



Analyst Meeting | 2019 Result

March 3, 2020



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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**



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".

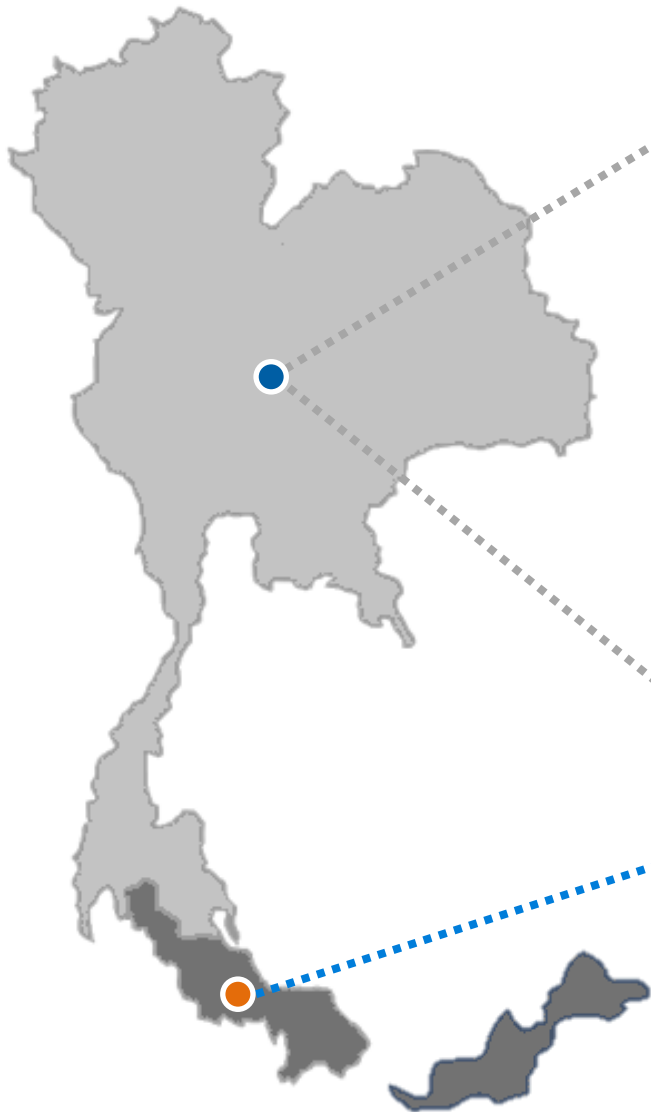


DC Service Center Co., Ltd.

- 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 : 3 stores
Upcountry : 11 stores

 Malaysia : 6 stores

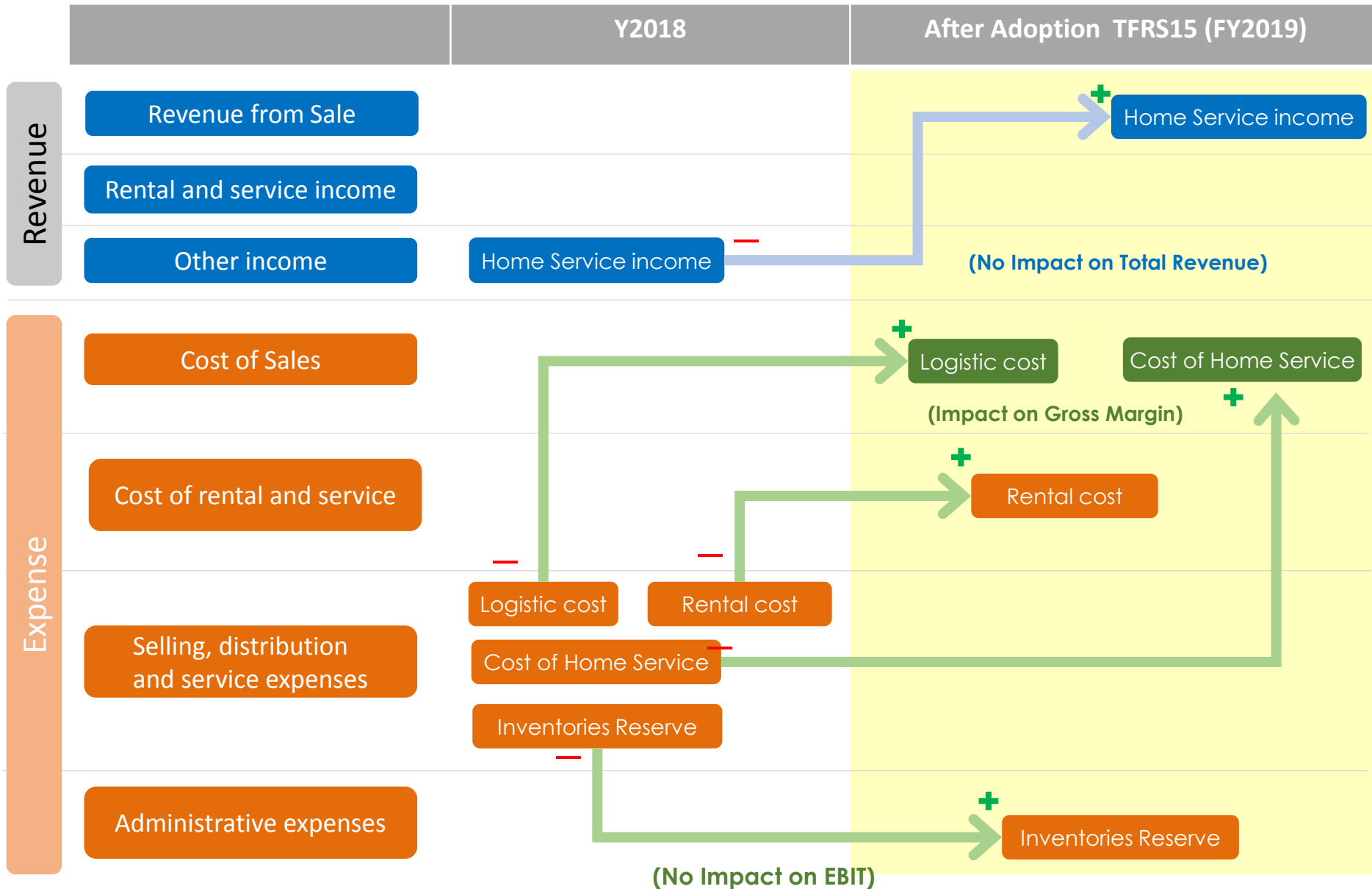


Agenda

- **2019 Financial Results**
- **Business Outlook**
- **Sustainability Development**



