

**WILCON**

**DEPOT**

# EARNINGS CONFERENCE CALL

APRIL 28, 2023 | 4:00 PM

45  
YEARS  
WILCON







# FIRST QUARTER 2023 RESULTS





# 1Q 2023 RESULTS HIGHLIGHTS

## Financial Highlights

- ✓ Php 8.527B Net Sales
- ✓ 11.4% y-o-y Net Sales growth
- ✓ Php 962M NIAT
- ✓ 13.1% y-o-y NIAT growth
- ✓ 39.4% GPM
- ✓ 18.5% EBITDAM
- ✓ 14.9% EBITM

## Comparable Sales Summary

- 3.3% SSSG
- 1.0% Transaction Count
- 4.4% Ticket Size

## Total Sales Mix

50.4%  
In-house & exclusive  
contribution

Product categories performing  
better than average growth



## 1<sup>st</sup> QUARTER 2023

### GUIGUINTO, BULACAN



### 85<sup>TH</sup> STORE #FlyingHighto100

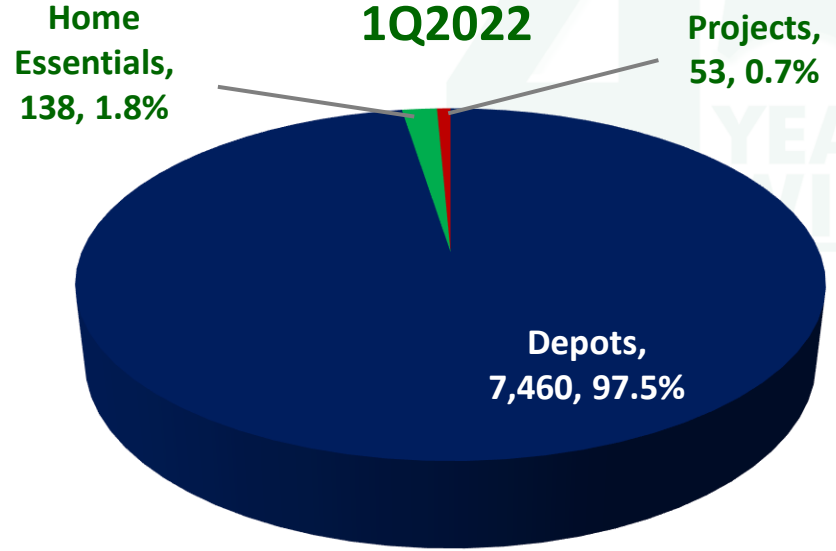
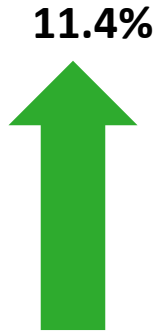
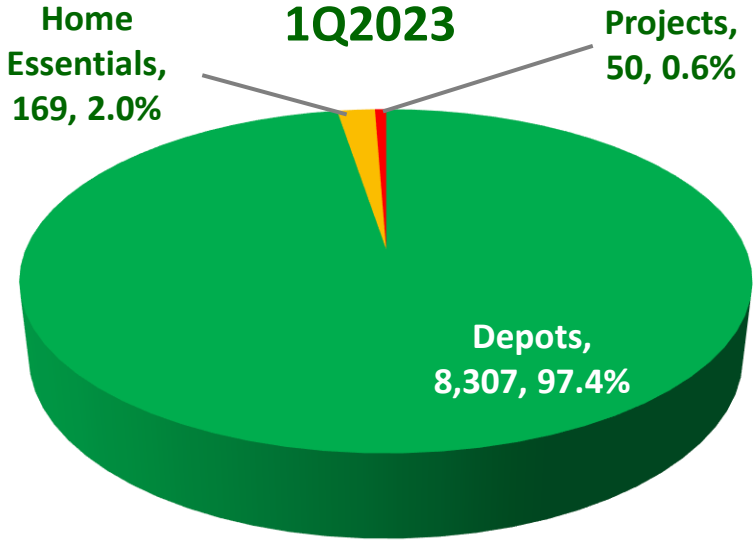


