

The background of the slide is a photograph of a young boy walking towards the camera in a bright, blue-walled room. He is wearing a grey cardigan over a red and blue plaid shirt and dark pants. To his right is a white A-frame bookshelf filled with books. In the background, there is a large window with white frames, a white birdcage, and a vase of blue flowers. A yellow banner at the top right contains the text "Analyst Meeting".

# Analyst Meeting

**2014 Results**

**March 2, 2015**

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HomePro is the leading home improvement retailer in Thailand.

Our product range covers 60,000 items.  
We operate 72 stores nationwide, providing complete services as One Stop Shopping to attain highest customer satisfaction.

The HomePro's stock is traded on the Stock Exchange of Thailand (SET - hmpro, BB - hmpro:tb).



# Agenda

- 2014 Financial Results
- Business Outlook



## Home Product Center Plc. : Operating HomePro in Thailand



### 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.



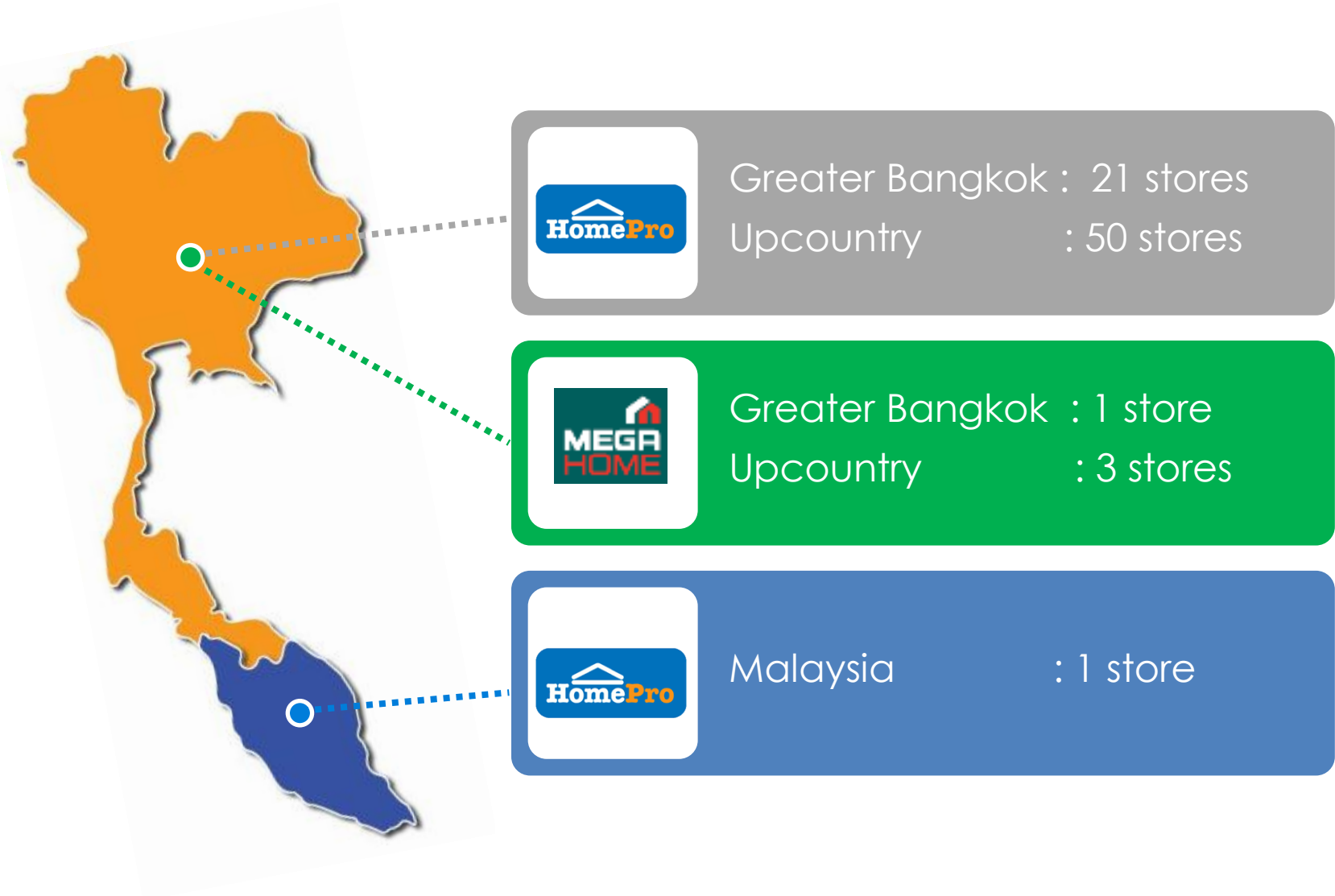
### Mega Home Center Co., Ltd.

