



Analyst Meeting | 2017 Results

March 6, 2018



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About HomePro



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



HomePro's product covers **40,000** items



HomePro operate **84** stores nationwide



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



Agenda

- **2017 Financial Results**
- **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".

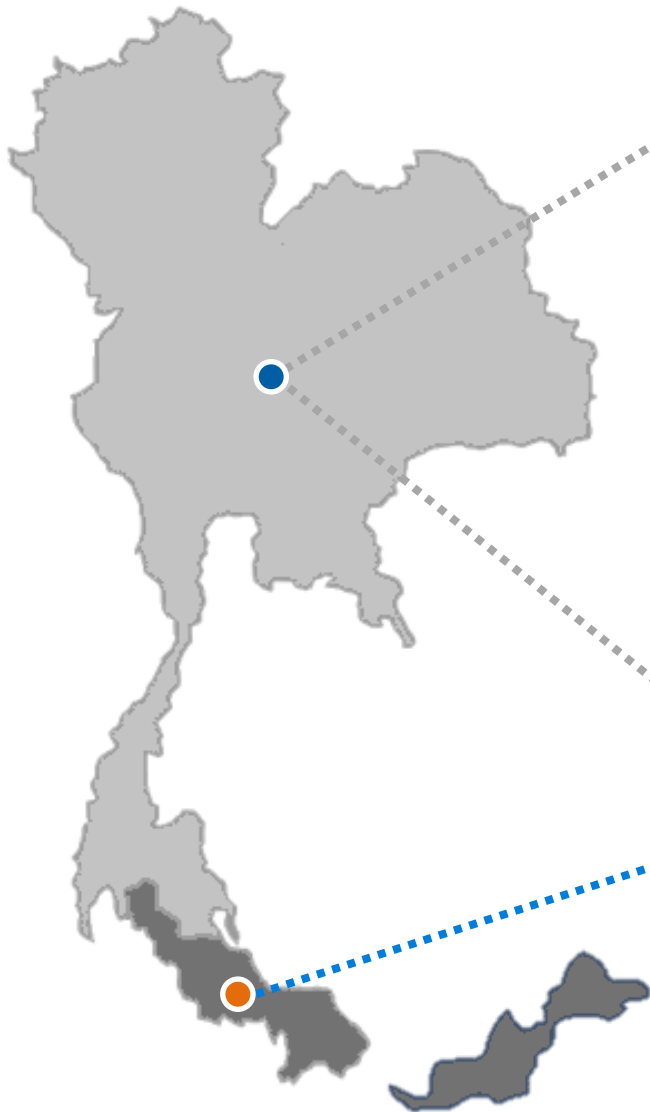


DC Service Center Co., Ltd.

