



HOME SERVICE

SHOPPING ONLINE



Analyst Meeting | 3Q'19 Result

November 6, 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 **93** stores nationwide



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



Agenda

- **3Q'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".

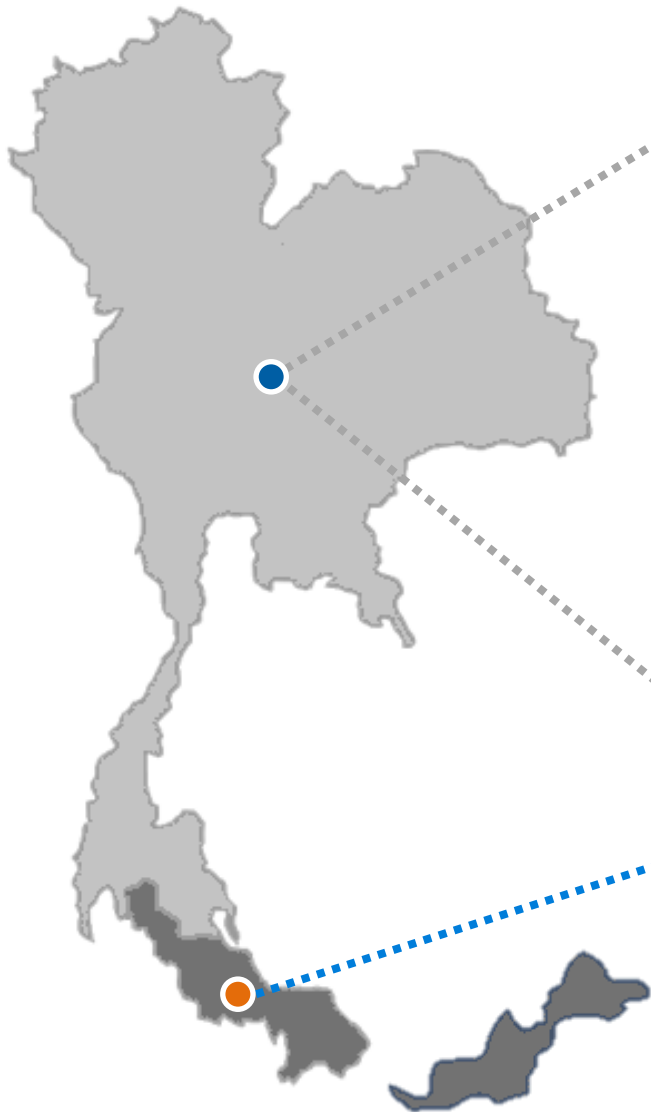


DC Service Center Co., Ltd.

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



Store Footprint



 Greater Bangkok : 27 stores
Upcountry : 57 stores

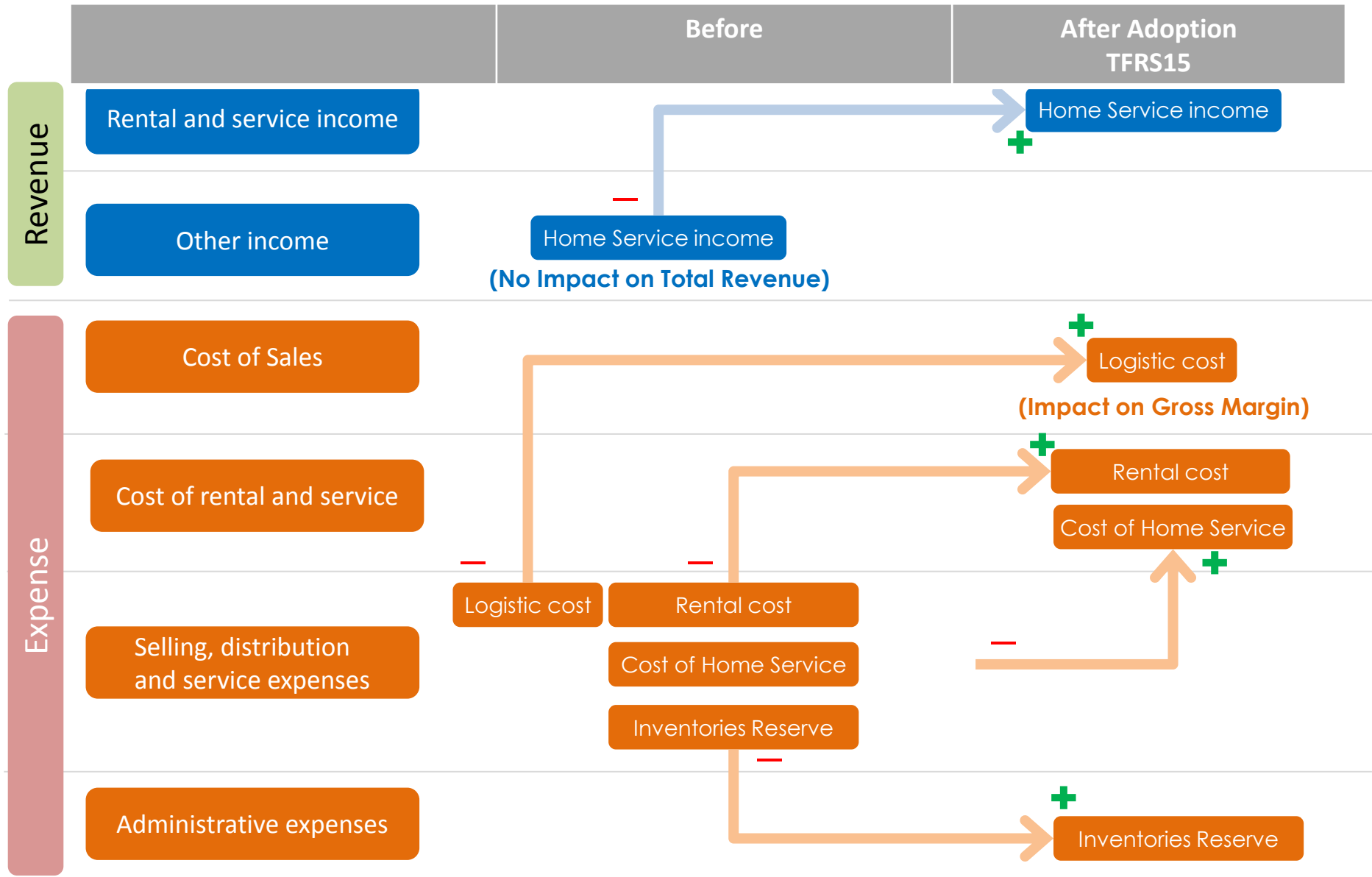
 Greater Bangkok : 8 stores
Upcountry : 1 store

