



# **BUILDING BIG IDEAS**

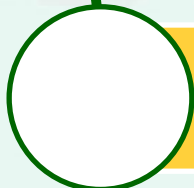
August 17, 2021



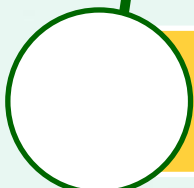
Leader in the home improvement and finishing construction supply retail space in the Philippines; 44 years in operation



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





# Store Network & Presence

**Wilcon operates 68\* stores strategically located in dominant markets and in fast-growing cities nationwide.**

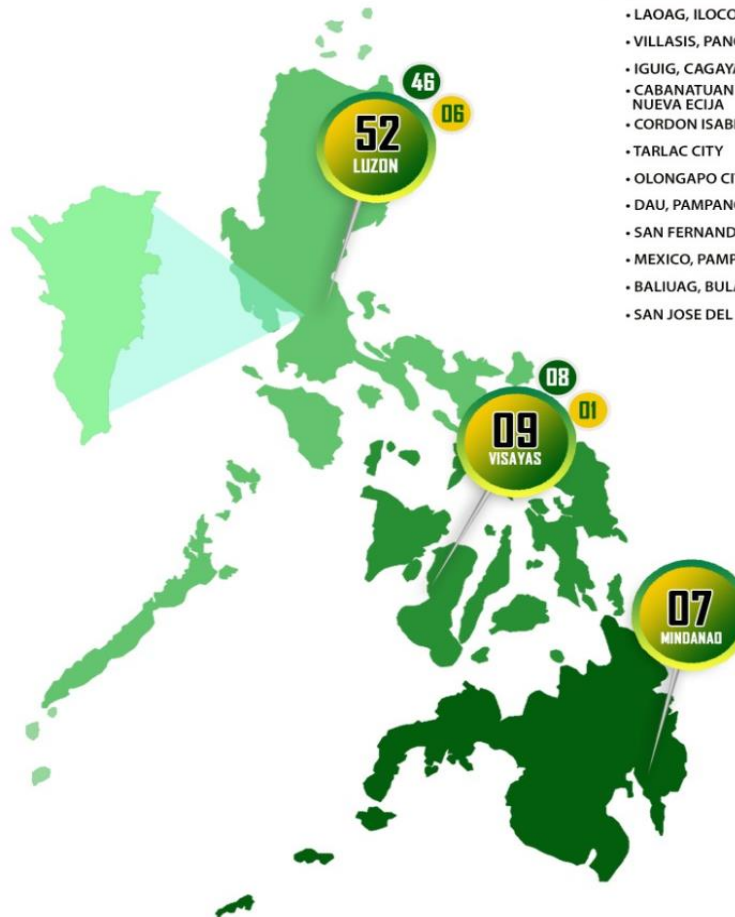
**METRO MANILA (DEPOT)**

- VALENZUELA CITY
- FAIRVIEW
- QUIRINO
- BALINTAWAK
- QUEZON AVENUE
- LIBIS
- CAPITOL-COMMONWEALTH
- 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 JULY 30, 2021



**LUZON (DEPOT)**

- LAOAG, ILOCOS NORTE
- VILLASIS, PANGASINAN
- IGUIG, CAGAYAN
- CABANATUAN CITY, NUEVA ECJA
- CORDON ISABELA
- TARLAC CITY
- OLONGAPO CITY
- DAU, PAMPANGA
- SAN FERNANDO, PAMPANGA
- MEXICO, PAMPANGA
- BALIUAG, BULACAN
- SAN JOSE DEL MONTE CITY
- CALUMPIT, BULACAN
- TAYTAY, RIZAL
- SAN JUAN, TAYTAY, RIZAL
- MAYAMOT, ANTIPOLO CITY
- SAN ISIDRO, ANTIPOLO CITY
- DASMARIÑAS CITY
- GENERAL TRIAS CITY
- KAWIT, CAVITE
- BACoor CITY
- SILANG, CAVITE
- CALAMBA CITY
- CABUYAO CITY
- SAN PABLO CITY
- STA. ROSA CITY
- STO. TOMAS CITY
- ALANGILAN, BATANGAS CITY
- LIPA CITY
- TAYABAS, QUEZON
- NAGA CITY
- SORSOGON CITY
- PUERTO PRINCESA CITY

**VISAYAS (DEPOT)**

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

**(HOME ESSENTIALS)**

- FESTIVWALK MALL, 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

# Store Formats

## DEPOT



## HOME ESSENTIALS



### No. of stores

61

7

### Gross Floor Area

- 2,800 sqm to 16,100 sqm, with an average gross floor area of 9,532 sqm

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





Leader in the home improvement and finishing construction supply retail space in the Philippines; 44 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





# Major Categories & Select Brands

## Plumbing and Sanitary



## Tiles / Flooring



## Building Materials



## Furniture, Furnishing & Houseware



## Paints



## Hardware and Tools



## Electrical and Lighting



## Appliances



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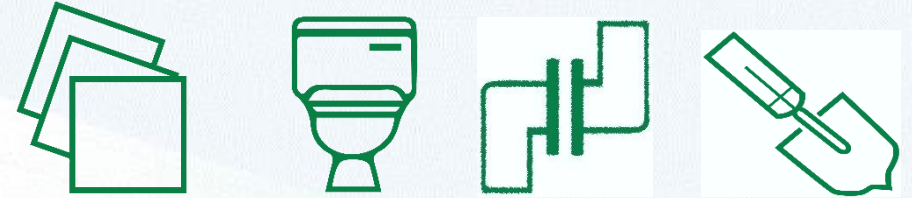
Revolutionized the construction-supply industry by enhancing customer shopping experience





