



# Opportunity Day | 3Q'19 Result

November 11, 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**
- 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".



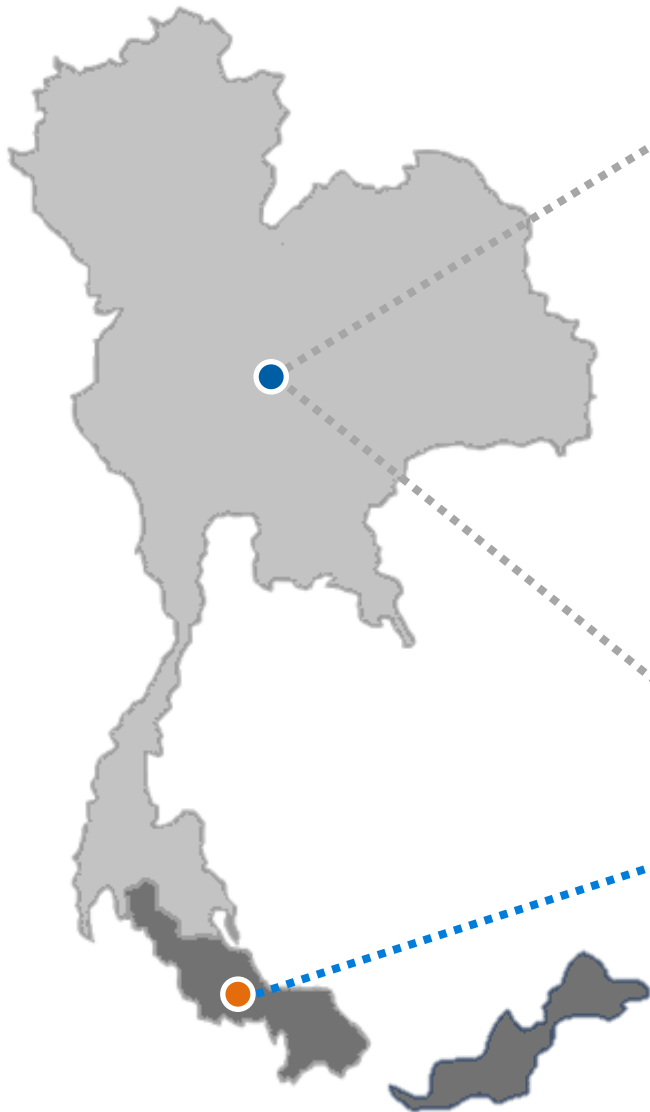
### DC Service Center Co., Ltd.

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





# Store Footprint



 Greater Bangkok : 27 stores  
Upcountry : 57 stores

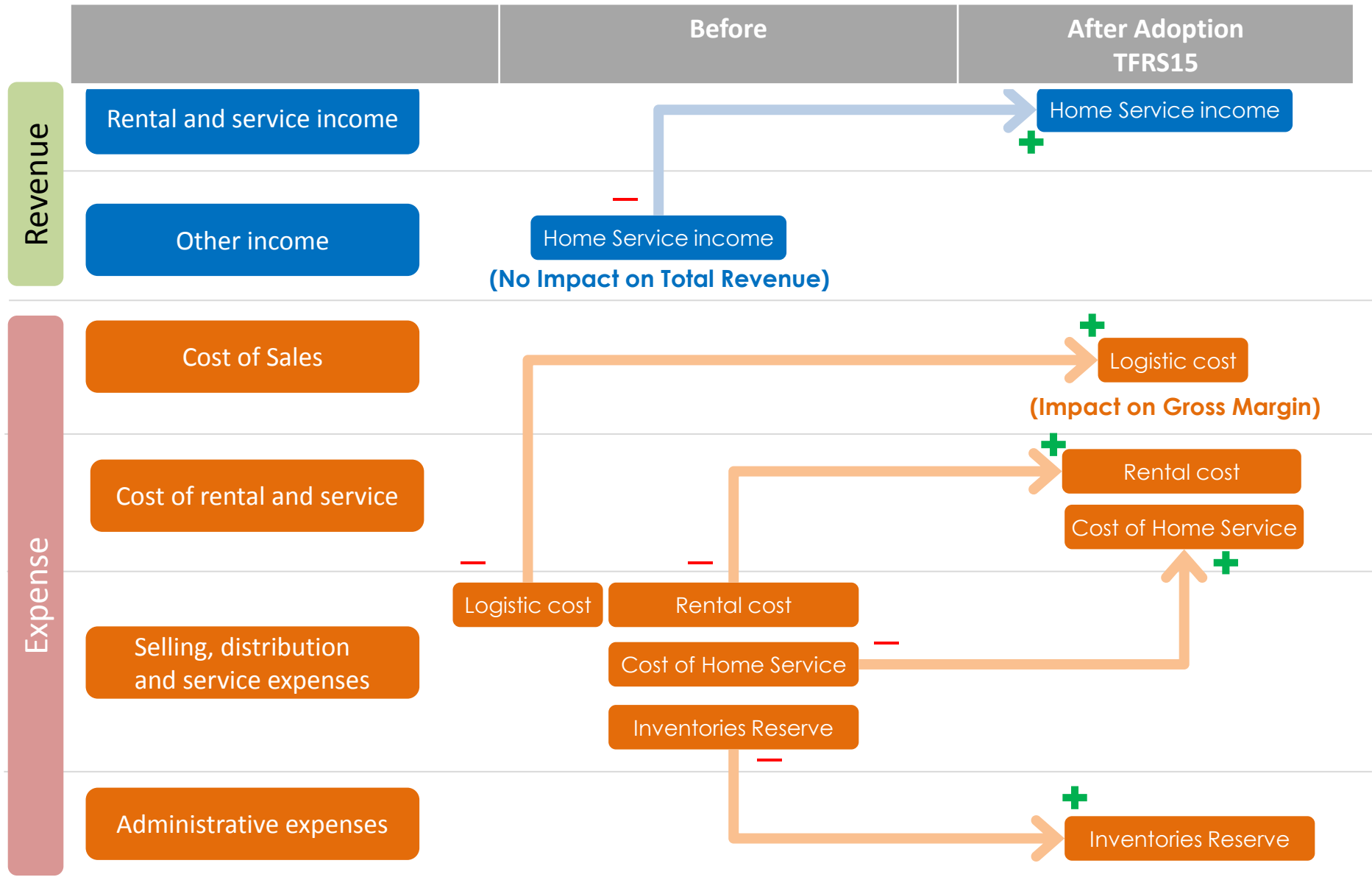
 Greater Bangkok : 8 stores  
Upcountry : 1 store

