



Opportunity Day | Q1'19 Result

May 14, 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**
- **Sustainability Development**
- **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".

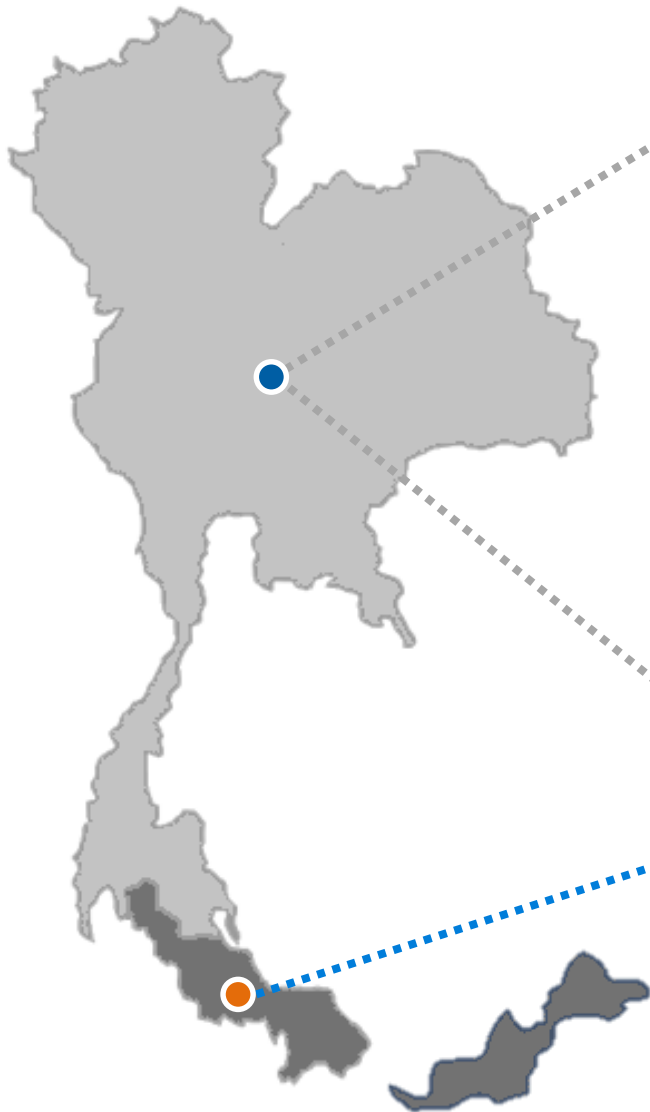


DC Service Center Co., Ltd.

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



Store Footprint



 Greater Bangkok : 26 stores
Upcountry : 56 stores

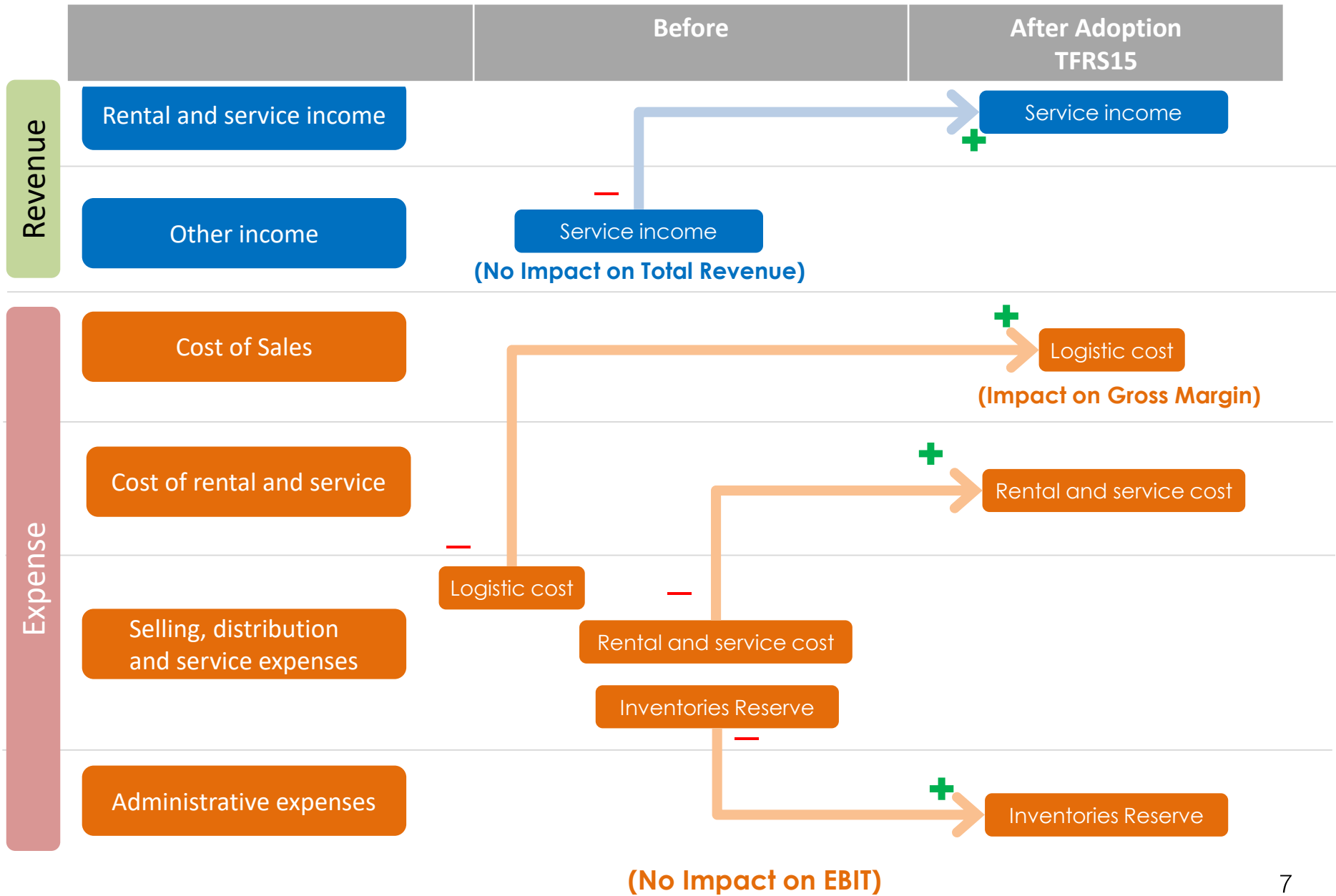
 Greater Bangkok : 7 stores
Upcountry : 1 store

