



# Wilcon Depot, Inc.

## 1H2020 Performance Report

August 2020



# Discussion Agenda

**1** Operations Updates

**2** Outlook – Store Openings / Product Mix

**3** Financial Results – FH2020



home  
interior



building  
materials



doors &  
mouldings



tiles



paints &  
sundries

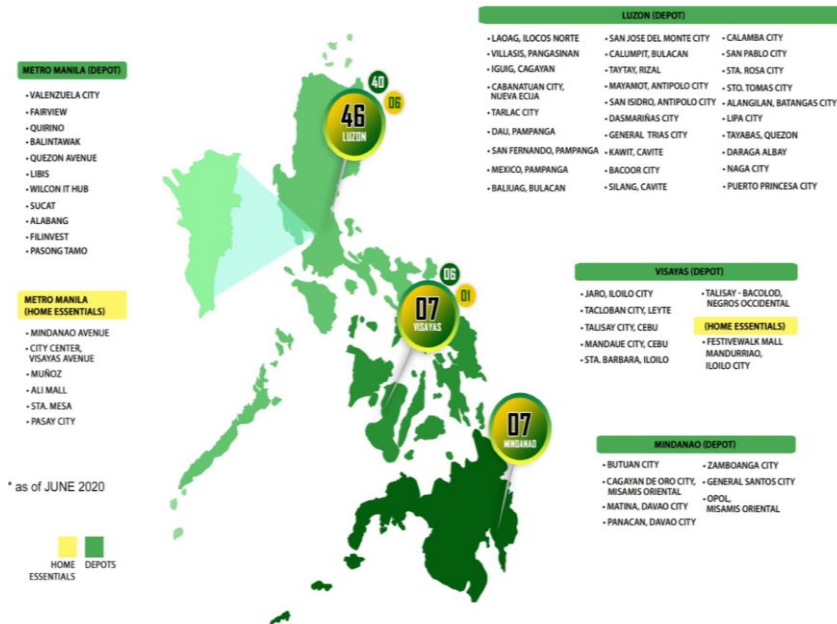


plumbing

# Operations Updates

# Operations Updates

## First Half 2020



- Launched Browse, Call & Collect scheme to serve customers' needs

- Closed 44 branches in Luzon on Mar 17 pursuant to ECQ rules
- Closed all VisMin branches from Mar 30/31 and gradually re-opened these starting Apr 13
- Pro-actively initiated new operating health and safety standards upon re-opening in VisMin

**WILCON** **DEPOT**

**BROWSE, CALL AND COLLECT**

**CALL/VIBER/CHAT**

**WAIT FOR ORDER CONFIRMATION**

**SCHEDULE DELIVERY**



# Operations Updates

WILCON DEPOT

## First Half 2020



BUILD BIG IDEAS WITH US



**SHOP  
ONLINE**

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- Opened all stores in Luzon on May 16 (except one HE, which opened after one week)
- Implemented more stringent health and safety operating standards
- Opened 2 new depot stores in June – Calumpit, Bulacan and San Jose, Bulacan
- Metro Manila and other nearby provinces placed back on MECQ on from Aug 4 to 18. Stores remained open
- Re-opened delivery option for Browse, Call & Collect/Deliver



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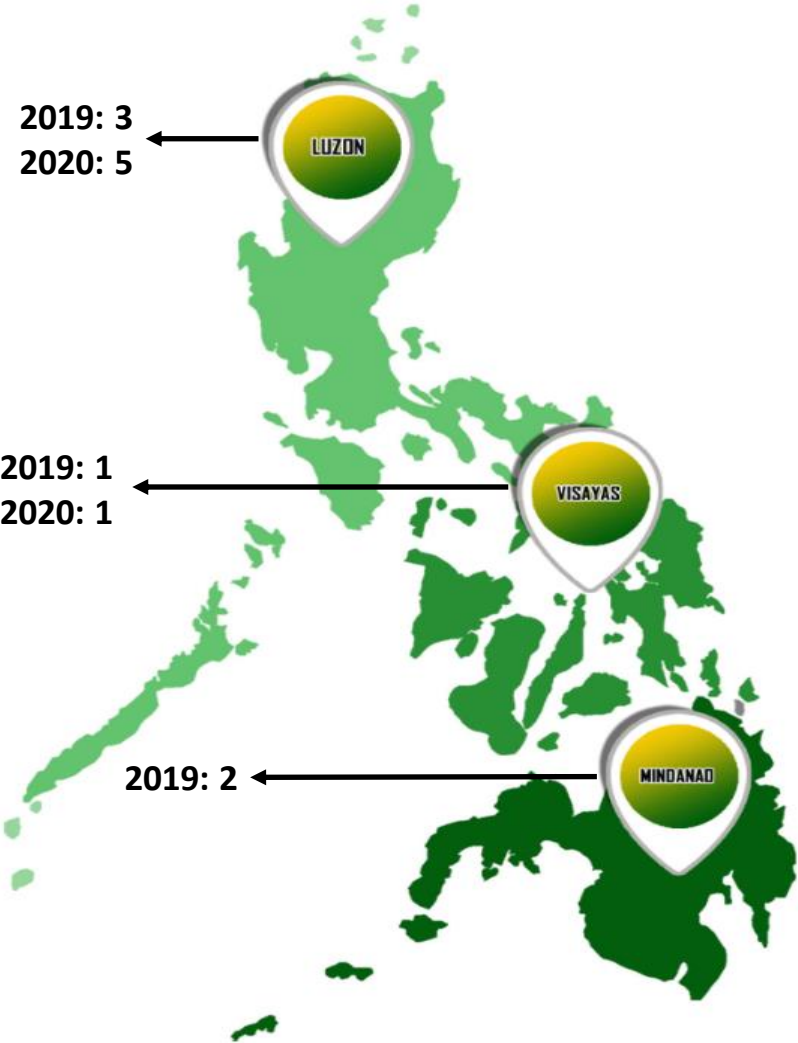