 Greater Bangkok : 2 stores
Upcountry : 10 stores

 Malaysia : 6 stores



TFRS 15 Adoption - Revenue from Contracts with Customers





IFRS 15 Adoption - Revenue from Contracts with Customers

	9M'2018 Before Adoption IFRS15		Reclassification		9M'2018 After Adoption IFRS15		Remark
Sales	45,720.2	100.0%			45,720.2	100.0%	
Rental and Service Income	1,437.2	3.1%	311.3	0.7%	1,748.5	3.8%	Home Service income reclassify from other income
Other Income	1,701.5	3.7%	(311.3)	0.7%	1,390.3	3.0%	
Total Revenue	48,859.0	106.9%			48,859.0	106.9%	
Cost of sales	33,317.6	72.9%	448.9	0.9%	33,766.5	73.9%	Logistic cost reclassify from SG&A
Gross profit %	27.1		(0.9)		26.2		
Cost of rental and service	-	-	1,050.4	2.3%	1,050.4	2.3%	Expenses related to rental business and home service reclassify from SG&A
Selling and service expenses	9,016.2	19.7%	(1,548.7)	(3.4%)	7,467.5	16.3%	
Administrative expenses	1,377.30	3.0%	49.4	0.1%	1,426.7	3.1%	Inventory reserve reclassify from SG&A
Other expenses	18.0	0.0%	-	-	18.0	0.0%	
Total Expense	10,411.5	22.8%	(448.9)	(0.9%)	6,573.79	21.8%	

