



Analyst Meeting | 2Q'20 Result

August 6, 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

- **2Q'20 Financial Results**
- **Business Outlook**
- **Sustainability Development**



Home Product Center Plc. : Operating HomePro in Thailand



HUA HIN
Market Village
ศูนย์การค้า

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.

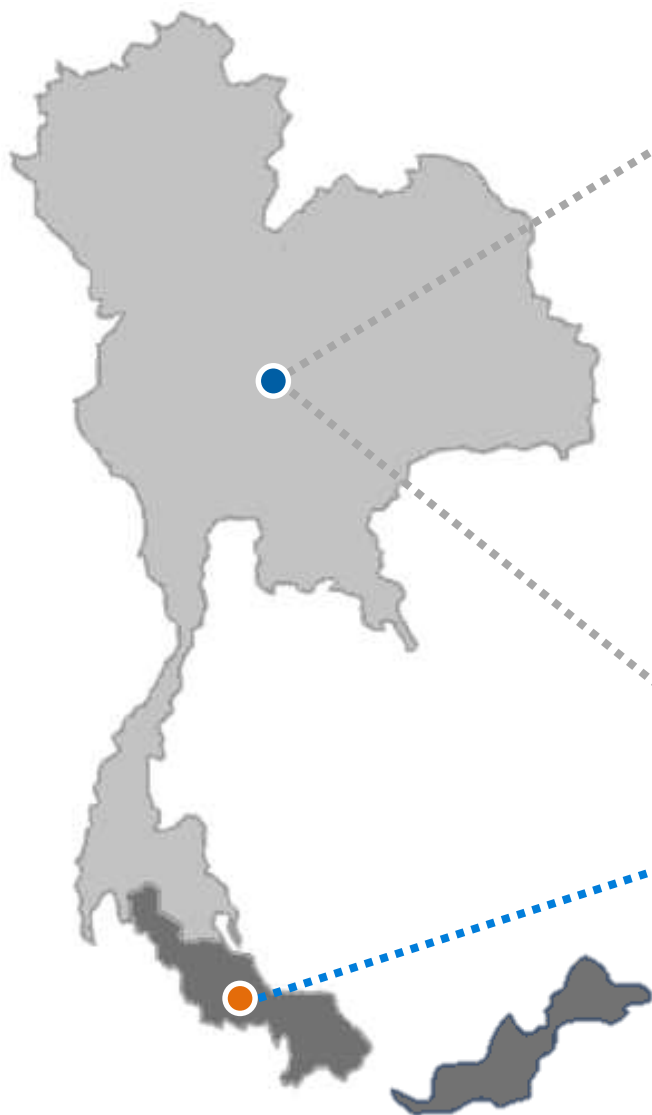
- Holds 99.99% of total shares
- Objective to operate retail business under trade name "Mega Home".



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
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Health & Safety at Store after COVID-19



Our stores are cleaned and sanitized thoroughly
Reassuring hygiene for customers and associates at every touchpoint





Health & Safety at Store after COVID-19



จุดคัดกรอง

โอมิครอน ร่วมขนานรับมาตรการป้องกัน การแพร่ระบาดของไวรัส COVID-19

ลูกค้า

1. ยืนห่างกัน 1 เมตร
2. สวมหน้ากากอนามัย ก่อนเข้าร้าน และตลอดเวลา ที่ใช้บริการ



WEAR A FACE MASK

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



TEMPERATURE CHECKING

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



CLEAN YOUR HANDS OFTEN



โอมิครอน เพิ่มมาตรการ มั่นใจ...ปลอดภัยทุกจุด

- เช็ดทำความสะอาดจุดสัมผัสทุกจุด 1 ชม. กึ่งชั่วโมง
- ทำความสะอาดราวจับบันไดเลื่อนด้วยน้ำยาฆ่าเชื้อทำความสะอาดทุกๆ 1 ชม.
- ทำความสะอาดห้องน้ำทุกๆ 1 ชม.
- วัดอุณหภูมิก่อนเข้าพื้นที่ปฏิบัติงาน
- พนักงานใส่หน้ากากอนามัยและ FACE SHIELD ตลอดเวลา การปฏิบัติงาน
- จัดกิจกรรมการใช้เสียงภายในร้าน

