



Wilcon Depot, Inc.

1H2020 Performance Report

June 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

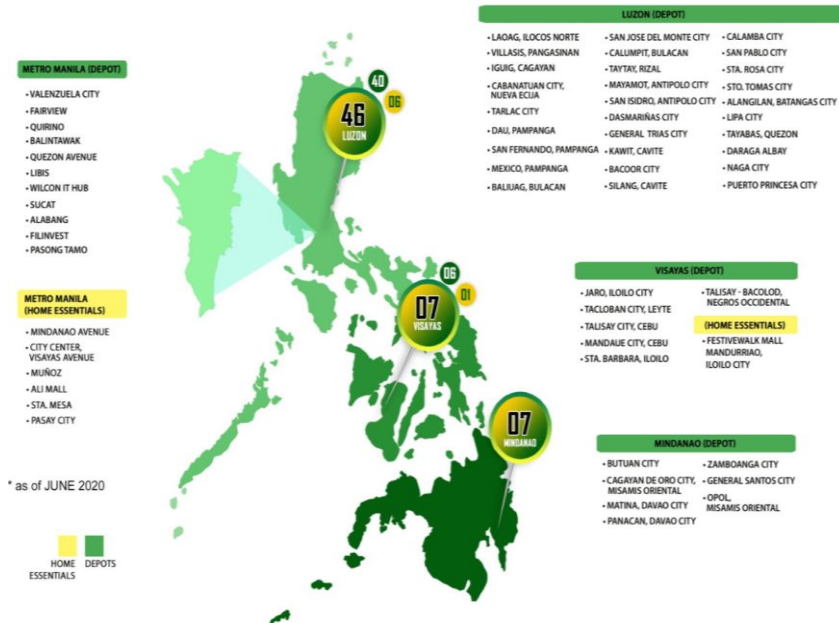


plumbing

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

First Half 2020



- Opened all stores in Luzon on May 16 (except one HE, which opened after one week)
- Implemented more stringent health and safety operating standards
 - Temperature checks
 - All personnel in masks and face shields
 - Sanitizers / alcohol in strategic areas
 - Foot / shoe baths
 - Contact tracing app
 - Testing for employees, etc.

Operations Updates

WILCON DEPOT

First Half 2020



BUILD BIG IDEAS WITH US



SHOP ONLINE

[CLICK HERE](#)

- Opened 2 new depot stores in June – Calumpit Bulacan and San Jose, Bulacan
- Metro Manila and other nearby provinces placed back on MECQ from Aug 4 to 18. Stores remained open but shortened operating hours due to the 8 pm curfew.
- Re-opened delivery option for Browse, Call & Collect/Deliver
- Re-launch of new and improved e-commerce site by 4Q 2020

Operations Updates



As of September 2020

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



* as of SEPTEMBER 18, 2020

LUZON (DEPOT)

- LAOAG, ILOCOS NORTE
- VILLASIS, PANGASINAN
- IGUIG, CAGAYAN
- CABANATUAN CITY, NUEVA ECUA
- TARLAC CITY
- DAU, PAMPANGA
- SAN FERNANDO, PAMPANGA
- MEXICO, PAMPANGA
- BALIUAG, BULACAN
- SAN JOSE DEL MONTE CITY
- CALUMPIT, BULACAN
- TAYTAY, RIZAL
- MAYAMOT, ANTIPOLO CITY
- SAN ISIDRO, ANTIPOLO CITY
- DASMARIÑAS CITY
- GENERAL TRIAS CITY
- KAWIT, CAVITE
- BACOR CITY
- SILANG, CAVITE
- CALAMBA CITY
- CABUYAO 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)