 Greater Bangkok : 2 stores  
Upcountry : 10 stores

 Malaysia : 6 stores



# TFRS 15 Adoption - Revenue from Contracts with Customers

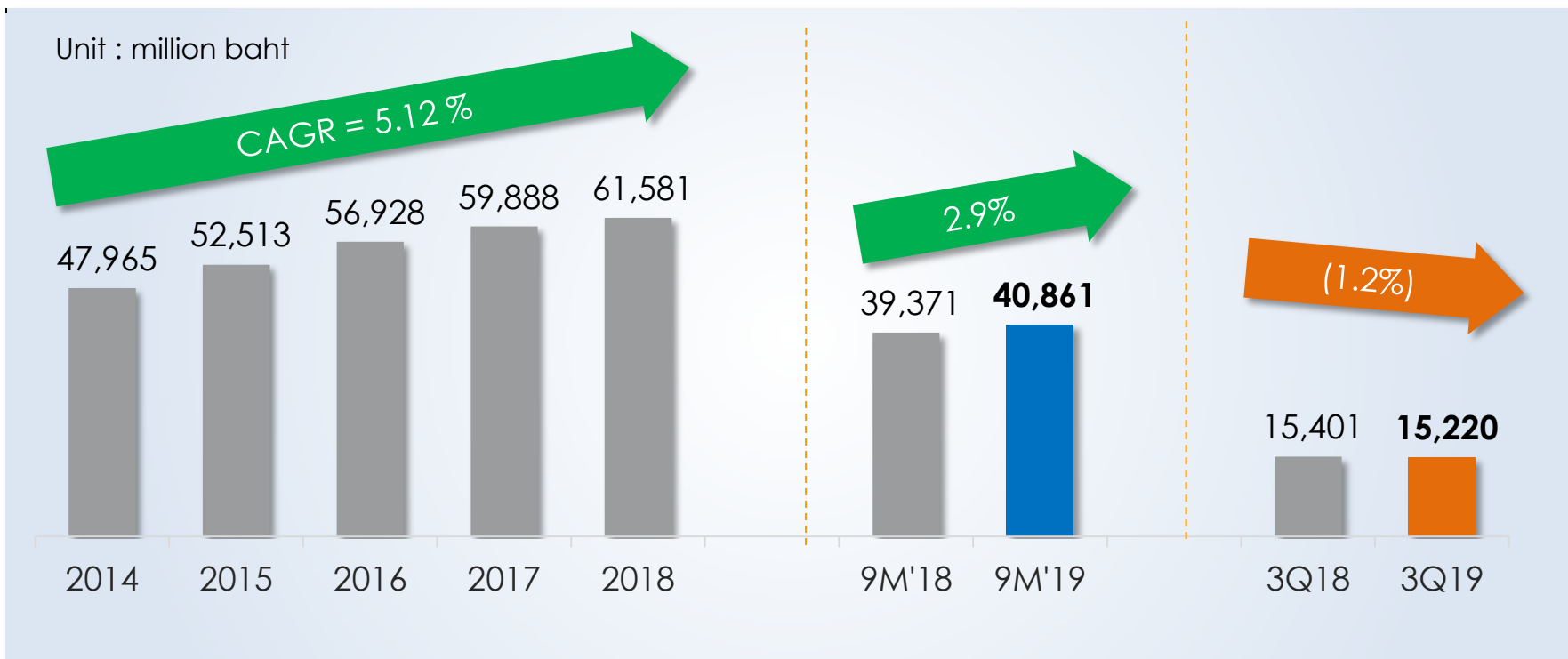


Unit : MB

	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%
<b>Total Revenue</b>	<b>50,493.9</b>	<b>107.3%</b>	<b>48,859.0</b>	<b>106.9%</b>	<b>1,634.9</b>	<b>3.3%</b>
Cost of sales	34,549.6	73.4%	33,766.5	73.9%	783.1	2.3%
<b>Gross profit</b>	<b>12,496.4</b>	<b>26.6%</b>	<b>11,953.7</b>	<b>26.1%</b>	<b>542.7</b>	<b>4.5%</b>
