



# Opportunity Day | Q3'18 Results

November 7, 2018



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# About HomePro



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



HomePro's products cover **40,000** items



HomePro operates **88** stores nationwide



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



# Agenda

- **Q3'18 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".

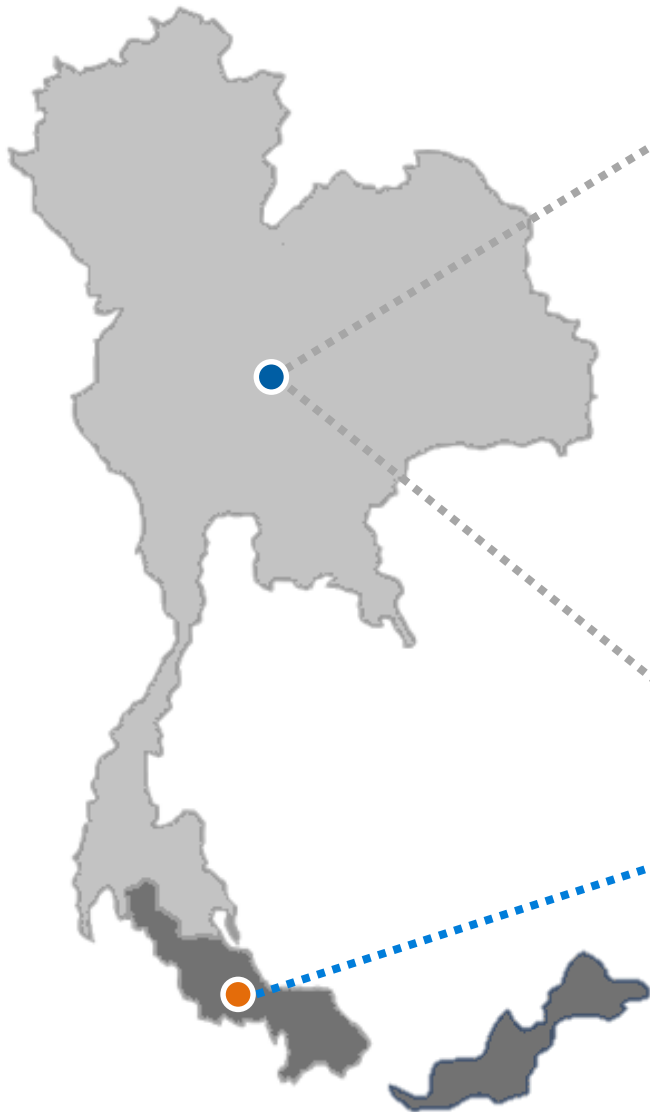


### DC Service Center Co., Ltd.

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



# Store Footprint



 Greater Bangkok : 26 stores  
Upcountry : 56 stores

 Greater Bangkok : 4 stores  
Upcountry : 1 store

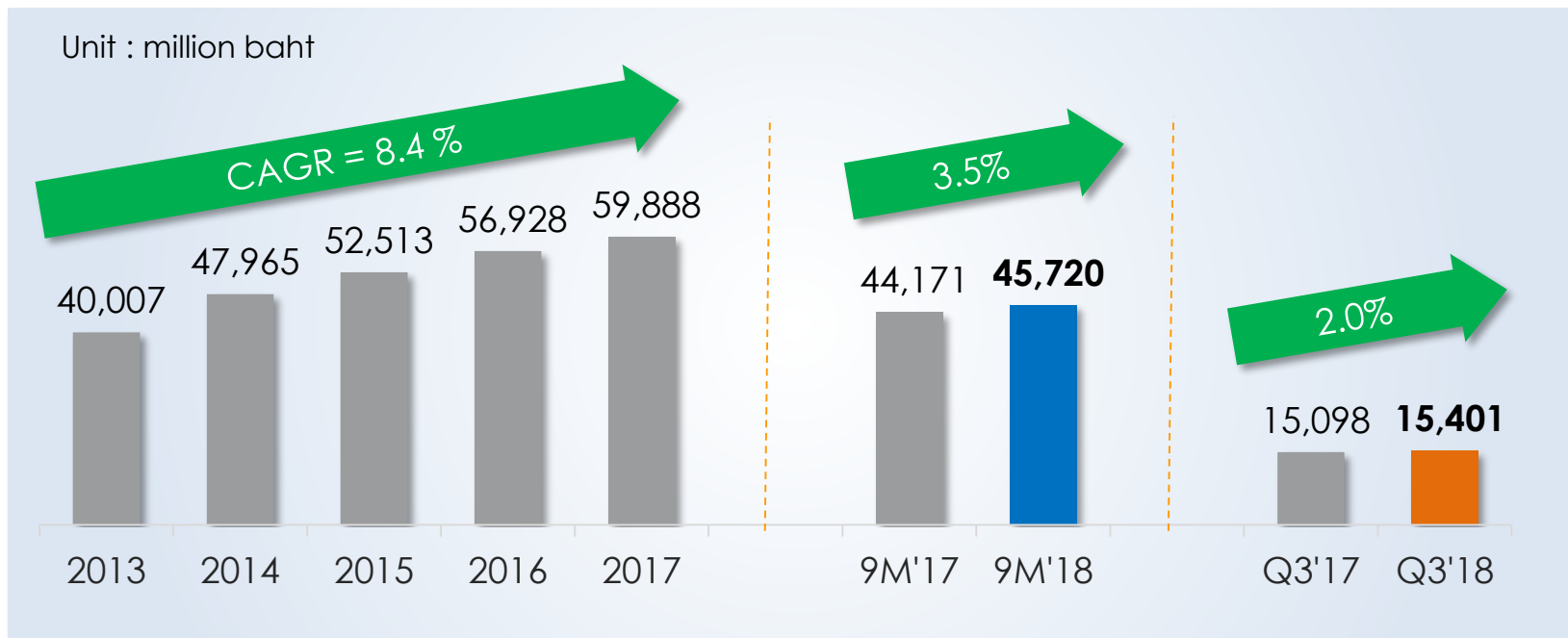
 Greater Bangkok : 2 stores  
Upcountry : 10 stores

