



Analyst Meeting

2Q'16 Results

July 29, 2016

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HomePro is the leading home improvement retailer in Thailand.

Our product range covers 40,000 items.

We operate 77 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

- **2Q'16 Financial Results**
- **Business Outlook**

Corporate Group Structure



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.



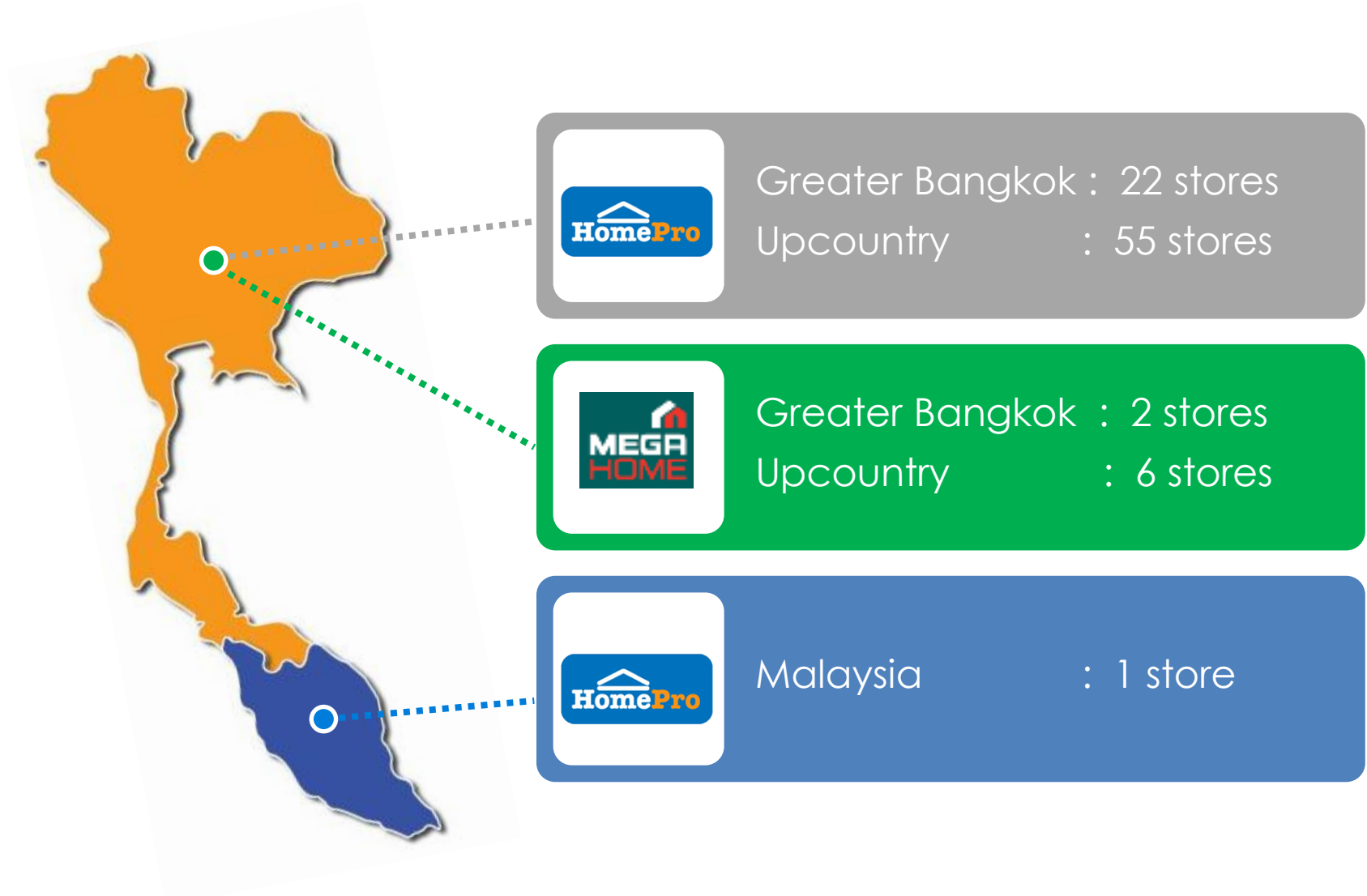
Mega Home Center Co., Ltd.