plumbing

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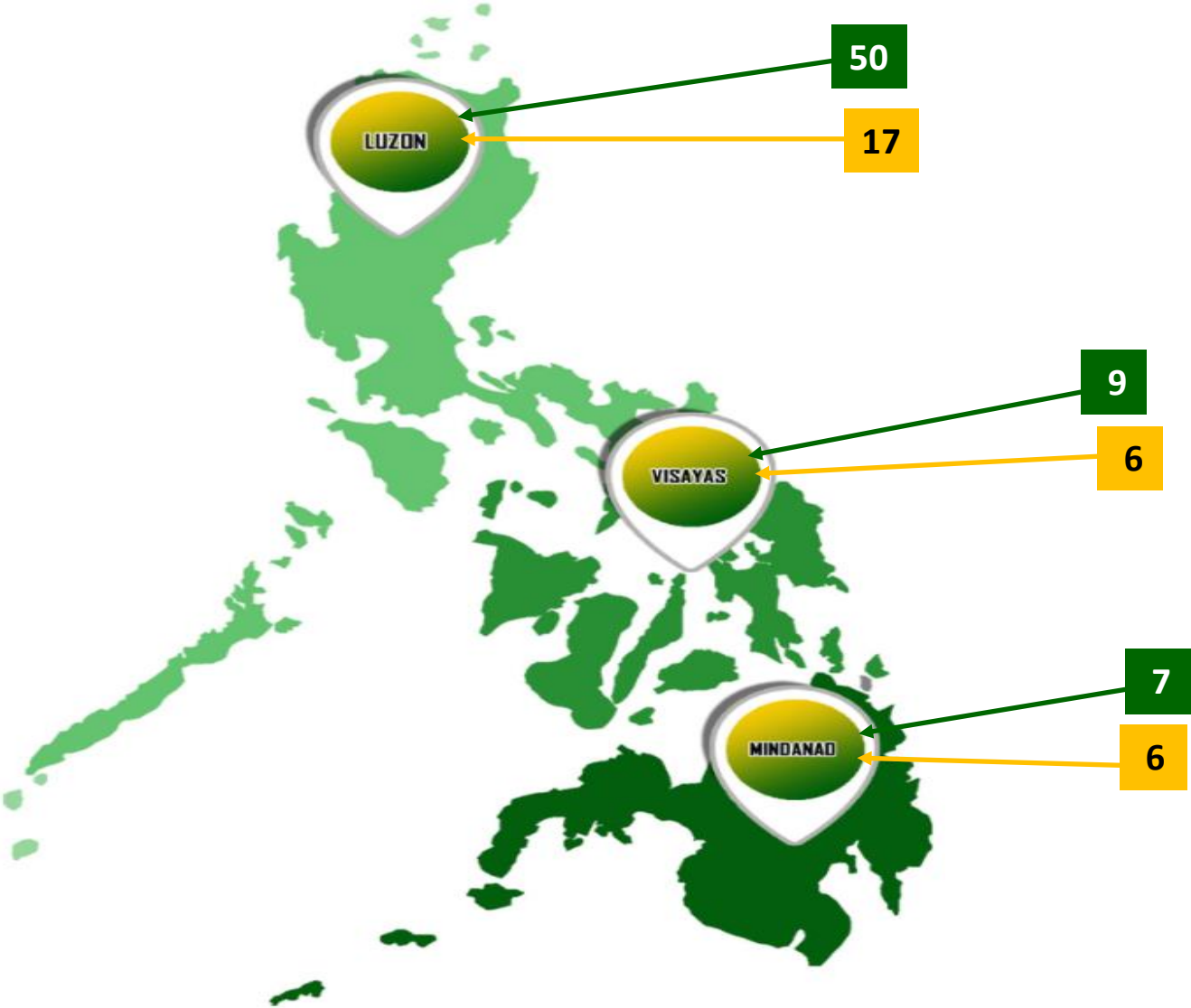
# Outlook