 Malaysia : 6 stores



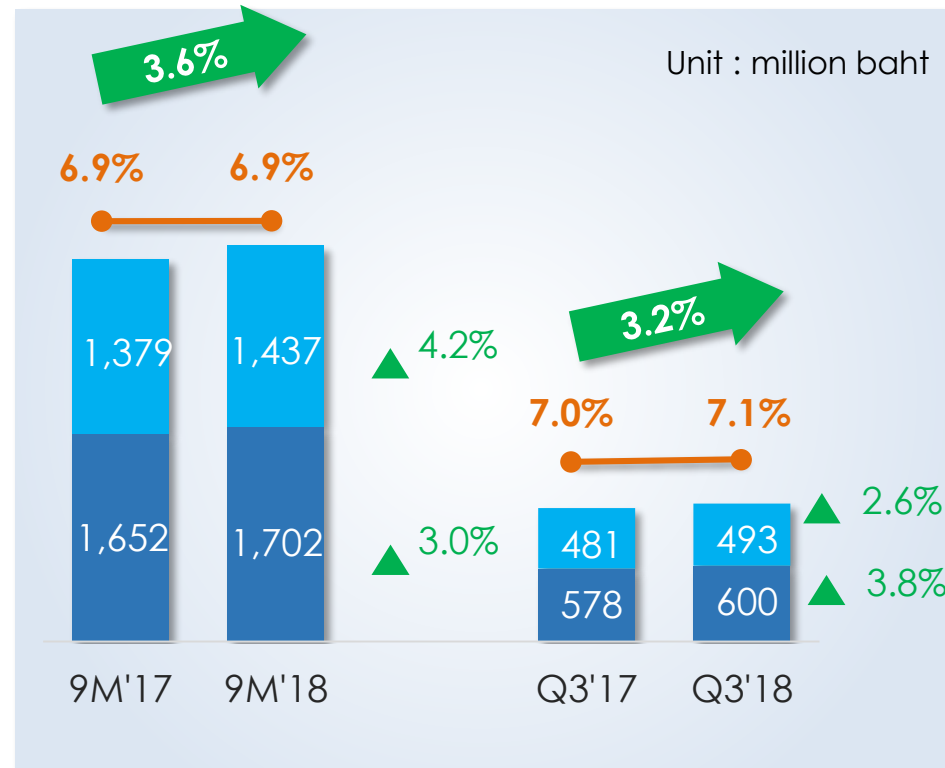
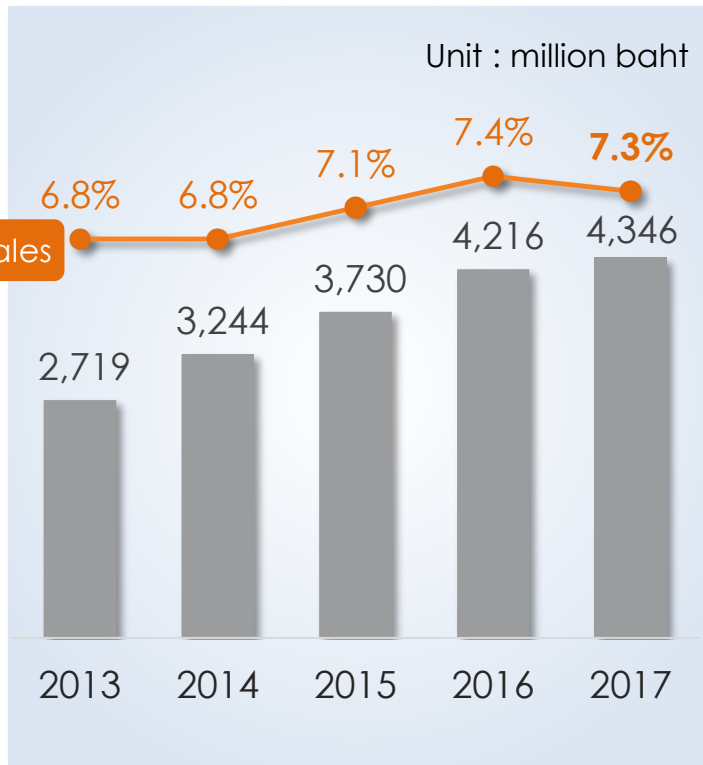
Unit : MB