- FESTIVEWALK 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

- Opened our 61st store in Cabuyao, Laguna on September 18, 2020

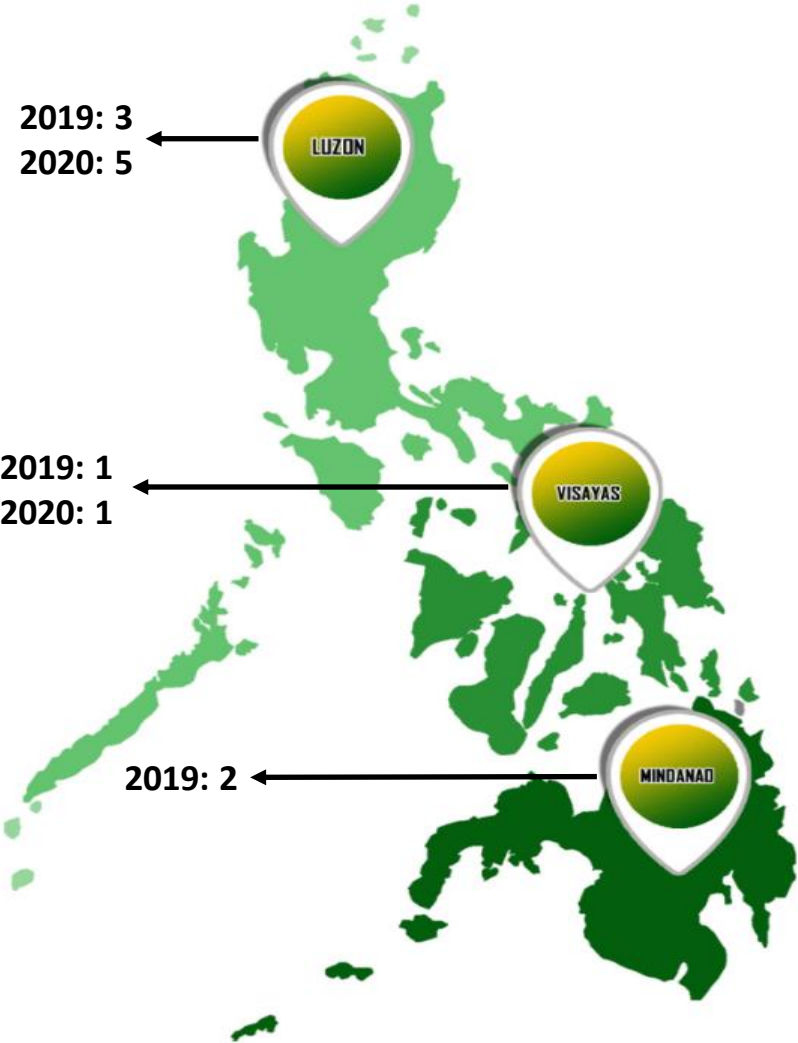




Outlook

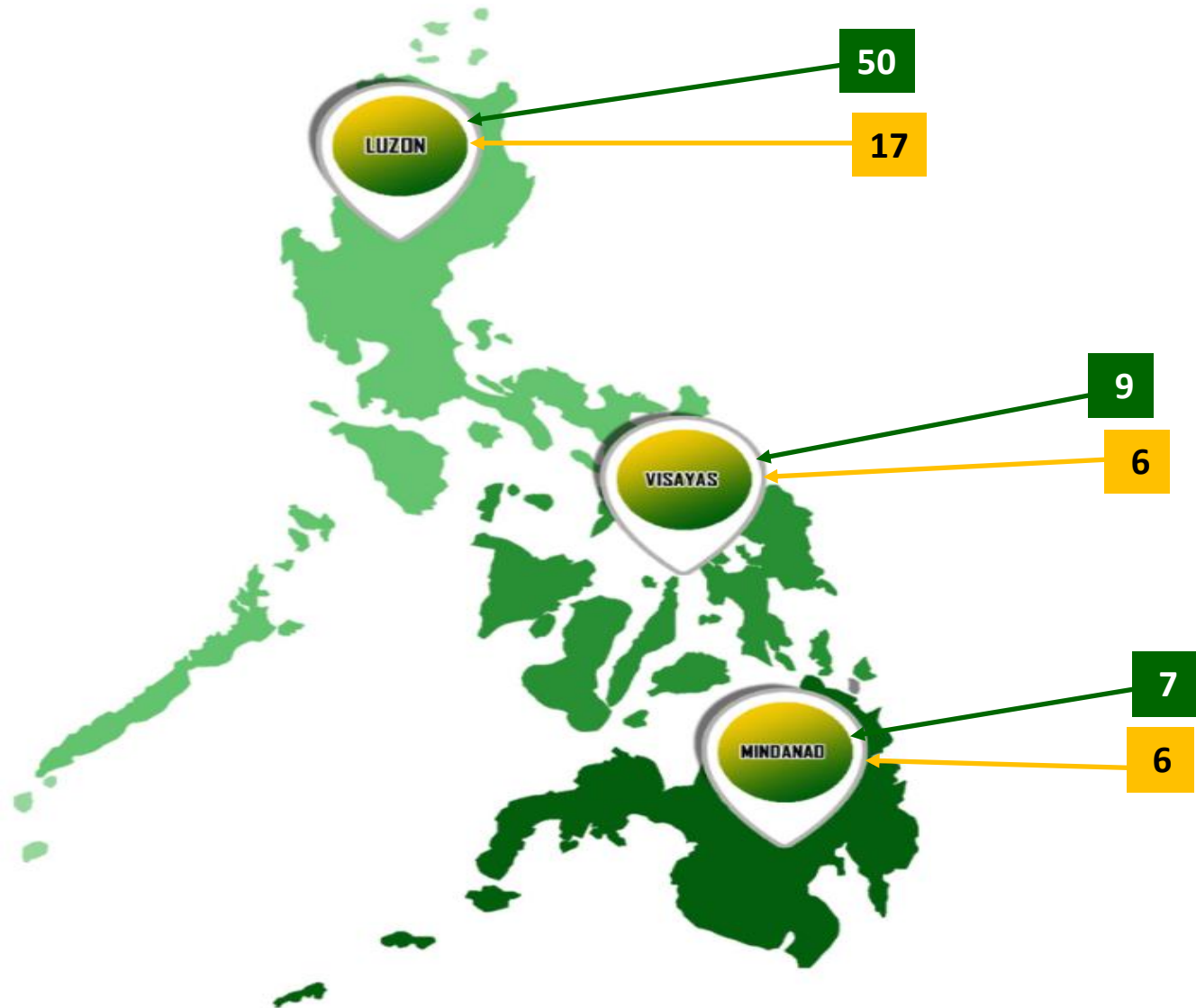


2019 - 2020 Store Expansion Plan



	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 - Sep 18
	San Isidro, Antipolo City	Olongapo City
	Sto. Tomas City, Batangas	Taytay
	Iguig, Cagayan Valley	
Total, end	57	63