# 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 - June 12
		Calumpit, Bulacan - June 26
2H	Opol, CDO	Cabuyao, Laguna
	San Isidro, Antipolo City	Aklan
	Sto. Tomas City, Batangas	Taytay
	Iguig, Cagayan Valley	
<b>Total, end</b>	<b>57</b>	<b>63</b>

# 2017 - 2021 Planned New Branches



**Total Planned New Depot Stores - 29**

**Total number of stores in 1H2021 - 66**

From January 2017 to June 2020, twenty four (24) new stores were opened, twenty three (23) depots and one (1) smaller format Home Essentials.

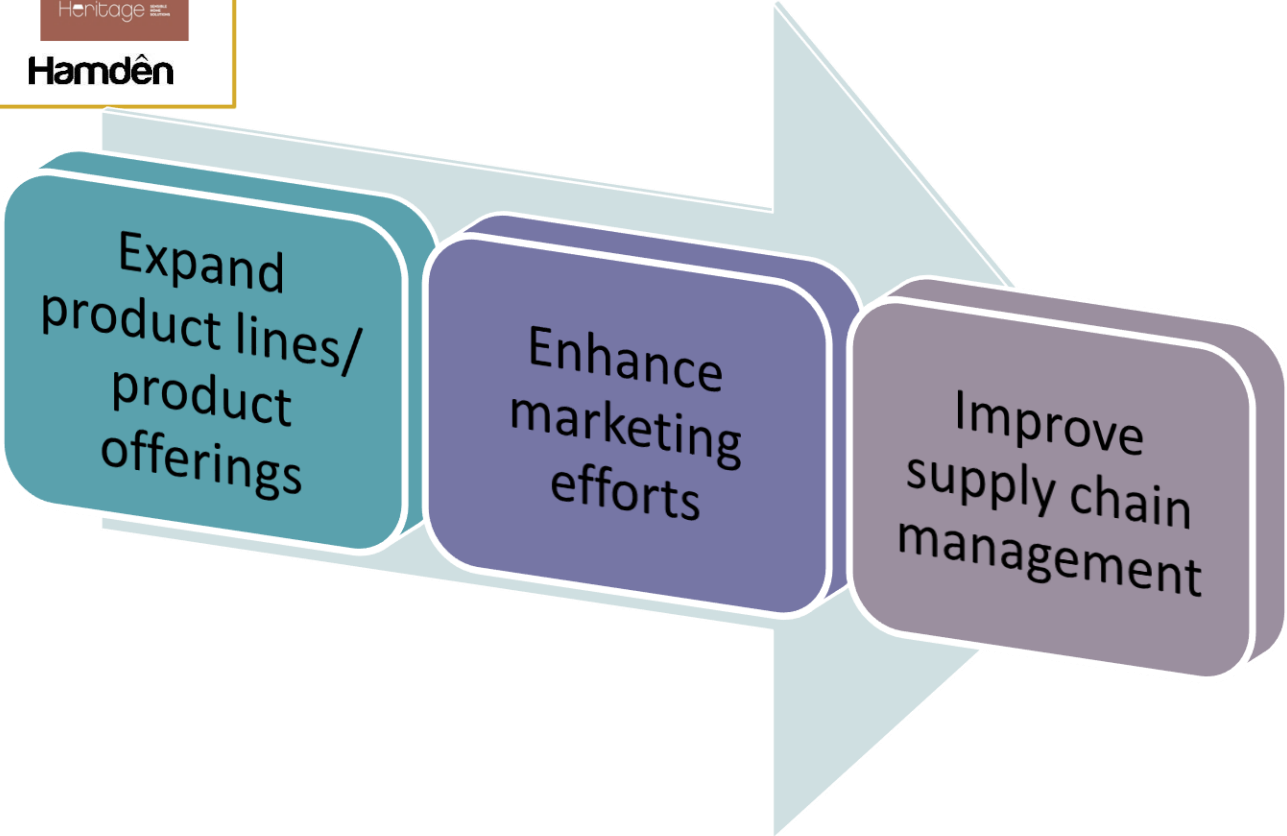


# Continue to increase margins thru in-house & exclusive brands expansion



<b>Plumbing and Sanitary</b> SEFA Crown Sink POZZI Käsch	<b>Furniture, Furnishings, &amp; Houseware</b> HEIM HOME ESSENTIALS Heritage	<b>Tiles / Flooring</b> Arte CERAMICHE SOL CERAMICA VERONA TILES PICASSO ROMANTIC	<b>Hardware &amp; Tools</b> DIRECT HARDWARE
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<b>Electrical and Lighting</b> ALPHALUX KAZE	<b>Building Materials</b> WOODLAND FOREST PRODUCTS SOLUTHERM	<b>Appliances</b> Heritage Hamden
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home interior