- 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.

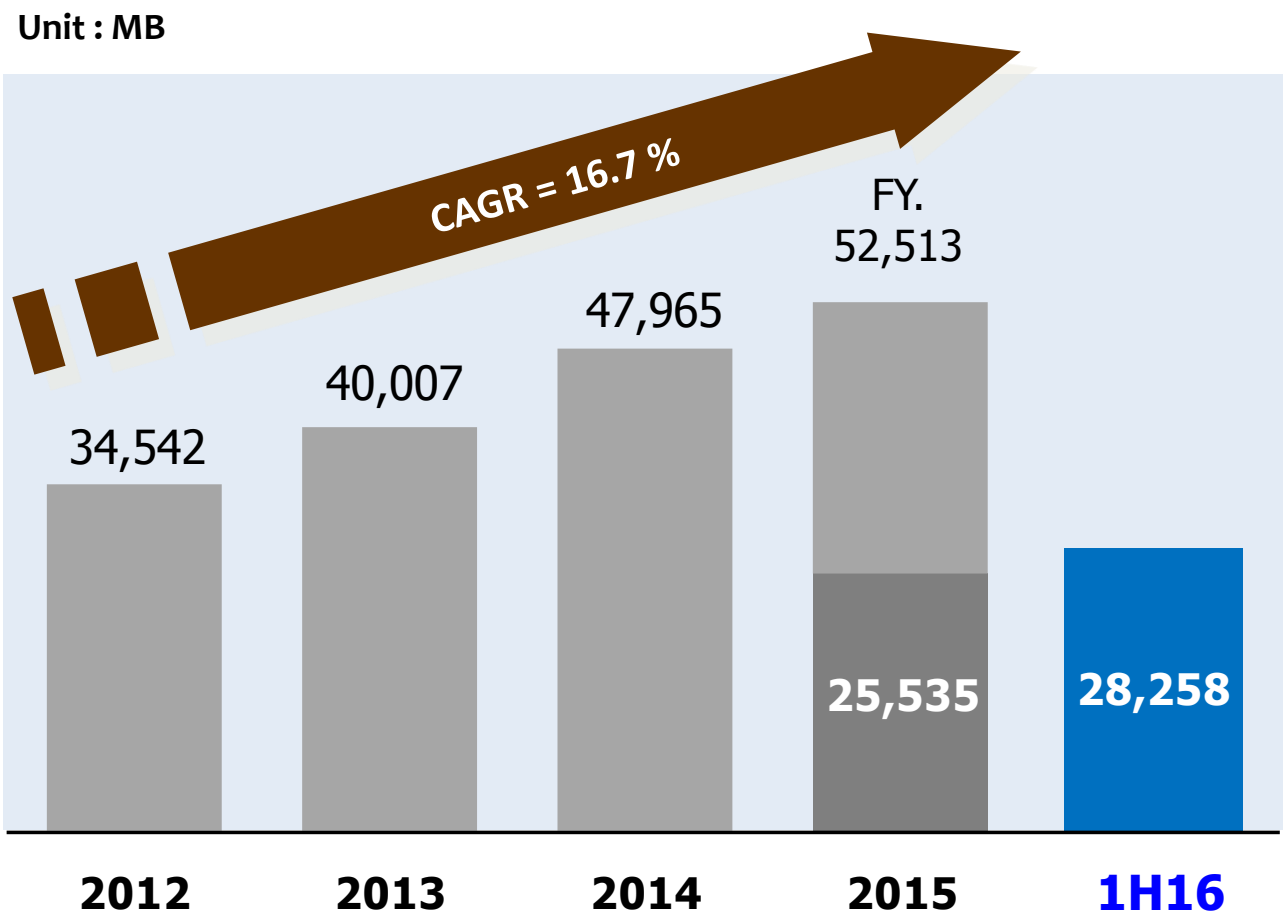


P & L Summary

Unit : MB

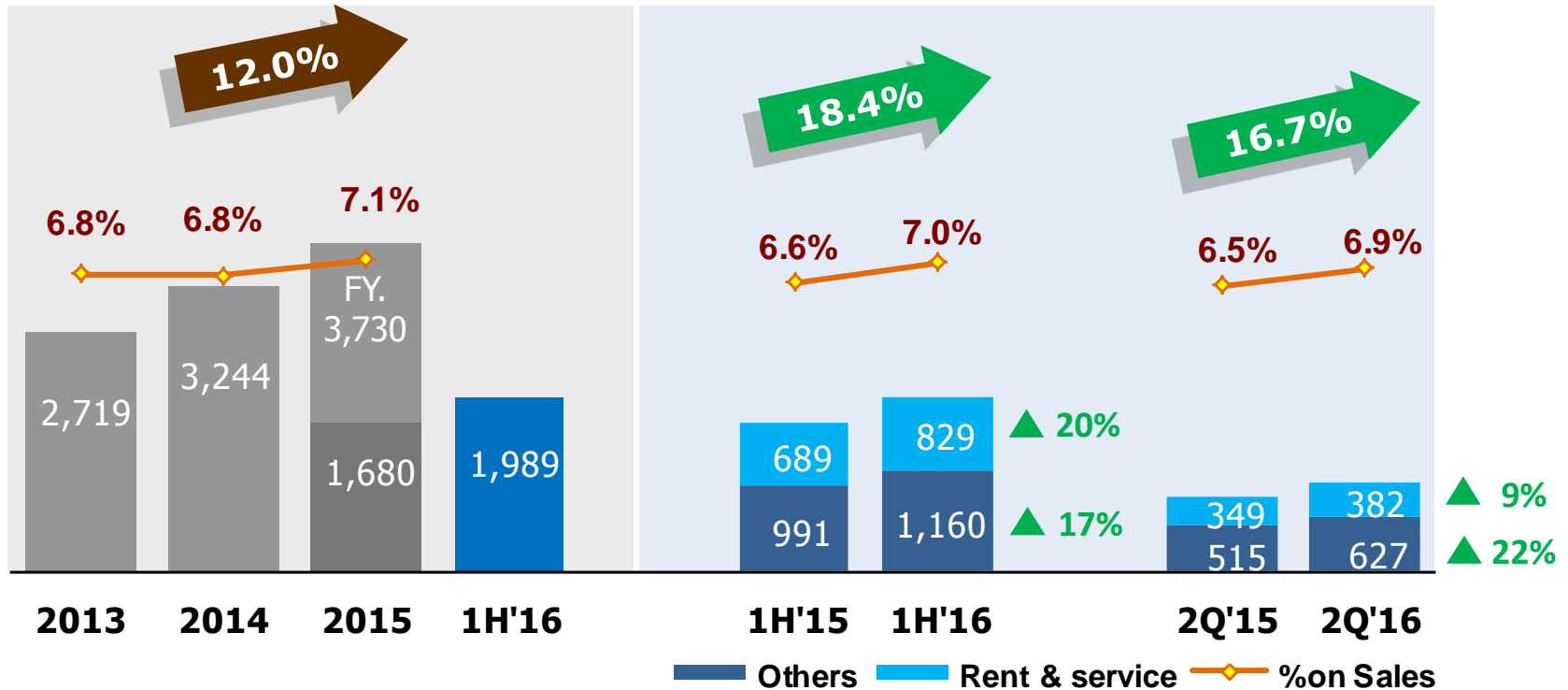
	1H'16	% on Sales	1H'15	% on Sales	VAR	% Growth
Sales	28,257.9	100.0	25,535.0	100.0	2,722.9	10.7
Other Income	1,989.1	7.0	1,680.3	6.6	308.9	18.4
Total Revenue	30,247.0	107.0	27,215.3	106.6	3,031.7	11.1
COGS	21,130.1	74.8	18,973.6	74.3	2,156.5	11.4
SG&A	6,526.6	23.1	6,008.9	23.5	517.6	8.6
Total Expenses	27,656.6	97.9	24,982.6	97.8	2,674.1	10.7
EBIT	2,590.4	9.2	2,232.7	8.7	357.6	16.0
Financial Exp.	248.5	0.9	276.3	1.1	(27.8)	(10.0)
Tax	485.0	1.7	402.6	1.6	82.4	20.5
Net Profit	1,856.9	6.6	1,553.9	6.1	303.0	19.5
Depreciation	1,429.8	5.1	1,306.0	5.1	123.8	9.5
EBITDA	4,020.2	14.2	3,538.7	13.9	481.4	13.6

