

Home Product Center Public Company Limited



# Analyst Meeting 1H'11 Results

August 11, 2011

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HomePro is the leading home improvement retailer in Thailand.

Our products range cover 60,000 items. We operate 43 stores nationwide, providing complete services as One Stop Shopping to attain highest customer satisfaction.

The HomePro's stock is traded on the Thailand Stock Exchange (SET: hmpro).



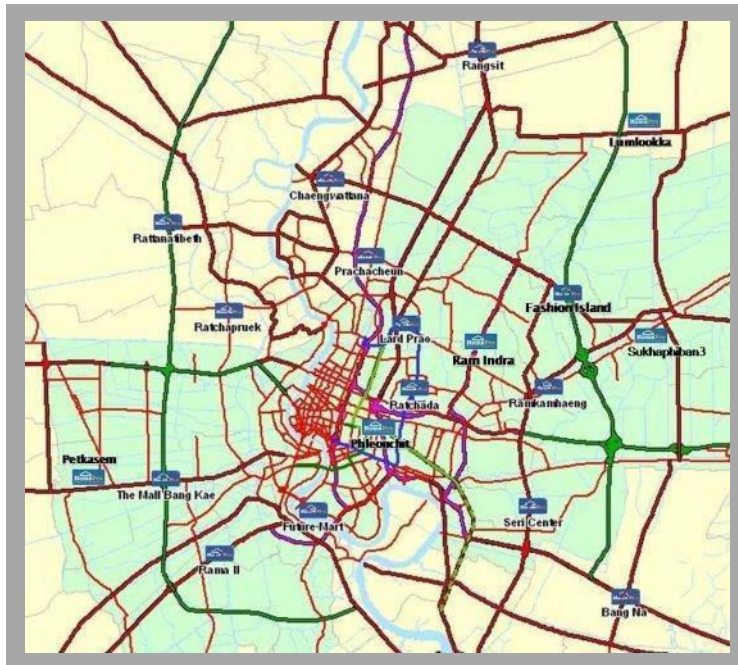
## AGENDA

- Financial Results
- Business Outlook



# 1H'11 FINANCIAL RESULTS

- 19 Greater Bangkok Stores



- 23 Upcountry Stores





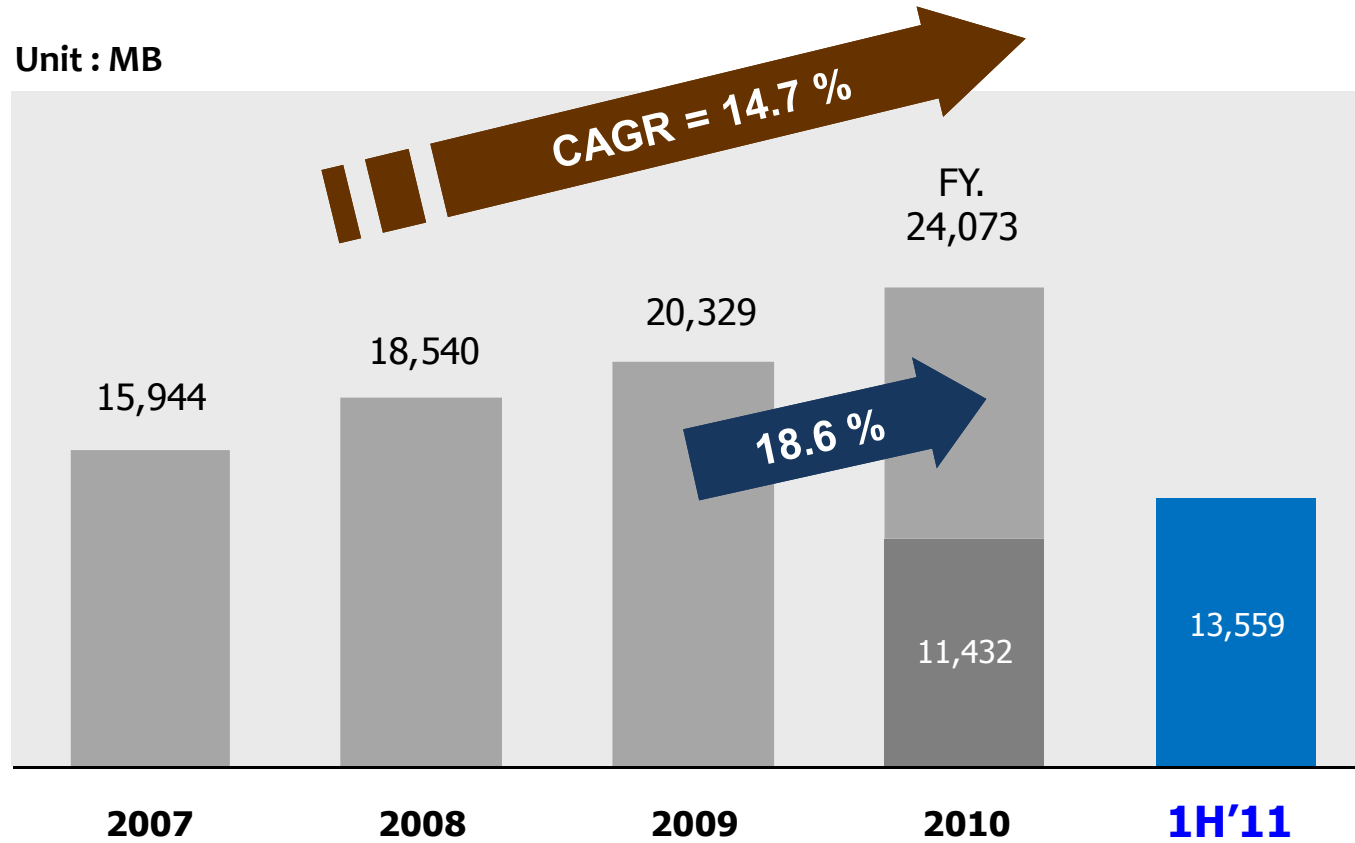
# P & L Summary

Unit : MB

|                                  | 1H'11           | % on Sales   | 1H'10           | % on Sales   | VAR              | %G          |
|----------------------------------|-----------------|--------------|-----------------|--------------|------------------|-------------|
| <b>SALES</b>                     | 13,559.3        | 100.0        | 11,432.5        | 100.0        | ▲ 2,126.9        | 18.6        |
| Rental & Service                 | 391.3           | 2.9          | 375.5           | 3.3          | ▲ 15.8           | 4.2         |