building materials



doors & mouldings



tiles



paints & sundries



plumbing

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# Financial Results

# Results Highlights

WILCON

DEPOT

## 2<sup>nd</sup> Quarter 2020

	APR	MAY	JUN	TOTAL
<b>Sales (PhP Million)</b>	98	1,155	2,196	3,449
<b>Net Income (PhP Million)</b>	<b>-248</b>	<b>18</b>	<b>253</b>	<b>24</b>
<b>YOY Sales Growth</b>	-94.7%	-43.8%	2.3%	-42.9%
<b>Comp Sales Growth / SSSG</b>	-95.2%	-48.6%	-5.8%	-47.6%

- Contribution of exclusives (in-house and exclusive brands) improved to 51.3% from 49.1% year-on-year
- Gross profit margin expanded to 35.7%

# Results Highlights

## First Half 2020

- Contribution of exclusives (in-house and exclusive brands) improved to 51.2% from 49% year-on-year
- Gross profit margin of 34.5% increased from 32.4% in 1H2019
- In view of the two-month closure of 44 stores pursuant to the Enhance Community Quarantine guidelines, net sales decreased by 23.2% or P2.738 billion to P9.040 billion from P11.778 billion year-on-year
- Net income declined by 64.6% y-o-y to ₱352 million

# 2<sup>nd</sup> Quarter 2020

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(In PHP MM)	2Q2020	% Sales	2Q2019	% Sales	% Growth
<b>Net Sales</b>	<b>3,449</b>	<b>100.0</b>	<b>6,044</b>	<b>100.0</b>	<b>-42.9</b>
Cost of Sales	-2,218	-64.3	-4,065	-67.3	-45.4
<b>Gross Income</b>	<b>1,231</b>	<b>35.7</b>	<b>1,979</b>	<b>32.7</b>	<b>-37.8</b>
Operating Expenses	-1,170	-33.9	-1,327	-21.9	-11.8
Other Income	59	1.7	81	1.3	-26.2
Interest Income	12	0.4	34	0.6	-63.5
Interest Expense	-104	-3.0	-70	-1.2	49.3
<b>Income Before Tax</b>	<b>29</b>	<b>0.8</b>	<b>697</b>	<b>11.5</b>	<b>-95.9</b>
Income tax	-5	-0.1	-186	-3.1	-97.3
<b>Net Income</b>	<b>24</b>	<b>0.7</b>	<b>511</b>	<b>8.5</b>	<b>-95.3</b>

GPM increased to  
35.7%

Lease-related  
expense



# 1<sup>st</sup> Half 2020

WILCON

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(In PHP MM)	1H2020	% Sales	1H2019	% Sales	% Growth
<b>Net Sales</b>	<b>9,040</b>	<b>100.0</b>	<b>11,778</b>	<b>100.0</b>	<b>-23.2</b>
Cost of Sales	-5,918	-65.5	-7,965	-67.6	-25.7
<b>Gross Income</b>	<b>3,122</b>	<b>34.5</b>	<b>3,813</b>	<b>32.4</b>	<b>-18.1</b>
Operating Expenses	-2,602	-28.8	-2,523	-21.4	3.1
Other Income	135	1.5	140	1.2	-3.6
Interest Income	39	0.4	84	0.7	-53.4
Interest Expense	-206	-2.3	-123	-1.0	67.9
<b>Income Before Tax</b>	<b>487</b>	<b>5.4</b>	<b>1,390</b>	<b>11.8</b>	<b>-65.0</b>
Income tax	-134	-1.5	-396	-3.4	-66.1
<b>Net Income</b>	<b>352</b>	<b>3.9</b>	<b>995</b>	<b>8.4</b>	<b>-64.6</b>