2017 - 2021 Planned New Branches



Total Planned New Depot Stores - 29

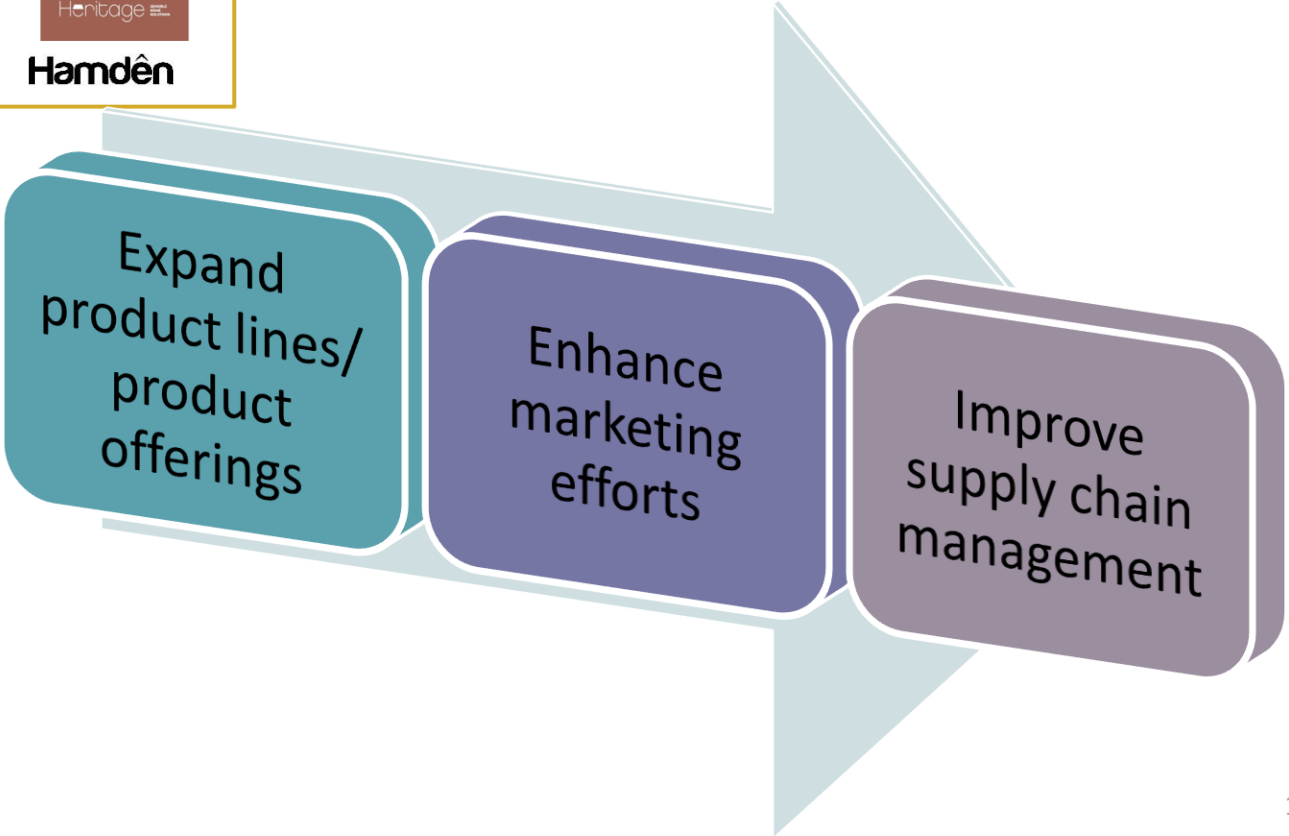
Total number of stores in 1H2021 - 66

From January 2017 to September 2020, twenty five (25) new stores were opened, twenty four (24) 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	





home
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doors &
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paints &
sundries



plumbing

Financial Results

Results Highlights

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2nd Quarter 2020

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

2nd Quarter 2020

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(In PHP MM)	2Q2020	% Sales	2Q2019	% Sales	% Growth
Net Sales	3,449	100.0	6,044	100.0	-42.9
Cost of Sales	-2,218	-64.3	-4,065	-67.3	-45.4
Gross Income	1,231	35.7	1,979	32.7	-37.8
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
Income Before Tax	29	0.8	697	11.5	-95.9
Income tax	-5	-0.1	-186	-3.1	-97.3
Net Income	24	0.7	511	8.5	-95.3

GPM increased to
35.7%

Lease-related
expense

1st Half 2020

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(In PHP MM)	1H2020	% Sales	1H2019	% Sales	% Growth
Net Sales	9,040	100.0	11,778	100.0	-23.2
Cost of Sales	-5,918	-65.5	-7,965	-67.6	-25.7
Gross Income	3,122	34.5	3,813	32.4	-18.1
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
Income Before Tax	487	5.4	1,390	11.8	-65.0
Income tax	-134	-1.5	-396	-3.4	-66.1
Net Income	352	3.9	995	8.4	-64.6

**GPM increased to
34.5%**

**Lease-related
expense**

1st Half 2020 (PAS 17)

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

Balance Sheet

(In Php MM)

