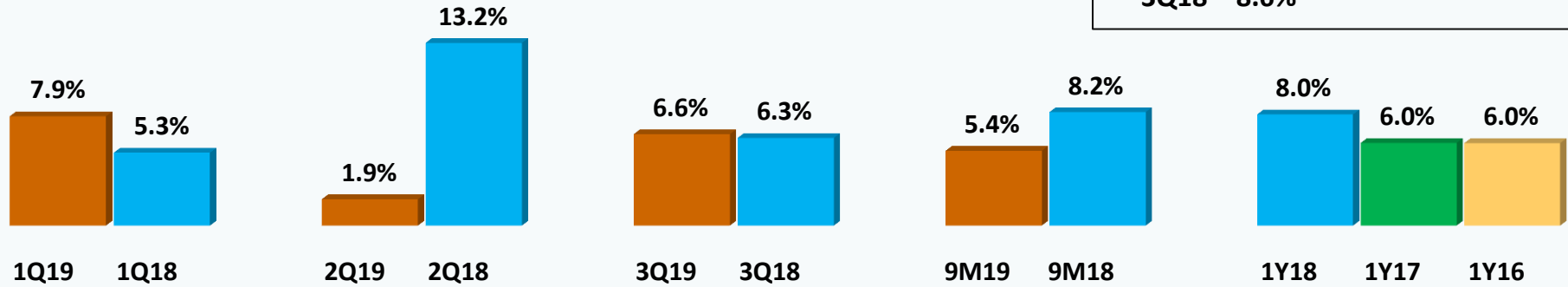
Comparable Sales Summary



Quarterly Trend

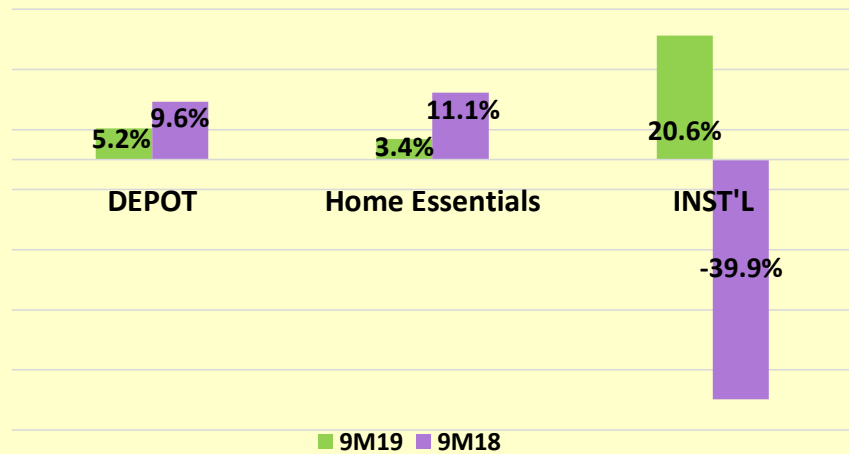
SSSG Excluding Inst'l/ Projects Sales

- 3Q19 – 6.4%
- 3Q18 – 8.6%

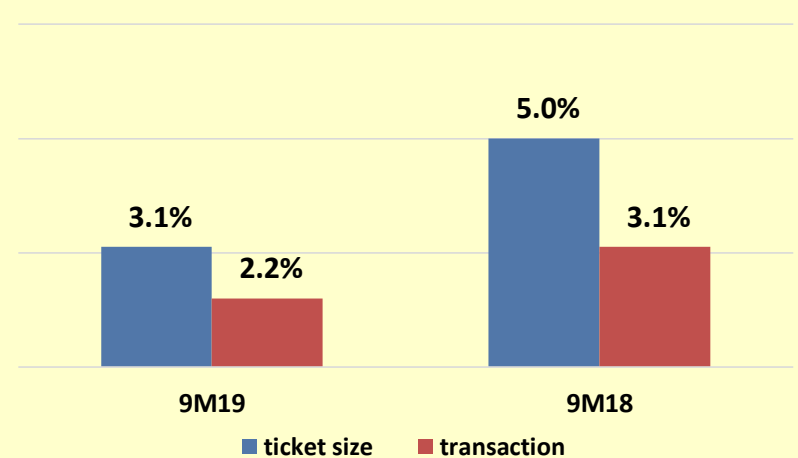


Note: 2016 – In-house Pro-forma
Commercial operations under WDI commenced April 1, 2016