Cost of Rental and Service	1,131.4	2.4%	1,050.4	2.3%	81.0	7.7%
<b>Total Expenses</b>	<b>9,040.2</b>	<b>19.2%</b>	<b>8,912.2</b>	<b>19.5%</b>	<b>127.9</b>	<b>1.4%</b>
EBIT	<b>5,772.7</b>	<b>12.3%</b>	<b>5,129.9</b>	<b>11.2%</b>	<b>642.9</b>	<b>12.5%</b>
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%
<b>Net Profit</b>	<b>4,428.7</b>	<b>9.4%</b>	<b>3,926.8</b>	<b>8.6%</b>	<b>501.9</b>	<b>12.8%</b>
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%

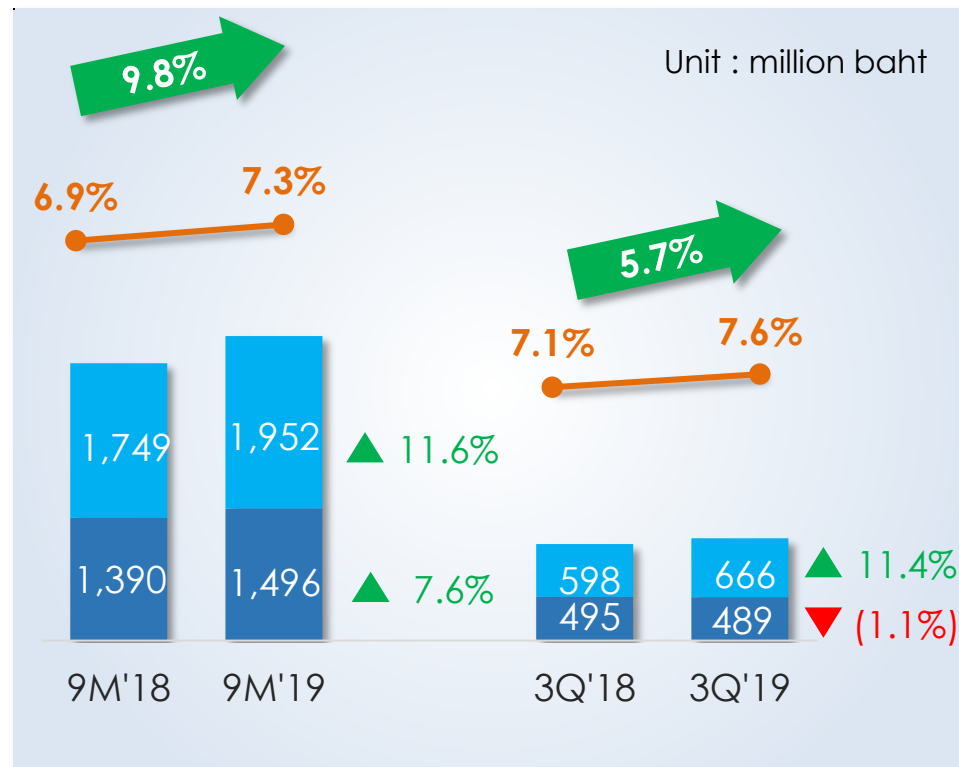
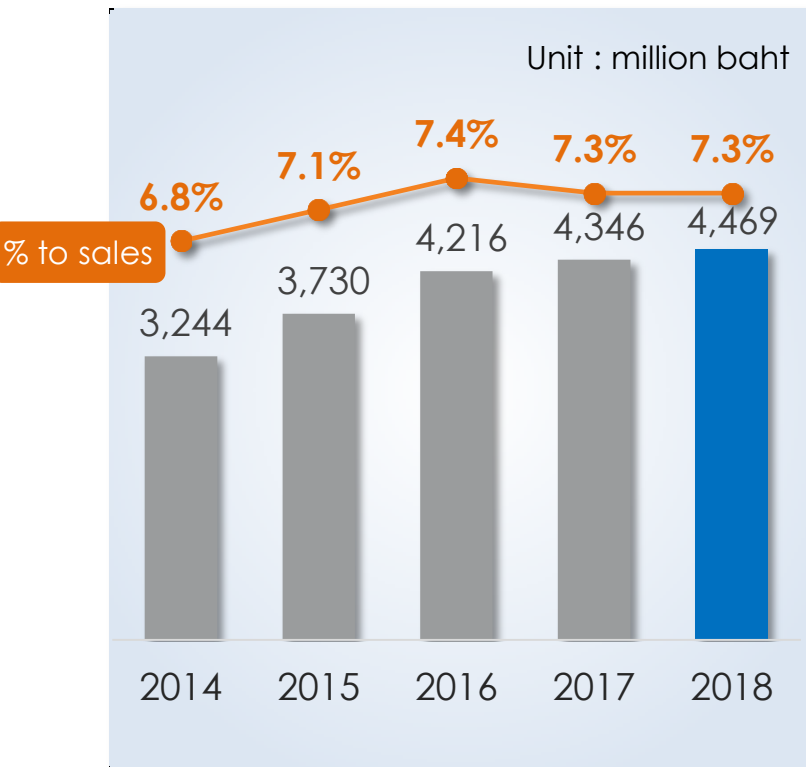