# In-House and Exclusive Brands

## In-house brands

## Select Exclusive brands








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# Results Highlights

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# 1H21 Results Highlights

## Financial Highlights

- ✓ Php 13.426B Net Sales
- ✓ 48.5% yoy Sales Growth
- ✓ 36.6% GPM
- ✓ Php 1.247B NIAT
- ✓ 254.0% yoy increase in Net income
- ✓ 15.7% EBITDAM
- ✓ 12.4% EBITM

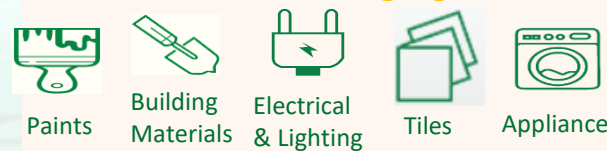
## Comparable Sales Summary

- 36.4% SSSG
- 31.8% Transaction Count
- 3.6% Ticket Size

## Total Sales Mix

49.4%  
In-house & exclusive contribution

Product categories performing better than average growth



## Php 1.155B CAPEX Opened 4 new stores

- Makato, Aklan
- Commonwealth
- Ormoc, Leyte
- Cordon, Isabela



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# Financial Results

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# 2nd Quarter 2021

(In Php MM)	2Q2021	% Sales	2Q2020	% Sales	% Growth
<b>Net Sales</b>	<b>6,751</b>	<b>100.0</b>	<b>3,449</b>	<b>100.0</b>	<b>95.7</b>
Cost of Sales	-4,258	-63.1	-2,218	-64.3	<b>91.9</b>
<b>Gross Income</b>	<b>2,493</b>	<b>36.9</b>	<b>1,231</b>	<b>35.7</b>	<b>102.5</b>
Operating Expenses	-1,603	-23.7	-1,170	-33.9	37.1
Interest Exp (Lease Liab)	-117	-1.7	-104	-3.0	12.0
Other Income - Net	73	1.1	59	1.7	23.2
<b>Income from Operations</b>	<b>846</b>	<b>12.5</b>	<b>16</b>	<b>0.5</b>	<b>5031.0</b>
Interest Income	8	0.1	12	0.4	-32.6
<b>Income Before Tax</b>	<b>855</b>	<b>12.7</b>	<b>29</b>	<b>0.8</b>	<b>2865.7</b>
Income tax	-212	-3.1	-5	-1.0	4176.3
<b>Net Income</b>	<b>643</b>	<b>9.5</b>	<b>24</b>	<b>0.7</b>	<b>2594.0</b>

**GPM increased to  
36.9%**

**Lease-related  
expense**

# 1st Half 2021

(In Php MM)	1H2021	% Sales	1H2020	% Sales	% Growth
<b>Net Sales</b>	<b>13,426</b>	<b>100.0</b>	<b>9,040</b>	<b>100.0</b>	<b>48.5</b>
Cost of Sales	-8,512	-63.4	-5,918	-65.5	43.8
<b>Gross Income</b>	<b>4,914</b>	<b>36.6</b>	<b>3,122</b>	<b>34.5</b>	<b>57.4</b>
Operating Expenses	-3,155	-23.5	-2,602	-28.8	21.2
Interest Exp (Lease Liab)	-233	-1.7	-206	-2.3	13.0
Other Income - Net	134	1.0	135	1.5	-0.7
<b>Income from Operations</b>	<b>1,660</b>	<b>12.4</b>	<b>448</b>	<b>5.0</b>	<b>270.9</b>
Interest Income	17	0.1	39	0.4	-57.4
<b>Income Before Tax</b>	<b>1,677</b>	<b>12.5</b>	<b>487</b>	<b>5.4</b>	<b>244.6</b>
Income tax	-429	-3.2	-134	-1.5	219.7
<b>Net Income</b>	<b>1,247</b>	<b>9.3</b>	<b>352</b>	<b>3.9</b>	<b>254.0</b>

**GPM increased to  
36.6%**

**Lease-related  
expense**



# Balance Sheet

(In Php MM)	Unaudited Jun 30, 2021	Audited Dec 31, 2020
Current Assets	15,175	14,390
Noncurrent Assets	14,589	13,828
<b>Total Assets</b>	<b>29,764</b>	<b>28,218</b>
Current Liabilities	8,008	7,621
Noncurrent Liabilities	5,691	5,287
<b>Total Liabilities</b>	<b>13,699</b>	<b>12,908</b>
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	1	1
Retained Earnings	6,591	5,836
<b>Total Equity</b>	<b>16,065</b>	<b>15,310</b>
Current ratio	1.89	1.89
Quick ratio	0.64	0.66
Debt to equity ratio	0.85	0.84
Return on asset	4.2%	5.1%
Return on equity	7.8%	9.5%

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# **Operating and Financial Statistics**

