



HOME SERVICE



SHOPPING ONLINE



# Analyst Meeting | Q1'19 Result

May 8, 2019



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# About HomePro



HomePro is the **leading home** improvement retailer in Thailand.



HomePro's products cover **40,000** items



HomePro operates **90** stores nationwide



HomePro provides complete service as **One Stop Shopping**



# Agenda

- 1Q'19 Financial Results
- Business Outlook



# Corporate Group Structure



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



HUA HIN  
*Market Village*  
ศูนย์การค้าฮั่วฮิน

### 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".



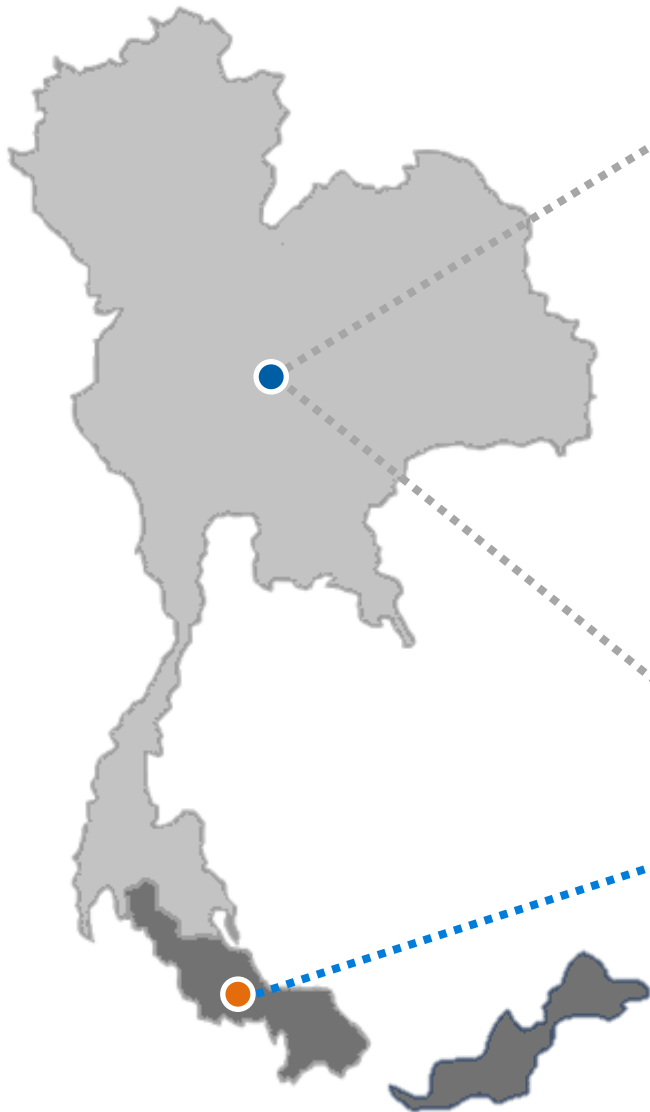
### DC Service Center Co., Ltd.