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



Store Footprint



 Greater Bangkok : 25 stores
Upcountry : 56 stores

 Greater Bangkok : 2 stores
Upcountry : 1 store

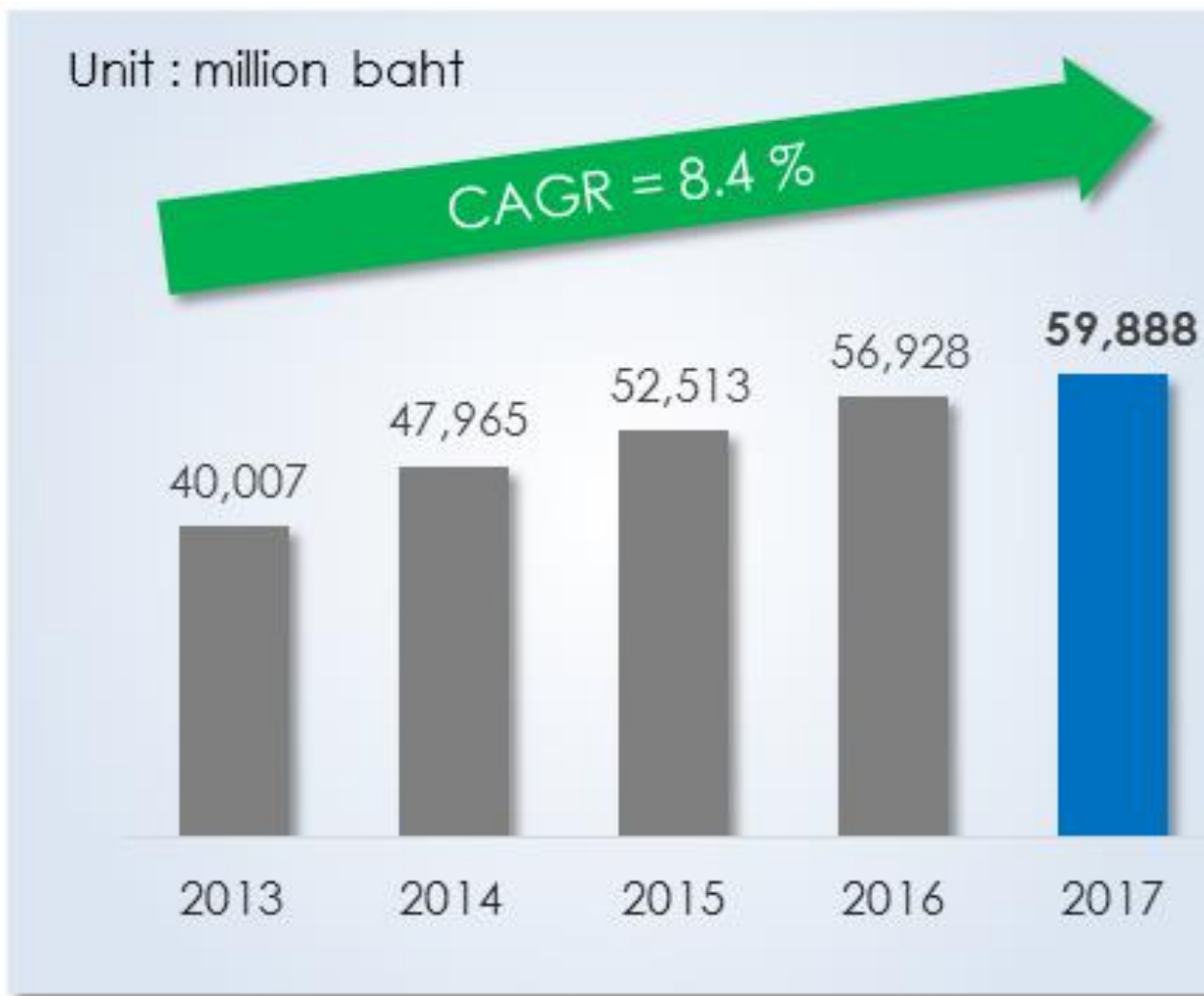
 Greater Bangkok : 2 stores
Upcountry : 10 stores