Sustainable Sales Growth



Rising Other Income

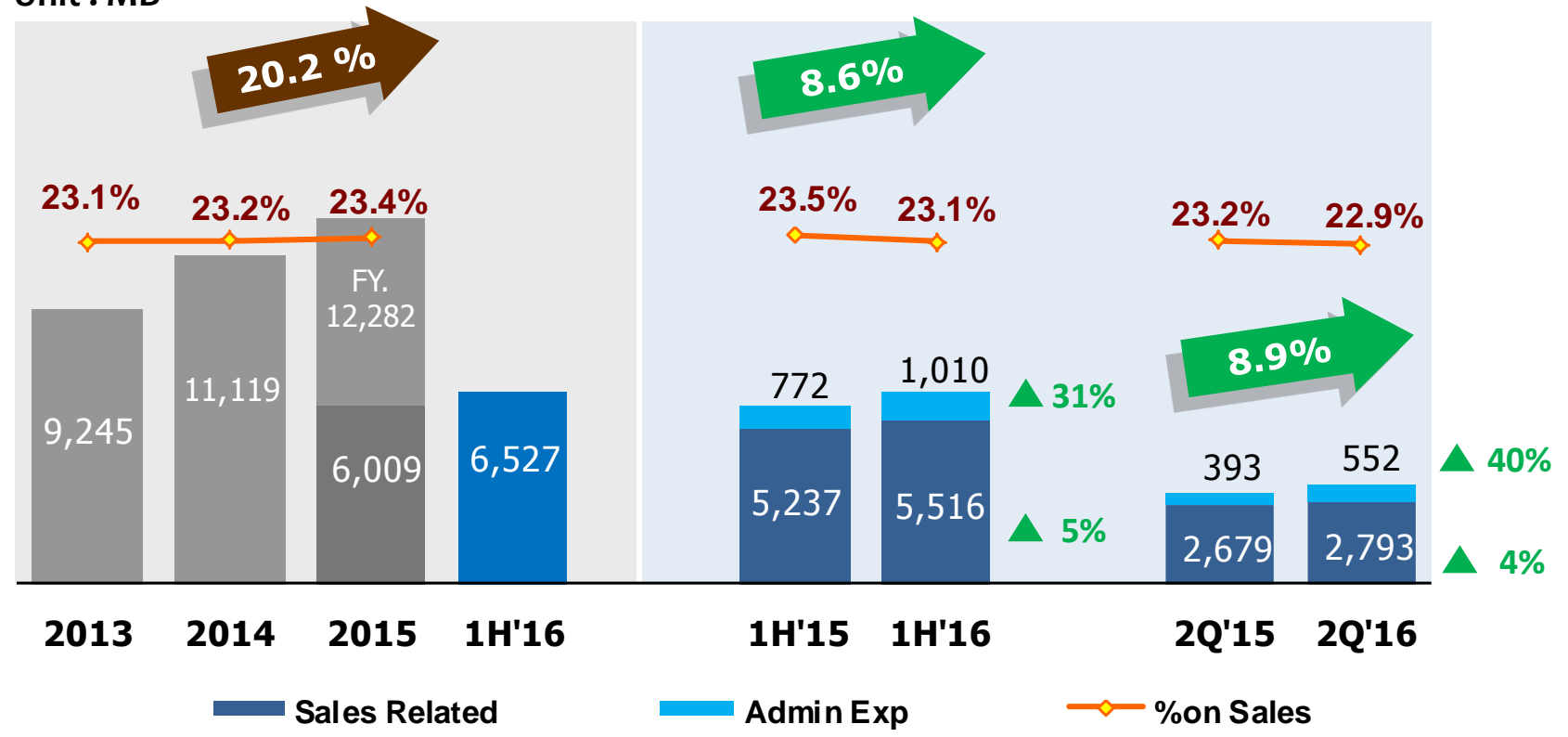
Unit : MB



- **Rental & Service Income** increasing from the improvement and area expansion of Suvarnabhumi Market Village which was opened in May 2016 as well as an increase in rental space of new HomePro branch.
- The increase in **Other Income** was mainly due to increasing joint-advertising income and in-store promotion with vendor as well as service income from "Home Service" program.