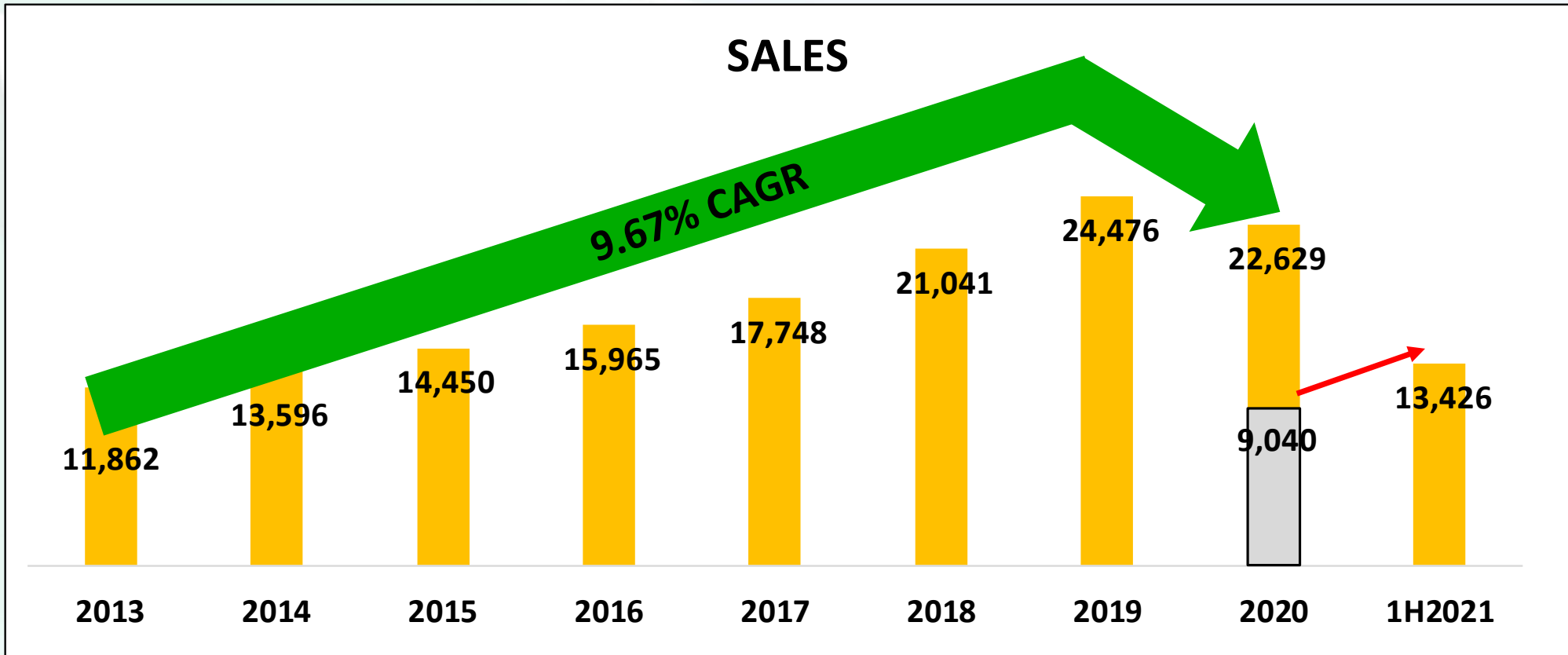
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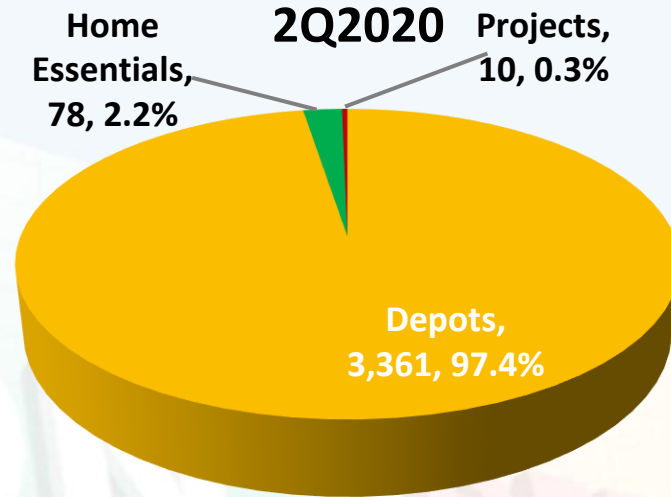
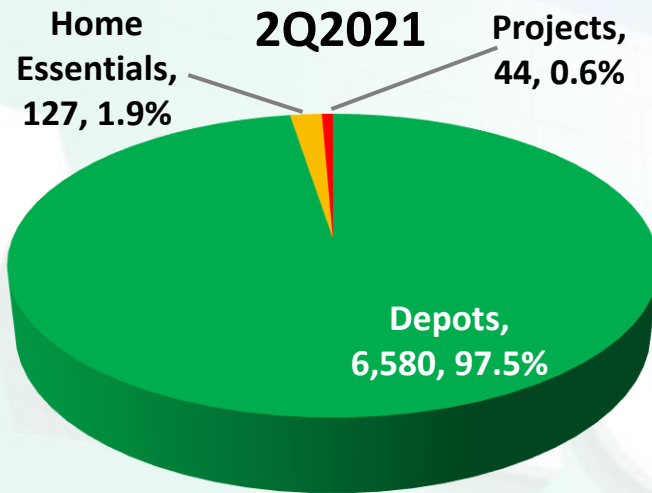
# Historical Sales Growth



