



# Analyst Meeting | 1Q'20 Result

May 7, 2020



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# About HomePro



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



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



HomePro operates **93** stores nationwide



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



# Agenda

- 1Q'20 Financial Results
- Business Outlook



## 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".

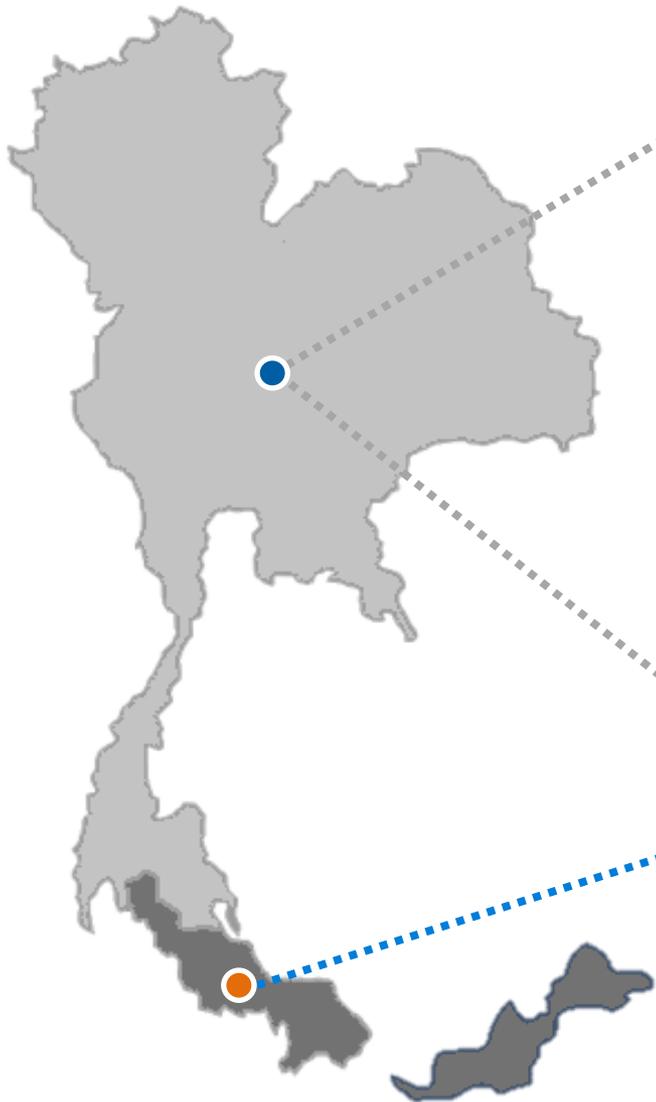


### DC Service Center Co., Ltd.

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