TFRS 15 Adoption - Revenue from Contracts with Customers





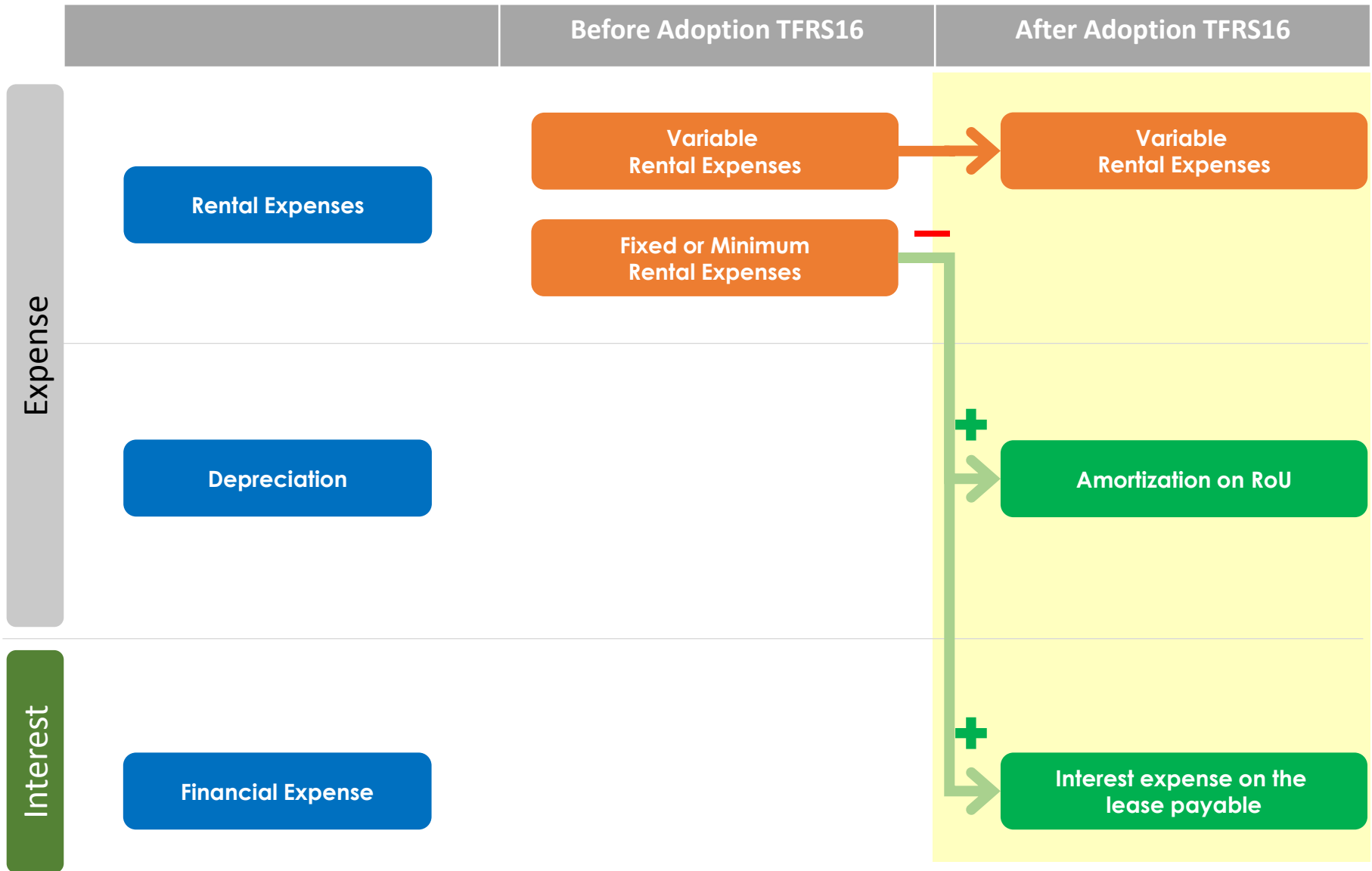
IFRS 16 Adoption – Balance Sheet Impact as Jan 1, 2020



	Impact	Amount
ASSET	Property, Building and Equipment (Right of Use Asset)	+ 3,666.27 Mb
	Other non current Assets (Deferred interest for Rou)	+ 1,814.24 Mb
		+ 5,480.51 Mb
LIABILITY	Other non current Liabilities (Lease Payable)	+ 6,430.12 Mb
		+ 5,480.51 Mb
EQUITY	Retained Earnings	- 949.60 Mb



