



Opportunity Day | 2021 Result

Mar 11, 2022

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About HomePro



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



HomePro's products cover **50,000** items



HomePro operates **93** stores nationwide



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



Agenda

- **2021 Financial Results**

- **Business Outlook**
- **Sustainability Development**



Corporate Group Structure



Home Product Center Plc. : Operating HomePro in Thailand



**Mega Home
Center Co.,
Ltd.**

Objective to
operate retail
business under
trade name
"Mega Home".
Holds 99.99% of
total shares



**Home Product
Center
(Malaysia) Sdn.
Bhd.**

Objective to
operate a retail
business in
Malaysia.
Holds 100% of
total shares



**Market Village
Co., Ltd.**

Objective to
manage rental
space and
provide utilities
services to
tenants.
Holds 99.99% of
total shares



**DC Service
Center Co.,
Ltd.**

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

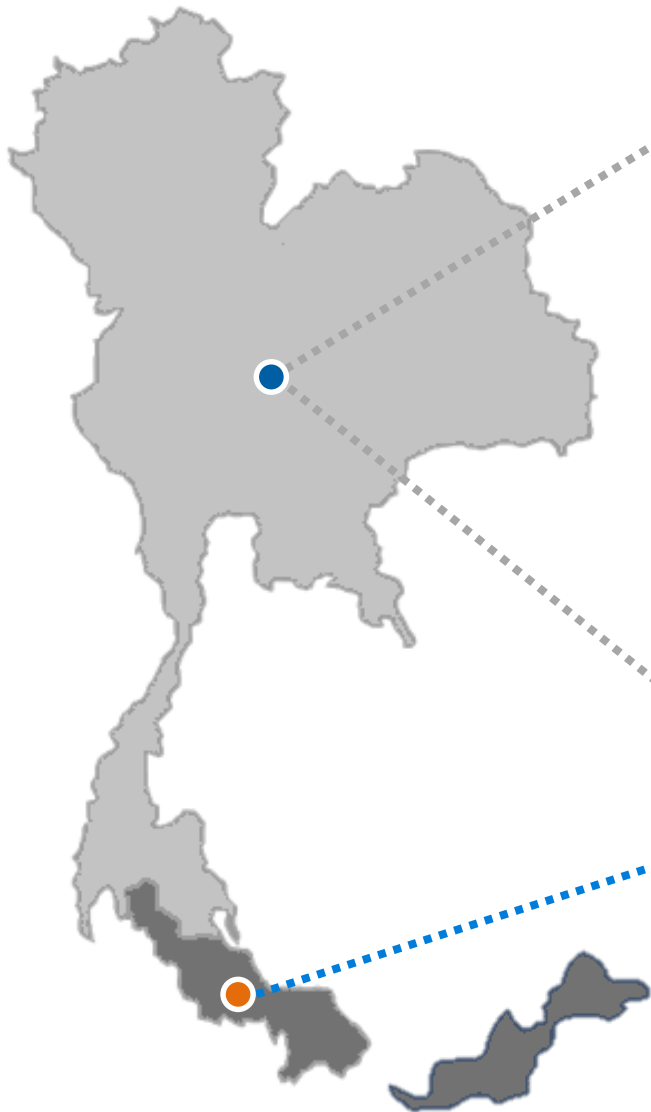




**Home Product
Center
(Vietnam) Co.,
Ltd.**

Objective to
operate a retail
business in
Vietnam
Holds 100% of
total shares



Store Footprint



	Greater Bangkok : 30 stores Upcountry : 57 stores
	Greater Bangkok : 5 stores Upcountry : 1 stores
	Greater Bangkok : 3 stores Upcountry : 11 stores
	Malaysia : 7 stores

Remarks: In 2021, 3 closure of HomePro S; 1 store for relocation and 2 for expired leasing contract