พื้นที่สำหรับลูกค้า รอรับบริการ

- นั่งเว้นระยะห่าง 1 เมตร
- สวมหน้ากากอนามัย ตลอดเวลาที่ใช้บริการ



KEEP YOUR DISTANCE

ช่องทางพิเศษ

สำหรับผู้สูงอายุ ผู้พิการและสตรีมีครรภ์ เพราะเราอยากช่วยลดความเสี่ยง ขอสงวนสิทธิ์ให้ผู้สูงอายุ ผู้พิการและสตรีมีครรภ์ ได้ใช้บริการก่อน



1 M AVOID CLOSE CONTACT

เสี่ยงการชำระด้วยเงินสด โดยการชำระผ่านช่องทาง ดังนี้

Internet Banking Banking Online / Banking Application	QR Payment Credit / Debit Card Visa / Master / UnionPay 
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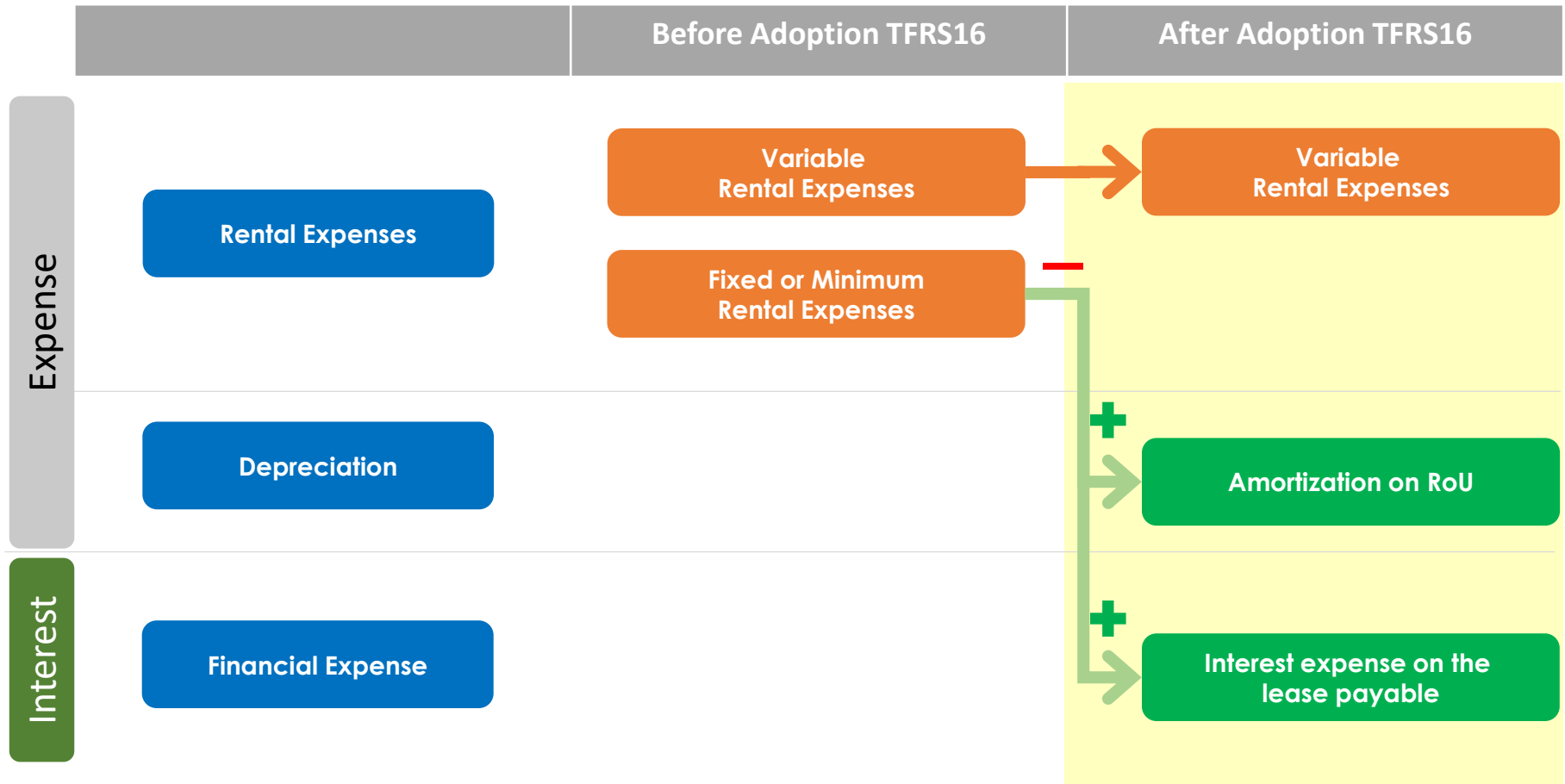