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





# Store Footprint



 Greater Bangkok : 26 stores  
Upcountry : 56 stores

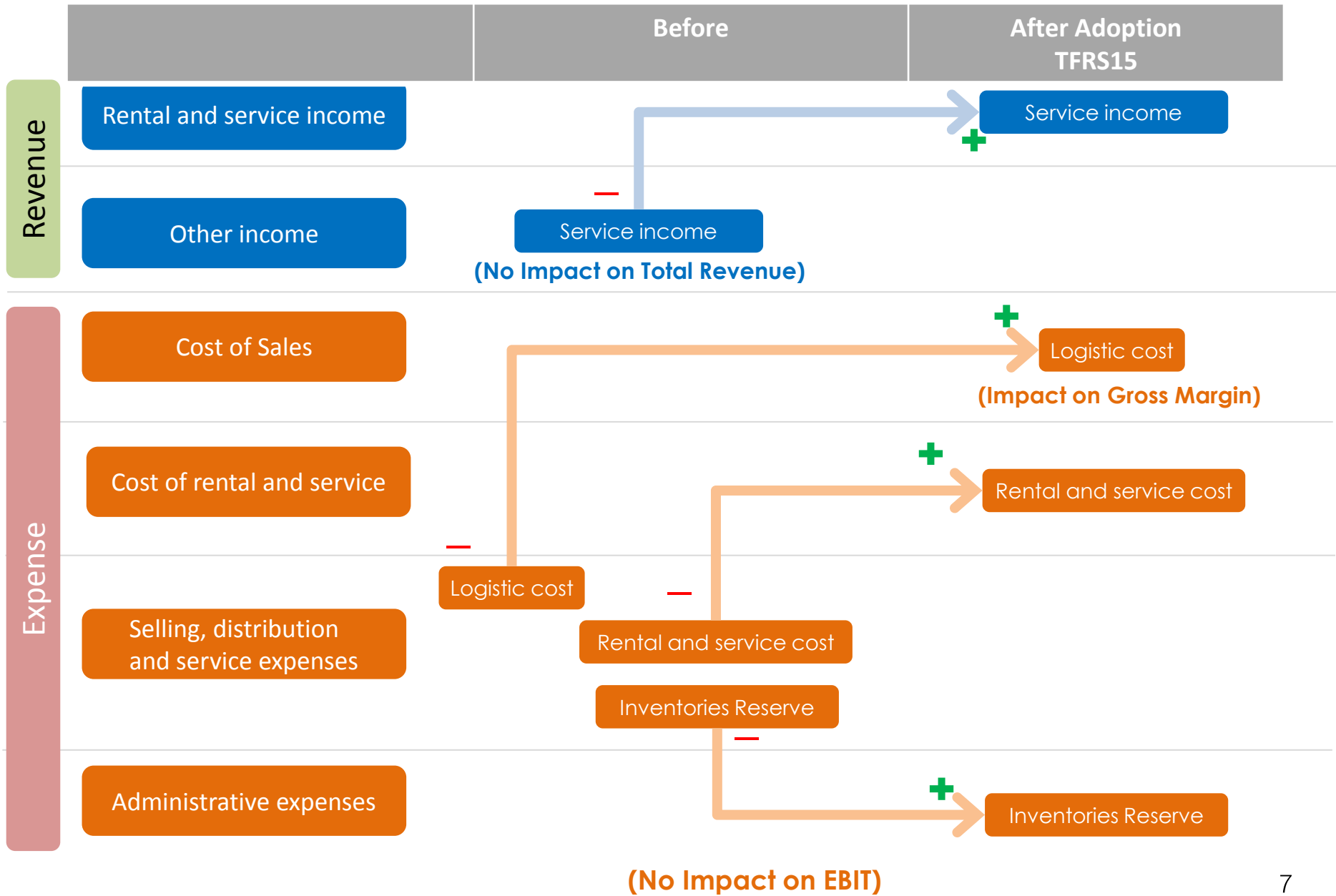
 Greater Bangkok : 7 stores  
Upcountry : 1 store