SG&A Expenses

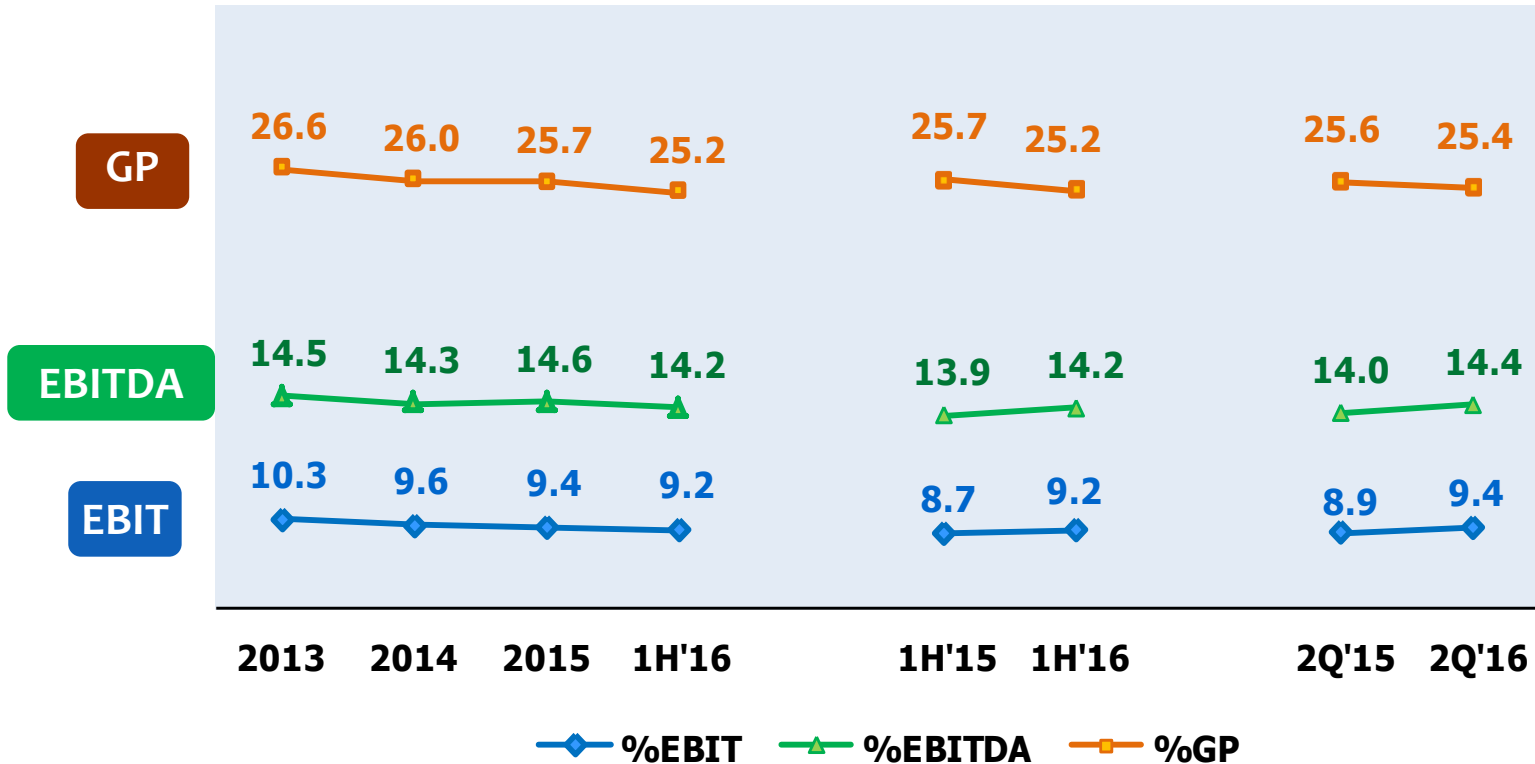
Unit : MB



1H16, SG&A increased by 8.6% compared to the same period last year. The increases are mainly from Depreciation and Salary following the expansion of new stores. However, SG&A % to sales has marginally improved, resulting to the decrease from 23.5% in 1H'15 to 23.1%.