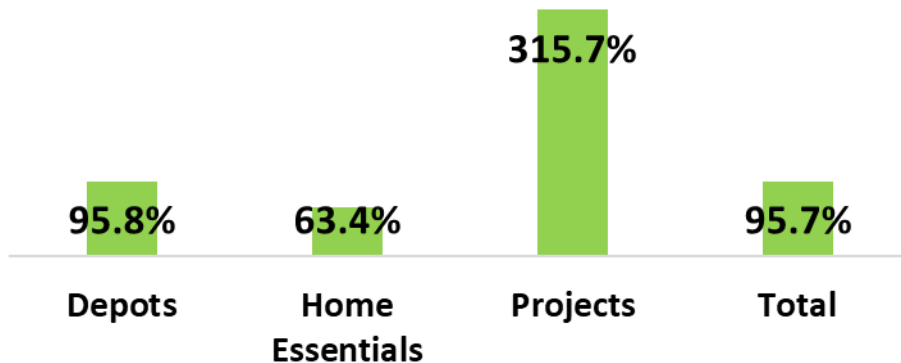
Note: 2013 to 2015 – Pro-forma/Reviewed / 2016 – In-house Pro-forma / 2017 – Actual/Audited  
 Commercial operations under WDI commenced April 1, 2016

# Total Net Sales Breakdown - 2Q2021

PhP Millions



## Sales Growth per Store Format 2Q2021 VS 2Q2020



## Product Category Performance 2Q2021 VS 2Q2020

Better than Average

- Paints
- Building Materials
- Tiles
- Plumbing and Sanitary Wares
- Electrical & Lighting