 Malaysia : 6 stores

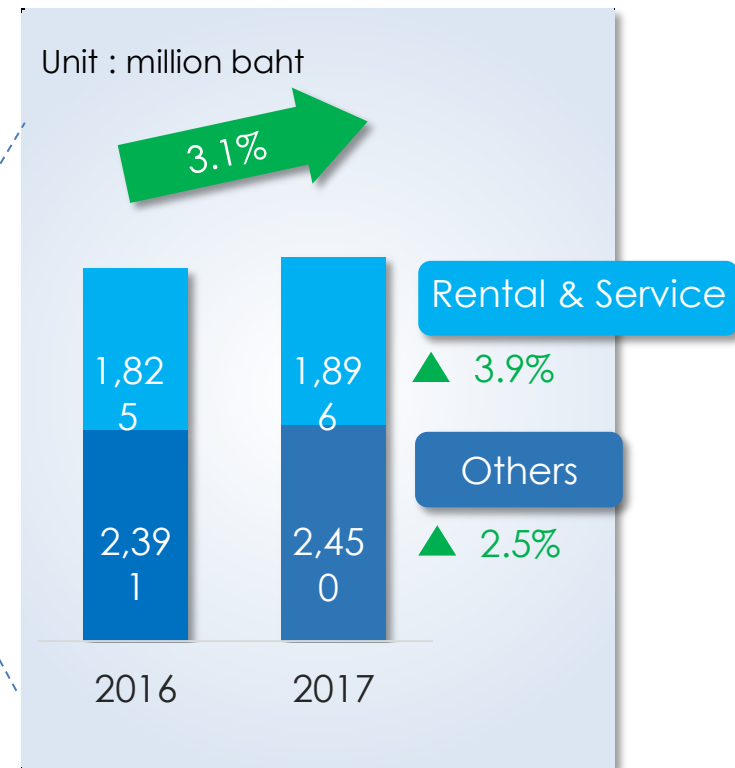
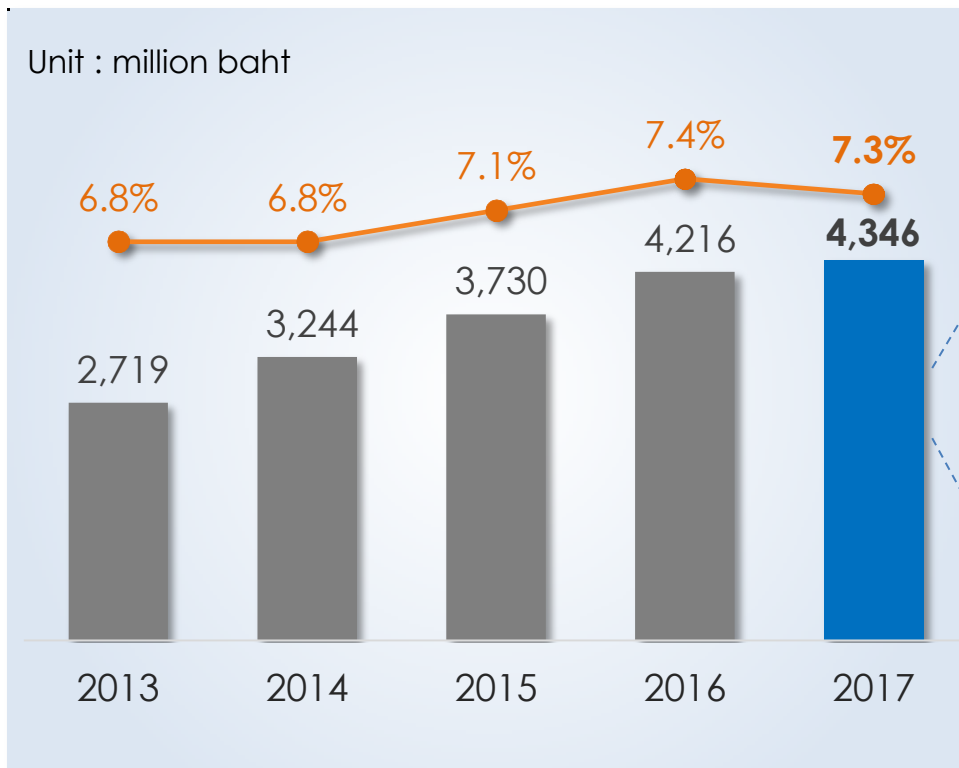
Unit : MB

	2017	% of sales	2016	% of sales	Var	% change
Sales	59,888.3	100.0	56,928.4	100.0	2,959.9	5.2
Other Income	4,346.2	7.3	4,215.7	7.4	130.5	3.1
Total Revenue	64,234.5	107.3	61,144.1	107.4	3,090.4	5.1
COGS	44,049.8	73.6	42,404.7	74.5	1,645.1	3.9
SG&A	13,750.3	23.0	13,140.8	23.1	609.5	4.6
Total Expenses	57,800.0	96.5	55,545.5	97.6	2,254.5	4.1
EBIT	6,434.4	10.7	5,598.6	9.8	835.8	14.9
Finance Cost	447.7	0.7	503.7	0.9	(56.0)	(11.1)
Tax	1,100.4	1.8	969.7	1.7	130.7	13.5
Net Profit	4,886.4	8.2	4,125.2	7.2	761.2	18.5
Depreciation	3,065.8	5.1	2,905.0	5.1	160.9	5.5
EBITDA	9,500.3	15.9	8,503.6	14.9	996.7	11.7