	9M'18	% of sales	9M'17	% of sales	Var	% change
Sales	45,720.2	100.0%	44,170.6	100.0%	1,590.6	3.5%
Other Income	3,138.8	6.9%	3030.7	6.9%	108.1	3.6%
<b>Total Revenue</b>	<b>48,859.0</b>	<b>106.9%</b>	<b>47,201.3</b>	<b>106.9%</b>	<b>1,657.7</b>	<b>3.5%</b>
COGS	33,317.6	72.9%	32,646.9	73.9%	670.7	2.1%
SG&A	10,411.5	22.8%	10,068.6	22.8%	342.9	3.4%
<b>Total Expenses</b>	<b>43,729.1</b>	<b>95.6%</b>	<b>42,715.5</b>	<b>96.7%</b>	<b>1,013.7</b>	<b>2.4%</b>
EBIT	5,129.9	11.2%	4,485.8	10.2%	644.1	14.4%
Finance Cost	291.7	0.6%	349.5	0.8%	(57.8)	(16.5%)
Tax	911.3	2.0%	775.9	1.8%	135.5	17.5%
<b>Net Profit</b>	<b>3,926.9</b>	<b>8.6%</b>	<b>3,360.4</b>	<b>7.6%</b>	<b>566.4</b>	<b>16.9%</b>
Depreciation	2,280.3	5.0%	2,302.1	5.2%	(21.7)	(0.9%)
EBITDA	7,410.2	16.2%	6,787.9	15.4%	622.3	9.2%



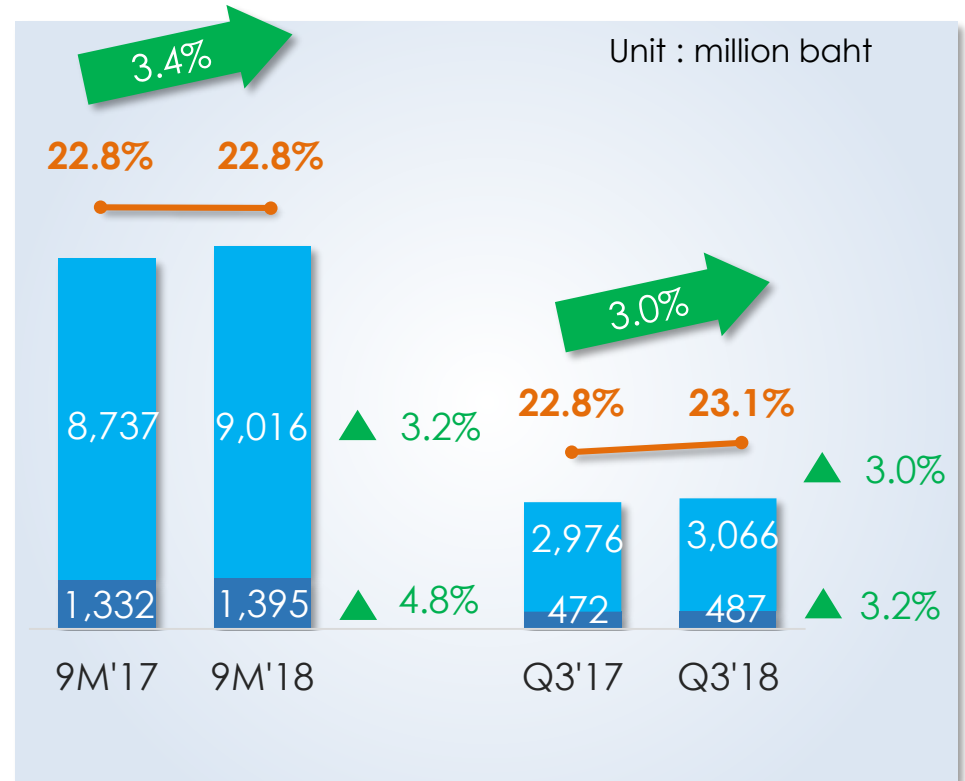
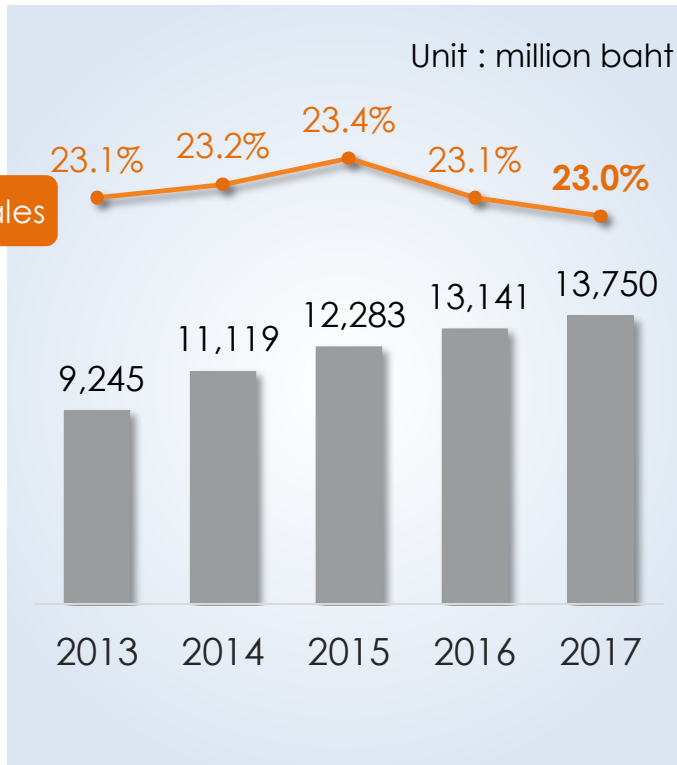
- Sales income was driven by same store sales growth of HomePro and HomePro in Malaysia as well as sales from new stores of HomePro, Mega Home, and HomePro in Malaysia which opened since second half of year 2017.