### ROSARIO, BATANGAS

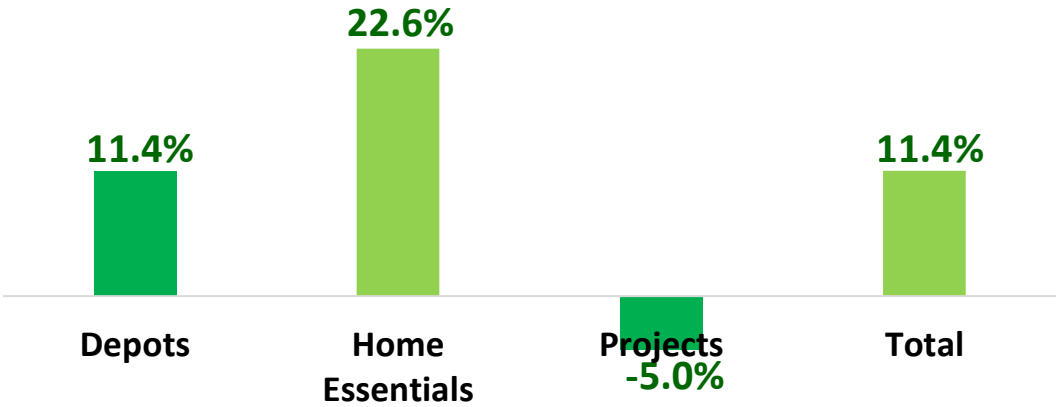


# Total Net Sales Breakdown – 1Q 2023

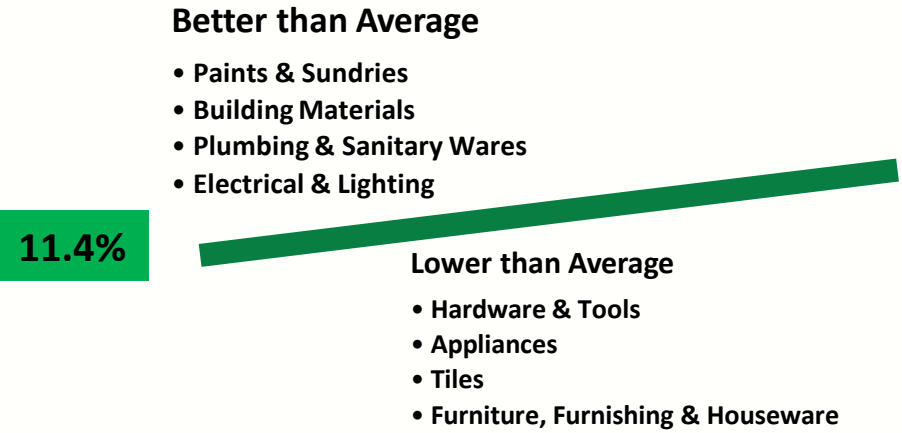
Php Millions



## Sales Growth per Store Format 1Q2023 VS 1Q2022

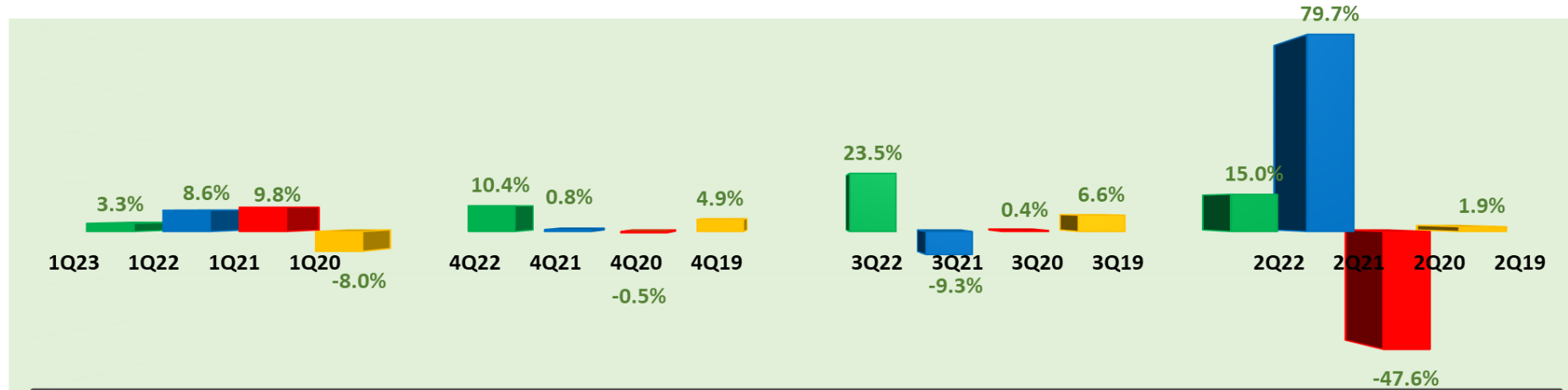


## Product Category Performance 1Q2023 VS 1Q2022

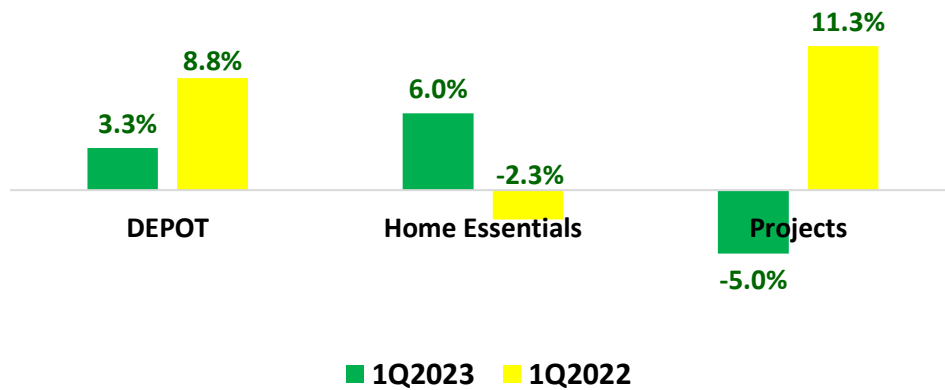


# Comparable Sales Summary

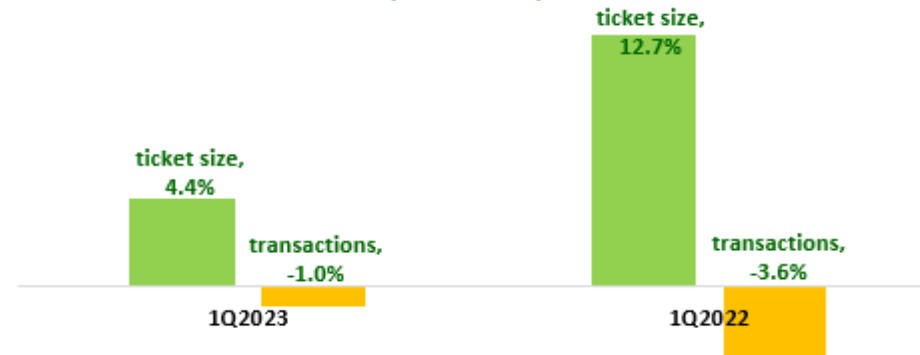
## Quarterly Trend



## Comparable Sales per Format 1Q2023 vs 1Q2022



## Comparable Ticket Size and Number of Transactions 1Q2023 vs 1Q2022



# FIRST QUARTER 2023

| (In Php MM)                            | 1Q2023       | % Sales      | 1Q2022       | % Sales      | % Growth    |
|--|--------------|--------------|--------------|--------------|-------------|
| <b>Net Sales</b>                       | <b>8,527</b> | <b>100.0</b> | <b>7,652</b> | <b>100.0</b> | <b>11.4</b> |
| Cost of Sales                          | -5,164       | -60.6        | -4,720       | -61.7        | 9.4         |
| <b>Gross Income</b>                    | <b>3,363</b> | <b>39.4</b>  | <b>2,932</b> | <b>38.3</b>  | <b>14.7</b> |