Sustainable Sales Growth

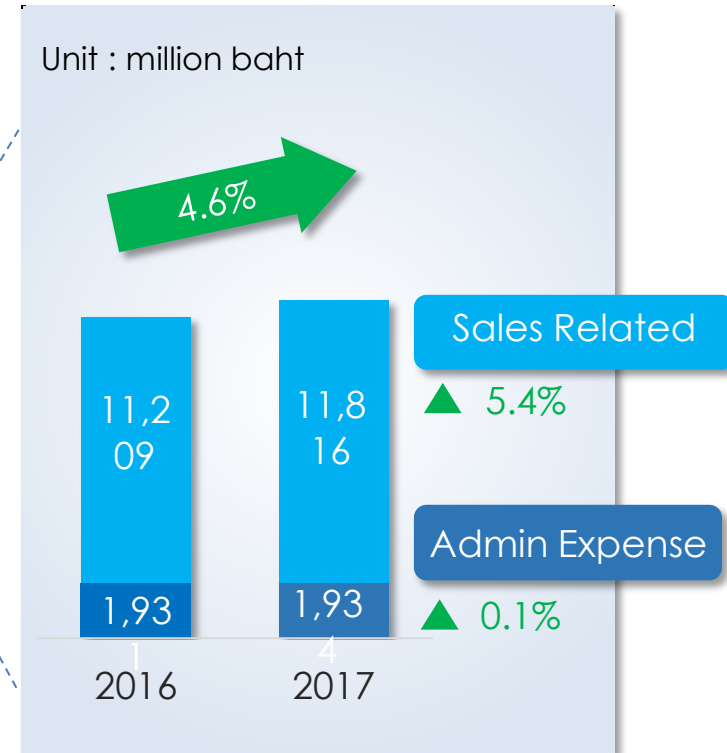
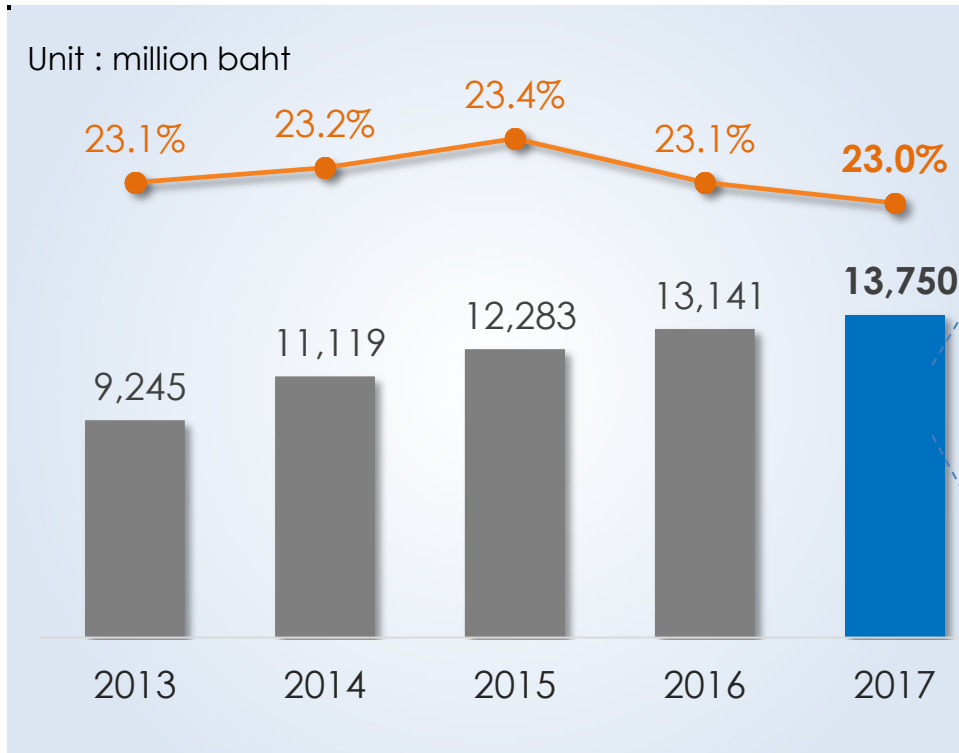