| Other Income                     | 541.3           | 4.0          | 452.6           | 4.0          | ▲ 88.7           | 19.6        |
| <b>Total Revenue</b>             | <b>14,491.9</b> | <b>106.9</b> | <b>12,260.5</b> | <b>107.2</b> | <b>▲ 2,231.4</b> | <b>18.2</b> |
| <b>COGS</b>                      | <b>10,150.5</b> | <b>74.9</b>  | <b>8,643.3</b>  | <b>75.6</b>  | <b>▲ 1,507.2</b> | <b>17.4</b> |
| Selling Exp                      | 2,498.8         | 18.4         | 2,079.5         | 18.2         | ▲ 419.3          | 20.2        |
| Admin Exp                        | 482.5           | 3.6          | 459.1           | 4.0          | ▲ 23.3           | 5.1         |
| <b>Total Expenses</b>            | <b>13,131.8</b> | <b>96.8</b>  | <b>11,182.0</b> | <b>97.8</b>  | <b>▲ 1,949.9</b> | <b>17.4</b> |
| Earning before<br>FIN Exp. & TAX | 1,360.1         | 10.0         | 1,078.5         | 9.4          | ▲ 281.5          | 26.1        |
| Financial Exp.                   | 52.9            | 0.4          | 48.0            | 0.4          | ▲ 4.9            | 10.2        |
| TAX                              | 420.1           | 3.1          | 319.0           | 2.8          | ▲ 101.1          | 31.7        |
| <b>Net Profit</b>                | <b>887.1</b>    | <b>6.5</b>   | <b>711.6</b>    | <b>6.2</b>   | <b>▲ 175.5</b>   | <b>24.7</b> |

