



FY2020 Earnings Conference

**BUILDING  
BIG  
IDEAS**

# Discussion Agenda

**2020 in Review**

**Results Highlights**

**Operating and Financial Statistics**

**Outlook**



**WILCON**

**DEPOT**

# 2020 in Review

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# 2020 in Review

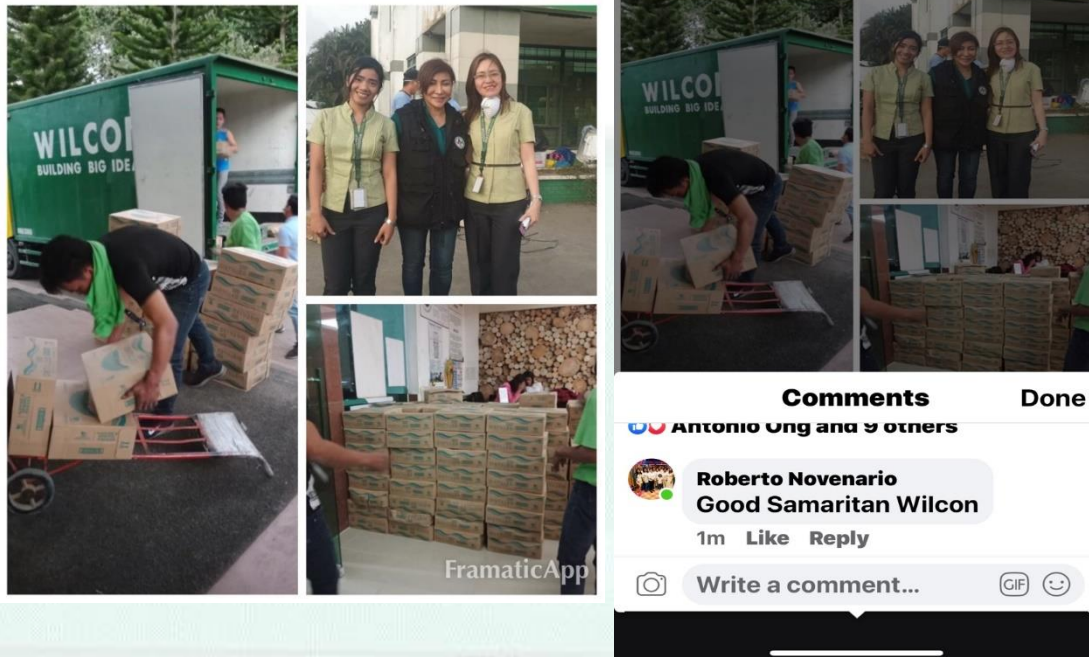
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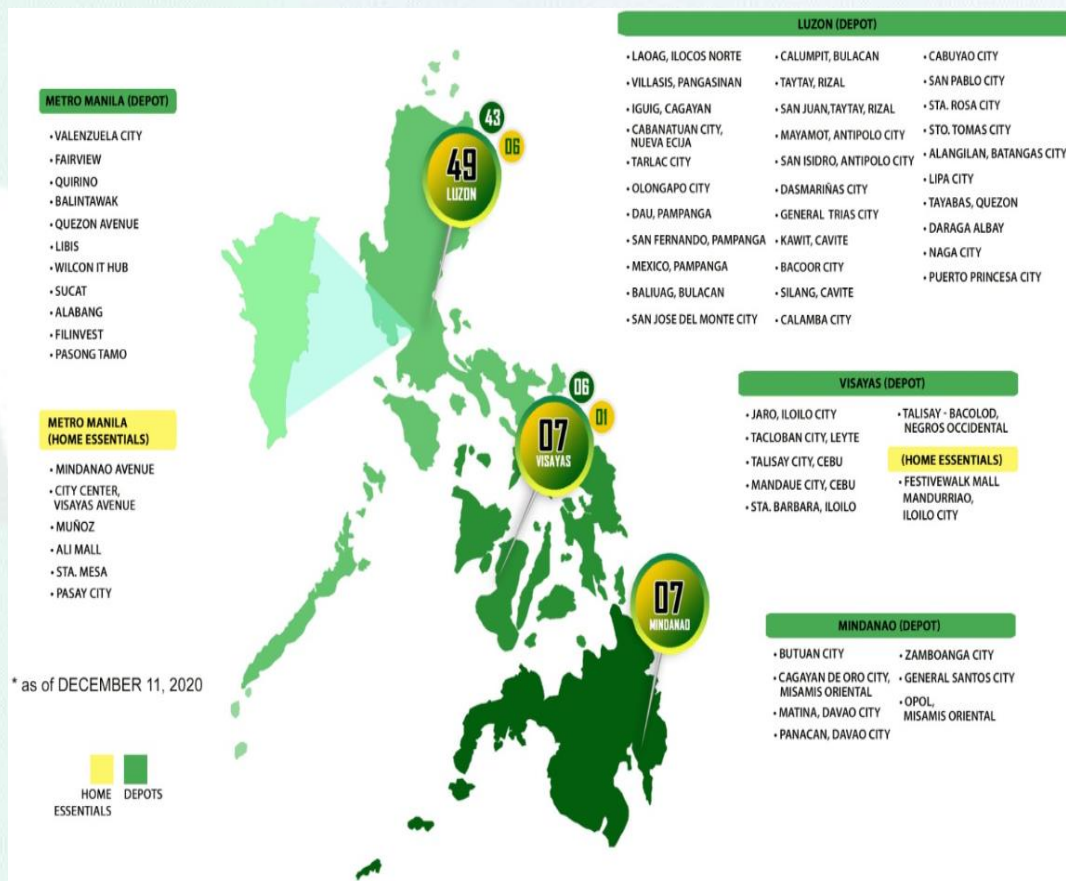
## TAAL VOLCANO ERUPTION