Rising Other Income



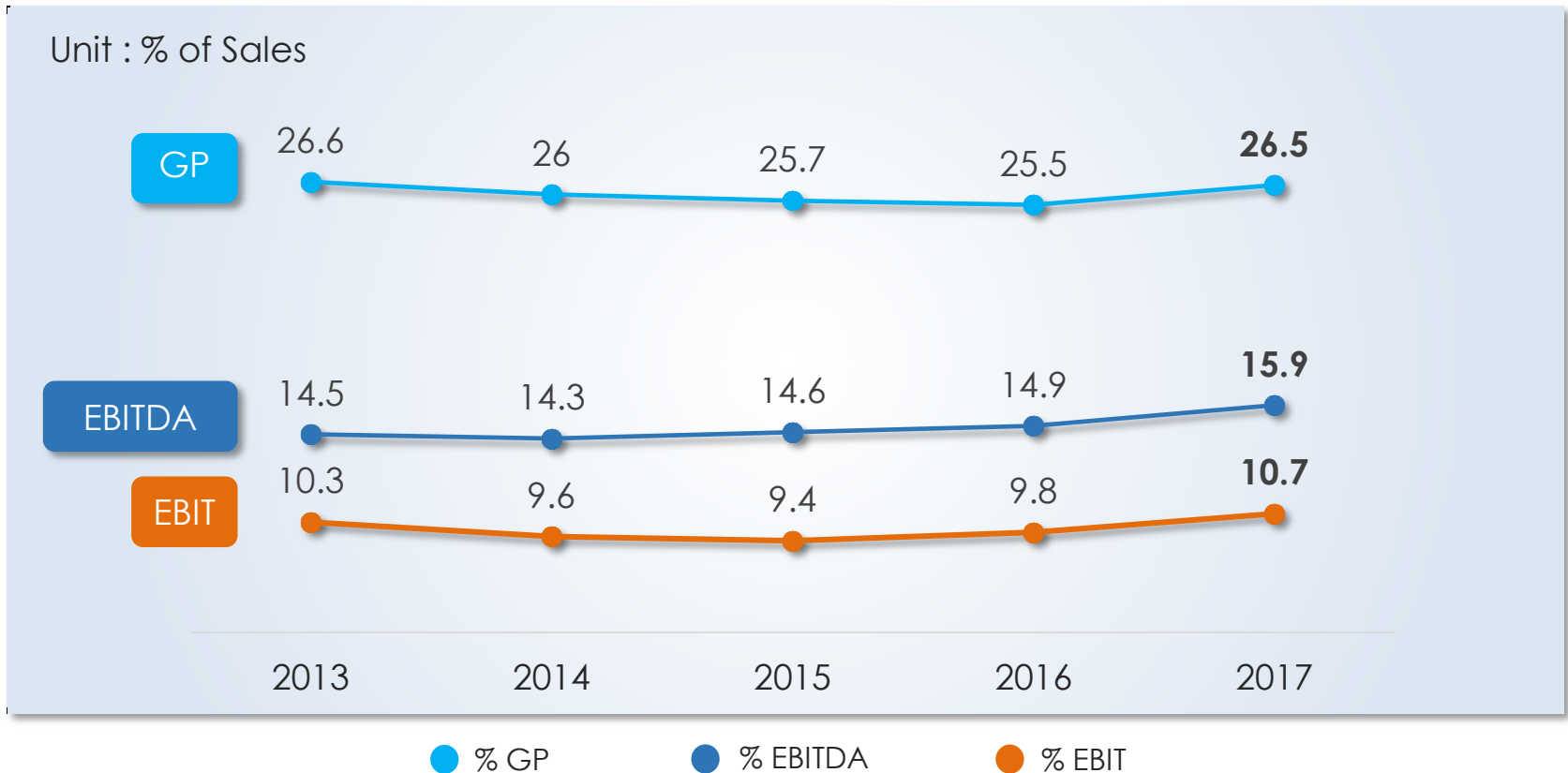
● Rent & Service ● Others ● % of Sales

- **Rental & Service Income** increasing from higher rental income from leasable areas of new HomePro stores.
- The increase in **Other Income** was due to higher service income under “Home Service” program and higher support fee of promotional activities with suppliers.