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



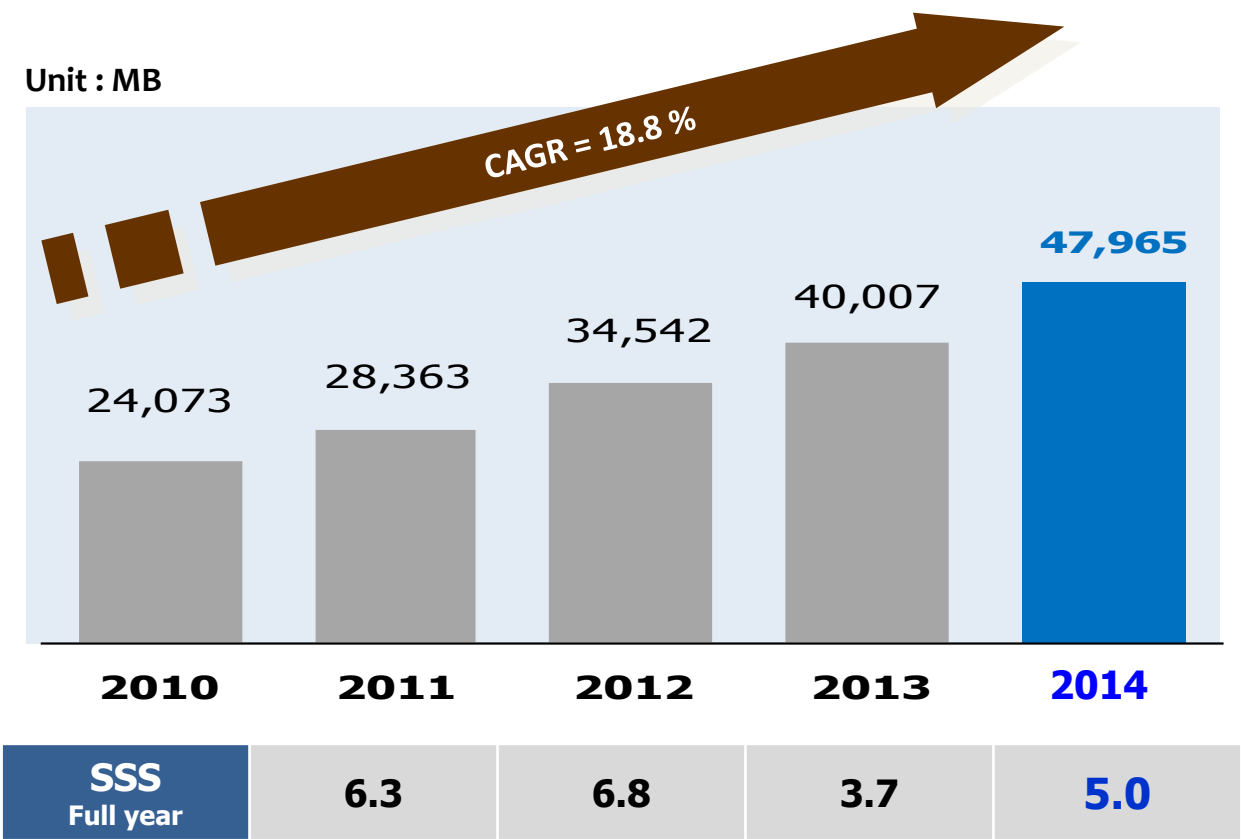
### DC Service Center Co., Ltd.