GPM increased to  
34.5%

Lease-related  
expense

# 1<sup>st</sup> Half 2020 (PAS 17)

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**DEPOT**

(In Php MM)	Jan to Jun PAS 17 P&L		
	2020	2019	VAR
<b>NET SALES</b>	9,040	11,778	<b>-2,738</b>
COST OF SALES	5,918	7,965	<b>-2,047</b>
<b>GROSS INCOME</b>	<b>3,122</b>	<b>3,813</b>	<b>-691</b>
<b>OPERATING EXPENSES</b>	<b>-2,722</b>	<b>-2,568</b>	<b>-154</b>
Rent	-709	-568	<b>-140</b>
Right of Use Depreciation Expense	0	0	<b>0</b>
Depreciation and amortization	-304	-152	<b>-152</b>
Lease interest expense	0	0	<b>0</b>
Others	-1,709	-1,848	<b>139</b>
<b>OTHER INCOME (CHARGES)</b>	<b>135</b>	<b>140</b>	<b>-5</b>
Loan interest expense	0	0	<b>0</b>
<b>Interest income</b>	<b>39</b>	<b>84</b>	<b>-45</b>
<b>INCOME BEFORE TAX</b>	<b>573</b>	<b>1,468</b>	<b>-895</b>
<b>INCOME TAX EXPENSE</b>	<b>160</b>	<b>419</b>	<b>-259</b>
<b>NET INCOME</b>	<b>413</b>	<b>1,049</b>	<b>-636</b>
<b>EBITDA</b>	<b>838</b>	<b>1,536</b>	<b>-698</b>
<b>EBIT</b>	<b>534</b>	<b>1,384</b>	<b>-850</b>

# Balance Sheet

(In Php MM)