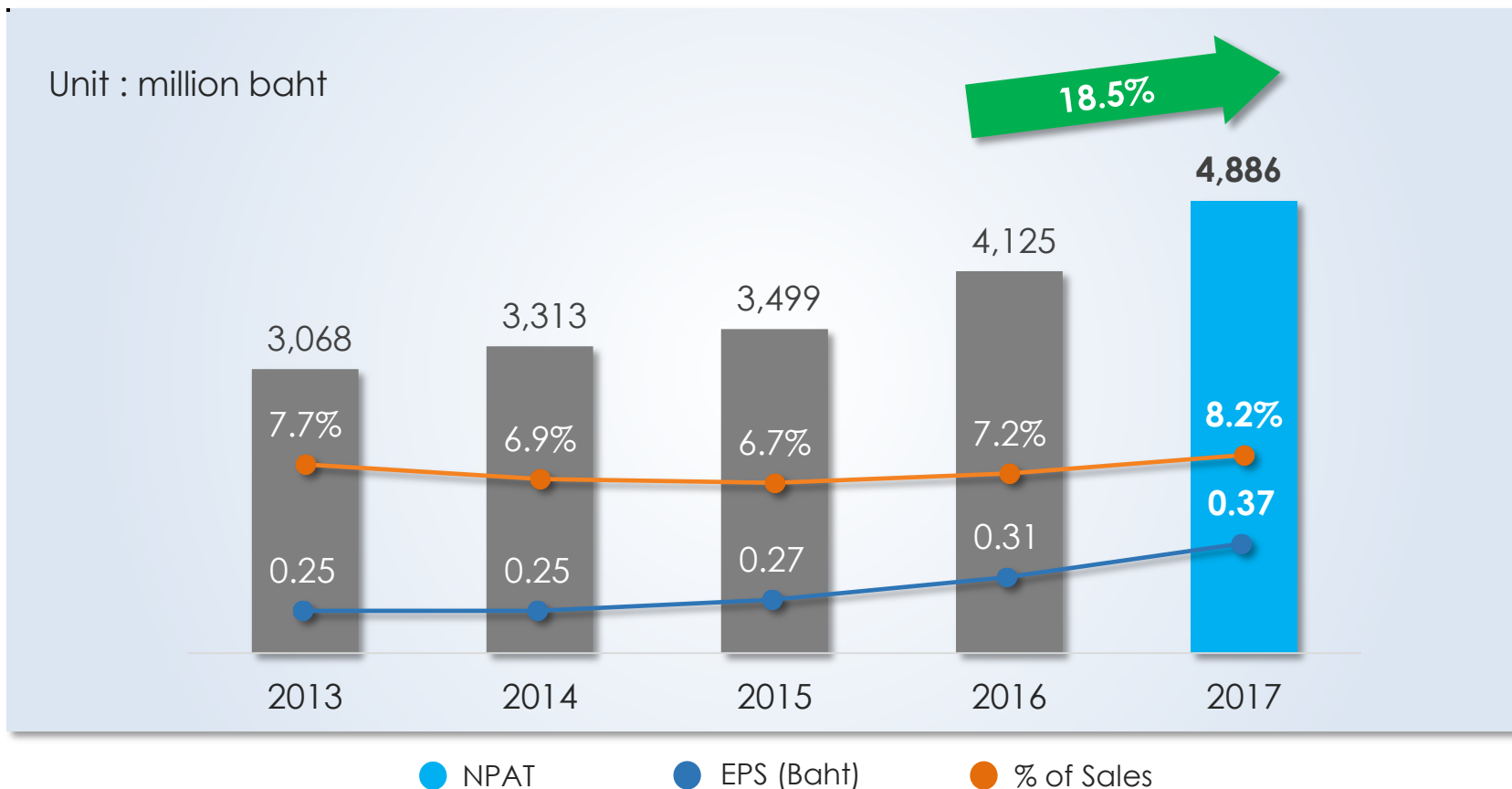


● Sales Related
 ● Admin Expense
 ● % of Sales

2017 SG&A was up by 4.6%. The increase were mainly from personnel expenses, cost of services to customers, depreciation expense, and marketing expense. However, SG&A as a percentage of sales has marginally decreased due to the improvement in cost efficiency.



2017, **GP** has increased from 25.5% in 2016 to 26.5% due to change in product sales mix of both general merchandise and directly sourced private-label goods, product assortment planning as well as increasing in GP from Mega Home and HomePro in Malaysia which benefited from greater economies of scale.



2017 **NPAT** growth by 18.5% and NPAT % to sales increased from 7.2% to 8.2%.
 Earnings per share (**EPS**) were Baht 0.37 in 2017, up 18.5% as compared with last year.