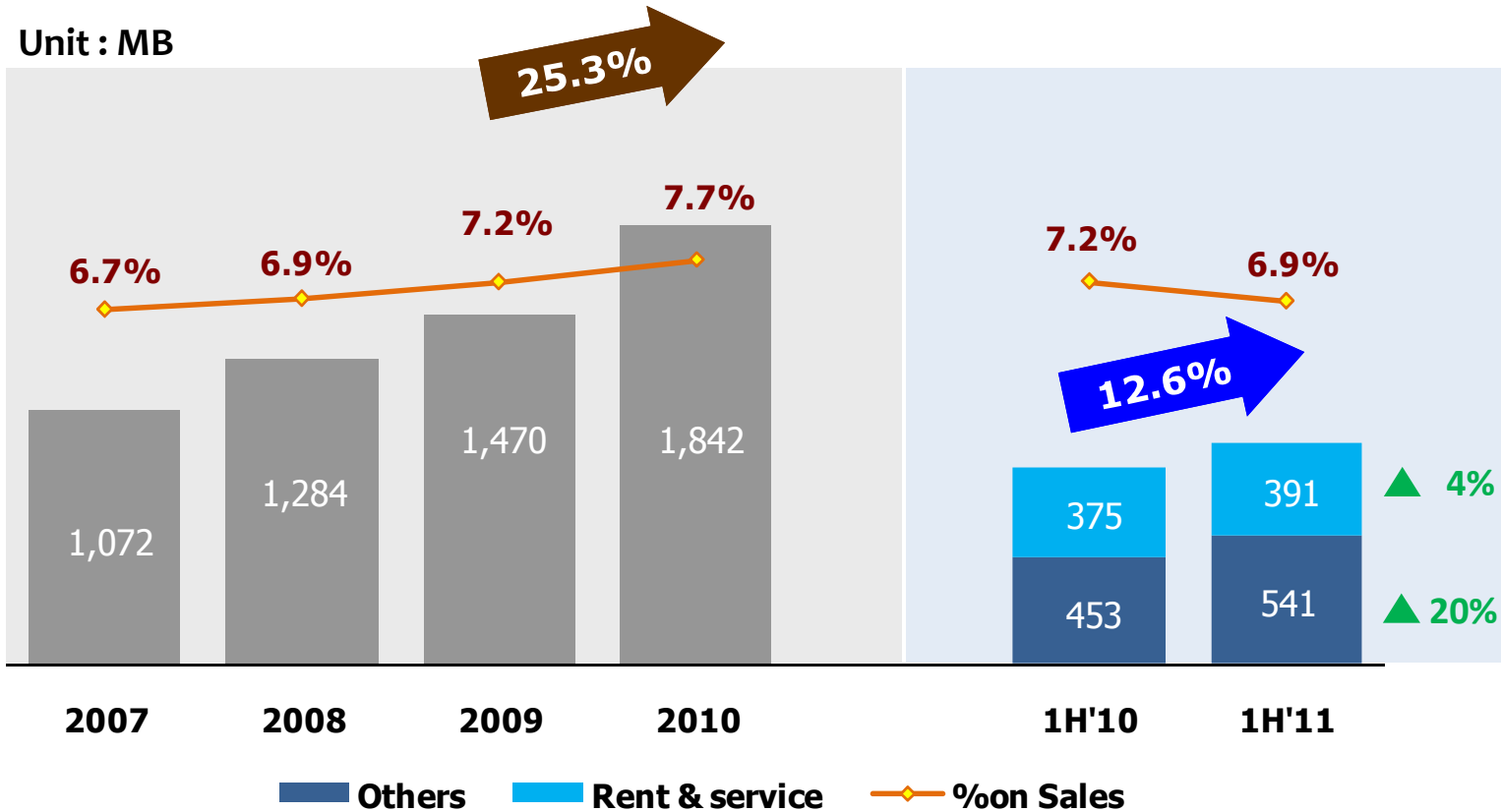


# Sustainable Sales Growth





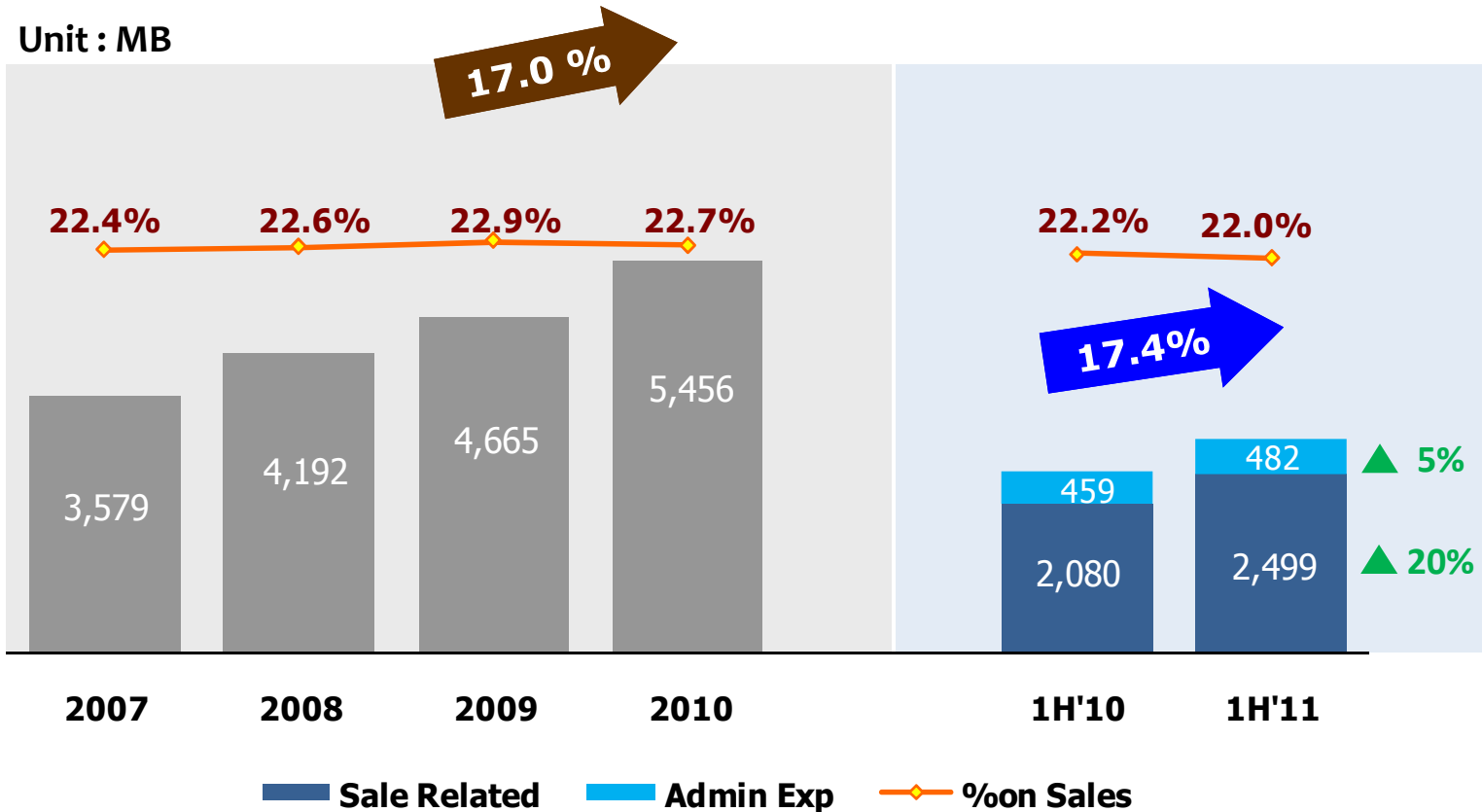
# Rising Other Income



Increase in **Other Income** as contributed by increasing in Rental, Service and Advertising Fees.

