



# Analyst Meeting | 1Q'17 Results

April 28, 2017

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HomePro is the leading home improvement retailer in Thailand.

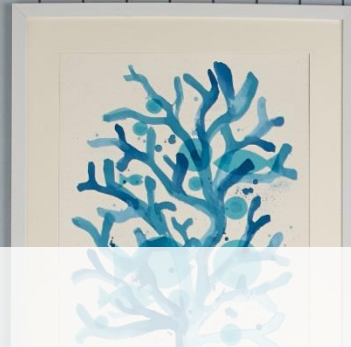
Our product range covers 40,000 items.

We operate 81 stores nationwide, providing complete services as One Stop Shopping to attain highest customer satisfaction.

The HomePro's stock is traded on the Stock Exchange of Thailand (SET - hmpro, BB - hmpro:tb).

# Agenda

- **1Q'17 Financial Results**
- **Business Outlook**





## Home Product Center Plc. : Operating HomePro in Thailand



### Market Village Co., Ltd.

- Holds 99.99% of total shares
- Objective to manage rental space and provide utilities services to tenants.



### Home Product Center (Malaysia) Sdn. Bhd.

- Holds 100% of total shares
- Objective to operate a retail business in Malaysia.



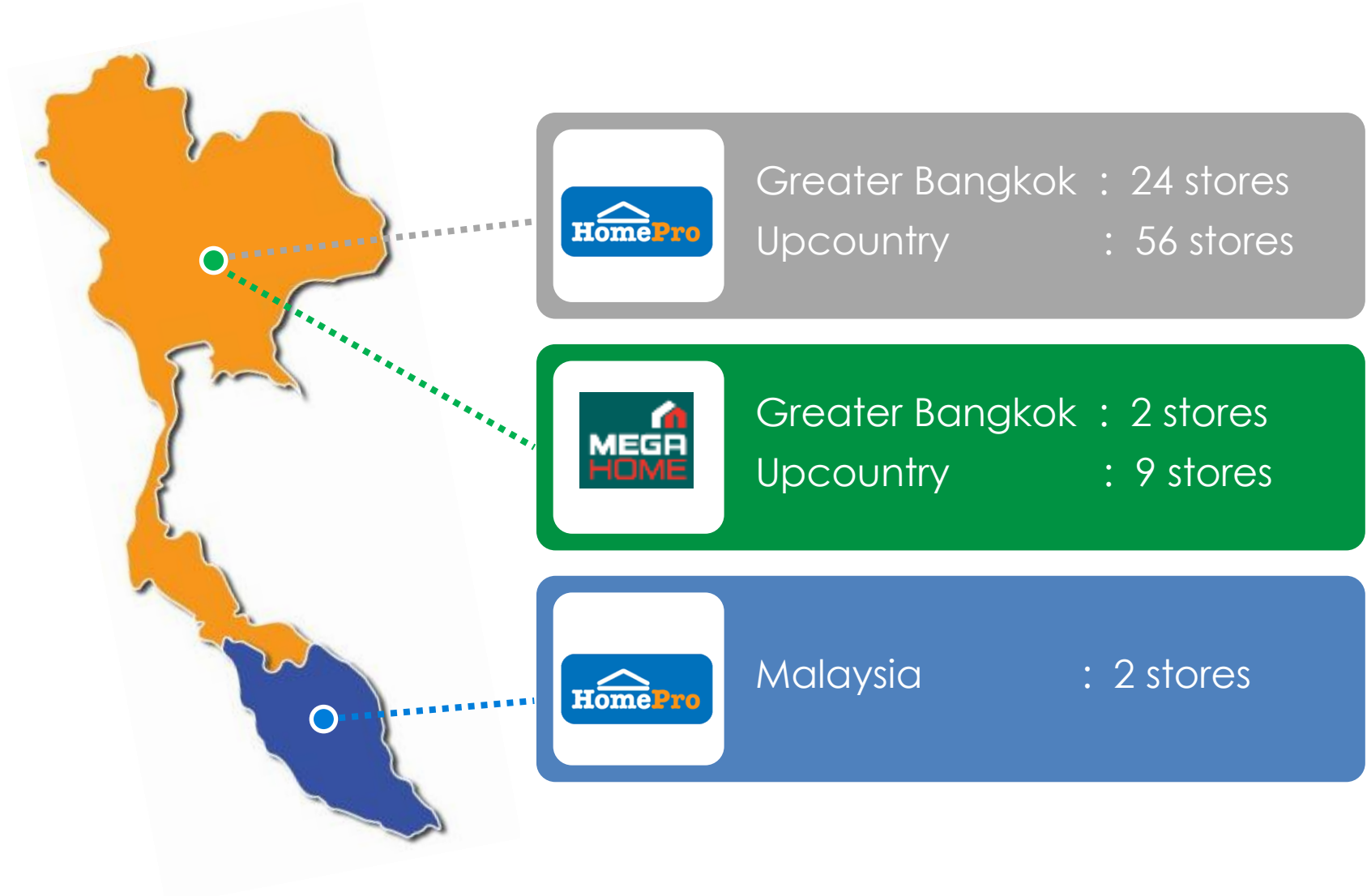
### Mega Home Center Co., Ltd.

