

EARNINGS CONFERENCE CALL

MARCH 22, 2024 | 4:30 PM





FOURTH QUARTER 2023 RESULTS



4Q 2023 RESULTS HIGHLIGHTS

Financial Highlights

- ✓ Php 8.661B Net Sales
- ✓ -2.1% y-o-y Net Sales growth
- ✓ Php 757M NIAT
- ✓ -14.7% y-o-y NIAT Growth
- ✓ 39.8% GPM
- ✓ 15.3% EBITDAM
- ✓ 11.6% EBITM

Comparable Sales Summary

- 7.1% SSSG
- 8.2% Transaction Count
- 1.2% Ticket Size

Total Sales Mix

52.1%
In-house & exclusive
contribution

Product categories performing
better than average growth



4th QUARTER 2023

NAIC, CAVITE



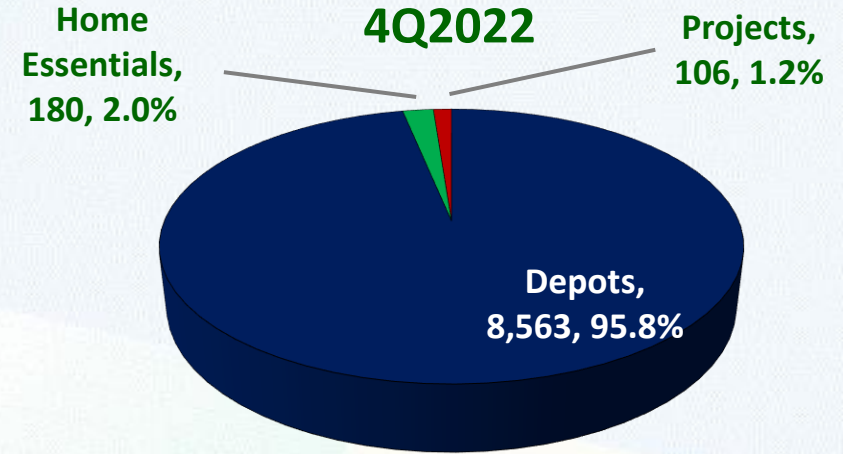
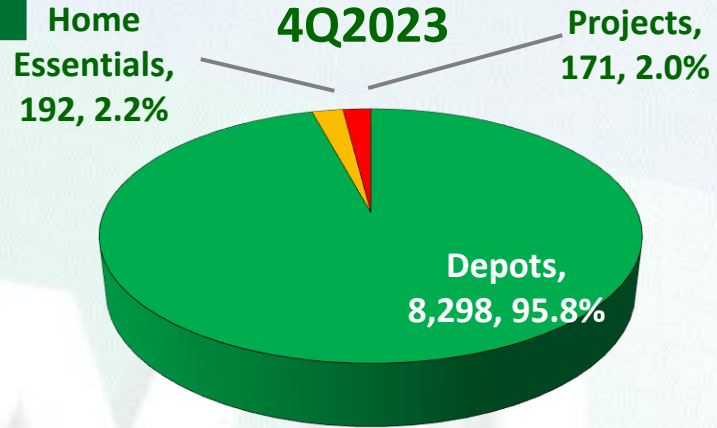
TUY, BATANGAS



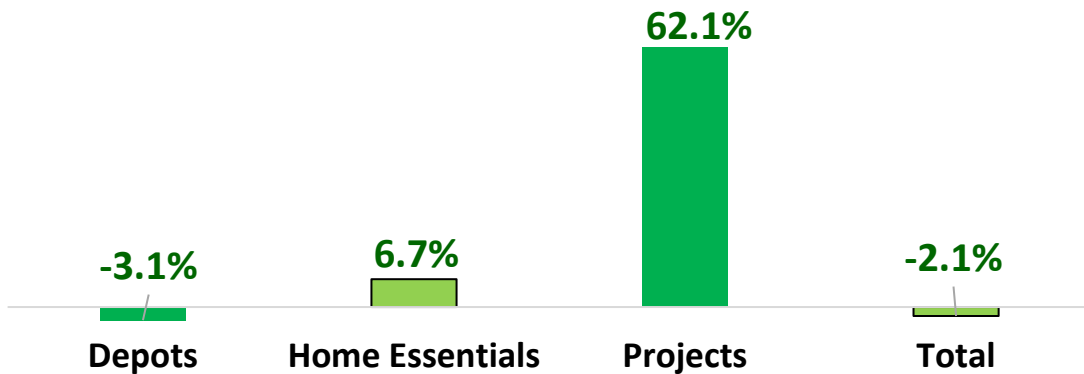
SOUTH PARK MALL

Total Net Sales Breakdown – 4Q 2023

Php Millions



Sales Growth per Store Format 4Q2023 VS 4Q2022



Product Category Performance 4Q2023 VS 4Q2022

Better than Average

- Paints & Sundries
- Building Materials
- Hardware & Tools
- Electrical & Lighting
- Appliances
- Plumbing & Sanitary Wares