 Greater Bangkok : 2 stores
Upcountry : 10 stores

 Malaysia : 6 stores



TFRS 15 Adoption - Revenue from Contracts with Customers





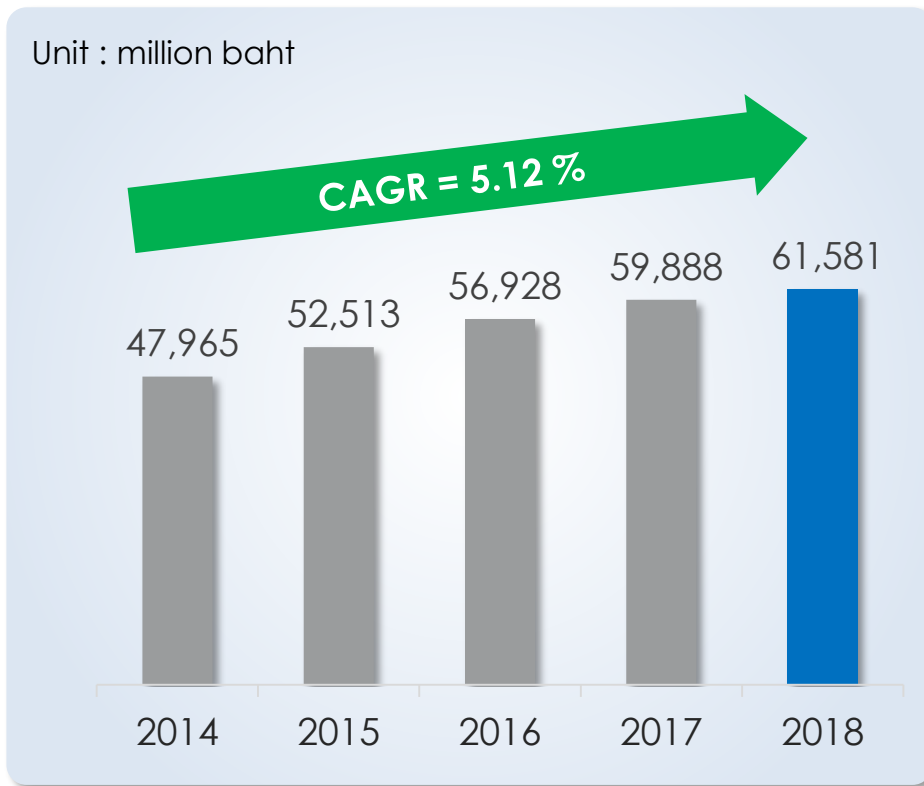
P & L Summary

Unit : MB

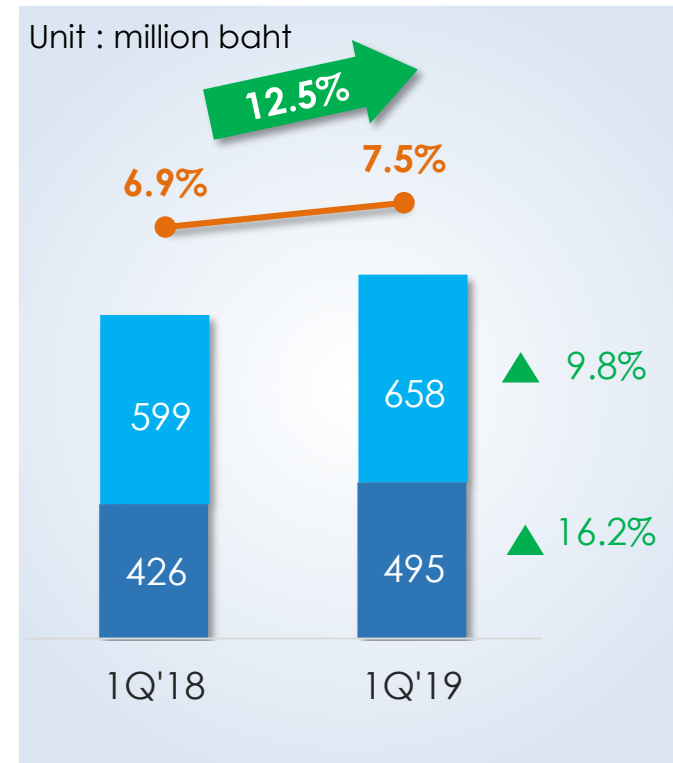
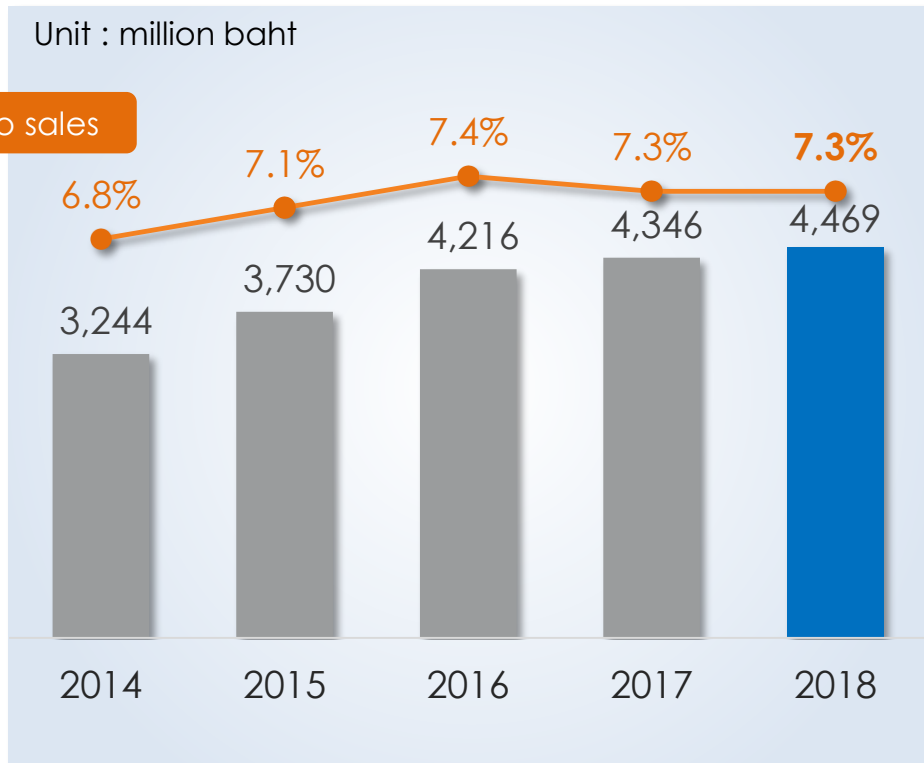
	1Q'19	% of sales	1Q'18	% of sales	Var	% change
Sales	15,399.8	100.0%	14,874.7	100.0%	526.0	3.5%
Rental and Service Income	657.9	4.3%	599.3	4.0%	58.6	9.8%
Other Income	495.3	3.2%	426.3	2.9%	69.0	16.2%
Total Revenue	16,553.0	107.5%	15,900.3	106.9%	652.7	4.1%
Cost of sales	11,369.7	73.8%	11,023.0	74.1%	346.7	3.1%
Gross profit	4,030.1	26.2%	3,851.8	25.9%	178.3	4.6%
Cost of Rental and Service	355.0	2.3%	333.5	2.2%	21.5	6.5%
Total Expenses	2,970.4	19.3%	2,912.3	19.6%	58.1	2.0%
EBIT	1,857.9	12.1%	1,631.6	11.0%	226.3	13.9%
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%
Net Profit	1,419.8	9.2%	1,248.5	8.4%	171.4	13.7%