- Holds 99.99% of total shares
- Objective to operate retail business under trade name "Mega Home".



### DC Service Center Co., Ltd.

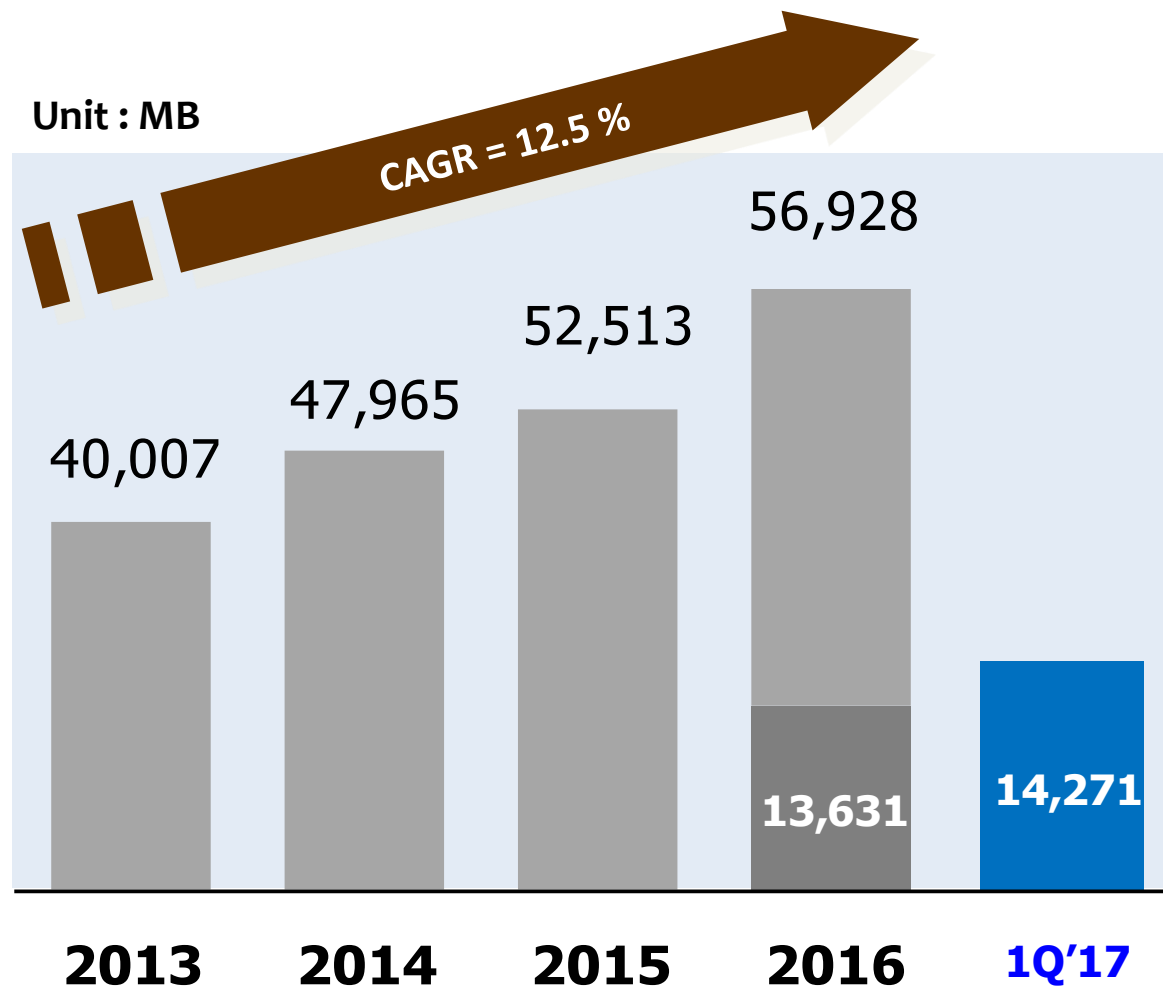
- Holds 99.99% of total shares
- Objective to operate the warehousing and distribution.