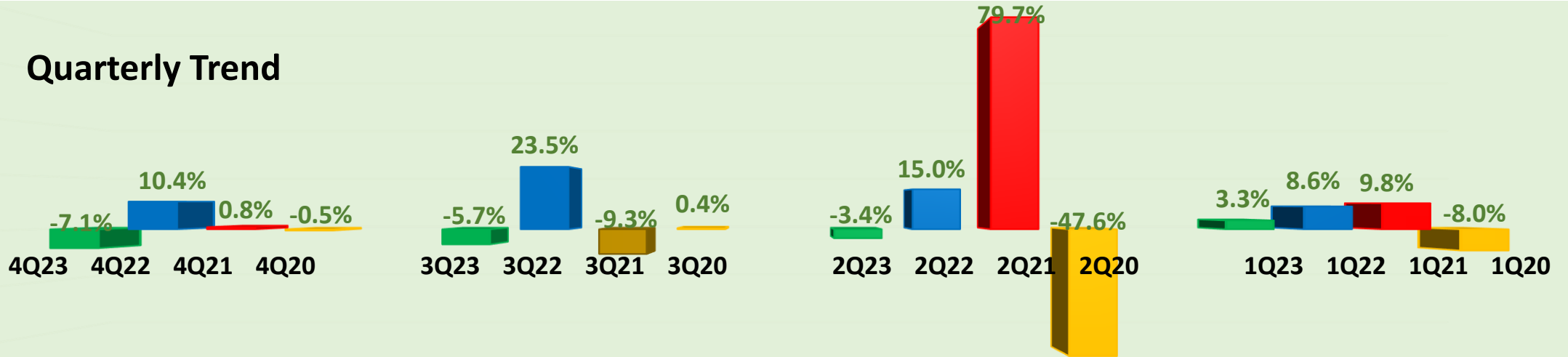
-2.1

Lower than Average

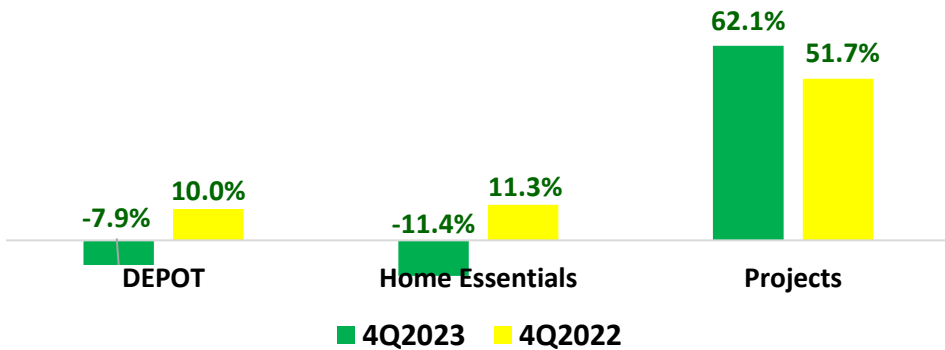
- Tiles
- Furniture, Furnishing & Houseware

Comparable Sales Summary

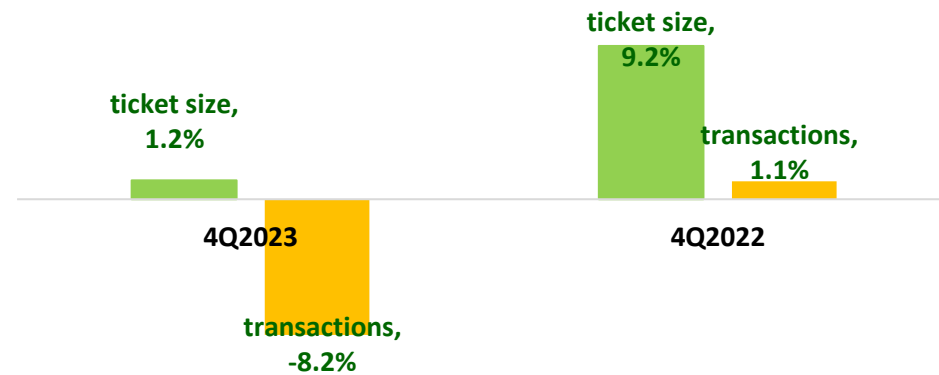
Quarterly Trend



Comparable Sales per Format 4Q2023 vs 4Q2022



Comparable Ticket Size and Number of Transactions 4Q2023 vs 4Q2022



FOURTH QUARTER 2023

(In Php MM)	4Q 2023	% of Sales	4Q 2022	% of Sales	% GROWTH
Net Sales	8,661	100.0	8,848	100.0	-2.1%
Cost of sales	(5,215)	(60.2)	(5,339)	(60.3)	-2.3%
Gross Profit	3,446	39.8	3,509	39.7	-1.8%
Operating expenses	(2,378)	-27.4	(2,291)	(25.9)	3.8%
Interest Exp (Lease Liab)	(167)	(1.9)	(150)	(1.7)	11.7%
Other Income - Net	106	1.2	107	1.2	-0.9%
Income from Operations	1,008	11.6	1,175	13.3	-14.3%
Non-lease related depreciation	321	3.7	321	3.6	0.1%
EBITDA - Adjusted	1,329	15.4	1,496	16.9	-11.2%
Non-operating Other Income	2	0.0	6	0.1	-72.1%
Income before tax	1,009	11.6	1,182	13.4	-14.6%
Income Tax	(252)	(2.9)	(294)	(3.3)	-14.3%
Net Income	757	8.8	888	10.0	-14.7%