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



	2014	% on Sales	2013	% on Sales	VAR	% Growth
<b>SALES</b>	47,964.7	100.0	40,006.6	100.0	7,958.1	19.9
Rental & Service	1,190.8	2.5	998.6	2.5	192.2	19.2
Other Income	2,053.0	4.3	1,720.0	4.3	333.1	19.4
<b>Total Revenue</b>	<b>51,208.6</b>	<b>106.8</b>	<b>42,725.2</b>	<b>106.8</b>	<b>8,483.4</b>	<b>19.9</b>
<b>COGS</b>	<b>35,472.9</b>	<b>74.0</b>	<b>29,346.1</b>	<b>73.4</b>	<b>6,126.8</b>	<b>20.9</b>
Selling Exp	9,625.4	20.1	7,990.5	20.0	1,634.9	20.5
Admin Exp	1,493.3	3.1	1,254.8	3.1	238.5	19.0
<b>Total Expenses</b>	<b>46,591.6</b>	<b>97.1</b>	<b>38,591.4</b>	<b>96.5</b>	<b>8,000.2</b>	<b>20.7</b>
Earning before FIN Exp. & TAX	4,617.0	9.6	4,133.9	10.3	483.1	11.7
Financial Exp.	466.0	1.0	276.6	0.7	189.4	68.5
TAX	837.6	1.7	788.7	2.0	48.9	6.2
<b>Net Profit</b>	<b>3,313.3</b>	<b>6.9</b>	<b>3,068.5</b>	<b>7.7</b>	<b>244.9</b>	<b>8.0</b>
Depreciation	2,264.5	4.7	1,649.4	4.1	615.1	37.3
<b>EBITDA</b>	<b>6,881.5</b>	<b>14.3</b>	<b>5,783.2</b>	<b>14.5</b>	<b>1,098.3</b>	<b>19.0</b>