Unit : MB

	1Q'17	% on sale	1Q'16	% on sale	VAR	% Growth
Sales	14,270.7	100.0	13,631.5	100.0	639.2	4.7
Other Income	1,001.9	7.0	980.3	7.2	21.6	2.2
Total Revenue	15,272.6	107.0	14,611.8	107.2	660.8	4.5
COGS	10,559.3	74.0	10,219.0	75.0	340.3	3.3
SG&A	3,307.8	23.2	3,181.8	23.3	126.0	4.0
Total Expenses	13,867.1	97.2	13,400.8	98.3	466.3	3.5
EBIT	1,405.4	9.8	1,211.0	8.9	194.4	16.1
Financial Exp.	110.1	0.8	118.4	0.9	(8.4)	(7.1)
Tax	249.1	1.7	226.4	1.7	22.8	10.0
Net Profit	1,046.2	7.3	866.2	6.4	180.0	20.8
Depreciation	765.6	5.4	708.7	5.2	56.9	8.0
EBITDA	2,171.0	15.2	1,919.7	14.1	251.3	13.1

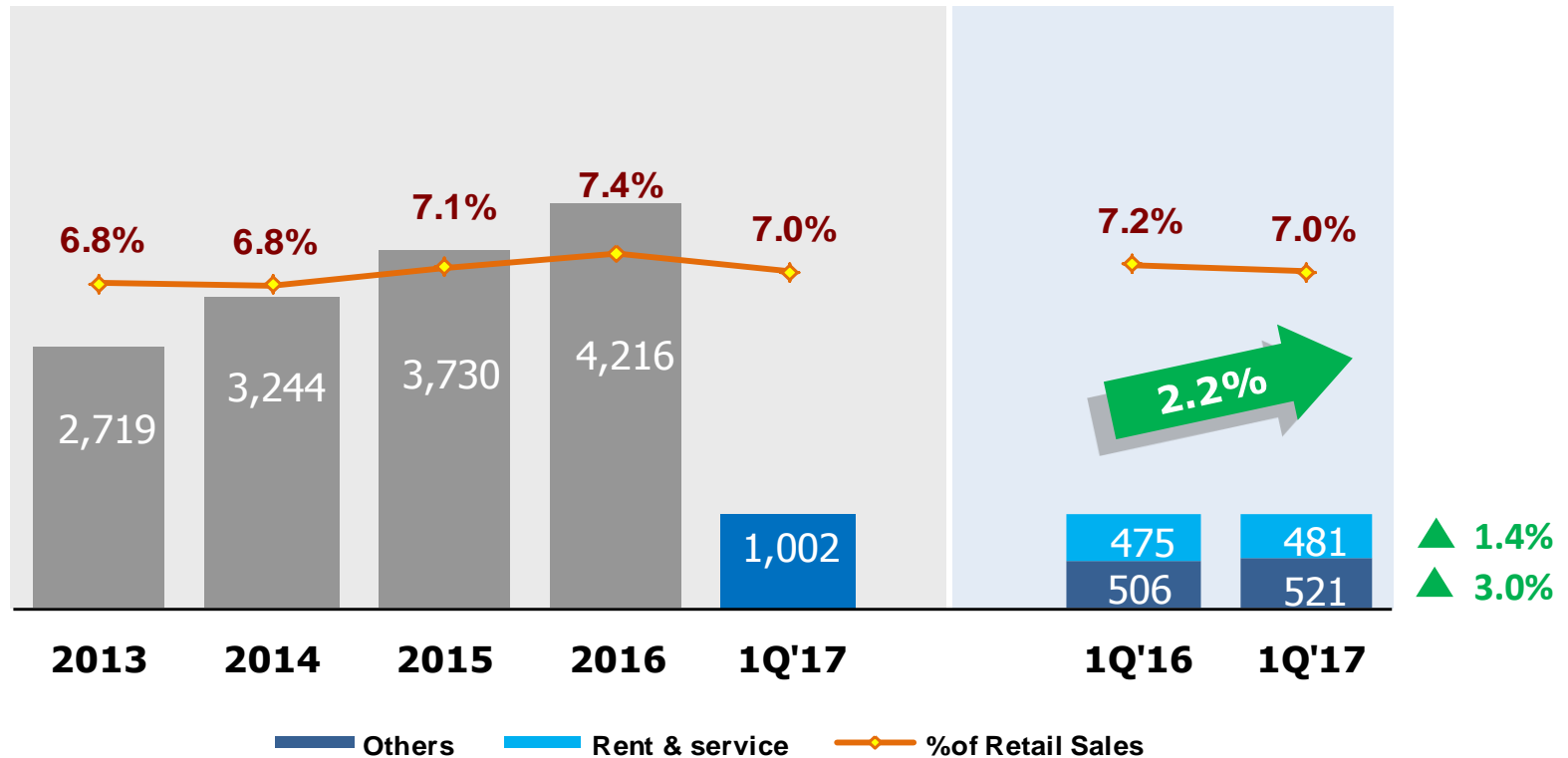
# Sustainable Sales Growth





# Rising Other Income

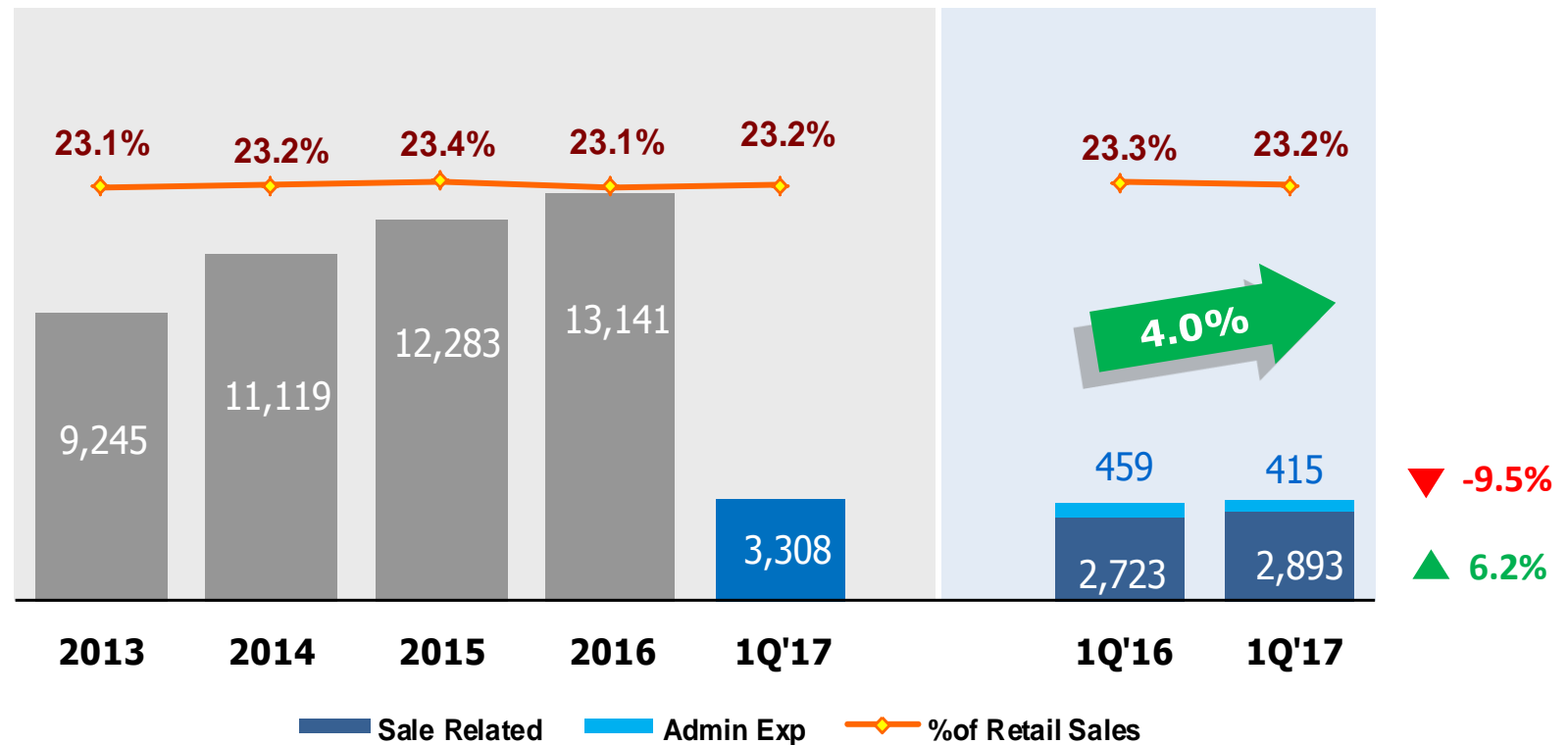