| Operating Expenses                     | -2,160       | -25.3        | -1,766       | -23.1        | 22.3        |
| Interest Exp (Lease Liab)              | -154         | -1.8         | -119         | -1.6         | 28.9        |
| Other Income - Net                     | 217          | 2.5          | 84           | 1.1          | 158.8       |
| <b>Income from Operations</b>          | <b>1,267</b> | <b>14.9</b>  | <b>1,131</b> | <b>14.8</b>  | <b>12.1</b> |
| Non PFRS16 Depreciation & Amortization | 309          | 3.6          | 264          | 3.5          | 16.8        |
| <b>EBITDA - Adjusted</b>               | <b>1,576</b> | <b>18.5</b>  | <b>1,395</b> | <b>18.2</b>  | <b>13.0</b> |
| Non-operating income                   | 12           | 0.1          | 3            | 0.0          | 295.5       |
| <b>Income Before Tax</b>               | <b>1,279</b> | <b>15.0</b>  | <b>1,134</b> | <b>14.8</b>  | <b>12.8</b> |
| Income tax                             | -317         | -3.7         | -283         | -3.7         | 12.1        |
| <b>Net Income</b>                      | <b>962</b>   | <b>11.3</b>  | <b>851</b>   | <b>11.1</b>  | <b>13.1</b> |