WILCON

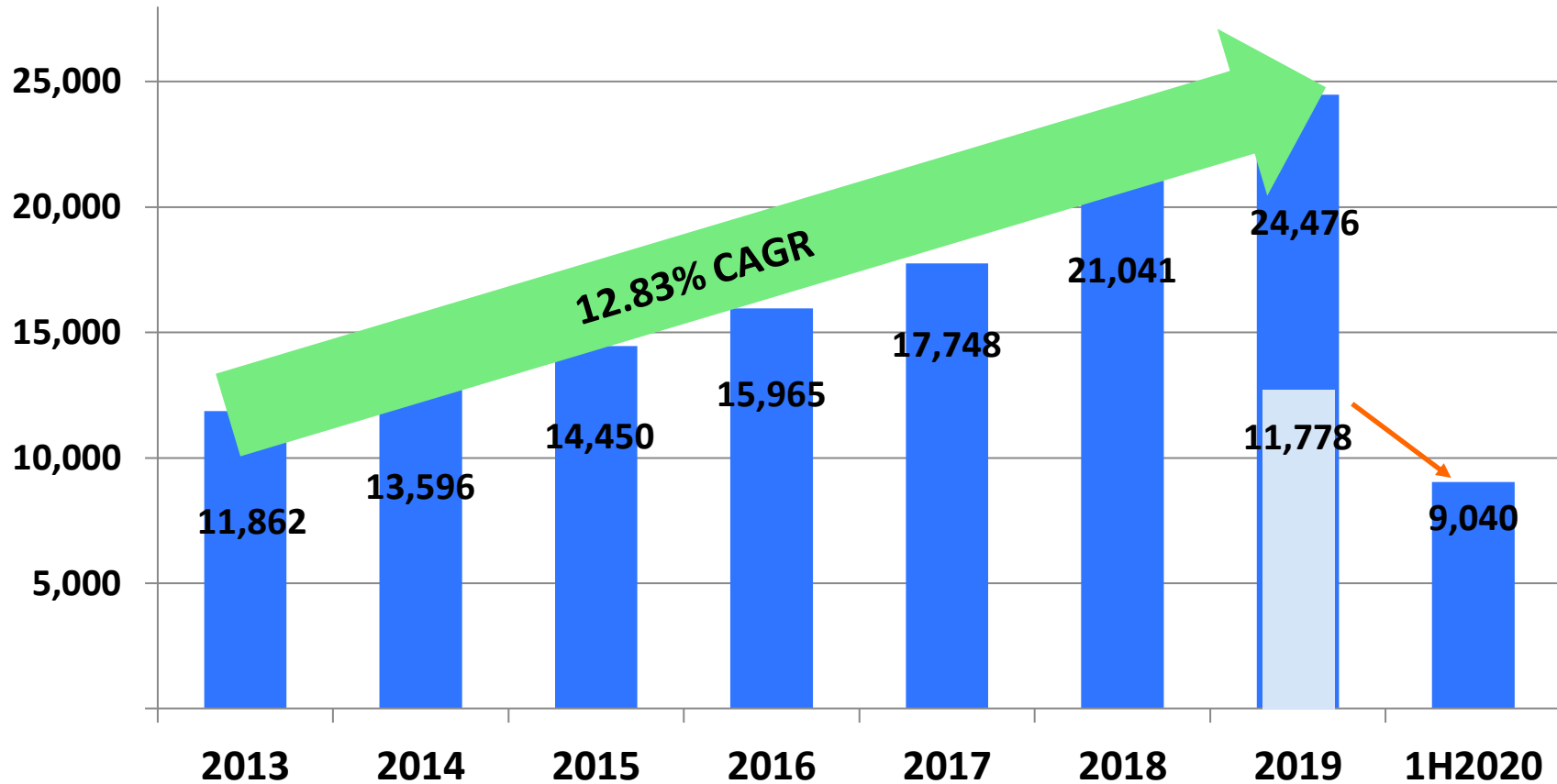
DEPOT

	Unaudited Jun 30, 2020	Audited Dec 31, 2019
Current Assets	13,697	15,022
Noncurrent Assets	11,668	11,215
<b>Total Assets</b>	<b>25,365</b>	<b>26,237</b>
Current Liabilities	6,552	7,236
Noncurrent Liabilities	4,542	4,339
<b>Total Liabilities</b>	<b>11,094</b>	<b>11,576</b>
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	58	63
Retained Earnings	4,739	5,125
<b>Total Equity</b>	<b>14,271</b>	<b>14,662</b>
Current ratio	2.09	2.08
Quick ratio	0.50	0.66
Debt to equity ratio	0.78	0.79
Return on asset	1.4%	8.1%
Return on equity	2.5%	14.5%

# Historical Sales Growth



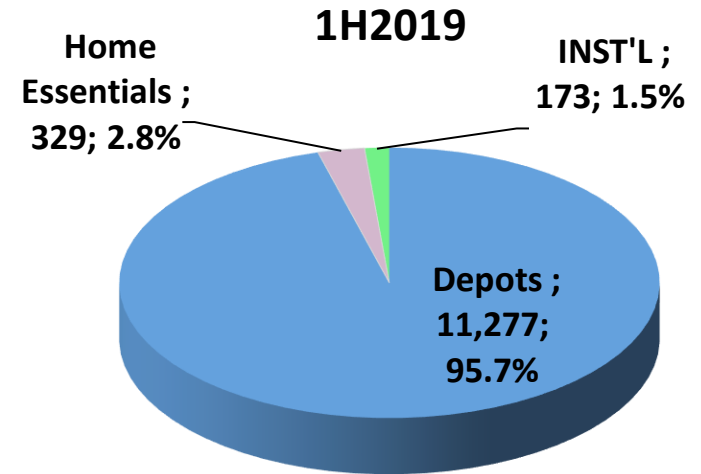
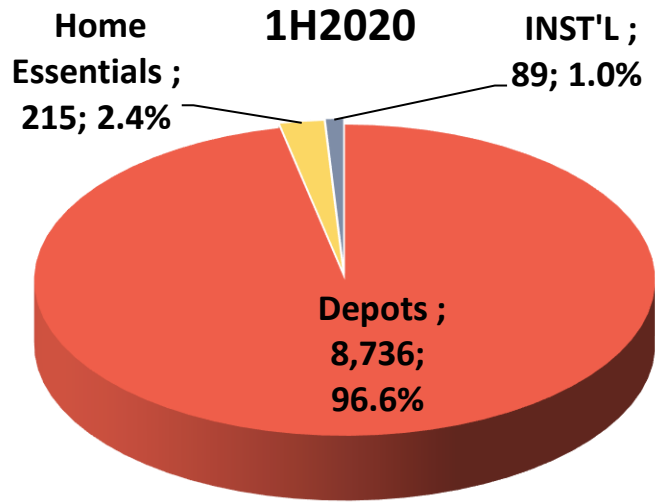
## SALES



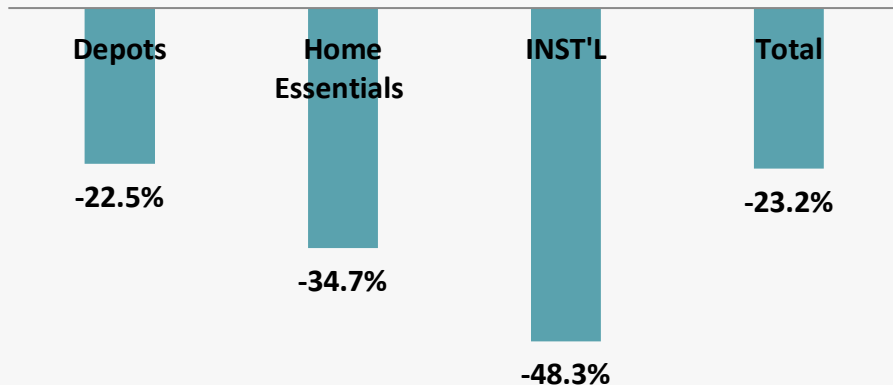
Note: 2013 to 2015 – Pro-forma/Reviewed / 2016 – In-house Pro-forma / 2017 – Actual/Audited  
Commercial operations under WDI commenced April 1, 2016