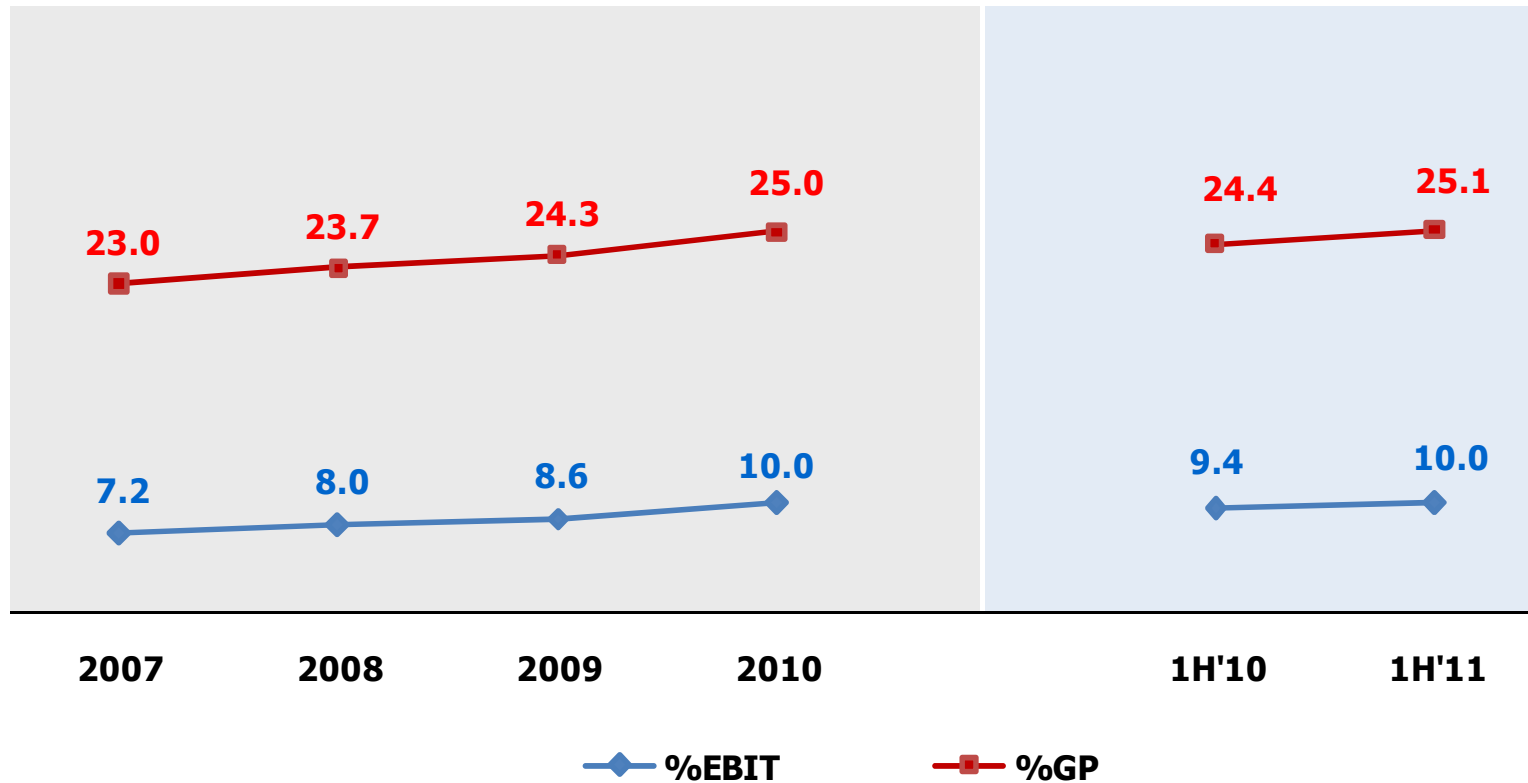


# SG&A Expenses



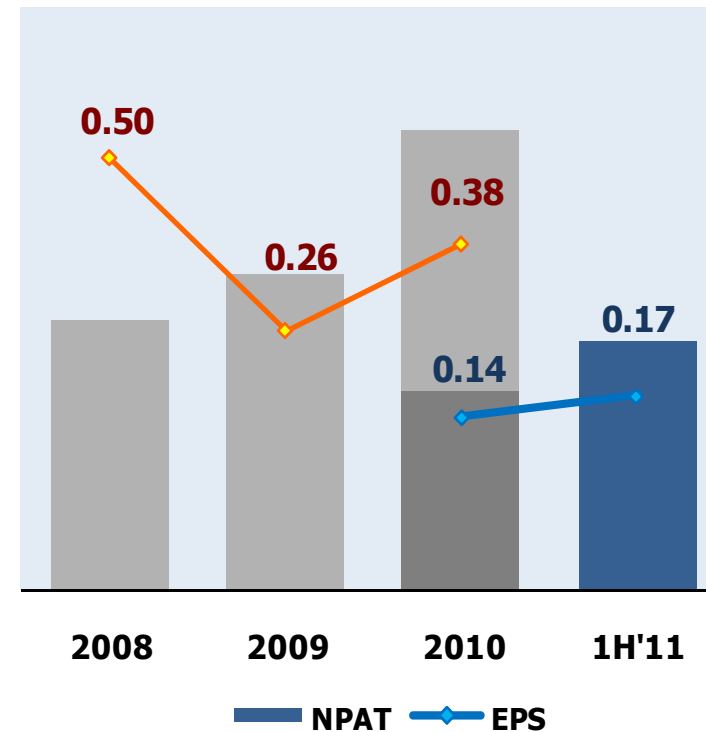
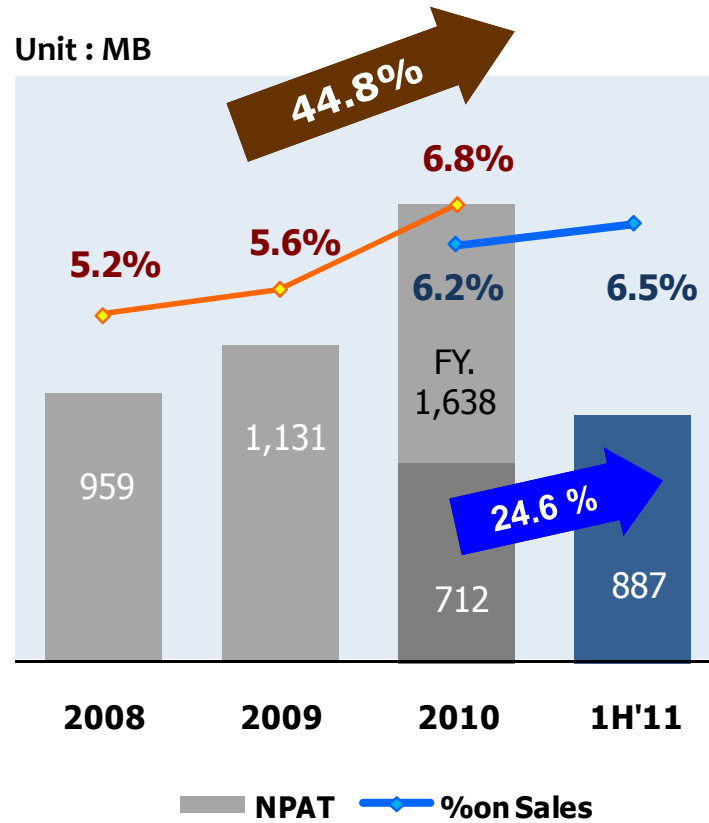
Rise in SG&A in baht term as a result of operational expenses of new stores, in particular, Salaries, Cost of Rent and Services, Transportation, Depreciation but slightly declined as percentage of sales.

# GP & EBIT



GP increased as a result of sales of higher product mix with higher margin particularly house brand products.

# NPAT & EPS



1H'11 **NPAT** growth by 24.6% and NPAT % to Sales increased over 1H'10 from 6.2% to 6.5%.

In 2009, **EPS** taking full dilution impact of stock dividend at the ratio 10:9, and **EPS** in 2010 taking full dilution impact of stock dividend at the ratio of 6:1 paid in OCT 2010 (interim) and in APR 2011 (Final)