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%

Sustainable Sales Growth

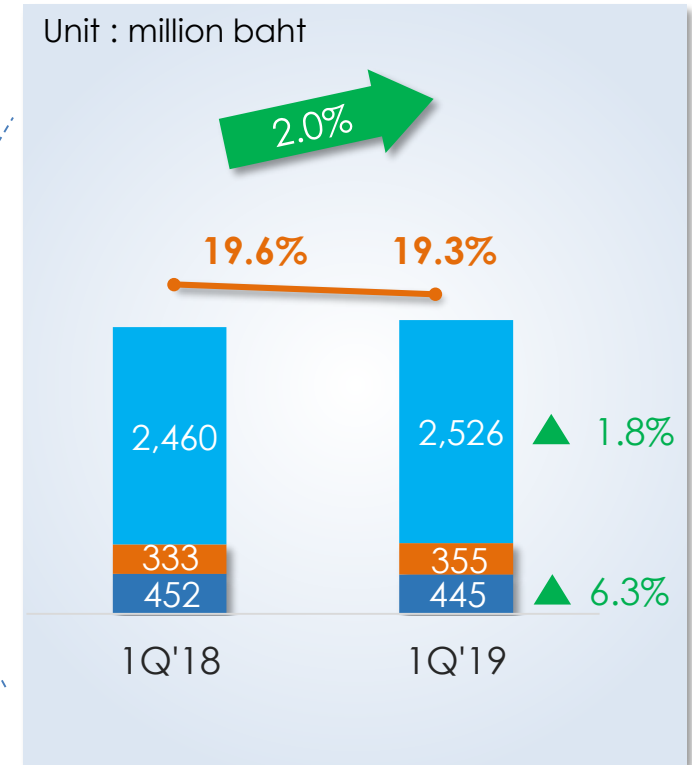
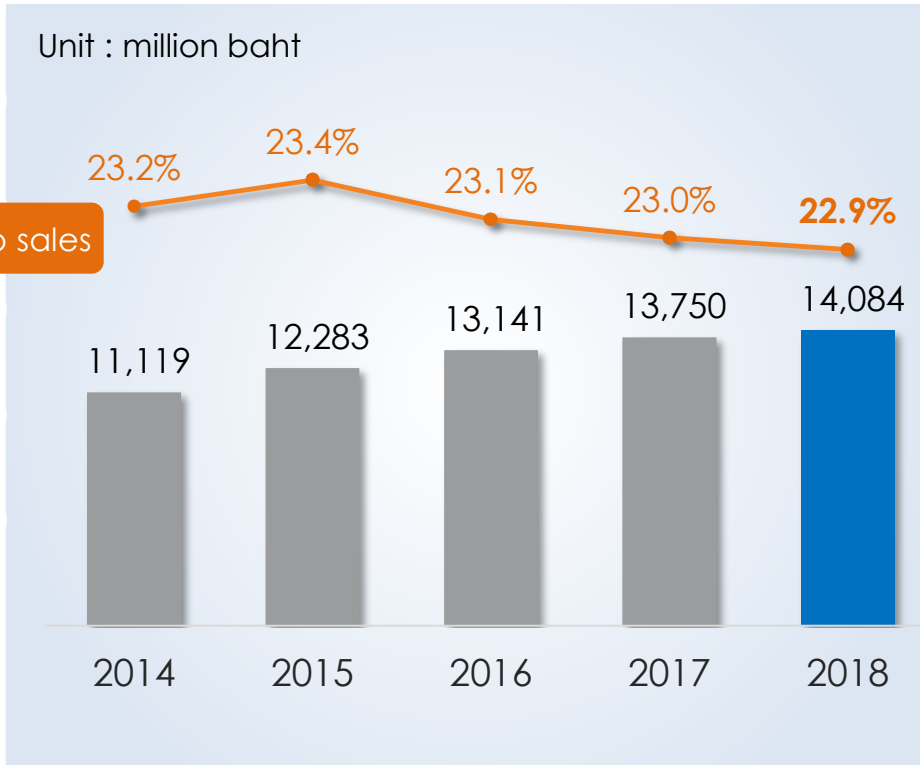


Sales income was driven by same store sales growth of HomePro and and Mega Home as well as sales from new stores of HomePro opened in 2018.



