



**THE PHILIPPINE CONSUMER
VIRTUAL CONFERENCE
November 23, 2021**

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FOURTH QUARTER UPDATES

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Fourth Quarter Updates



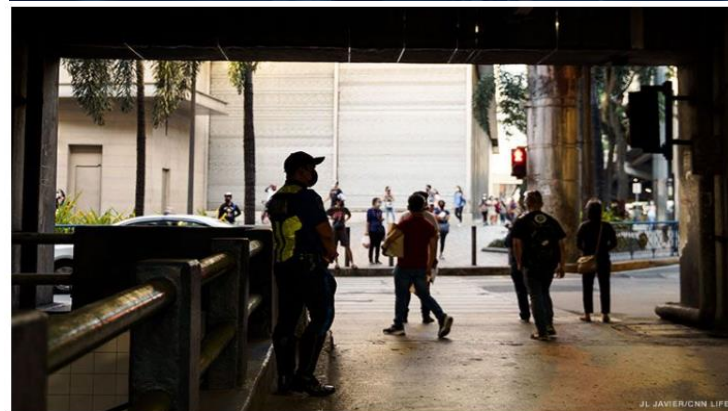
NCR retains alert level 2 status until Nov. 30; more quarantine classifications bared

Published November 13, 2021, 9:06 PM
by Argyll Cyrus Geducos

The Inter-agency Task Force (IATF) for the Management of Emerging Infectious Diseases has decided to keep Metro Manila under its current alert level 2 status until the end of the month, while Catanduanes will be placed under alert level 4 of the country's new coronavirus disease (COVID-19) pandemic response tact.



Manila Bulletin File Photo



Metro Manila (CNN Philippines, October 13)— Metro Manila will shift to a more relaxed alert level status for the second half of October, Malacañang announced on Wednesday.

In an advisory, Presidential spokesperson Harry Roque said the Inter-Agency Task Force (IATF) approved the recommendation to downgrade the capital region from Alert Level 4 to 3 from Oct. 16 to 31.

- ✓ Metro Manila was placed under Alert Level 3 while nearby provinces were placed under MECQ/GCQ from October 16 to 31, 2021
- ✓ On November 05, 2021, Metro Manila was placed under Alert Level 2 up to end of November
- ✓ Sustained downtrend in COVID-19 cases and continuous progress in the vaccination campaign enabled the government to ease restrictions

- All stores remained open except for the occasional days a few LGUs would order otherwise.

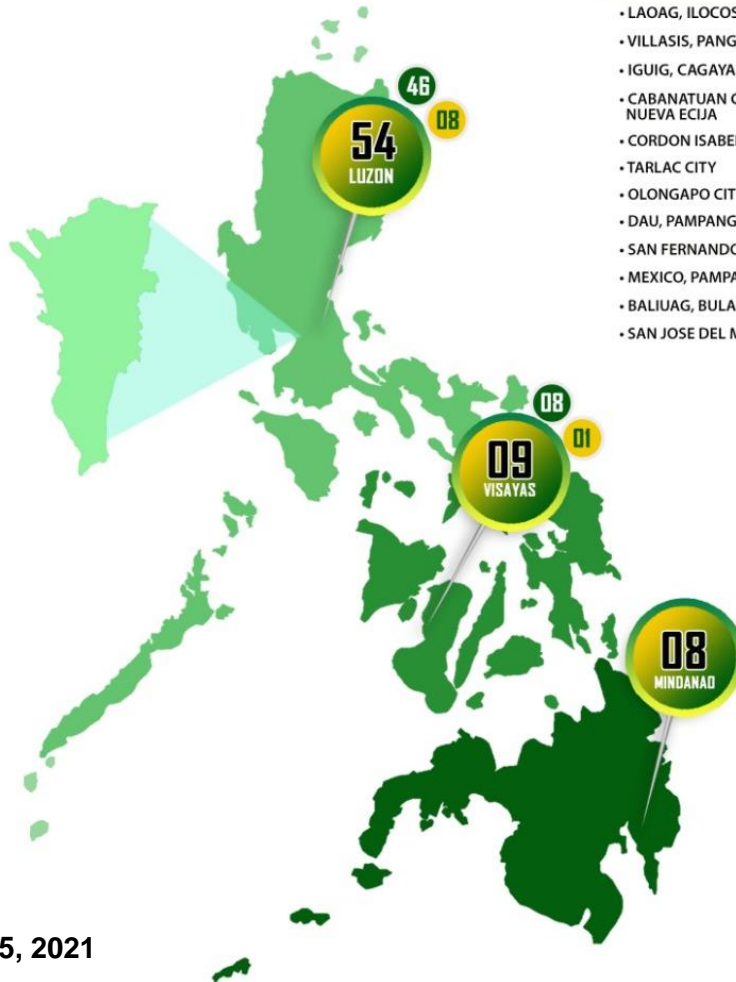
2020 – 2021 Store Expansion Plan

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



LUZON (DEPOT)

- LAOAG, ILOCOS NORTE
- VILLASIS, PANGASINAN
- IGUIG, CAGAYAN
- CABANATUAN CITY, NUEVA ECIJA
- 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
- BACOR CITY
- SILANG, CAVITE
- CALAMBA CITY
- CABUYAO CITY
- SAN PABLO CITY
- STA. ROSA CITY
- PILA, LAGUNA
- STO. TOMAS CITY
- ALANGILAN, BATANGAS CITY
- LIPA CITY
- TAYABAS, QUEZON
- DARAGA ALBAY
- NAGA CITY
- SORSOGON CITY
- PUERTO PRINCESA CITY

(HOME ESSENTIALS)