# Balance Sheet at a Glance

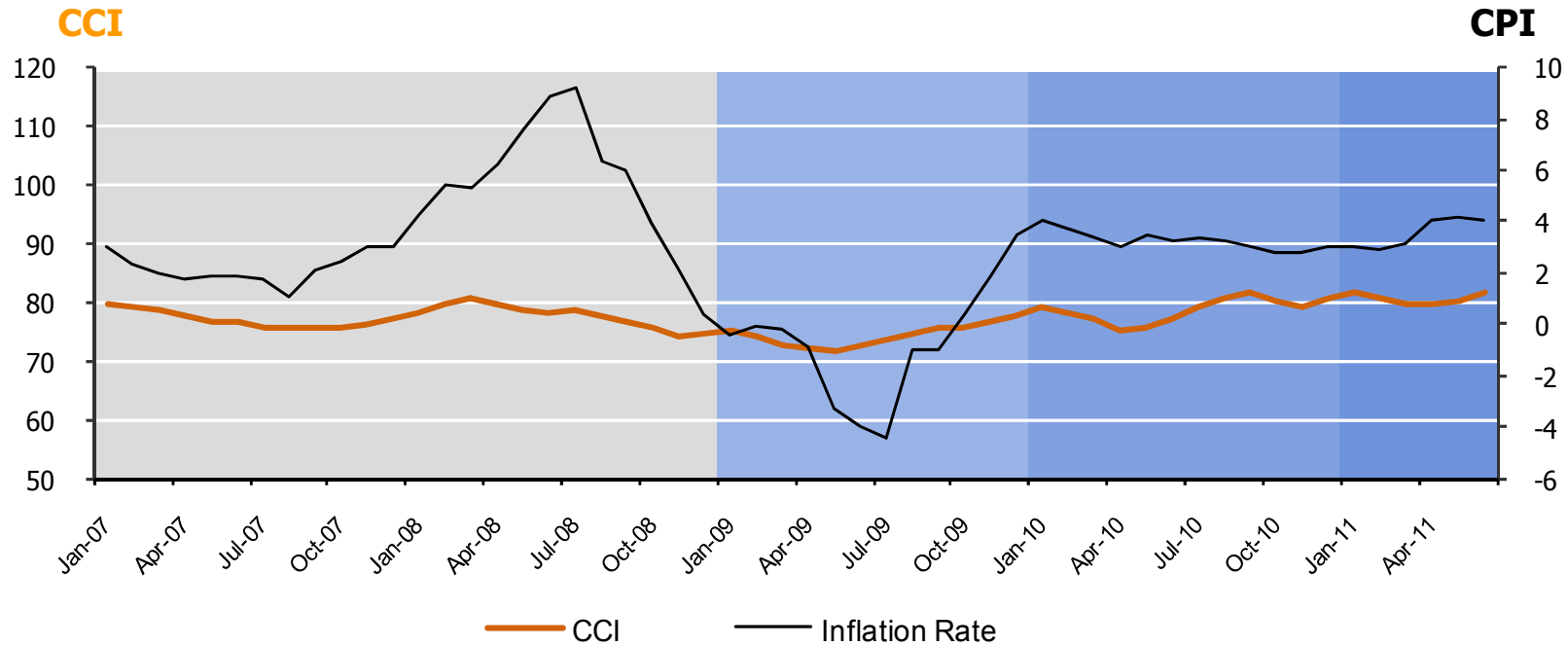
Unit : MB

|                           | 30 Jun 11       | 31 Dec 10       | VAR              | %           |
|---------------------------|-----------------|-----------------|------------------|-------------|
| Cash & Deposit            | 1,484.0         | 1,417.2         | ▲ 66.7           | 4.7         |
| Inventory                 | 4,248.7         | 3,714.2         | ▲ 534.5          | 14.4        |
| Land Building & Equipment | 11,572.5        | 10,634.4        | ▲ 938.1          | 8.8         |
| Others                    | 839.1           | 826.1           | ▲ 13.0           | 1.6         |
| <b>Total Assets</b>       | <b>18,144.3</b> | <b>16,592.0</b> | <b>▲ 1,552.3</b> | <b>9.4</b>  |
| Financial Debt            | 2,643.8         | 2,741.5         | ▼ 97.7           | 3.6         |
| Account Payable           | 5,465.3         | 4,936.8         | ▲ 528.5          | 10.7        |
| Others                    | 2,958.3         | 2,675.5         | ▲ 282.9          | 10.6        |
| <b>Total Liabilities</b>  | <b>11,067.4</b> | <b>10,353.8</b> | <b>▲ 713.7</b>   | <b>6.9</b>  |
| Paid-Up Capital           | 5,102.3         | 4,353.0         | ▲ 749.3          | 17.2        |
| Share Premium             | 634.1           | 621.8           | ▲ 12.3           | 2.0         |
| Retain Earnings           | 1,340.5         | 1,263.4         | ▲ 77.1           | 6.1         |
| <b>Total Equities</b>     | <b>7,076.9</b>  | <b>6,238.2</b>  | <b>▲ 838.7</b>   | <b>13.4</b> |



# BUSINESS OUTLOOK

# CCI rising to the highest level in four years



Consumer Confidence Index (CCI) increased in June to 81.7 points, rising for two consecutive months to the highest level in four years.

The University of the Thai Chamber of Commerce (UTCC) survey showed that the index slightly increased from 80.4 points in May. Boosting the confidence were lower fuel prices, increased export growth, stable agricultural commodity prices, and higher interest rate.

# Continuous margin expansion through House Brand



The Company has continuously developed Private Brand with the core objective to create customer value. We selected quality products with reasonable price by evaluating customer demands and behaviors. To date, we have a total of 36 private brands and over 1,000 items.