TFRS 16 Adoption – Profit & Loss Statement impact in 2020

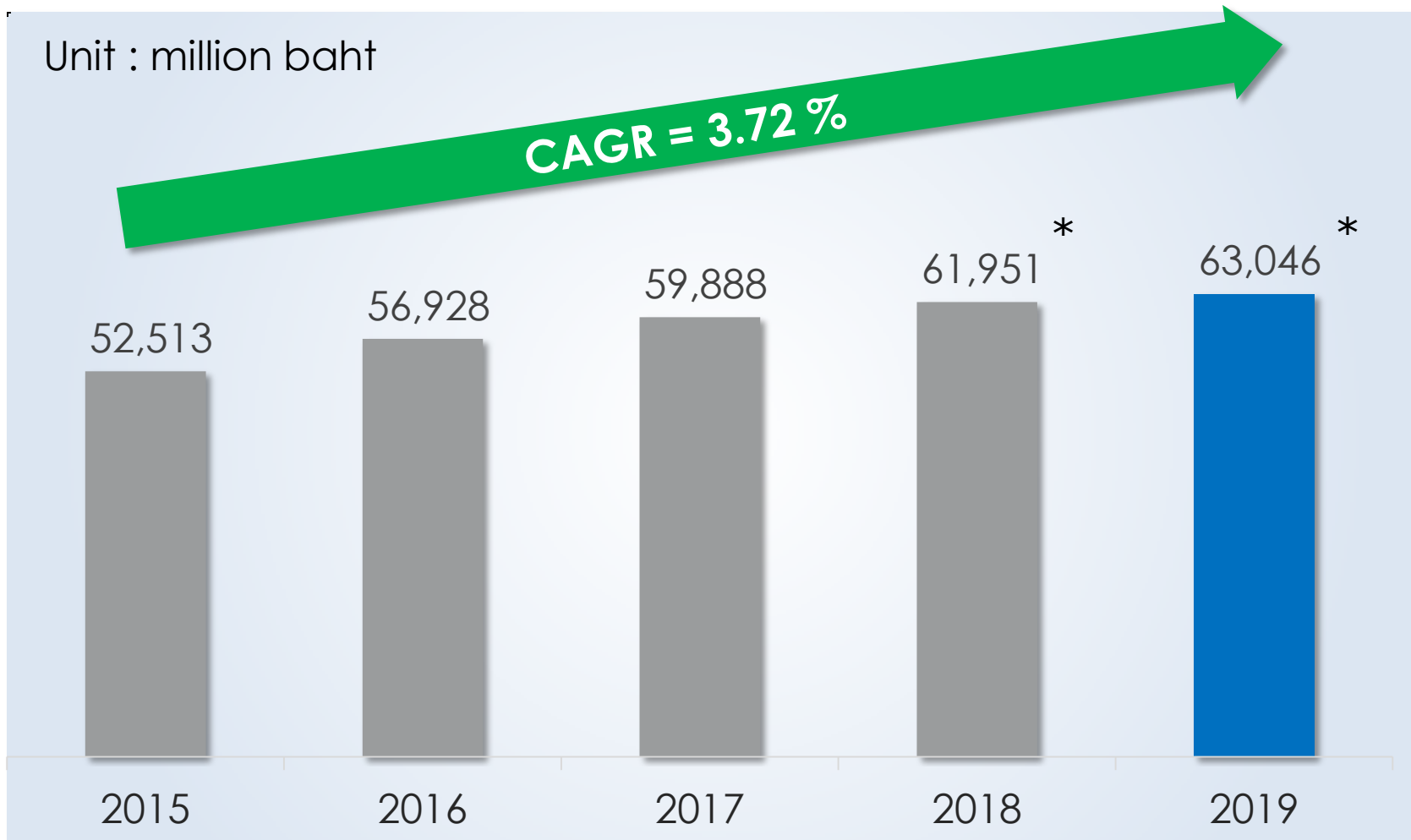


Unit : MB

	2019	% of sales	2018	% of sales	Var	% change
Revenue from contracts with customers	63,046.2	100.0%	61,951.3	100.0%	1,094.9	1.8%
Rental Income	2,207.1	3.5%	1,975.1	3.2%	232.0	11.7%
Other Income	2,170.6	3.4%	2,123.5	3.4%	47.0	2.2%
Total Revenue	67,423.9	106.9%	66,049.9	106.6%	1,374.0	2.1%
Cost of sales and service	46,714.9	74.1%	46,162.1	74.5%	552.8	1.2%
Gross profit	16,331.3	25.9%	15,789.2	25.5%	542.1	3.4%
Cost of Rental	584.2	0.9%	595.2	1.0%	(11.0)	(1.8%)
Total Expenses	12,115.7	19.2%	11,970.4	19.3%	145.3	1.2%
EBIT	8,009.0	12.7%	7,322.2	11.8%	686.8	9.4%
Finance Cost	405.5	0.6%	400.1	0.6%	5.4	1.4%
Tax	1,427.0	2.3%	1,309.5	2.1%	117.5	9.0%
Net Profit	6,176.6	9.8%	5,612.6	9.1%	564.0	10.0%

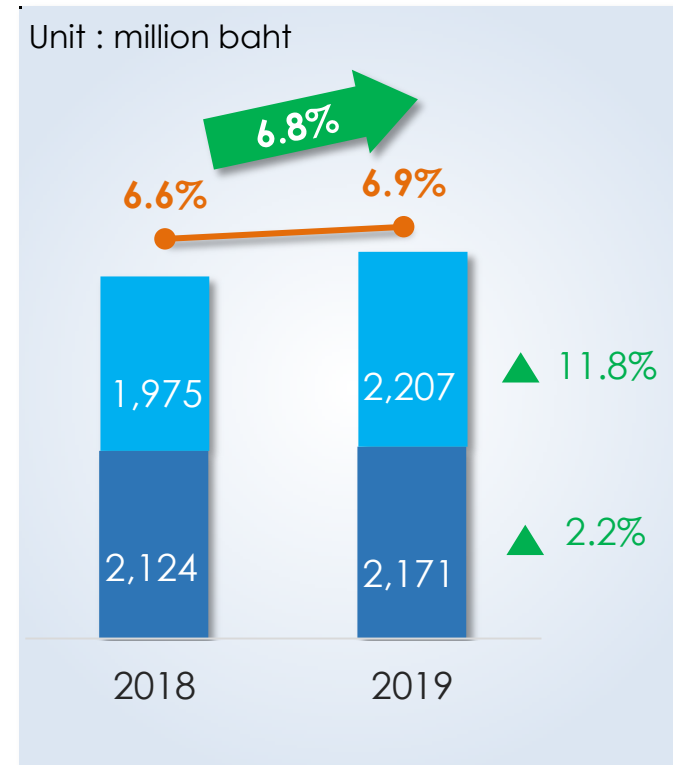
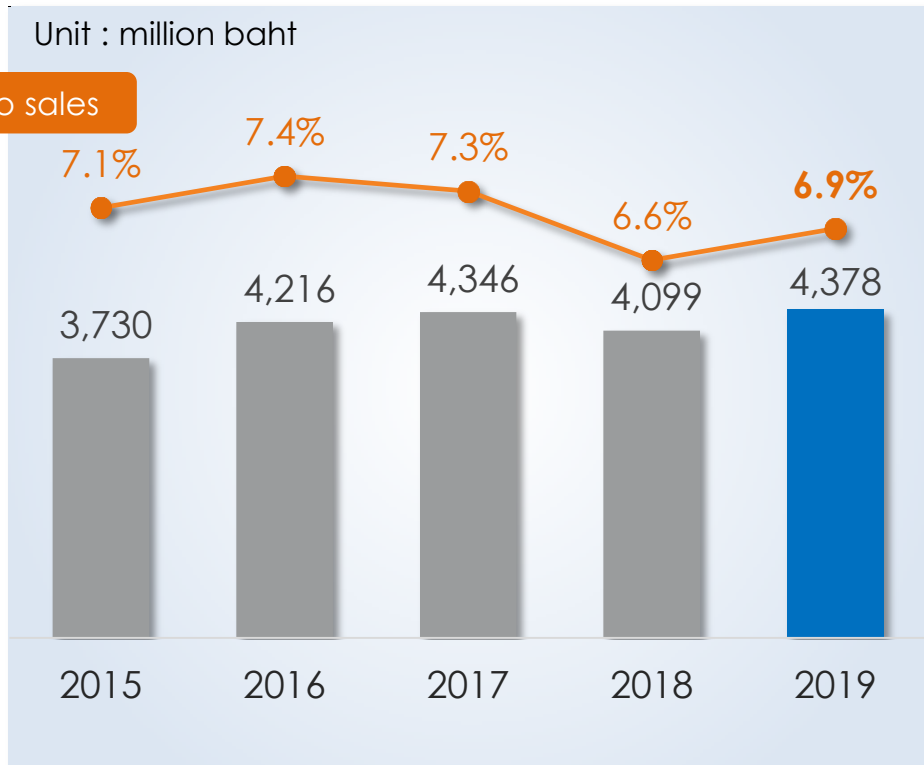
Depreciation	2,942.0	4.7%	3,064.5	4.9%	(122.5)	(4.0%)
EBITDA	10,951.0	17.4%	10,386.7	16.8%	564.4	5.4%

Sustainable Sales Growth



- Sales income was marginally driven by same store sales growth of HomePro and sales from new stores of HomePro and Mega Home while same store sales of Mega Home was flat, as well as an increase in service income under "Home Service".

