



Wilcon Depot, Inc.

1Q2020 Performance Report



Discussion Agenda

WILCON

DEPOT

1 Company Overview

2 Strategy Overview

3 Financial Results

4 Outlook



home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries



plumbing

SECTION 1

Company Overview

Leader in the home improvement and construction supply retail space in the Philippines; 43 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



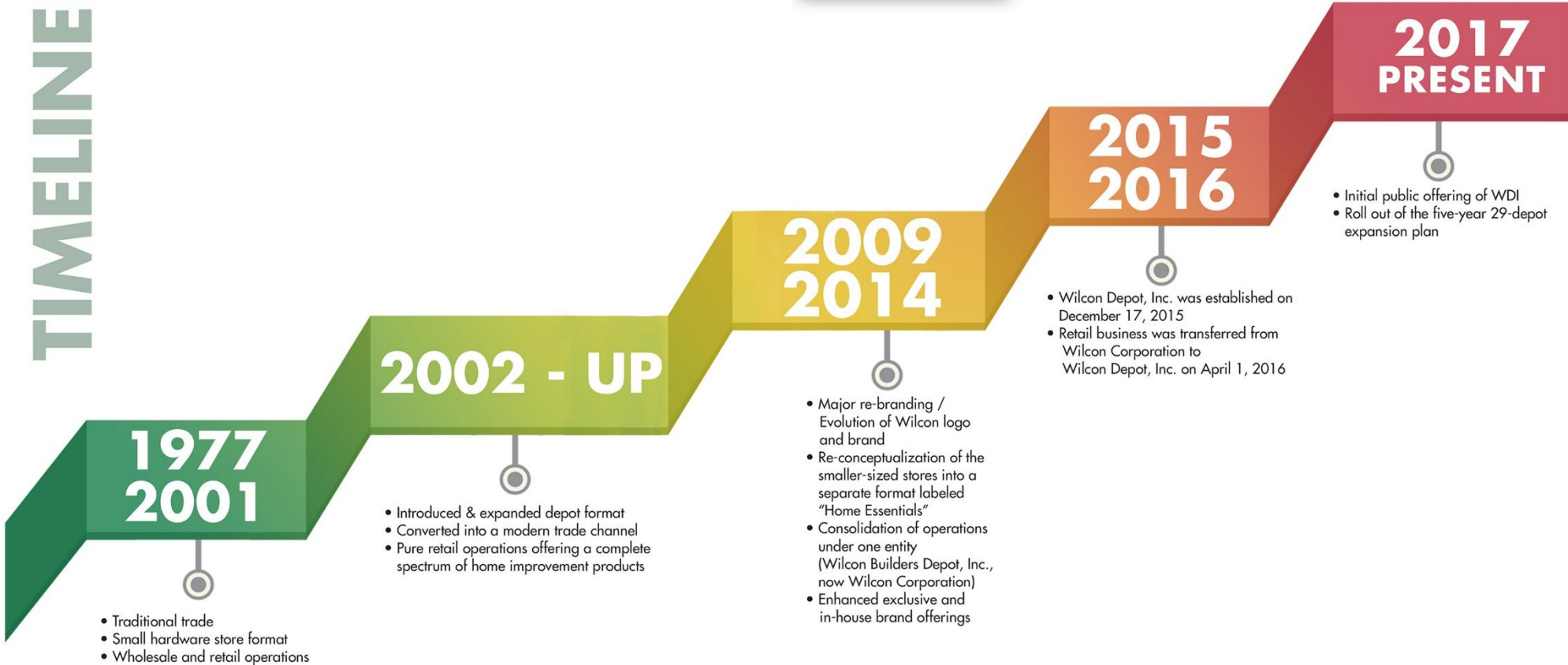


Build anything. We have everything.