- SAN FERNANDO, PAMPANGA

VISAYAS (DEPOT)

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

(HOME ESSENTIALS)

- FESTIVWALK MALL, ILOILO CITY

MINDANAO (DEPOT)

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

	2021
Beg. Balance	63
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 - opened Sep, 2021
	Tagum, Davao del Norte - opened Oct, 2021
	San Fernando Pampanga - opened Oct, 2021
	Daus, Bohol Nov, 2021
	Malaybalay, Bukidnon Dec, 2021
Total, end	73

* as of OCTOBER 15, 2021

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THIRD QUARTER 2021 RESULTS

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3Q 2021 Results Highlights

Financial Highlights

- ✓ Php 622 Million NIAT
- ✓ 16.7% y-o-y NIAT growth
- ✓ Php 6.622B Net Sales
- ✓ 1.9% y-o-y sales dip
- ✓ 38.0% GPM
- ✓ 16.1% EBITDAM
- ✓ 12.4% EBITM

Comparable Sales Summary

- 9.3% SSSG
- 16.1% Transaction Count
- 8.1% Ticket Size

Total Sales Mix

49.2%
In-house & exclusive contribution

Product categories performing better than average growth



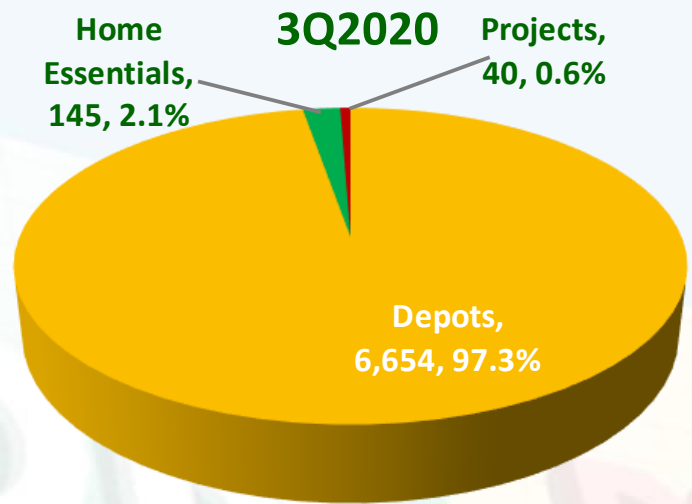
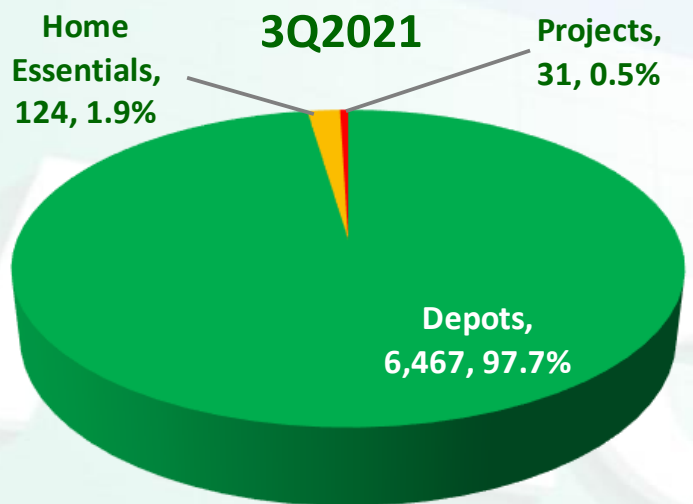
Opened 2 new stores



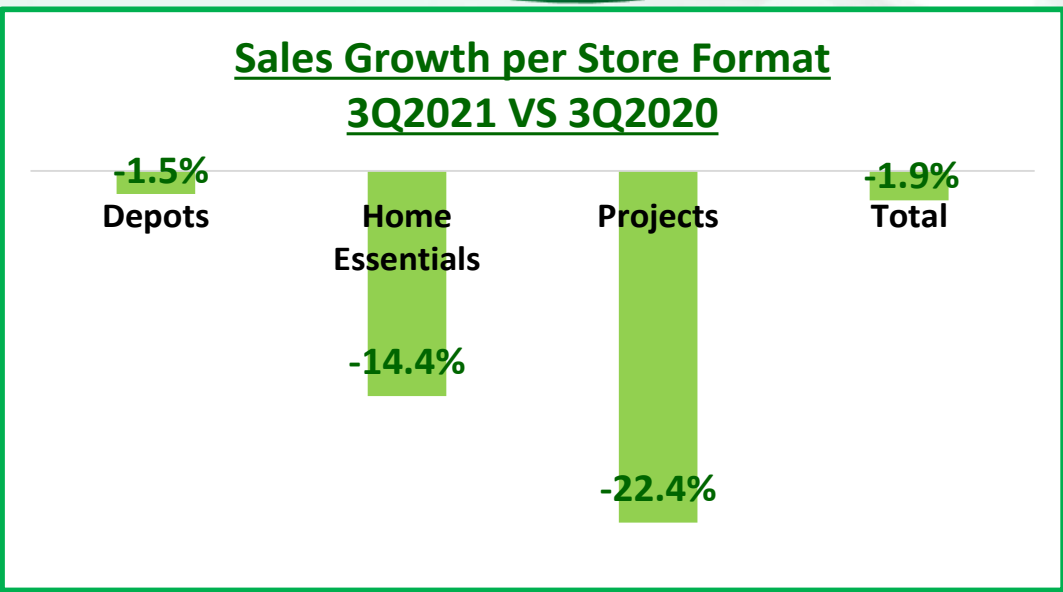
- ✓ Metro Manila and nearby provinces plus areas in Visayas and Mindanao were placed under hard lockdown for most of August, 2021
- ✓ Gradual easing of restrictions in September but strict quarantine measures still in place
- ✓ Sustained elevated number of Covid-19 cases for most of the 3rd quarter
- ✓ Allowed to operate despite hard lockdown except for occasional days some LGUs would order otherwise