 Greater Bangkok : 2 stores  
Upcountry : 10 stores

 Malaysia : 6 stores



# TFRS 15 Adoption - Revenue from Contracts with Customers





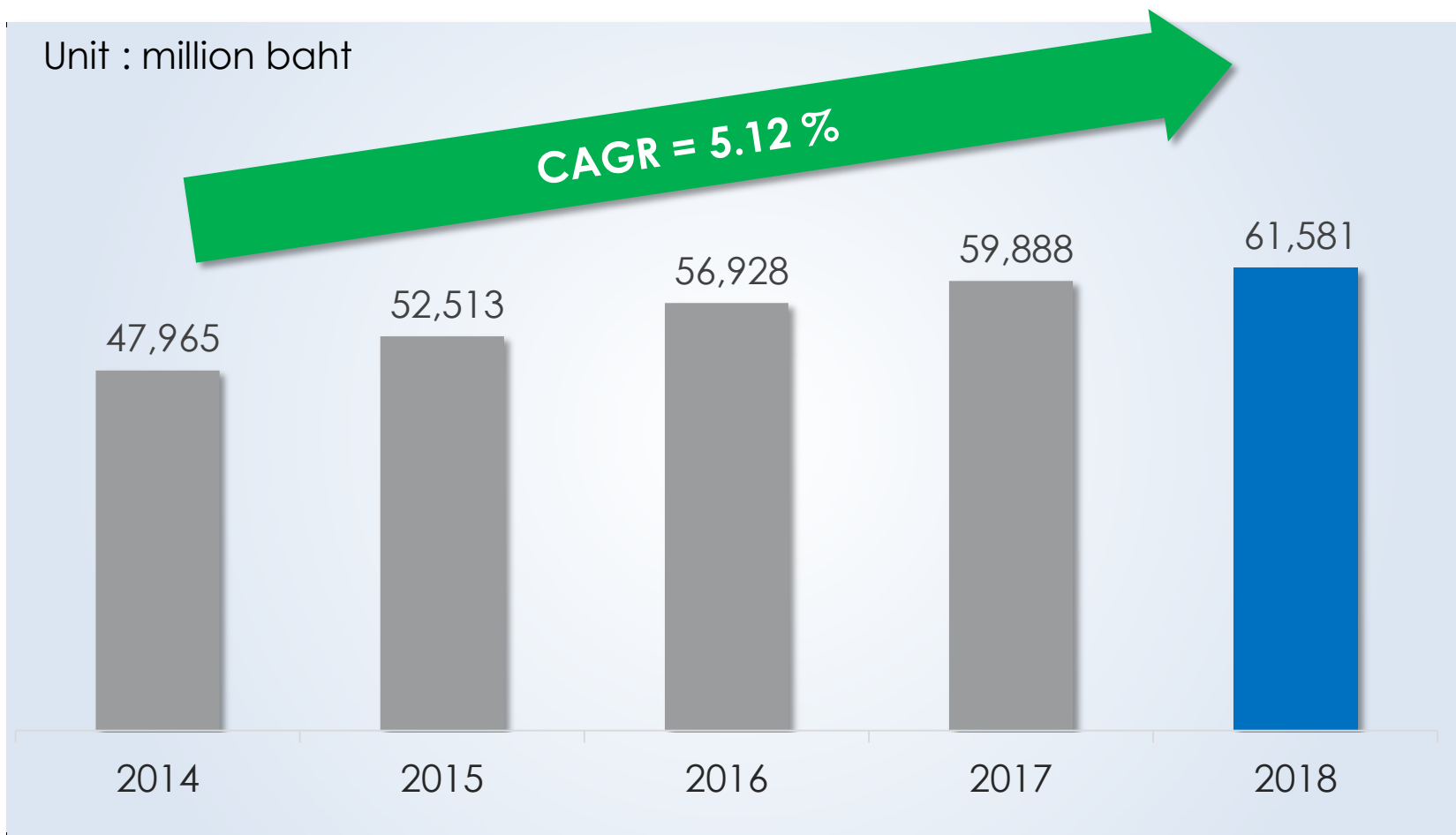
# TFRS 15 Adoption - Revenue from Contracts with Customers