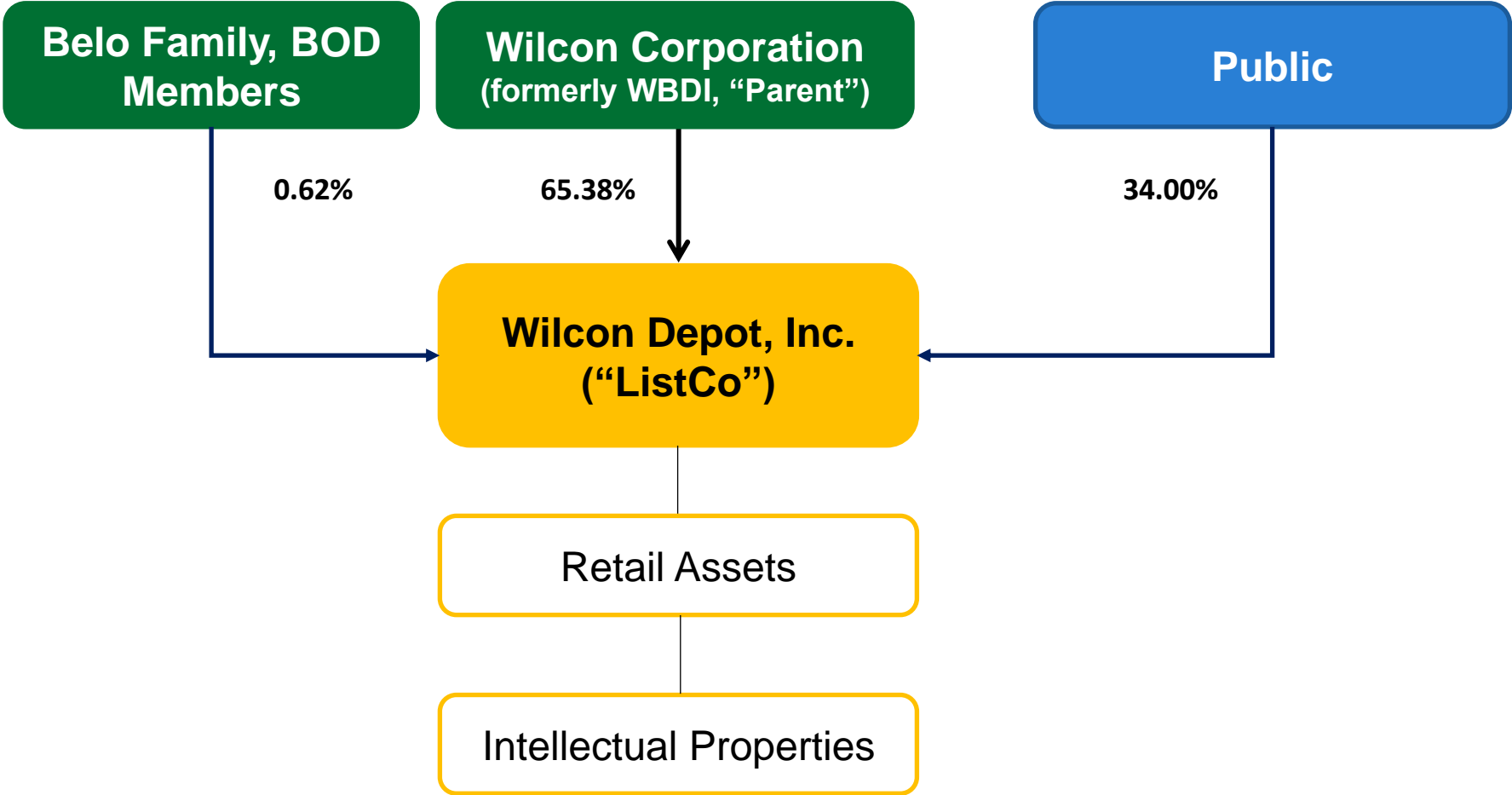


DPZ	7.99	7.13
LR	4.26	4.26
LTI	16.00	16.08
MAR	3.77	3.85
MARC	1.72	1.74
MAXS	26.40	26.75
MST	87.75	79.95
MCP	8.00	6.73
MED	8.65	0.66
MEF	3.45	3.39
MER	275.80	274.64
ME	0.3000	0.2444
MPI	6.20	6.0
MRS	0.3000	0.217
MROE	3.50	3.9
MWC	31.80	31.1
MWDE	17.52	17.7
W	2.2	2.2
W	8	8

TIMELINE



Wilcon Group: Corporate Structure



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

Store Formats



DEPOT



HOME ESSENTIALS



No. of stores

51

7

Gross Floor Area

- 2,800 sqm to 16,100 sqm, with an average gross floor area of 9,270 sqm

- 740 sqm to 2,800 sqm, with an average gross floor area of 1,445 sqm

*as of March 2020

Store Network & Presence



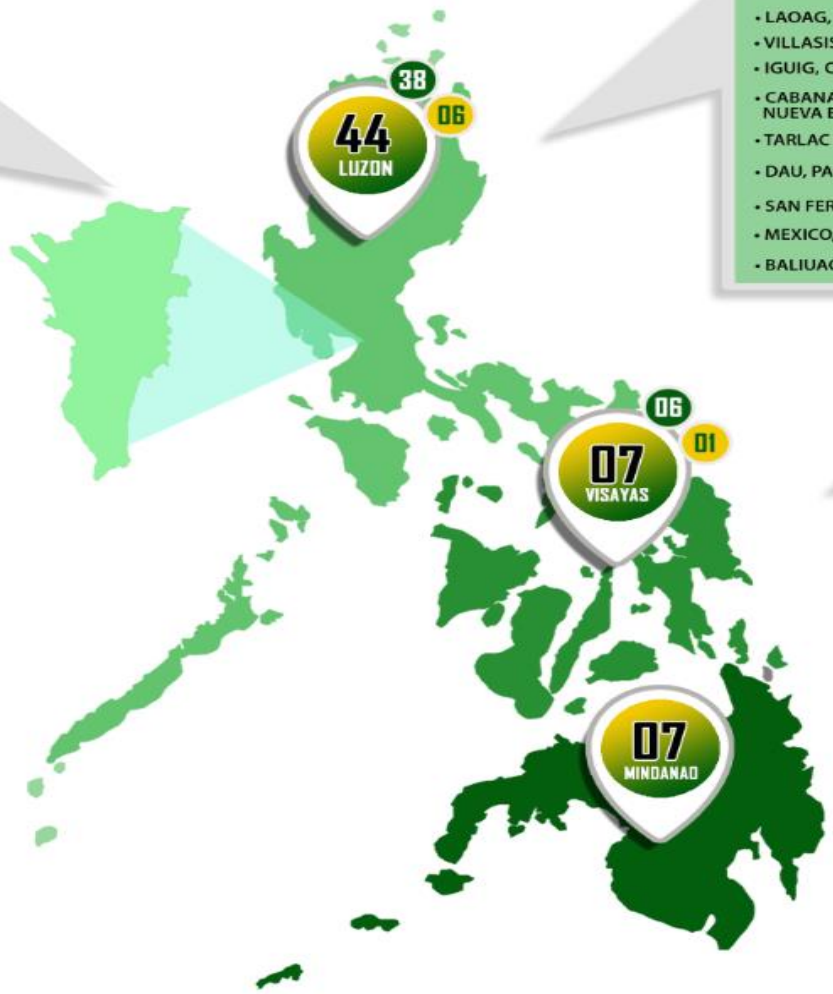
Wilcon operates 58* stores strategically located in dominant markets and in fast-growing cities nationwide.

METRO MANILA (DEPOT)

- VALENZUELA CITY
- FAIRVIEW
- QUIRINO
- BALINTAWAK
- QUEZON AVENUE
- LIBIS
- WILCON IT HUB
- SUCAT
- ALABANG
- FILINVEST
- PASONG TAMO

METRO MANILA (HOME ESSENTIALS)

- MINDANAO AVENUE
- CITY CENTER, VISAYAS AVENUE
- MUÑOZ
- ALI MALL
- STA. MESA
- PASAY CITY



LUZON (DEPOT)

- LAOAG, ILOCOS NORTE
- VILLASIS, PANGASINAN
- IGUIG, CAGAYAN
- CABANATUAN CITY, NUEVA ECIJA
- TARLAC CITY
- DAU, PAMPANGA
- SAN FERNANDO, PAMPANGA
- MEXICO, PAMPANGA
- BALIUAG, BULACAN
- TAYTAY, RIZAL
- MAYAMOT, ANTIPOLO CITY
- SAN ISIDRO, ANTIPOLO CITY
- DASMARIÑAS CITY
- GENERAL TRIAS CITY
- KAWIT, CAVITE
- BACOR CITY
- SILANG, CAVITE
- CALAMBA CITY
- SAN PABLO CITY
- STA. ROSA CITY
- STO. TOMAS CITY
- ALANGILAN, BATANGAS CITY
- LIPA CITY
- TAYABAS, QUEZON
- DARAGA ALBAY
- NAGA CITY
- PUERTO PRINCESA CITY