Total Net Sales Breakdown -3Q2021

Php Millions

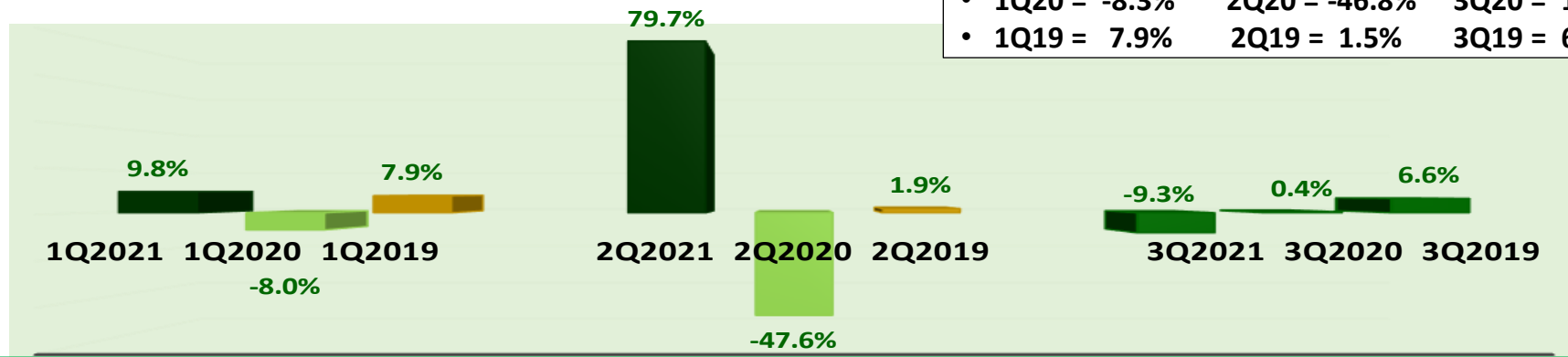


-1.9%



Comparable Sales Summary

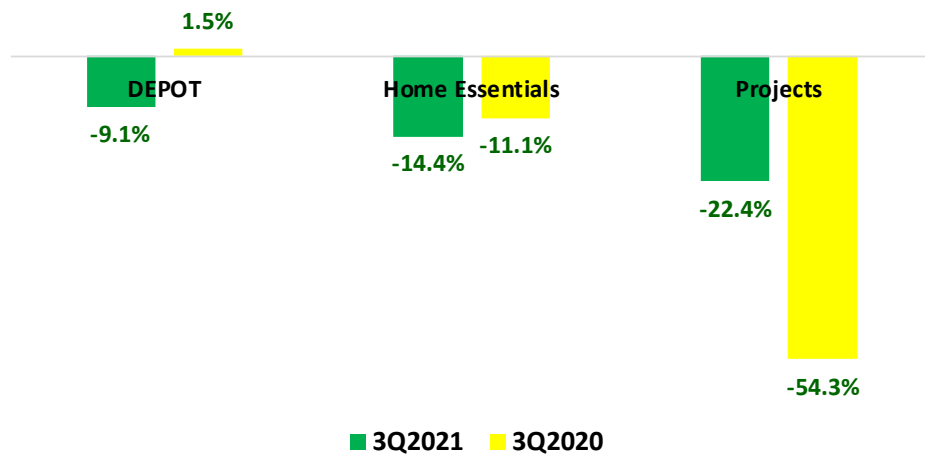
Quarterly Trend



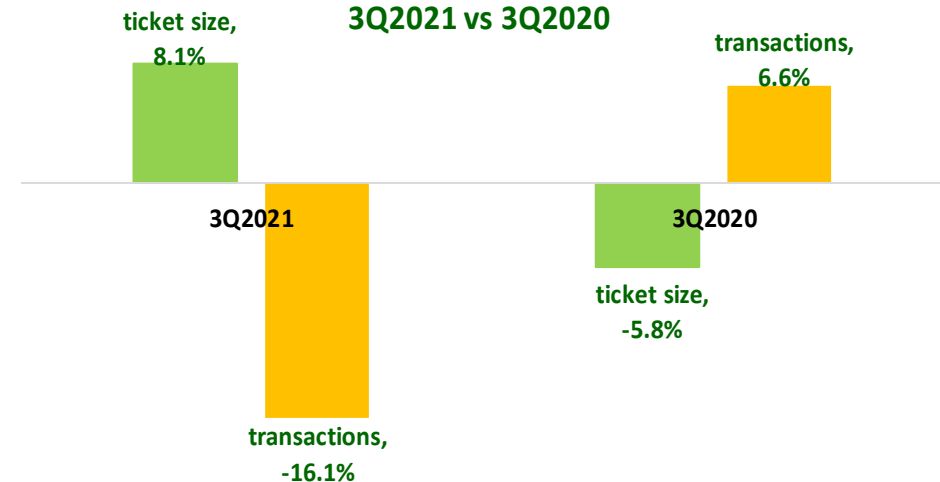
SSSG Excluding Inst'l/ Projects Sales

- 1Q21 = 10.5% 2Q21 = 78.9% 3Q21 = -9.2%
- 1Q20 = -8.3% 2Q20 = -46.8% 3Q20 = 1.2%
- 1Q19 = 7.9% 2Q19 = 1.5% 3Q19 = 6.4%

Comparable Sales per Format 3Q2021 vs 3Q2020



Comparable Ticket Size and Number of Transactions 3Q2021 vs 3Q2020



3rd Quarter 2021

GPM rate increased
to 38.0%

Lease-related
expense

(In Php MM)	3Q2021	% Sales	3Q2020	% Sales	% Growth
Net Sales	6,622	100.0	6,749	100.0	-1.9
Cost of Sales	-4,104	-62.0	-4,434	-65.7	-7.4
Gross Income	2,517	38.0	2,314	34.3	8.8
Operating Expenses	-1,663	-25.1	-1,511	-22.4	10.1
Interest Exp (Lease Liab)	-120	-1.8	-110	-1.6	8.5
Other Income - Net	85	1.3	61	0.9	37.6
Income from Operations	819	12.4	755	11.2	8.5