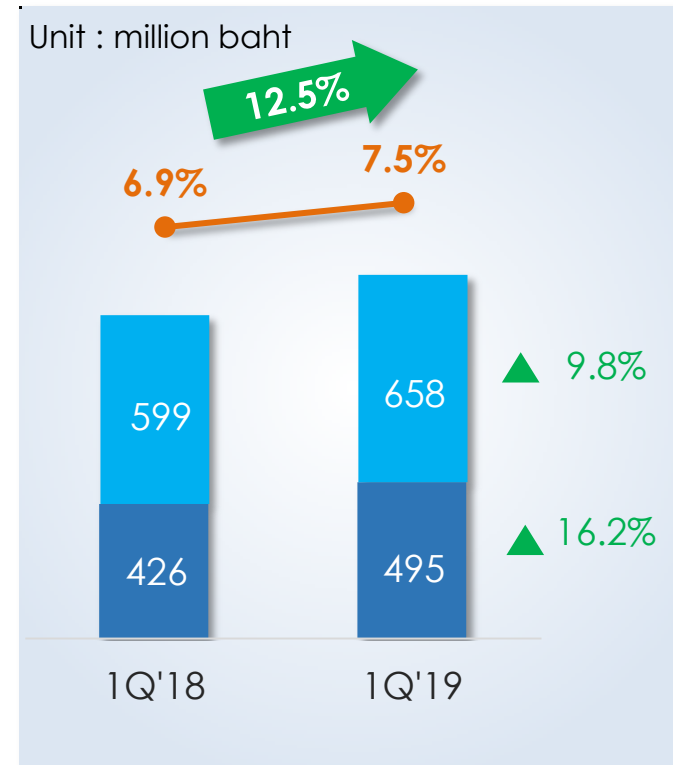
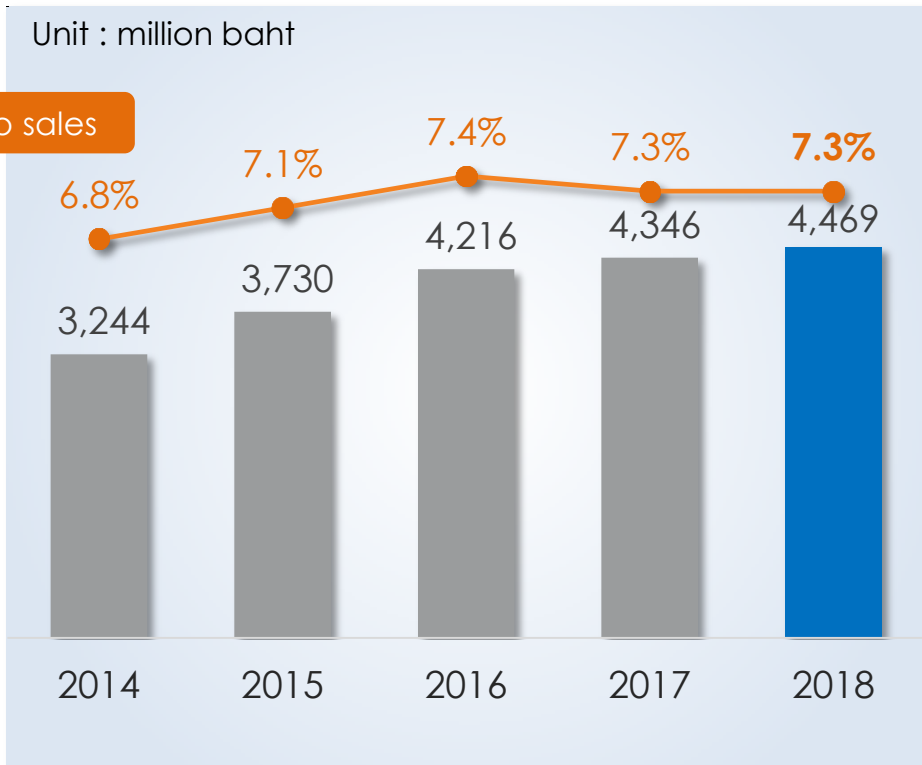
	Q1'2018 Before		Reclassification		Q1'2018 After Adoption TFRS15		Remark
Sales	14,874.75	100.0%			14,874.75	100.0%	
Rental and Service Income	499.08	3.4%	100.24	0.7%	599.32	4.0%	Home Service income reclassify from other income
Other Income	526.50	3.5%	(100.24)	(0.7%)	426.26	2.9%	
<b>Total Revenue</b>	<b>15,900.33</b>	<b>106.9%</b>			<b>15,900.33</b>	<b>106.9%</b>	
Cost of sales	10,884.24	73.2%	138.76	0.9%	11,023.00	74.1%	Logistic cost reclassify from SG&A
Gross profit %	26.83		(0.93)		25.89		
Cost of rental and service	-	0.0%	333.49	2.2%	333.49	2.2%	Expenses related to rental business and home service reclassify from SG&A
Selling and service expenses	2,962.99	19.9%	(503.09)	(3.4%)	2,459.90	16.5%	
Administrative expenses	421.13	2.8%	30.85	0.2%	451.98	3.0%	Inventory reserve reclassify from SG&A
Other expenses	0.42	0.0%			0.42	0.0%	
<b>Total Expense</b>	<b>3,384.54</b>	<b>22.8%</b>	<b>(138.76)</b>	<b>(0.9%)</b>	<b>3,245.78</b>	<b>21.8%</b>	