TFRS 16 Adoption – Balance Sheet Impact as at Jan 1, 2020

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



IFRS 16 Adoption – Profit & Loss Statement impact in 2020



IFRS16 net Impact to 2020 P/L is less than THB 15.00 MB

Unit : MB

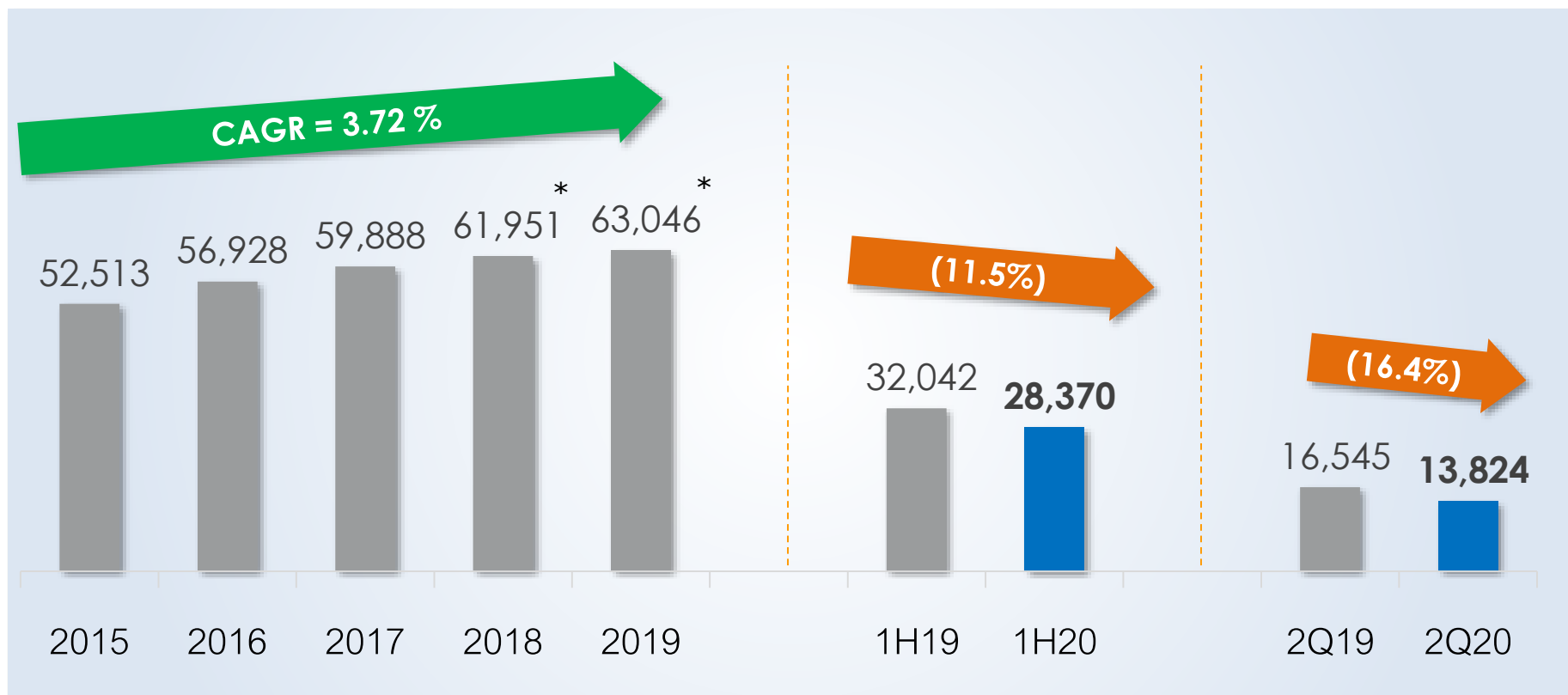
	1H'2020	% of sales	1H'2019	% of sales	Var	% change
Revenue from contracts with customers	28,369.8	100.0%	32,042.2	100.0%	(3,672.4)	(11.5%)
Rental Income	594.7	2.1%	1,069.6	3.3%	(474.9)	(44.4%)
Other Income	756.1	2.7%	1,006.6	3.1%	(250.5)	(24.9%)
Total Revenue	29,720.6	104.8%	34,118.4	106.5%	(4,397.8)	(12.9%)
Cost of sales and service	21,343.0	75.2%	24,041.1	75.0%	(2,698.1)	(11.2%)
Gross profit	7,026.8	24.8%	8,001.1	25.0%	(974.3)	(12.2%)
Cost of Rental	269.3	0.9%	325.0	1.0%	(55.7)	(17.1%)
Total Expenses	5,168.9	18.2%	5,909.5	18.4%	(740.6)	(12.5%)
EBIT	2,939.4	10.4%	3,842.8	12.0%	(903.4)	(23.5%)
Finance Cost	241.1	0.8%	215.8	0.7%	25.3	11.7%
Tax	489.2	1.7%	680.6	2.1%	(191.5)	(28.1%)
Net Profit	2,209.2	7.8%	2,946.5	9.2%	(737.3)	(25.0%)