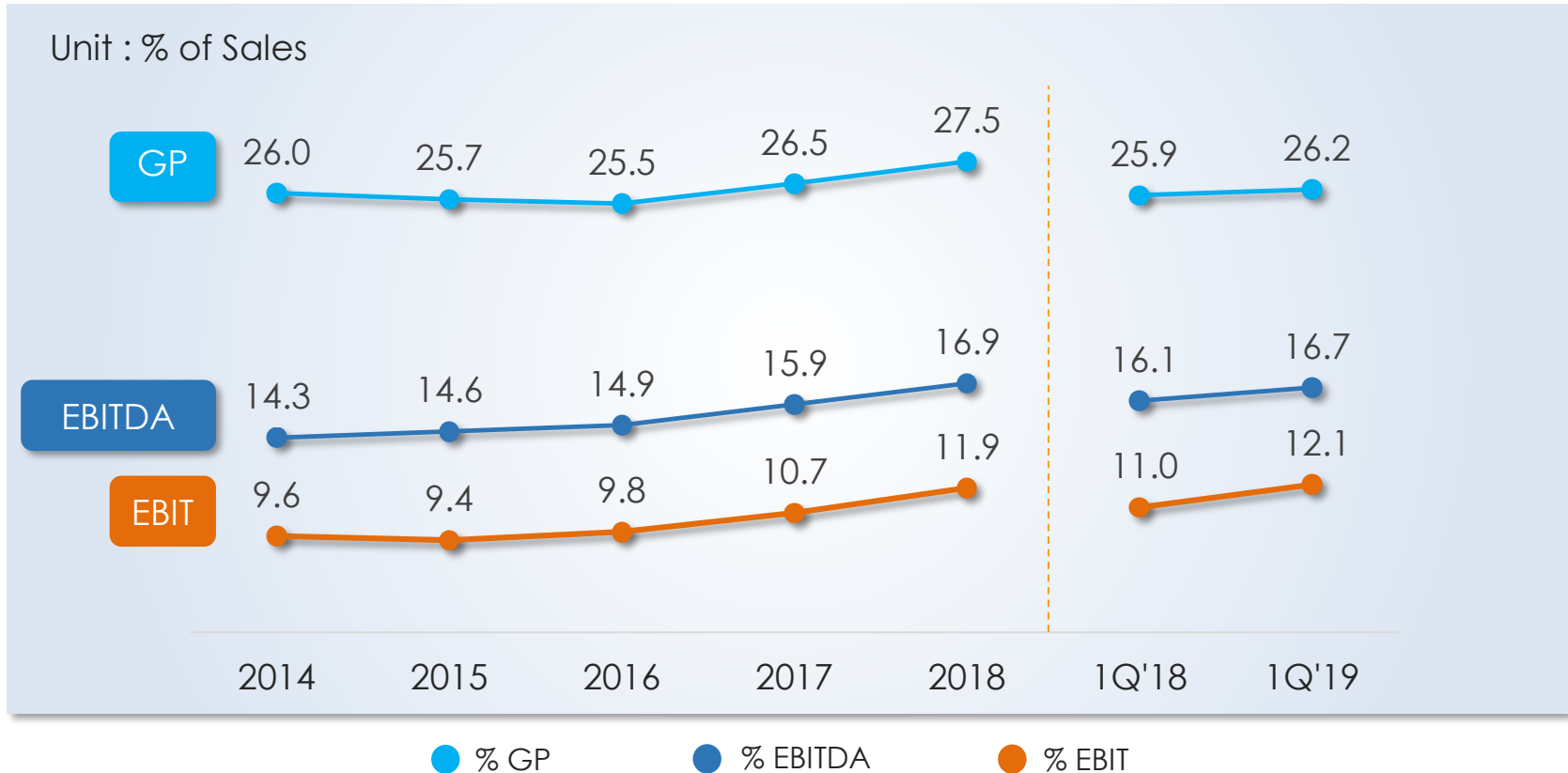
● Rent & Service ● Others ● % to Sales

- 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.

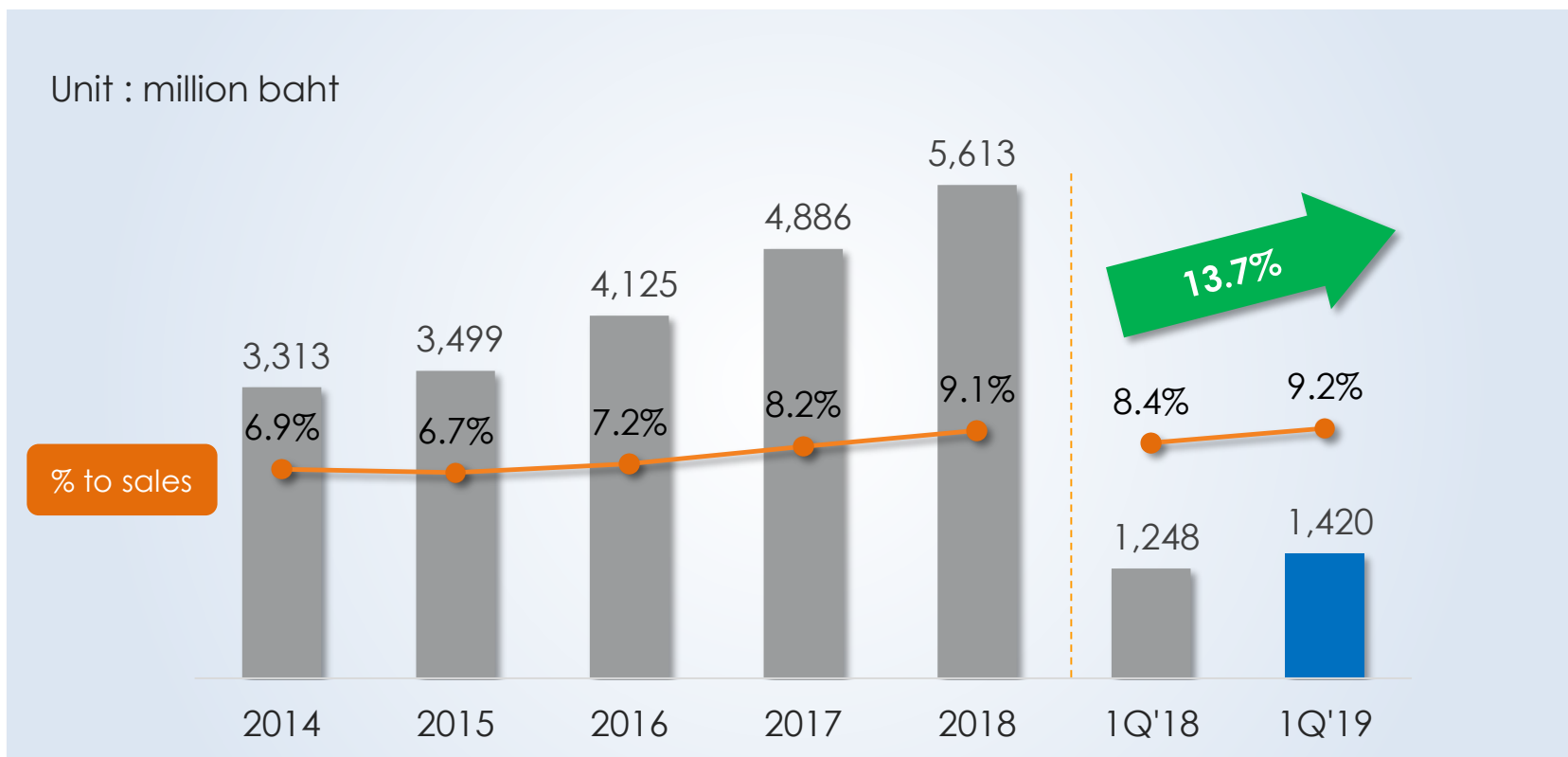


● Sales Related
 ● Rental and Home Service related
 ● Admin Expense
 ● % to Sales

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..



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 1Q'19. Earnings per share (**EPS**) were Baht 0.11 in Q1'18, up 13.7% YoY.