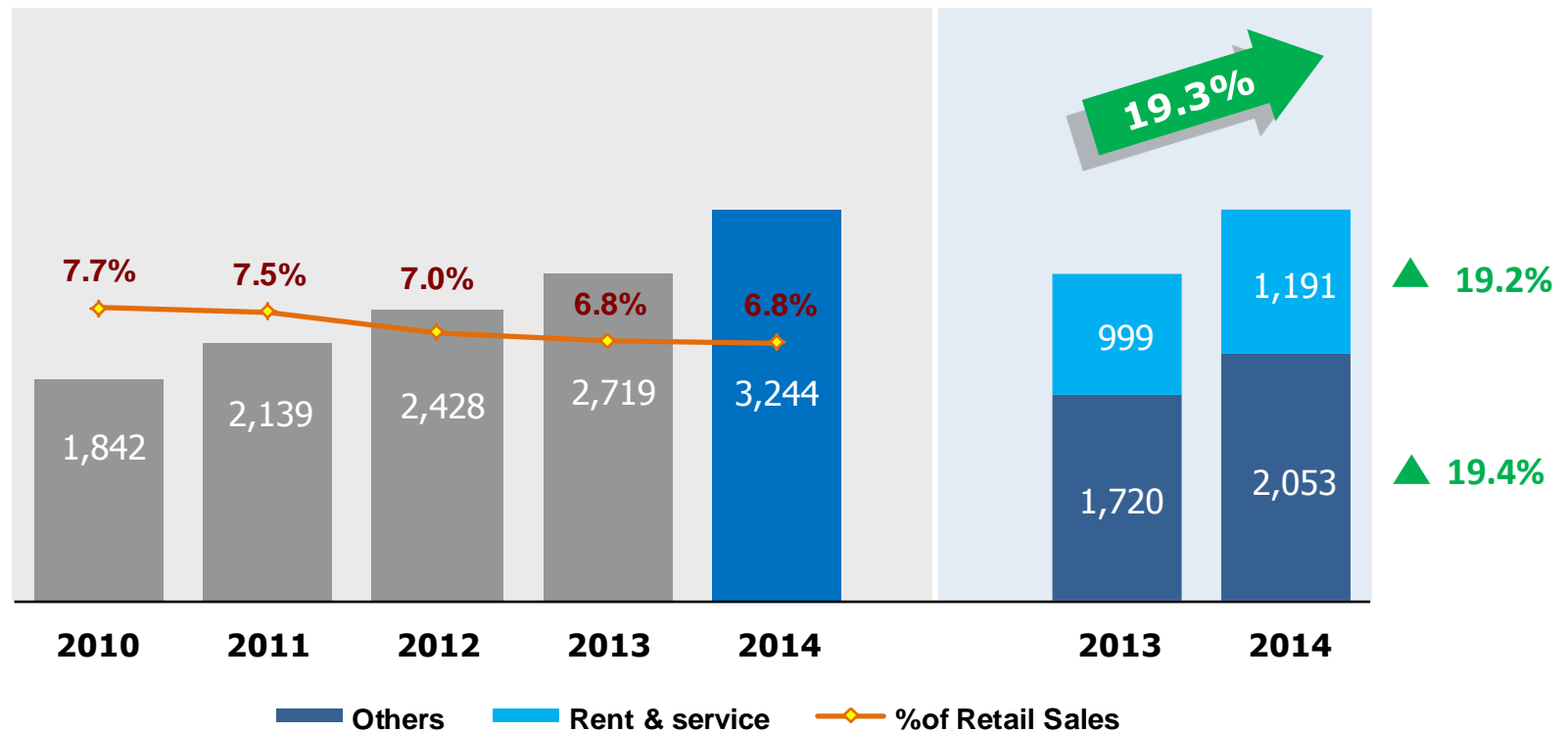
# Sustainable Sales Growth





# Rising Other Income

Unit : MB

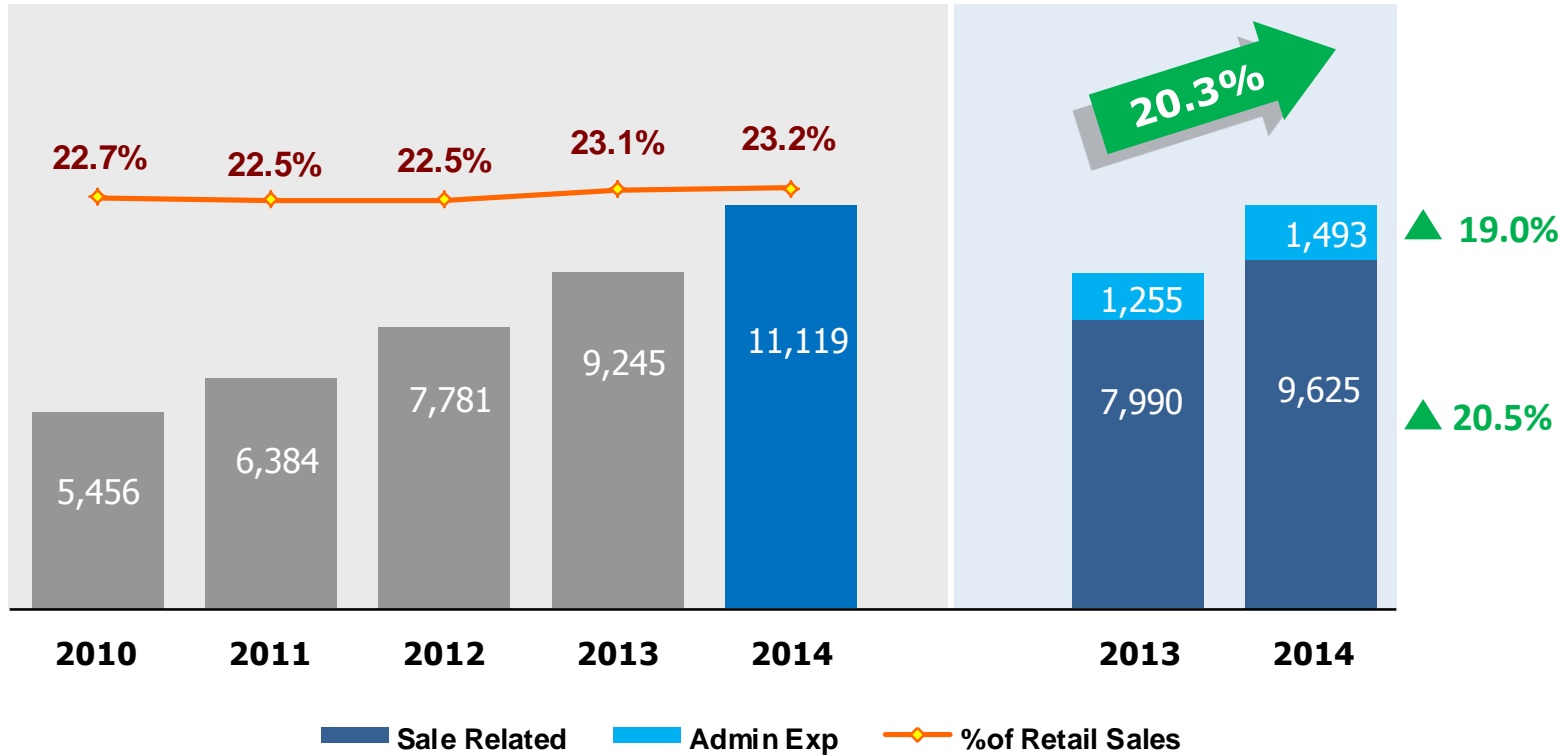


- **Rental & Service Income** increased by the space and rental income in HomePro and Market Village.
- The increase in **Other Income** was driven by the advertising, marketing fee and after sales service.