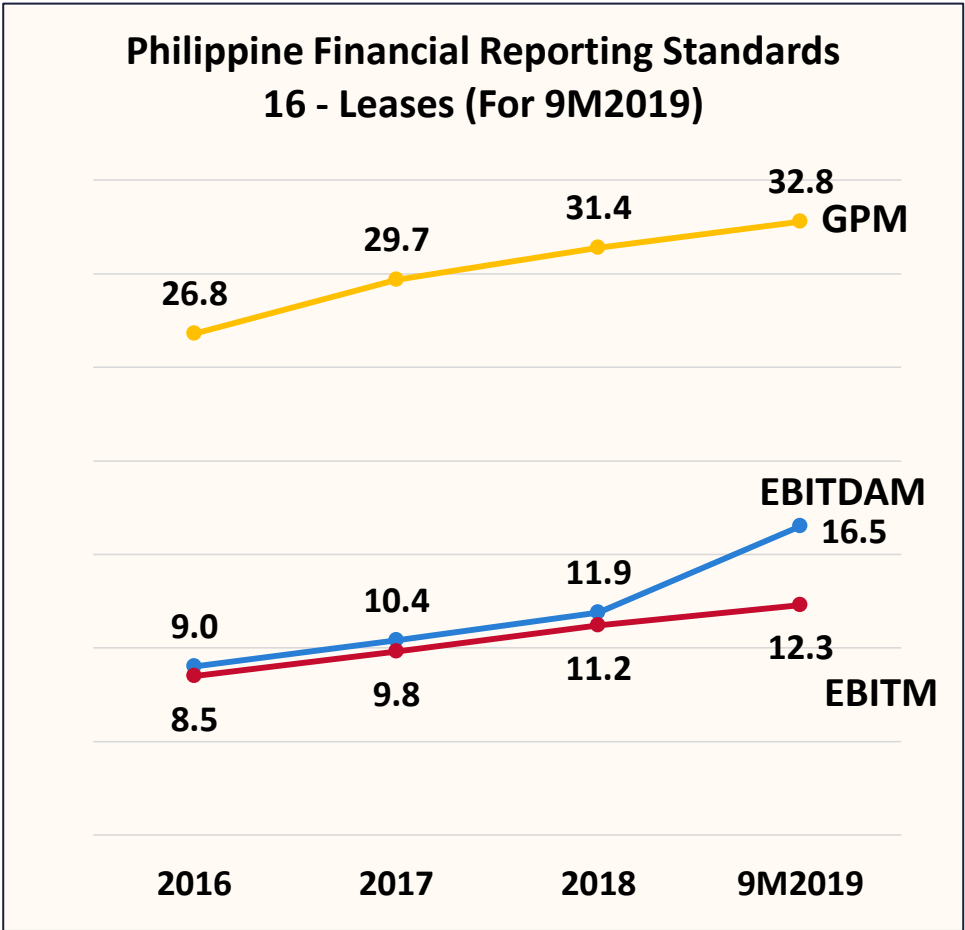
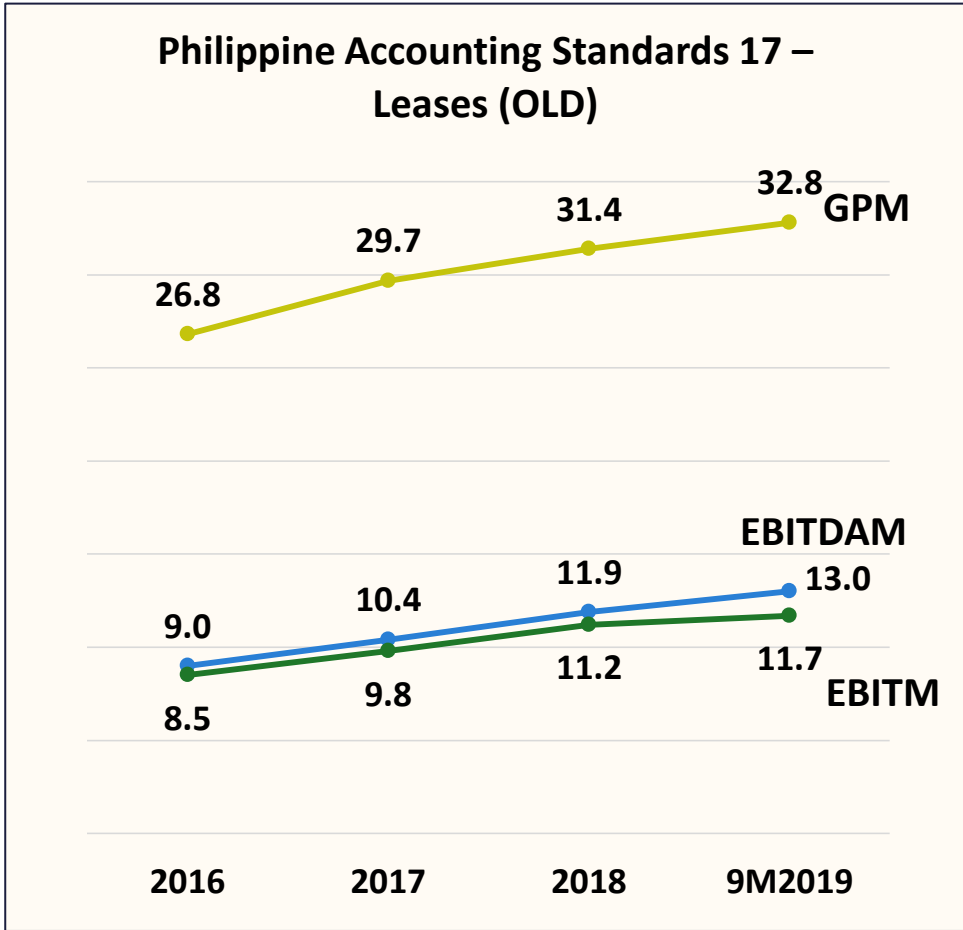
Comparable Sales Growth per Format 9M19 VS 9M18