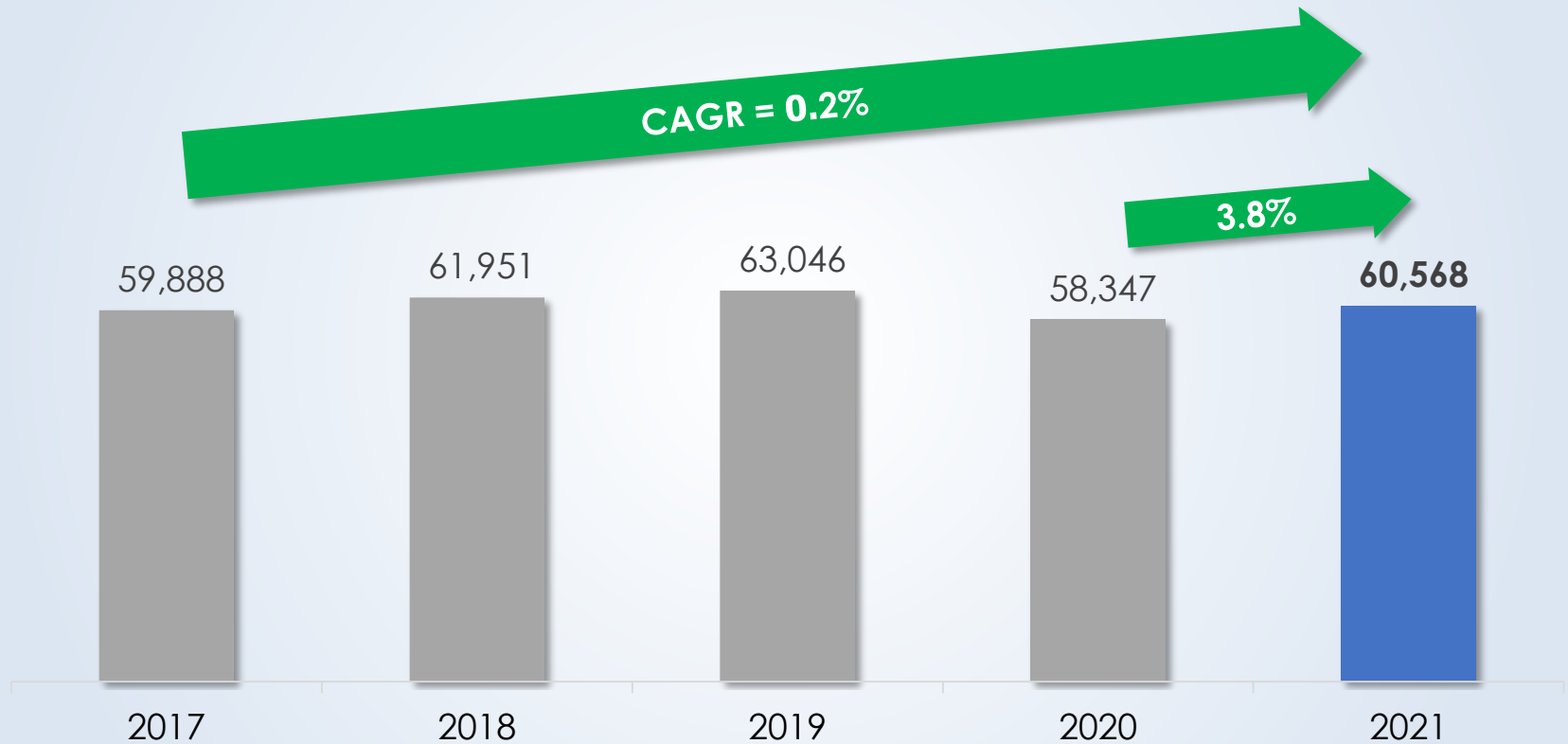
Unit : million baht

	2021	% of sales	2020	% of sales	Var	% change
Revenue from contracts with customers	60,567.91	100.00	58,346.77	100.00	2,221.14	3.81
Rental Income	1,223.16	2.02	1,527.16	2.62	(304.01)	(19.91)
Other Income	2,134.72	3.52	1,875.06	3.21	259.66	13.85
Total Revenue	63,925.79	105.54	61,748.99	105.83	2,176.80	3.53
Cost of sales and service	44,925.37	74.17	43,598.26	74.72	1,327.12	3.04
Gross profit	15,642.54	25.83	14,748.51	25.28	894.02	6.06
Cost of Rental	608.80	1.01	553.63	0.95	55.17	9.97
Total Expenses	11,348.87	18.74	10,964.70	18.79	384.17	3.50
EBIT	7,042.74	11.63	6,632.41	11.37	410.34	6.19
Financial Income	7.36	0.01	16.44	0.03	(9.08)	(55.24)
Financial Cost	415.61	0.69	458.79	0.79	(43.17)	(9.41)
Tax	1,193.97	1.97	1,035.35	1.77	158.62	15.32
Net Profit	5,440.52	8.98	5,154.70	8.83	285.82	5.54
Depreciation	3,207.91	5.30	3,181.74	5.45	26.18	0.82
EBITDA	10,250.65	16.92	9,814.14	16.82	436.51	4.45