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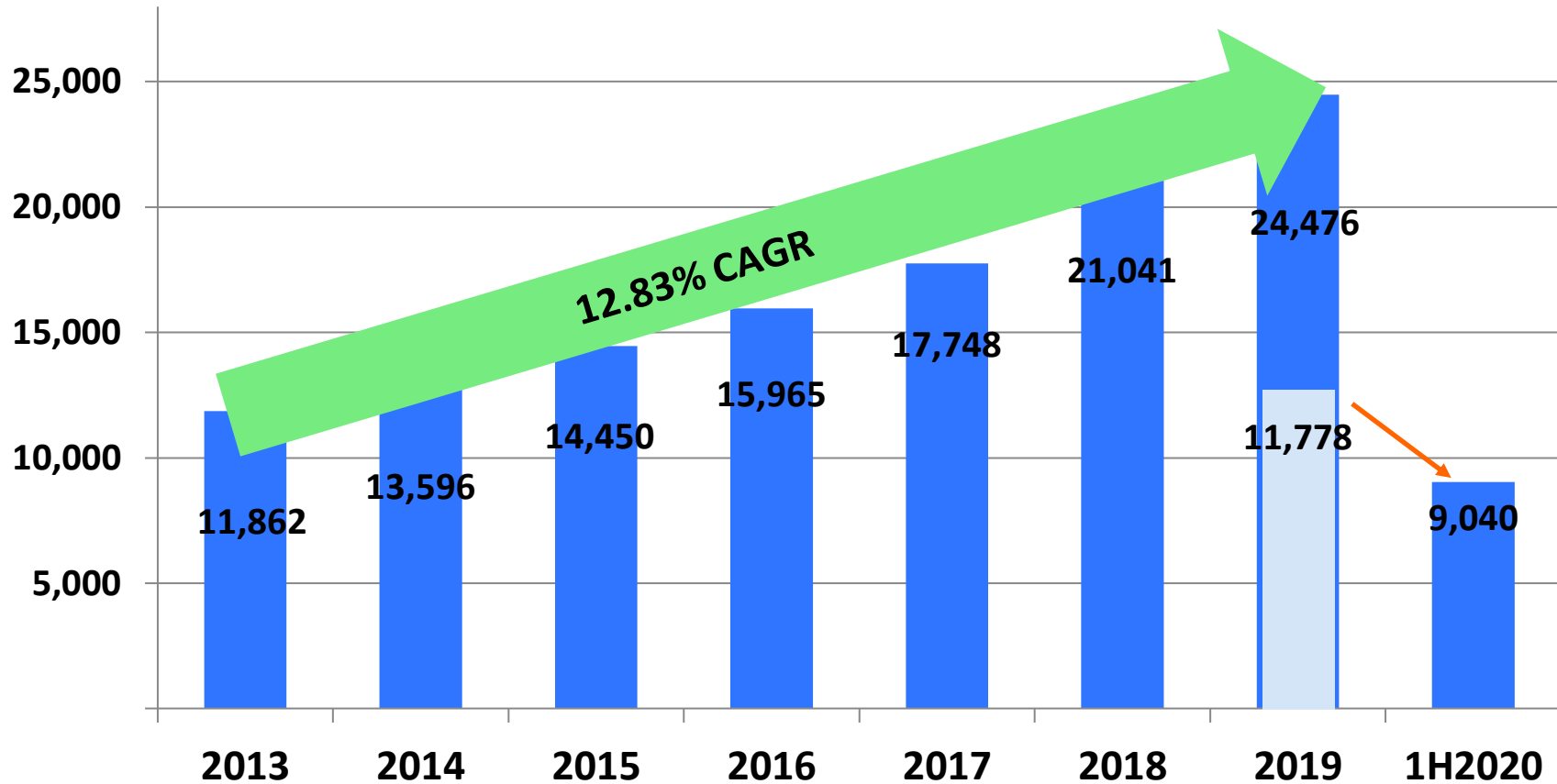
DEPOT

	Unaudited Jun 30, 2020	Audited Dec 31, 2019
Current Assets	13,697	15,022
Noncurrent Assets	11,668	11,215
Total Assets	25,365	26,237
Current Liabilities	6,552	7,236
Noncurrent Liabilities	4,542	4,339
Total Liabilities	11,094	11,576
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
Total Equity	14,271	14,662
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