Balance Sheet at a glance

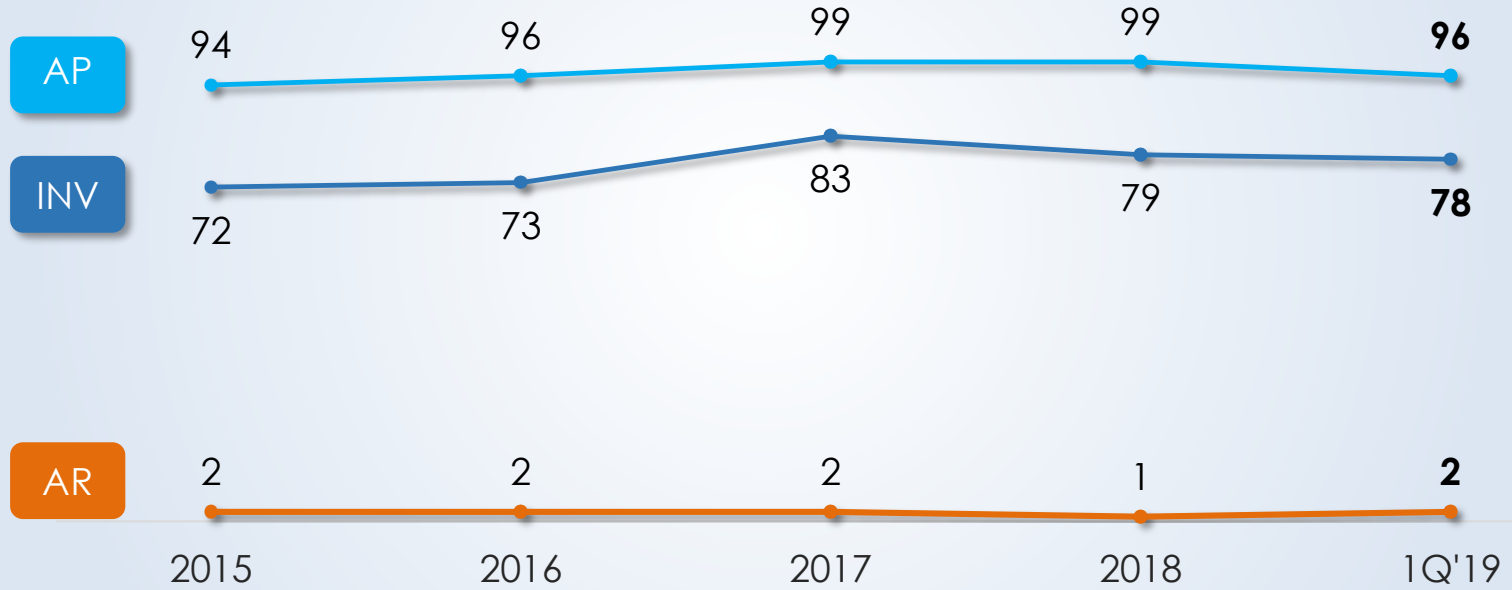
Unit : million baht

	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%)
Total Assets	56,064.66	54,811.35	1,253.31	2.29%
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%
Total Liabilities	34,726.10	34,897.26	(171.16)	(0.49%)
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%
Total Equities	21,338.56	19,914.10	1,424.46	7.15%