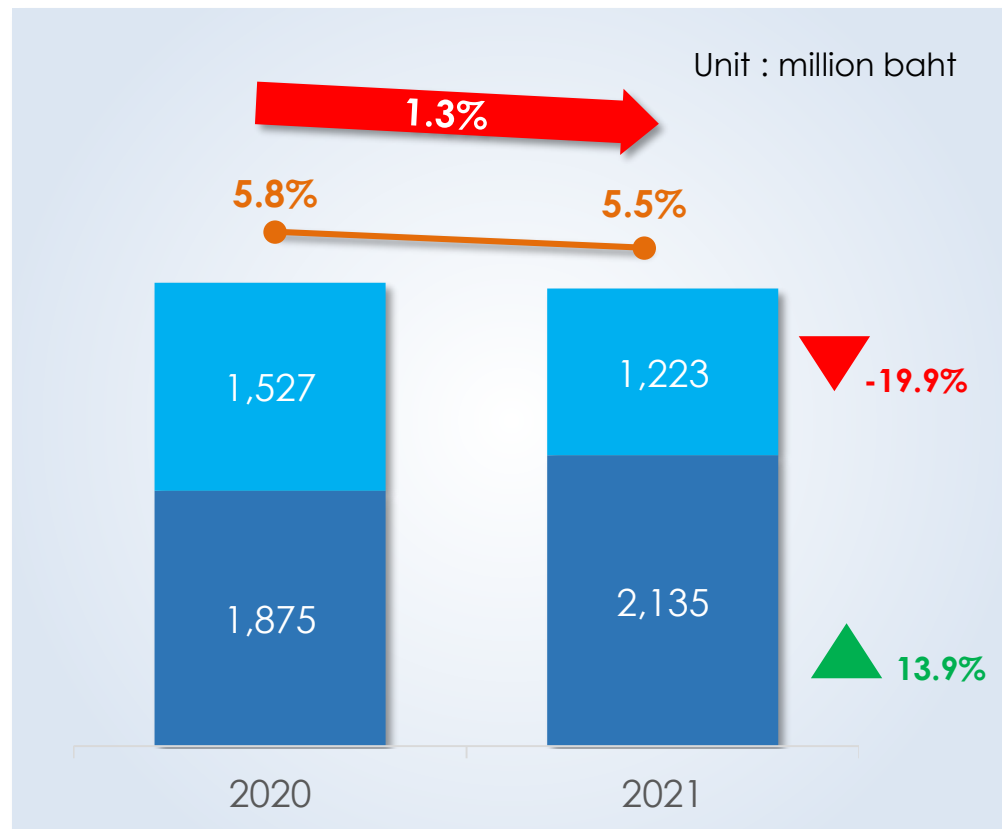
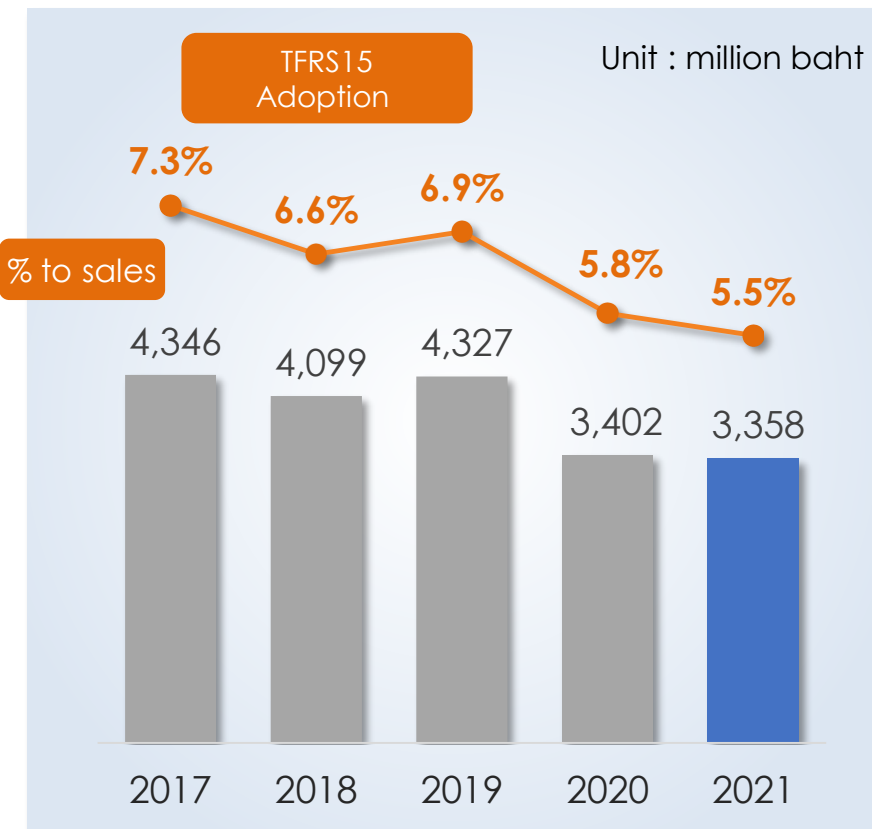
Sustainable Sales Growth