95.7%

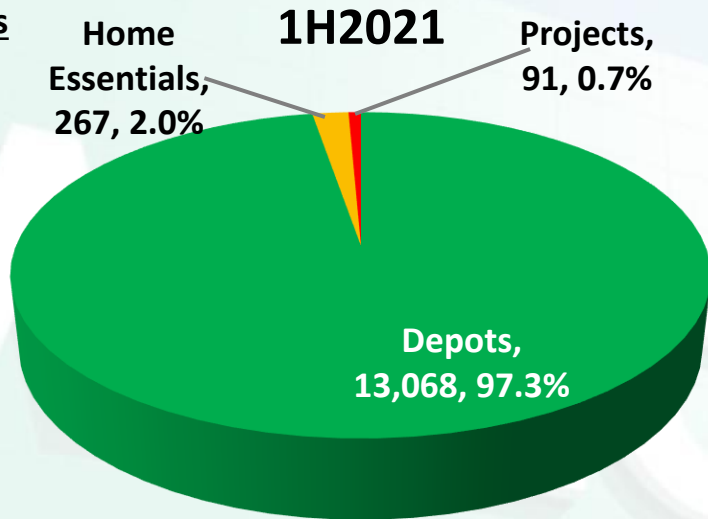
Lower than Average

- Hardware & Tools
- Appliance
- Furniture, Furnishings & Houseware

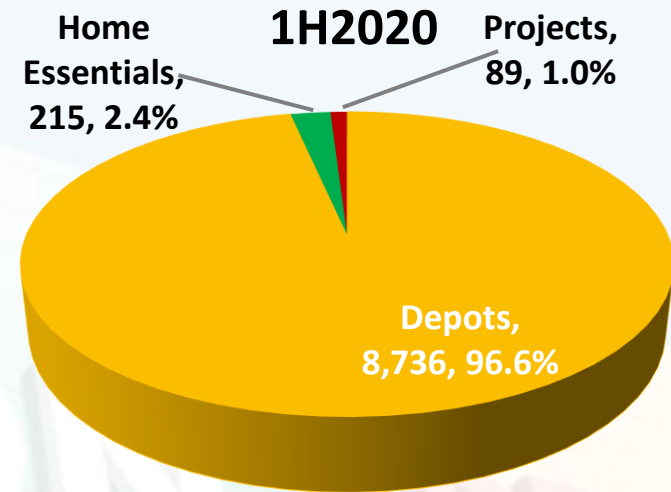


# Total Net Sales Breakdown - 1H2021

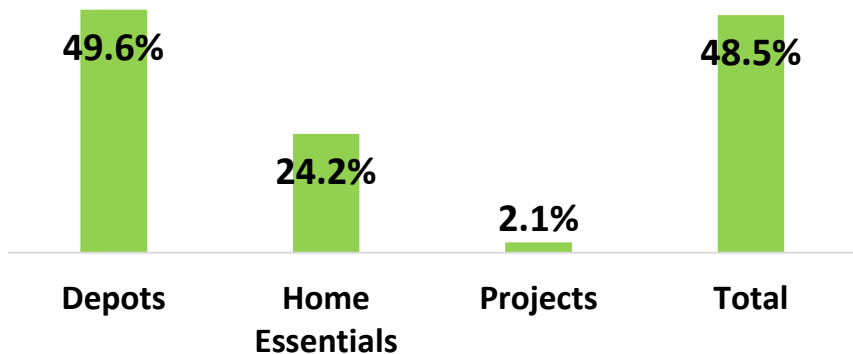
PhP Millions



48.5%



## Sales Growth per Store Format 1H2021 VS 1H2020



## Product Category Performance 1H2021 VS 1H2020

Better than Average

- Paints
- Building Materials
- Electrical & Lighting
- Tiles
- Appliance

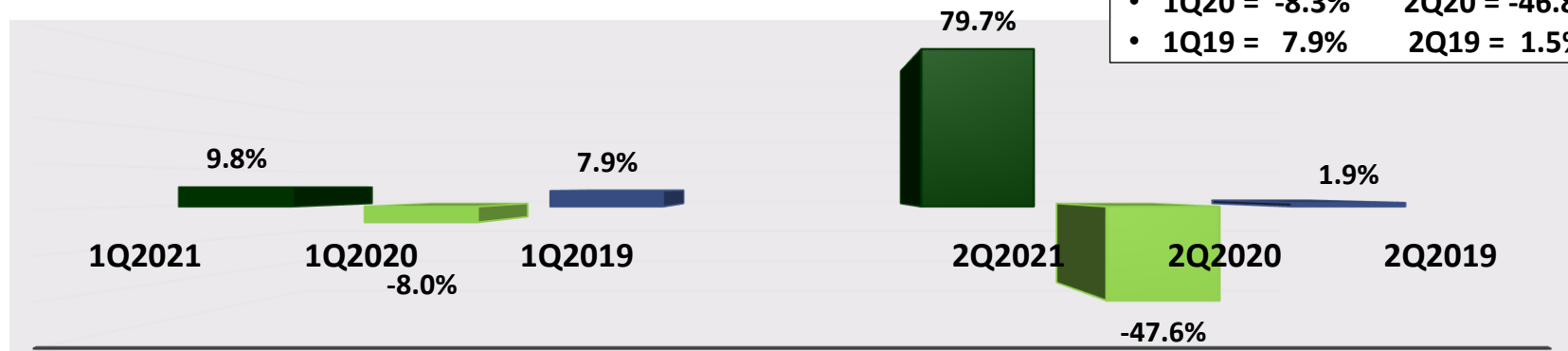
48.5%

Lower than Average

- Hardware & Tools
- Plumbing and Sanitary Wares
- Furniture, Furnishings & Houseware

# Comparable Sales Summary

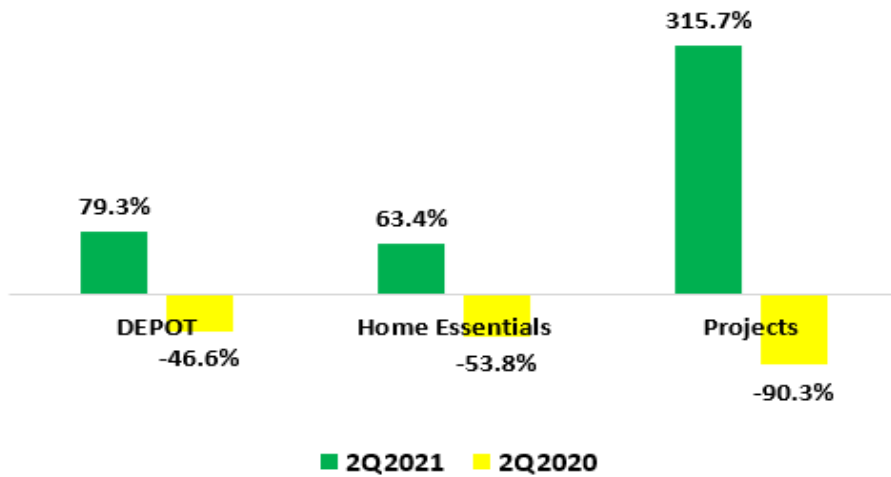
## Quarterly Trend



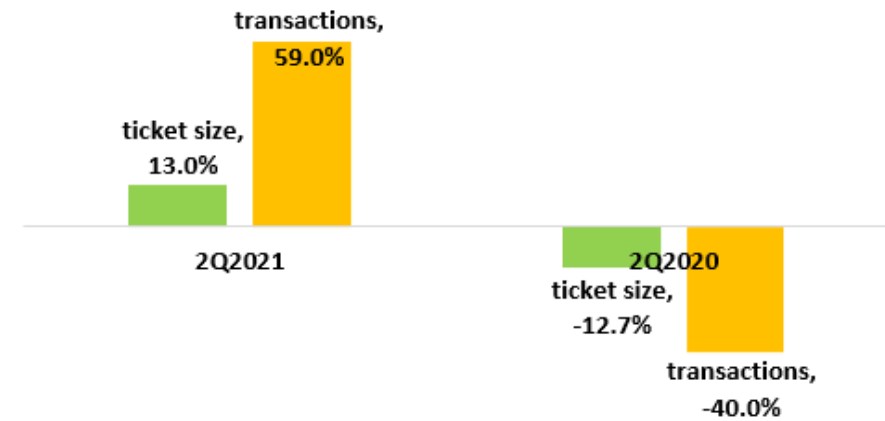
**SSSG Excluding Inst'l/ Projects Sales**