● Rent & Service ● Others ● % to Sales

- Rental and service income increased from higher rental income from Market Village.
- Other income rose due to higher support fee from promotional activities with suppliers and service income under "Home Service" program.

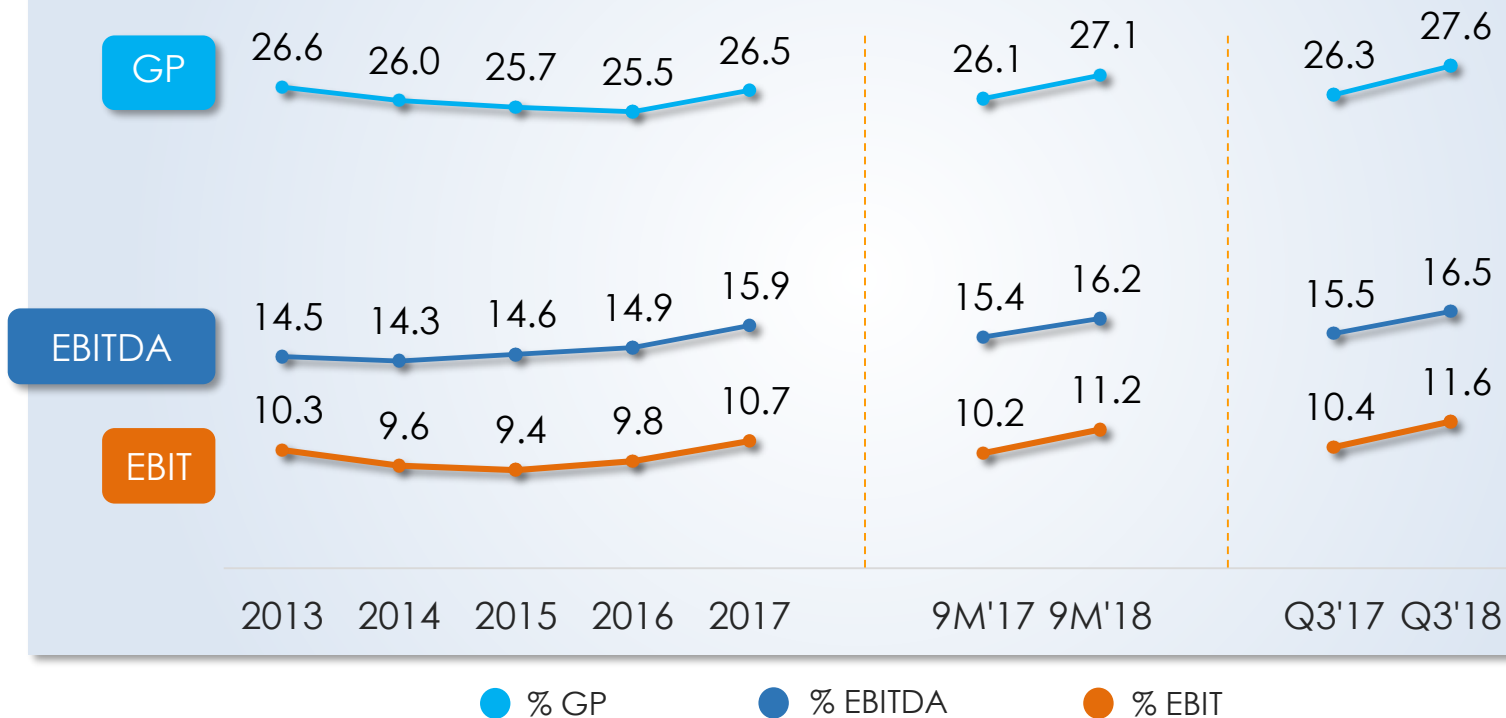


● Sales Related ● Admin Expense ● % to Sales

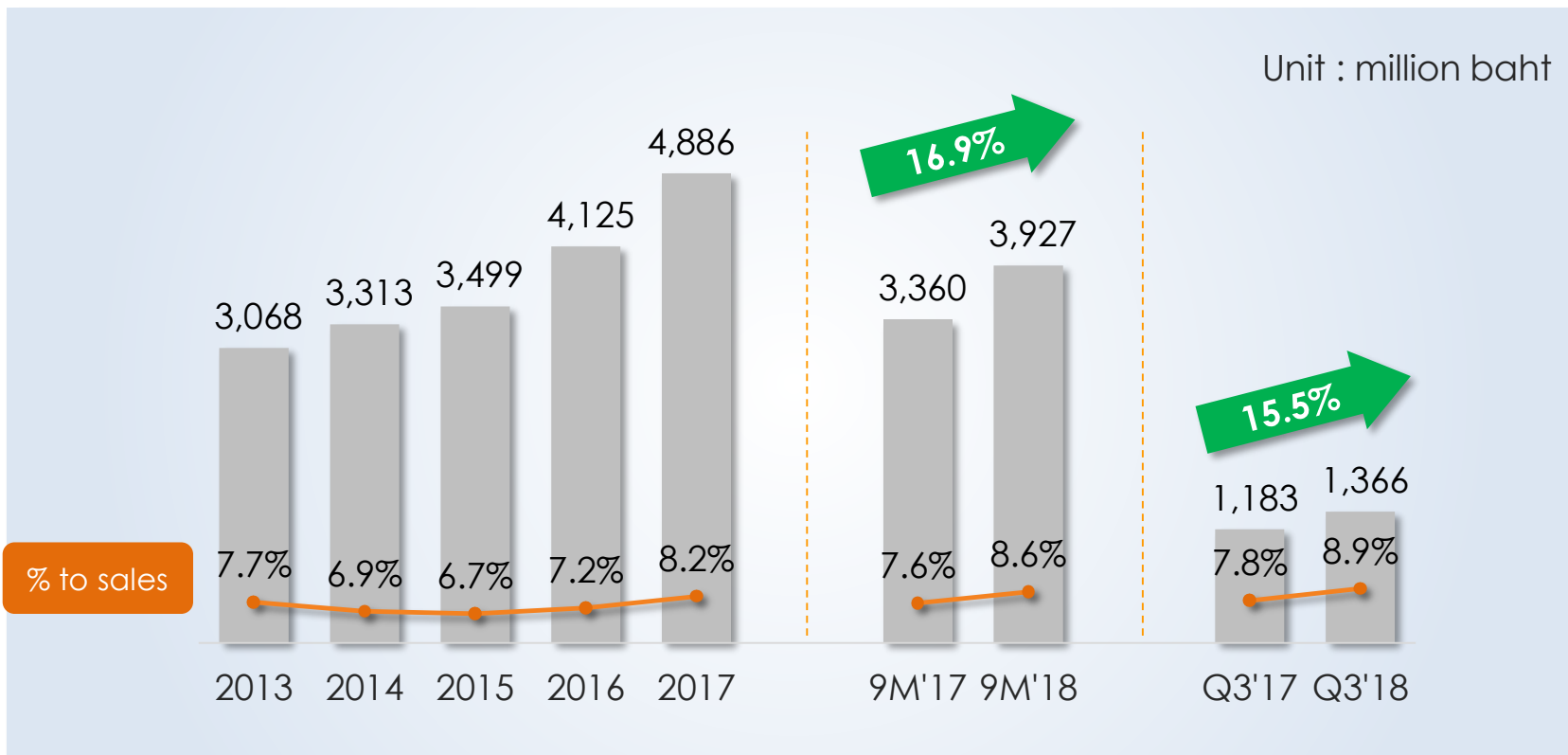
The amount increases were mainly driven by rise in personnel expenses, cost of services to customers, cost of transportation, rental expenses and maintenance expenses. Additionally, SG&A as a percentage of sales has marginally increased from 22.84% in previous year to 23.07%.

# Profitability Ratio

Unit : % of Sales



Gross profit margin as a percentage of sales has increased from 26.26% in previous year to 27.55%, which resulted from change in product sales mix of both general merchandise and directly sourced private-label goods. Furthermore, there was a continuous improvement in product assortment planning from HomePro and Mega Home.