Profitability Ratio

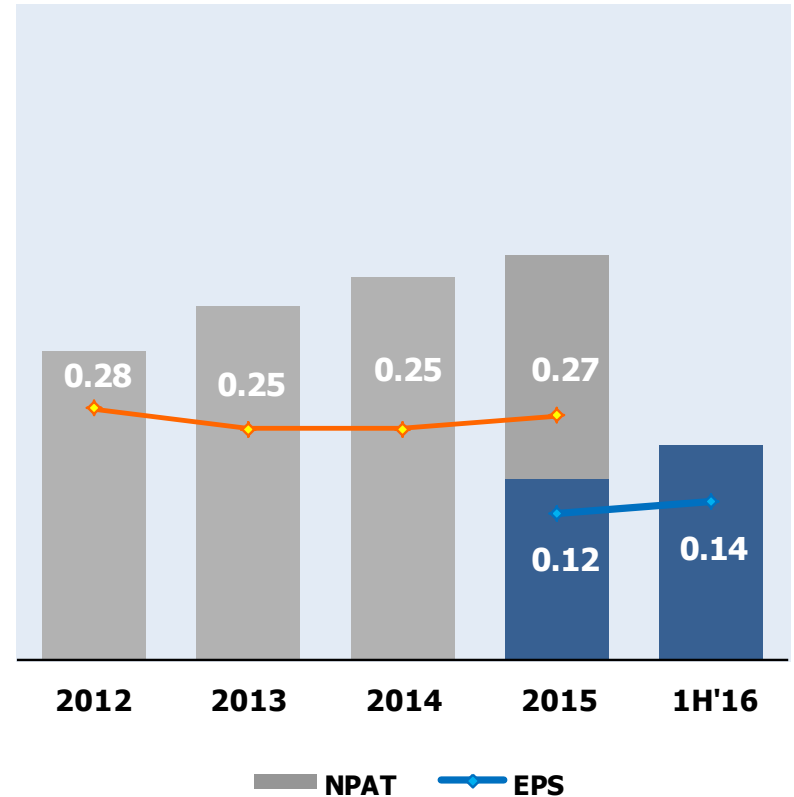
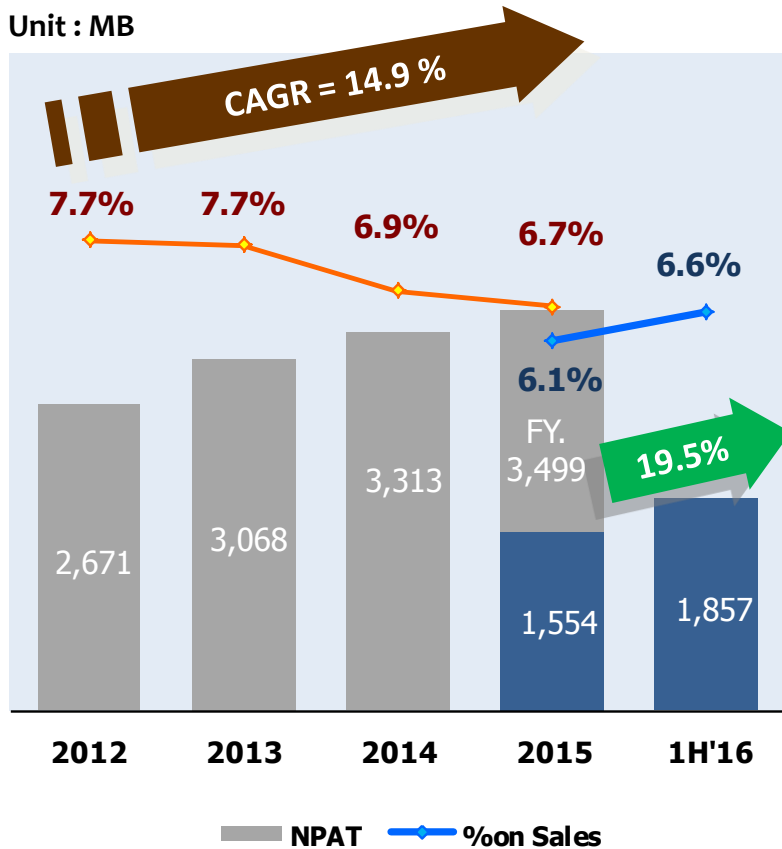
Unit : %



1H16, GP has decreased to 25.2% due to change of the merchandising mix of HomePro sales and the blended margin of HomePro business and Mega Home business which has a lower gross margin structure.