# Store Footprint



 Greater Bangkok : 27 stores  
Upcountry : 57 stores

 Greater Bangkok : 8 stores  
Upcountry : 1 store

 Greater Bangkok : 3 stores  
Upcountry : 11 stores

 Malaysia : 6 stores



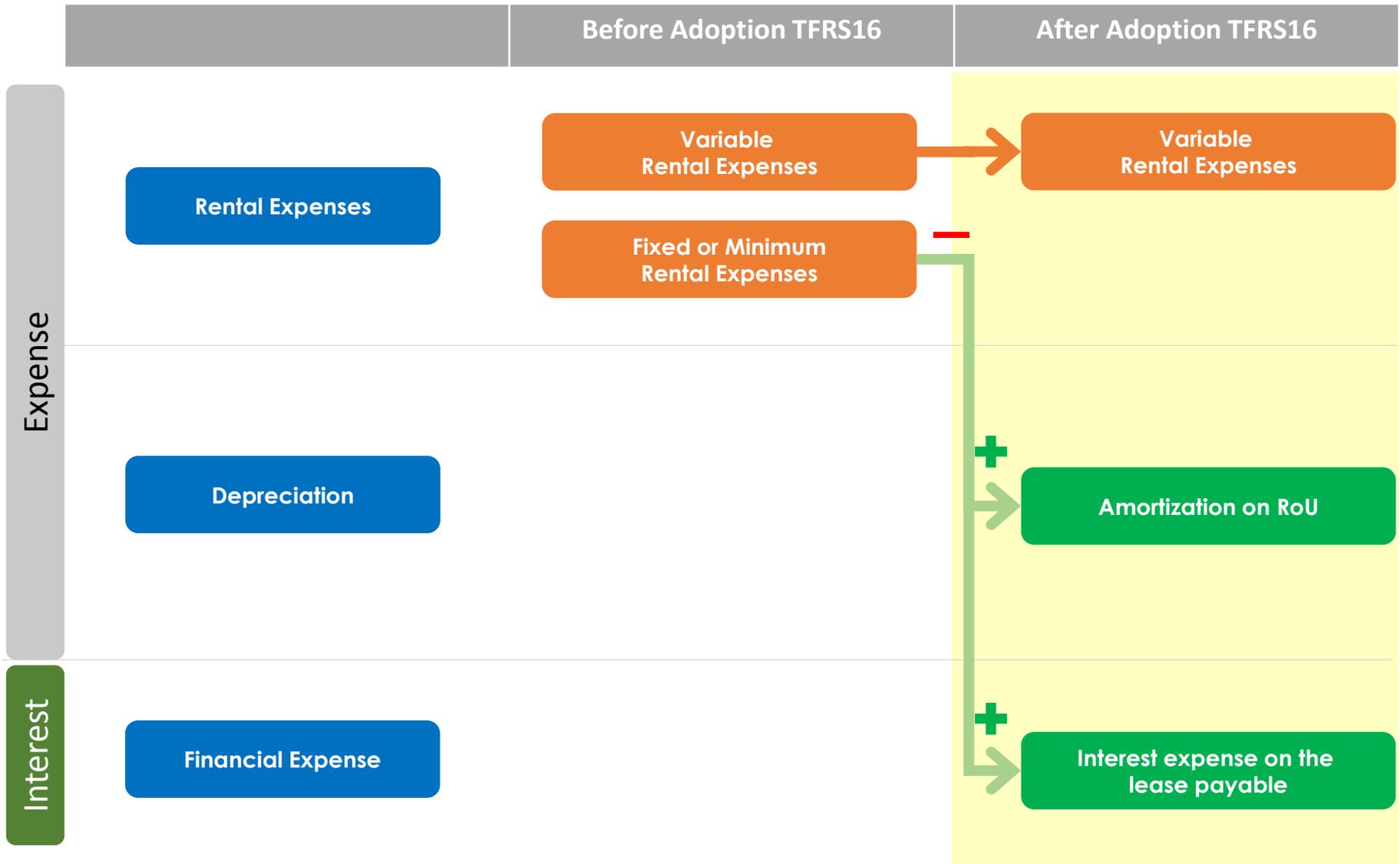
# TFRS 16 Adoption – Balance Sheet Impact as Jan 1, 2020



	Impact	Amount
ASSET	Current Assets	- 33.57 Mb
	Non-Current Assets	+ 3,889.88 Mb
	Other Non-current Assets	+ 193.02 Mb
		<b>+ 3,856.31 Mb</b>
LIABILITY	Current Liabilities	+ 281.98 Mb
	Non-Current Liabilities	+ 4,230.88 Mb
		<b>+ 3,856.31 Mb</b>
EQUITY	Retained Earnings	- 656.55 Mb