Depreciation	1,616.3	5.7%	1,441.3	4.5%	174.9	12.1%
EBITDA	4,555.7	16.1%	5,284.2	16.5%	(728.50)	(13.8%)

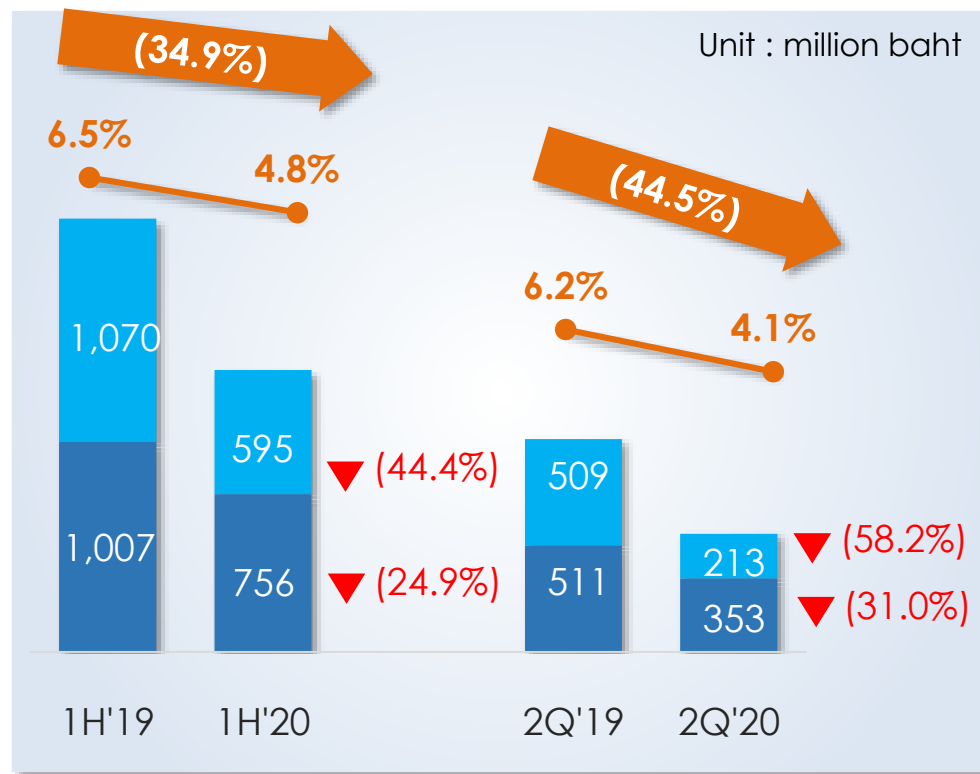
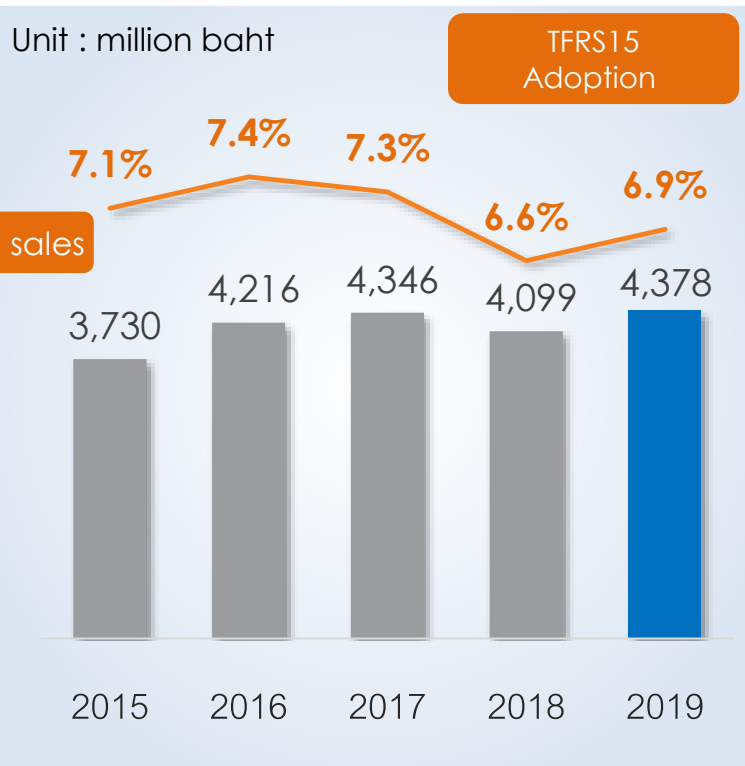
Sustainable Sales Growth