- Taal volcano eruption – temporary disruption in the operations of branches in the vicinity in Jan
- Quick recovery in sales performance right after resumption of normal business operations
- Unexpectedly high sales growth for February and first two weeks of March



# 2020 in Review



- Closed 44 branches in Luzon from Mar 17 to May 15, 2020 pursuant to ECQ rules
- Closed all VisMin branches for 2 weeks in Mar/Apr to re-set and prepare the stores and staff for the “new normal”
- Metro Manila and other nearby provinces placed back on MECQ from Aug 4 to 18, 2020.
- Several branches in Metro Manila, CALABARZON, Bicol and North Luzon regions were closed for 1 to 3 days because of the typhoons that hit these areas in Nov, 2020.





## Continuous Store Expansion

- Opened 6 new depot stores in 2020
  - Daraga Albay, San Jose Del Monte Bulacan, Calumpit Bulacan, Cabuyao, Olongapo and San Juan Taytay
- 2 new stores in January 2021
  - Makato Albay and Commonwealth





# 2020 in Review



- No layoffs or furloughs
- Regular employees continued to be paid even when majority of the stores were closed
- Helped local communities and the medical community through donations





**WILCON**

**DEPOT**

# Results Highlights

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# Results Highlights

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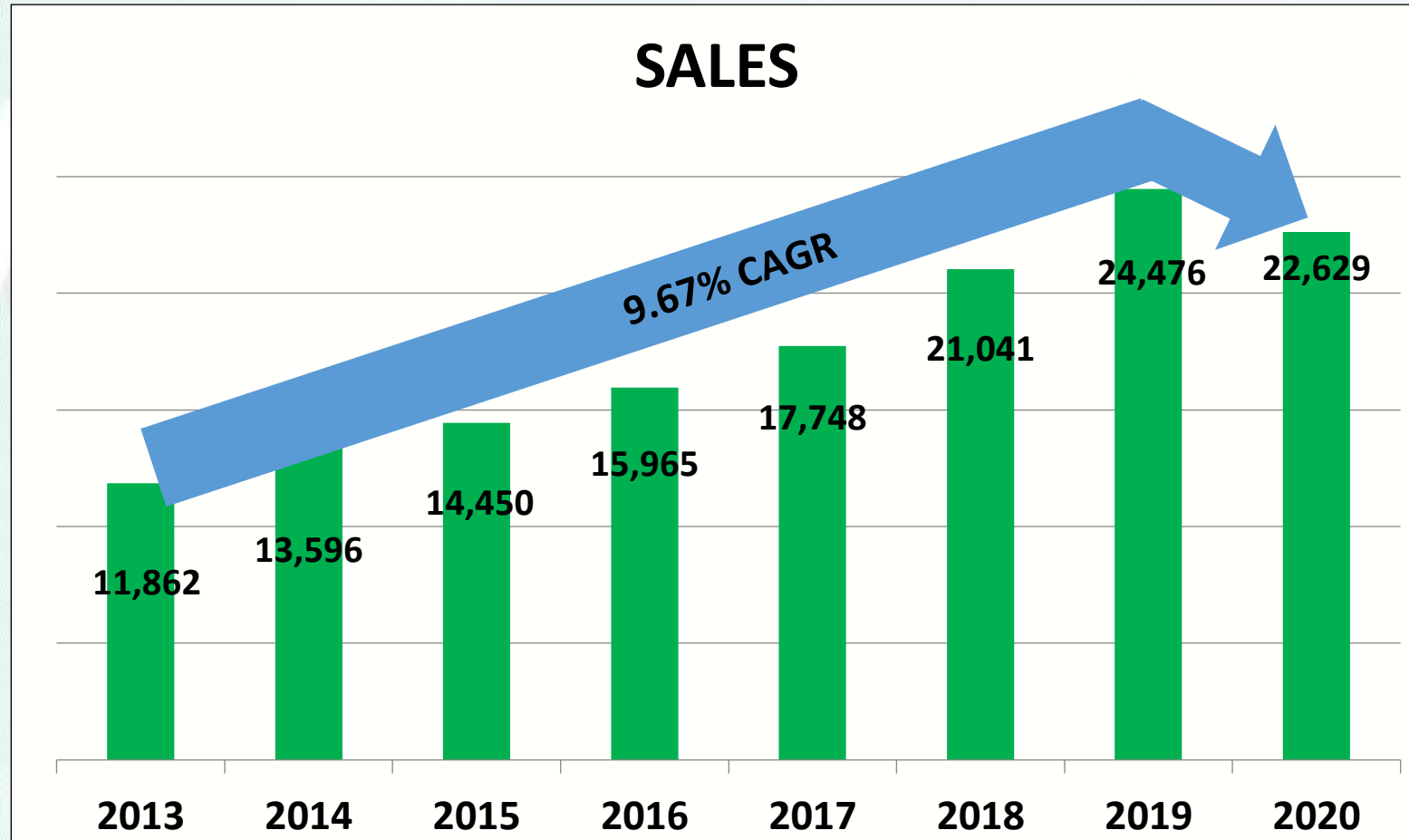
DEPOT