FY	2013	2014	2015	2016	2017
EPS	0.25	0.25	0.27	0.31	0.37

9M'17	9M'18
0.26	0.30

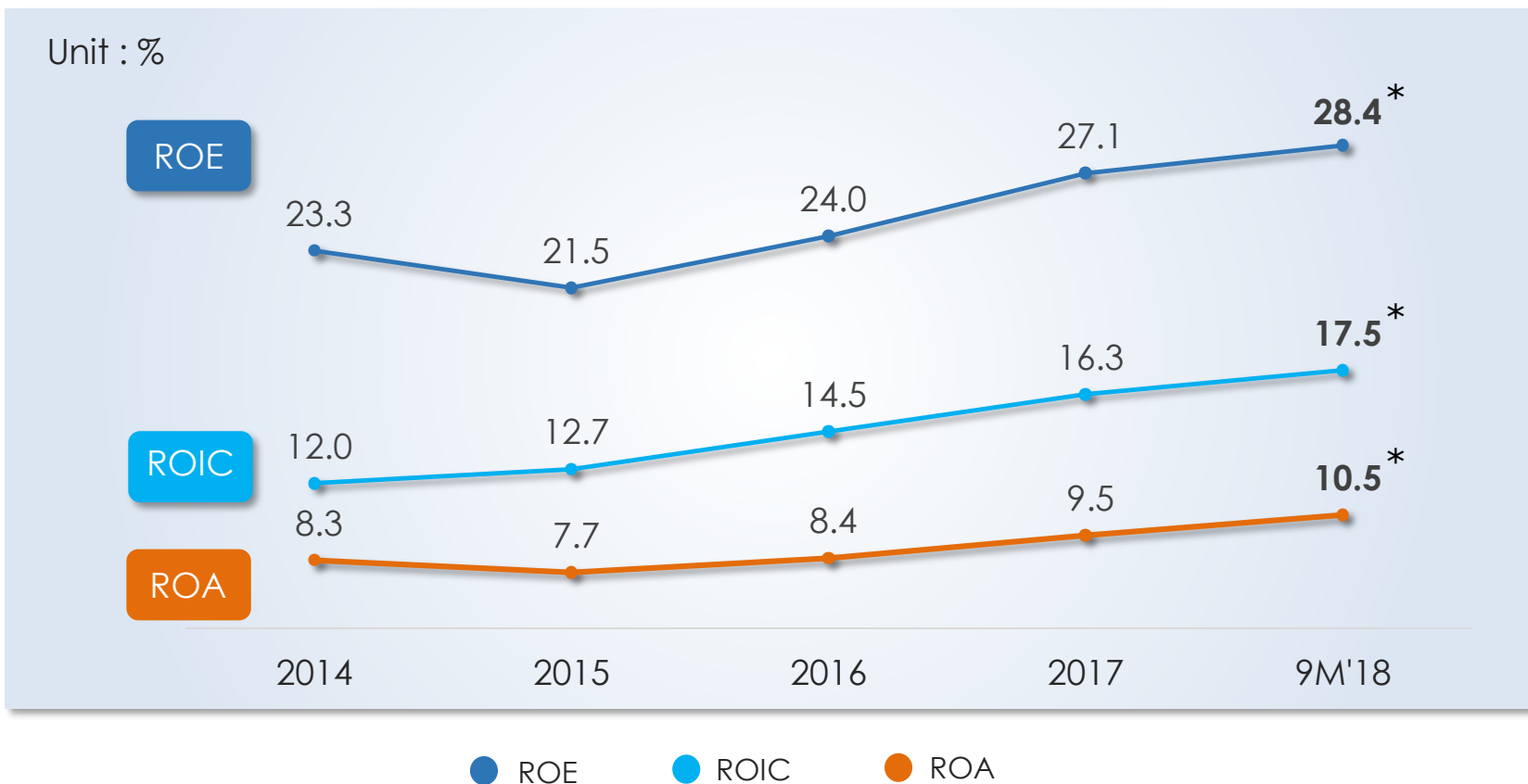
3Q'17	3Q'18
0.09	0.10

**NPAT** grew by 15.5% and NPAT as a percentage of sales increased from 7.84% in Q3'17 to 8.87% in Q3'18. Earnings per share (**EPS**) were Baht 0.10 in 3Q'18, up 15.5% YoY.