# IFRS 16 Adoption – Profit & Loss Statement impact in 2020

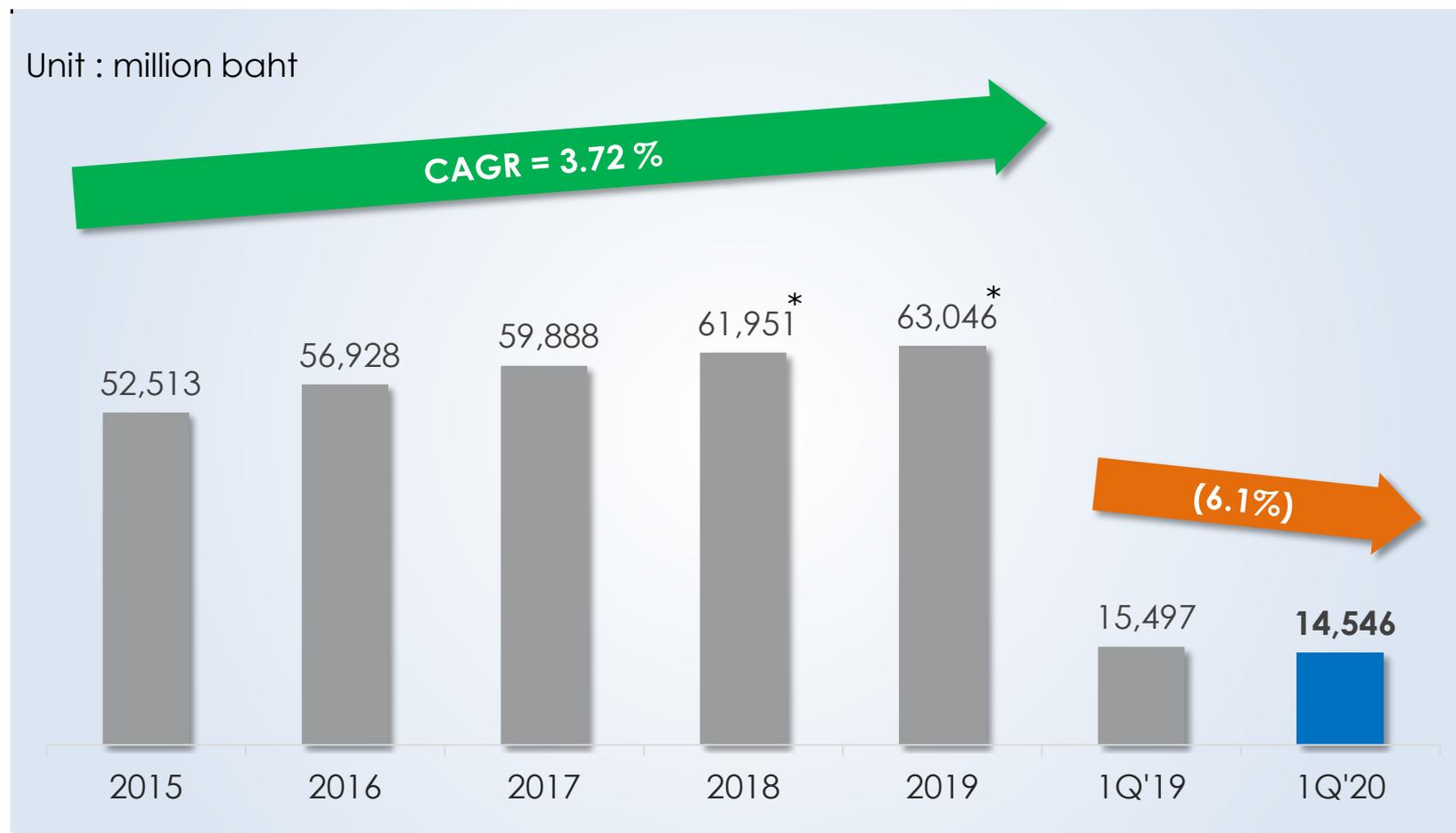


Unit : MB

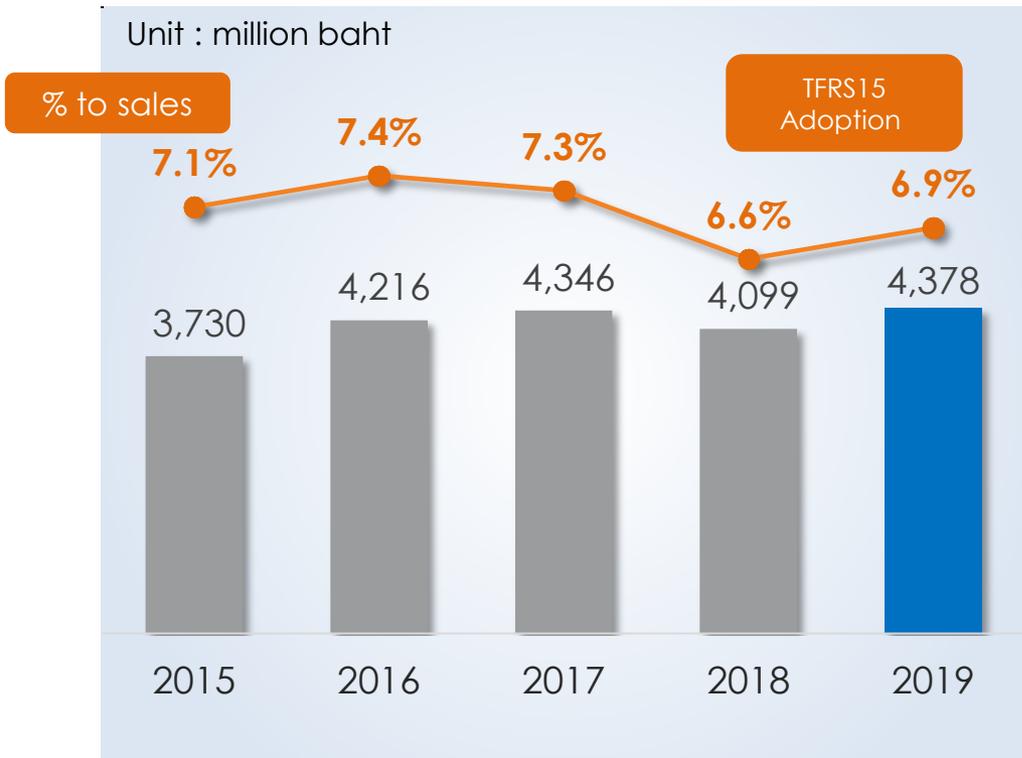
	1Q'2020	% of sales	1Q'2019	% of sales	Var	% change
Revenue from contracts with customers	14,545.6	100.0%	15,496.9	100.0%	(951.3)	(6.1%)
Rental Income	382.0	2.6%	560.8	3.6%	(178.8)	(31.9%)
Other Income	405.7	2.8%	495.3	3.2%	(89.6)	(18.1%)
<b>Total Revenue</b>	<b>15,333.3</b>	<b>105.4%</b>	<b>16,553.0</b>	<b>106.8%</b>	<b>(1,219.7)</b>	<b>(7.4%)</b>
Cost of sales and service	10,806.4	74.3%	11,627.2	75.0%	(820.8)	(7.1%)
<b>Gross profit</b>	<b>3,739.2</b>	<b>25.7%</b>	<b>3,869.7</b>	<b>25.0%</b>	<b>(130.5)</b>	<b>(3.4%)</b>
Cost of Rental	150.0	1.0%	159.6	1.0%	(9.6)	(6.0%)
<b>Total Expenses</b>	<b>2,709.7</b>	<b>18.6%</b>	<b>2,908.3</b>	<b>18.8%</b>	<b>(198.6)</b>	<b>(6.8%)</b>
EBIT	<b>1,667.2</b>	<b>11.5%</b>	<b>1,857.9</b>	<b>12.0%</b>	<b>(190.7)</b>	<b>(10.3%)</b>
Finance Cost	115.1	0.8%	107.8	0.7%	7.2	6.7%
Tax	285.6	2.0%	330.2	2.1%	(44.6)	(13.5%)
<b>Net Profit</b>	<b>1,266.5</b>	<b>8.7%</b>	<b>1,419.8</b>	<b>9.2%</b>	<b>(153.3)</b>	<b>(10.8%)</b>

Depreciation	813.71	5.59%	726.75	4.69%	86.96	11.97%
EBITDA	2,480.90	17.06%	2,711.70	17.50%	(230.80)	(8.51%)