## FY 2020

- Net sales of ₱22.6 billion, down 7.5% y-o-y
- Net Income declined by 31.8% y-o-y to ₱1.449 billion
- Declared cash dividends of ₱ 0.12 per share
- Opened six (6) new depots, all located in Luzon



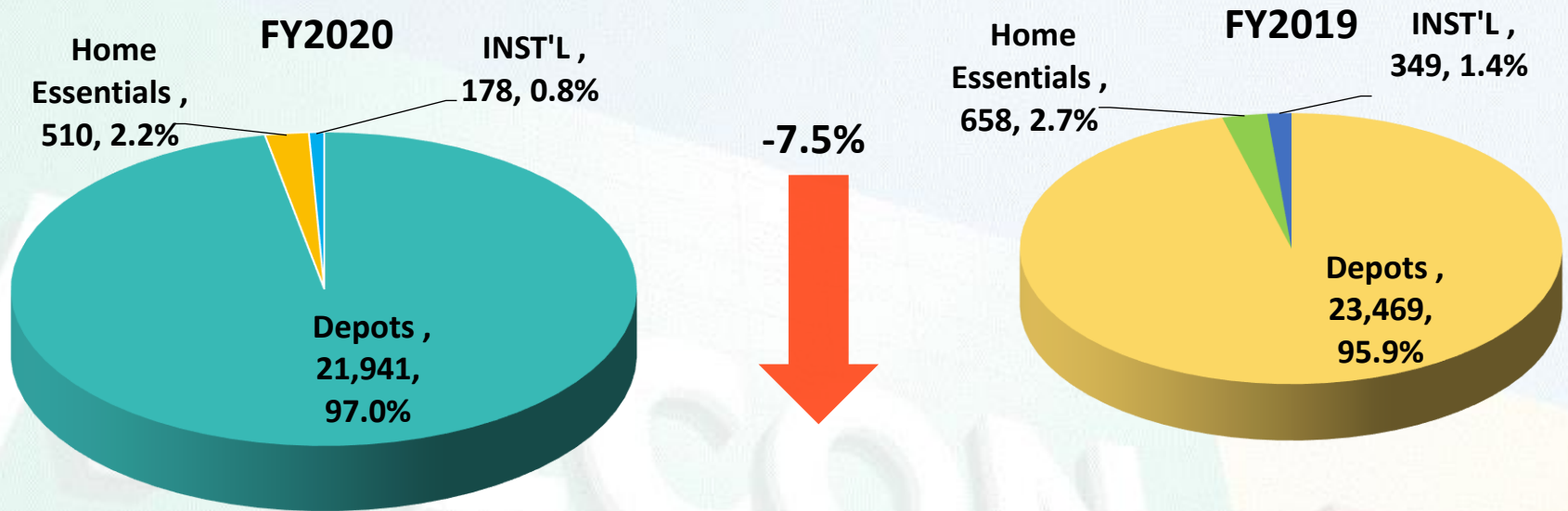
# Historical Sales Growth



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

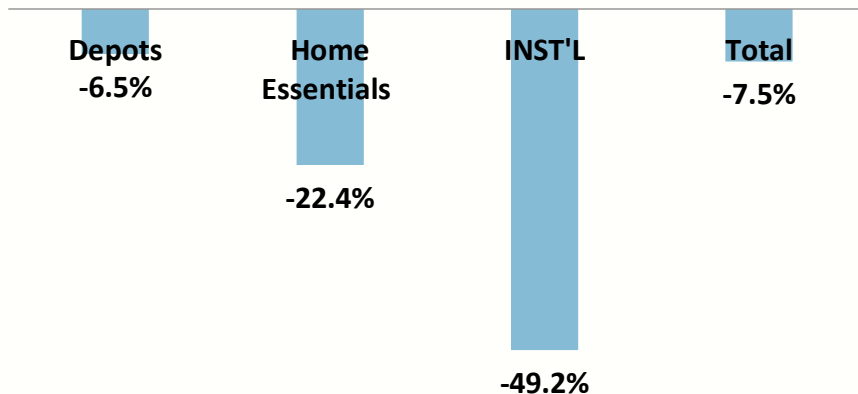
# Total Net Sales Breakdown – FY2020

PhP Millions



## Sales Growth per Store Format

### FY2020 vs FY2019



## Product Category Performance

### FY2020 VS FY2019

Better than Average