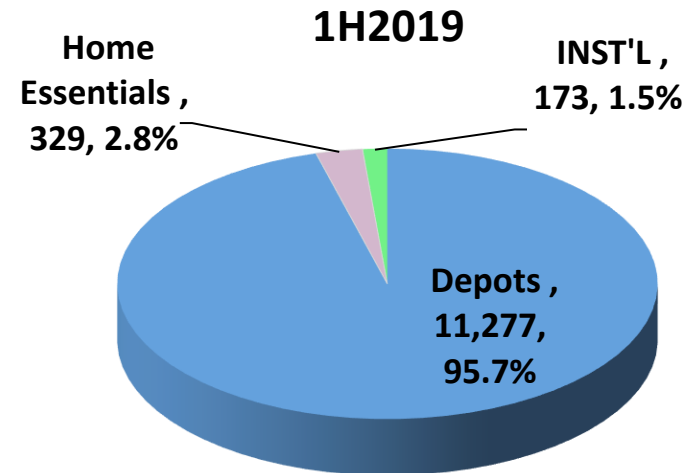
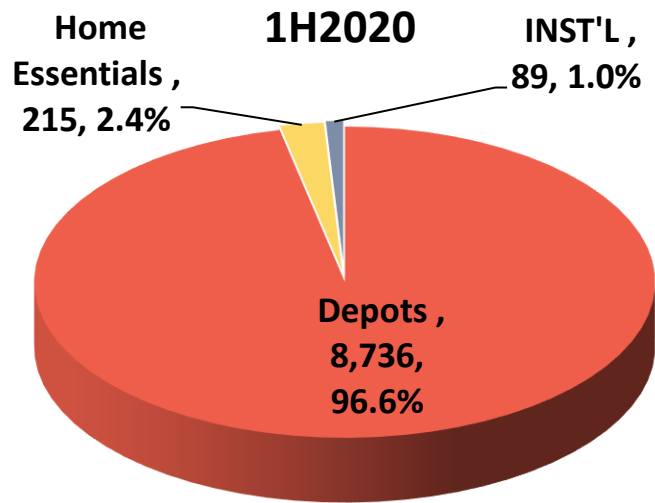
SALES



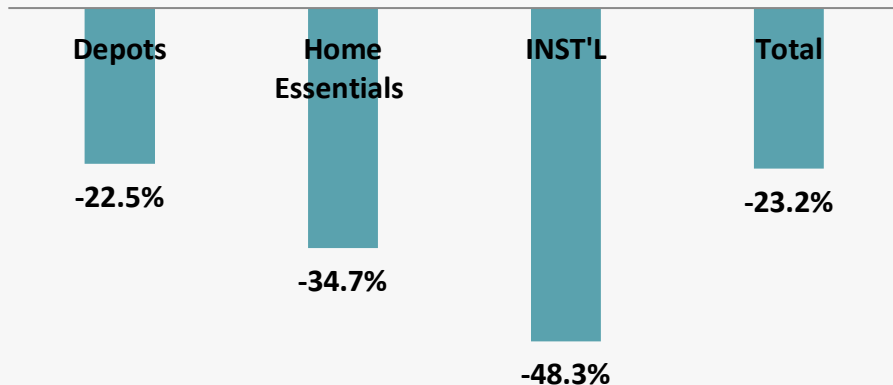
Note: 2013 to 2015 – Pro-forma/Reviewed / 2016 – In-house Pro-forma / 2017 – Actual/Audited
Commercial operations under WDI commenced April 1, 2016