# Sustainable Sales Growth



\*Service Income (Home Service) was included in 2018-2019

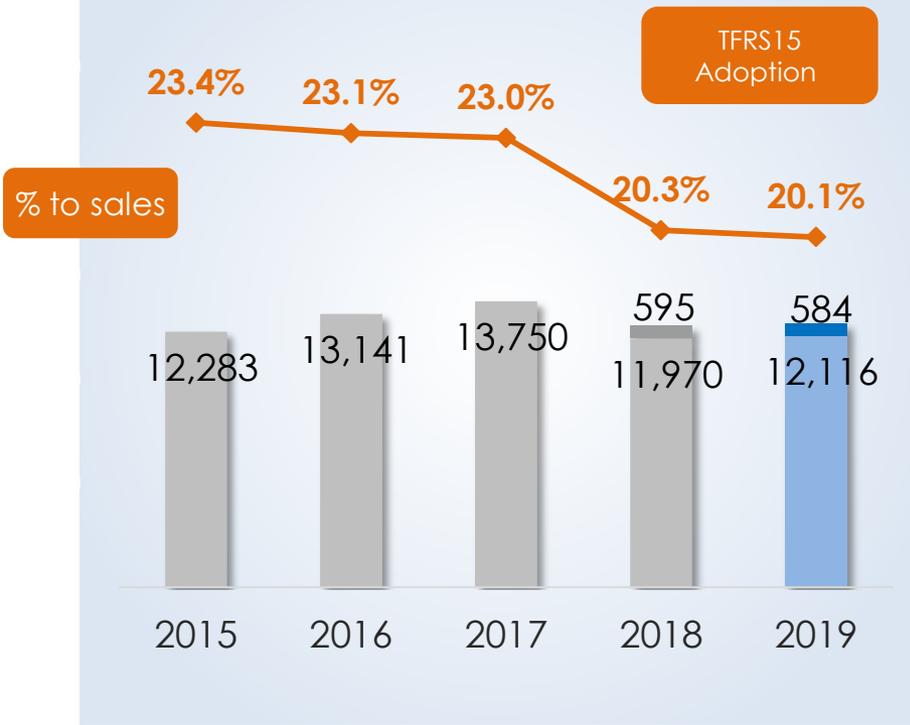


● Rent & Service ● Others ● % to Sales

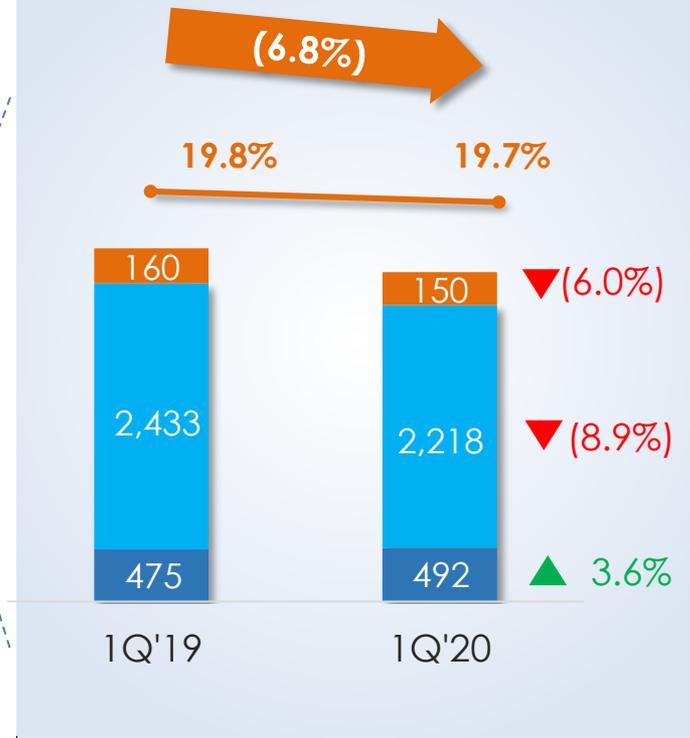
- Rental and service income decreased from higher rental income from the closure of stores and Market Village which the Company considered lowering the rent for Home's stores, and the cancellation of HomePro Expo event in the first quarter.
- Other income declined in relation to the declining of sales income along with the absence of promotional activities with vendors both in stores and for HomePro Expo event.