- 1Q21 = 10.5%    2Q21 = 78.9%
- 1Q20 = -8.3%    2Q20 = -46.8%
- 1Q19 = 7.9%    2Q19 = 1.5%

## Comparable Sales per Format 2Q2021 vs 2Q2020



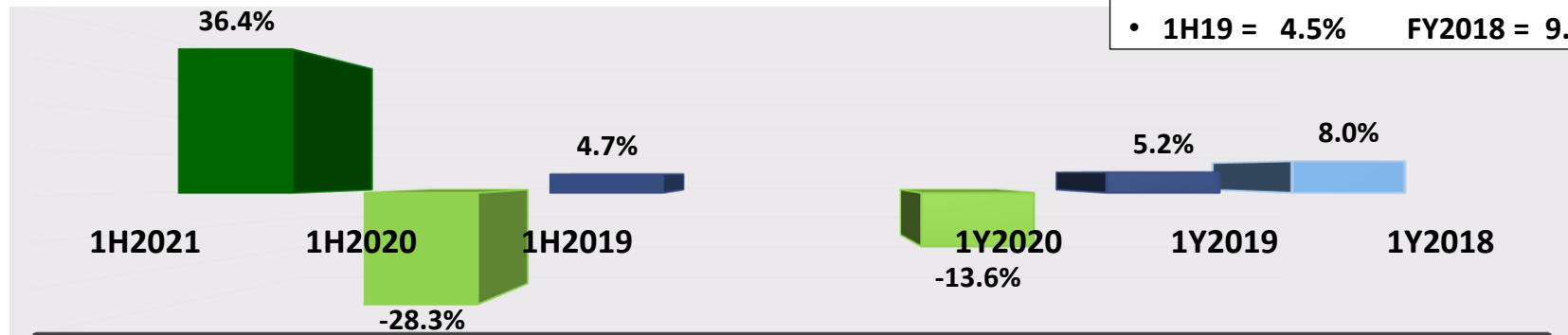
## Comparable Ticket Size and Number of Transactions 2Q2021 vs 2Q2020





# Comparable Sales Summary

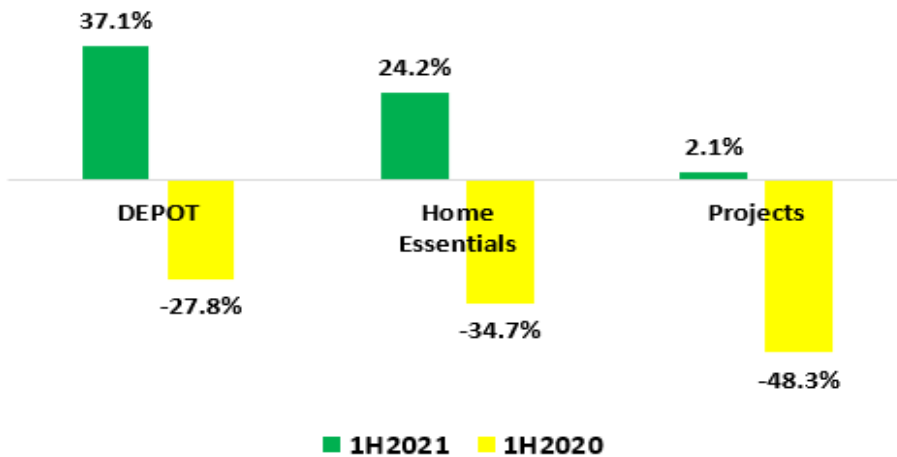
## Trend



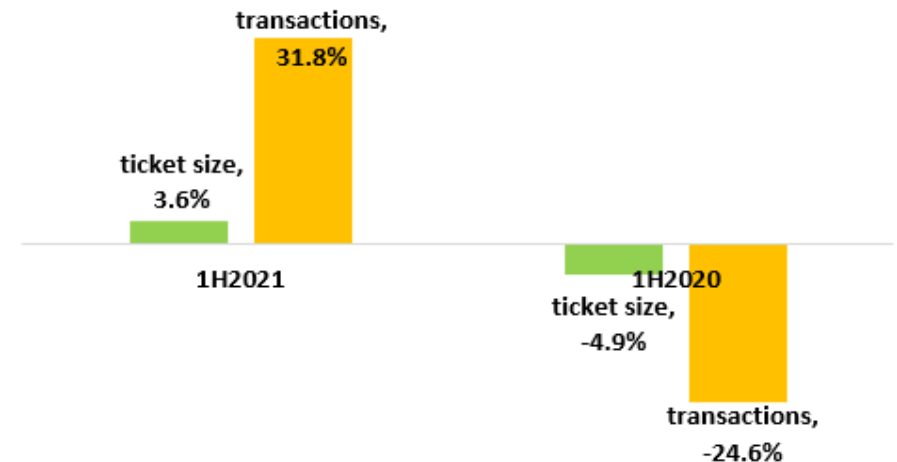
### SSSG Excluding Inst'l/ Projects Sales