Unit : MB

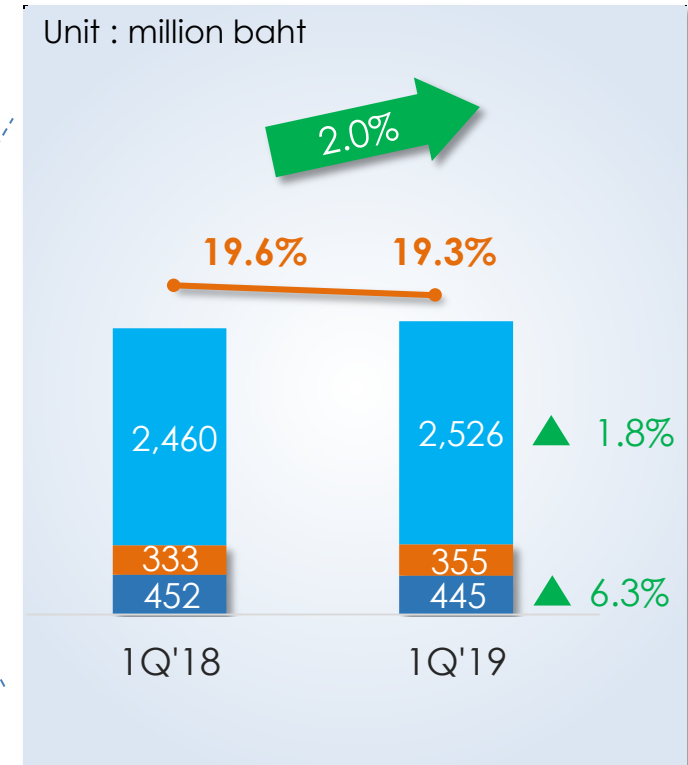
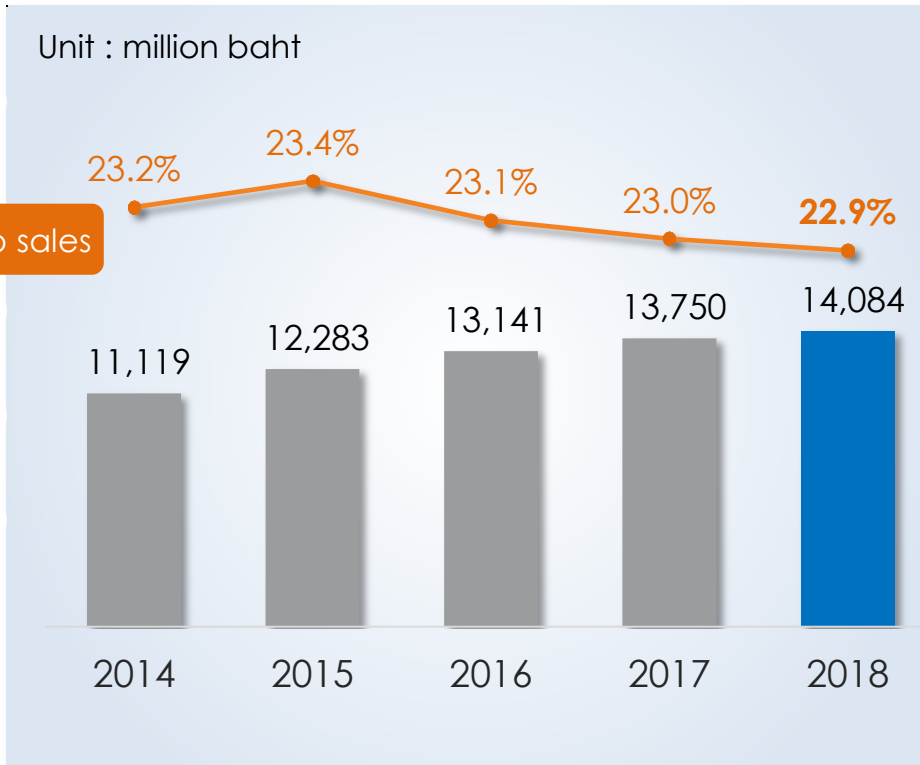
	1Q'19	% of sales	1Q'18	% of sales	Var	% change
Sales	15,399.8	100.0%	14,874.7	100.0%	526.0	3.5%
Rental and Service Income	657.9	4.3%	599.3	4.0%	58.6	9.8%
Other Income	495.3	3.2%	426.3	2.9%	69.0	16.2%
<b>Total Revenue</b>	<b>16,553.0</b>	<b>107.5%</b>	<b>15,900.3</b>	<b>106.9%</b>	<b>652.7</b>	<b>4.1%</b>
Cost of sales	11,369.7	73.8%	11,023.0	74.1%	346.7	3.1%
<b>Gross profit</b>	<b>4,030.1</b>	<b>26.2%</b>	<b>3,851.8</b>	<b>25.9%</b>	<b>178.3</b>	<b>4.6%</b>
Cost of Rental and Service	355.0	2.3%	333.5	2.2%	21.5	6.5%
<b>Total Expenses</b>	<b>2,970.4</b>	<b>19.3%</b>	<b>2,912.3</b>	<b>19.6%</b>	<b>58.1</b>	<b>2.0%</b>
EBIT	<b>1,857.9</b>	<b>12.1%</b>	<b>1,631.6</b>	<b>11.0%</b>	<b>226.3</b>	<b>13.9%</b>
Finance Cost	107.8	0.7%	98.1	0.7%	9.8	10.0%
Tax	330.2	2.1%	285.0	1.9%	45.2	15.9%
<b>Net Profit</b>	<b>1,419.8</b>	<b>9.2%</b>	<b>1,248.5</b>	<b>8.4%</b>	<b>171.4</b>	<b>13.7%</b>
Depreciation	714.6	4.6%	757.2	5.1%	(42.6)	(5.6%)
EBITDA	2,572.5	16.7%	2,388.72	16.1%	183.8	7.7%