VISAYAS (DEPOT)

- JARO, ILOILO CITY
- TACLOBAN CITY, LEYTE
- TALISAY CITY, CEBU
- MANDAUE CITY, CEBU
- STA. BARBARA, ILOILO
- TALISAY - BACOLOD, NEGROS OCCIDENTAL

(HOME ESSENTIALS)

- FESTIVIEWALK MALL MANDURRIAO, ILOILO CITY

MINDANAO (DEPOT)

- BUTUAN CITY
- CAGAYAN DE ORO CITY, MISAMIS ORIENTAL
- MATINA, DAVAO CITY
- PANACAN, DAVAO CITY
- ZAMBOANGA CITY
- GENERAL SANTOS CITY
- OPOL, MISAMIS ORIENTAL

* as of MARCH 2020



Major Categories and Select Brands



Plumbing and Sanitary

Tiles / Flooring

Building Materials

Furniture, Furnishing & Houseware

Paints

Hardware and Tools

Electrical and Lighting

Appliances



home
interior



building
materials



doors &
mouldings



tiles



paints &
sundries



plumbing

SECTION 2

Strategy Overview

Key Growth Strategies

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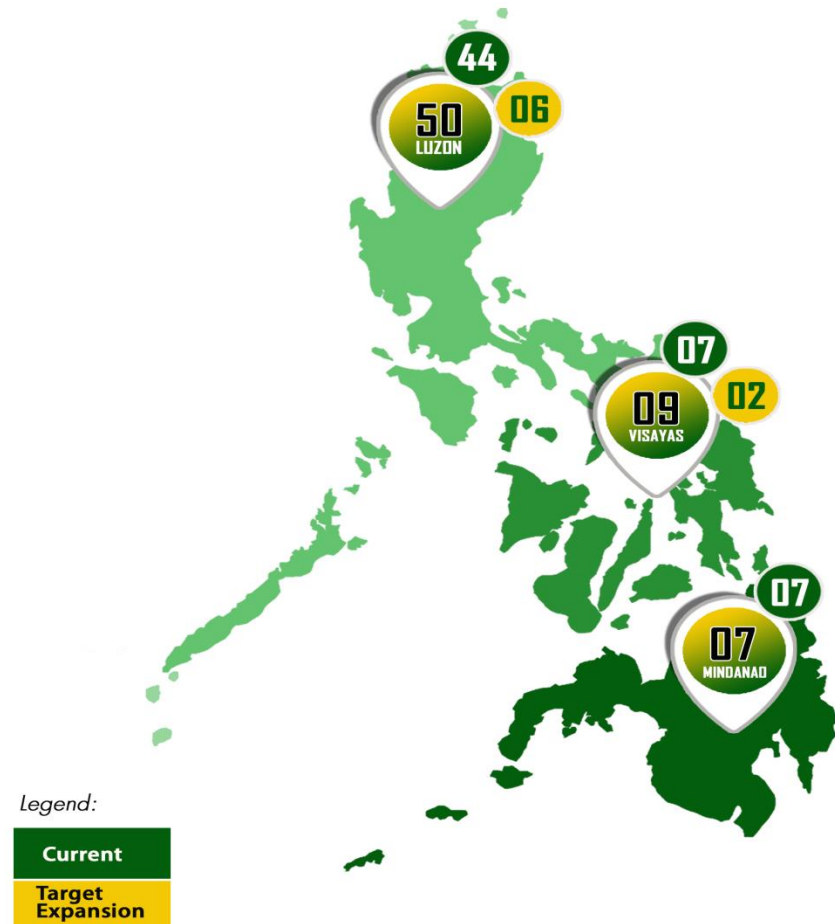
1 Expand Store Network

- ✓ Solidify presence in existing markets
- ✓ Expand foothold in fast-growing cities with focus on Visayas and Mindanao regions
- ✓ Target to open 29 depot branches from 2017 to 2021



As of March 2020

Wilcon's Store Network



Key Growth Strategies

WILCON

DEPOT

2 Focus on continuous expansion 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



Philippines' Leading Home Improvement and Construction Supply Retailer Wilcon Depot has won the International Award for Excellence in Customer Service from the Federation of Asia-Pacific Retailers Association. Photo shows (L-R): Wilcon SEVP-Chief Operating Officer Rosemarie Bosch-Ong, Wilcon President and CEO Lorraine Belo-Cincochan, and Wilcon VP for Human Resources Grace Tiong accepting the award during the 19th Asia Pacific Retailers Conference and Exhibition (APRCE) in Chongqing, China last September 7, 2019.



BUILD BIG IDEAS WITH US

SHOP ONLINE

[CLICK HERE](#)

- ✓ 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 construction and home improvement



home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

SECTION 3

Financial Results

Results Highlights

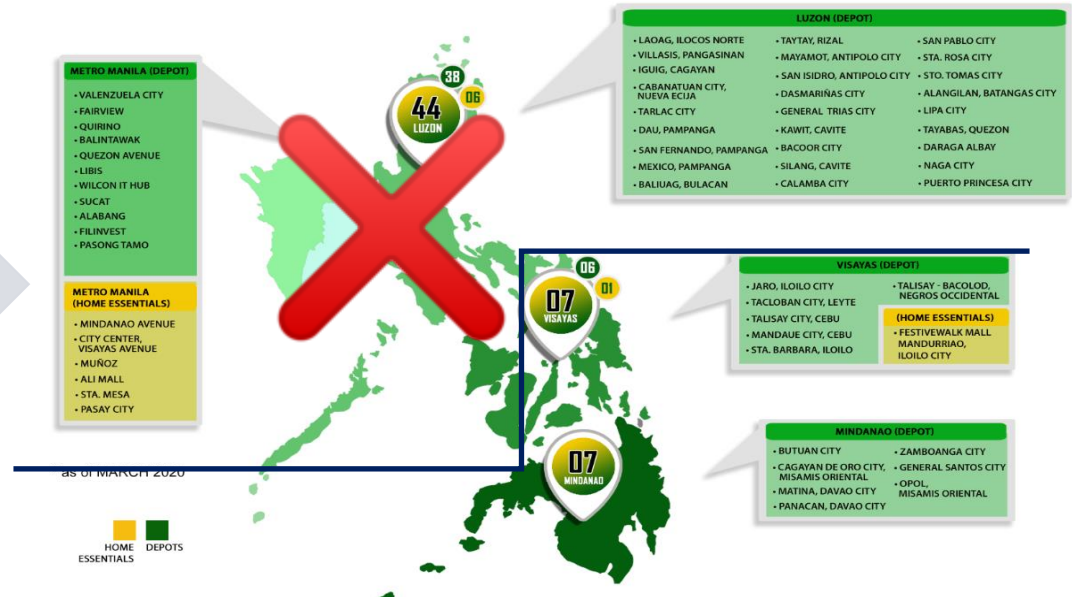
First Quarter 2020

Community Quarantine (CQ)