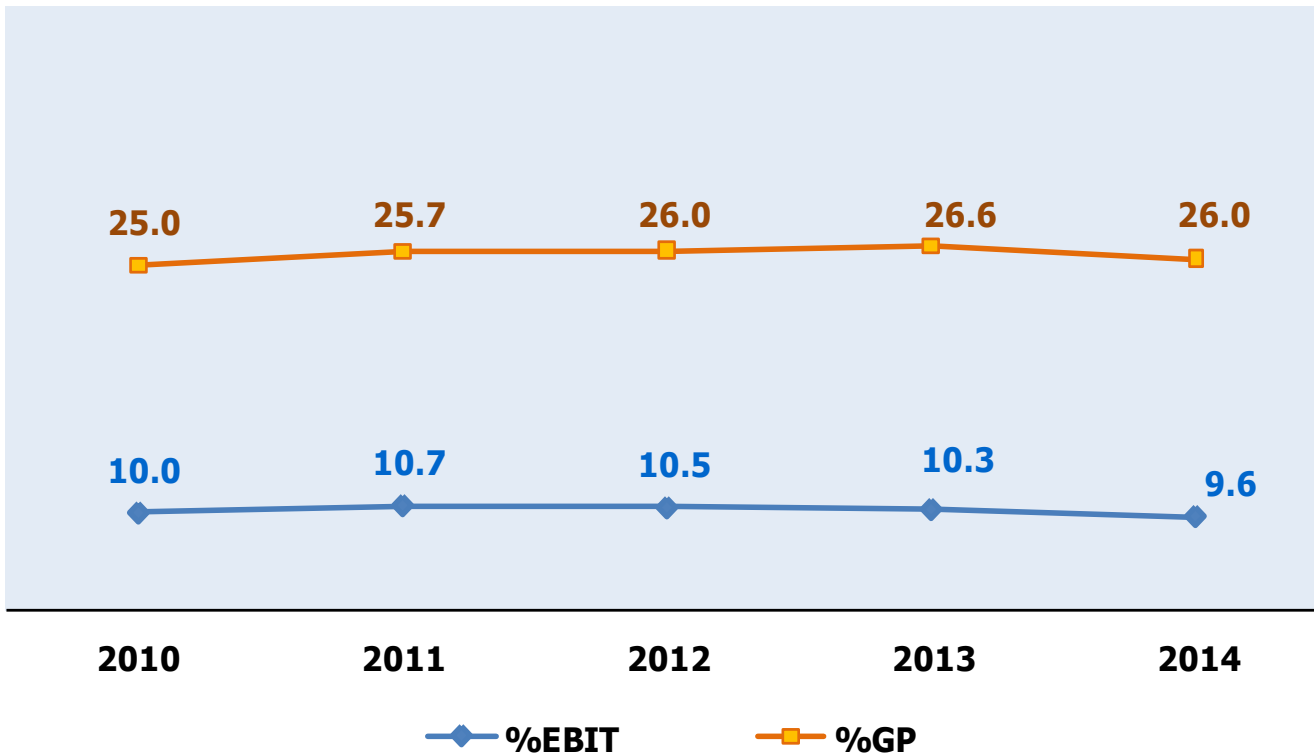
# SG&A Expenses

Unit : MB



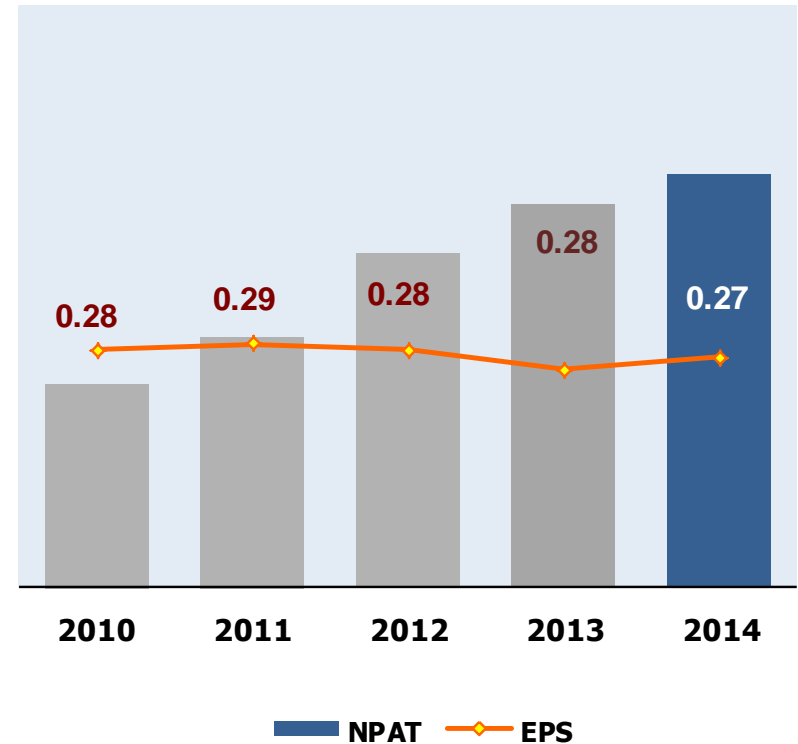
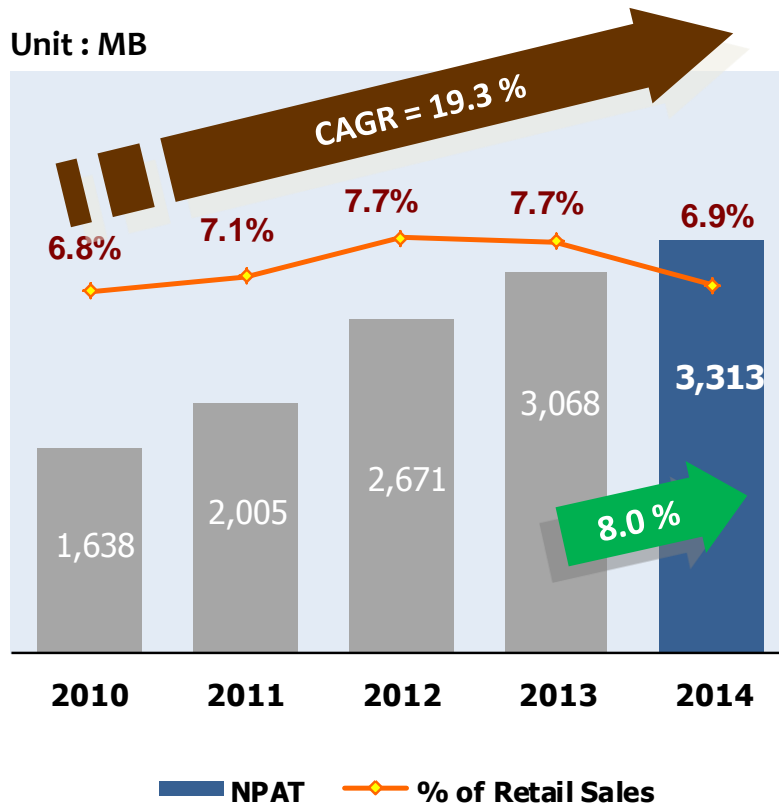
2014 **SG&A** represented 23.2% to sales comparing with 23.1% of the same period of the previous year. The main increase was due to the increase in salaries, cost of transportation, depreciation, utilities cost, marketing cost and start up cost of HomePro Malaysia.

Unit : %



GP has decreased from 26.6% in the previous year to 26.0% due to the change of product-mix in Homepro business and blended with lower gross margin structure of Mega Home.

Unit : MB



2014 **NPAT** growth by 8.0% but NPAT % to Sales decreased over 2013 from 7.7% to 6.9%.