GPM rate increased  
to 39.4%

Lease-related expense

# Balance Sheet

|                            | Unaudited Mar 31, 2023 | Audited Dec 31, 2022 |
|----------------------------|------------------------|----------------------|
| Current Assets             | 18,201                 | 17,385               |
| Noncurrent Assets          | 18,544                 | 18,258               |
| <b>Total Assets</b>        | <b>36,745</b>          | <b>35,643</b>        |
| Current Liabilities        | 9,281                  | 7,659                |
| Noncurrent Liabilities     | 7,476                  | 7,441                |
| <b>Total Liabilities</b>   | <b>16,757</b>          | <b>15,100</b>        |
| Capital Stock              | 4,100                  | 4,100                |
| Additional Paid-in Capital | 5,374                  | 5,374                |
| Other Comprehensive Loss   | 177                    | 177                  |
| Retained Earnings          | 10,338                 | 10,893               |
| <b>Total Equity</b>        | <b>19,988</b>          | <b>20,543</b>        |
| Current ratio              | 1.96                   | 2.27                 |
| Quick ratio                | 0.33                   | 0.43                 |
| Debt to equity ratio       | 0.84                   | 0.74                 |
| Return on asset            | 2.6%                   | 10.8%                |
| Return on equity           | 4.8%                   | 18.7%                |