Unit : million baht



- Revenue from contracts with customers which comprised of product sales revenue and service income of Home Service was Baht 60,567.91 million, representing an increase of Baht 2,221.14 million or up 3.81%

Other Income



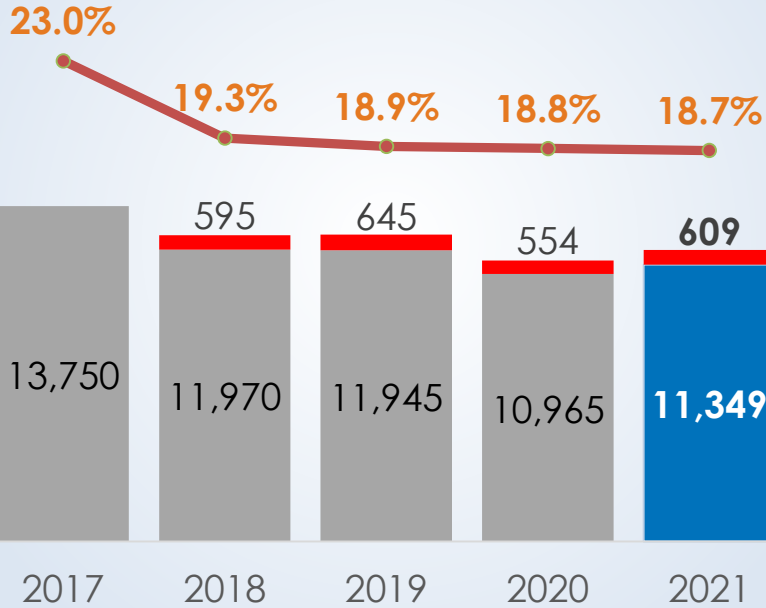
● Rental Income ● Other ● % to Sales

- Rental income has decreased due to lower rental income resulted from the cancellation of HomePro Expo in 2021 compared with 2020 when the events were held in the third and fourth quarters along with a decline in rental income from leasable space of Market Village and HomePro stores as a result of government's orders to close shopping centers and limit only a certain businesses to operate, in which the Company has lowered or waived rental fees for tenants.
- Other income increased in relation to the increasing promotional activities with vendors in both stores and online channels.