- Announced Mar 13, effective Mar 15
- Hardware/home improvement among exempted industries

Enhanced Community Quarantine (ECQ)

- Announced Mar 16, effective Mar 17
- Whole of Luzon but VisMin LGUs implemented their own versions
- Hardware/home improvement no longer exempted



Results Highlights

First Quarter 2020

- Net sales decreased by 2.5% or P143 million to P5.591 billion from P5.734 billion year-on-year
- Gross profit grew 3.1% or P57 million to P1.891 billion with a margin of 33.8% from 32% in 1Q2019
- Contribution of exclusives (in-house and exclusive brands) improved to 50.9% from 48.8% year-on-year
- Net income declined by 32.1% y-o-y to ₱328 million

Net Income dropped by 32.1% to P328 M (1Q2020)

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(In PHP MM)	1Q2020	% Sales	1Q2019	% Sales	% Growth
Net Sales	5,591	100.0	5,734	100.0	-2.5
Cost of Sales	-3,700	-66.2	-3,900	-68.0	-5.1
Gross Income	1,891	33.8	1,834	32.0	3.1
Operating Expenses	-1,433	-25.6	-1,196	-20.9	19.7
Other Income	75	1.3	59	1.0	27.2
Interest Income	27	0.5	50	0.9	-46.6
Interest Expense	-102	-1.8	-53	-0.9	92.4
Income Before Tax	458	8.2	693	12.1	-33.9
Income tax	-129	-2.3	-209	-3.7	-38.3
Net Income	328	5.9	484	8.4	-32.1

Net Sales down 2.5%

GPM increased to 33.8%

Balance Sheet

(In Php MM)

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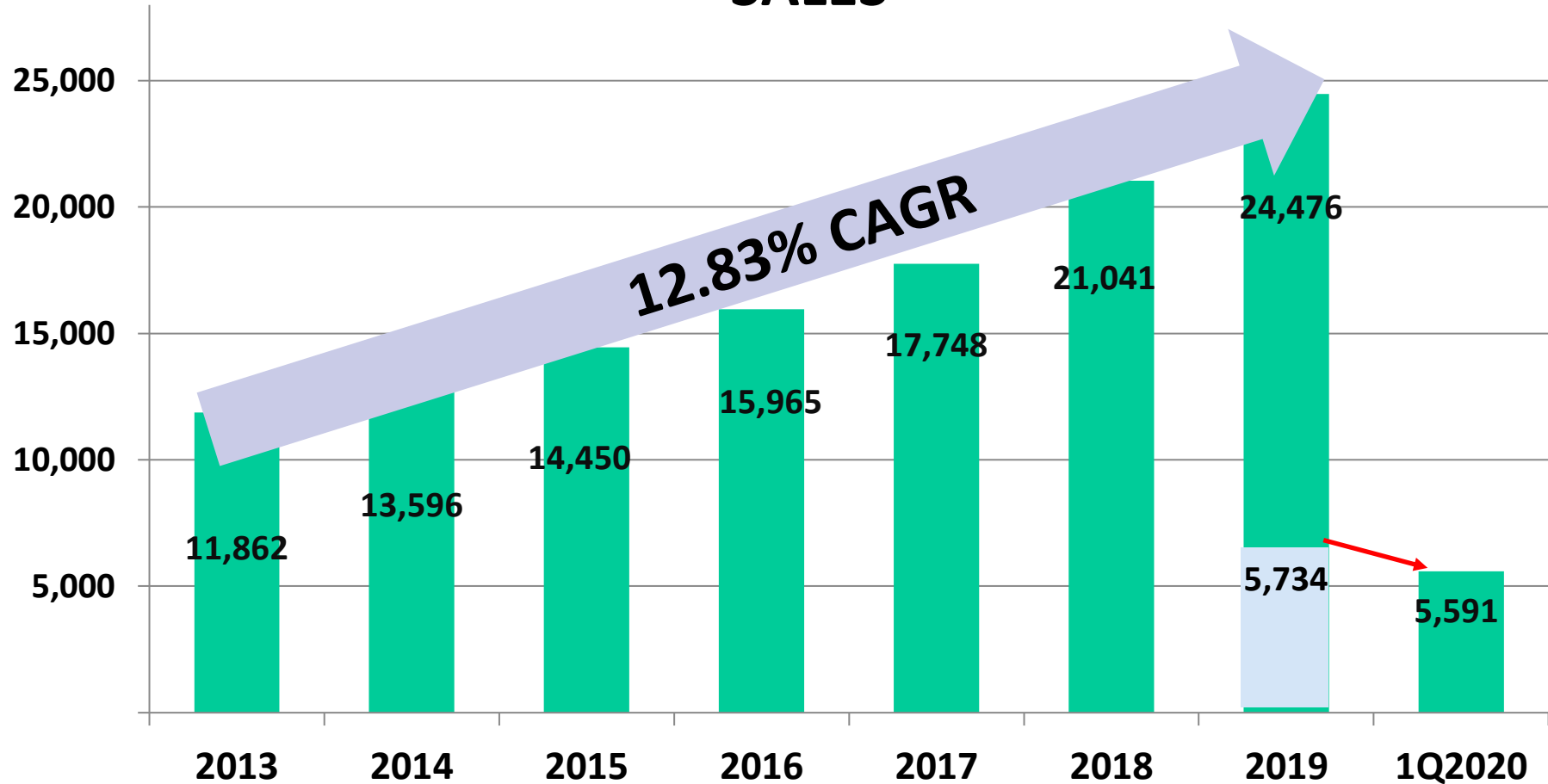
	Unaudited Mar 31, 2020	Audited Dec 31, 2019
Current Assets	14,895	15,022
Noncurrent Assets	11,368	11,215
Total Assets	26,262	26,237
Current Liabilities	7,625	7,236
Noncurrent Liabilities	4,388	4,339
Total Liabilities	12,013	11,576
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	60	63
Retained Earnings	4,715	5,125
Total Equity	14,249	14,662
Current ratio	1.95	2.08
Quick ratio	0.58	0.66
Debt to equity ratio	0.84	0.79
Return on asset	1.3%	8.1%
Return on equity	2.3%	14.5%