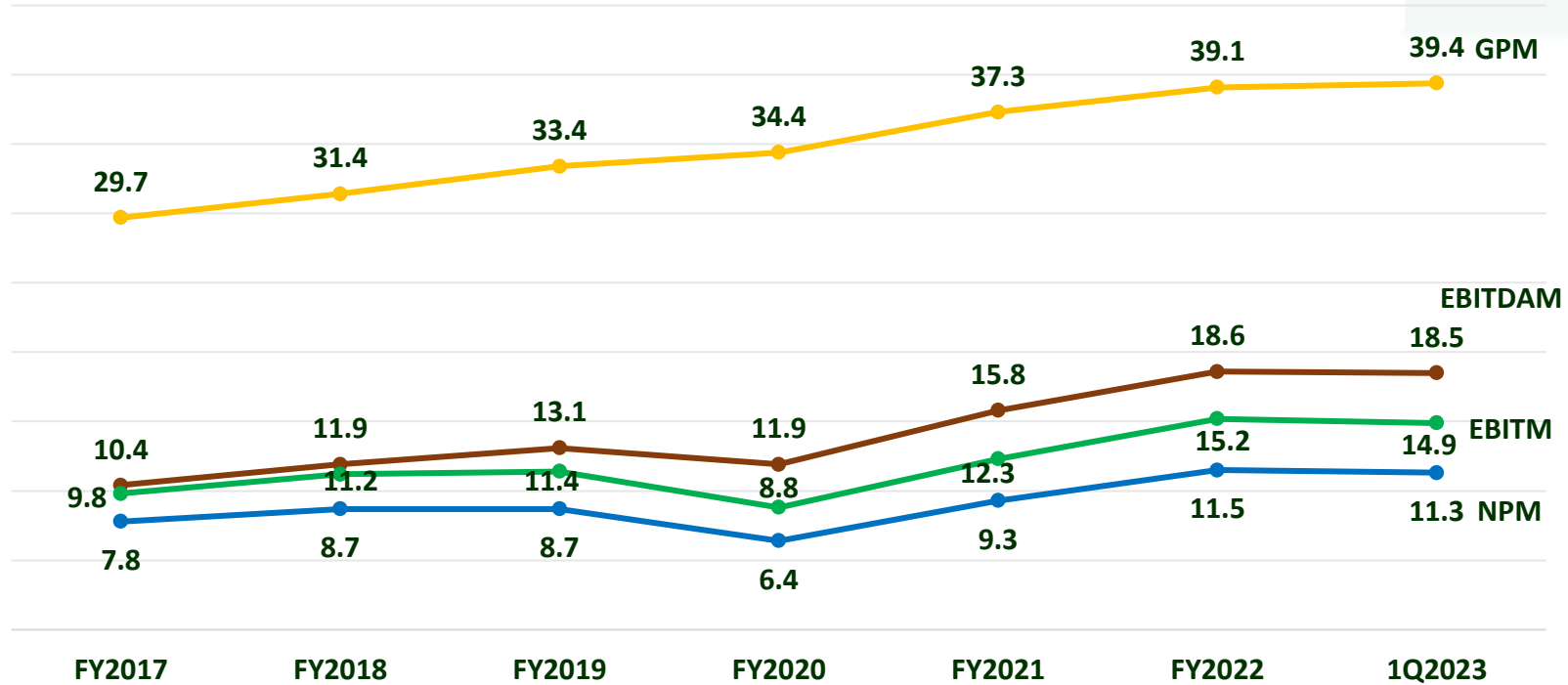
# 1Q2023 CAPEX Investment



| Capex Breakdown   | 1Q2023 Actual Spent |
|---|---------------------|
| Expansion-related<br>(new stores, renovations, eqpt, warehouses, etc) | 582                 |
| Solar Panel Project   | 28                  |
| IT Infrastructure and Projects  | 13                  |
| <b>Total CAPEX</b> <i>(in millions Php)</i>                           | <b>623</b>          |