Comparable Ticket Size and Transaction Growth 9M19 VS 9M18



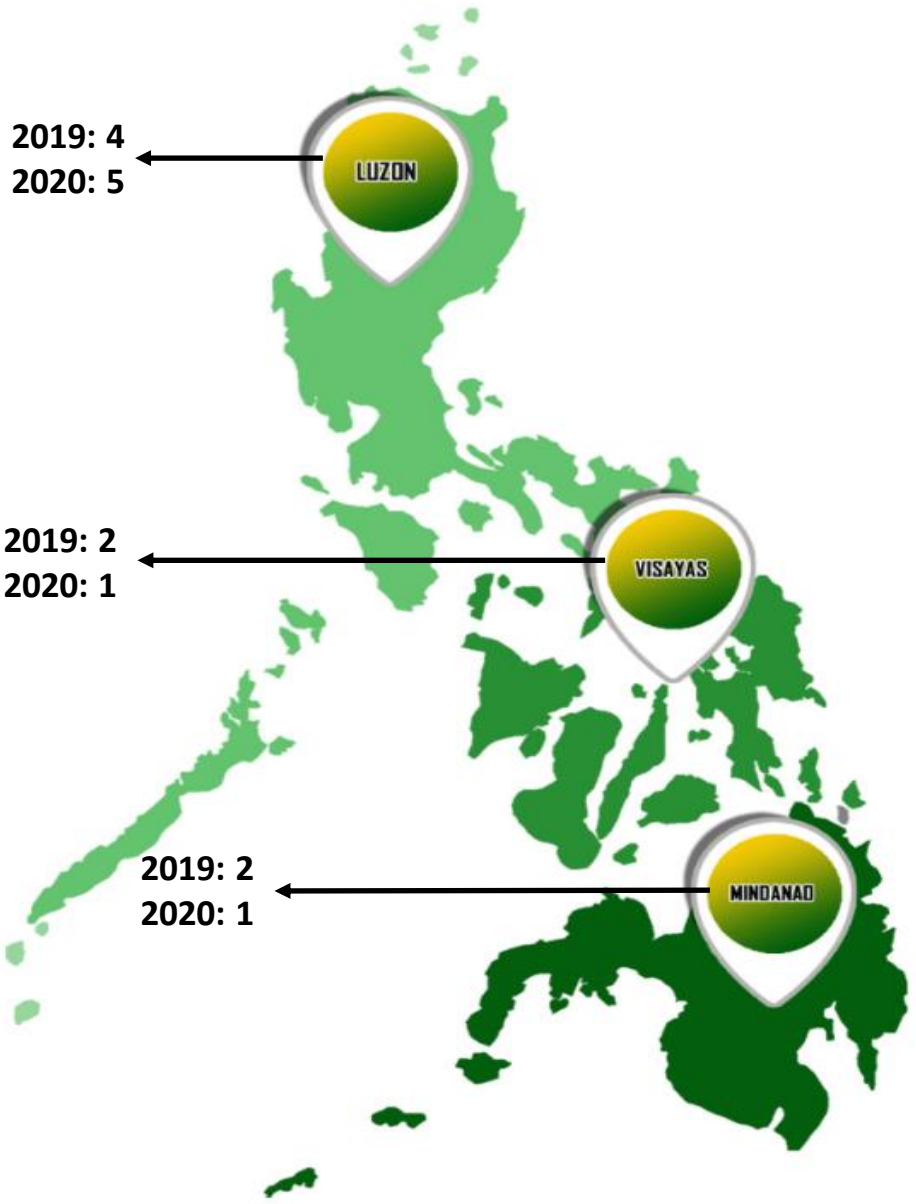
Improving Margins





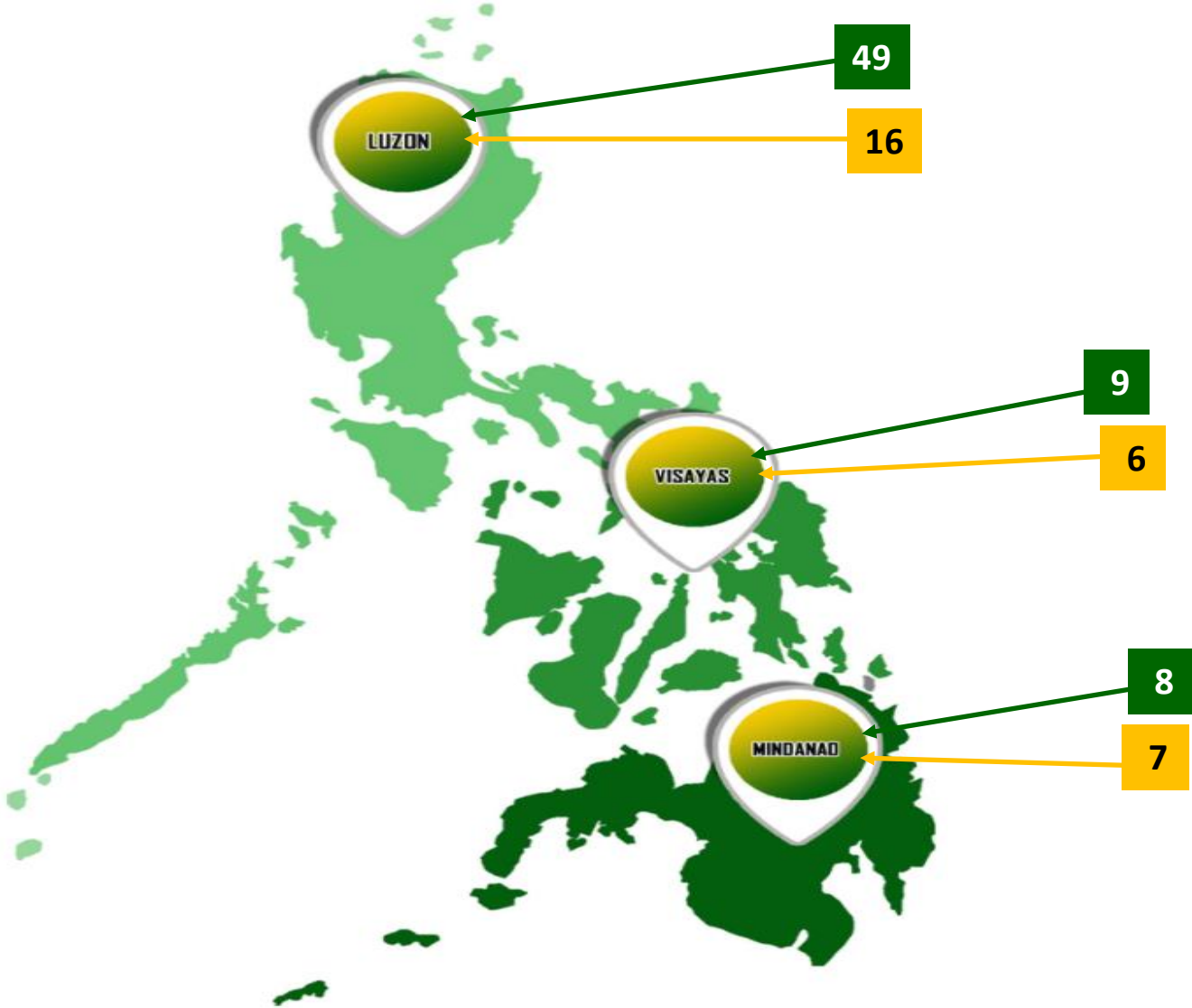
Outlook

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 City, Batangas – Aug 30