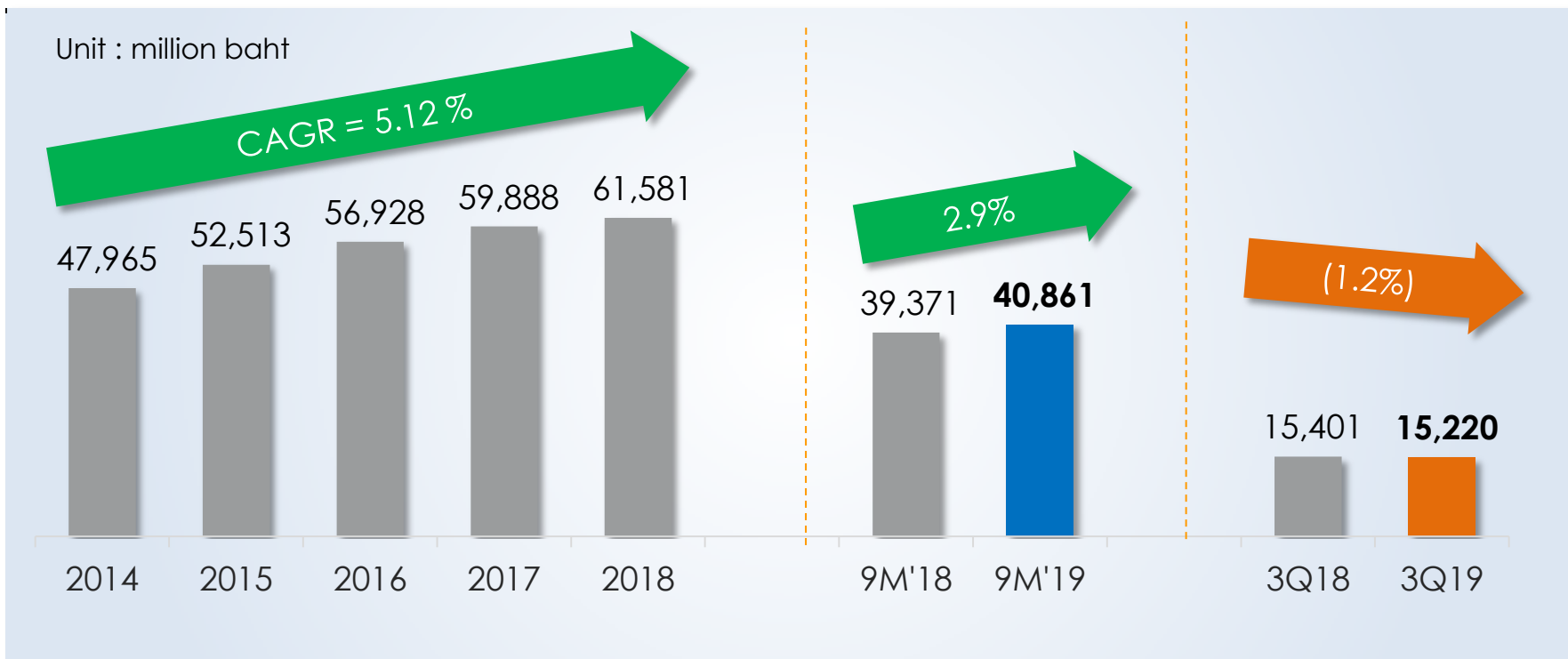


P & L Summary

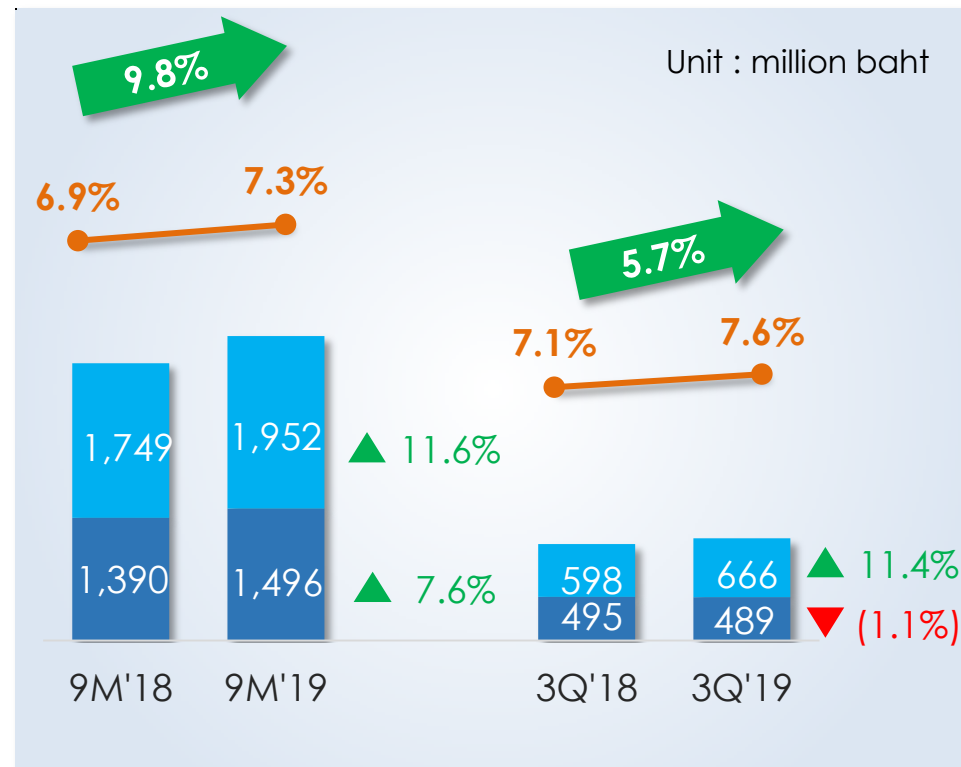
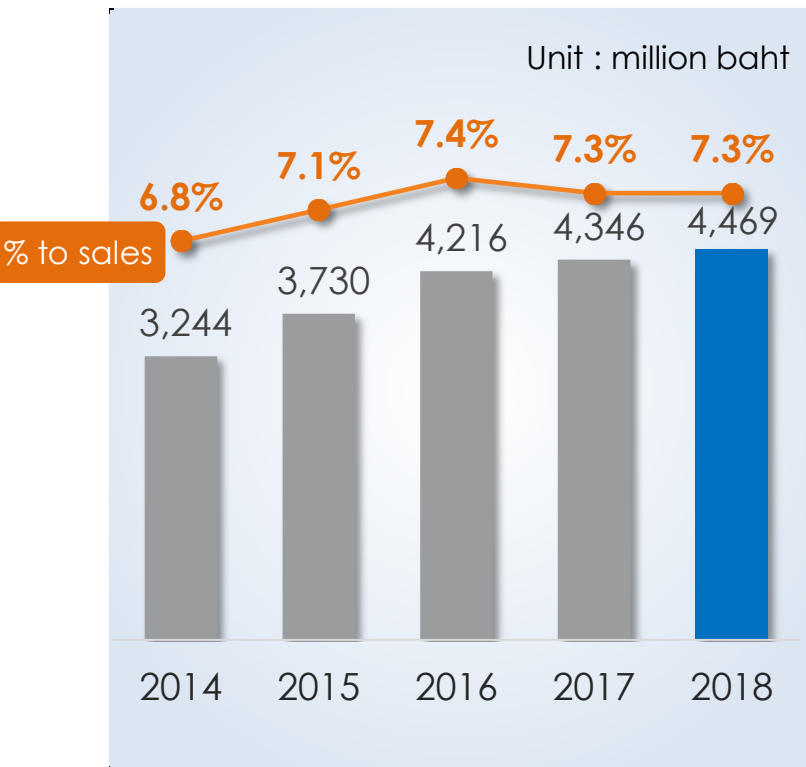
Unit : MB