*Service Income (Home Service) was included in 2018-2019

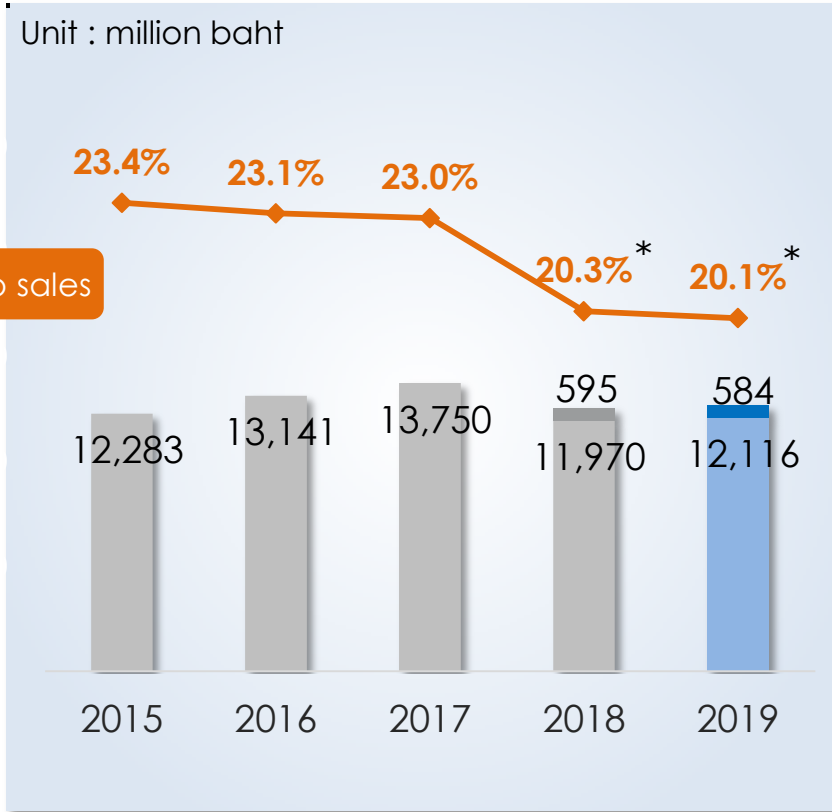


● Rent & Service ● Others ● % to Sales

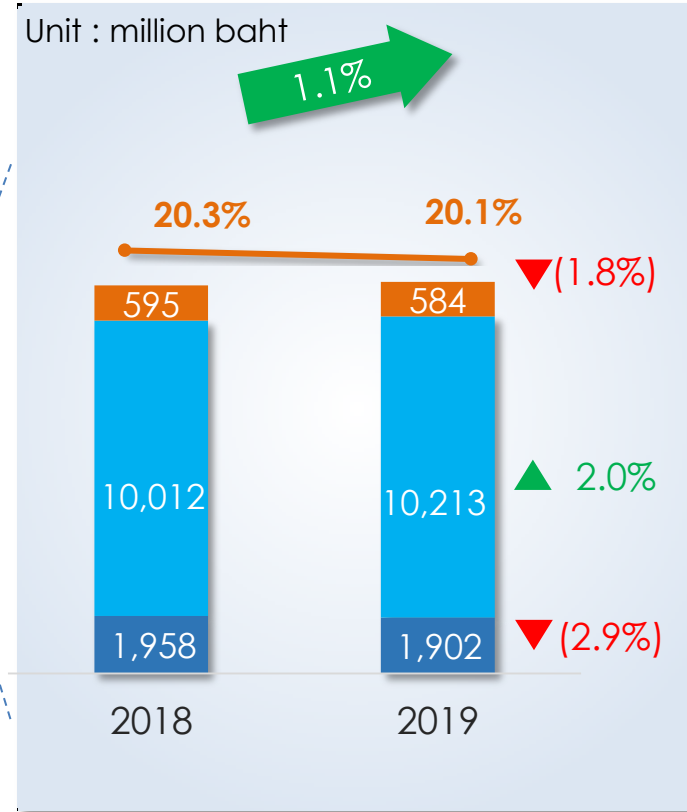
- Rental and service income increased from higher rental income from expansion of Market Village and leasable areas of HomePro's and Mega Home's stores
- Other income rose due to higher support fee of promotional activities with suppliers, interest received, and miscellaneous income.

Unit : million baht

% to sales



Unit : million baht



● Sales Related
 ● Cost of Rental
 ● Admin Expense
 ● % to Sales

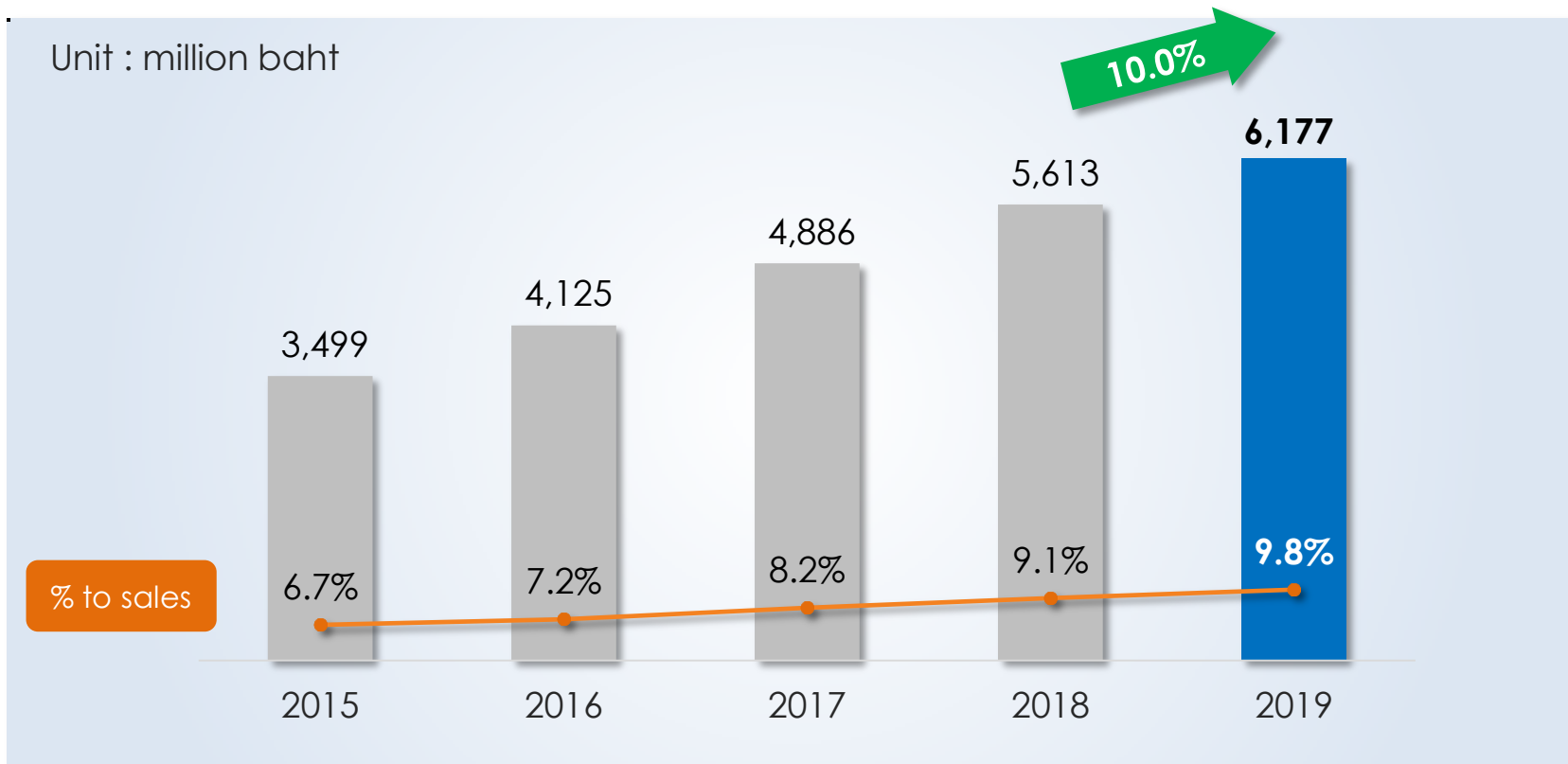
- The amount increases in SG&A were mainly driven by the rise in personnel expense, rental expense, utility cost, maintenance cost, and expense related to new store. In addition, SG&A as a percentage of sales has marginally decrease from 20.3% in previous year to 20.1%.
- Cost of Rental decreased due to lower depreciation expense and improvement in cost management of space rental business

* Cost of Rental Business was included in 2018-2019

Profitability Ratio



Gross profit margin as a percentage of sales has increased from 25.49% in previous year to 25.90%, which resulted from change in product sales mix of both general merchandise and directly sourced private-label goods and continual improvement in product assortment planning.