# Balance Sheet at a glance

Unit : million baht

	30 Sep 2018	31 Dec 2017	Var	% change
Cash & Deposit	897.64	2,504.91	(1,607.27)	(64.2%)
Inventory	9,699.43	10,342.99	(643.56)	(6.2%)
Land Building & Equipment	35,283.44	35,351.06	(67.62)	(0.2%)
Others	2,629.41	2,750.38	(120.97)	(4.4%)
<b>Total Assets</b>	<b>48,509.91</b>	<b>50,949.35</b>	<b>(2,439.44)</b>	<b>(4.8%)</b>
Financial Debt	13,349.12	15,062.79	(1,713.67)	(11.4%)
Account Payable	14,030.42	14,084.93	(54.51)	(0.4%)
Others	2,909.31	3,166.83	(257.52)	(8.1%)
<b>Total Liabilities</b>	<b>30,288.85</b>	<b>32,314.55</b>	<b>(2,025.70)</b>	<b>(6.3%)</b>
Paid-Up Capital	13,151.20	13,151.20	-	0.0%
Share Premium	646.32	646.32	-	0.0%
Retain Earnings	4,423.54	4,837.27	(413.73)	(8.6%)
<b>Total Equities</b>	<b>18,221.06</b>	<b>18,634.79</b>	<b>(413.73)</b>	<b>(8.6%)</b>





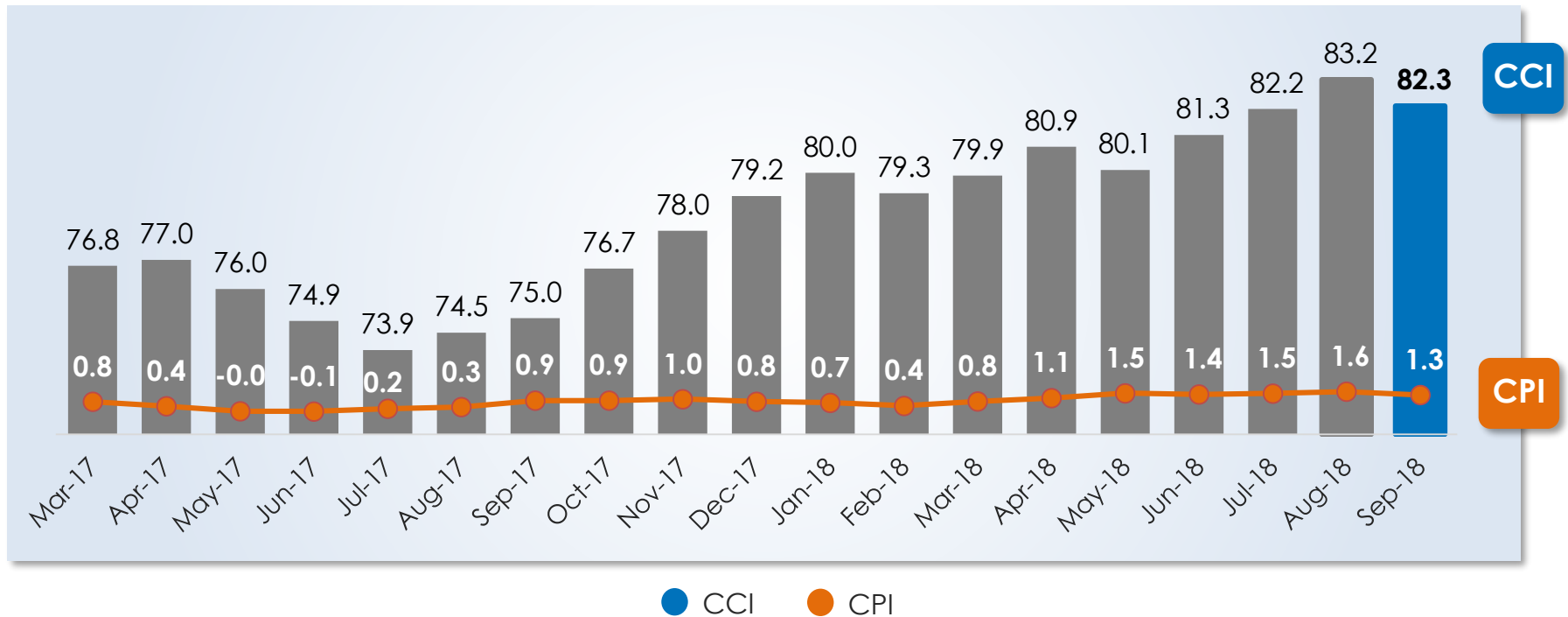
# Agenda

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# Consumer Confidence sees first dip in 4 months



Thailand Consumer Confidence Index (CCI) dropped for the first time in four months to 82.3 in September from 83.2 in August on higher oil prices and an escalating international trade row.

Consumers were also concerned about the decreasing arrivals of Chinese tourists, low prices of farm products, especially natural rubber and rice, as well as slow and uneven economic recovery. Consequently, these negative factors led to weaker purchasing power.