Unit : MB



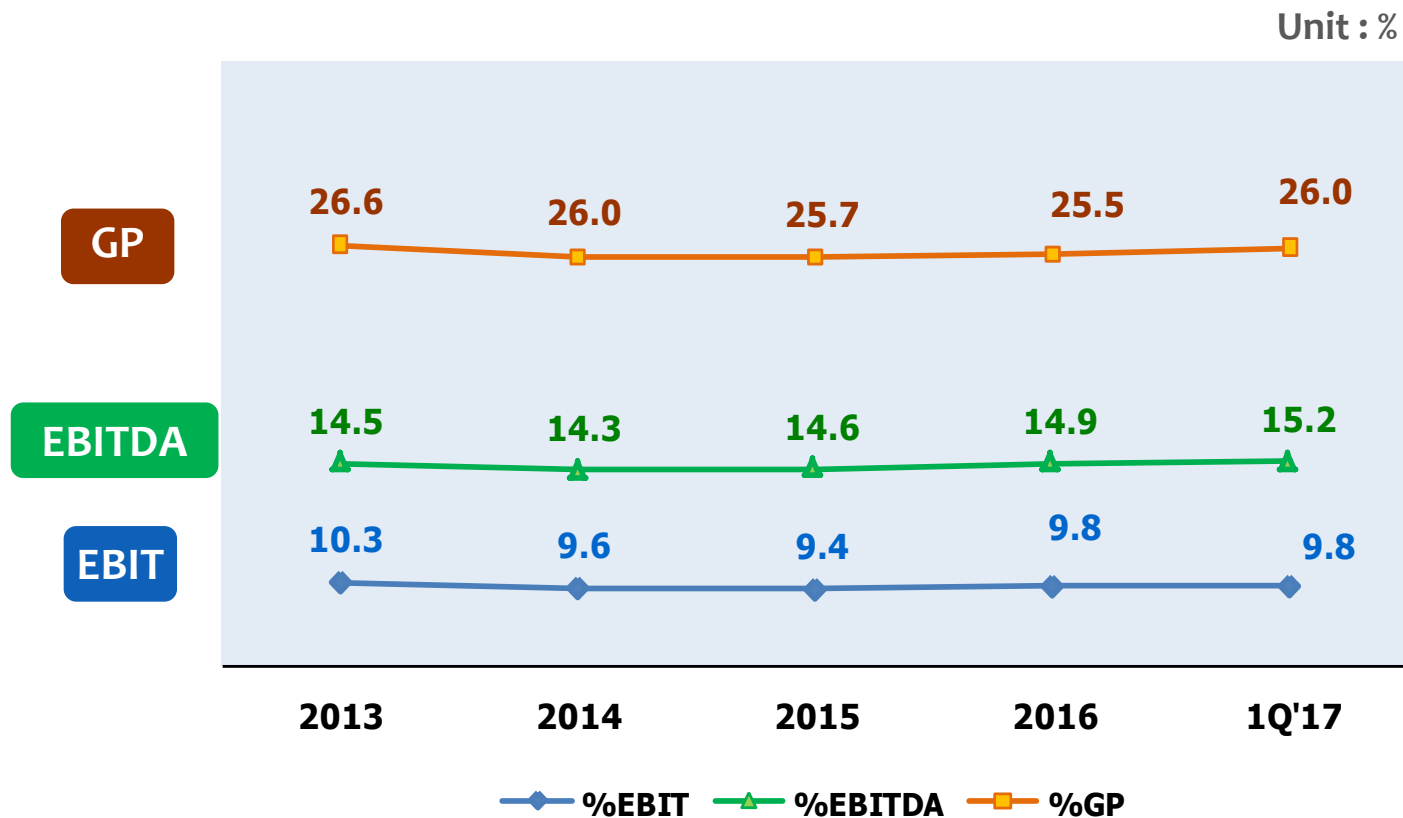
- **Rental & Service Income** increasing from higher rental income from the additional HomePro's leasable areas.
- The increase in **Other Income** was mainly due to increasing support fee of promotional activities, as well as service income from customers under "Home Service" program.