NPAT & EPS

Unit : MB



1H16 **NPAT** growth by 19.5% and NPAT % to sales increased from 6.1% to 6.6%

EPS in 2015 taking impact at ratio of 15:1 paid in May 2015 (Final).

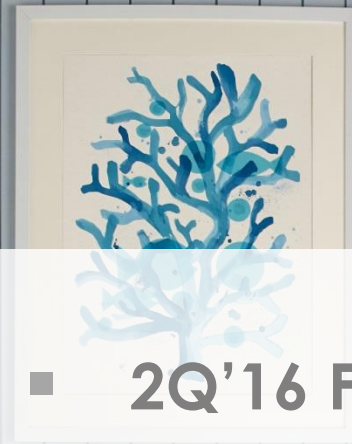
Balance Sheet at a Glance

Unit : MB

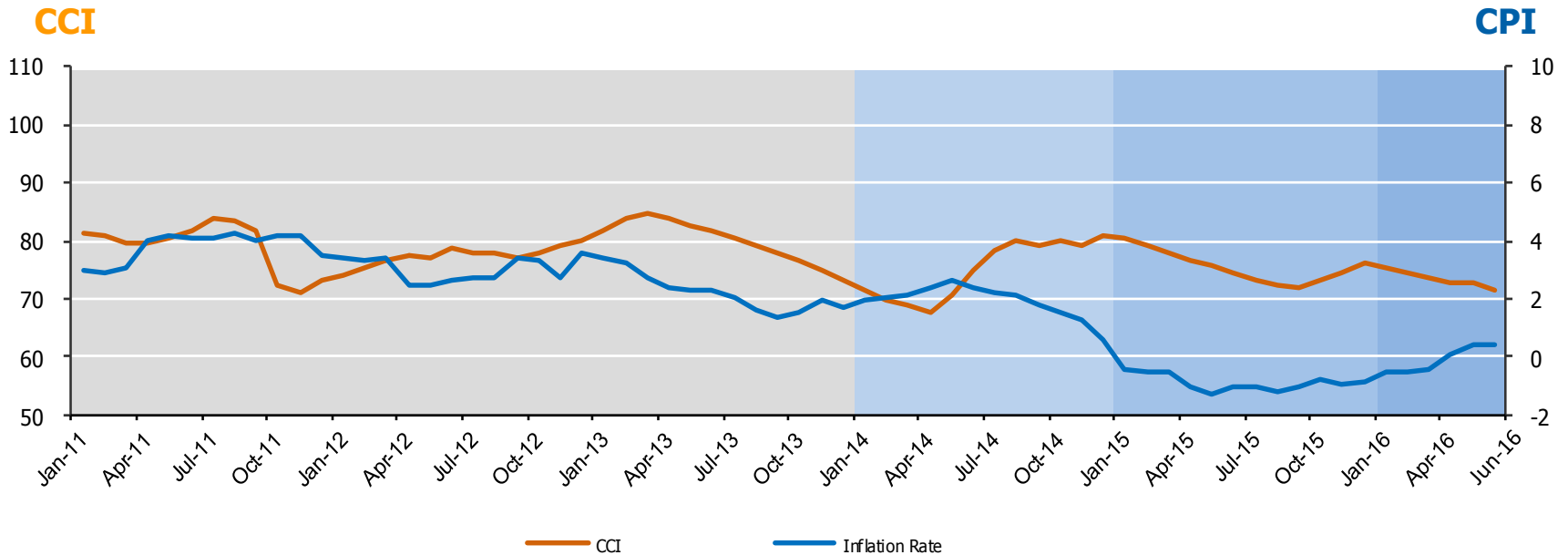
	30 Jun 16	31 Dec 15	VAR	%
Cash & Deposit	1,972.7	2,698.1	(725.3)	(26.9)
Inventory	9,224.2	8,364.8	859.4	10.3
Land Building & Equipment	33,911.4	33,383.4	528.0	1.6
Others	2,175.5	2,544.8	(369.3)	(14.5)
Total Assets	47,283.7	46,991.0	292.7	0.6
Financial Debt	14,016.4	14,377.1	(360.7)	(2.5)
Account Payable	13,742.5	12,773.3	969.2	7.6
Others	2,719.7	2,938.0	(218.3)	(7.4)
Total Liabilities	30,478.6	30,088.4	390.2	1.3
Paid-Up Capital	13,151.2	13,151.2	-	-
Share Premium	646.3	646.3	-	-
Retain Earnings	3,007.6	3,105.1	(97.5)	(3.1)
Total Equities	16,805.2	16,902.6	(97.5)	(0.6)