Unit : million baht



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

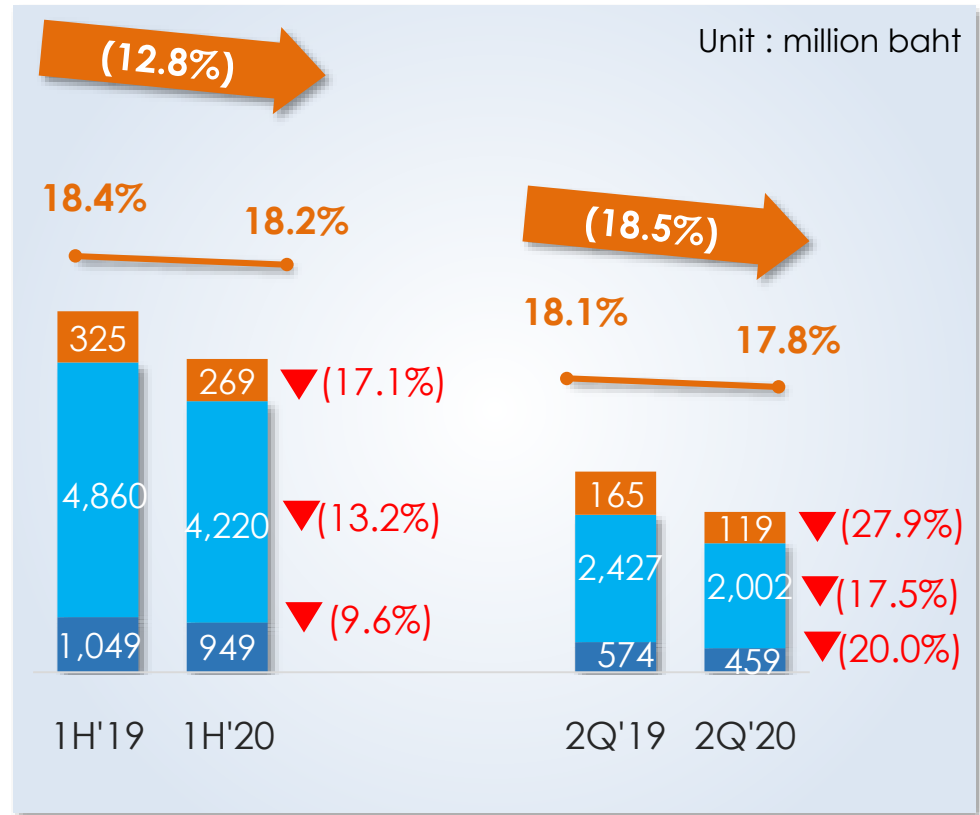
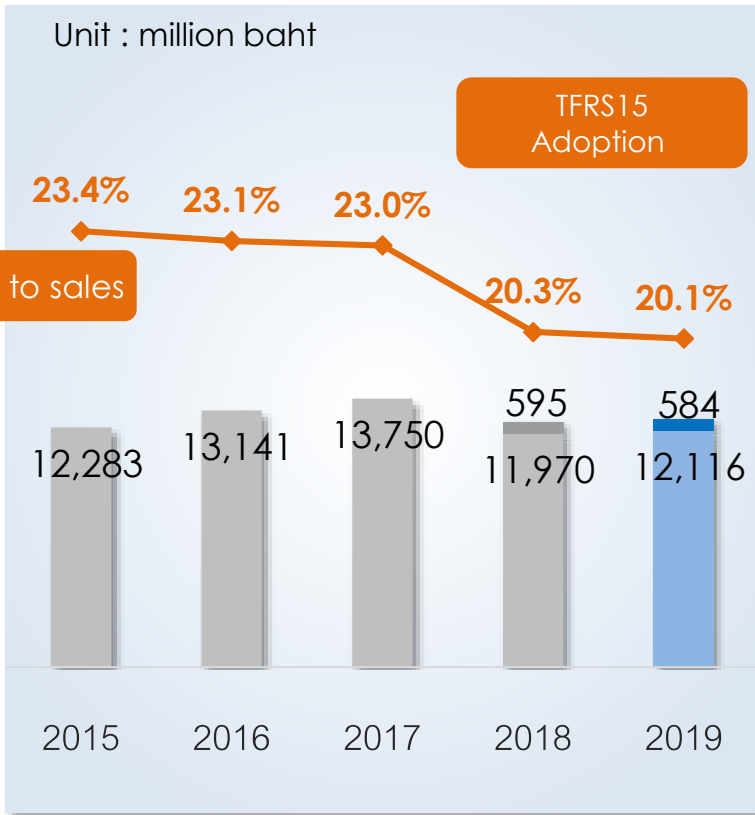


● Rent & Service ● Others ● % to Sales

- Rental and service income decreased from the closure of leasable space in HomePro and Market Village, during which the Company has lowered or suspended the rent for tenants, and the cancellation of HomePro Expo event in the first quarter of 2020
- Other income declined in relation to the declining of sales along with the lower-level of promotional activities with vendors both in stores and for HomePro Expo event.