GPM rate
increased to
39.8%

Lease-related
expense



TWELVE MONTHS 2023 RESULTS

FY2023 Results Highlights

Financial Highlights

- ✓ Php 34.604B Net Sales
- ✓ 3.1% y-o-y Net Sales growth
- ✓ Php 3.483B NIAT
- ✓ -9.5% y-o-y NIAT Growth
- ✓ 39.6% GPM
- ✓ 17.1% EBITDAM
- ✓ 13.4% EBITM

Comparable Sales Summary

- 3.4% SSSG
- 6.1% Transaction Count
- 2.9% Ticket Size

Total Sales Mix

51.2%

In-house & exclusive contribution

Product categories performing better than average growth



Php 2.358B CAPEX

Opened 9 new stores

1ST HALF 2023

- Guiguinto, Bulacan
- Rosario, Batangas
- Uptown CDO, Misamis Oriel
- San Fernando, Pampanga

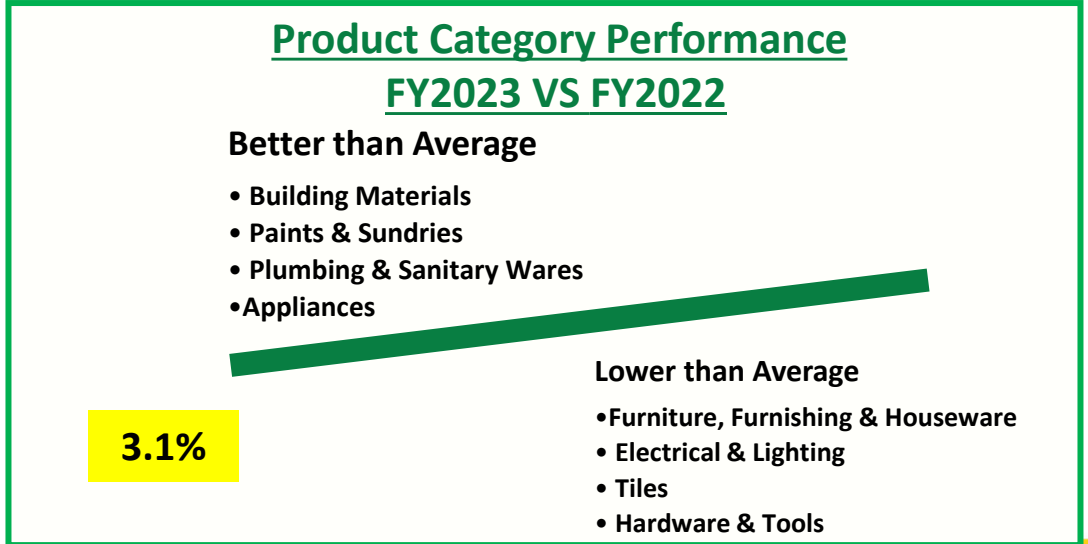
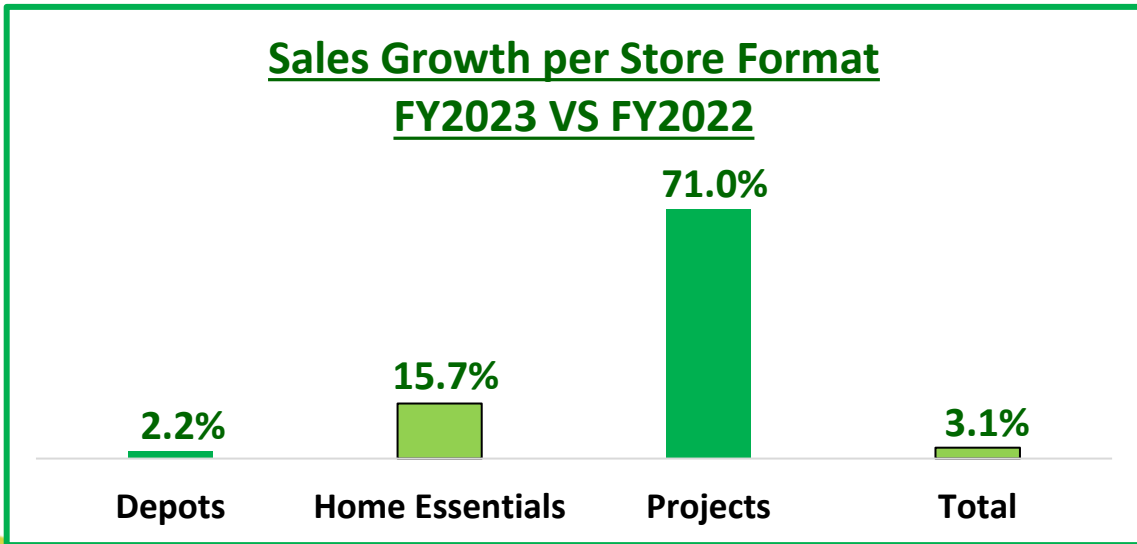
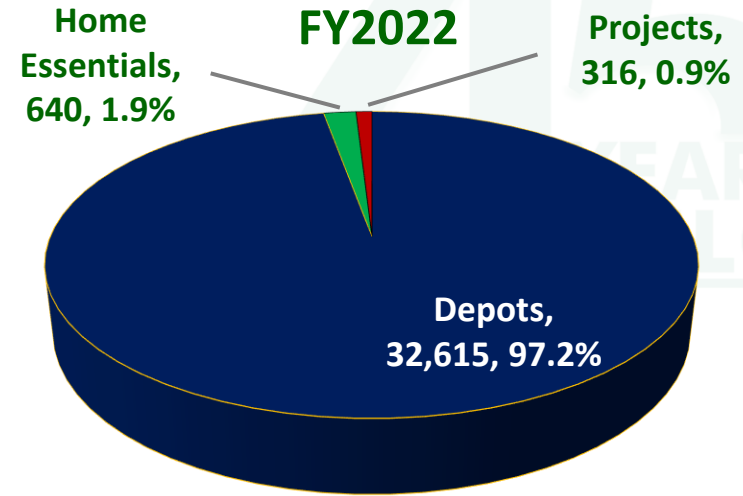
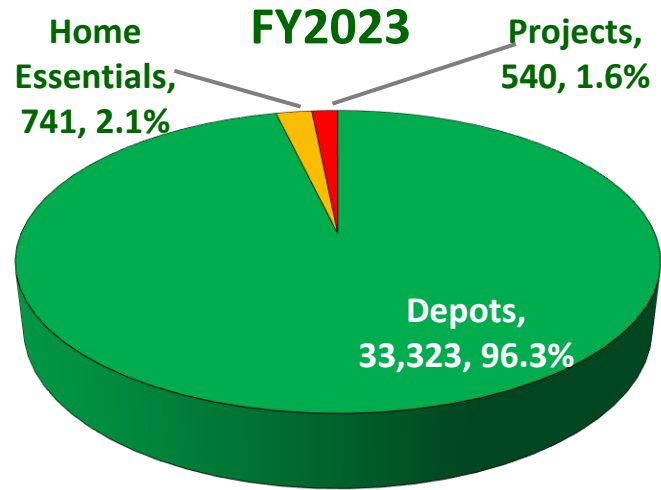
2nd HALF 2023