	9M'19	% of sales	9M'18	% of sales	Var	% change
Sales	47,046.0	100.0%	45,720.2	100.0%	1,325.8	2.9%
Rental and Service Income	1,951.9	4.1%	1,748.5	3.8%	203.4	11.6%
Other Income	1,496.0	3.2%	1,390.3	3.0%	105.7	7.6%
Total Revenue	50,493.9	107.3%	48,859.0	106.9%	1,634.9	3.3%
Cost of sales	34,549.6	73.4%	33,766.5	73.9%	783.1	2.3%
Gross profit	12,496.4	26.6%	11,953.7	26.1%	542.7	4.5%
Cost of Rental and Service	1,131.4	2.4%	1,050.4	2.3%	81.0	7.7%
Total Expenses	9,040.2	19.2%	8,912.2	19.5%	127.9	1.4%
EBIT	5,772.7	12.3%	5,129.9	11.2%	642.9	12.5%
Finance Cost	315.5	0.7%	291.7	0.6%	23.8	8.2%
Tax	1,028.5	2.2%	911.3	2.0%	117.1	12.9%
Net Profit	4,428.7	9.4%	3,926.8	8.6%	501.9	12.8%
Depreciation	2,192.5	4.7%	2,280.3	5.0%	(87.8)	(3.9%)
EBITDA	7,965.2	16.9%	7,410.2	16.2%	555.0	7.5%

Sustainable Sales Growth

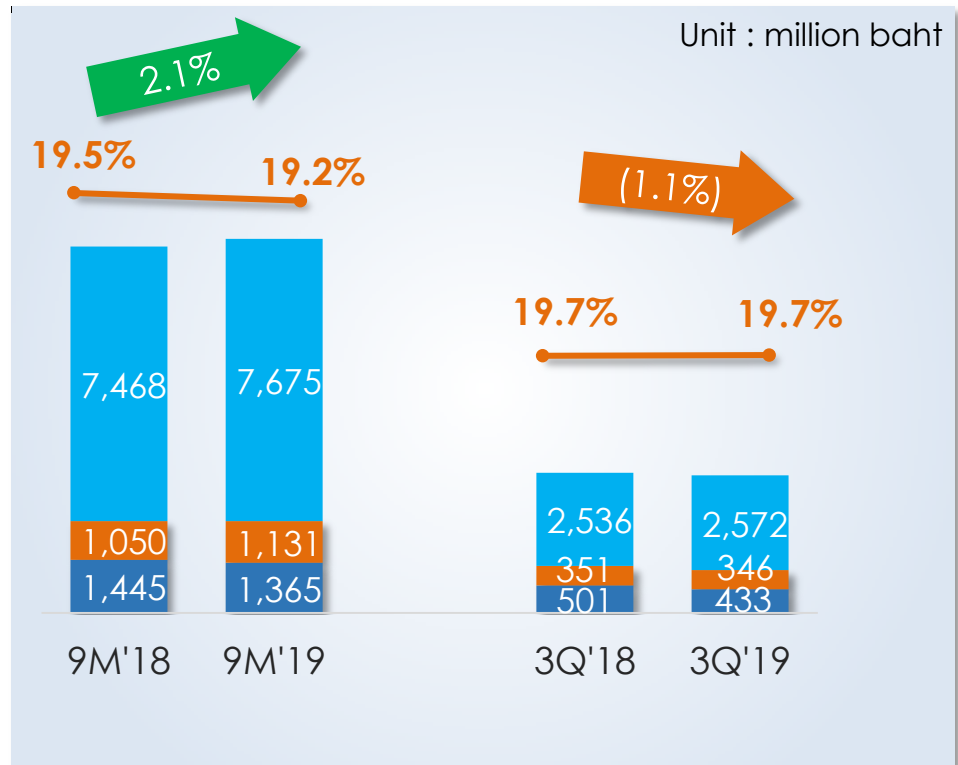
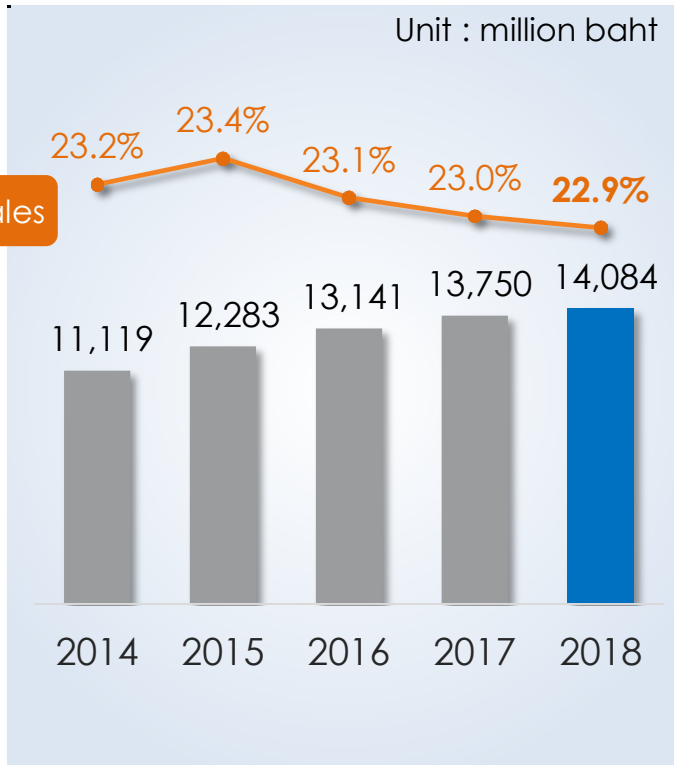


Other Income



● Rent & Service
 ● Others
 ● % to Sales

- Nine-month period's rental and service income was up from higher rental income from Market Village and leasable areas of HomePro's stores, including areas for organizing promotional events with suppliers, as well as income from "Home Service".
- Nine-month period's other income was up due to the increase of income from promotional activities with suppliers, interest received, and miscellaneous income.