Interest Income	8	0.1	7	0.1	3.5
Income Before Tax	827	12.5	762	11.3	8.5
Income tax	-205	-3.1	-229	-3.4	-10.7
Net Income	622	9.4	533	7.9	16.7

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NINE-MONTH 2021 RESULTS

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9M 2021 Results Highlights

Financial Highlights

- ✓ Php 20.048B Net Sales
- ✓ 27.0% y-o-y Net Sales growth
- ✓ Php 1.870B NIAT
- ✓ 111.1% y-o-y NIAT growth
- ✓ 37.1% GPM
- ✓ 15.8% EBITDAM
- ✓ 12.4% EBITM

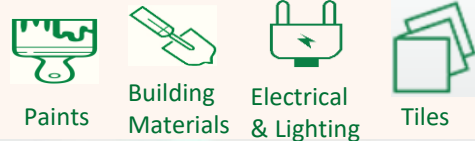
Comparable Sales Summary

- 16.9% SSSG
- 11.1% Transaction Count
- 5.2% Ticket Size

Total Sales Mix

49.3%
In-house & exclusive contribution

Product categories performing better than average growth



**Php 1.848B
CAPEX**

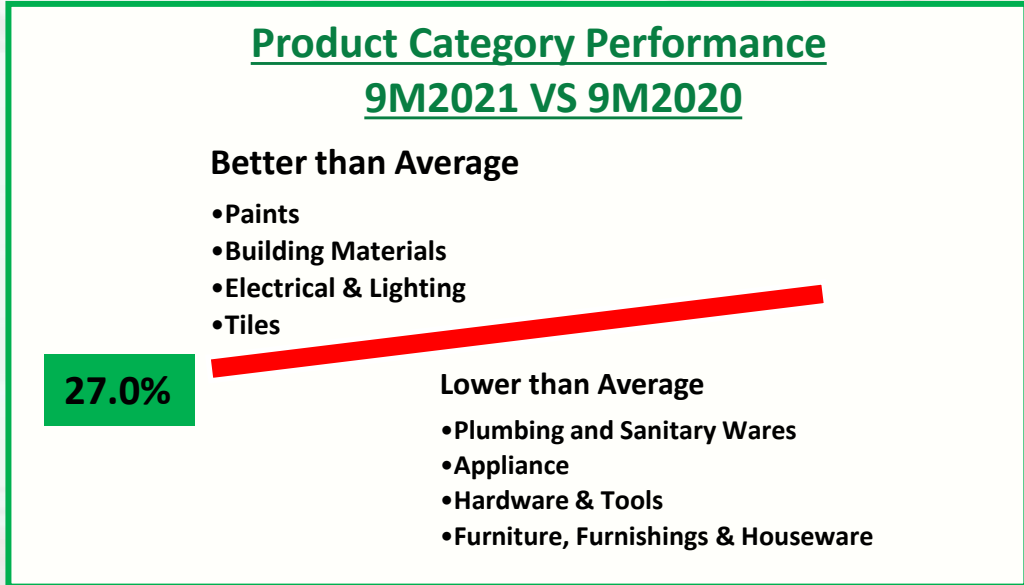
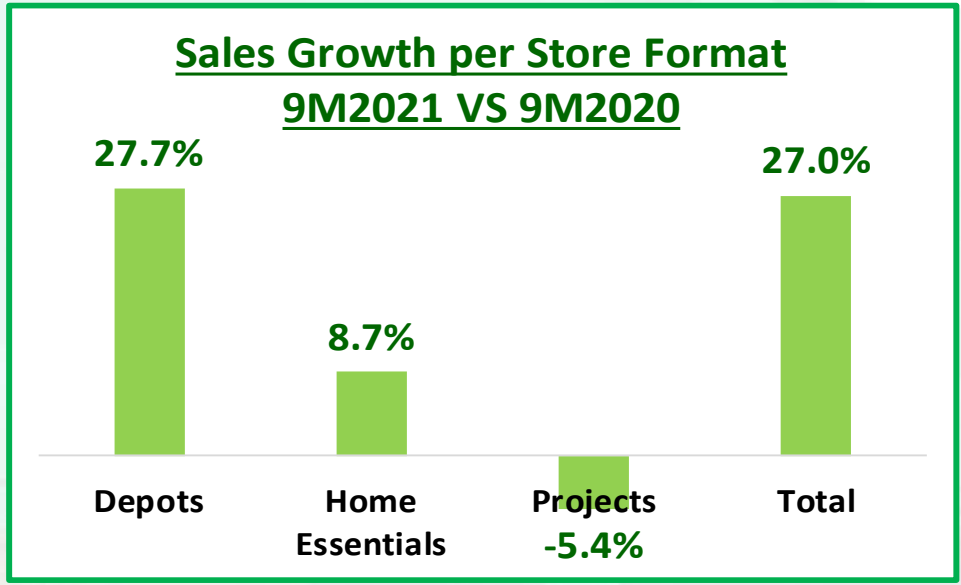
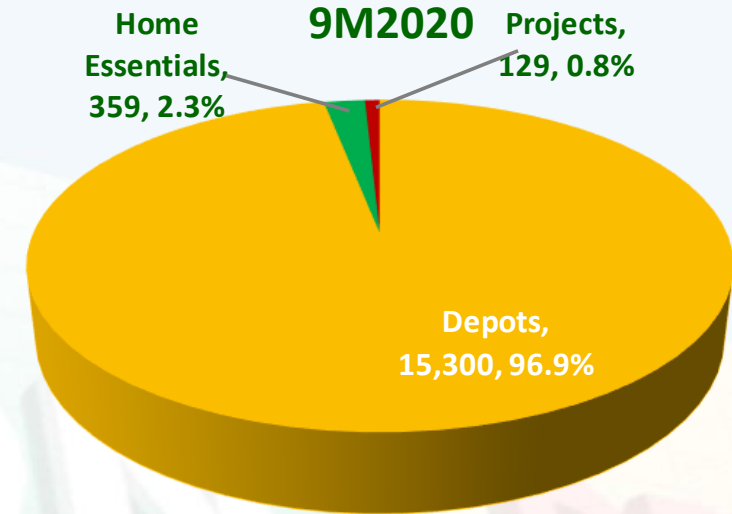
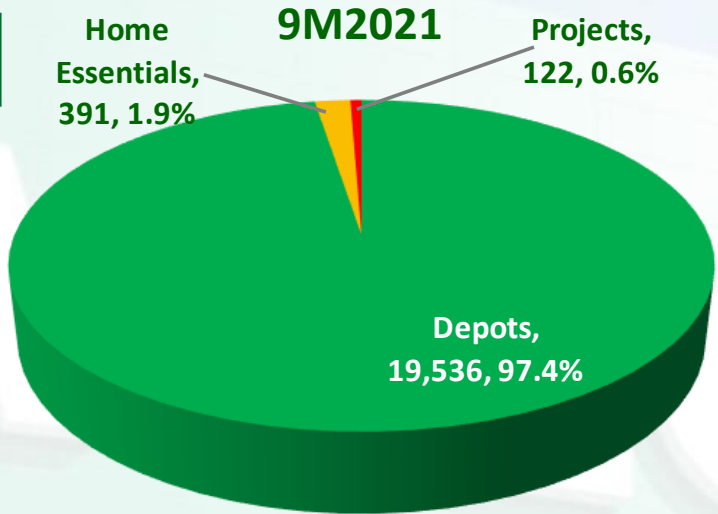
**Opened 6
new stores**