- Sta. Maria, Bulacan
- Iligan City
- Naic, Cavite
- Home Essential Southpark
- Tuy, Batangas



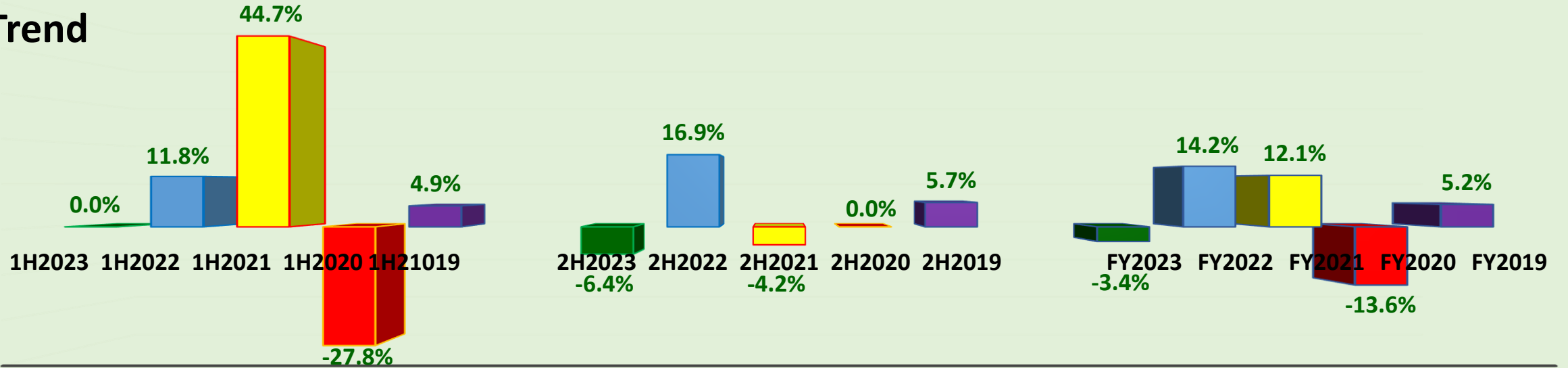
Total Net Sales Breakdown – FY2023

Php Millions

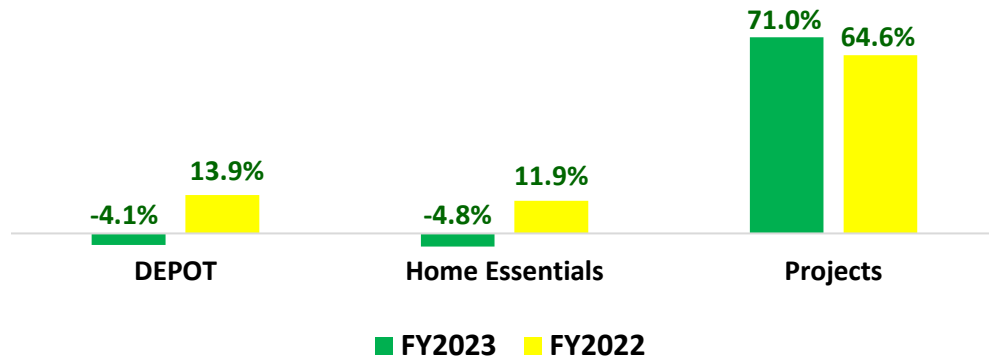


Comparable Sales Summary

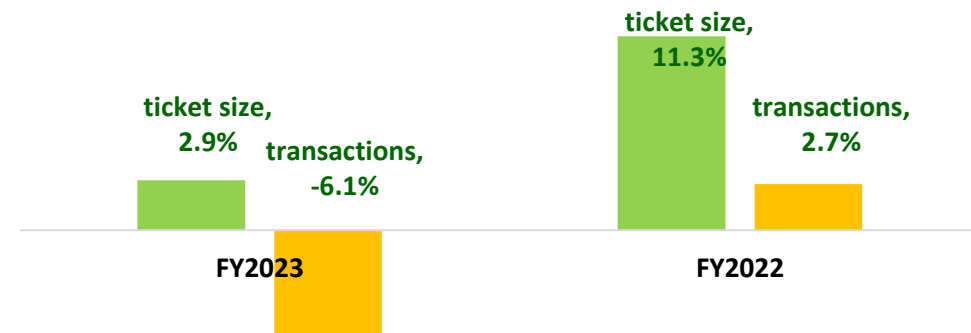
Trend



Comparable Sales per Format FY2023 vs FY2022



Comparable Ticket Size and Number of Transactions FY2023 vs FY2022



For Year 2023

(In Php MM)	FY2023	% Sales	FY2022	% Sales	% Growth
Net Sales	34,604	100.0	33,571	100.0	3.1%
Cost of sales	(20,910)	(60.4)	(20,445)	(60.9)	2.3%
Gross Profit	13,694	39.6	13,126	39.1	4.3%
Operating expenses	(8,940)	(25.8)	(7,882)	(23.5)	13.4%
Interest Exp (Lease Liab)	(641)	(1.9)	(544)	(1.6)	17.7%
Other Income - Net	512	1.5	409	1.2	25.1%
Income from Operations	4,625	13.4	5,108	15.2	-9.5%
Non-lease related depreciation	1,283	3.7	1,148	3.4	11.7%
EBITDA - Adjusted	5,908	17.1	6,256	18.6	-5.6%
Non-operating Other Income	14	0.0	17	0.1	-15.7%
Income before tax	4,639	13.4	5,125	15.3	-9.5%
Income Tax	(1,156)	(3.3)	(1,277)	(3.8)	-9.5%
Net Income	3,483	10.1	3,848	11.5	-9.5%