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

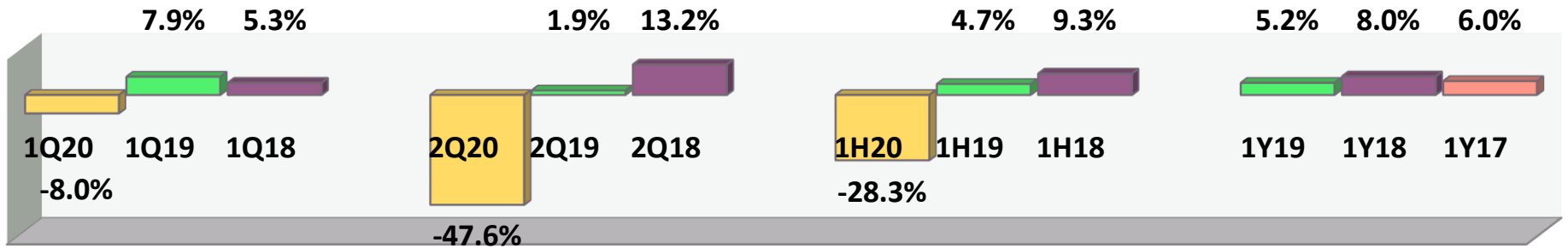
Comparable Sales Summary



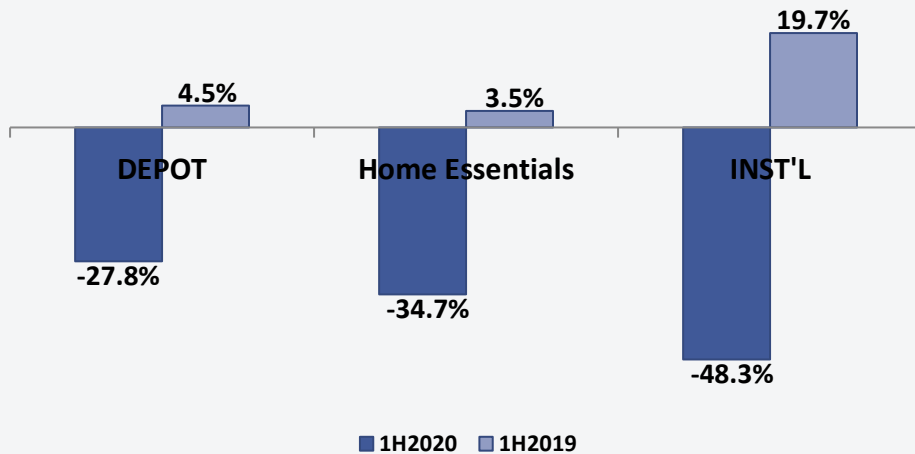
Quarterly Trend

SSSG Excluding Inst'l/ Projects Sales

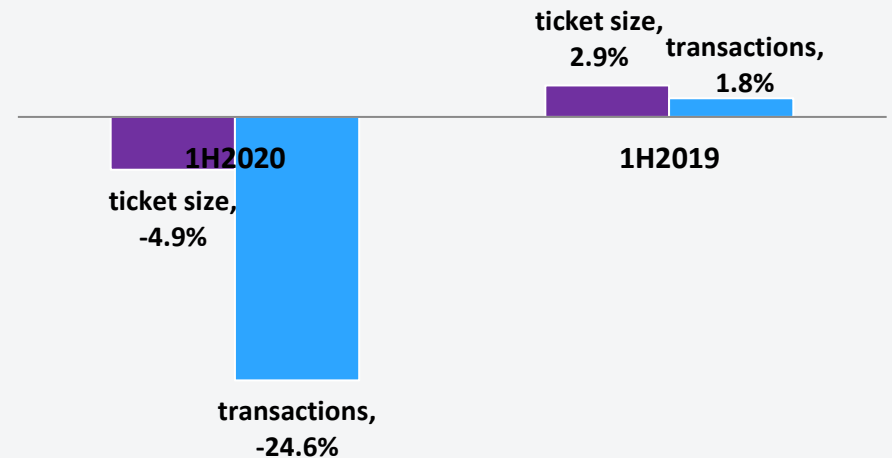
- 1H20 = -28.0% FY2019 = 4.9%
- 1H19 = 4.5% FY2018 = 9.5%
- 1H18 = 10.1% FY2017 = 5.9%