* Home Service income was included in 2018-2019

SG&A Expenses



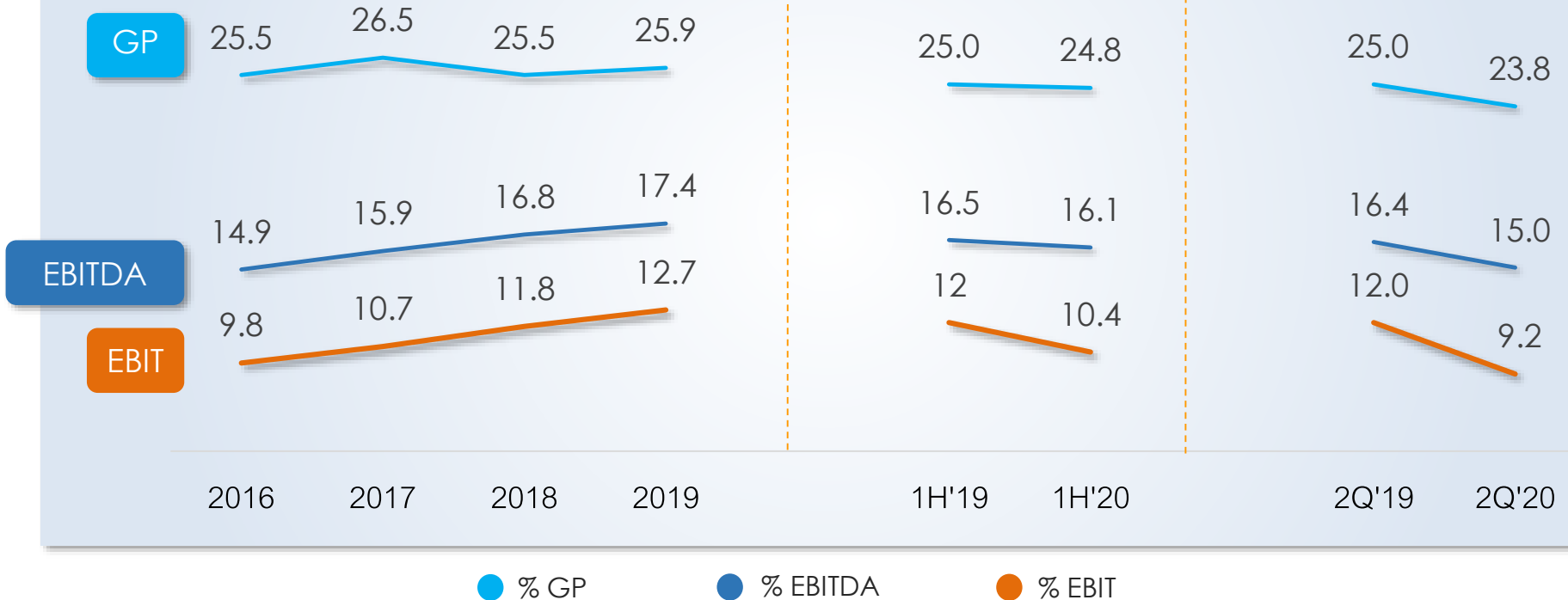
● Sales Related ● Cost of Rental ● Admin Expense ● % to Sales

- The amount decreases in SG&A were mainly driven by the cancellation of HomePro Expo event, along with lower variable and fixed expenses. Variable expenses are adjusted downwards based on sales. In addition, fixed expense was reduced following to the number of stores-closing days. As a result, SG&A as a percentage of sales was reduced from 18.44% in 1H'19 to 18.22% in 1H'20
- Cost of Rental decreased due to lower utility costs, depreciation expense, maintenance cost, and outsourced labor cost of space rental business.