# Improving Margins

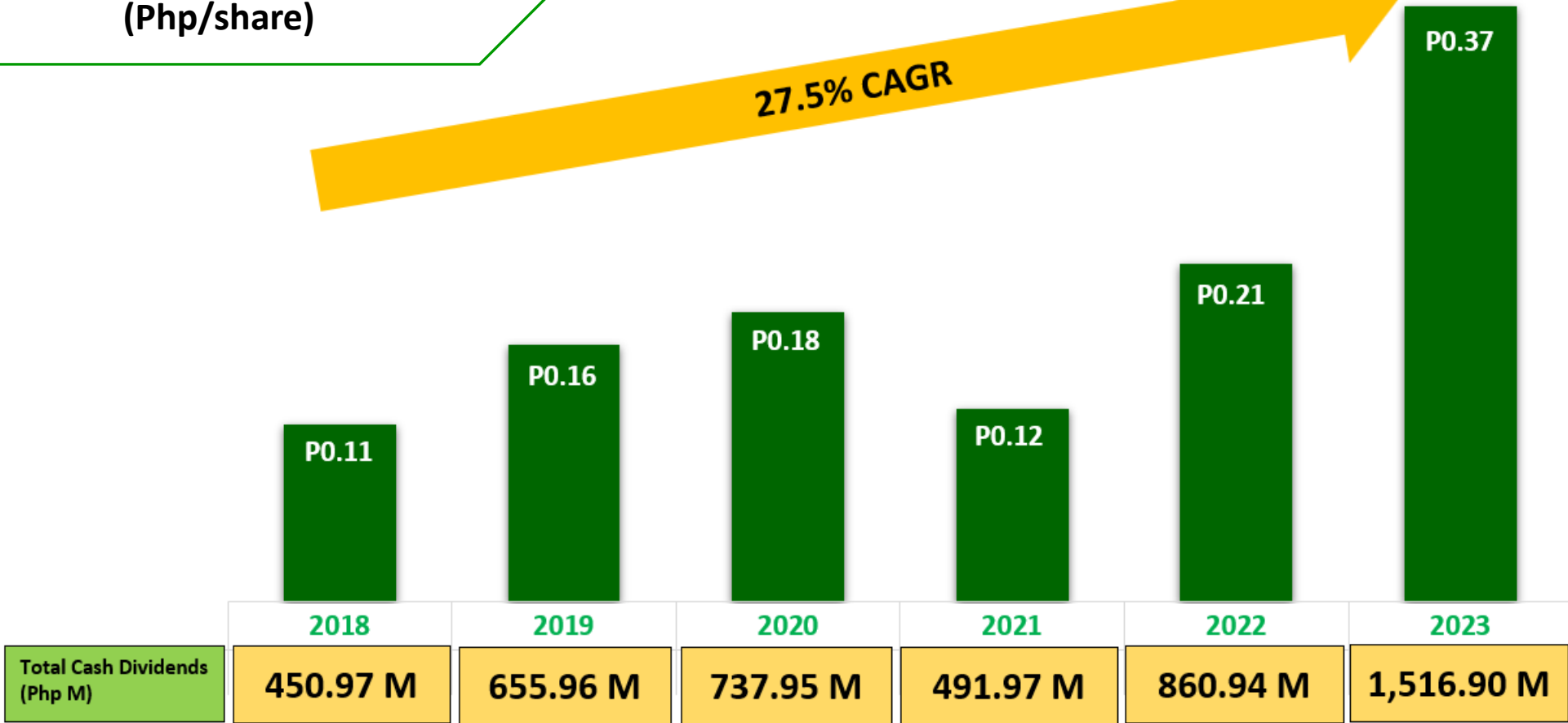


Note: ROU depreciation and interest expense charged on lease liability were considered as rent expense for 2019 up to 2023.

# Returning Value to Shareholders

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Cash Dividend per share over time:  
(Php/share)



Total Cash Dividends  
(Php M)

| Year | Total Cash Dividends (Php M) |
|------|------------------------------|
| 2018 | 450.97 M                     |
| 2019 | 655.96 M                     |