GPM rate increased to 39.6%

Lease related Expense

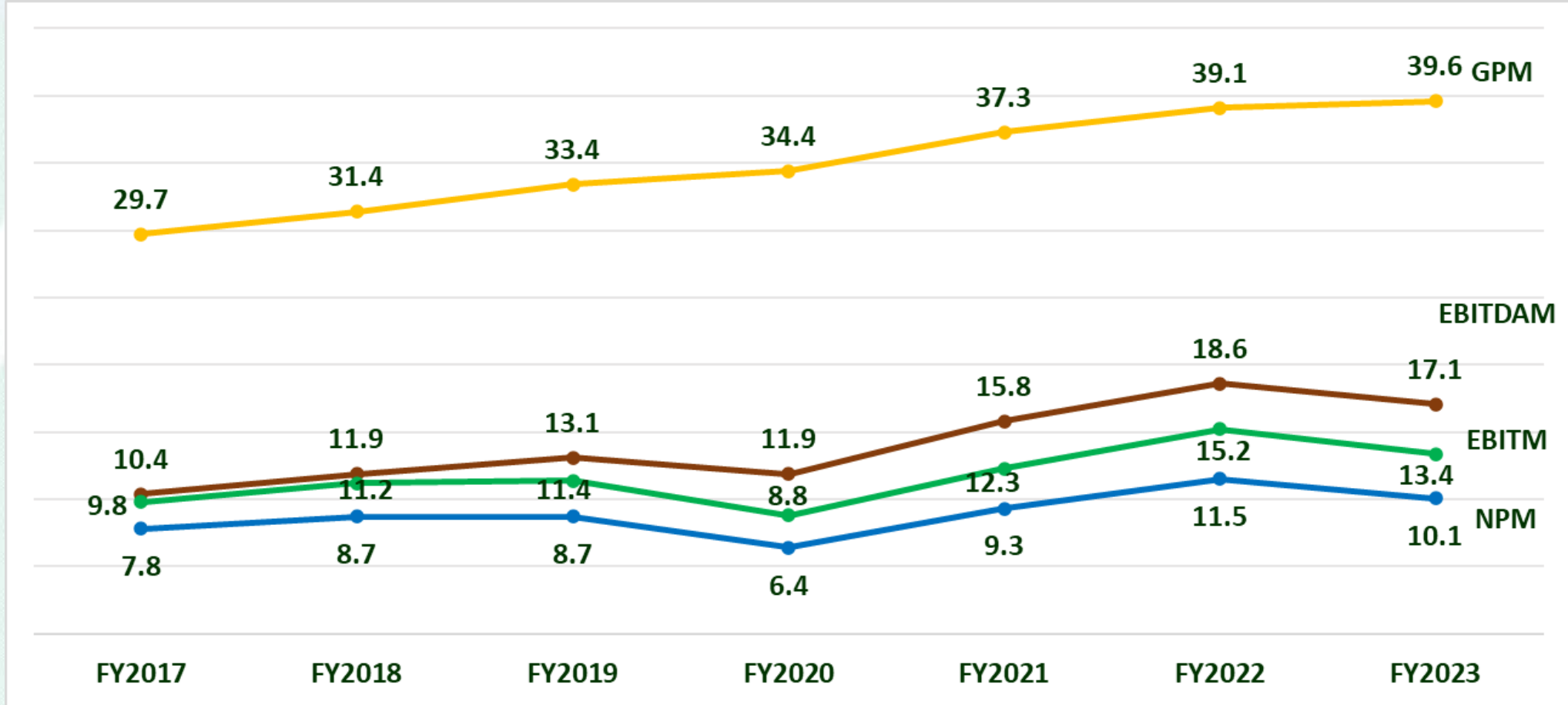
Balance Sheet

Balance Sheet	Unaudited	Audited
Current Assets	19,749	17,385
Noncurrent Assets	20,032	18,258
Total Assets	39,781	35,643
Current Liabilities	9,097	7,659
Noncurrent Liabilities	8,175	7,441
Total Liabilities	17,272	15,100
Capital Stock	4,100	4,100
Additional Paid-in Capital	5,374	5,374
Other Comprehensive Loss	177	177
Retained Earnings	12,859	10,893
Total Equity	22,509	20,543

FY2023 CAPEX Investment

FY2023	
ACTUAL	AMOUNT
Construction of New Stores and New Warehouses	1,804
Store and Transportation Equipments	345
Renovations & Repairs	167
IT Infrastructures & Softwares	41
Total CAPEX (in millions Php)	2,358