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

-7.5%

Lower than Average

- Tiles
- Building Materials
- Plumbing and Sanitary Wares

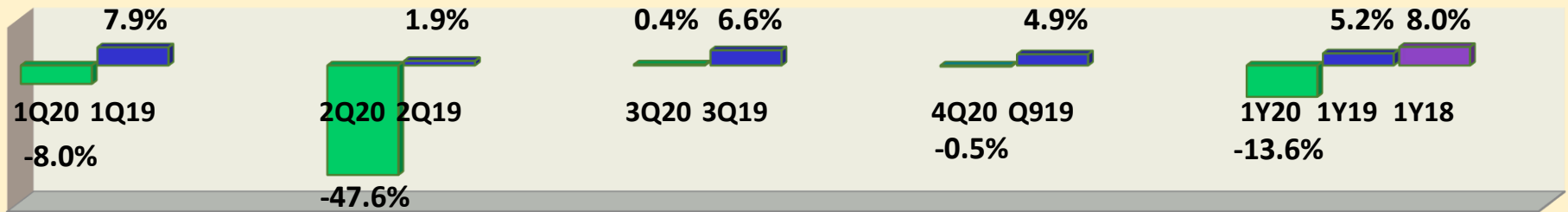


# Comparable Sales Summary

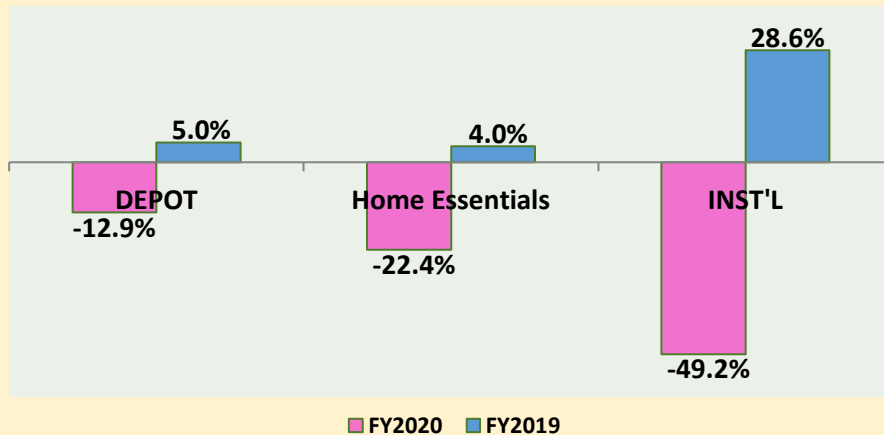
## Quarterly Trend

### SSSG Excluding Inst'l/ Projects Sales

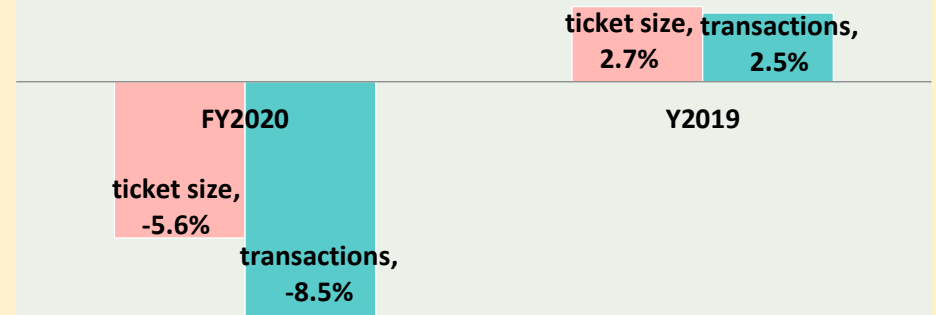
- 4Q20 = 0.2%    FY2020 = -13.1%
- 4Q19 = 4.3%    FY2019 = 4.9%



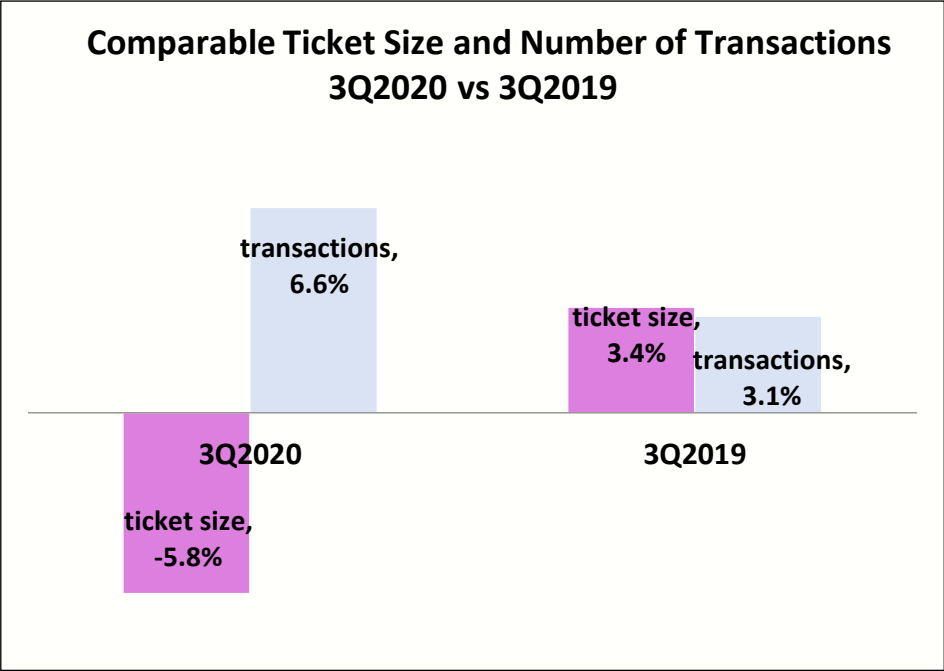
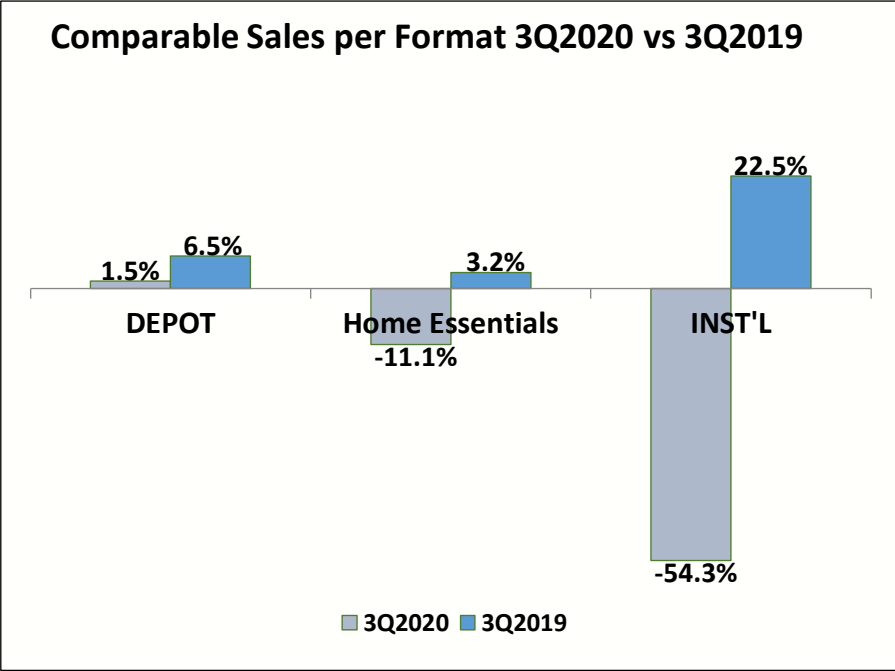
## Comparable Sales per Format FY2020 vs FY2019