| 2020 | 737.95 M                     |
| 2021 | 491.97 M                     |
| 2022 | 860.94 M                     |
| 2023 | 1,516.90 M                   |

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Store network expansion



Continue to build and develop in-house products and carry exclusive brands



Physical and online store layout, features and customer experience enhancements



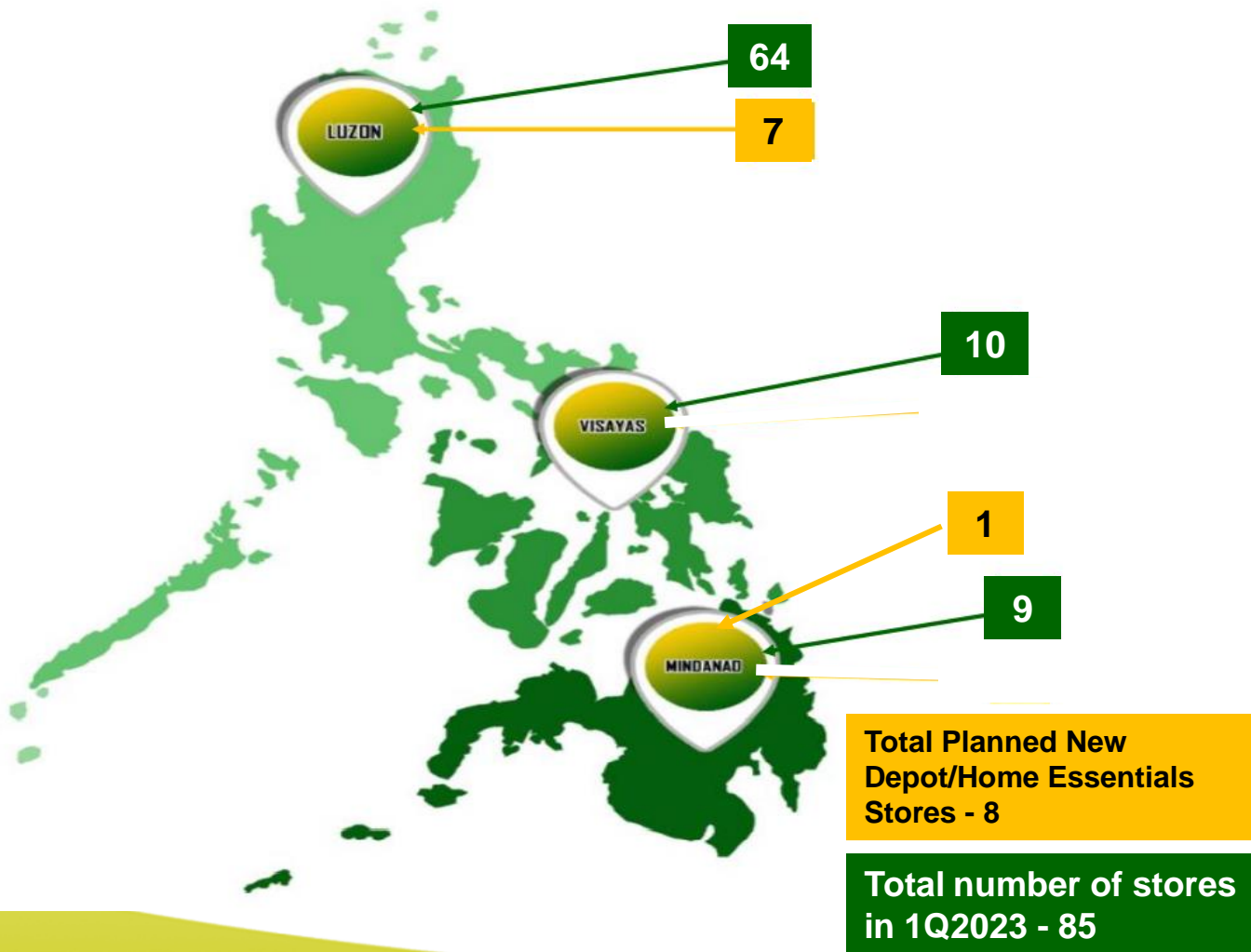
Further strengthen and increase brand awareness and visibility