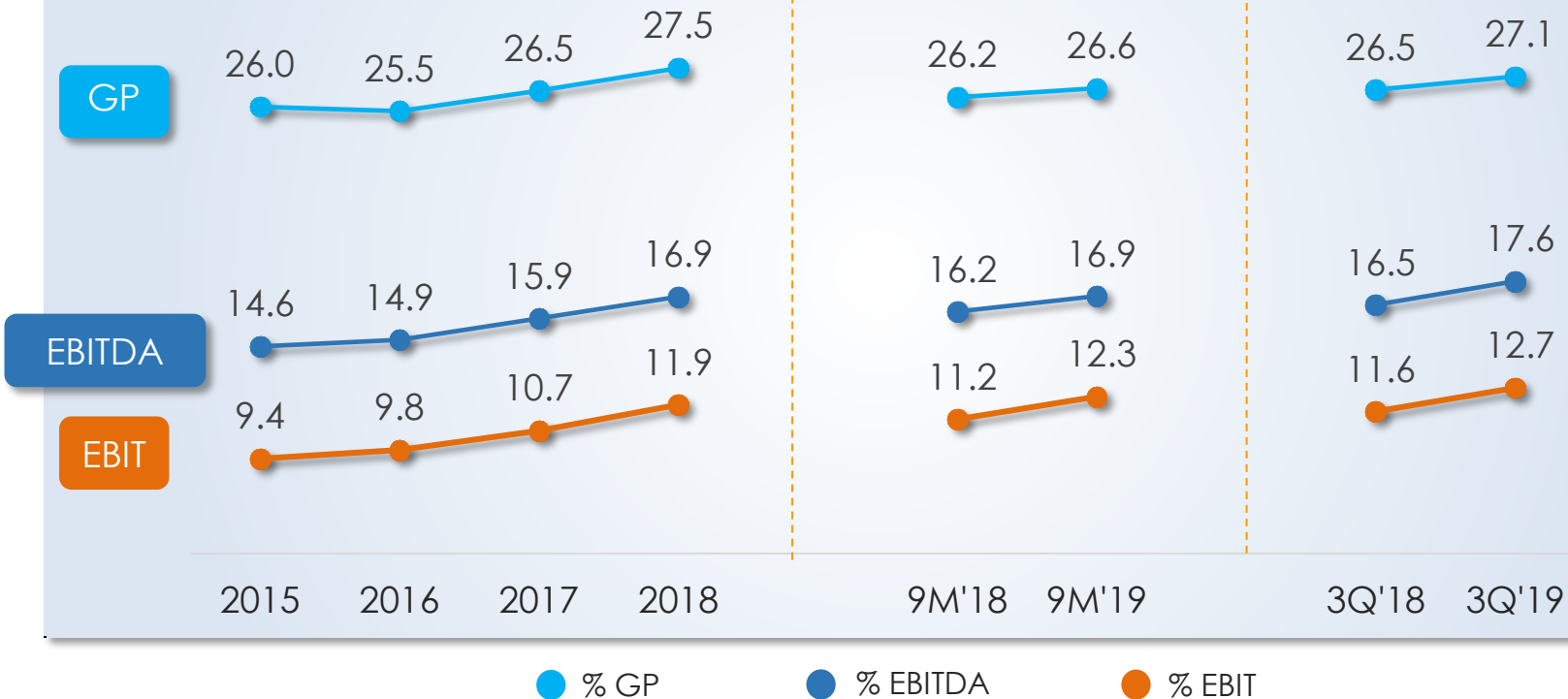


● Sales Related
 ● Rental and Home Service related
 ● Admin Expense
 ● % to Sales