## Comparable Ticket Size and Number of Transactions FY2020 vs FY2019

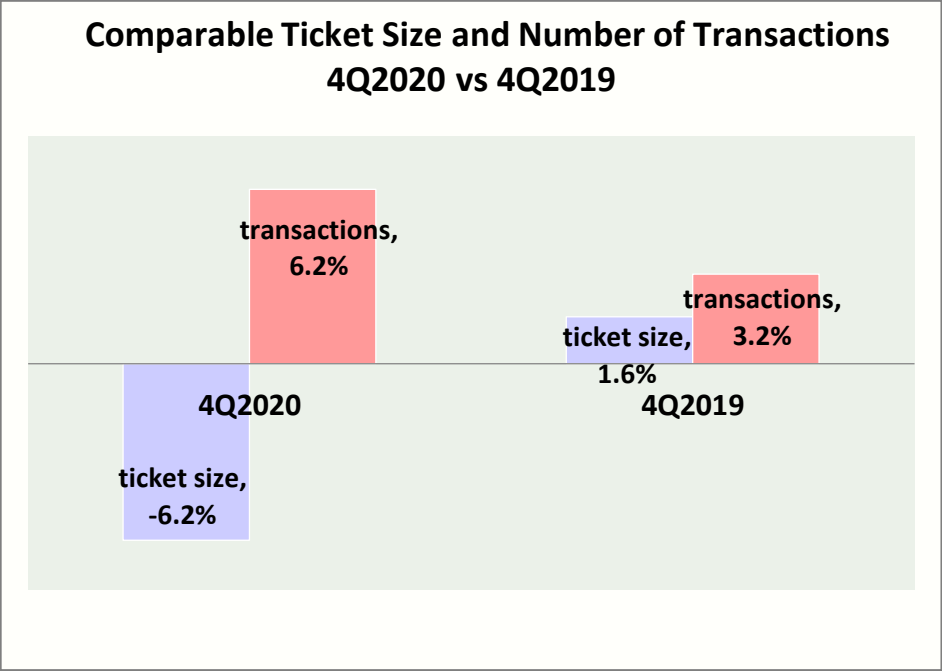
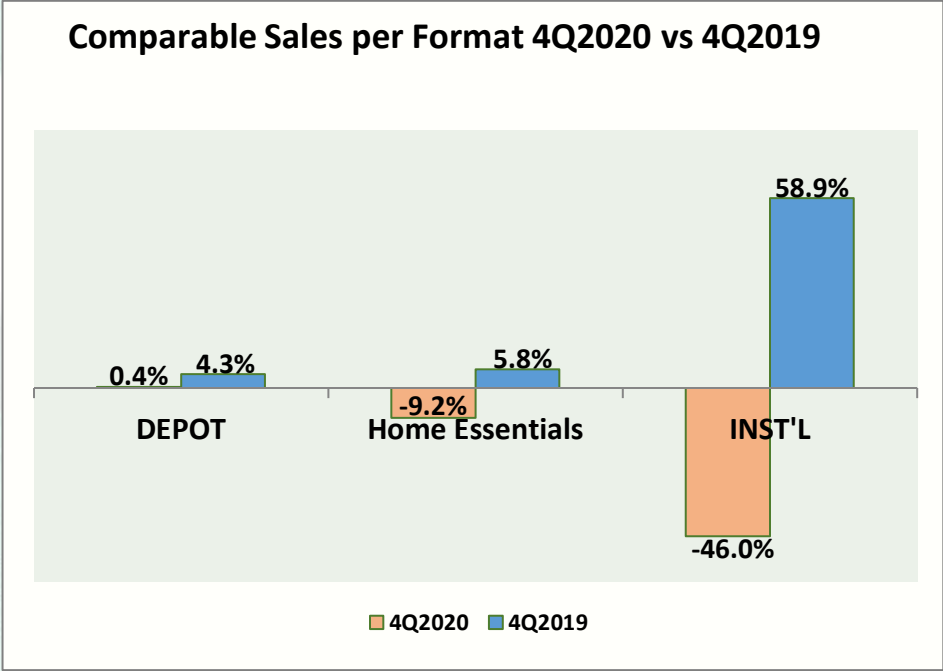