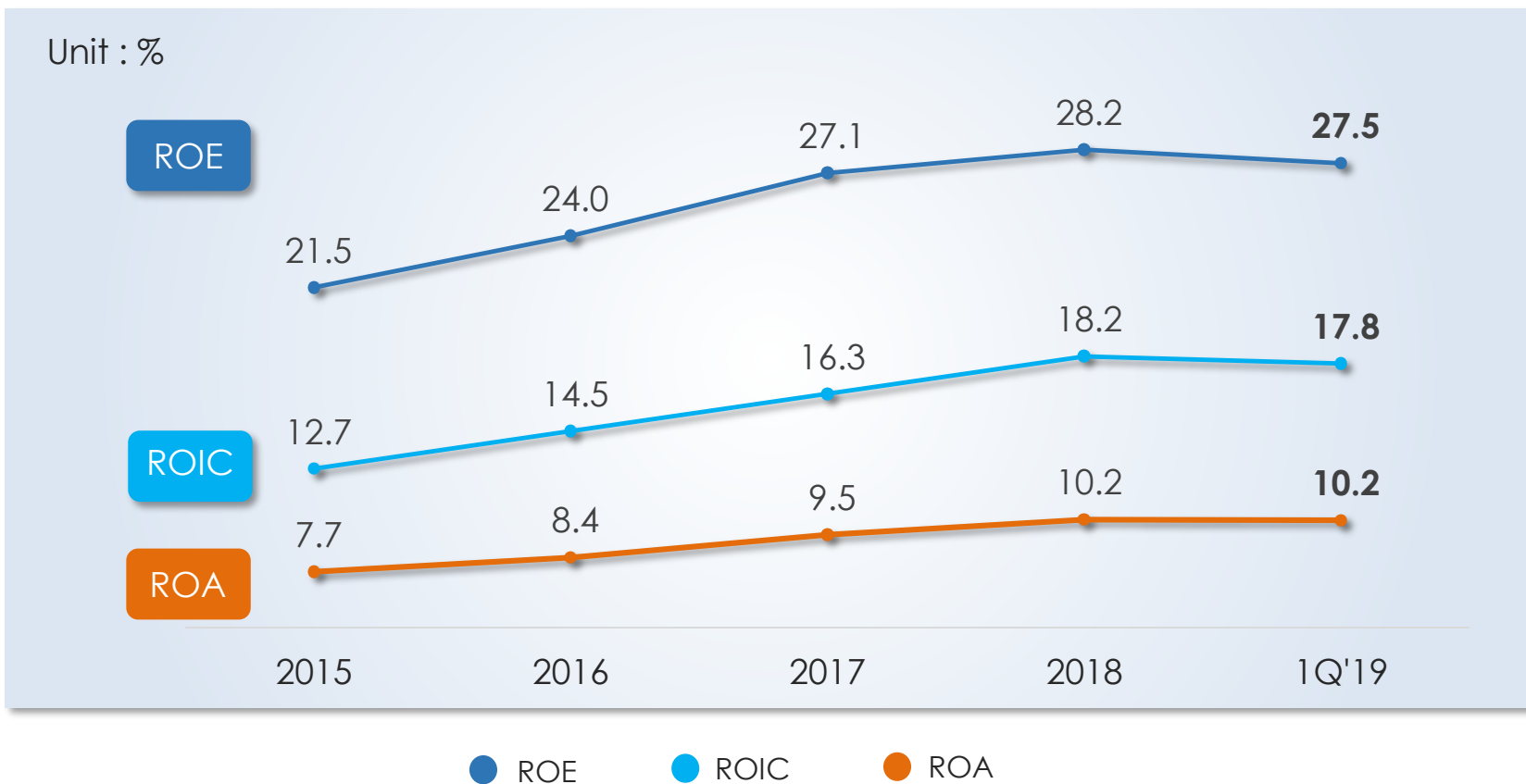


Working Capital

Unit : Days *HomePro Only



Net Cash Cycle (days)	2015	2016	2017	2018	1Q'19
HomePro only	-20	-21	-17	-19	-16
Including subsidiaries	-17	-18	-14	-13	-12





Agenda

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- Business Outlook



Our Sustainability Progress



Product & Service

33% of sales mix came from Eco Choice Product



Operational Efficiency

32% Of energy reduced from based year



Our Associate

88% Of employees was satisfy with HomePro

Our way of 'SUSTAINABILITY' is to be the most sustainable return company



Supply Chain Management

60% Of suppliers acknowledged code of conducts



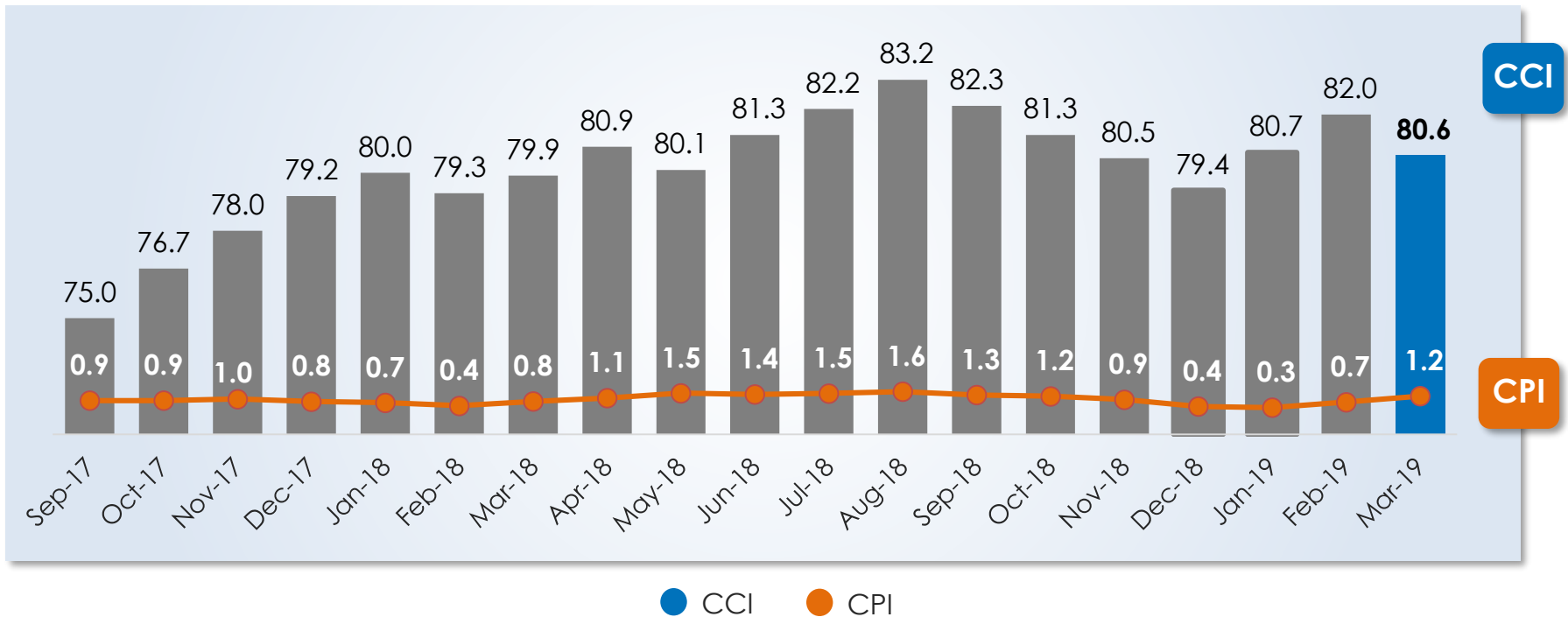
Society & Community

1,228 Tao-Kae-Noi teams are ready to service



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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