Healthy Sales Growth

WILCON

DEPOT

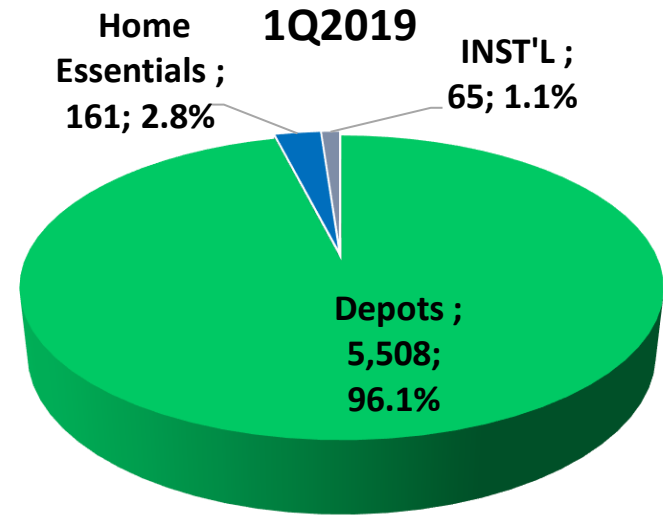
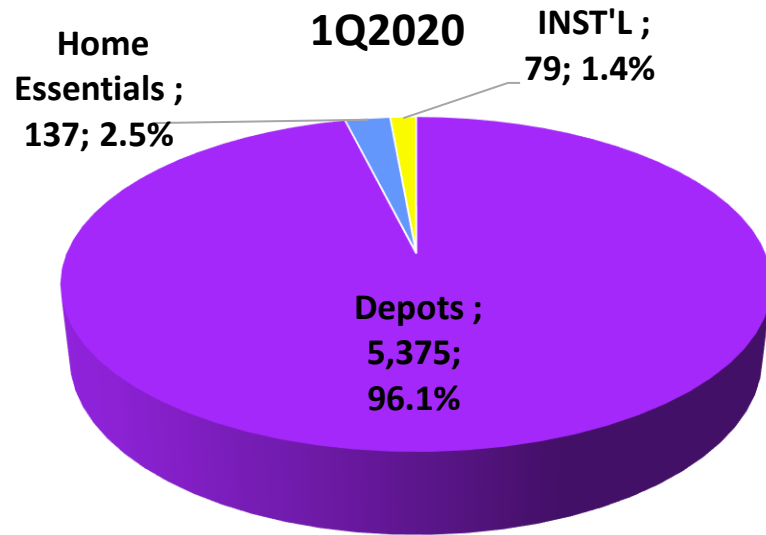
SALES



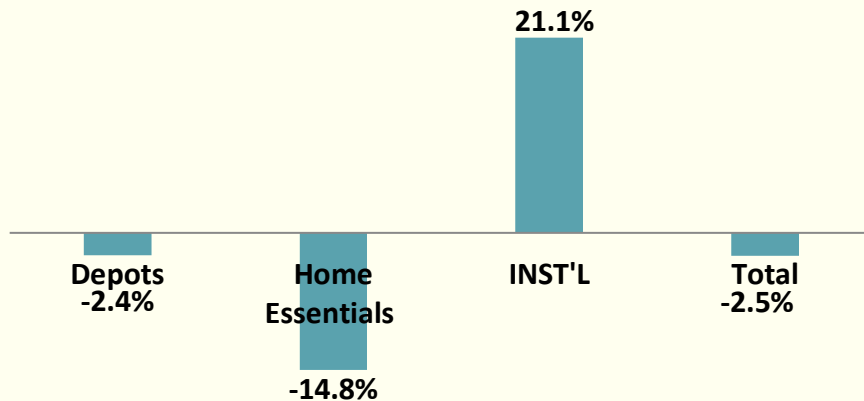
Note: 2013 to 2015 – Pro-forma/Reviewed / 2016 – In-house Pro-forma / 2017 – Actual/Audited
Commercial operations under WDI commenced April 1, 2016

Total Net Sales Breakdown

PhP Millions



Sales Growth per Store Format 1Q2020 vs 1Q2019



Product Category Performance 1Q2020 vs 1Q2019

Better than Average

- Appliances
- Furniture, Furnishings & Houseware
- Building Materials
- Electrical & Lighting
- Plumbing and Sanitary wares