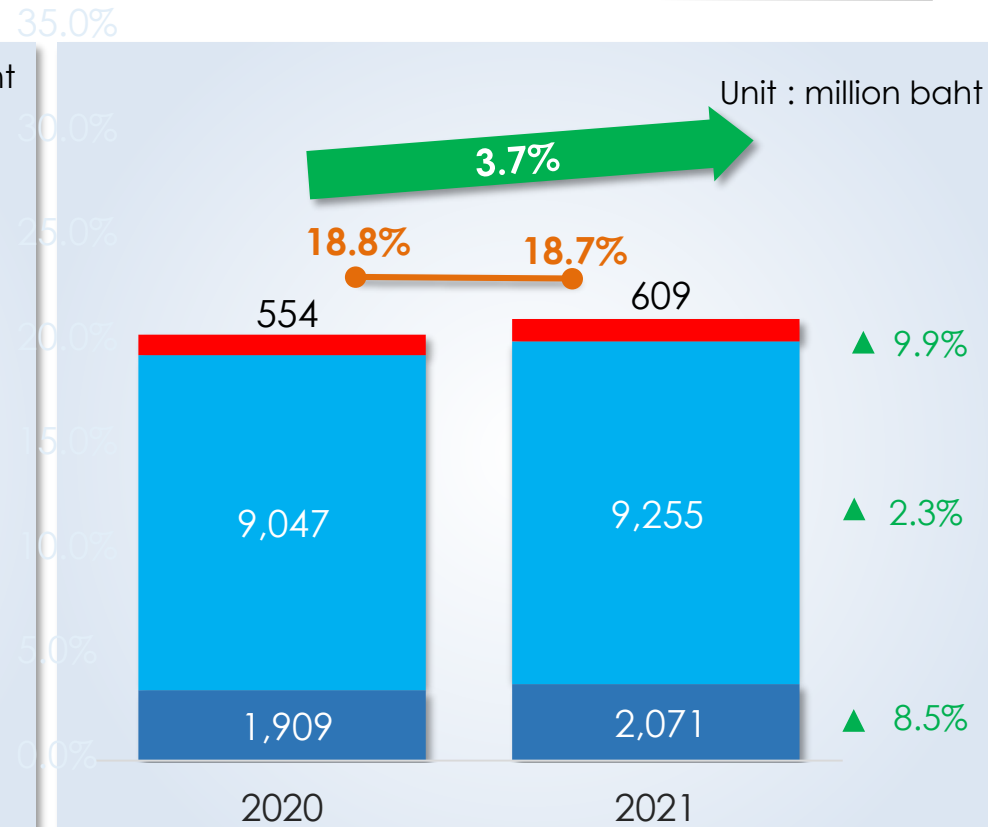
SG&A Expenses

Unit : million baht

TFRS15 Adoption



Unit : million baht



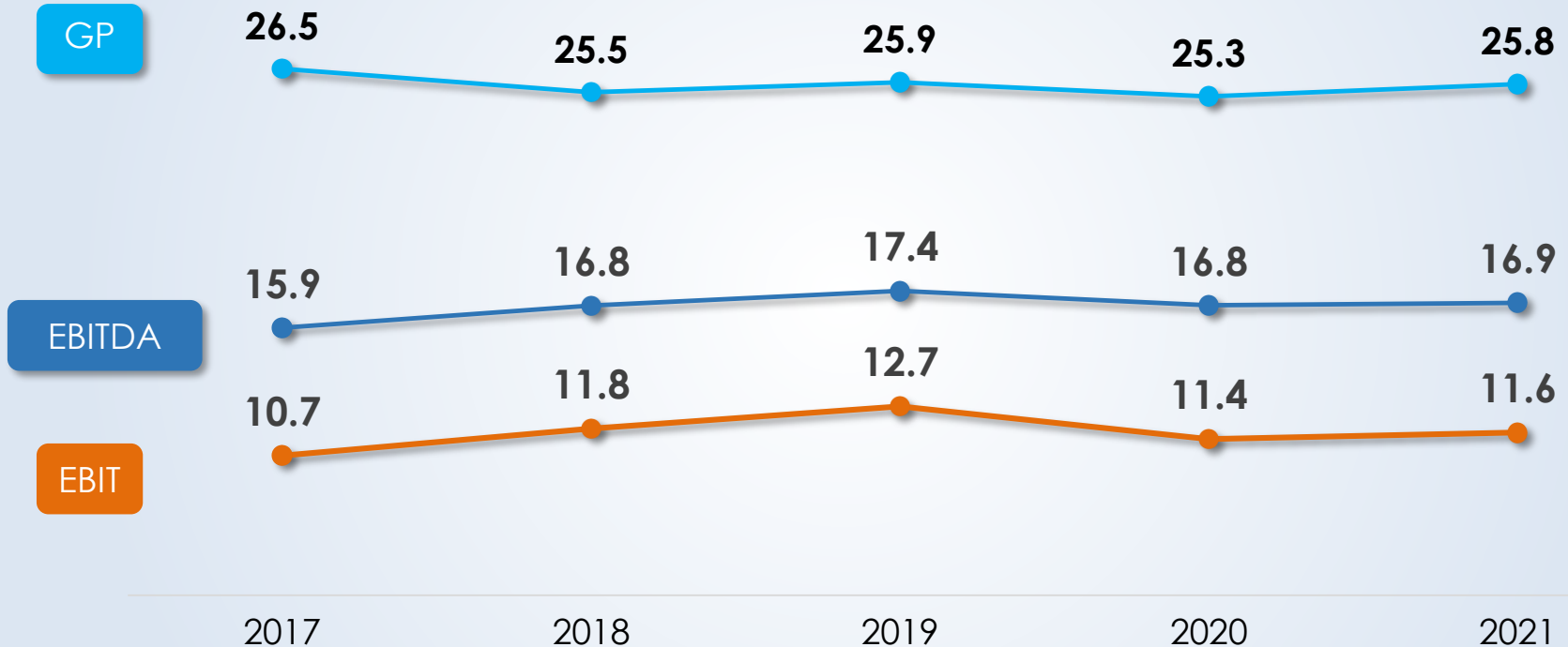
● Sales Related ● Cost of Rental ● Admin Expense ● % to Sales exclude Cost of Rental

- The amount increases in SG&A was attributable to expenses associated with employee salaries and welfare, expenses related to taking care of associates during the severe outbreak of COVID-19 such as expenses in building a field hospital, utilities and marketing expense. Nevertheless, the overall SG&A as a percentage of Sales has fell marginally.
- Cost of rental increased due to expenses related to additional rental space at Rangsit Klong 4 and Suksawat Store, which opened at the end of the fourth quarter 2020, therefore, cost of rental was recognized full year in 2021. Similarly, the new store of HomePro in Bangna Km. 1, was recently opened in the fourth quarter of 2021, also partially caused.