- Makato, Aklan
- Commonwealth
- Ormoc, Leyte
- Cordon, Isabela
- Sorsogon City
- Pila, Laguna



Total Net Sales Breakdown - 9M2021

Php Millions

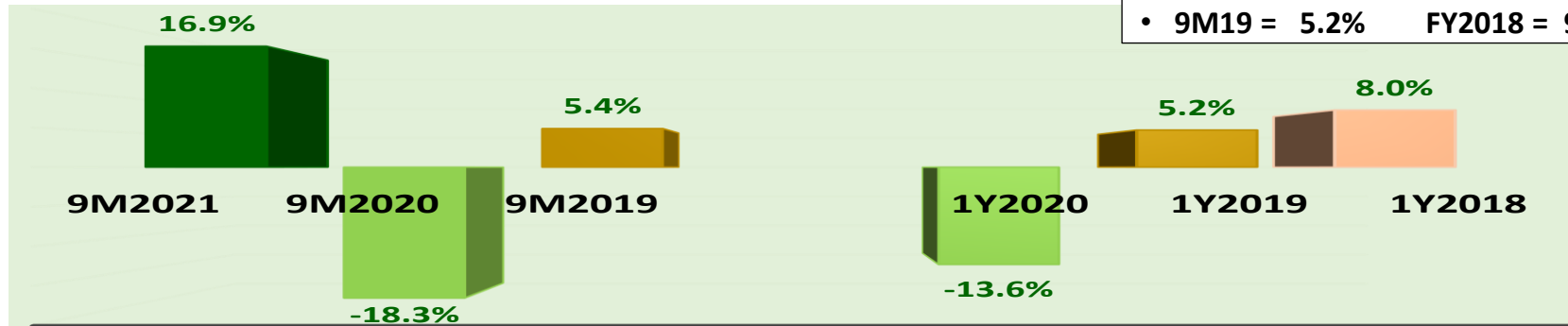


Comparable Sales Summary

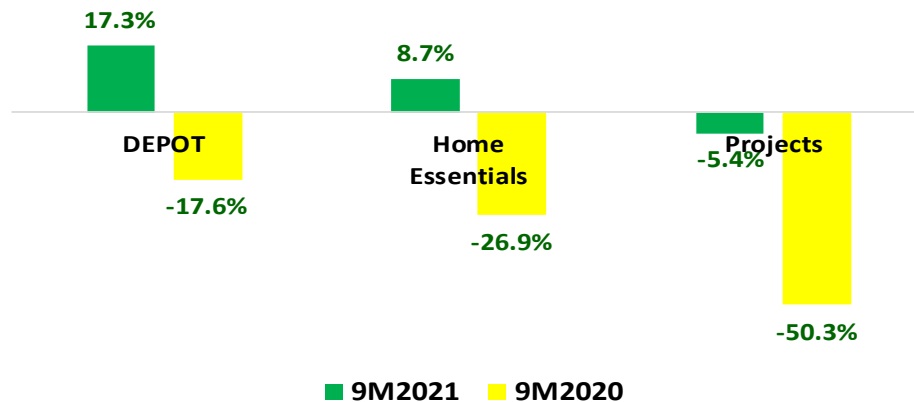
Trend

SSSG Excluding Inst'l/ Projects Sales

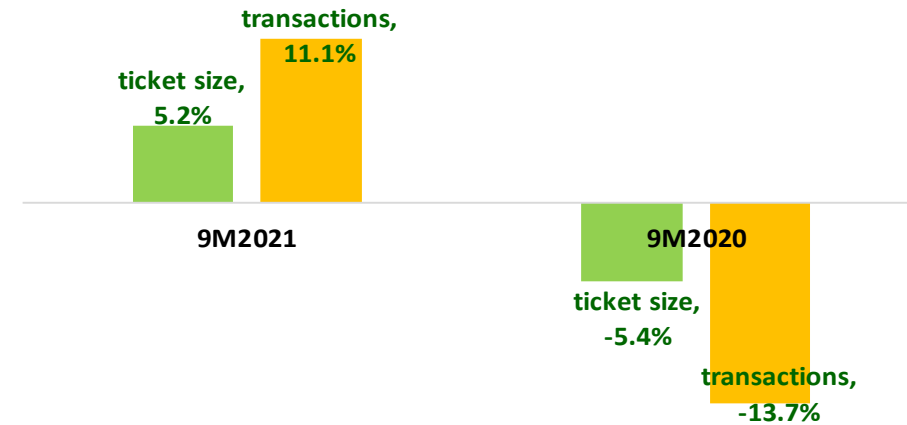
- 9M21 = 17.1% FY2020 = -13.1%
- 9M20 = -17.9% FY2019 = 4.9%
- 9M19 = 5.2% FY2018 = 9.5%