# Sustainable Sales Growth



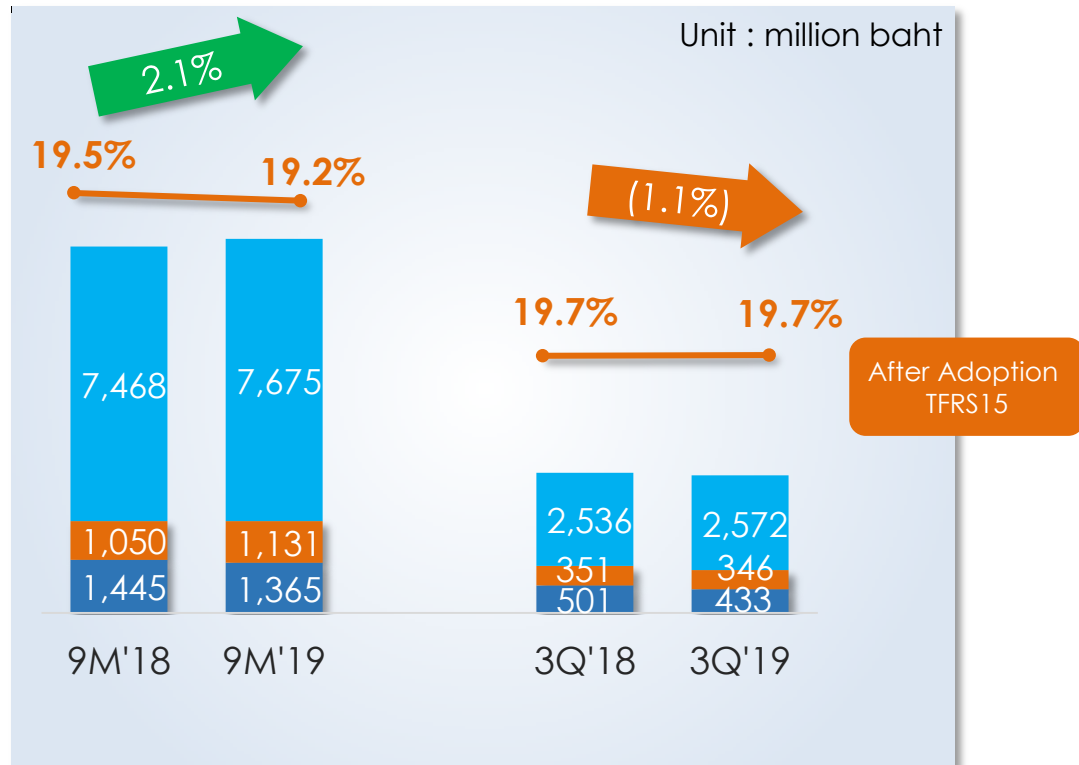
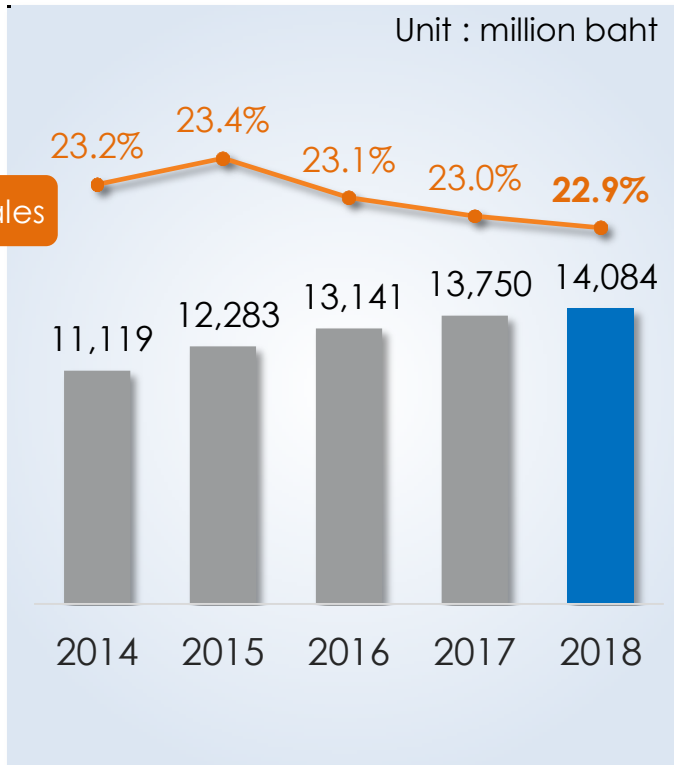
Nine-month period's sales income was driven by same store sales growth of HomePro and Mega Home as well as sales from new stores of HomePro.