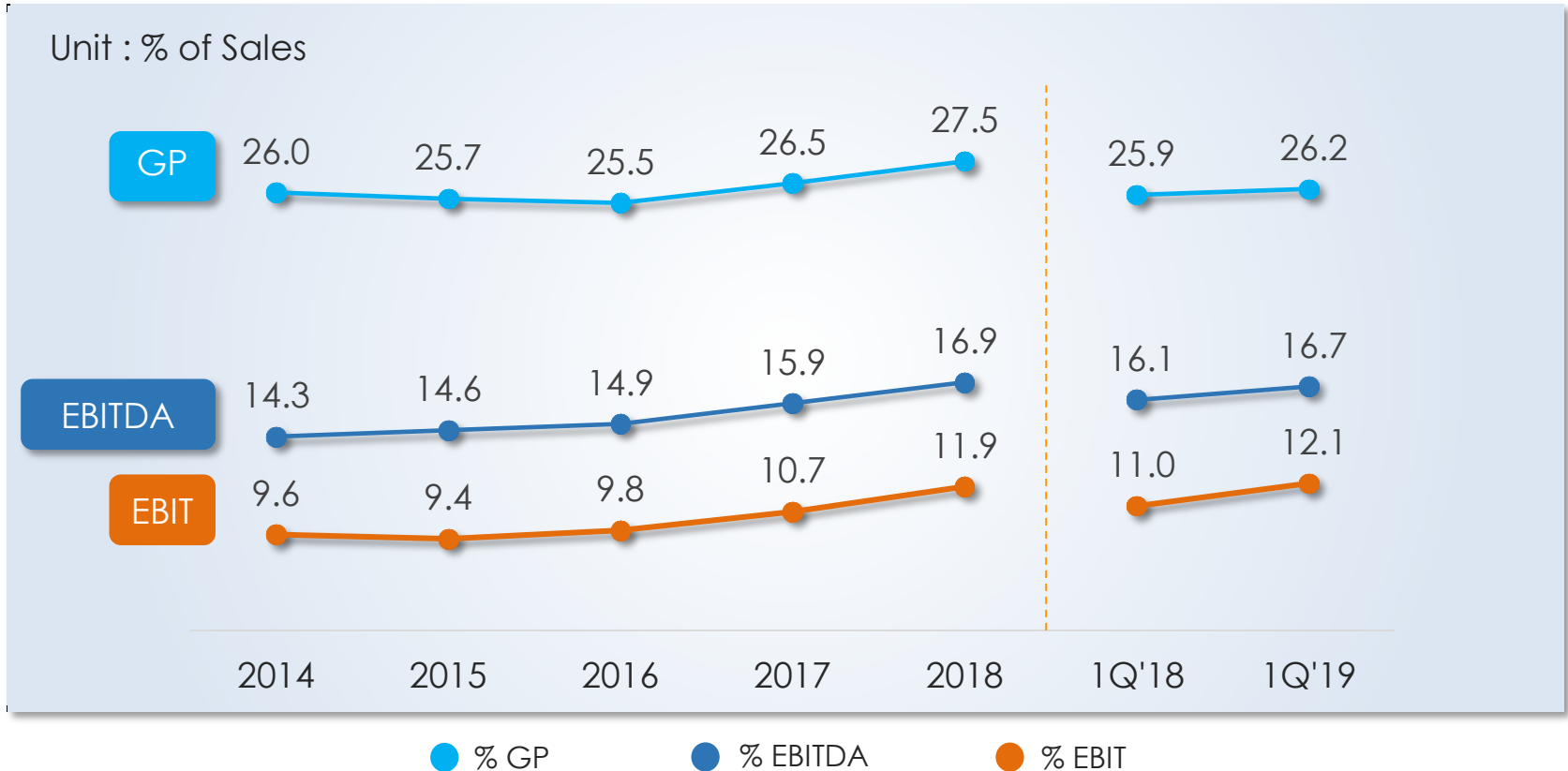
● Rent & Service ● Others ● % to Sales

- Rental and service income increased from higher rental income from Market Village and income from "Home Service".
- Other income rose due to higher promotional activities with suppliers, higher interest received, and miscellaneous income.