Comparable Sales per Format 9M2021 vs 9M2020



Comparable Ticket Size and Number of Transactions 9M2021 vs 9M2020



9M 2021

GPM rate grew to
37.1%

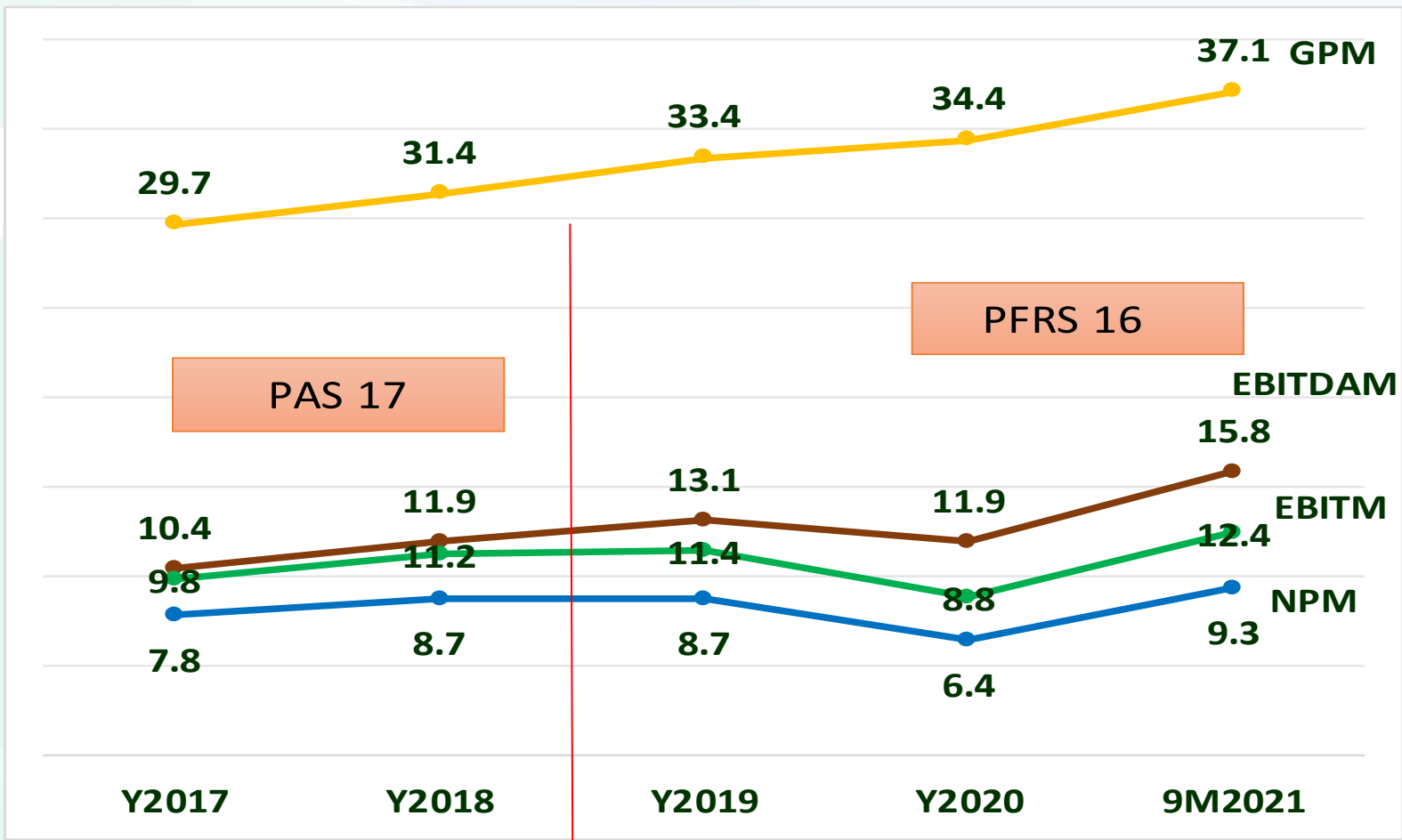
Lease-related
expense

(In Php MM)	9M2021	% Sales	9M2020	% Sales	% Growth
Net Sales	20,048	100.0	15,789	100.0	27.0
Cost of Sales	-12,617	-62.9	-10,353	-65.6	21.9
Gross Income	7,432	37.1	5,436	34.4	36.7
Operating Expenses	-4,818	-24.0	-4,113	-26.1	17.1
Interest Exp (Lease Liab)	-353	-1.8	-317	-2.0	11.4
Other Income - Net	218	1.1	196	1.2	11.3
Income from Operations	2,479	12.4	1,203	7.6	106.2
Interest Income	24	0.1	46	0.3	-47.7
Income Before Tax	2,504	12.5	1,249	7.9	100.4
Income tax	-634	-3.2	-363	-2.3	74.5
Net Income	1,870	9.3	886	5.6	111.1

Balance Sheet

(In Php MM)	Unaudited Sept 30, 2021	Audited Dec 31, 2020
Current Assets	15,540	14,390
Noncurrent Assets	15,185	13,828