# Margin expansion through Private Label



Over **36** Private Brands



Quality **and** worthiness



Over **3,000** items



Continuous **development**



# 2018 Store Expansion Plan



## 2018 New stores

1

5

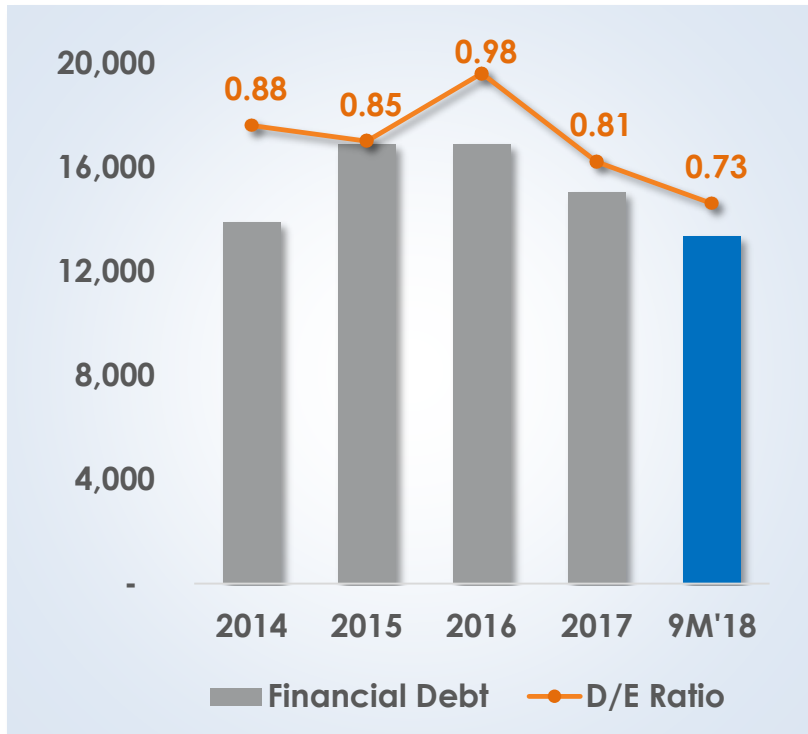
1Q	Paseo Kanchanaphisek	-	30 Mar	-	-
	BigC Bang-Na	-	18 May	-	-
2Q	Kanlapaphruek	29 Jun	-	-	-
	Market Place Nanglinchee	-	5 Oct	-	-
4Q		-	2	-	-

## Our stores in 2018

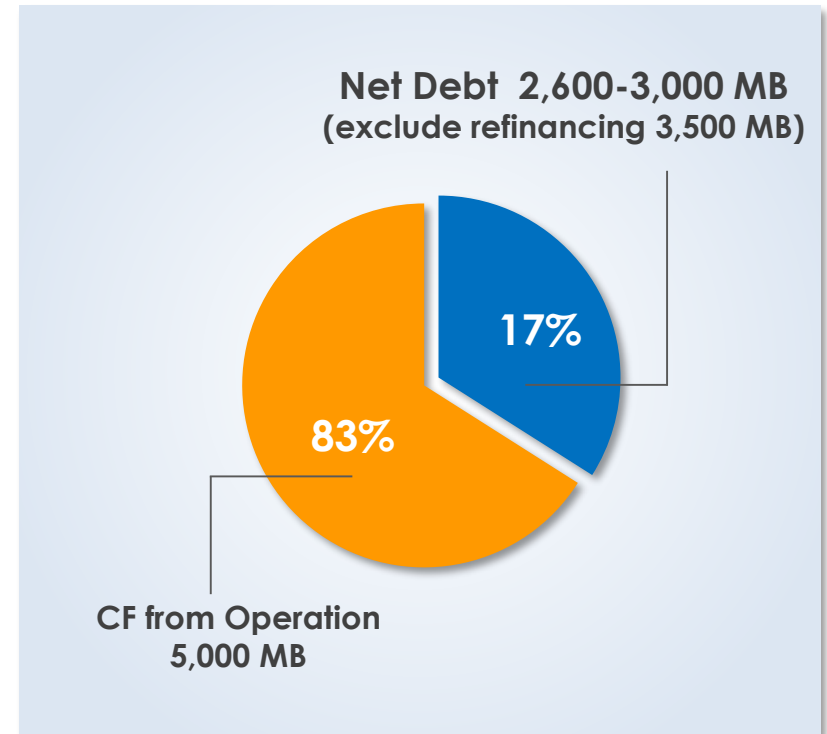
Total (stores)	82	8	12	6
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## Financial D/E Ratio



## Source of Fund 2018



**ช้อป ชิม ซิลส์**

อาหารรสชาติดีอร่อย แบบท้องถิ่นที่หาทานยาก และช้อปปิ้งของฟ้าหลากหลาย

กับบรรยากาศที่ สีสันสดริ่งอาร์ต และ ช้อปอุปกรณ์กีฬา, เสื้อผ้า, รองเท้า จากแบรนด์ชั้นนำ **ลดสูงสุด 50%\***

**0%\*** สูงสุด 10 เดือน

YEAH! FUN!



**HomePro Fair Khonkaen : 19 – 28 October 2018**

**10 วัน เท่านั้น**

**โฮมโปร เอ็กซ์โป**

พิถีพิถันบรรจงความเย็น คู่หมักนักมาก



**HomePro Expo#28 : 9 – 18 November 2018**





Q & A

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