A circular inset image showing a modern kitchen interior with light-colored cabinetry, a wooden countertop, and a window with a hanging light fixture. The text 'Key Growth Strategies' is overlaid on the image.

# Key Growth Strategies



# 2023 Planned New Branches



|                   | 2023                           |
|-------------------|--------------------------------|
| Beg. Balance      | 83                             |
| 1st Half          | Guiginto, Bulacan<br>Jan, 2023 |
|                   | Rosario, Batangas<br>Mar, 2023 |
|                   | HE - Uptown, CDO<br>Apr, 2023  |
|                   | San Fernando 2, Pampanga       |
| 2nd Half          | Sta. Maria, Bulacan            |
|                   | Naic, Cavite                   |
|                   | Iligan City, Lanao del Norte   |
|                   | Tuy, Batangas                  |
| <b>Total, end</b> | <b>91</b>                      |

**Other Possible Branches:  
3 depots and 1 HE**

**12 NEW BRANCHES : 10 depots and 2 HE**

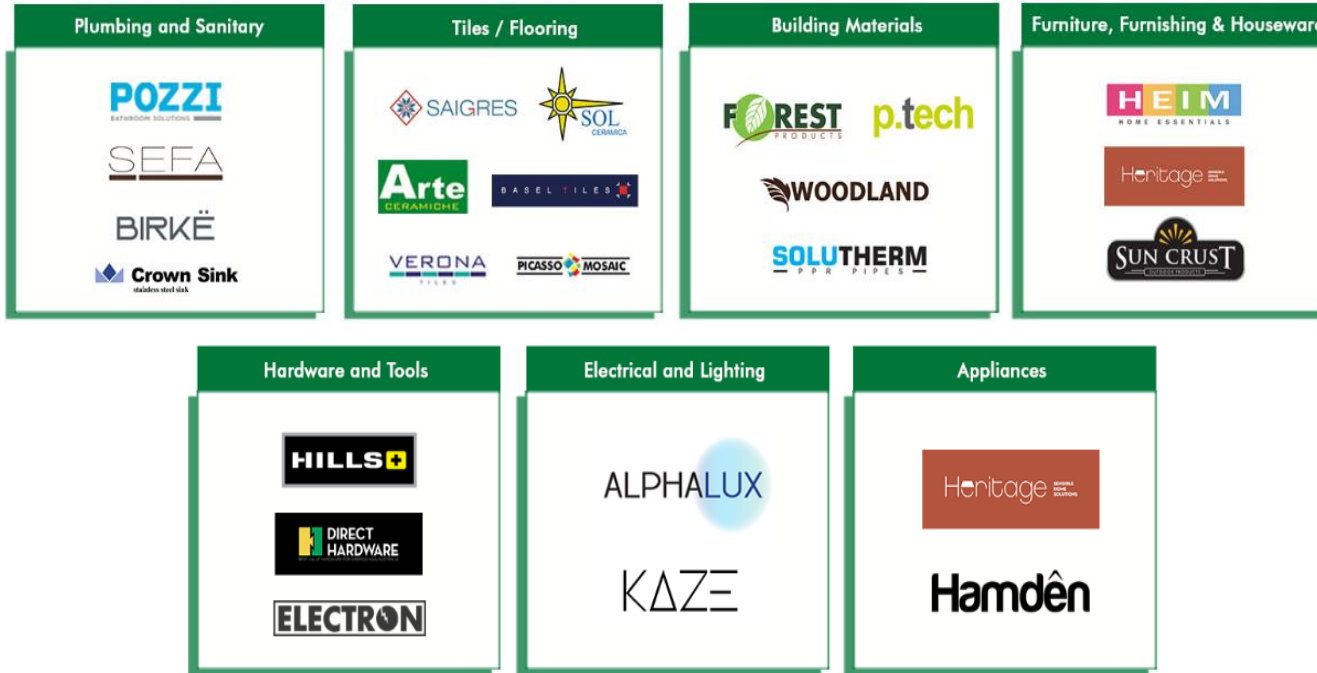
# FY2023 CAPEX Budget



| Capex Breakdown   | FY2023 Budget | 1Q2023 Actual Spent | Remaining Balance |
|---|---------------|---------------------|-------------------|
| Expansion-related<br>(new stores, renovations, eqpt, warehouses, etc) | 3,438         | 582                 | 2,856             |
| Solar Panel Project   | 194           | 28                  | 166               |
| IT Infrastructure and Projects  | 214           | 13                  | 201               |
| <b>Total CAPEX</b> <i>(in millions Php)</i>                           | <b>3,846</b>  | <b>623</b>          | <b>3,223</b>      |

# Continue to Increase Margins Thru In-house & Exclusive brands expansion

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

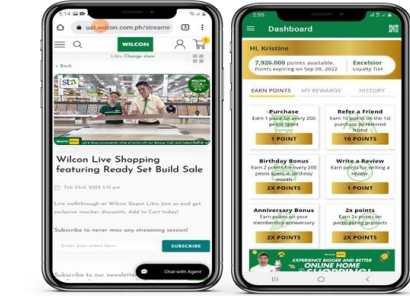
- ✓ Enhance the Company's ability to provide its customers with value for money products
- ✓ Rationalize product offerings



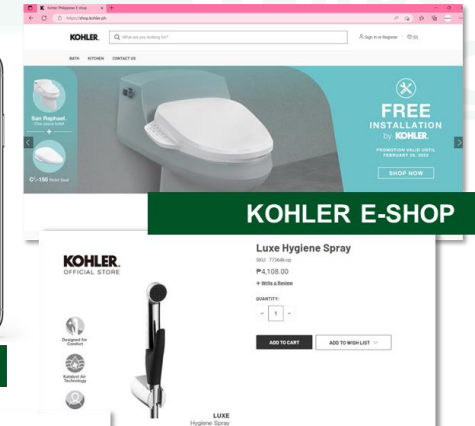
# Physical and online store layout, features and customer experience enhancements



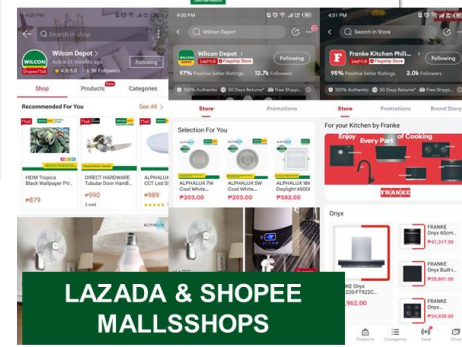
WILCON ONLINE STORE



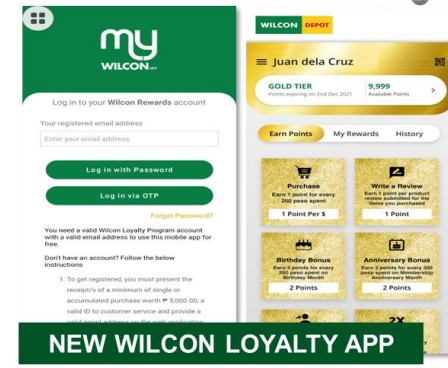
LIVE SELLING – ONLINE SHOP



KOHLER E-SHOP



LAZADA & SHOPEE MALLSHOPS



NEW WILCON LOYALTY APP



ADDITIONAL BRANDS ONLINE

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

# Further Strengthen and Increase Brand Awareness and Visibility



- ✓ Tap various media outlets especially social media to enhance customer's awareness
- ✓ Localization of advertising and promotions
- ✓ Use brand ambassadors to represent the Company's products and brands
- ✓ Actively participate in industry associations and trade conventions related to the construction and home improvement





# HOME | LIVING

THANK YOU!

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# Q & A



# Disclaimer

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.