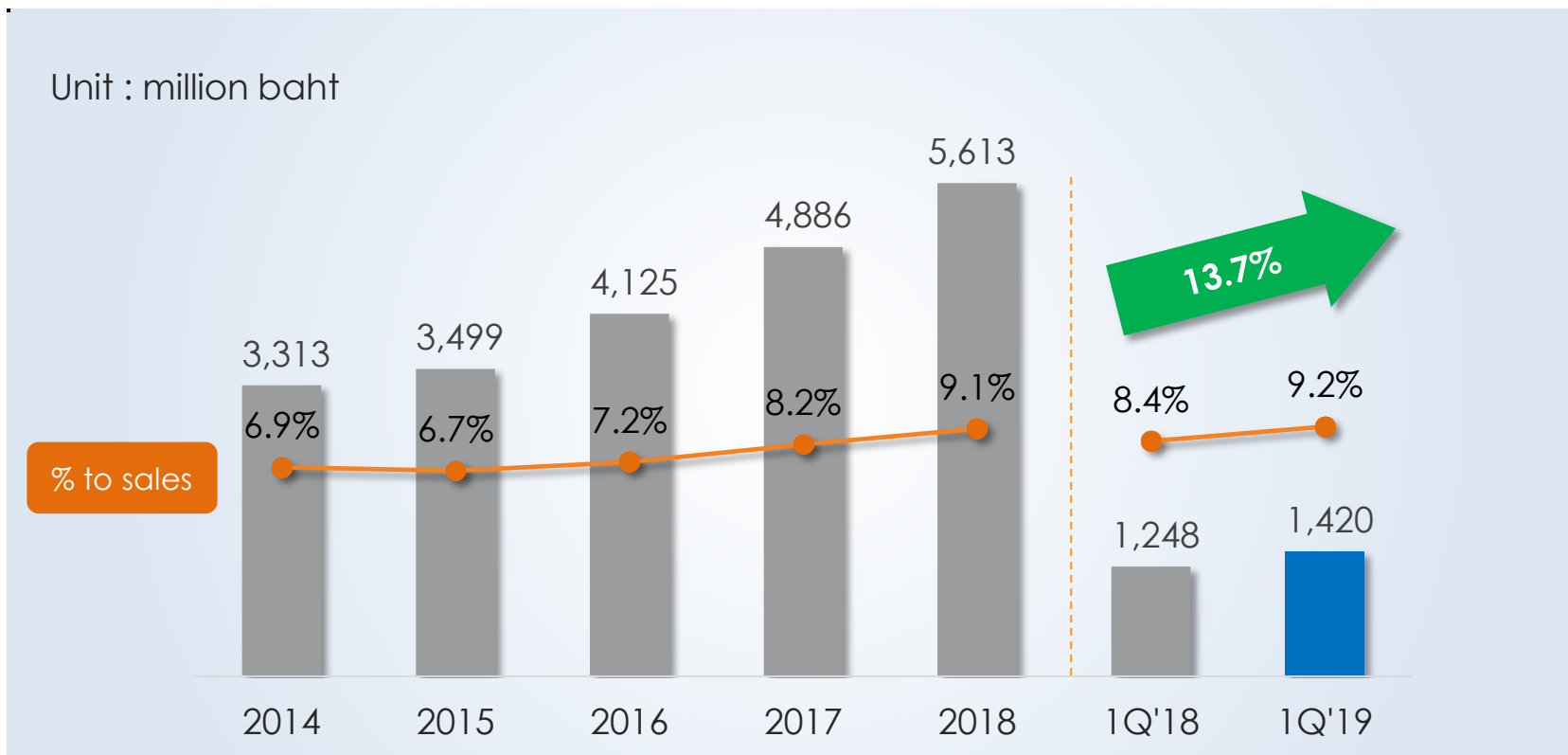
● Sales Related   
 ● Rental and Home Service related   
 ● Admin Expense   
 ● % to Sales

The amount increases were mainly driven by the rise in personnel expenses, rental cost, maintenance cost, and marketing expense. However, SG&A as a percentage of sales has marginally improved, resulting in the decrease from 19.58% in previous year to 19.29%.



Gross profit margin as a percentage of sales has increased from 25.89% in previous year to 26.17% due to change in product sales mix of general merchandise and the enhancement of directly sourced private-label goods' profit margin, as well as the continuous improvement in product purchase planning of HomePro, Mega Home, and HomePro in Malaysia..

Unit : million baht



FY	2014	2015	2016	2017	2018	1Q'18	1Q'19
EPS	0.25	0.27	0.31	0.37	0.43	0.09	0.11

**NPAT** grew by 13.7% and NPAT as a percentage of sales increased from 8.4% in Q1'18 to 9.2% in Q1'19. Earnings per share (**EPS**) were Baht 0.11 in Q1'18, up 13.7% YoY.