\* Home Service income was included in 2018-2019

Unit : million baht



Unit : million baht



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

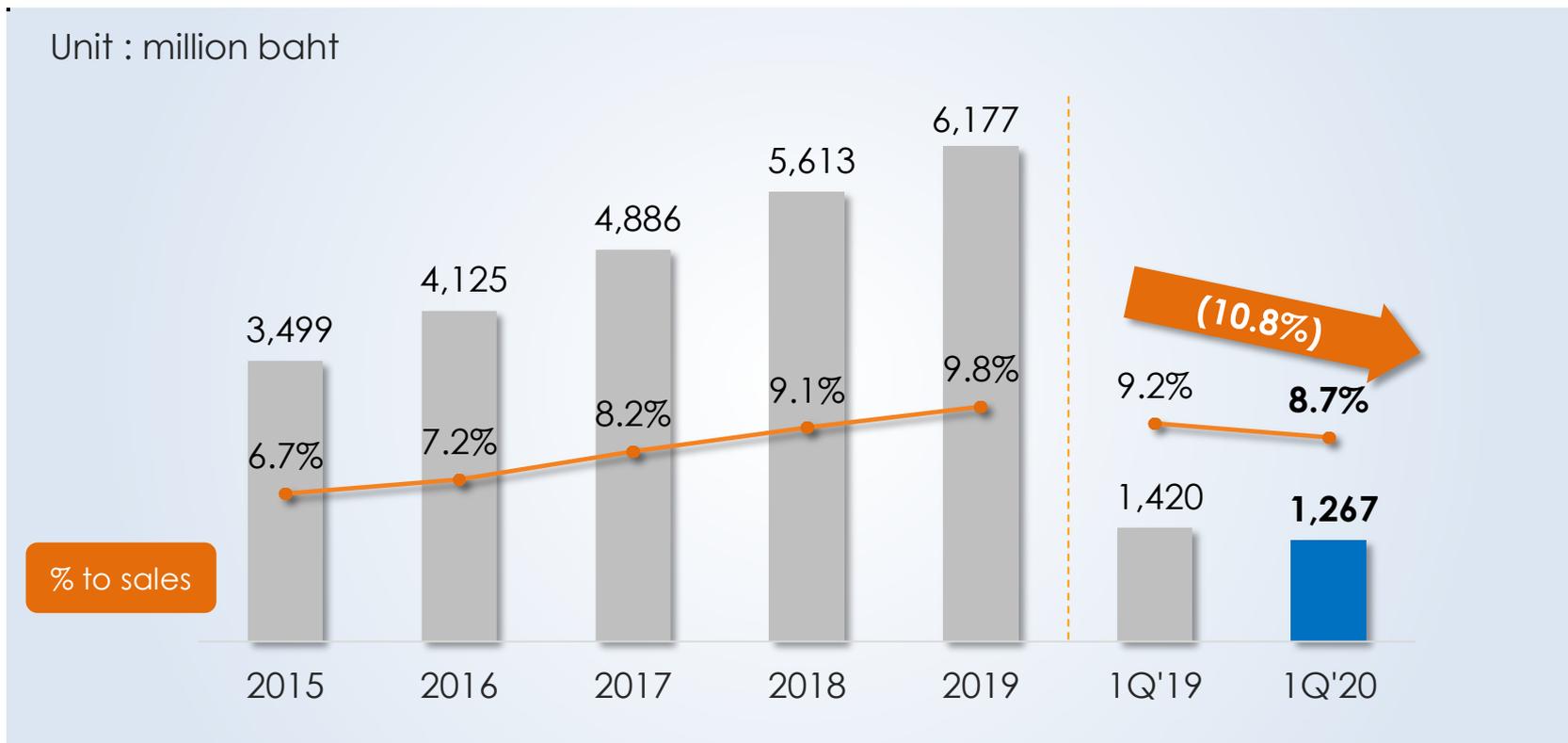
- The amount decreases in SG&A were mainly driven by the cancellation of HomePro Expo event, the contribution costs such as credit card fee, marketing expense, and variable rental expenses, as well as the fixed rental expenses which were reclassified to Finance cost in accordance with the Financial Reporting Standard No.16: Leases In addition, SG&A as a percentage of sales has decrease from 20.3% in previous year to 20.1%.
- Cost of Rental decreased due to lower depreciation expense, which included the impact of adopting the Financial Reporting Standard No.16

\* Cost of Rental Business was included in 2018-2019



Gross profit margin as a percentage of sales has increased from 25.00% in previous year to 25.70% due to change in product sales mix of general merchandise and the enhancement of directly sourced private-label goods, as well as the continuous efficiency improvement in product purchase planning of HomePro, Mega Home, HomePro in Malaysia, and the cancellation of HomePro Expo event.

Unit : million baht



FY	2015	2016	2017	2018	2019	1Q'19	1Q'20
EPS	0.27	0.31	0.37	0.43	0.47	0.11	0.10

**NPAT** declined by 10.8% and NPAT as a percentage of sales decreased from 9.2 % in 1Q'19 to 8.7% in 1Q'20. Earnings per share (**EPS**) were Baht 0.10 in 1Q'20, down 10.8% YoY.