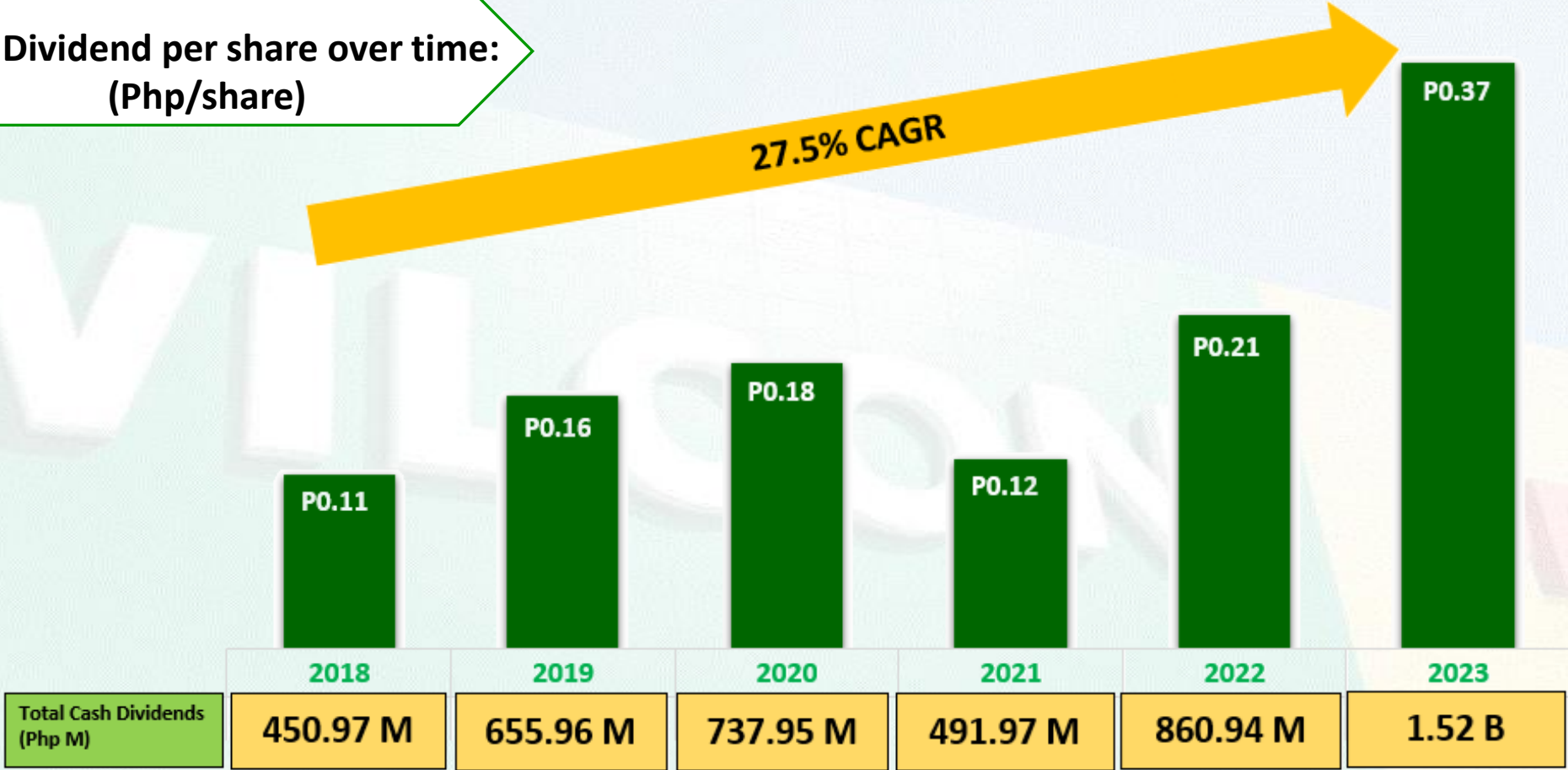
Improving Margins



Note: ROU depreciation and interest expense charged on lease liability were considered as rent expense for 2019, 2020, 2021, 2022 and 2023

Returning Value to Shareholders

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





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