Agenda

- 2Q'16 Financial Results
 - **Business Outlook**
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Thai Consumer Confidence down since January



Thailand Consumer Confidence Index (CCI) fell to 71.6 in June, compared with 72.6 in May and 72.7 in April. However, consumer prices rose for the third straight month in June, driven mainly by rising fuel and food prices.

Thai consumer confidence dropped due to worries about the impact of Britain's decision to leave the European Union on the domestic and global economy. Consumers were still concerned about low commodity prices and felt the country's economic recovery was slow.

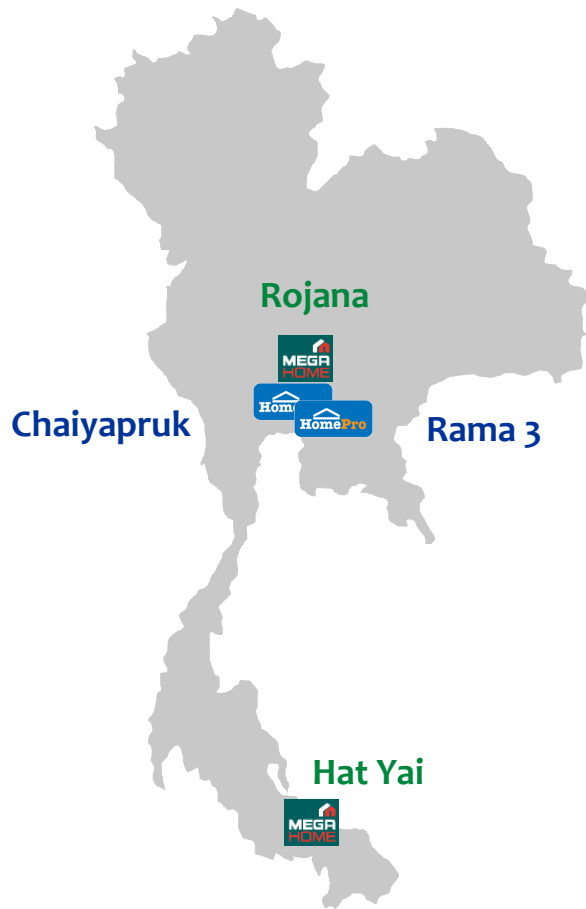
However, consumer sentiment was expected to recover on prospects that the government spending and investment will aid growth.

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.

2016 Store Expansion Plan



		5	3-4	Malaysia 1
■ 2016 No. of New stores		5	3-4	1
1Q	Chaiyapruk	26 Feb		
2Q	Rojana		29 Apr	
	Rama 3 (Relocation)	27 May		
3Q	Hat Yai		28 Jul	
	Chonburi (Bang Sa Re)	Sep		
4Q		2 stores	1-2 stores	1 store

■ Our stores in 2016

Total (stores)	80	10 - 11	2
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3Q'16 Marketing Highlight

HomePro FAIR 2016
LIVING & LIFESTYLE FAIR

โฮมโพรแฟร์
ช้อปปิ้ง กิน บิน เที่ยว
เรื่องบ้าน ที่ทุกคนต้องมา
เมืองทองธานี

ลด + รับเพิ่ม สูงสุด **70%***

ช้อปปิ้ง
คน...รับฟรี

กิน
อิ่มอร่อยกับ
ร้านดัง

บิน
บินฟรี*
กับแอร์เอเชีย

เที่ยว
เที่ยวฟรี*
ด้วยคณะป๊อปปูล่า
และไอคอน

A 10-day long exhibition, Come visit and join our activities, special shows, and food truck at HomePro Fair 2016 - Living & Lifestyle Fair at Impact Arena Muang Thong Thani during July 23-31, 2016.



Home renovation TV show

1st Time in Thailand

Sunday - 6.30 pm



VOICE
TV 21





Q & A

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