

Item. 9. Other Events

Please see attached Press Release of Wilcon entitled "Wilcon Posts P851M Q12022 Net Income, Up 41% YOY"

SIGNATURES

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Title Asst. Corporate Secretary/Compliance Officer

Signature 

Date 26 April 2022

WILCON POSTS P851M Q12022 NET INCOME, UP 41% YOY

- *Net sales up 14.6% year-on-year to P7.652 billion*
- *Gross profit of P2.932 billion, up 21.1% year-on-year*
- *GPM and NPM rates up 200 bps to 38.3% and 11.1%, respectively*

Wilcon Depot, Inc. (Wilcon/Company), the Philippines' number one home improvement and finishing construction supplies retailer, today reported a 40.7% year-on-year hike in net income to P851 million on net sales of P7.652 billion for the first quarter of 2022. Net sales grew by 14.6% or ₱976 million from the same period last year driven mainly by comparable sales growth of 8.6% and contribution from new stores.

Wilcon CEO, Lorraine Belo-Cincochan said, "We are pleased with our strong start for the year as our customers trooped back to our stores when the Covid-19 Omicron variant surge receded in February. Our comparable sales declined in January at the height of the surge but we turned around the downward trend to end the quarter with an 8.6% growth and a 14.6% total net sales growth. We remain focused on our store network expansion, especially with this very encouraging first quarter results. We are on track to achieve our 100-strong branch network by the end of 2025 goal. We opened our 74th branch in March and we will be opening seven more this year. We are hoping that the return to our pre-pandemic growth path will continue unhampered."

Other Results Highlights

The depot format stores' sales accounted for 97.5% of total net sales, growing by 15.0% or P972 million year-on-year to P7.460 billion with a comparable sales growth of 8.8%. The contribution of the smaller format "Home Essentials" to total net sales meanwhile declined to 1.8%, totaling P138 million, a 1.3% or P2 million drop year-on-year. Project sales contributed the balance of P53 million, increasing by 11.3% or P5 million year-on-year.

Gross profit of P2.932 billion grew 21.1% or ₱510 million year-on-year in view of higher sales and gross profit margin expansion by 200 bps to 38.3% in view of the improvement in the gross profit margin rates of both the exclusive and non-exclusive products and the increased contribution to total net sales of the higher-margin exclusive and in-house brands to 51.2% from 49.4% in the same period in 2021.

Operating expenses increased to P1.766 billion, up 13.8% of P214 million year-on-year attributable mainly to expansion-related expenses particularly in outsourced services, trucking, utilities, salaries, depreciation and amortization. Including lease-related interest expense considered rent expense, total operating expenses totaled P1.885 billion.

Operations related other income amounted to P84 million, up 42.7% or P25 million year-on-year due to increased collection of supplier support and delivery fees in view of the higher volume of business.

Non-operating other income, comprised of interest income and foreign exchange gains dropped to P3 million from P10 million due to lower investible funds.

FINANCIAL HIGHLIGHTS

(In Php MM)	1Q2022	% Sales	1Q2021	% Sales	% Growth y-o-y
Net Sales	7,652	100.0	6,676	100.0	14.6
Cost of Sales	-4,720	-61.7	-4,254	-63.7	10.9
Gross Income	2,932	38.3	2,421	36.3	21.1
Operating Expenses	-1,766	-23.1	-1,552	-23.2	13.8
Interest Exp (Lease Liab)	-119	-1.6	-116	-1.7	2.4
Other Income - Net	84	1.1	59	0.9	42.7
Income from Operations	1,131	14.8	812	12.2	39.2
Non PFRS16 Depreciation & Amortization	264	3.5	217	3.2	22.0
EBITDA -Adjusted	1,395	18.2	1,029	15.4	35.6
Non-operating other income	3	0.0	10	0.1	-70.0
Income Before Tax	1,134	14.8	822	12.3	37.9
Income tax	-283	-3.7	-218	-3.3	29.9
Net Income	851	11.1	604	9.1	40.7

Balance Sheet	Unaudited March 31, 2022	Audited December 31, 2021
Current Assets	17,110	17,189
Noncurrent Assets	15,654	15,149
Total Assets	32,764	32,337
Current Liabilities	9,102	8,880
Noncurrent Liabilities	6,194	5,979
Total Liabilities	15,296	14,859
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Income	100	100
Retained Earnings	7,895	7,905
Total Equity	17,468	17,478

The above contains statements about future events and expectations that constitute “forward-looking statements.” These forward-looking statements include words or phrases such as the Company or its management “believes”, “expects”, “anticipates”, “intends”, “may”, “plans”, “foresees”, “targets”, “aims” “would”, “could” or other words or phrases of similar import. Similarly, statements that describe the Company's objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Such forward looking statements are made based on management’s current expectations or beliefs as well as assumptions made by, and information currently available to, management. These forward-looking statements speak only as at the date of this presentation and nothing contained in this presentation is or should be relied upon as a promise, warranty or representation as to the future. The Company expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.