# Balance Sheet at a glance

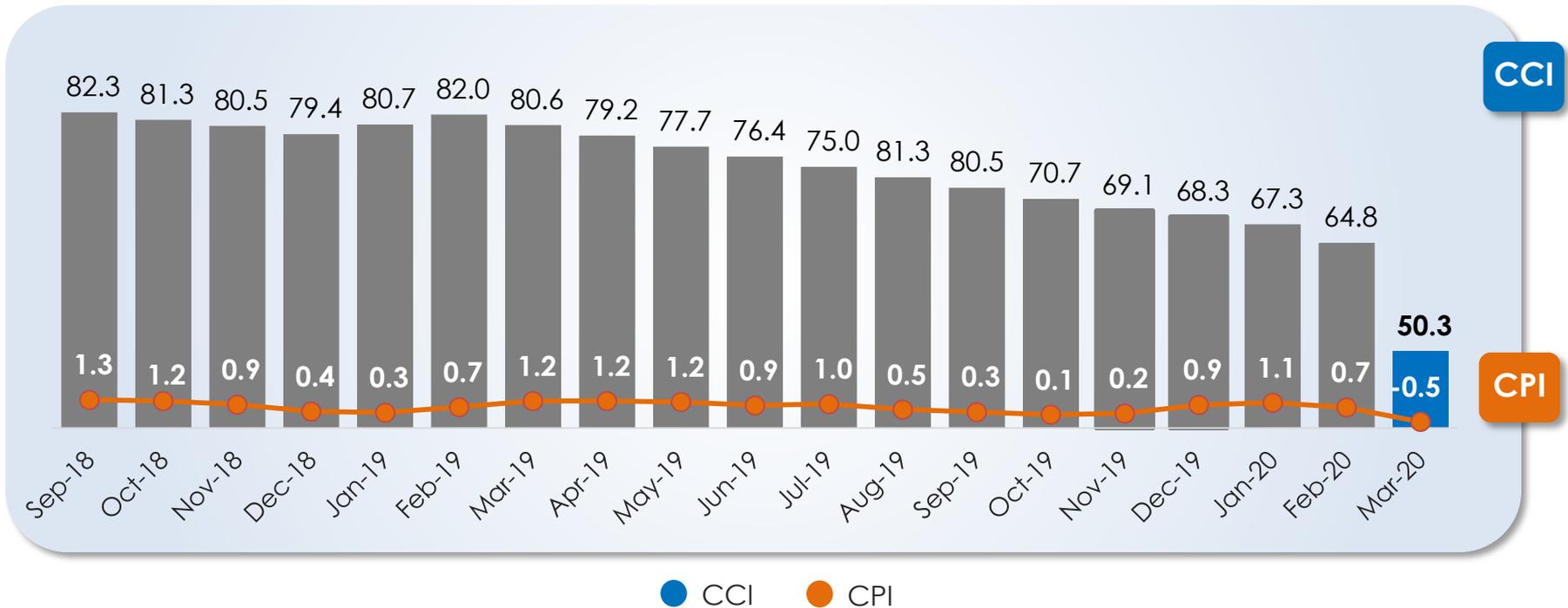
Unit : million baht

	31 Mar 2020	31 Dec 2019	Var	% change
Cash & Deposit	10,455.52	2,859.98	7,595.54	265.58%
Inventory	10,935.10	10,421.26	513.84	4.93%
Land Building & Equipment	38,996.85	35,710.59	3,286.26	9.20%
Others	2,501.00	3,057.12	(556.12)	(18.19%)
<b>Total Assets</b>	<b>62,888.47</b>	<b>52,048.96</b>	<b>(10,839.51)</b>	<b>20.83%</b>
Financial Debt	24,991.99	13,388.23	11,603.76	86.67%
Account Payable	12,965.75	14,069.08	(1,103.33)	(7.84%)
Others	3,180.95	3,453.56	(272.61)	(7.89%)
<b>Total Liabilities</b>	<b>41,138.70</b>	<b>30,910.88</b>	<b>(10,227.82)</b>	<b>33.09%</b>
Paid-Up Capital	13,151.20	13,151.20	-	-
Share Premium	646.32	646.32	-	-
Retain Earnings	7,952.25	7,340.56	611.69	8.33%
<b>Total Equities</b>	<b>21,749.77</b>	<b>21,138.08</b>	<b>611.69</b>	<b>2.89%</b>