% Private brand's sales mix to total sales



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	-

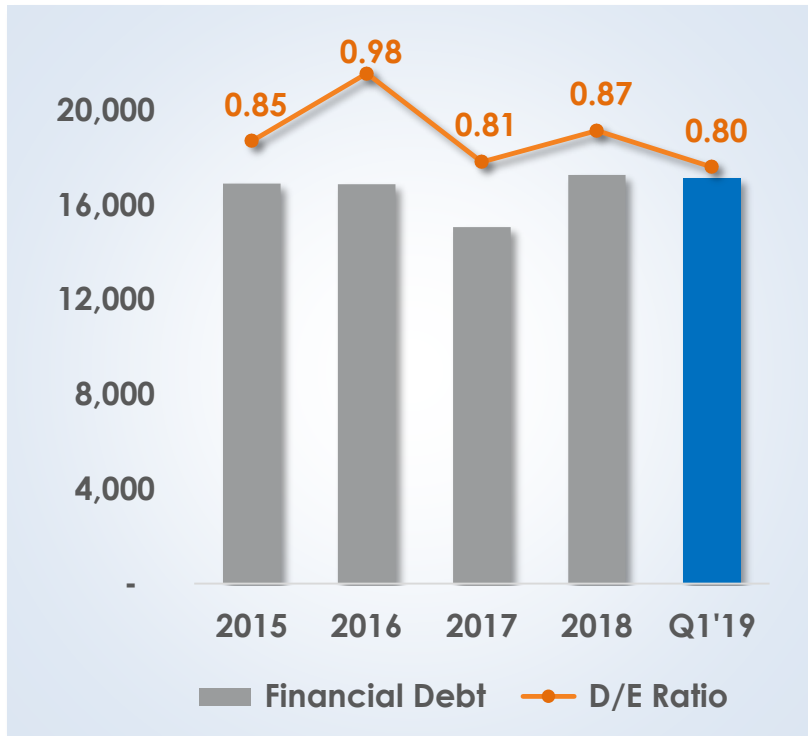
*Excluding Store Relocation of Fashion Island Branch

Our stores in 2019

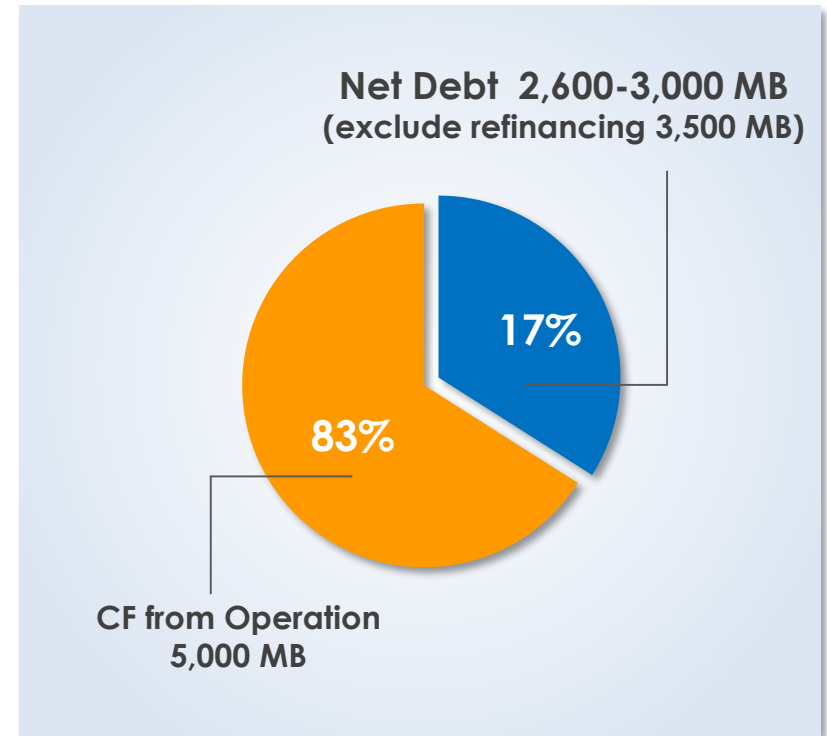
Total (stores)	84	11-12	14	6
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Financial D/E Ratio



Source of Fund 2019



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 .



LEGAT HomePro
ลด! คับร้อน

Air Fresh
Get Feel Good

มาตรการลด
PM 2.5

มหกรรมเครื่องปรับอากาศ
ประหยัดพลังงาน
ลดสูงสุด 35%

พอนสบาย 0% นาน 10 เดือน (เฉพาะเครื่องปรับอากาศ)	รับฟรี คู่มือลดโลกร้อน มูลค่าสูงสุด 2,000.-	พิเศษ รางวัลรอบท้อ และอุปกรณ์ติดตั้ง มูลค่า 1,200.-
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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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