

# COVER SHEET

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S.E.C Registration No.

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(Company's Full name)

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(Principal Office)

**Atty. Sheila Pasicolan - Camerino**

Contact Person

**(02) 8634-8387**

Tel. No.

## PRESS RELEASE

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FORM TYPE

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Secondary License, (if applicable type)

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Dept. requiring this doc

N/A
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Amended Articles number

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Total stockholders

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Domestic

Foreign

To be accomplished by SEC personnel concerned

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File Number

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Document I.D.

Cashier

STAMPS
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**Item. 9. Other Events**

Please see attached Press Release of Wilcon entitled "WILCON REPORTS P1.1 B NET INCOME FOR 3Q 2022, UP 77.5% YOY"

**SIGNATURES**

Registrant Atty. Sheila P. Pasicolan - Camerino  
Title Asst. Corporate Secretary/Compliance Officer

Signature 

Date 24 October 2022

## **WILCON REPORTS P1.1 B NET INCOME FOR 3Q 2022, UP 77.5% YOY**

- P8.78 billion 3Q net sales, up 32.6% yoy
- Comparable sales growth of 23.5% for 3Q
- P3.459 billion gross profit for 3Q, GPM rate of 39.4%

The Philippines' leading home improvement and finishing construction supplies retailer, Wilcon Depot, Inc., reported today its third quarter and nine months 2022 operating and financial results.

“Wilcon once again delivers a banner quarter going from strength to strength coming off a stellar second quarter. The complete turnaround of our stores from the slight slump in the third quarter of last year, propelled comparable sales growth to 23.5% year-on-year,” said Wilcon’s President and CEO, Lorraine Belo-Cincochan. She added, “This is the re-opening scenario that we hoped to happen last year but was stymied by the Delta variant surge. A lot more private construction has indeed resumed this year, particularly those that were delayed due to mobility restrictions and lack of manpower, inflation notwithstanding. And we were ready to serve our market, we were able to provide our customers with the widest selection of products and our usual excellent customer experience since we have prepared well for this re-opening.”

Ms. Belo-Cincochan said in closing, “With the resilience shown by our mature stores, we will focus on further enhancing their performance for the rest of the year and especially for the succeeding years. We also still have one new store to be opened this fourth quarter and we expect to have opened eight stores by the end of this year.”

### **Third Quarter 2022**

Net income of P1.104 billion jumped 77.5% or P482 million year-on-year. The increase is driven by higher sales and expansion of gross profit margin partly offset by the increase in operating expenses.

Net sales totaled P8.78 billion, 32.6% or P2.158 billion higher than the 2021 third quarter sales. Comparable sales grew by 23.5% driven mainly by the recovery of Metro Manila stores, which were the hardest hit by Covid-19 restrictions in the last year. The balance of the increase was contributed by sales from new stores. For the quarter, four new stores were opened bringing to eighty (80) the total number of stores at the close of the quarter.

Gross profit hiked by 37.4% or P941 million year-on-year to total P3.459 billion. The increase was driven mainly by the rise in the gross profit margin rate to 39.4% from 38.0% in 2021 as the contribution of higher margin products increased from 49% to 51%.

Operating expenses including lease-related interest expense as a result of higher volume of business also increased by 19.7% or P351 million to close at P2.134 billion for the quarter.

Other income meanwhile increased by 63.8% or P54 million to total P139 million for the quarter, also in view of the increased volume of business.

## Nine Months 2022

Year-to-date net income amounted to P2.960 billion, up 58.3% or P1.091 billion year on year driven by higher volume of business as a result of the easing of Covid-19 restrictions, expansion of gross profit margin due mainly to the increased contribution of higher margin products and inflation-related price adjustments, partly offset by the rise in operating expenses.

Net sales totaled P24.723 billion, up 23.3% of P4.674 billion year on year. The increase is mainly attributable to the growth in comparable sales which reached 15.7% with the balance accounted for by the contribution of new stores. Metro Manila stores led the turnaround since these were the ones most impacted by Covid surges and the corresponding restrictions last year. Six new depots and one Home Essentials were opened so far this year.

Gross profit of P9.617 billion was up 29.4% or P2.186 billion year on year. Gross profit margin rate expanded to 38.9% from 37.1% mainly due to the increased contribution of the higher margin exclusive and in-house products from 49% to 51%.

Operating expenses including lease-related interest expense likewise increased by 15.7% or P812 million to close at P5.983 billion attributed mainly to the higher volume of business from expansion and inflation. Corresponding to the expansion and increased transaction volume, net other income rose 36.9% or P81 million to total P299 million at the close.

## FINANCIAL HIGHLIGHTS

(In Php MM)	9M2022	% Sales	% Growth y-o-y	3Q2022	% Sales	% Growth y-o-y
<b>Net Sales</b>	<b>24,723</b>	<b>100.0</b>	<b>23.3</b>	<b>8,780</b>	<b>100.0</b>	<b>32.6</b>
Cost of Sales	-15,105	-61.1	19.7	-5,322	-60.6	29.7
<b>Gross Income</b>	<b>9,617</b>	<b>38.9</b>	<b>29.4</b>	<b>3,459</b>	<b>39.4</b>	<b>37.4</b>
Operating Expenses	-5,588	-22.6	16.0	-1,985	-22.6	19.3
Interest Exp (Lease Liab)	-395	-1.6	12.0	-149	-1.7	24.5
Other Income - Net	299	1.2	36.9	139	1.6	63.8
<b>Income from Operations</b>	<b>3,933</b>	<b>15.9</b>	<b>58.6</b>	<b>1,464</b>	<b>16.7</b>	<b>78.7</b>
Non PFRS16 Depreciation & Amortization	996	4.0	11.6	351	4.0	14.4
<b>EBITDA -Adjusted</b>	<b>4,929</b>	<b>19.9</b>	<b>46.2</b>	<b>1,814</b>	<b>20.7</b>	<b>61.2</b>
Non-operating other income	11	0.0	-56.2	6	0.1	-17.6
<b>Income Before Tax</b>	<b>3,944</b>	<b>16.0</b>	<b>57.5</b>	<b>1,470</b>	<b>16.7</b>	<b>77.8</b>
Income tax	-983	-4.0	55.1	-366	-4.2	78.7
<b>Net Income</b>	<b>2,960</b>	<b>12.0</b>	<b>58.3</b>	<b>1,104</b>	<b>12.6</b>	<b>77.5</b>

<b>Balance Sheet</b>	Unaudited September 30, 2022	Audited December 31, 2021
Current Assets	16,478	17,189
Noncurrent Assets	18,119	15,149
<b>Total Assets</b>	<b>34,596</b>	<b>32,337</b>
Current Liabilities	7,340	8,880
Noncurrent Liabilities	7,679	5,979
<b>Total Liabilities</b>	<b>15,019</b>	<b>14,859</b>
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Income	100	100
Retained Earnings	10,005	7,905
<b>Total Equity</b>	<b>19,578</b>	<b>17,478</b>

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.