# Total Net Sales Breakdown

PhP Millions



## Sales Growth per Store Format 1H2020 vs 1H2019



## Product Category Performance 1H2020 vs 1H2019

Better than Average

- Appliances
- Furniture, Furnishings & Houseware
- Hardware & Tools
- Electrical & Lighting

**-23.2%**

Lower than Average

- Tiles
- Building Materials
- Paints
- Plumbing and Sanitary Wares



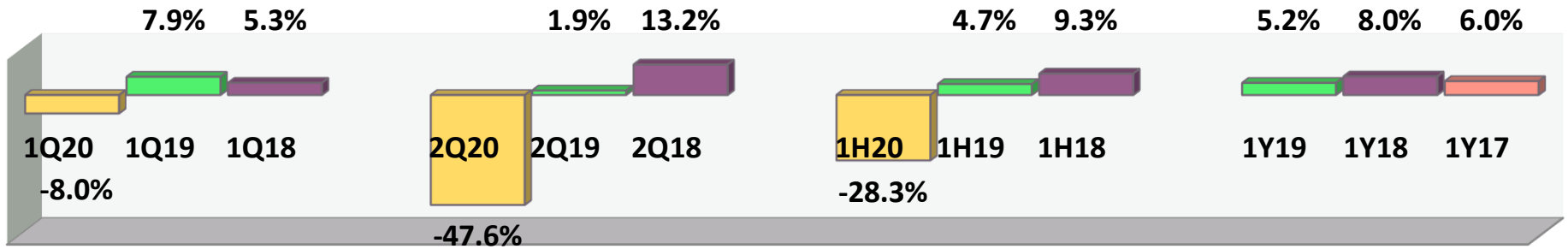
# Comparable Sales Summary



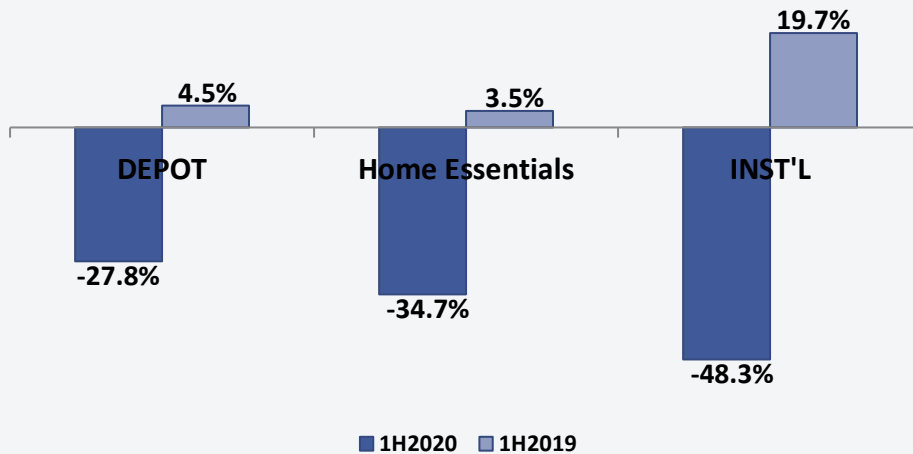
## Quarterly Trend

SSSG Excluding Inst'l/ Projects Sales

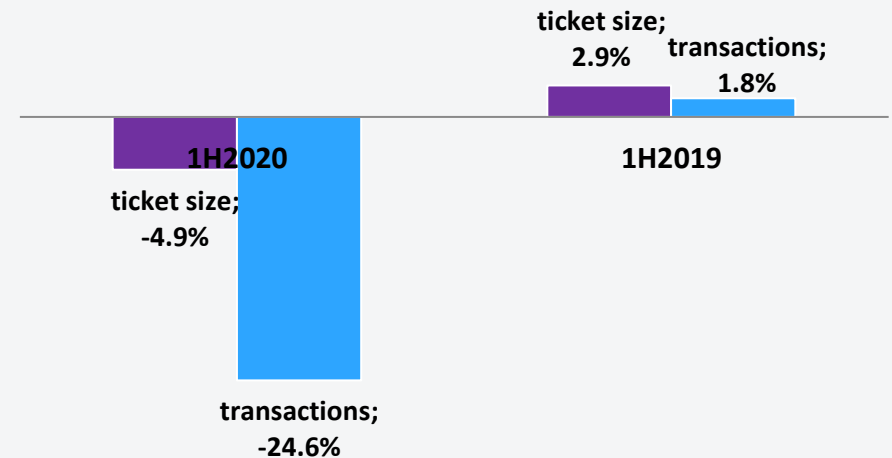
- 1H20 = -28.0%    FY2019 = 4.9%
- 1H19 = 4.5%    FY2018 = 9.5%
- 1H18 = 10.1%    FY2017 = 5.9%