Total Assets	30,726	28,218
Current Liabilities	8,050	7,621
Noncurrent Liabilities	5,988	5,287
Total Liabilities	14,038	12,908
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	1	1
Retained Earnings	7,213	5,836
Total Equity	16,687	15,310
Current ratio	1.93	1.89
Quick ratio	0.53	0.66
Debt to equity ratio	0.84	0.84
Return on asset	6.1%	5.1%
Return on equity	11.2%	9.5%

Margins



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

9M 2021 Actual Capex

Capex Breakdown	9M2021 Actual Spent
Expansion-related (new stores, renovations, eqpt, warehouses, etc)	1,751
Solar Panel Project	61
IT Infrastructure and Projects	36
Total CAPEX <i>(in millions Php)</i>	1,848

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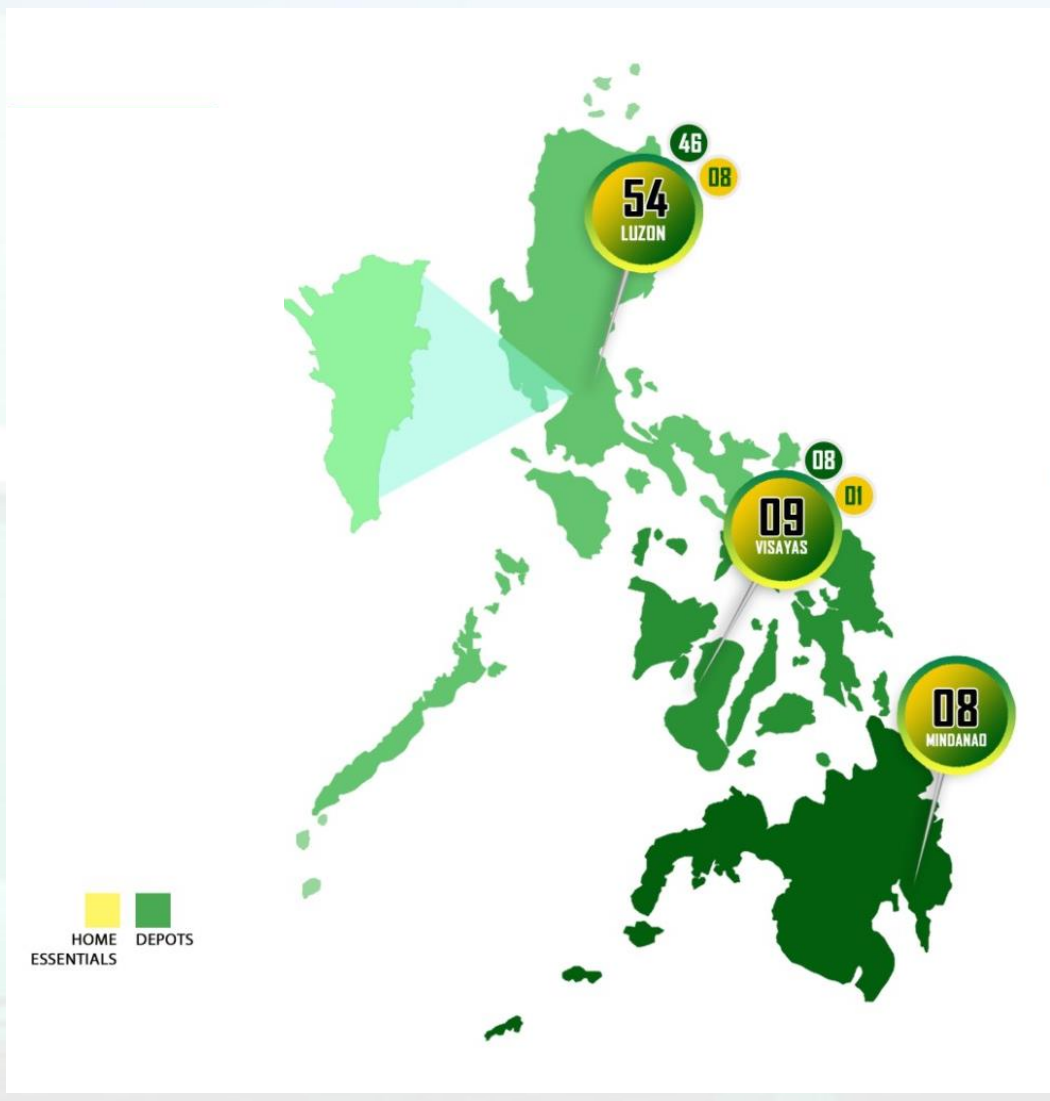
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Key Growth Strategies