**EPS** in 2014 taking full dilution impact of stock dividend at the ratio of 8:1 paid in November 2014.

## ■ Dividend

**On 24 Feb 2015 the Board proposed to pay cash dividend subject to shareholders approval on 9 April 2015 as follows:**

- 1. Stock Dividend : 15 current shares /1 dividend share**
- 2. Cash Dividend : Baht 0.07333/share**

**Payment date : 8 May 2015**  
**XD : 17 April 2015**

## ■ AGM Update

**XM : 9 March 2015**

**Annual General Meeting : 9 April 2015**

**at Grand Ballroom, 1st Floor, Mandarin Hotel  
662 Rama IV Road, Bangrak, Bangkok**



# Balance Sheet at a Glance

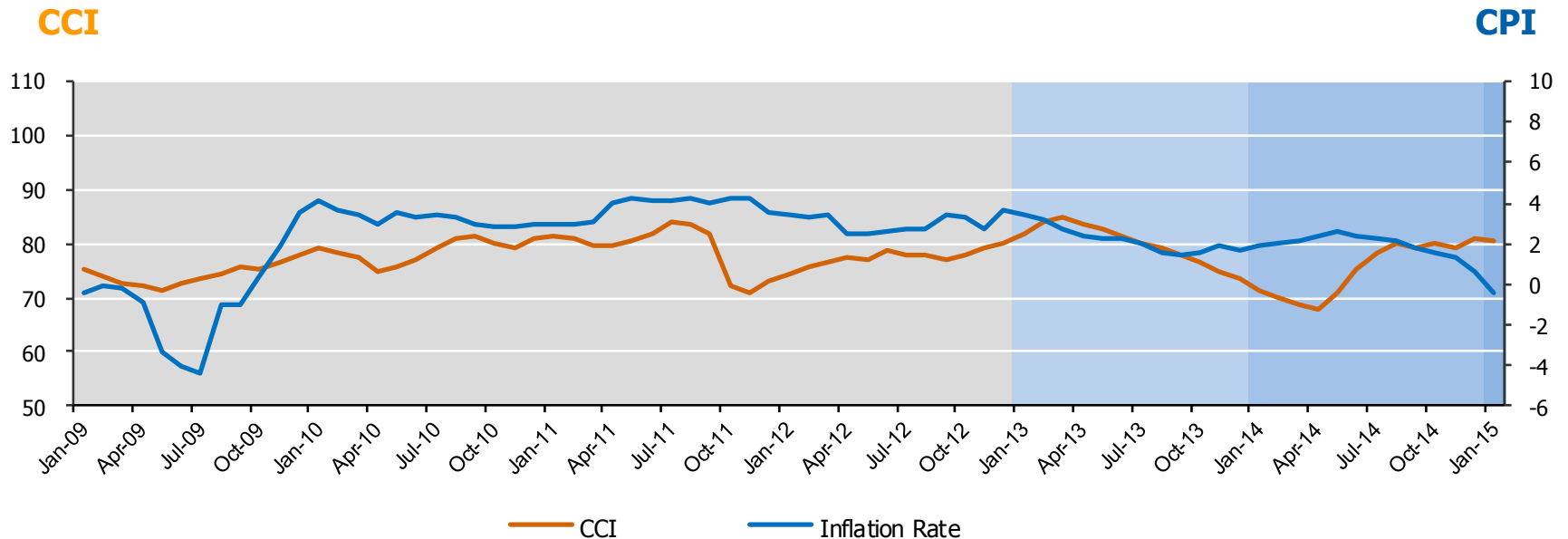
Unit : MB

	31 Dec 14	31 Dec 13	VAR	%
Cash & Deposit	2,434.8	807.5	▲ 1,627.3	201.5
Inventory	8,030.8	6,505.6	▲ 1,525.2	23.4
Land Building & Equipment	31,330.0	26,561.2	▲ 4,768.8	18.0
Others	2,517.2	2,067.4	▲ 449.8	21.8
<b>Total Assets</b>	<b>44,312.8</b>	<b>35,941.7</b>	<b>▲ 8,371.1</b>	<b>23.3</b>
Financial Debt	13,876.2	9,787.1	▲ 4,089.1	41.8
Account Payable	12,075.4	11,056.7	▲ 1,018.7	9.2
Others	2,659.6	2,381.5	▲ 278.1	11.7
<b>Total Liabilities</b>	<b>28,611.2</b>	<b>23,225.3</b>	<b>▲ 5,385.9</b>	<b>23.2</b>
Paid-Up Capital	12,329.3	9,589.6	▲ 2,739.8	28.6
Share Premium	646.3	646.3	-	-
Retain Earnings	2,726.0	2,480.5	▲ 245.5	9.9
<b>Total Equities</b>	<b>15,701.6</b>	<b>12,716.4</b>	<b>▲ 2,985.2</b>	<b>23.5</b>

# Agenda

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# January confidence index falls



The Consumer Confidence Index (CCI) falls to 80.4 points from 81.1 points in December. The main reason was that people now feel the economy is slowly recovering and are not confident it will really make a comeback.