# 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.



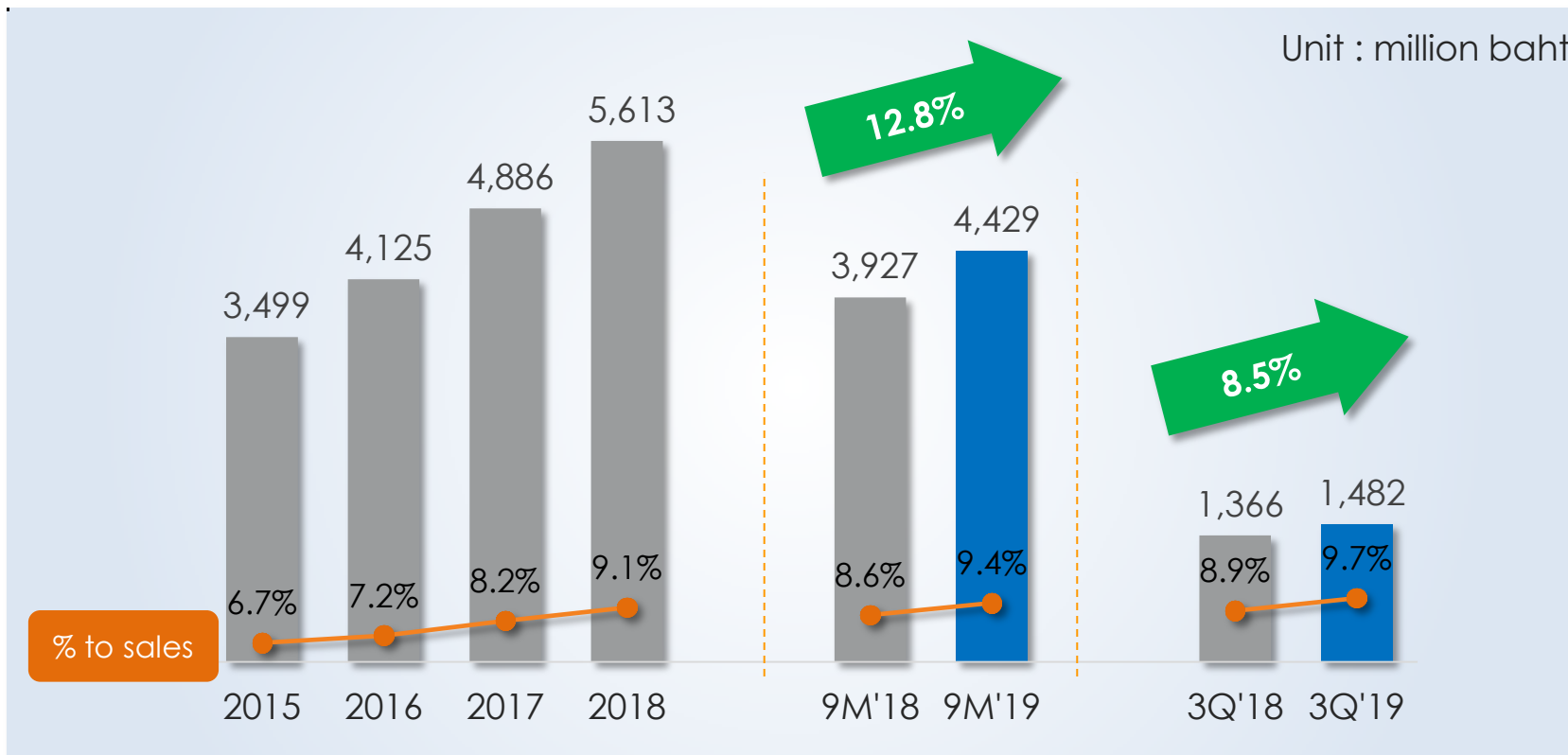
● Sales Related ● Rental and Home Service related ● Admin Expense ● % to Sales