Profitability Ratio

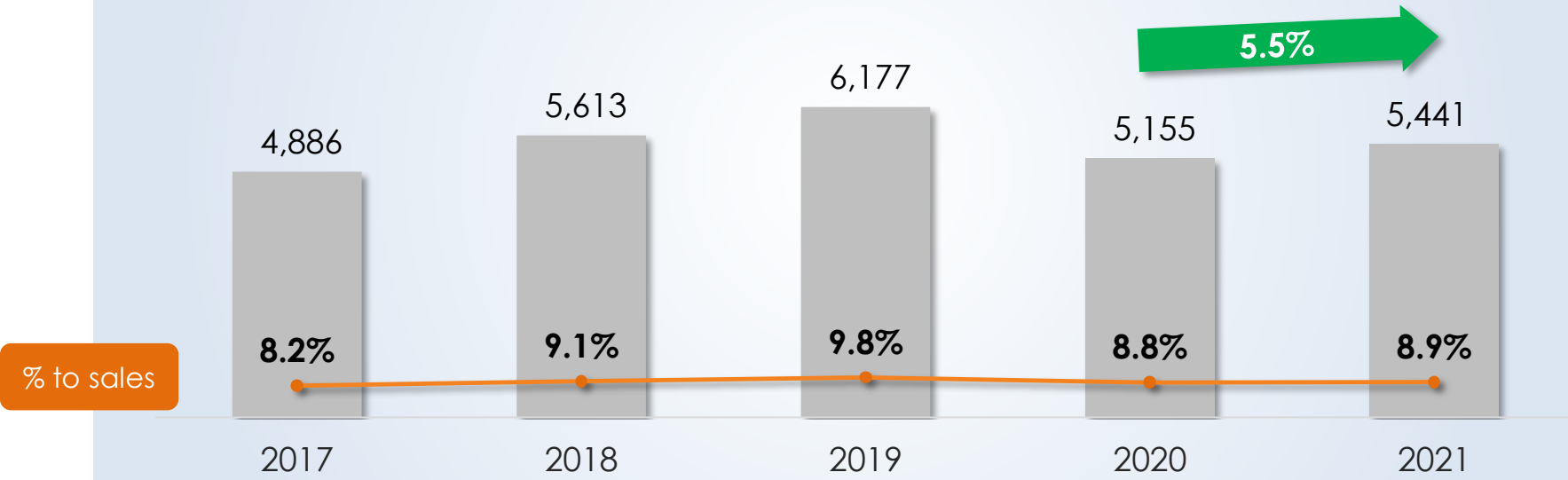
Unit : % of Sales

IFRS15
Adoption



Gross profit margin as a percentage of sales has increased from 25.3% in 2020 to 25.8% in 2021 due to growing sales volume of products and services as well as an increased in products that generate higher margin, such as furniture and home improvement/repair products, in tandem with the changing lifestyle of consumer.

Unit : million baht



FY	2017	2018	2019	2020	2021
EPS	0.37	0.43	0.47	0.39	0.41

NPAT in 2021 increased by 5.5% and NPAT as a percentage of sales has marginally increased from 8.8% in 2020 to 8.9% in 2021. Earnings per share (EPS) were Baht 0.41 in 2021.



Balance Sheet at a glance

Unit : million baht

	31 Dec 2021	31 Dec 2020	Var	% change
Cash & Deposit	4,545.97	3,282.69	1,263.28	38.48%
Inventory	12,572.20	10,344.6	2,227.64	21.53%
Land Building & Equipment	38,426.48	39,225.30	-798.82	(2.04%)
Others Assets	3,041.70	3,238.23	-196.53	(6.07%)
Total Assets	58,586.35	56,090.77	2,495.57	4.45%
Financial Debt*	18,470.43	18,002.09	468.34	2.60%
Account Payable	13,972.62	13,050.31	922.31	7.07%
Others Liabilities	3,252.86	3,473.13	-220.26	(6.34%)
Total Liabilities	35,695.91	34,525.53	1,170.38	3.39%
Paid-Up Capital	13,151.20	13,151.20	-	-
Share Premium	646.32	646.32	-	-
Retain Earnings	9,092.91	7,767.72	1,325.19	17.06%
Total Equities	22,890.43	21,565.24	1,325.19	6.15%