Purchasing power in upcountry was also found to have weakened due to lower farm prices, particularly in rice and rubber. Despite lower retail petrol prices helping to lower cost of living, consumption is unlikely to recover much as people remain uncertain about the pace of the economic recovery.

However, improvement in consumption depends on government disbursement to boost the economy at a time when exports and tourism have yet to recover fully.

# Continuous margin expansion through Private Label



The main objective of the development and selection of private brand products is an adherence to build up value-added to customers. Therefore, the core element of private brand products is quality and worthiness. In addition to the Company's increase of variety of products, it had continued to develop and select products with quality to continuously provide worthiness to customers. To date, we have a total of 36 private brands and over 1,000 items.

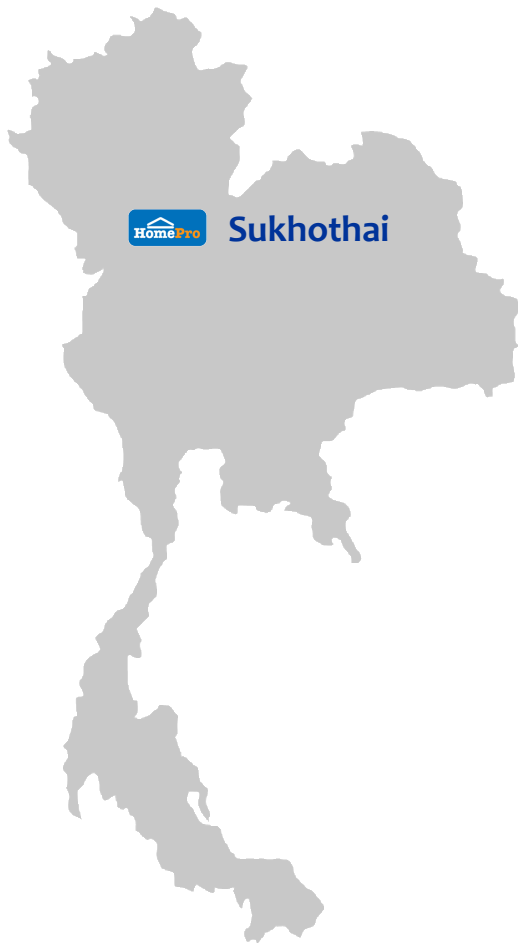




The Company has started moving in to the Asian Economic Community (AEC) by expanding our business overseas for the first time under the HomePro format, in Kuala Lumpur, Malaysia, where the first branch is located in IOI City Mall. We started operating at the end of November 2014.



# 2015 Store Expansion Plan



## 2015 No. of New stores

		HomePro 7 - 8	MEGA HOME 3 - 4	HomePro Malaysia 1
1Q	Sukhothai	27 Feb		
2Q	2 Stores in Upcountry	✓		
	1 Store in Upcountry		✓	
3Q	2 Stores in Upcountry	✓		
	1 Store in Upcountry		✓	
4Q	3 Store in Upcountry	✓		
	1 - 2 Stores in Upcountry		✓	
	1 Store in KL (to be confirmed)			✓

## Our stores in 2015

Greater Bangkok	21	2	
Upcountry	58	5 - 6	
Malaysia			1 - 2
Total (stores)	79	7 - 8	1 - 2



## HomePro EXPO 21

March 2015  
@ 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.

## SuperShock

ตลุยนี้ ชั่งช้อป ชั่งช้อก  
ลดสูงสุด

70%\*

**SALE**

## Super Shock Sale!

Feb 5 – Mar 4

**The Beginning of Year Sale**  
**Up to 70% off**

at all branches of HomePro

## Kids' Toilet

In 2014, HomePro and our business partners have jointly contributed to delivering an additional 333 bathrooms under this project. Consequently, up to the end of 2014, there are now a total of 2,136 repaired bathrooms at 159 schools, covering 41 provinces.



## Solar Roof

In 2014, HomePro leased out space for solar panel installation and sold electricity generated PEA and MEA. As of today, there are 11 projects that have been approved.



## Human Resource Development

HomePro emphasizes on high value of human resource development, using intensive programs to extract skills and talents of its employees to put into maximum efficiency.



## Energy Saving Products

HomePro increases the choices of energy saving products, such as water saving sanitary ware, inverter system air conditioners, No. 5 energy saving appliances, and energy saving LED bulbs.





Q & A

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