FY	2015	2016	2017	2018	2019
EPS	0.27	0.31	0.37	0.43	0.47

NPAT grew by 10.0% and NPAT as a percentage of sales increased from 9.1% in 2018 to 9.8% in 2019. Earnings per share (**EPS**) were Baht 0.47 in 2019, up 10.0% YoY.

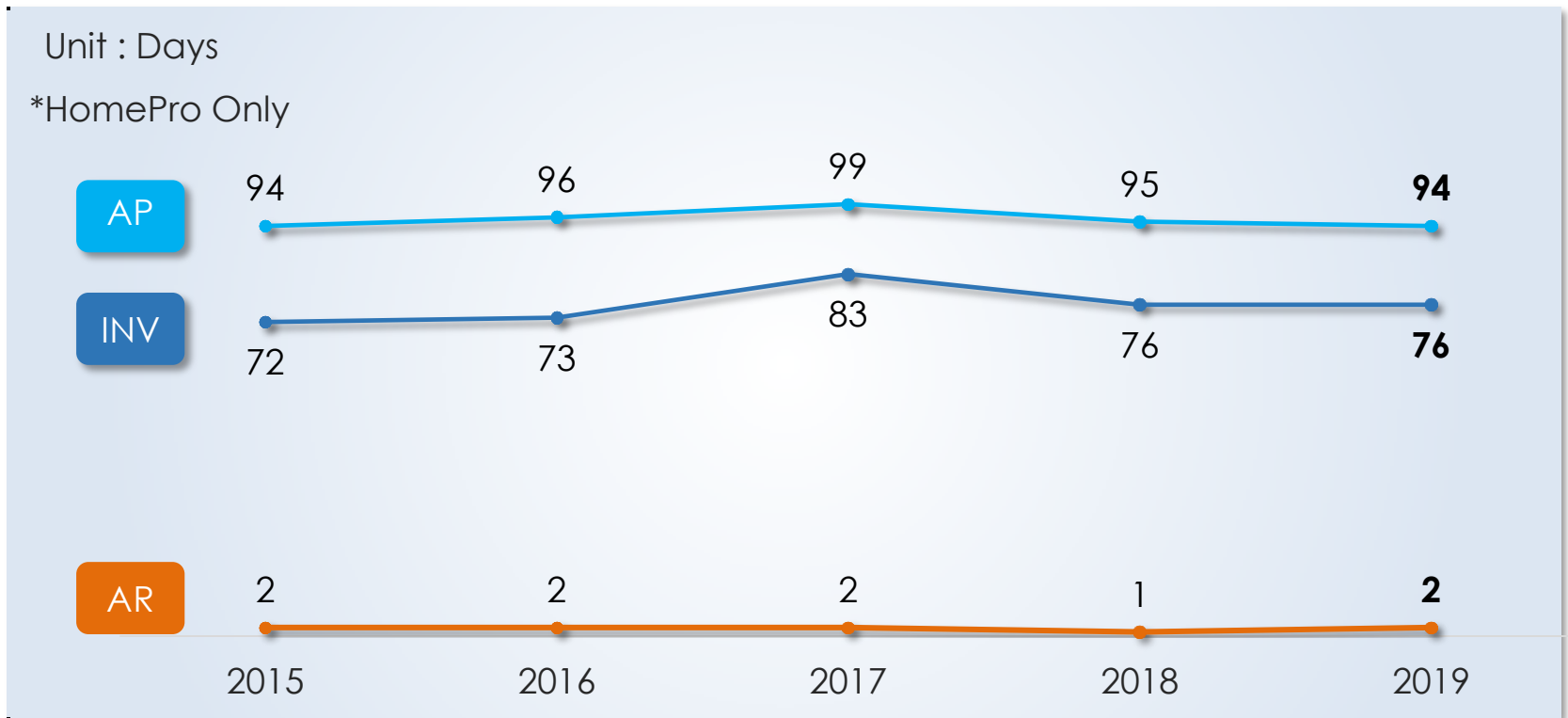
Balance Sheet at a glance

Unit : million baht

	31 Dec 2019	31 Dec 2018	Var	% change
Cash & Deposit	2,859.98	6,237.75	(3,377.77)	(54.15%)
Inventory	10,421.26	10,245.45	175.81	1.72%
Land Building & Equipment	35,710.59	35,398.78	311.81	0.88%
Others	3,057.13	2,929.38	127.75	4.36%
Total Assets	52,048.96	54,811.36	(2,762.40)	(5.04%)
Financial Debt	13,388.23	17,262.21	(3,873.98)	(22.44%)
Account Payable	14,069.08	14,370.53	(301.45)	(2.10%)
Others	3,453.56	3,264.51	189.05	5.79%
Total Liabilities	30,910.87	34,897.25	(3,986.38)	(11.42%)
Paid-Up Capital	13,151.20	13,151.20	-	-
Share Premium	646.32	646.32	-	-
Retain Earnings	7,340.56	6,116.57	1,223.99	20.01%
Total Equities	21,138.08	19,914.09	1,223.99	6.15%