*Included impact of TFRS16 on lease liabilities 5,112.73 of Million baht

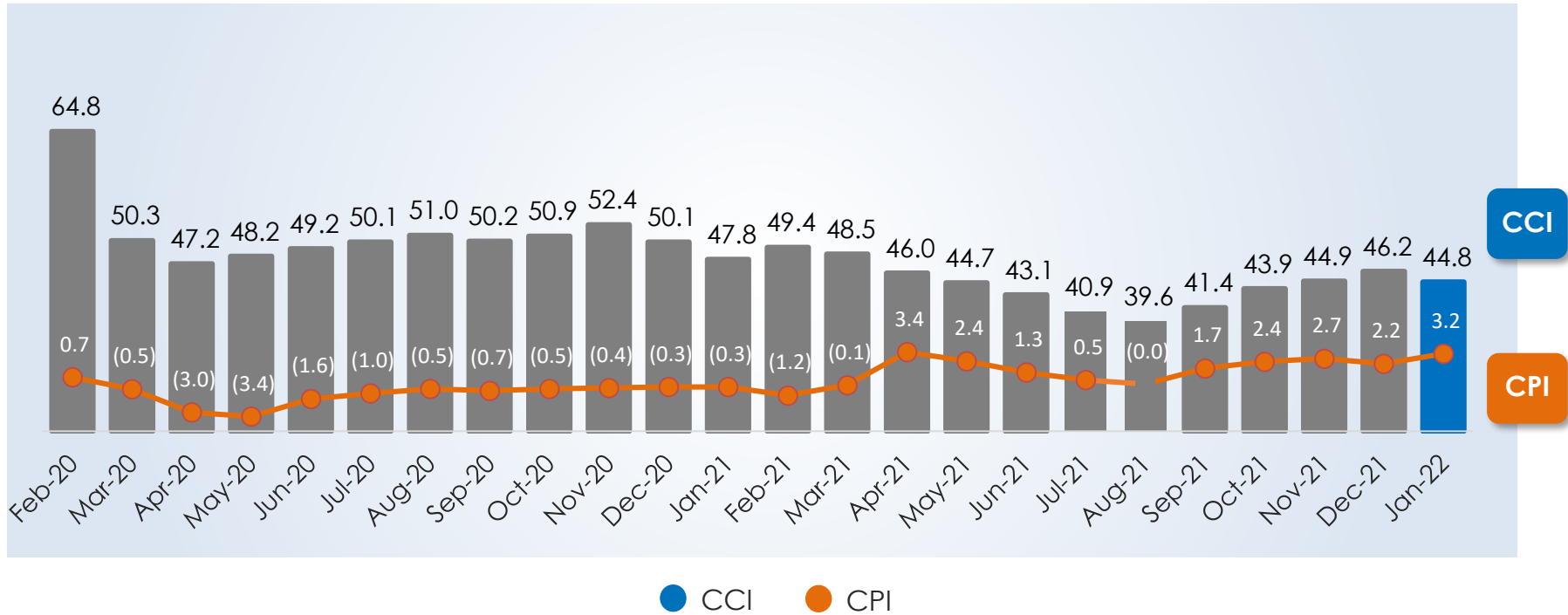


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Consumer confidence declined for the first time in five months in January



Consumer confidence index declined for the first time in five months in January to 44.8, down from 46.2 in December. The decreased in consumer confidence was attributed to the spike in Omicron Variant infections, therefore, the consumer were concerned about rising in infections rate. In addition, there is a sharp rise in the prices of goods and food along with a higher oil prices. Nevertheless, there are various positive factors to support the economy, which are the fourth phase of the co-payment subsidy scheme and the resumption of the Test & Go scheme. Moreover, UTCC has forecasted Thailand's GDP growth in 2022 at 3.5-4% as UTCC expected that the Omicron outbreak could diminish by March and the number of foreign tourists might increase after the reopening of the Test & Go entry scheme.



❖ **Customer** behavior Change after COVID-19

Work Remotely



Continuous online shopping through e-commerce channel



Demand for virtual products online



❖ **Retail** adaptations after COVID-19

Increase home-related products



Warehouse automation and Ongoing development on last-mile delivery



Advanced analytics to enhance e-commerce experience





Margin expansion through Private Label



Over **36** Private Brands



Quality **and** worthiness



Over **5,000** items



Continuous **development**



2022 Store Expansion Plan



2022 New stores



Malaysia

1H 2022	-	-	-	-
2H 2022	2	-	5	-

Our stores in 2022

Total (stores)	88	6	19	7
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Remark : Homepro expand 2 new stores 1 store for relocation