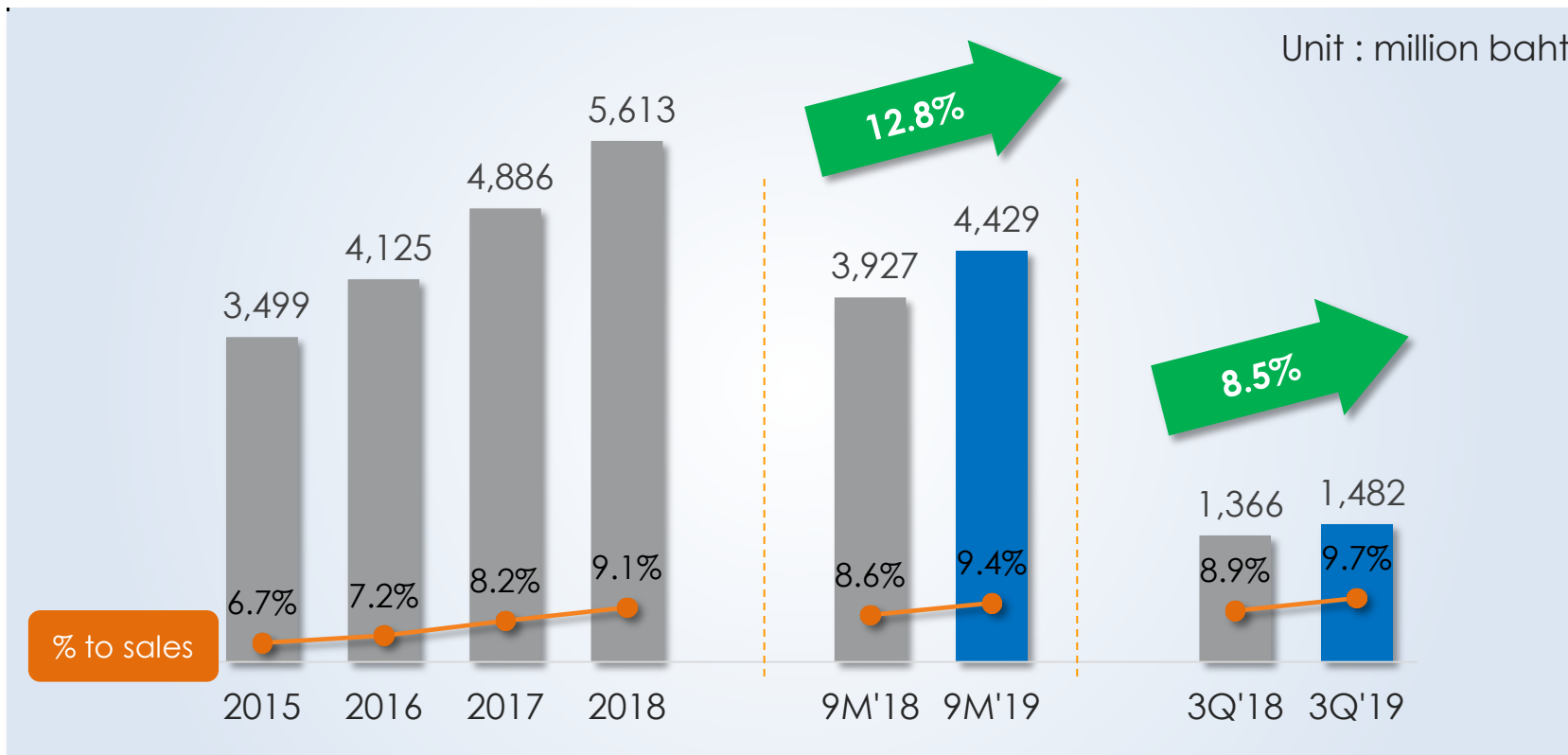
Nine-month period's of SG&A increased were mainly driven by the in personnel expenses, rental cost, utility cost, merchant fees, maintenance cost, and marketing expense. However, SG&A as a percentage of sales has marginally improved, resulting in the decrease from 19.49% in the previous year to 19.22%.

Profitability Ratio

Unit : % of Sales



Nine-month period 's Gross profit margin as a percentage of sales has increased from 26.15% in previous year to 26.56% due to change in product sales mix of general merchandise and the enhancement of directly sourced private-label goods, as well as the continuous efficiency improvement in product purchase planning of HomePro, Mega Home, and HomePro in Malaysia.



FY	2015	2016	2017	2018
EPS	0.27	0.31	0.37	0.43

9M'18	9M'19
0.30	0.34

3Q'18	3Q'19
0.10	0.11

Nine-month period's **NPAT** grew by 12.8% and NPAT as a percentage of sales increased from 8.6% in 9M'18 to 9.4% in 9M'19. Earnings per share (**EPS**) were Baht 0.34 in Q3'19, up 12.8% YoY.

Balance Sheet at a glance

Unit : million baht

	30 Sep 2019	31 Dec 2018	Var	% change
Cash & Deposit	2,314.88	6,237.75	(3,922.87)	(62.89%)
Inventory	9,838.02	10,245.45	(407.43)	(3.98%)
Land Building & Equipment	35,742.66	35,398.78	343.88	0.97%
Others	2,646.61	2,929.37	(282.77)	(9.65%)
Total Assets	50,542.18	54,811.36	(4,269.18)	(7.79%)
Financial Debt	14,388.65	17,262.22	(2,873.56)	(16.65%)
Account Payable	13,448.97	14,370.53	(921.56)	(6.41%)
Others	3,228.64	3,264.51	(35.88)	(1.10%)
Total Liabilities	31,066.26	34,897.26	(3,831.00)	(10.98%)
Paid-Up Capital	13,151.20	13,151.20	-	-
Share Premium	646.32	646.32	-	-
Retain Earnings	5,678.40	6,116.58	(438.18)	(7.16%)
Total Equities	19,475.92	19,914.10	(438.18)	(2.20%)