## Comparable Sales per Format 1H2020 vs 1H2019



## Comparable Ticket Size and Number of Transactions 1H2020 vs 1H2019

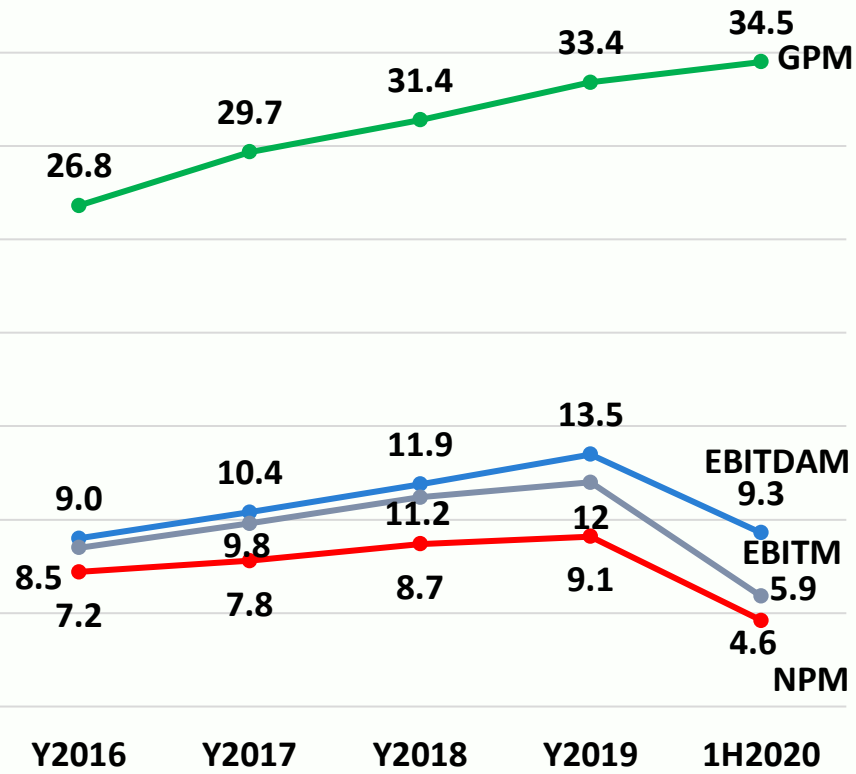


# Margins

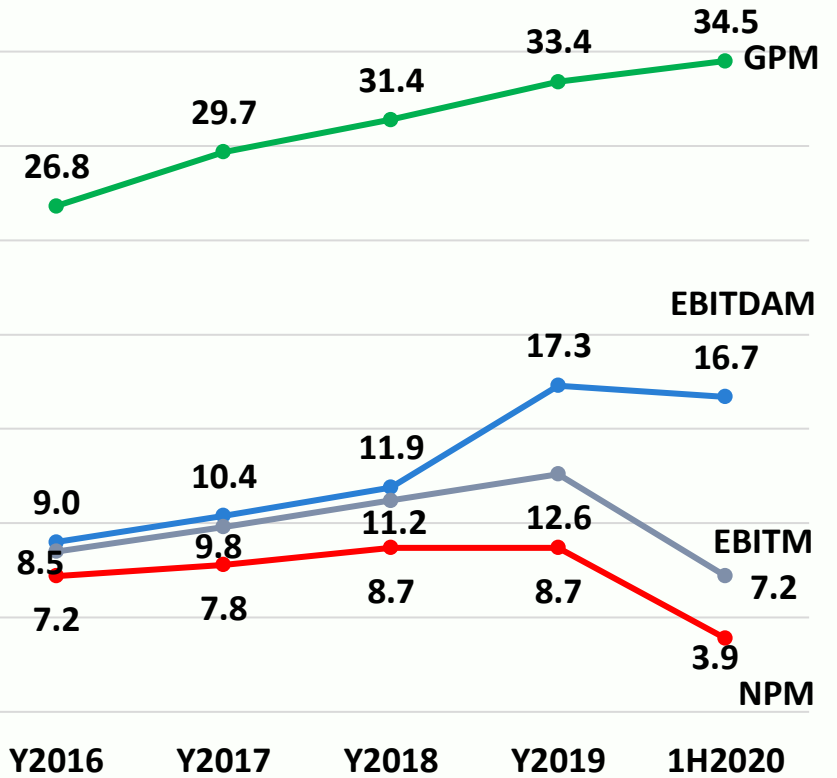
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Philippine Accounting Standard 17 - Leases



Philippine Financial Reporting Standard 16 - Leases



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