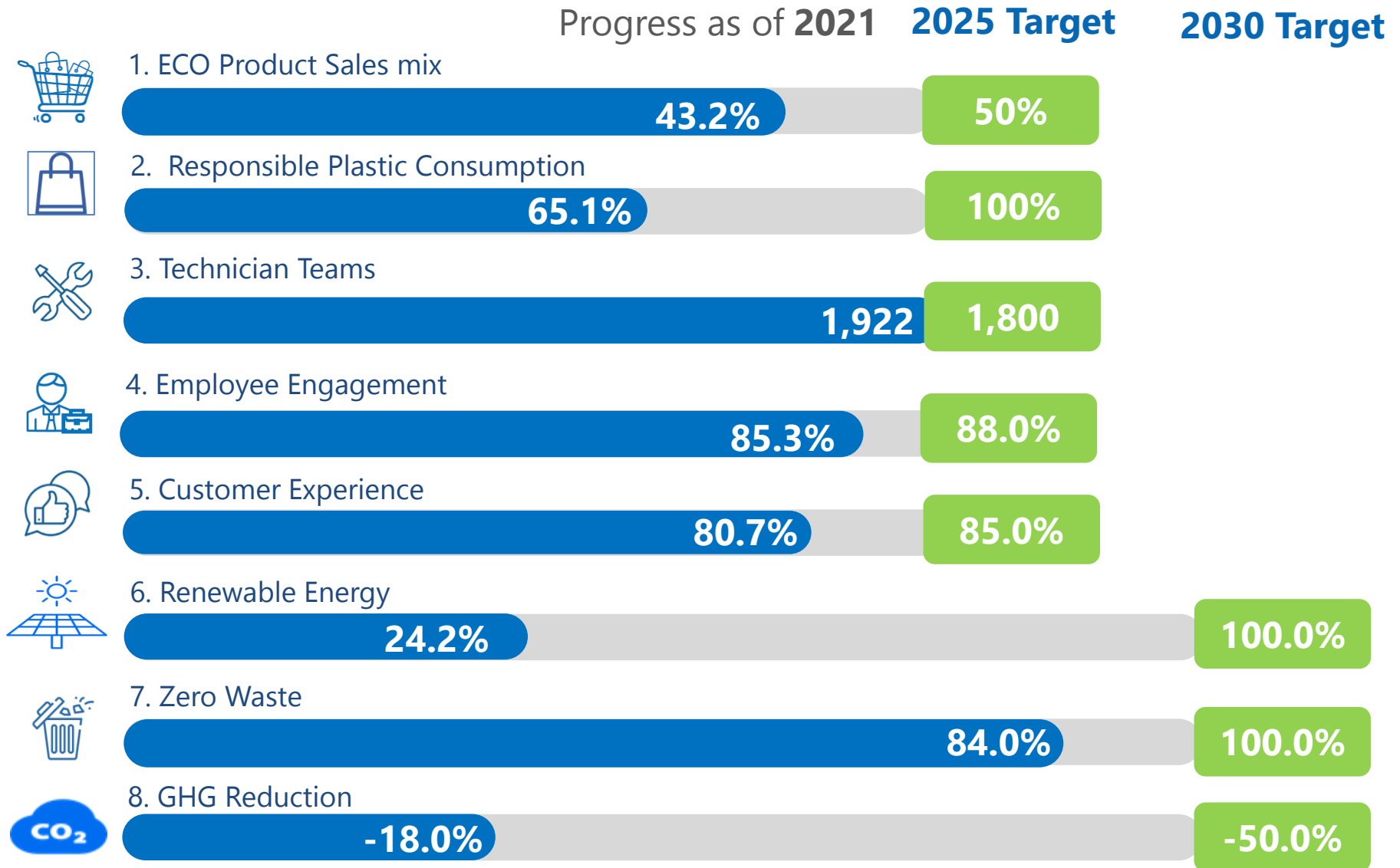


Agenda

- 3Q'21 Financial Results
 - Business Outlook
 - **Sustainability Development**
-



2025 & 2030 SD ROADMAP





Track record of endorsement in key sustainable indices



International

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

FTSE4Good



MSCI ESG RATINGS



Included in the DJSI Emerging Market since 2017

Included in the FTSE4Good since 2016

Received AA rating from MSCI-ESG

Included in the Bloomberg Gender Equality Index (GEI)

Being listed in CDP in the fields of climate change with "A-"

Received Sustainably Low Risk Rating in ESG Risk ranking

Domestic



AGM Investors' Choice



Being listed in Thailand Sustainability Investment by SET for the 7th consecutive year



Receiving a highly commended in Sustainability Awards from SET



Receiving Sustainability Disclosure Recognition 2021 from Thaipat institute



Excellence CG Score



Listed in ESG100 Index



Anti-Corruption Certified



Q & A

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