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



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

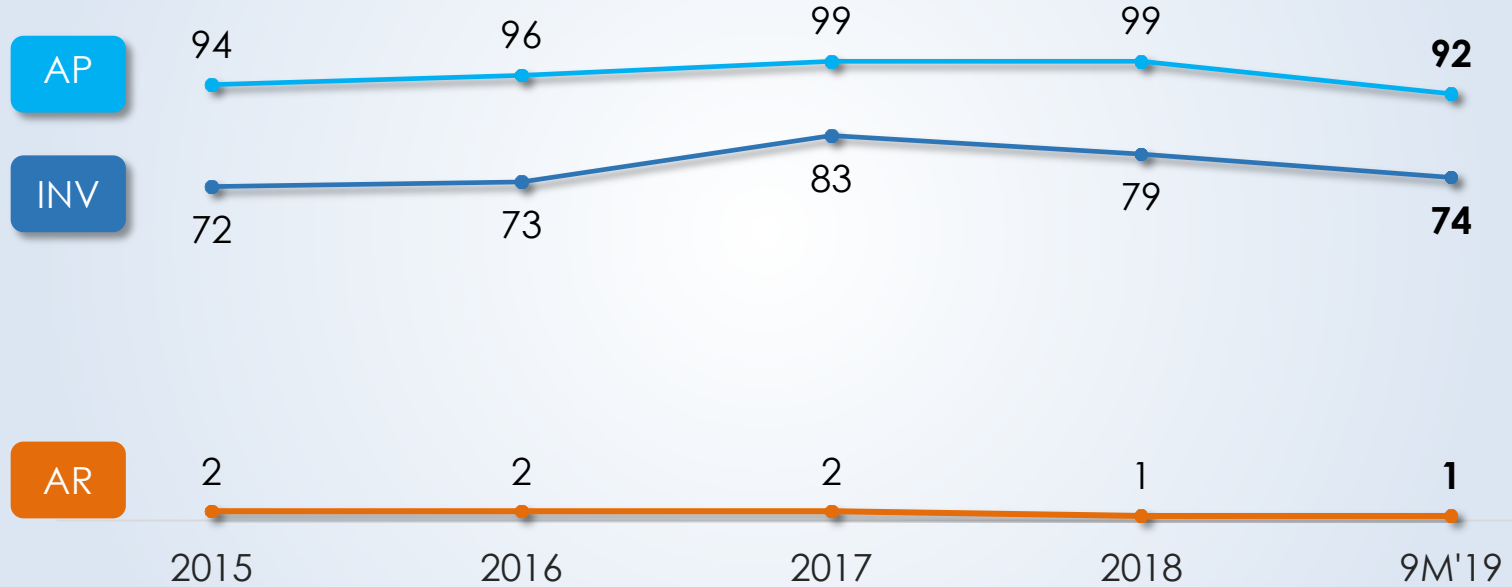
	30 Sep 2019	31 Dec 2018	Var	% change
Cash & Deposit	2,314.88	6,237.75	(3,922.87)	(62.89%)
Inventory	9,838.02	10,245.45	(407.43)	(3.98%)
Land Building & Equipment	35,742.66	35,398.78	343.88	0.97%
Others	2,646.61	2,929.37	(282.77)	(9.65%)
<b>Total Assets</b>	<b>50,542.18</b>	<b>54,811.36</b>	<b>(4,269.18)</b>	<b>(7.79%)</b>
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%)
<b>Total Liabilities</b>	<b>31,066.26</b>	<b>34,897.26</b>	<b>(3,831.00)</b>	<b>(10.98%)</b>
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%)
<b>Total Equities</b>	<b>19,475.92</b>	<b>19,914.10</b>	<b>(438.18)</b>	<b>(2.20%)</b>