# Comparable Sales Summary 3Q20





# Comparable Sales Summary 4Q20



# FY2020

GPM increased to  
34.4%

(In Php MM)	FY2020	% Sales	FY2019	% Sales	% Growth
<b>Net Sales</b>	<b>22,629</b>	<b>100.0</b>	<b>24,476</b>	<b>100.0</b>	<b>(7.5)</b>
Cost of Sales	-14,847	-65.6	-16,300	-66.6	<b>(8.9)</b>
<b>Gross Income</b>	<b>7,782</b>	<b>34.4</b>	<b>8,176</b>	<b>33.4</b>	<b>(4.8)</b>
Operating Expenses	-5,738	-25.4	-5,396	-22.0	6.3
Interest Exp (Lease Liab)	-429	-1.9	-300	-1.2	42.8
Other Income - Net	380	1.7	312	1.3	22.1
Income from Operations	1,995	8.8	2,792	11.4	(28.5)
Interest Income	55	0.2	151	0.6	(63.6)
<b>Income Before Tax</b>	<b>2,050</b>	<b>9.1</b>	<b>2,943</b>	<b>12.0</b>	<b>(30.3)</b>
Income tax	-601	-2.7	-818	-3.3	(26.5)
<b>Net Income</b>	<b>1,449</b>	<b>6.4</b>	<b>2,125</b>	<b>8.7</b>	<b>(31.8)</b>

# 4<sup>th</sup> Quarter 2020

(In Php MM)	4Q2020	% Sales	4Q2019	% Sales	% Growth
<b>Net Sales</b>	<b>6,840</b>	<b>100.0</b>	<b>6,441</b>	<b>100.0</b>	<b>6.2</b>
Cost of Sales	-4,494	-65.7	-4,177	-64.9	7.6
<b>Gross Income</b>	<b>2,346</b>	<b>34.3</b>	<b>2,264</b>	<b>35.1</b>	<b>3.6</b>
Operating Expenses	-1,625	-23.8	-1,486	-23.1	9.4
Interest Exp (Lease Liab)	-112	-1.6	-92	-1.4	21.6
Other Income - Net	184	2.7	101	1.6	83.3
Income from Operations	792	11.6	787	12.2	0.8
Interest Income	9	0.1	32	0.5	(73.0)
<b>Income Before Tax</b>	<b>801</b>	<b>11.7</b>	<b>819</b>	<b>12.7</b>	<b>(2.1)</b>
Income tax	-238	-3.5	-238	-3.7	0.1
<b>Net Income</b>	<b>563</b>	<b>8.2</b>	<b>581</b>	<b>9.0</b>	<b>(3.0)</b>