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100 Stores by 2025



Total number of stores as of October 2021 - 71

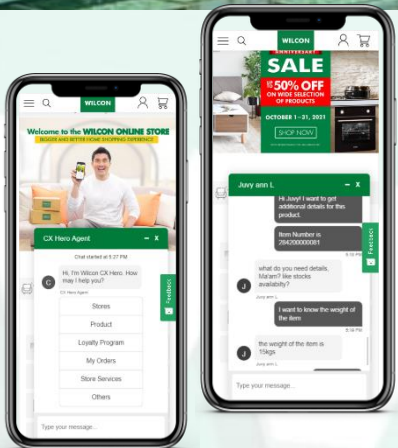


Omnichannel Initiatives

Live Chat Feature

8:00 AM to 9:00 PM Availability of Chat Support Agent to assist customer concerns

Chatbot feature to streamline all chat concerns from the customers in order to filter and prioritize inquiries that cannot be answered by the bot



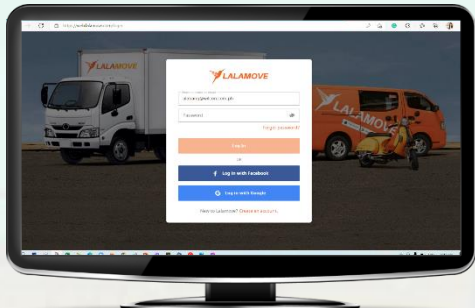
Exclusive Online Shop promotions

- Flash deals
- Bundle deals
- Shopping holidays sale (holidays or special events sale)
- Shopping festivals sale (9.9, 10.10, etc)



Lalamove Partnership

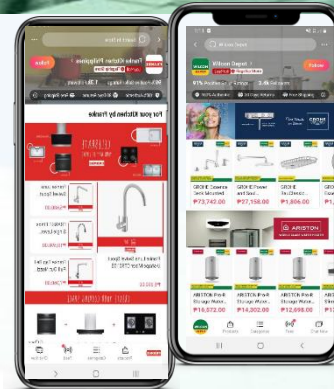
Offer same-day delivery for Wilcon Browse-Call-Deliver (BCD) in NCR Stores



LazMall Shops

Grohe joined the LazMall Monthly Promotions:

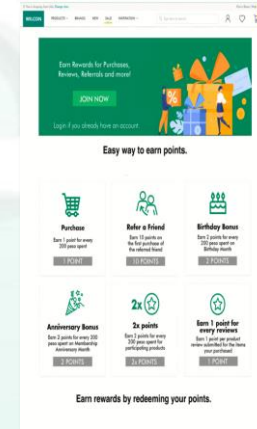
- 7.7 Lowest Price Sale
- 8.8 Shop Local Sale
- 9.9 Shopping Festival Sale 2019
- 10.10 Big Brands Sale CRAZY BRAND MEGA OFFER



New Wilcon Loyalty Program design

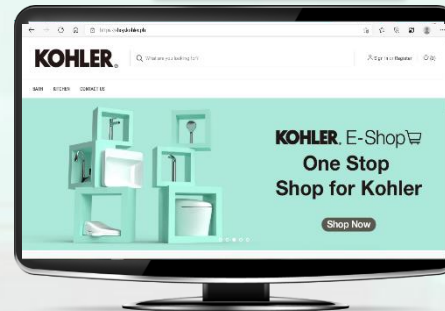
New Web Access. Customer can access they loyalty membership program on the Web allowing them to earn points even for online purchase, seamlessly!

Mobile App Design. A more sophisticated and sleek design, offering customer a better way to check points, redeem rewards, and earn more points.



Kohler E-shop

Kohler E-shop has launched its official online store here in the Philippines with Wilcon Depot as their designated fulfilment partner for online orders (Metro Manila branches)



Continue to increase margins thru In-house & Exclusive brands expansion

<p>Plumbing and Sanitary</p> <p>POZZI SEFA BIRKË Crown Sink</p>	<p>Tiles / Flooring</p> <p>SAIGRES SOL CERAMICA Arte CERAMICHE VERONA PICASSO MOSAIC</p>	<p>Building Materials</p> <p>FOREST PRODUCTS p.tech WOODLAND SOLUTHERM</p>	<p>Furniture, Furnishing & Houseware</p> <p>HEIM HOME ESSENTIALS Heritage SUN CRUST</p>
<p>Hardware and Tools</p> <p>HILLS DIRECT HARDWARE ELECTRON</p>	<p>Electrical and Lighting</p> <p>ALPHALUX KAZE</p>	<p>Appliances</p> <p>Heritage Hamden</p>	

- ✓ Enhance the Company's ability to provide its customers with value for money products
- ✓ Rationalize product offerings



- Improve supply chain management
- Enhance marketing efforts
- Expand product lines/ product offerings

Product Category Expansion



✓ Continually improve product offerings through introduction of new product lines and categories that are:

relevant to our target market;

complementary to our existing offerings; and

logical for us to offer/shorter learning curve

Store Lay-out, Features and Customer Experience Enhancements

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- Constant innovations in store layout, features and customer experience that add value to our relationship with our customers and consistently differentiate us from competition

Q & A

Thank you!

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