Lower than Average

- Tiles
- Hardware & Tools
- Paints

Comparable Sales Summary

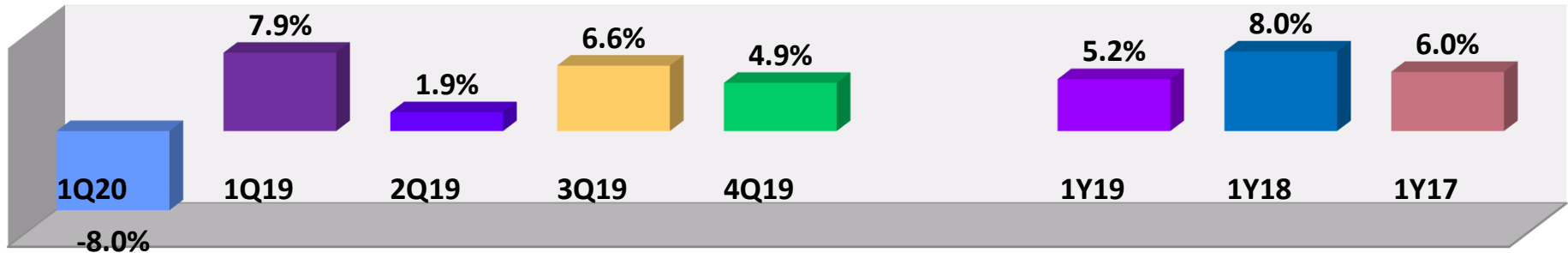


Quarterly Trend

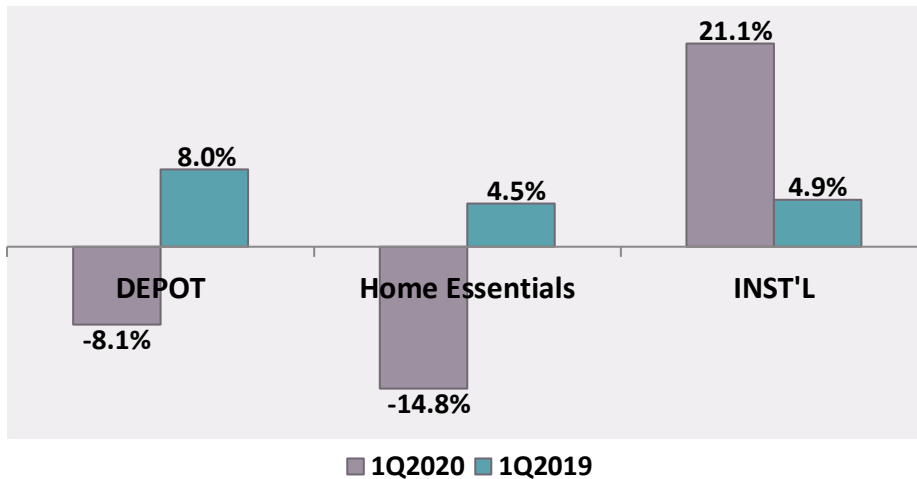
SSSG Excluding Inst'l/ Projects Sales

- 1Q20 = -8.3% FY2019 = 4.9%
- 1Q19 = 7.9% FY2018 = 9.5%
- 1Q18 = 6.9%

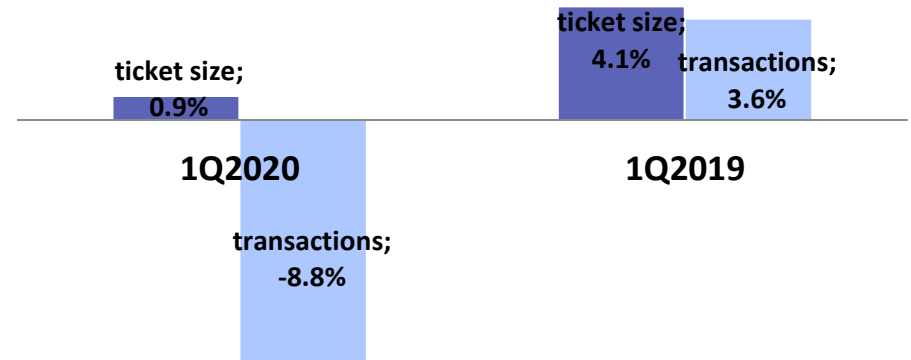
1Q20 PRE CQ/ECQ = 10.7%



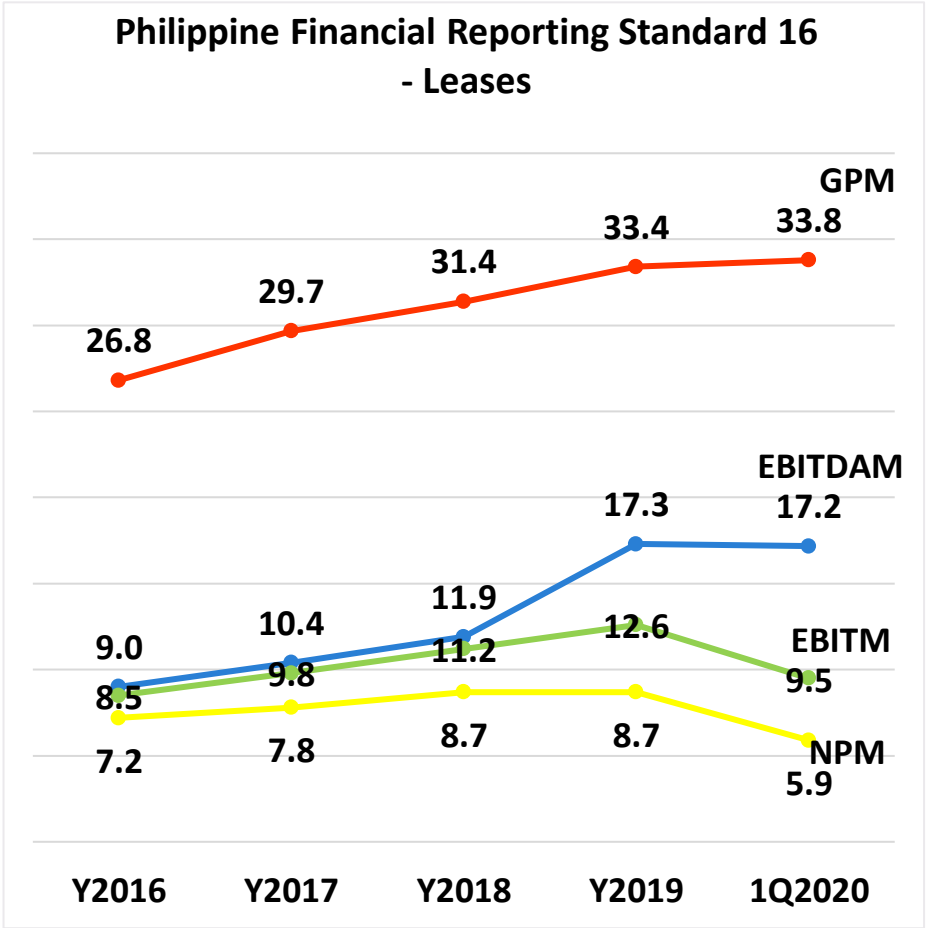
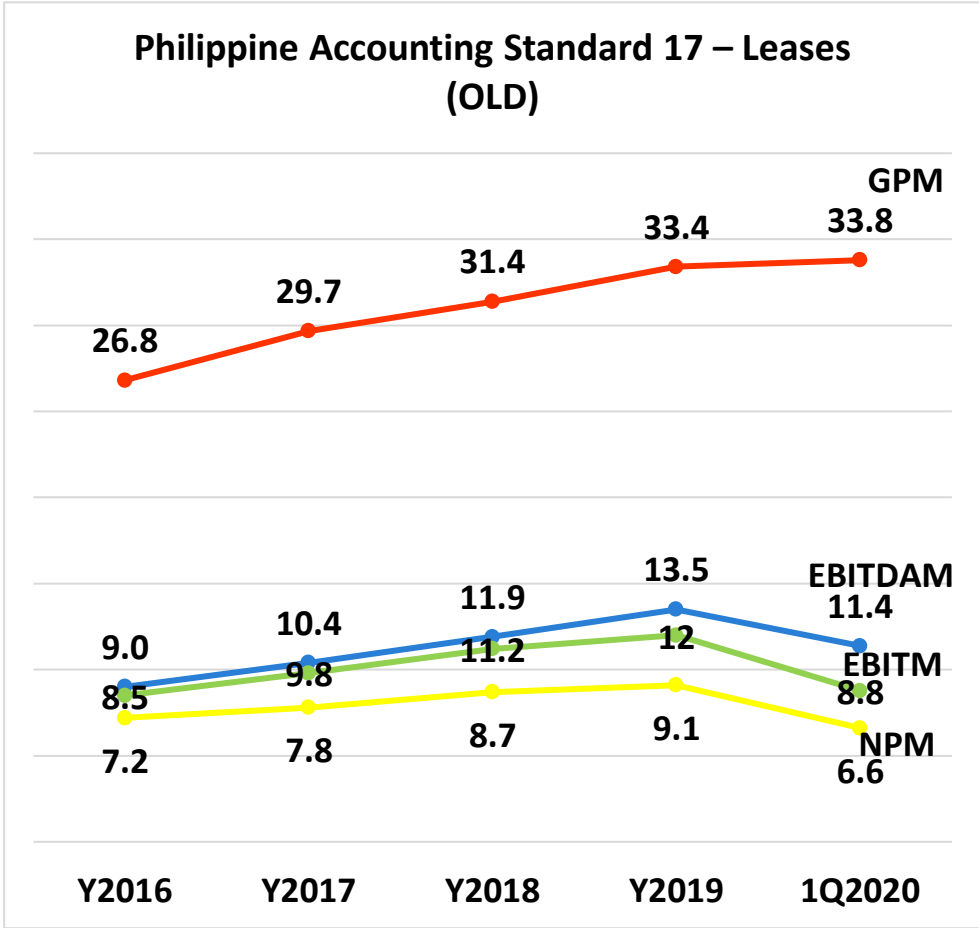
Comparable Sales per Format 1Q2020 vs 1Q2019