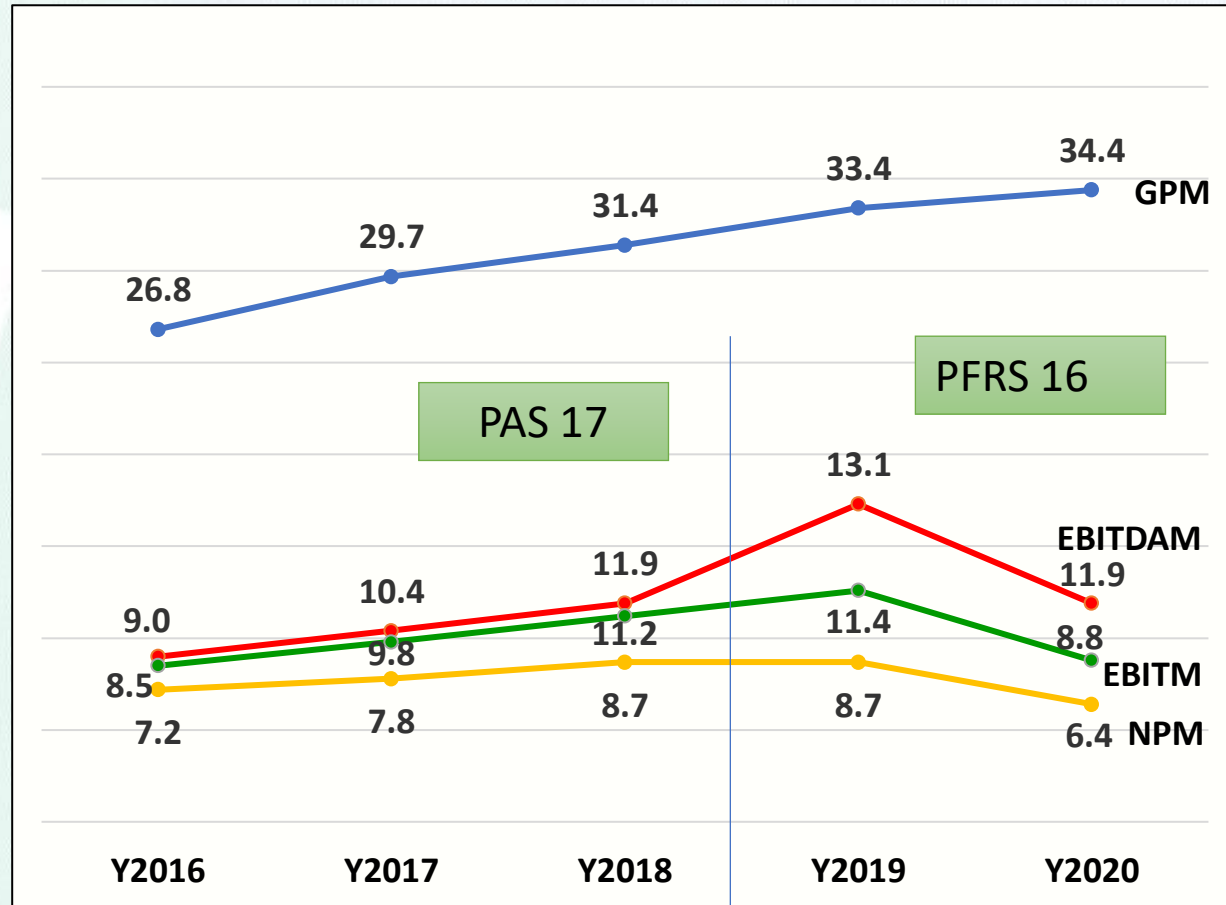


# Balance Sheet

(In Php MM)

	Audited Dec 31, 2020	Audited Dec 31, 2019
Current Assets	14,390	15,022
Noncurrent Assets	13,828	11,215
<b>Total Assets</b>	<b>28,218</b>	<b>26,237</b>
Current Liabilities	7,621	7,236
Noncurrent Liabilities	5,287	4,339
<b>Total Liabilities</b>	<b>12,908</b>	<b>11,576</b>
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	1	63
Retained Earnings	5,836	5,125
<b>Total Equity</b>	<b>15,310</b>	<b>14,662</b>
Current ratio	1.89	2.08
Quick ratio	0.66	0.66
Debt to equity ratio	0.84	0.79
Return on asset	5.1%	8.1%
Return on equity	9.5%	14.5%

# Margins



Note: ROU depreciation and interest expense charged on lease liability were considered as rent expense for 2019/2020

# 2020 CAPEX

<b>CAPEX Breakdown</b> <i>(in billions Php)</i>	<b>12M2020</b>
New Stores	1.7
Warehouses, extensions and renovations	0.6
Furniture, Equipment and IT Software	0.2
<b>Total CAPEX in 2020</b>	<b>2.5</b>





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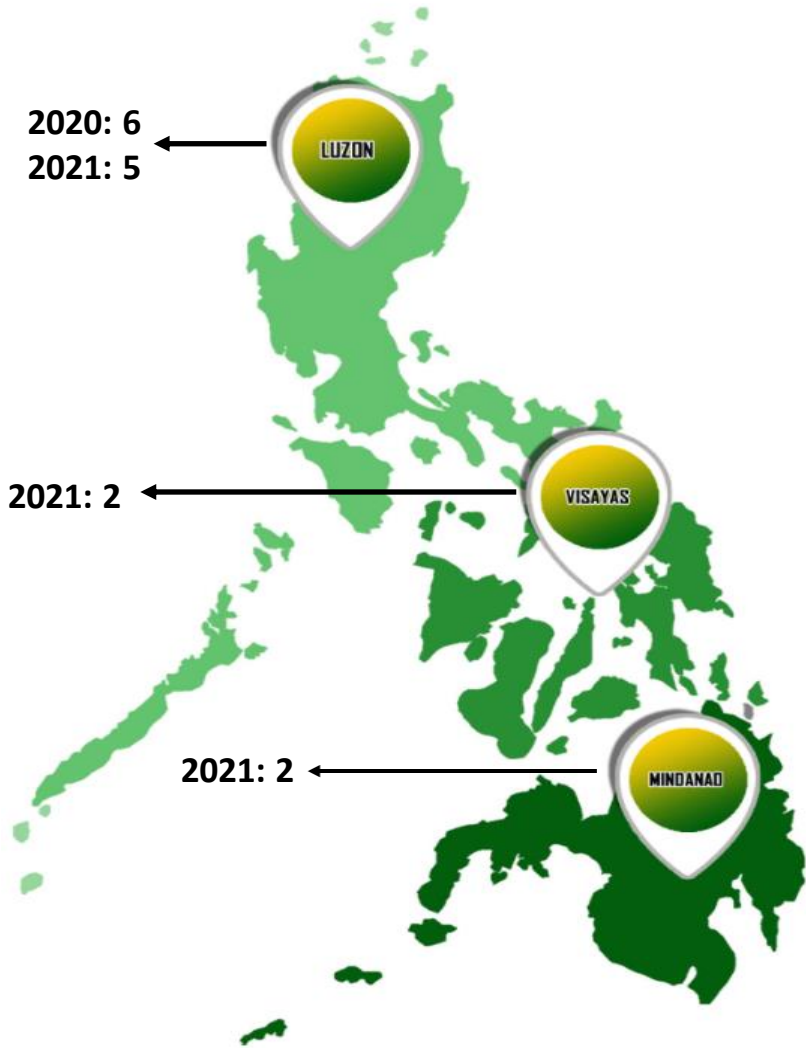
# Outlook