# Agenda

- 1Q'20 Financial Results
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-



Consumer confidence index slumped to 50.3 points in March from 64.8 points in February. The index fell for the thirteenth consecutive month as people remain gravely concerned about the coronavirus outbreak, marking the lowest reading since the survey began in October 1998. Thailand is expected to fall into recession as purchasing power, tourism and export sectors, and future employment have been largely impacted by the global coronavirus crisis. The index has been further dampened by drought situation and low agricultural product prices. In response to this pandemic, consumers will delay their spending by three to six months.



## จุดคัดกรอง

โฮมโปร ร่วมขนานรับมาตรการป้องกันการแพร่ระบาดของไวรัส COVID-19

### ลูกค้า

1. ยืนห่างกัน 1 เมตร
2. สวมหน้ากากอนามัยก่อนเข้าร้าน และตลอดเวลาที่ใช้บริการ



WEAR A FACE MASK



TEMPERATURE CHECKING

3. วัดอุณหภูมิ ก่อนเข้าพื้นที่ร้าน
4. ลงทะเบียน การเข้า-ออกพื้นที่ ณ จุดลงทะเบียน ที่กำหนด

5. จำกัดจำนวนลูกค้า และเวลาในการเข้าใช้บริการ ไม่เกิน 1 ชม./ครั้ง
6. ล้างมือด้วยเจล แอลกอฮอล์ก่อนเข้าพื้นที่



CLEAN YOUR HANDS OFTEN



1 M AVOID CLOSE CONTACT

## โฮมโปร เพิ่มมาตรการ มั่นใจ...ปลอดภัยทุกจุด

- เช็ดทำความสะอาดจุดสัมผัสทุก 1 ชม. ทั้งห้าง
- ทำความสะอาดราวจับบันไดเลื่อนด้วยน้ำยาฆ่าเชื้อทำความสะอาดทุกๆ 1 ชม.
- ทำความสะอาดห้องน้ำทุกๆ 1 ชม.
- วัดอุณหภูมิ ก่อนเข้าพื้นที่ปฏิบัติงาน
- พนักงานใส่หน้ากากอนามัยและ FACE SHIELD ตลอดเวลา การปฏิบัติงาน
- จัดกิจกรรมการใช้เสียงภายในร้าน

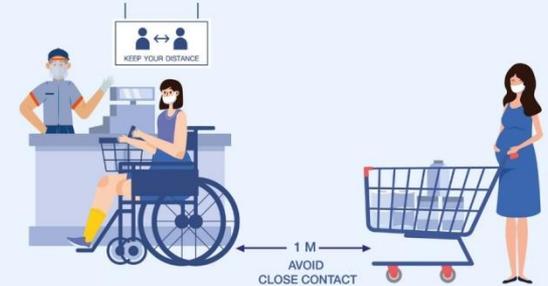
## พื้นที่สำหรับลูกค้า รอรับบริการ

- นั่งเว้นระยะห่าง 1 เมตร
- สวมหน้ากากอนามัย ตลอดเวลาที่ใช้บริการ



## ช่องทางพิเศษ

สำหรับผู้สูงอายุ ผู้พิการและสตรีมีครรภ์  
เพราะเราอยากช่วยลดความเสี่ยง  
ขอสงวนสิทธิ์ให้ผู้สูงอายุ ผู้พิการและสตรีมีครรภ์  
ได้ใช้บริการก่อน



เสี่ยงการชำระด้วยเงินสด โดยการชำระ  
ผ่านช่องทาง ดังนี้

### Internet Banking

Banking Online  
/ Banking Application

### QR Payment

Credit / Debit Card  
Visa / Master / UnionPay





# Margin expansion through Private Label



Over **36** Private Brands



Quality **and** worthiness



Over **5,000** items



Continuous **development**



# 2020 Store Expansion Plan



## 2020 New stores 2

1H	-	-	-	-
2H	2	-	-	-

## Our stores in 2020

Total (stores)	86	9	14	6
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Q & A

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