- 1H21 = 36.8%    FY2020 = -13.1%
- 1H20 = -28.0%    FY2019 = 4.9%
- 1H19 = 4.5%    FY2018 = 9.5%

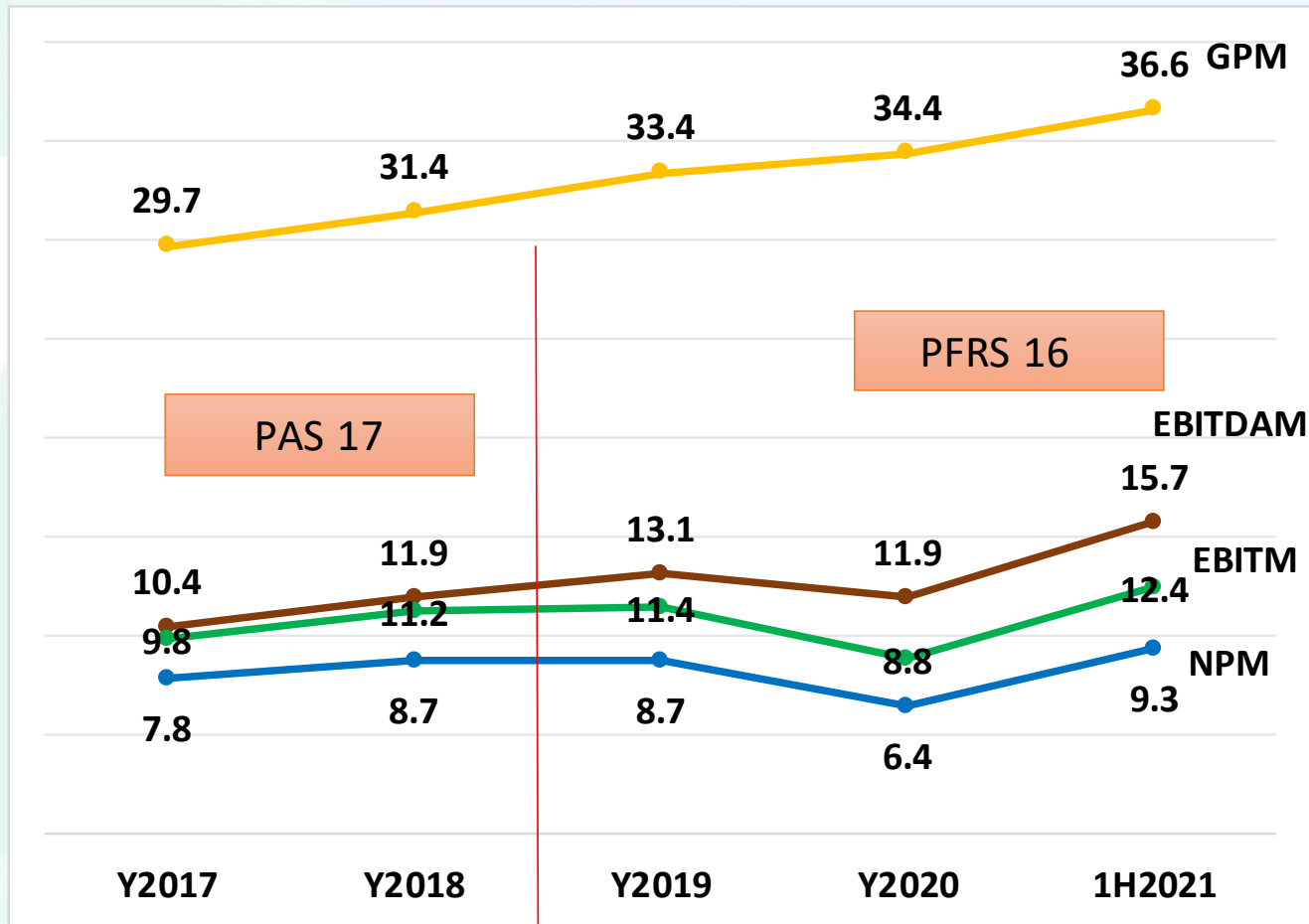
## Comparable Sales per Format 1H2021 vs 1H2020



## Comparable Ticket Size and Number of Transactions 1H2021 vs 1H2020



# Margins



Note: ROU depreciation and interest expense charged on lease liability were considered as rent expense for 2019, 2020 and 2021.



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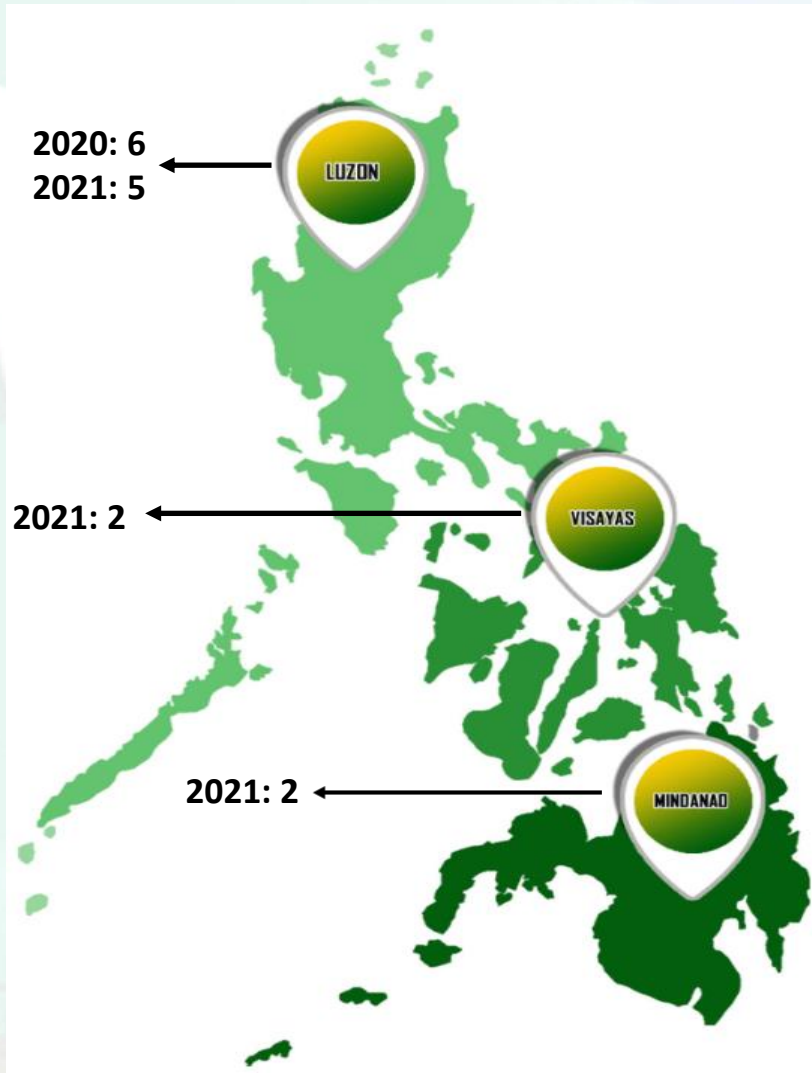
# Outlook