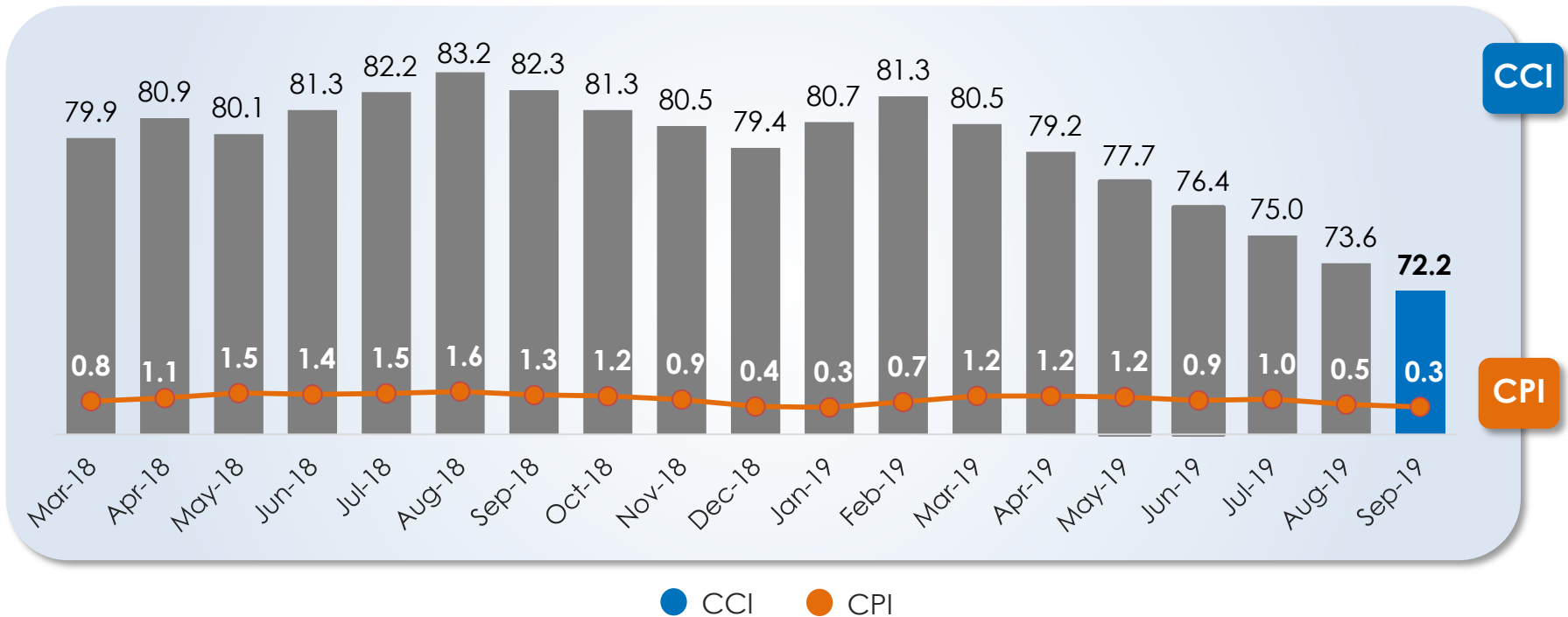


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Consumer Confidence hits 39-month low



Consumer confidence index dropped to 72.2 points last month in September from 73.6 points in August, marking the lowest level since July 2016. The index fell for the seventh consecutive month despite the government’s economic stimulus measures. Consumers were concerned about the local political instability, slow recovery of Thai economy and purchasing power, and uncertain global economic prospects due to the impact of Brexit and mounting trade war between China and the US. Furthermore, the index has been dampened by concerns on several low crop product prices, reflecting cautious spending in the third quarter.



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

1

2

2Q	Charansanitwong	17 May	-	-	-
	Upcountry	-	-	-	-
3Q	Samyang Mitrtown	-	20 Sep	-	-
	Mukdahan	30 Aug	-	-	-
4Q	Rayong (BanChang)			Nov	
	Bangna - Trad			Dec	