Comparable Sales per Format 1H2020 vs 1H2019



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

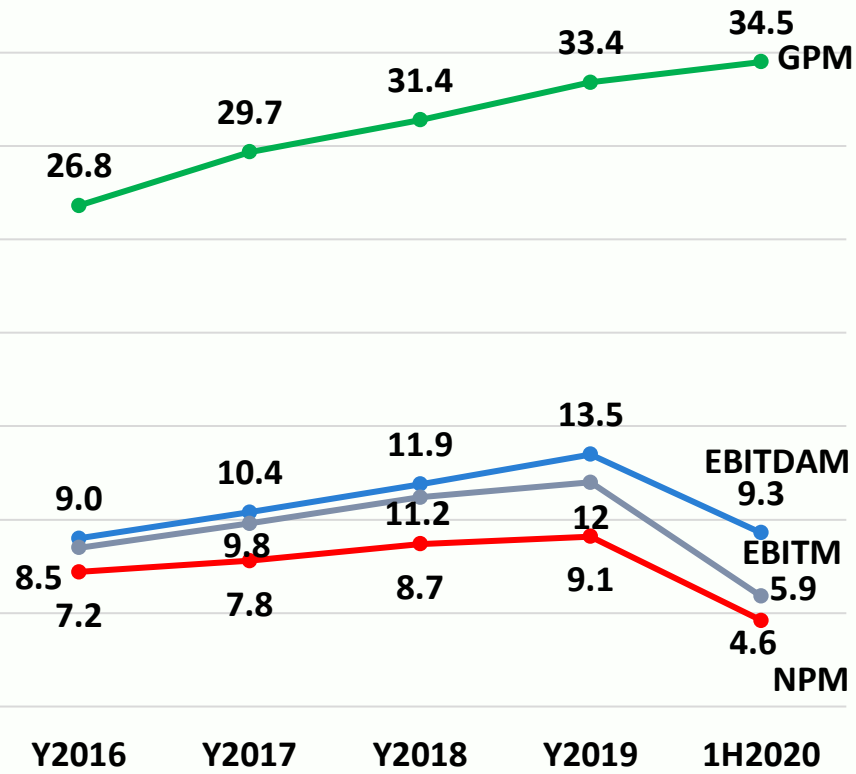


Margins

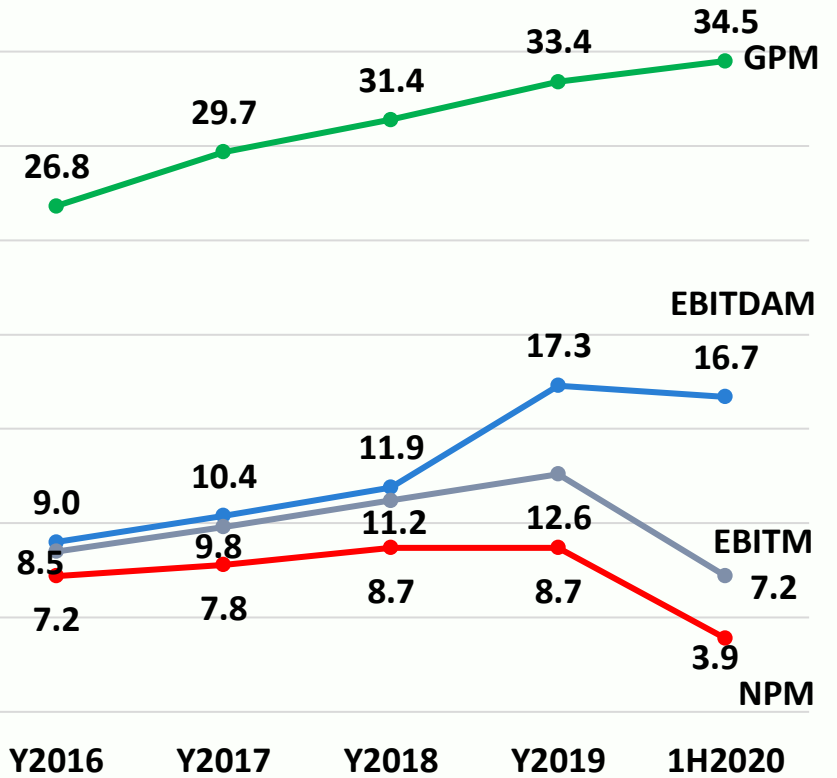
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Philippine Accounting Standard 17 - Leases



Philippine Financial Reporting Standard 16 - Leases



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