# New Store Opening

as at July 31, 2011

▼ **Chachoengsao**  
opening in March 2011



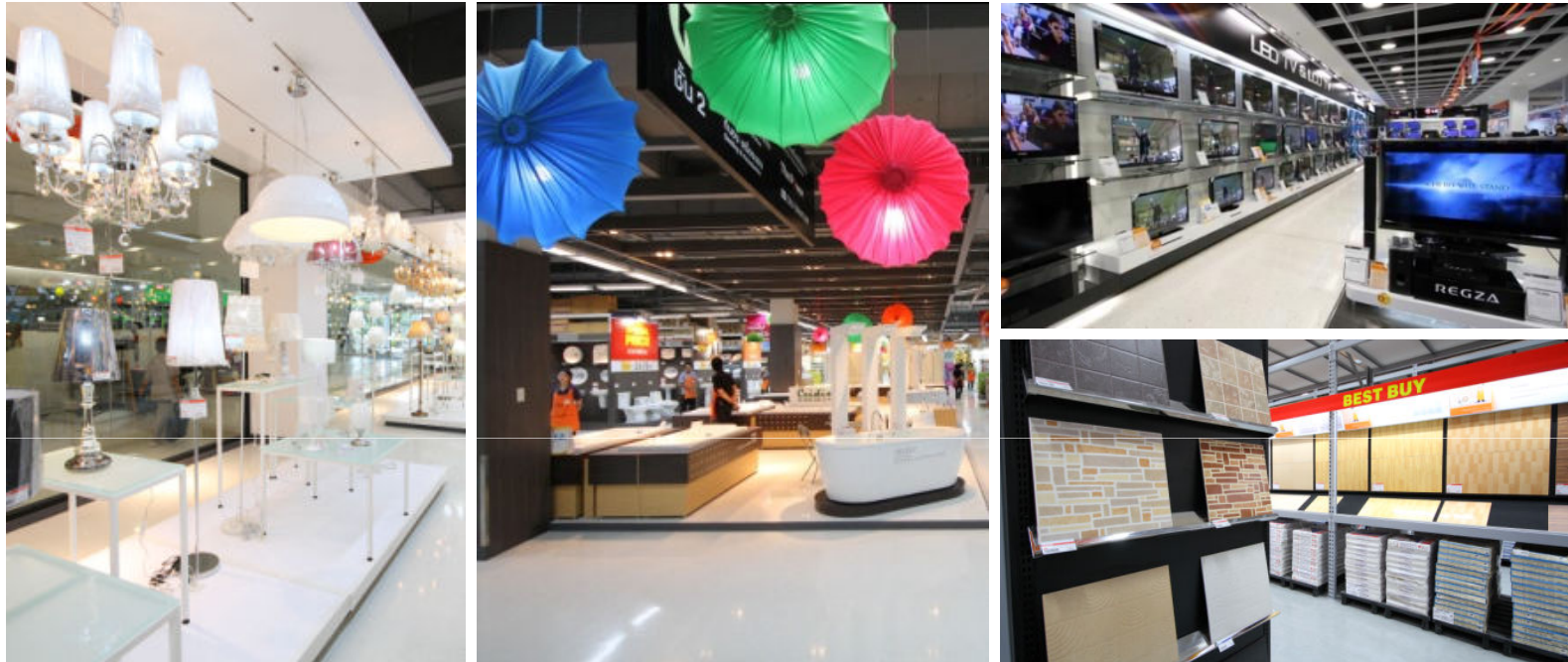
▼ **Roi-et** May 2011



▼ **Suphanburi** July 2011



## Fashion Island & Chaengwattana branch revamped



New design of the product display and store layout, e.g., shop front, model room, customers service counter, special order counter, to be more modernized.



# 3Q'11 Marketing Highlight



- **15<sup>th</sup> Anniversary**  
25 August – 18 September



- **HomePro EXPO 14**  
in October



## LIVING STAR CITY STYLE



HomePro Decorating Contest to win prizes worth Baht 300,000.

Decorating room as the horoscope of the celebrity in multi-function style under concept “Living Star City Style” with limited time and budget by using HomePro’s products.

The final round will be set on October 15, 2011 in HomePro Expo14 at IMPACT, Muang Thong Thani.



# Q&A

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