Comparable Ticket Size and Number of Transactions 1Q2020 vs 1Q2019



Margins





home interior



building materials



doors & mouldings



tiles



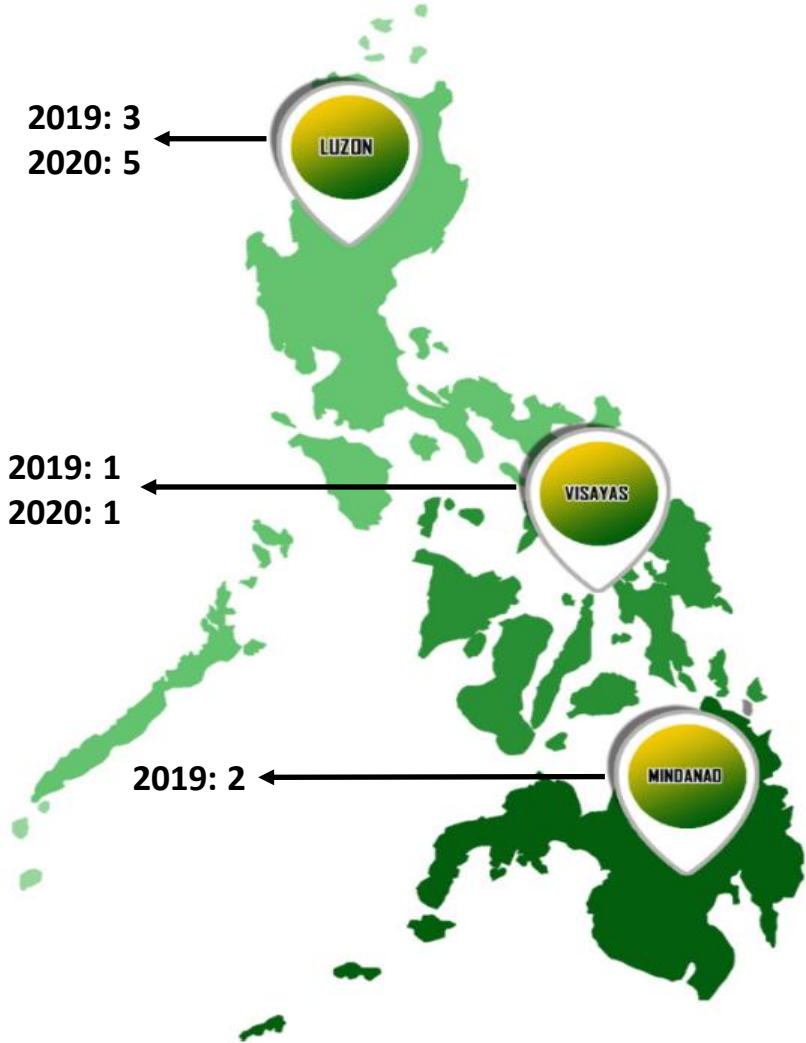
paints & sundries



plumbing

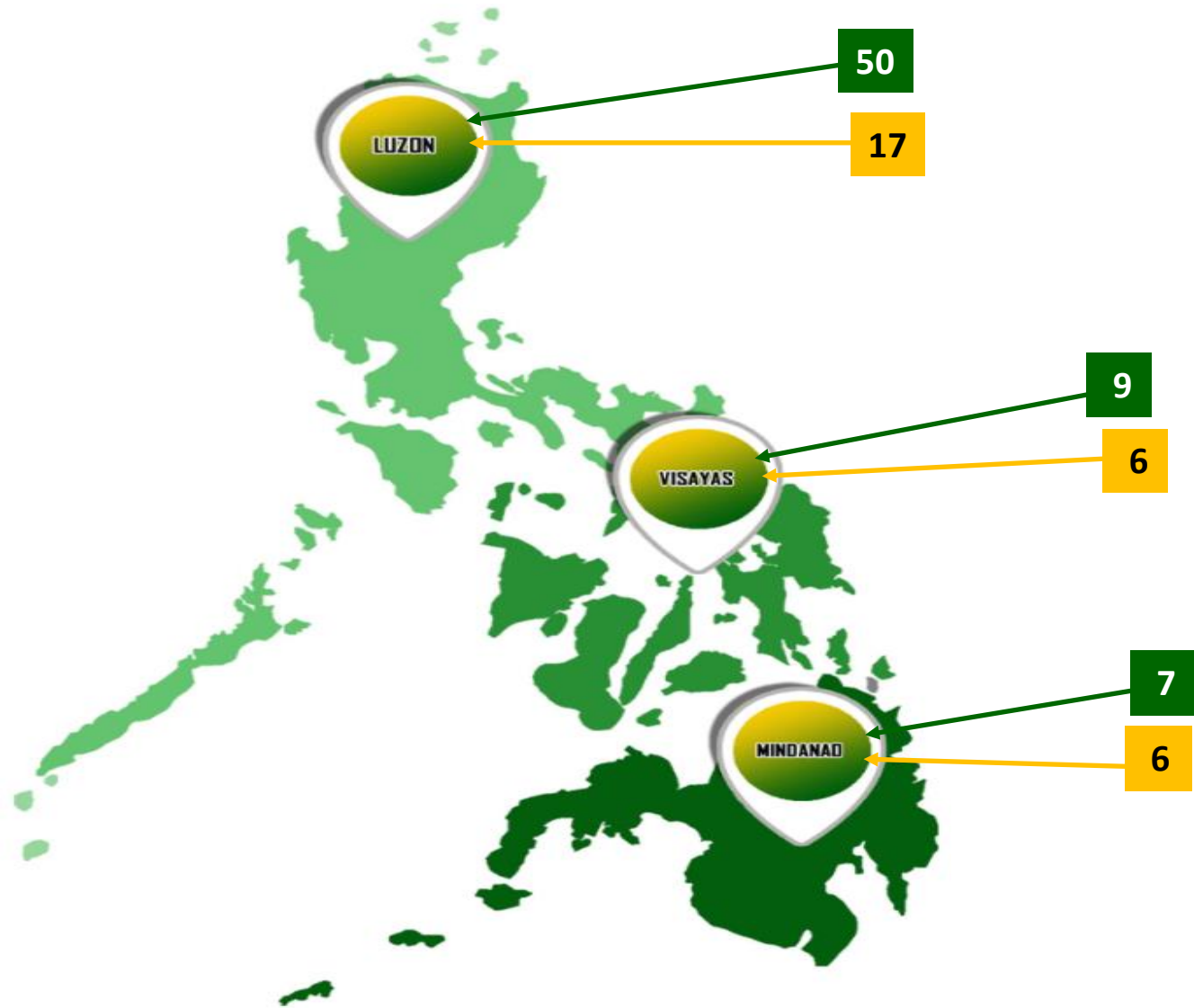
Outlook

2019 - 2020 Store Expansion Plan



	2019	2020 (Max)
Beg. balance	51	57
1H	Panacan, Davao	Daraga, Albay - Mar 6
	Sta. Barbara, Iloilo	San Jose, Del Monte
		Calumpit, Bulacan
2H	Opol, CDO	Cabuyao, Laguna