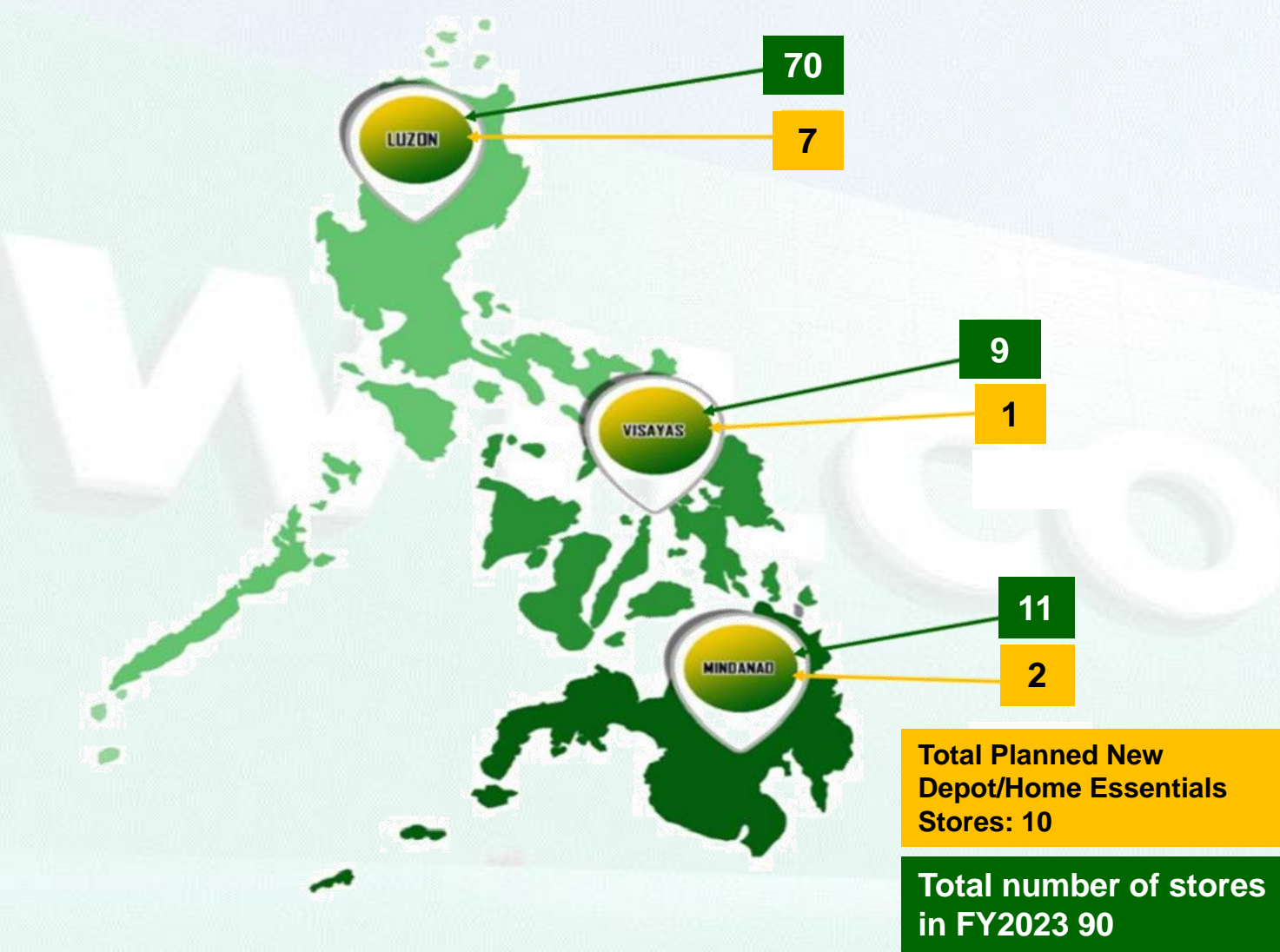


Further strengthen and increase brand awareness and visibility



KEY GROWTH STRATEGIES

2024 Planned New Branches



	2024
Beg Balance	90
1st Half	
Jan, 2024	DIW - Morong, Rizal
Jan, 2024	DIW - Valencia, Bukidnon
Mar, 2024	Depot - Koronadal, South Cotabato
	2 Depots
2nd Half	5 Depots
Total, End	100