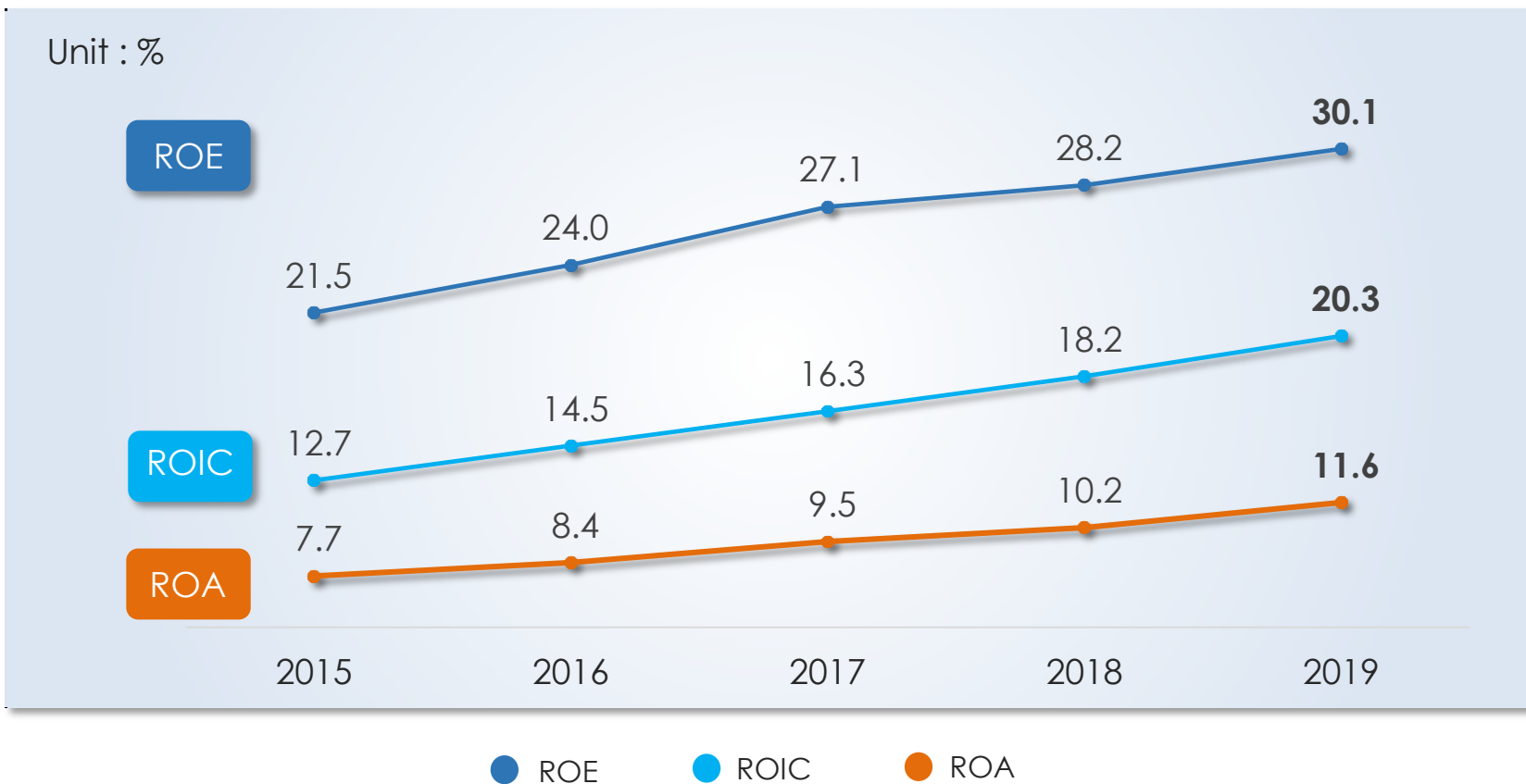


Working Capital



Net Cash Cycle (days)	2015	2016	2017	2018	2019
HomePro only	-20	-21	-17	-18	-16
Including subsidiaries	-17	-18	-14	-13	-11

Remark : excluding consignment goods



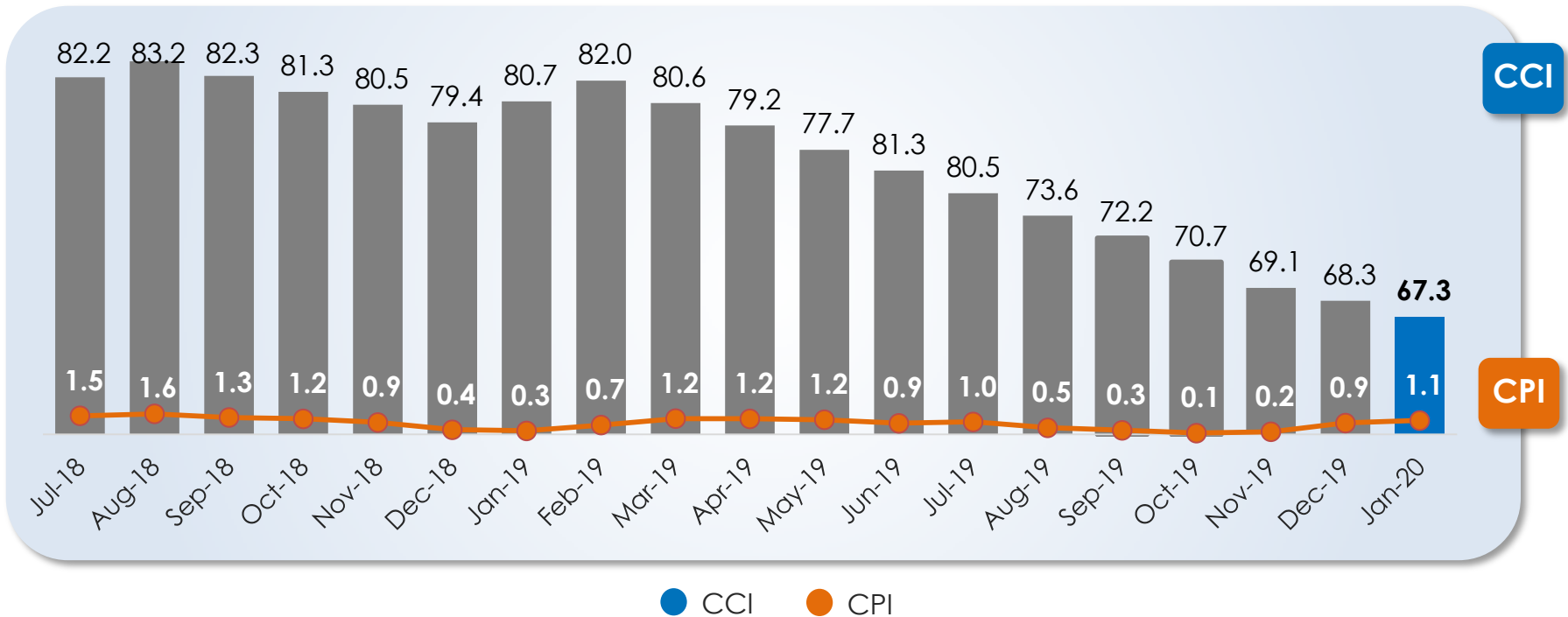


Agenda

- 2019 Financial Results
- **Business Outlook**
- Sustainability Development



Consumer Confidence hits 69-month low



Consumer confidence index fell to 67.3 points last month in January from 68.3 points in December. The index fell for the eleventh consecutive month, marking the lowest level since May 2014. Consumers fretted over the coronavirus outbreak and its impact on the overall economy, particularly tourism. The stalled budget for fiscal 2020 and drought were also among primary concerns for the public. Furthermore, the index has been dampened by concerns on domestic and global economic slowdown, local political instability, and low agricultural product prices, reflecting cautious spending in the first half of 2020.