*Excluding Store Relocation of Fashion Island Branch

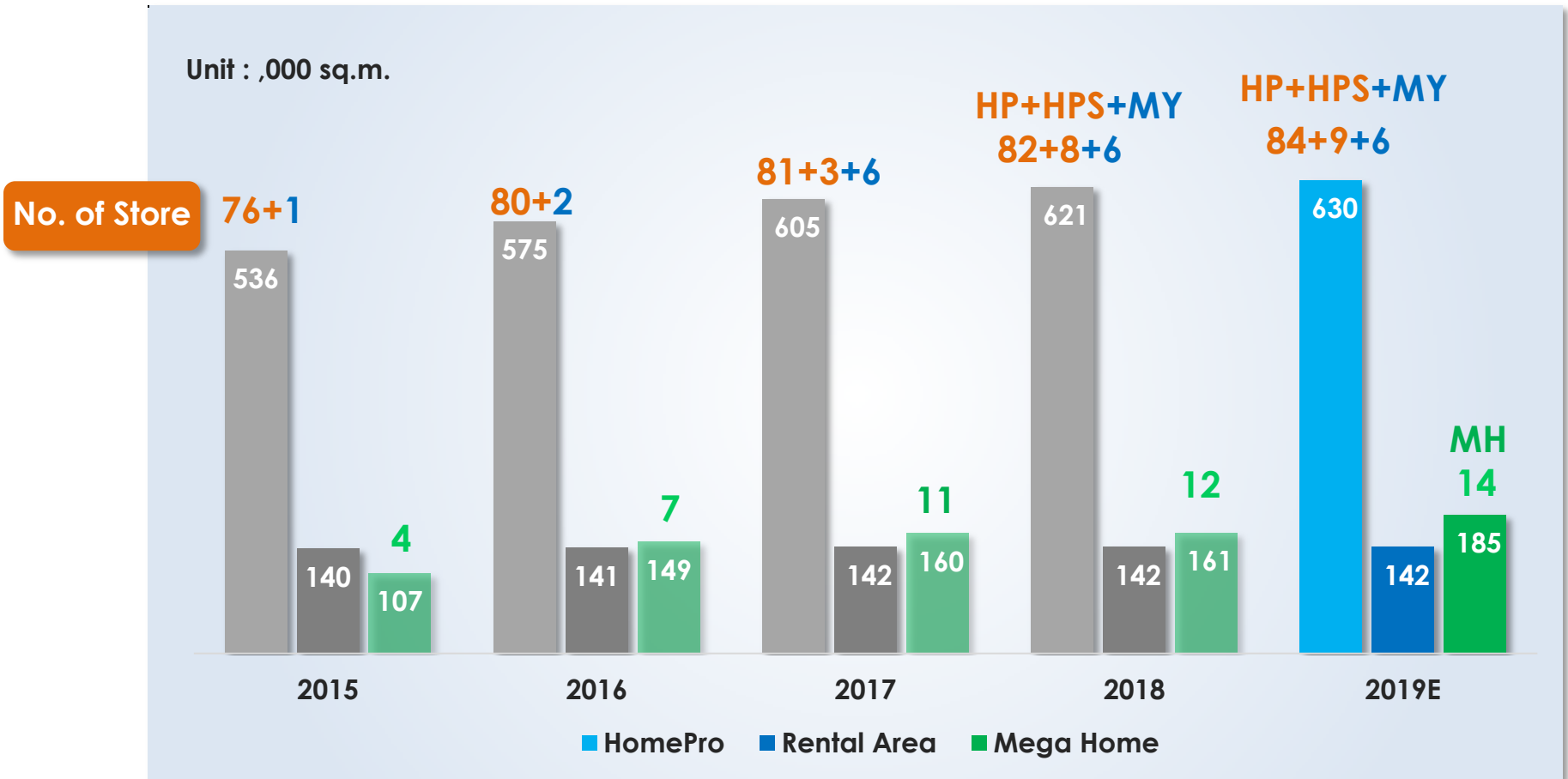
Our stores in 2019

Total (stores)	84	9	14	6
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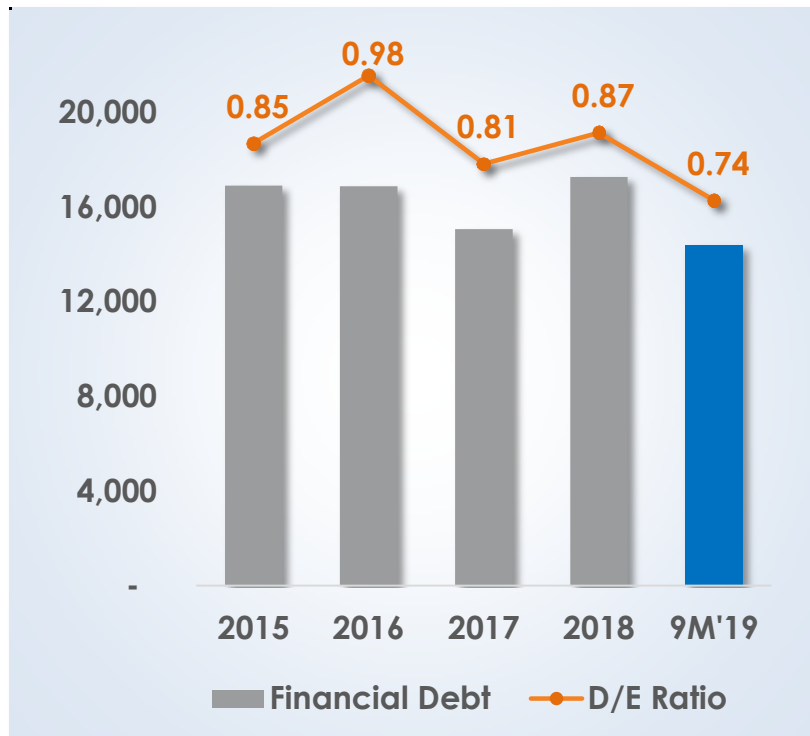


Continuous Expanding Sales Area

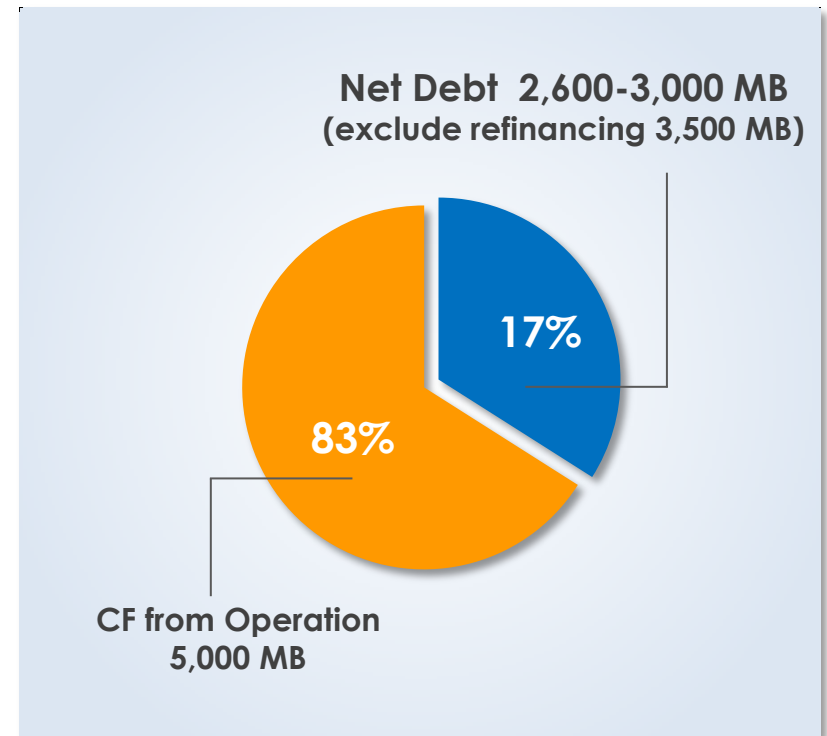




Financial D/E Ratio



Source of Fund 2019



HomePro Expo #30

15 - 24 November 2019

The event much anticipated by all home lovers, offering wide range of brands from more than 300 manufactures and distributors, home service and innovation, with special deals from well-known banks.



HomePro Fair @Khon Kaen

18-27 October 2019

Up to

70 %
Off

An 11-day long exhibition with fun activities, special shows, and food trucks for everyone to come visit and enjoy.



Q & A

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