# SG&A Expenses

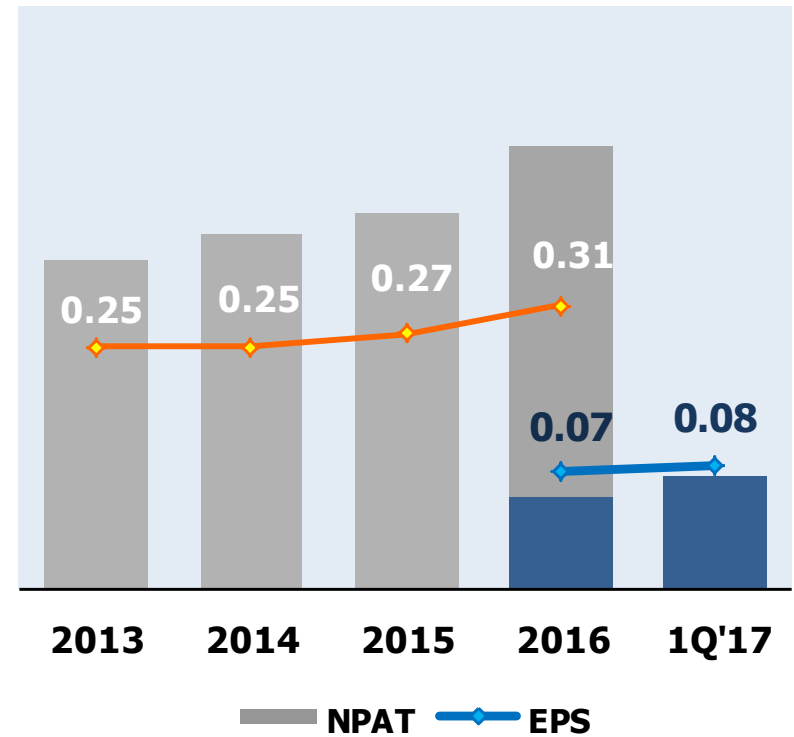
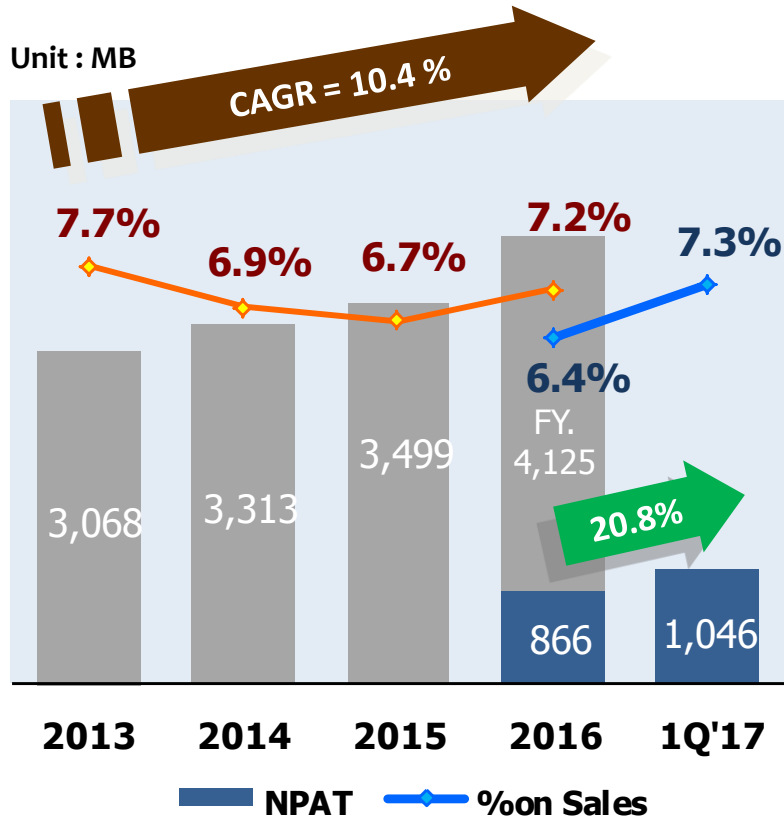
Unit : MB