FY2024 CAPEX Budget

FY2024	
BUDGET	AMOUNT
Construction of New Stores and New Warehouses	1,200
Stores, Head Offices, and Warehouses, Furniture and Equipments	200
Renovations & Repairs	550
IT Infrastructures & Softwares	150
Total CAPEX (in millions Php)	2,100

Continue to Expand Margins Thru Increasing the Profitability of In-house & Exclusive Brands



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

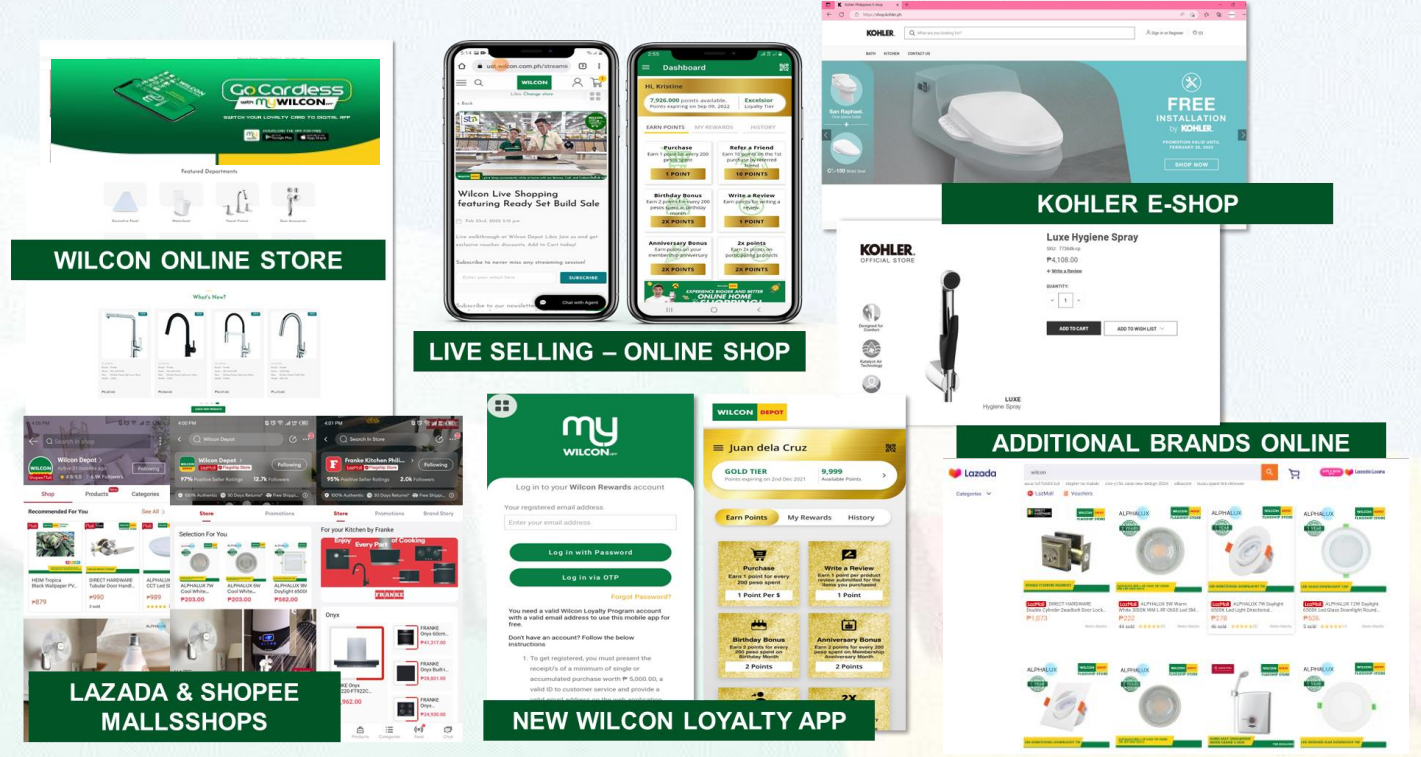


- Improve supply chain management

- Enhance marketing efforts

- Optimize product lines/ product offerings

Physical and online store layout, features and customer experience enhancements



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

A modern outdoor living space featuring a pergola with a dark metal frame and white slatted roof. The background wall is made of horizontal wooden planks. In the foreground, there are several grey metal chairs with dark wooden slats and a matching table. On the table, there is a blue pitcher and two blue cups. The space is decorated with various green plants, including large monstera leaves. The overall atmosphere is bright and inviting.

THANK YOU!

**OUTDOOR
LIVING**

WILCON

DEPOT

Q & A



Disclaimer

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