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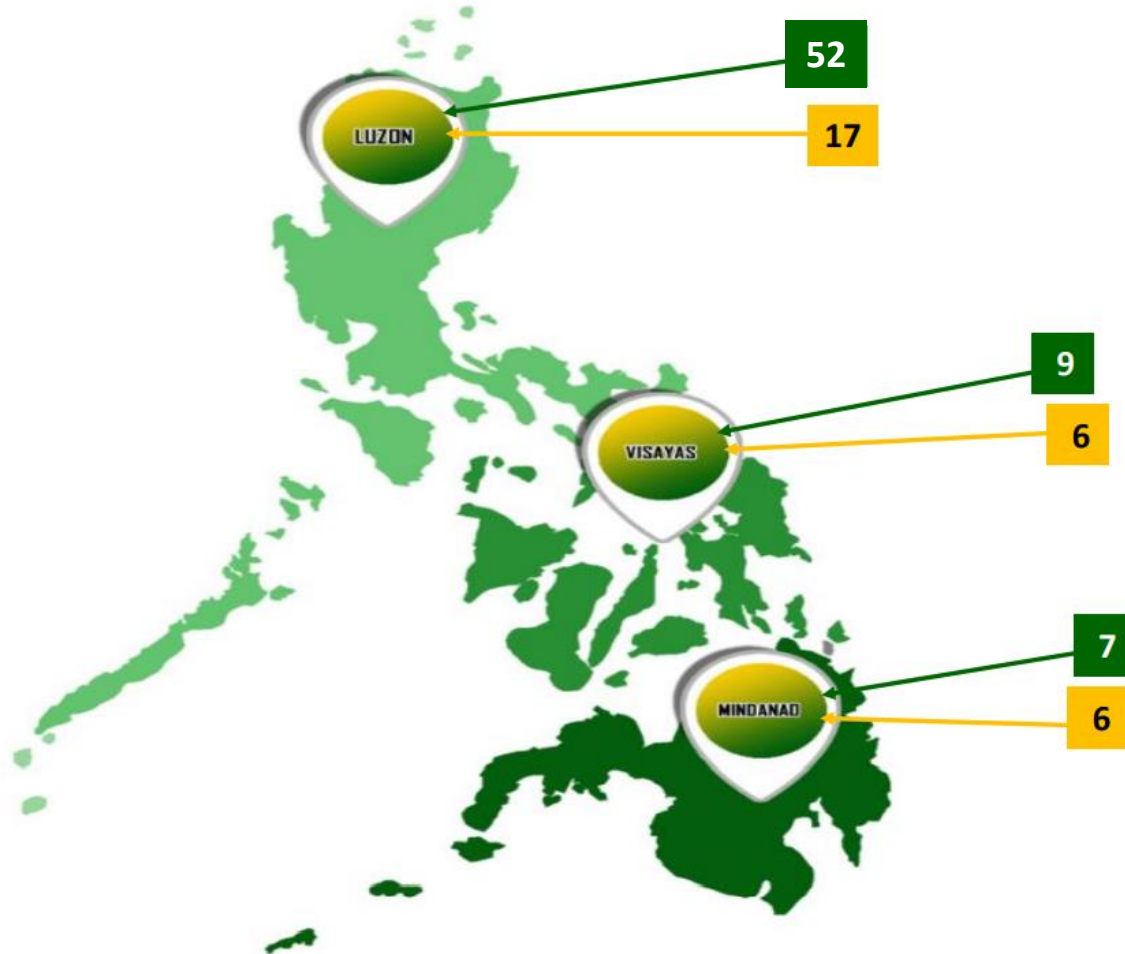
# 2020 - 2021 Store Expansion Plan



	2021
<b>Beg. Balance</b>	<b>63</b>
1st Half	Makato, Aklan - opened Jan, 2021
	Commonwealth, QC - opened Jan, 2021
	Ormoc, Leyte - opened Jun, 2021
	Cordon, Isabela - opened Jun, 2021
2nd Half	Sorsogon - opened Jul, 2021
	Pila, Laguna
	Tagum, Davao del Norte
	Calapan, Mindoro
	Malaybalay, Bukidnon
<b>Total, end</b>	<b>72</b>



# 2017 - 2021 Planned New Branches



**Total Planned New Depot Stores - 29**

**Total number of stores in 7M2021 - 68**

From January 2017 to July 2021, thirty two (32) new stores were opened, thirty one (31) depots and one (1) smaller format Home Essentials.

# As of July 2021 Actual Capex

Capex Breakdown	7M2021 Actual Spent
Expansion-related (new stores, renovations, eqpt, warehouses, etc)	1,306
Solar Panel Project	47
IT Infrastructure and Project	20
<b>Total CAPEX</b> <i>(in millions Php)</i>	<b>1,373</b>



# 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	



# COVID-19 Response Update

## WILCON DEPOT KICKS OFF VACCINATION PROGRAM JULY 27, 2021 | WILCON DEPOT BALINTAWAK



- ✓ Started vaccination drive for our employees and family members on July 27, 2021
- ✓ A total of 2,754 employees along with their dependants got their first shot of the vaccine from July 27 to August 1, 2021 at Wilcon Depot vaccine center
- ✓ Roll out to other cities and provinces is ongoing
- ✓ To date 70% to 80% of total manpower complement including outsourced employees have signed up





**Thank you!**

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