1Q'17 SG&A was up by 4.0%. The increases were mainly from personnel expenses, cost of services, and depreciation expense. However, SG&A as a percentage of sales has marginally decreased due to the improvement in cost efficiency.



1Q'17, **GP** has increased from 25.0% in 1Q'16 to 26.01% due to change in product sales mix of both general merchandise and Direct Sourcing, as well as increasing in gross profit margin from Mega Home business.



1Q'17 **NPAT** growth by 20.8% and NPAT % to sales increased from 6.4% to 7.3%.

Earnings per share (**EPS**) were Baht 0.08 in 1Q'17, up 20.8% as compared with last year.

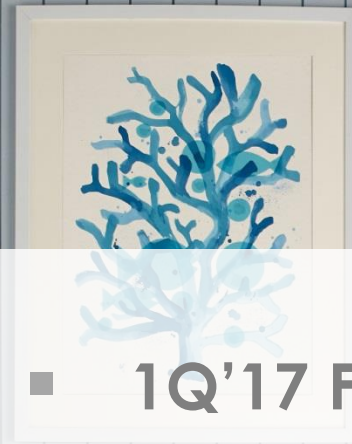
# Balance Sheet at a Glance

Unit : MB

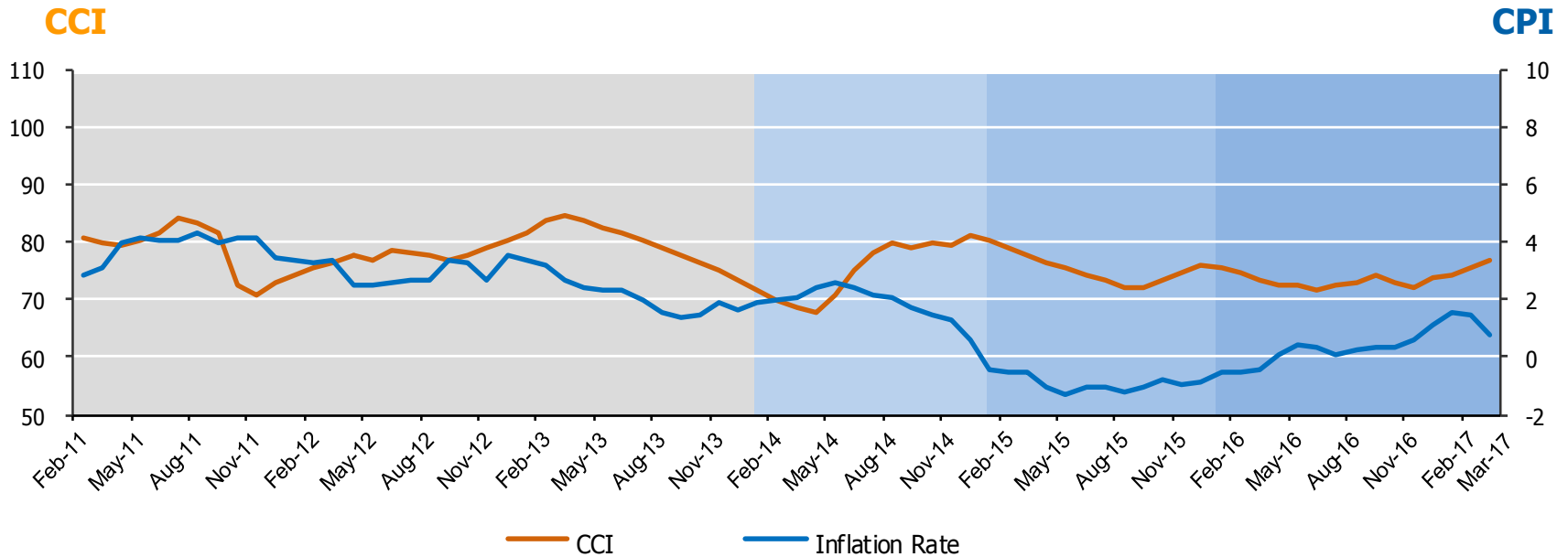
	31 Mar 17	31 Dec 16	VAR	%
Cash & Deposit	2,272	3,721	(1,448.7)	(38.9)
Inventory	10,472	9,672	800.6	8.3
Land Building & Equipment	34,973	35,533	(560.2)	(1.6)
Others	2,336	2,821	(485.0)	(17.2)
<b>Total Assets</b>	<b>50,053</b>	<b>51,746</b>	<b>(1,693.2)</b>	<b>(3.3)</b>
Financial Debt	14,487	16,875	(2,387.9)	(14.2)
Account Payable	13,591	14,032	(440.8)	(3.1)
Others	3,439	3,349	89.7	2.7
<b>Total Liabilities</b>	<b>31,517</b>	<b>34,256</b>	<b>(2,739.1)</b>	<b>(8.0)</b>
Paid-Up Capital	13,151	13,151	-	-
Share Premium	646	646	-	-
Retain Earnings	4,739	3,693	1,045.9	28.3
<b>Total Equities</b>	<b>18,536</b>	<b>17,490</b>	<b>1,045.9</b>	<b>6.0</b>

# Agenda

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  - **Business Outlook**
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# CCI in March rose for the fourth consecutive months



Thailand Consumer Confidence Index (CCI) rose to 76.8 in March, compared to 75.8 in February and 74.5 in January.