	San Isidro, Antipolo City	Aklan
	Sto. Tomas City, Batangas	Taytay
	Iguig, Cagayan Valley	
Total, end	57	63

2017 - 2021 Planned New Branches



Total Planned New Depot Stores - 29

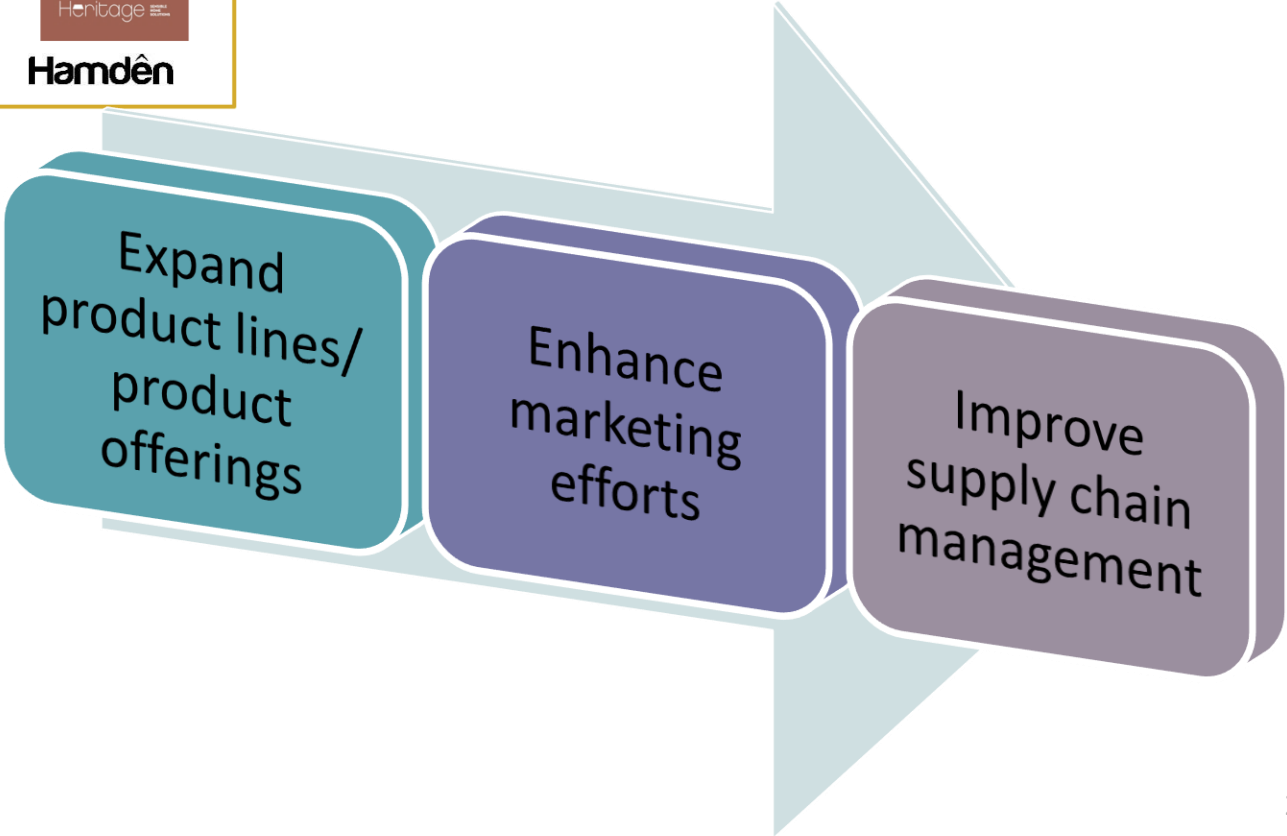
Total number of stores in 1H2021 - 66

From January 2017 to March 2020, twenty two (22) new stores were opened, twenty one (21) 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	



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