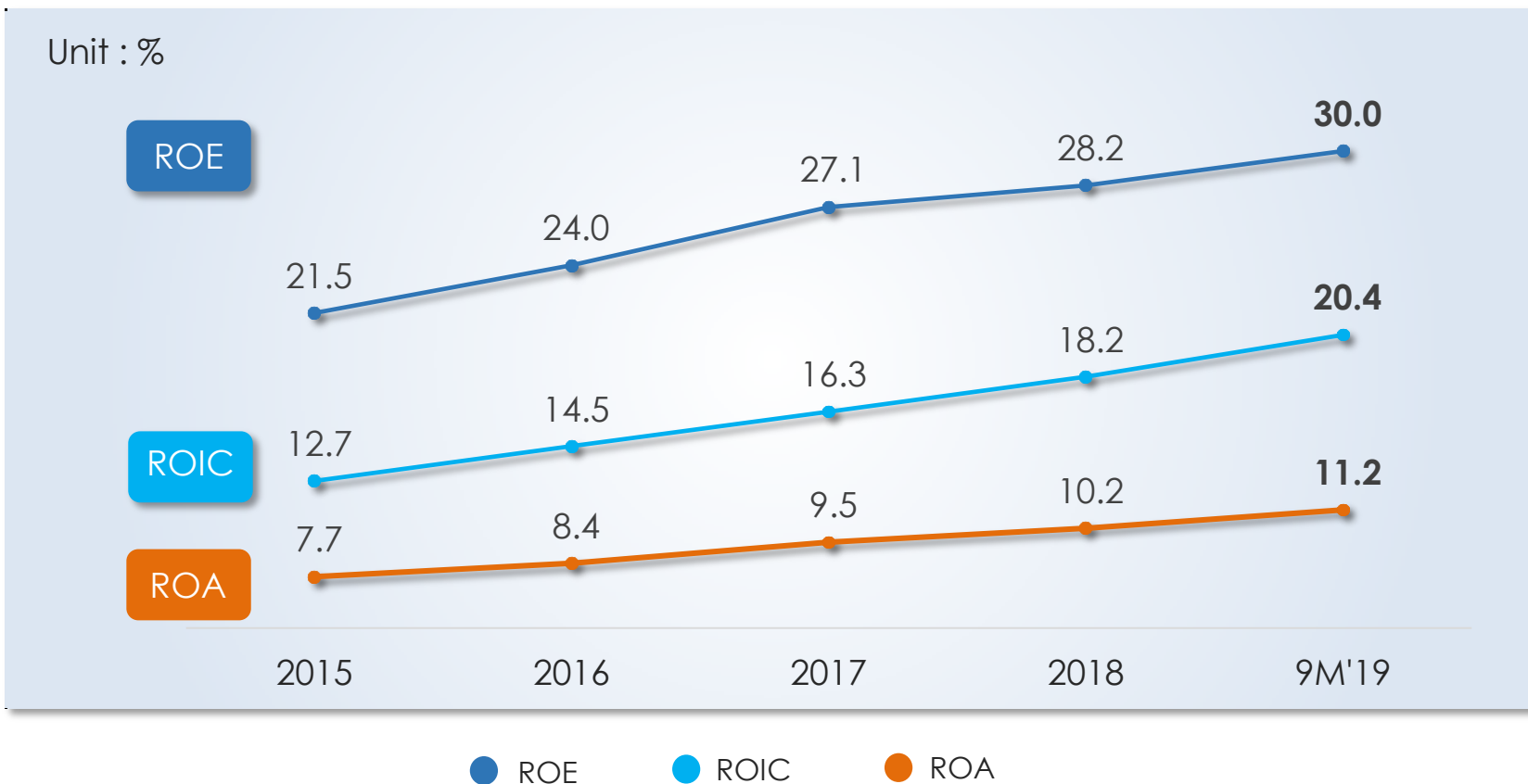
# Working Capital

Unit : Days \*HomePro Only



Net Cash Cycle (days)	2015	2016	2017	2018	9M'19 (After)
HomePro only	(20)	(21)	(17)	(19)	(17)
Including subsidiaries	(17)	(18)	(14)	(13)	(12)

Remark : excluding consignment goods





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# Our Sustainability Progress