Automated Storage and Retrieval System (ASRS)



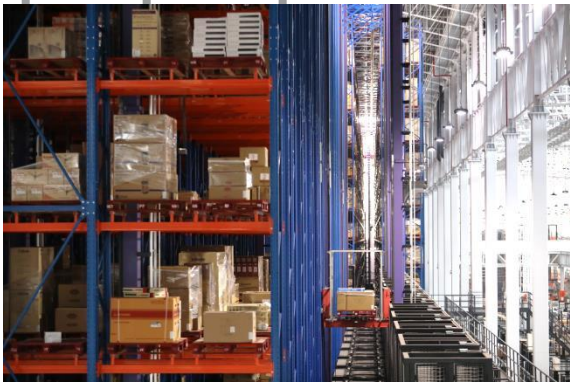
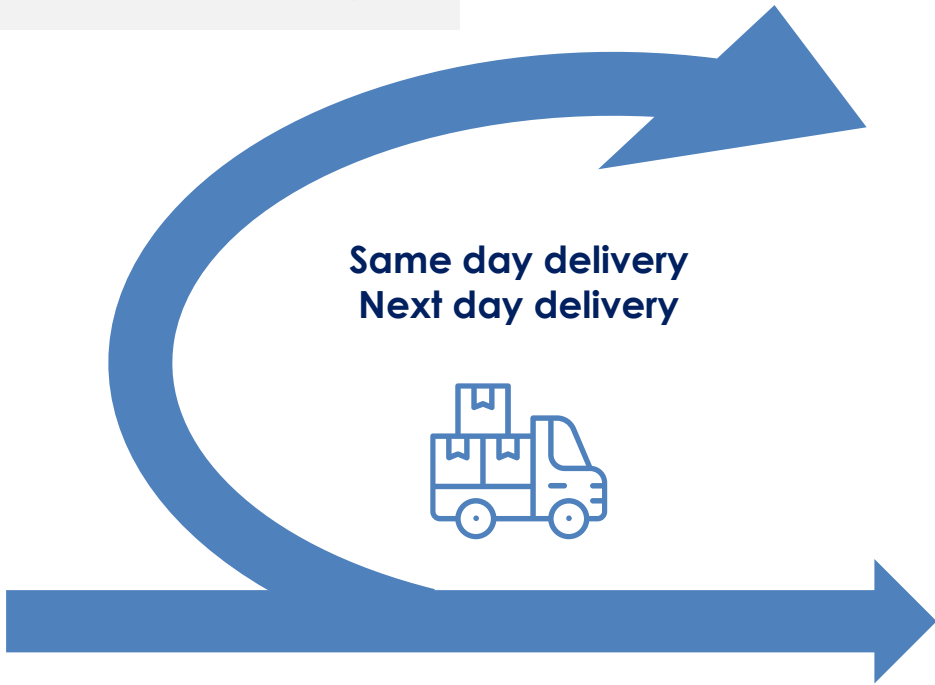
Faster stock pick up



Lower damaged goods



Better efficiency



Automated Storage and Retrieval System (ASRS)



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**



2020 Store Expansion Plan



2020 New stores

2

1

1

1

1H	-	-	-	-
2H	2	1	1	1

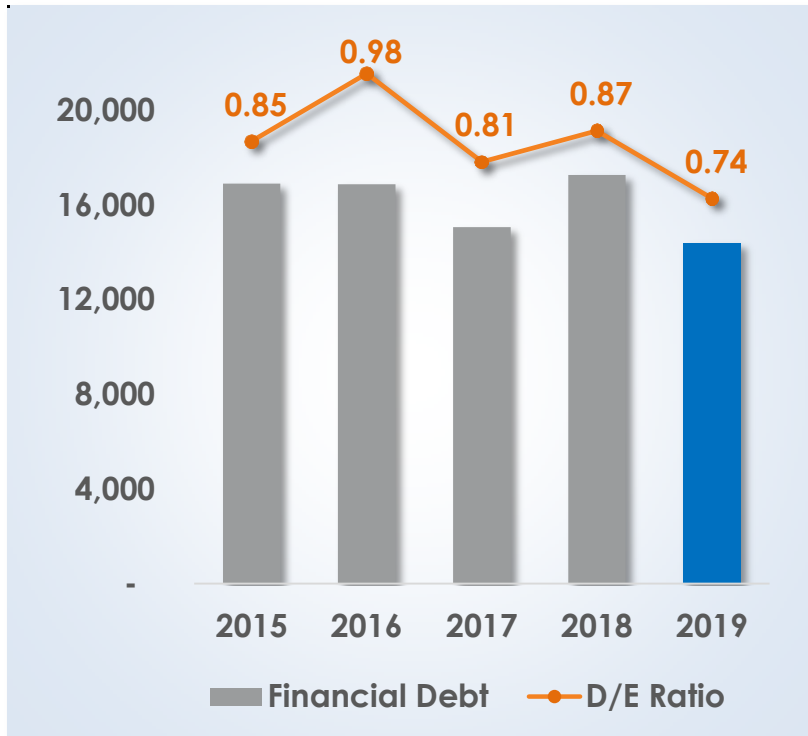
Our stores in 2020

Total (stores)	86	10	15	7
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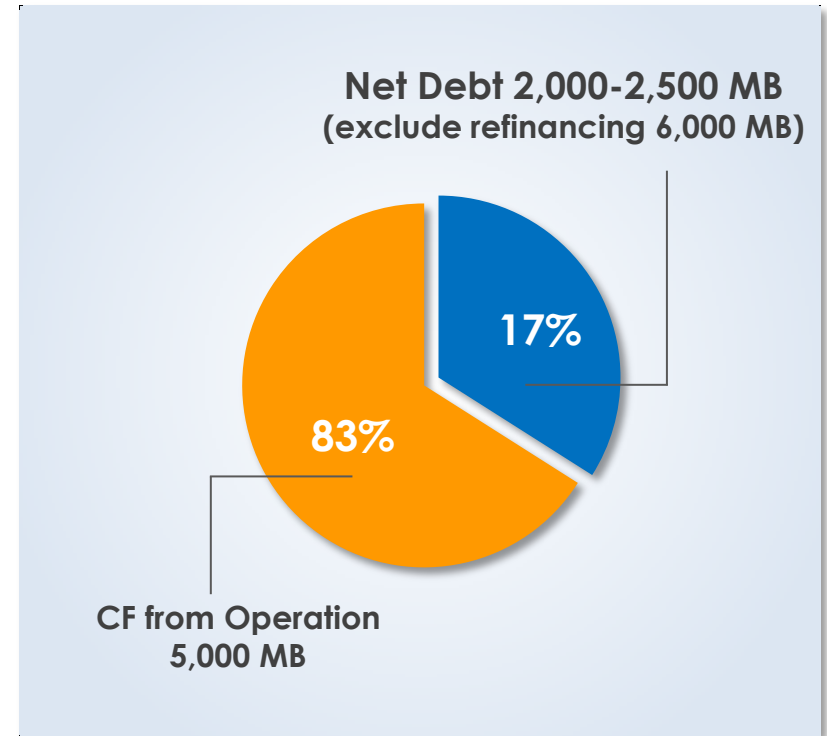