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# 2020 - 2021 Store Expansion Plan



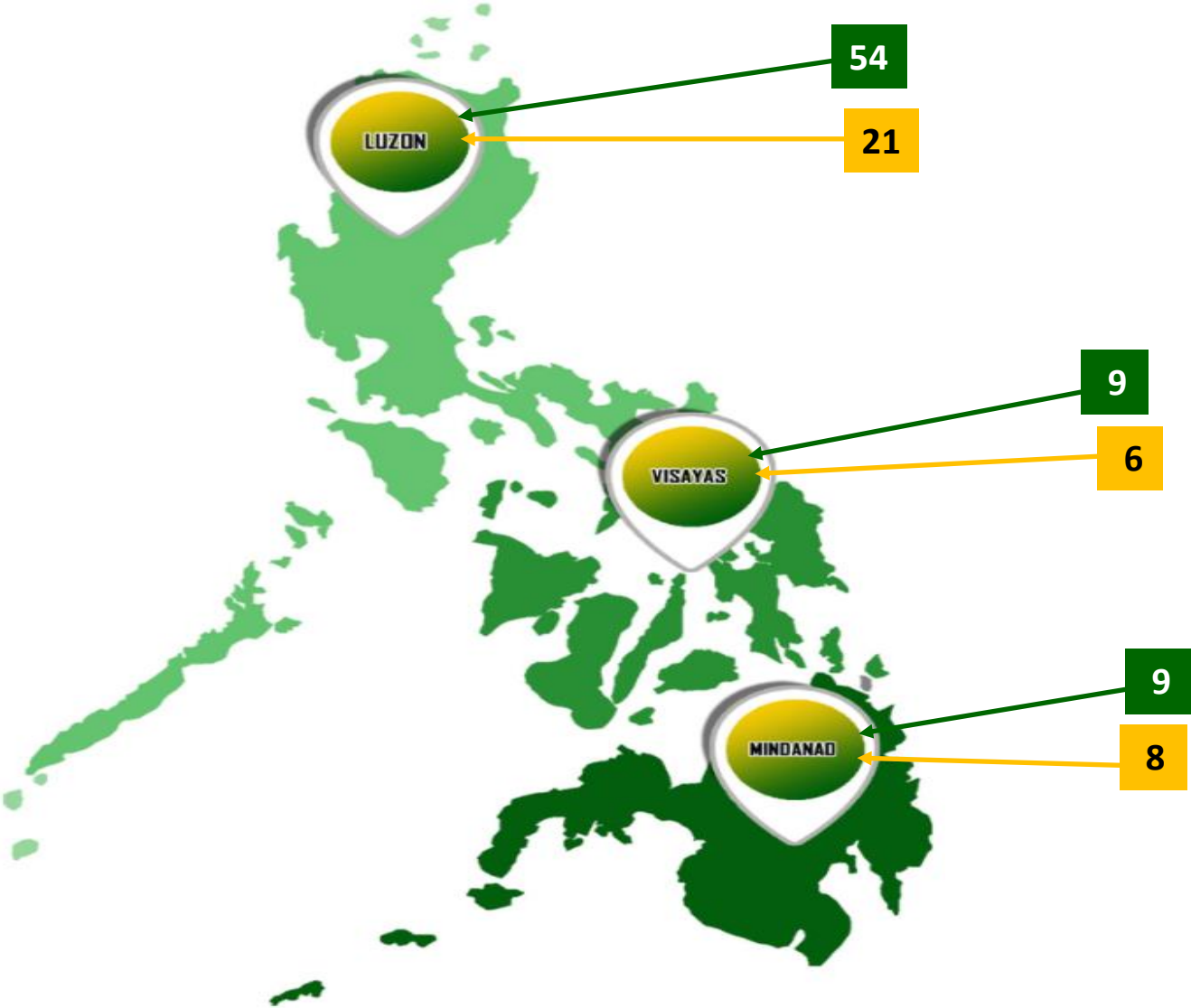
	2020	2021
Beg. balance	57	63
1H	Daraga, Albay	Makato, Aklan
	San Jose, Del Monte	Commonwealth, QC
	Calumpit, Bulacan	Ormoc, Leyte
		Cordon, Isabela
		Sorsogon
2H	Cabuyao, Laguna	Pila, Laguna
	Olongapo City	Tagum
	Taytay	Calapan, Mindoro
		Malaybalay, Bukidnon
<b>Total, end</b>	<b>63</b>	<b>72</b>

# 2021 PLANNED CAPEX

<b>CAPEX Breakdown</b>	<b>12M 2021 Budget</b>
Expansion-related (new stores, renovations, eqpt, warehouses, etc)	2,900
Solar Panel Project	215
IT Infrastructure and Project	85
<b>Total CAPEX</b> <i>(in millions Php)</i>	<b>3,200</b>



# 2017 - 2021 Planned New Branches



**Total Planned New Depot Stores - 35**

**Total number of stores in 2021 - 72**

From January 2017 to January 2021, twenty nine (29) new stores were opened, twenty eight (28) depots and one (1) Home Essentials.

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



Plumbing and Sanitary	Tiles / Flooring	Building Materials	Furniture, Furnishing & Houseware
Hardware and Tools	Electrical and Lighting	Appliances	



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