## Product & Service

**38%** of sales mix came from Eco Choice Product



## Operational Efficiency

**32%** Of energy reduced from based year



## Our Associate

**81%** Employee Engagement Level



## Supply Chain Management

**60%** Of suppliers acknowledged code of conducts



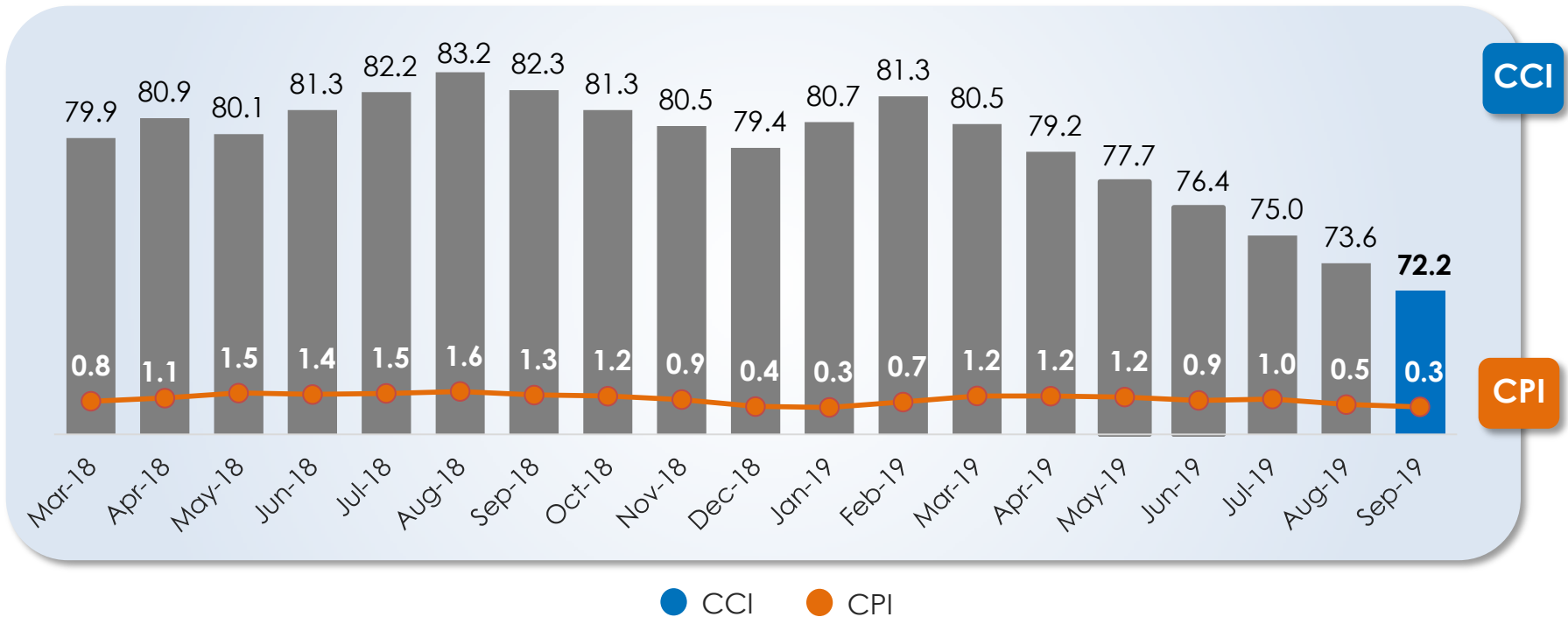
## Society & Community

**1,335** Tao-Kae-Noi teams are ready to service



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-



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

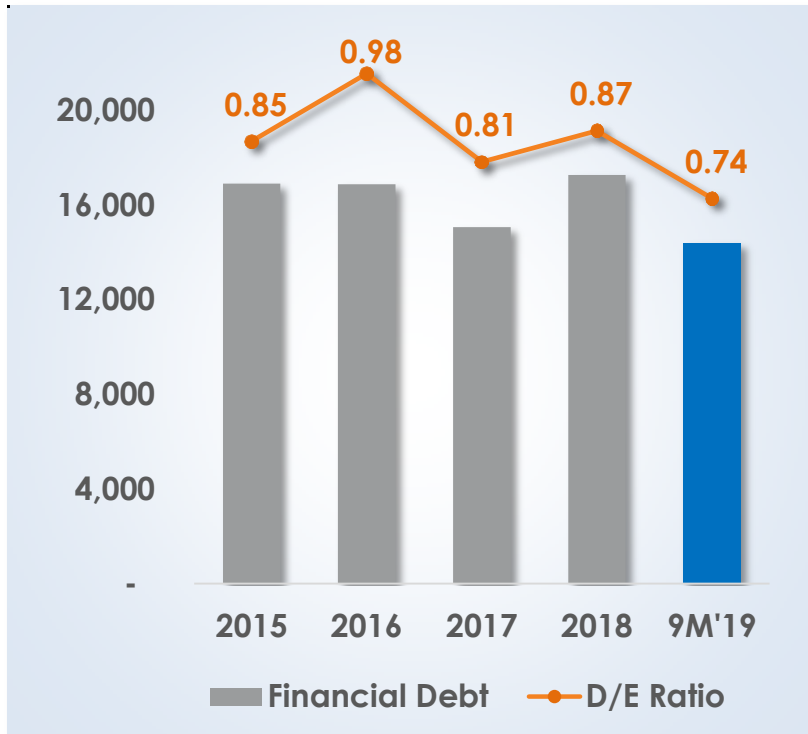
## Our stores in 2019

Total (stores)	84	9	14	6
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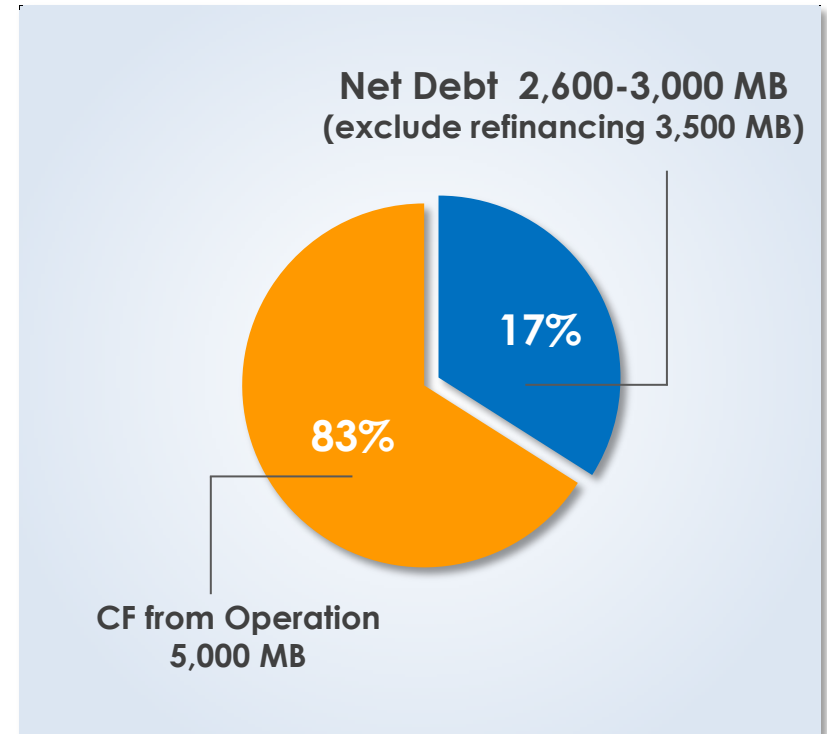




## Financial D/E Ratio



## 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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