	Daraga, Albay
	Iguig, Cagayan Valley
	Makato, Aklan
New, 2019	8
2018 Balance	51
Closed	Essentials Libis – Jul 15
Reopening	Pasong Tamo – Oct 25
Total, end 2019	59

2017 - 2020 Planned New Branches



Total Planned New Depot Stores - 29

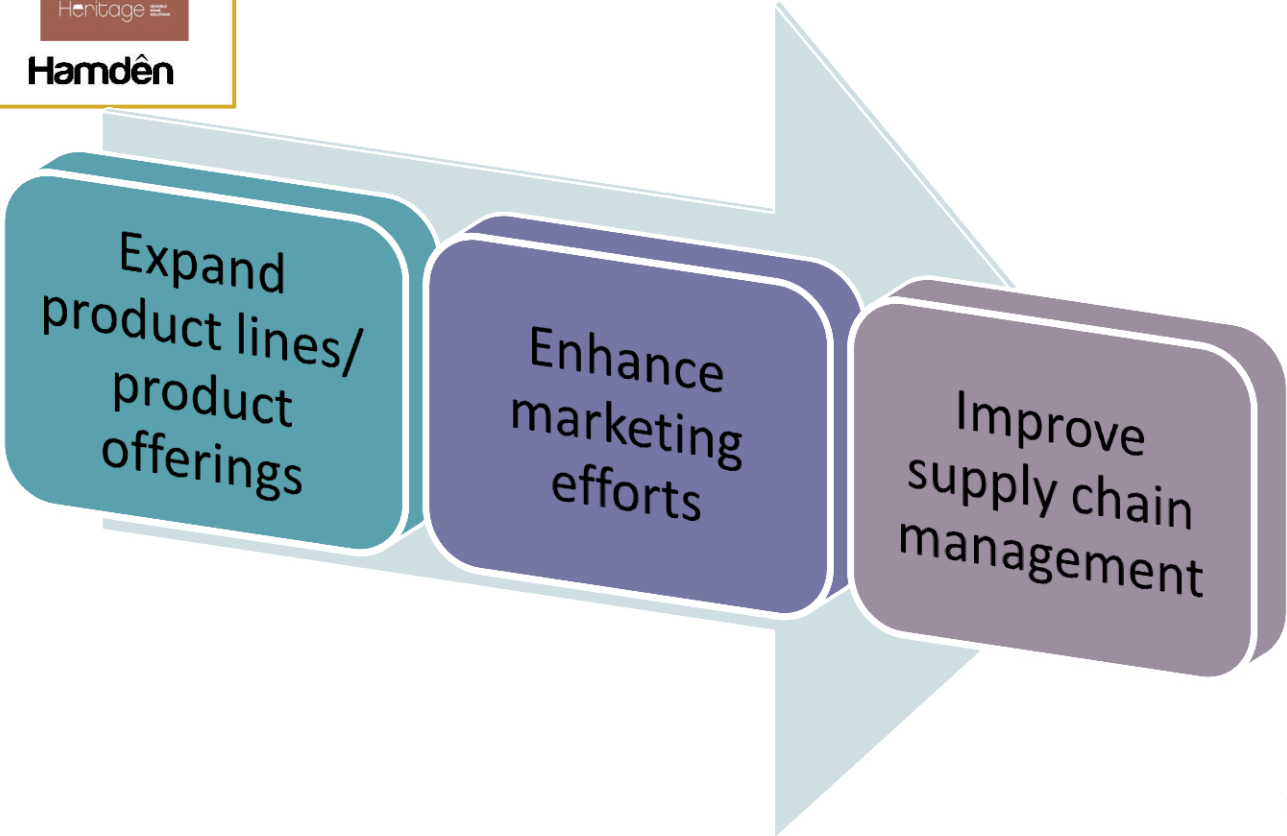
Total number of stores in 2020 - 66

From January 2017 to August 2019, twenty (20) new stores were opened, nineteen (19) 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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