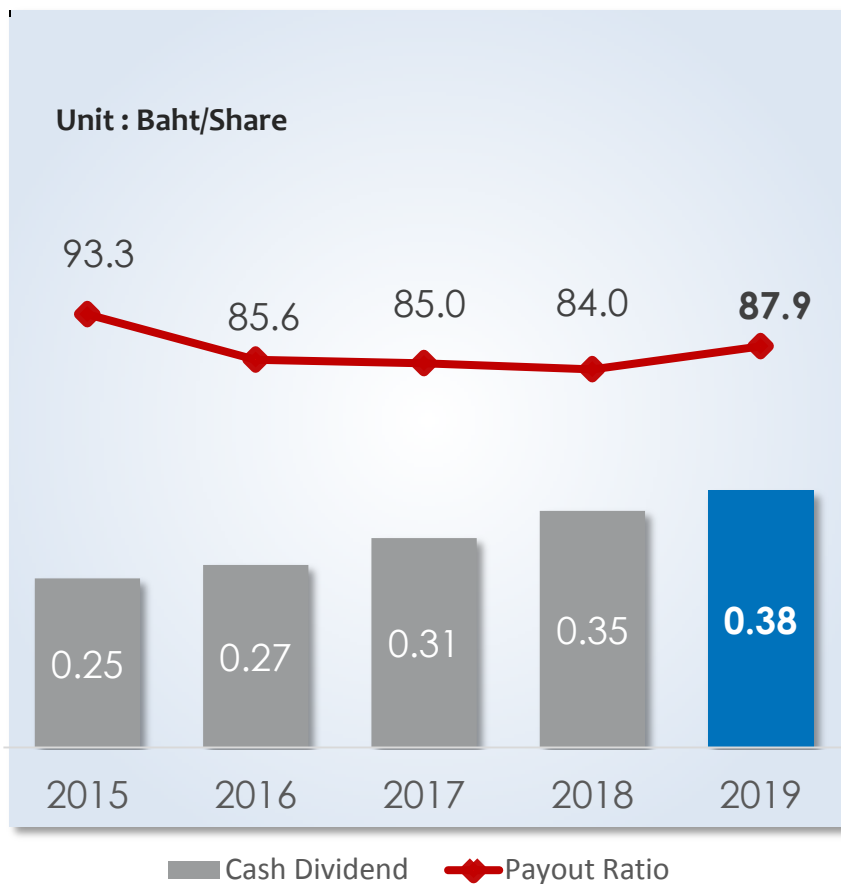
2020 Further Funding Rapid Growth

Financial D/E Ratio



Source of Fund 2020





2019

- Final Dividend at **Baht 0.21 per share**
Payment date on 8 May 2020 *
- Interim Dividend at **Baht 0.17 per share**
Payment date on 25 September 2019

2018

- Final Dividend at **Baht 0.20 per share**
Payment date on 8 May 2019
- Interim Dividend at **Baht 0.15 per share**
Payment date on 26 September 2018

HomePro's **Dividend Policy** is to pay no less than 40% of NPAT.

* Subject to shareholder's approval (AGM to be held on April 9th, 2020)

POSTPONED TO Q2
For health & safety concerned

10 วัน
เท่านั้น

โฮมโปร เอ็กซ์โป
พิชิตรับพรกรรมความเย็น คู่หมักมาก



HomePro EXPO #31

@ Impact Muangthong Thani

Home lovers enjoyed this event which offers a wide range of brand name from over 300 manufactures and distributors, home service and innovation, including special discounts from leading financial institution.



Agenda

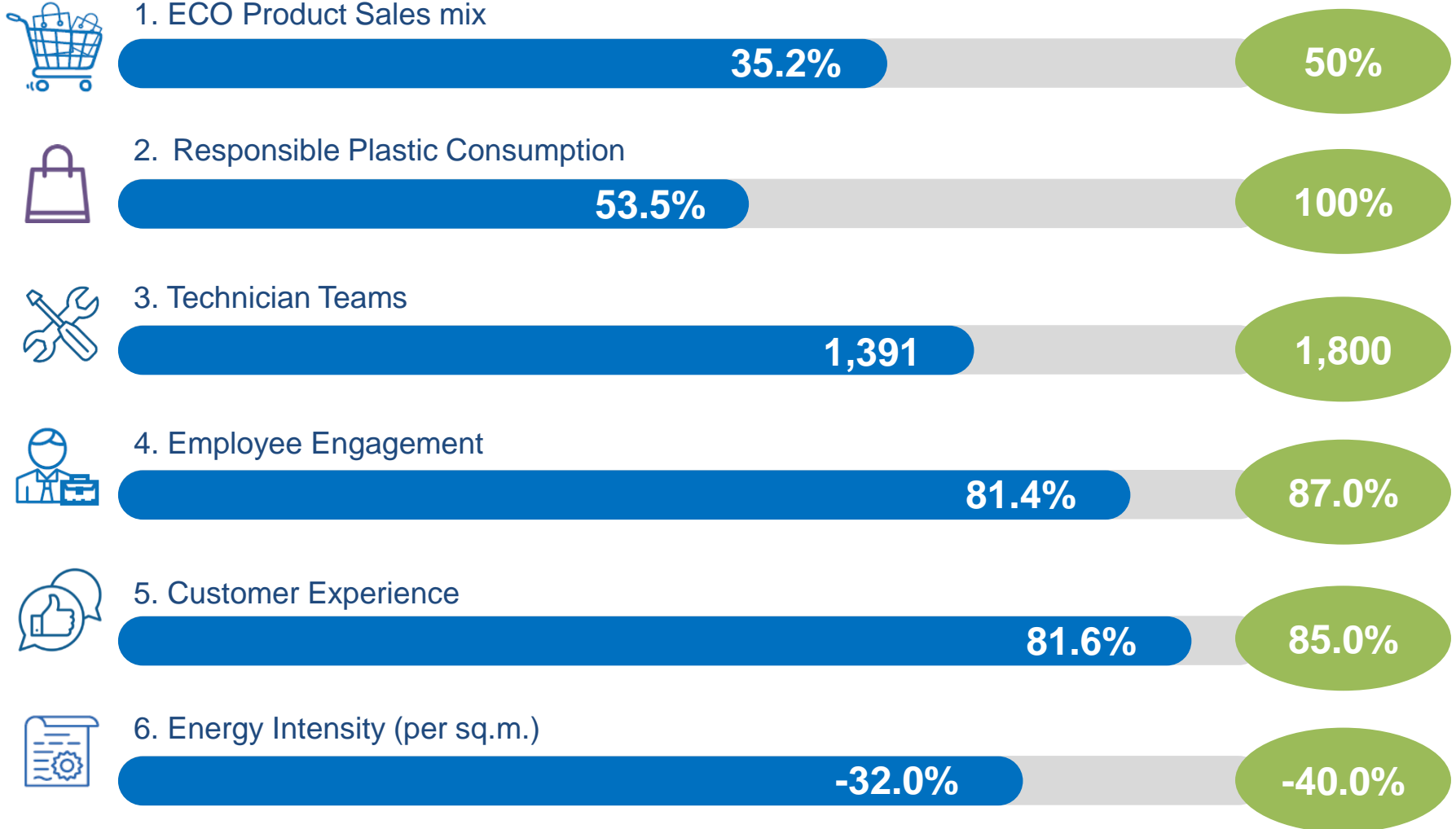
- 2019 Financial Results
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-



2025 SD ROADMAP

Progress as of 2019

2025





Track record of endorsement in key sustainable indices



International



Included in the DJSI Emerging Market since 2017



Included in the FTSE4Good since 2016



Received A rating from MSCI-ESG

Domestic



AGM Investors' Choice



Highly Commended



Best Investor Relations



Excellence CG Score



Listed in ESG100 Index



Anti-Corruption Certified



Q & A

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