Balance Sheet at a glance

Unit : million baht

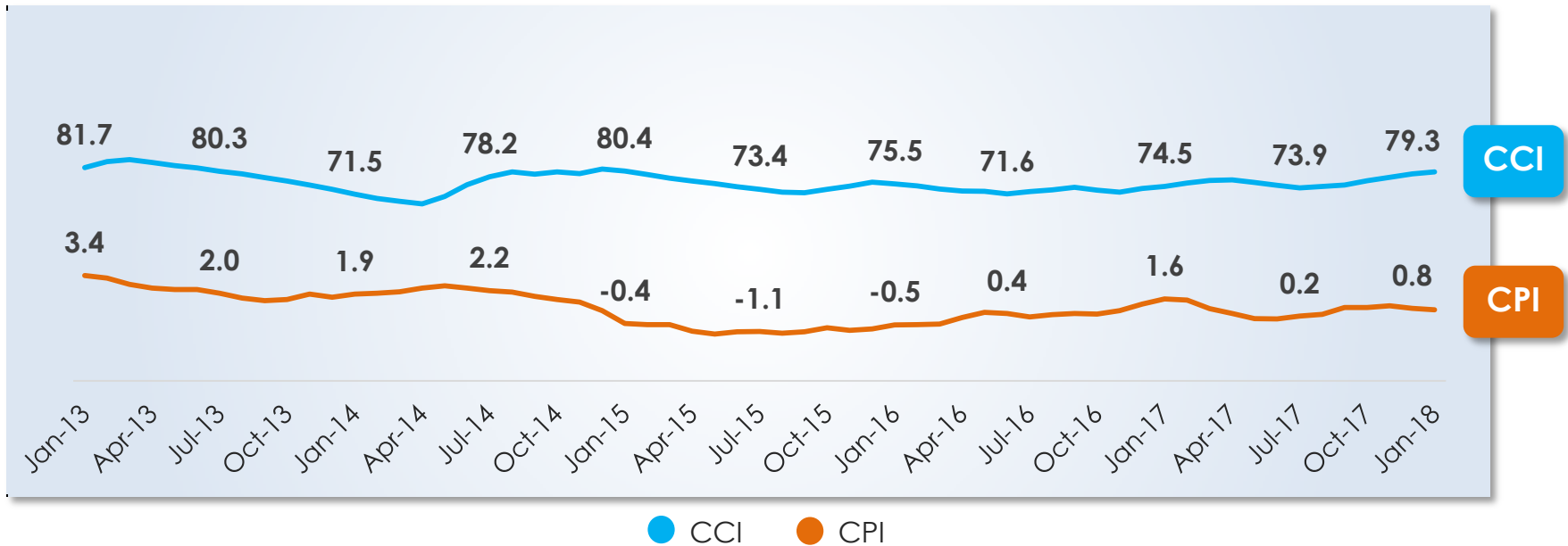
	31 Dec 2017	31 Dec 2016	Var	% change
Cash & Deposit	2,504.9	3,720.6	(1,215.7)	(32.7)
Inventory	10,343.0	9,671.5	671.4	6.9
Land Building & Equipment	35,351.1	35,533.4	(182.3)	(0.5)
Others	2,750.4	2,820.7	(70.3)	(2.5)
Total Assets	50,949.4	51,746.2	(796.9)	(1.5)
Financial Debt	15,062.8	16,875.1	(1,812.3)	(10.7)
Account Payable	14,084.9	14,031.6	53.4	0.4
Others	3,166.9	3,349.1	(182.2)	(5.4)
Total Liabilities	32,314.6	34,255.8	(1,931.3)	(5.7)
Paid-Up Capital	13,151.2	13,151.2	-	-
Share Premium	646.3	646.3	-	-
Retain Earnings	4,837.3	3,692.8	1,144.5	31.0
Total Equities	18,634.8	17,490.4	1,144.5	6.5



Agenda

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Recovered confidence



Thailand Consumer Confidence (CCI) rose for the sixth straight month in January, hitting a three-year high, driven by expectations of improved economic conditions stemming from expansion in exports and tourism. Additionally, the government stimulus package is another factor leading to higher CCI. The index jumped to 80.0 in January from 79.2 in December reaching the highest level in 36 months.

The CCI is creeping up at a slow rate because consumers doubt that the economy has fully recovered and low commodity prices remain a drag. Commodity prices remained at a relatively low level leading to weak purchasing power and low liquidity in many parts of Thailand. Furthermore, a number of people are concerned with the rapid appreciation on Thai baht as well as the minimum wage hike that may impact the CCI in the near future.



Margin expansion through Private Label



Over **36** Private Brands



Over **3,000** items



Quality **and** worthiness



Continuous **development**



2018 Store Expansion Plan



2018 New stores

1-2

8

1H	-	3	-	-
2H	1-2	5	TBC	TBC

Our stores in 2018

Total (stores)	82-83	11	12	6
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■ AGM Update

XM : 12 March 2018

AGM : 9 April 2018

Place : Grand Ballroom,
Mandarin Hotel
662 Rama 4 Rd.,
Bangrak, Bangkok



■ Dividend

On 27 Feb 2018 the Board proposed to pay cash dividend at the rate of Baht 0.18 per share subject to shareholders approval on 9 April 2018.

XD : 19 April 2018

Payment date : 8 May 2018



HomePro EXPO #27

16-25 March 2018 @ 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.



Q & A

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