# Balance Sheet at a glance

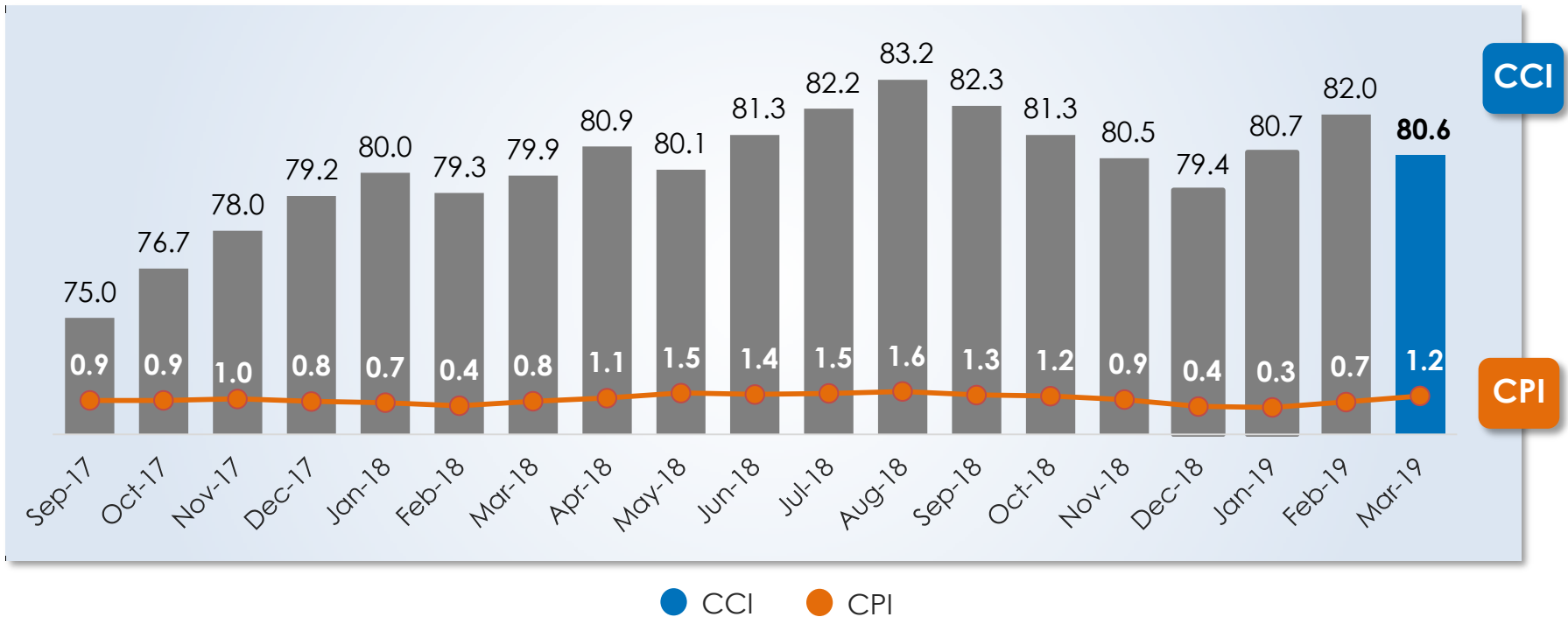
Unit : million baht

	31 Mar 2019	31 Dec 2018	Var	% change
Cash & Deposit	7,575.87	6,237.75	1,338.12	21.45%
Inventory	10,386.76	10,245.45	141.31	1.38%
Land Building & Equipment	35,347.74	35,398.78	(51.04)	(0.14%)
Others	2,754.29	2,929.37	(175.08)	(5.98%)
<b>Total Assets</b>	<b>56,064.66</b>	<b>54,811.35</b>	<b>1,253.31</b>	<b>2.29%</b>
Financial Debt	17,128.97	17,262.22	(133.25)	(0.77%)
Account Payable	13,859.61	14,370.53	(510.92)	(3.56%)
Others	3,737.52	3,264.51	473.01	14.49%
<b>Total Liabilities</b>	<b>34,726.10</b>	<b>34,897.26</b>	<b>(171.16)</b>	<b>(0.49%)</b>
Paid-Up Capital	13,151.20	13,151.20	0.00	0.00%
Share Premium	646.32	646.32	0.00	0.00%
Retain Earnings	7,541.04	6,116.58	1,424.46	23.29%
<b>Total Equities</b>	<b>21,338.56</b>	<b>19,914.10</b>	<b>1,424.46</b>	<b>7.15%</b>



# Agenda

- 1Q'19 Financial Results
  - Business Outlook
-



Consumer confidence dropped for the first time in three months. The index fell to 80.6 in March from 82.0 in February. Consumers are concerned about the domestic political situation as the formation of a new government remains uncertain. Additionally, consumer confidence has been eroded by the slow recovery of Thai economy and purchasing power, and low prices of farm product. Furthermore, the ongoing trade row between two giant economies and Brexit also dampened consumer confidence.



# Margin expansion through Private Label



Over **36** Private Brands



Quality **and** worthiness



Over **3,000** items



Continuous **development**



# 2019 Store Expansion Plan



## 2019 New stores

2

3-4

2

1H	Charansanitwong	1	-	-	-
	Upcountry	-	-	-	-
2H	BKK	-	3-4	-	-
	Upcountry	1	-	2	-

\*Excluding Store Relocation of Fashion Island Branch

## Our stores in 2019

Total (stores)	84	11-12	14	6
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## Chiang Mai Fair

3 – 12 May

Up to  
**70% Off**

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



**ลด! คับร้อน**

**LEGAT** HomePro

**Air Fresh**  
Get Feel Good

มหกรรมเครื่องปรับอากาศ ประหยัดพลังงาน **ลดสูงสุด 35%**

อากาศสะอาด ปลอดภัย PM 2.5

**พอนสบาย 0%**  
นาน 10 เดือน  
(เฉพาะเครื่องปรับอากาศ)

**รับฟรี 2,000.-**  
คูปองลดโลกร้อน  
มูลค่าสูงสุด

**พิเศษ 1,200.-**  
รางวัลรวมท้อ และอุปกรณ์ติดตั้ง  
มูลค่า

28 ก.พ. - 22 พ.ค. 62

## Energy Saving No.5 Products Summer Sale

28 Feb - 22 May

- Save up to 2,000 Baht discount
- Free Home Service Prepaid Card (1,300 Baht)





Q & A

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