Thai consumers confidence rose for the 4<sup>th</sup> consecutive months. The positive factors contributing to the sentiment increase are higher exports, recovering of rubber and palm oil price while rice price remains low, and growing tourism.

However, consumers were cautious on spending which was pressured by the concern of uncertainty of global economy. Consumer price was decreased to 0.76% mainly due to lower global oil price.



The main objective of the development and selection of private brand products is an adherence to build up value-added to customers. Therefore, the core element of private brand products is quality and worthiness. In addition to the Company's increase of variety of products, it had continued to develop and select products with quality to continuously provide worthiness to customers. To date, we have a total of 36 private brands and over 1,000 items.



# 2017 Store Expansion Plan



		2017 No. of New stores	2 - 3	3 - 4	Malaysia 2 - 3
1Q			-	-	-
2Q	Lotus Bangkokae		7 Apr		
	Melaka (Malaysia)				16 Apr
2H	Bangkok		1 - 2		
	Upcountry			3 - 4	
	Malaysia				1 - 2
<b>Our stores in 2017</b>					
Total (stores)			82 - 83	14 - 15	4 - 5



**Shop Label No.5 energy saving products** : 3 April - 4 June

Save & Get up to 2,000 Baht discount

- Spend THB 15,000 to THB 24,999  
Get THB 1,500 Discount
- Spend over THB 25,000  
Get THB 2,000 Discount



**Chiang Mai**  
5-14 May

**BKK** 21-30 July  
@Muang Thong Thani

Up to  
**60%**  
Off

A 10-day long exhibition,  
Come visit and join our  
activities, special shows,  
and food truck .



# Q & A

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