* Cost of Rental Business was included in 2018-2019

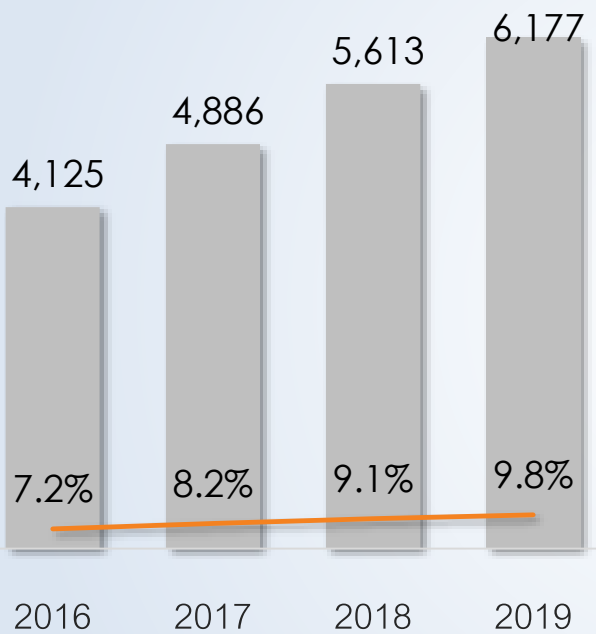
Unit : % of Sales

IFRS15
Adoption



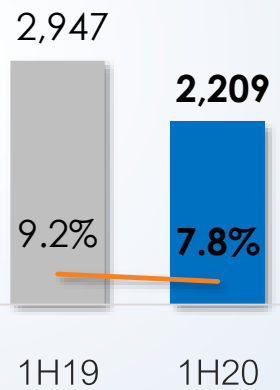
Gross profit margin as a percentage of sales has decreased from 24.97% in 1H'19 to 24.77% in 1H'20 due to an increase of sales mix from the products that have lower gross profit margin than the average such as home appliances and cooling items. Especially during the store closure in the second quarter.

Unit : million baht

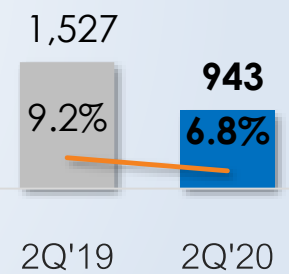


% to sales

(25.0%)



(38.3%)



FY	2016	2017	2018	2019
EPS	0.31	0.37	0.43	0.47

1H'19	1H'20
0.22	0.17

2Q'19	2Q'20
0.12	0.07

NPAT declined by 25.0% and NPAT as a percentage of sales decreased from 9.2 % in 1H'19 to 7.8% in 1H'20. Earnings per share (**EPS**) were Baht 0.17 in 1H'20, down 25.0% YoY.

Balance Sheet at a glance

Unit : million baht

	30 June 2020	31 Dec 2019	Var	% change
Cash & Deposit	3,708.90	2,860.0	848.9	29.7%
Inventory	9,362.63	10,421.3	(1,058.6)	(10.2%)
Land Building & Equipment	38,656.4	35,710.6	2,945.8	8.2%
Others	2,710.1	3,057.1	(347.0)	(11.4%)
Total Assets	54,438.0	52,049.0	2,389.1	4.6%
Financial Debt*	19,428.6	13,388.2	6,040.4	45.1%
Account Payable	11,966.8	14,069.1	(2,102.3)	(14.9%)
Others	3,111.1	3,453.6	(342.4)	(9.9%)
Total Liabilities	34,506.5	30,910.9	3,595.7	11.6%
Paid-Up Capital	13,151.2	13,151.2	-	-
Share Premium	646.3	646.3	-	-
Retain Earnings	6,134.0	7,340.6	(1,206.6)	(16.4%)
Total Equities	19,931.5	21,138.1	(1,206.6)	(5.7%)

*Included impact of TFRS16 on lease liabilities of 4,110.84 Million baht

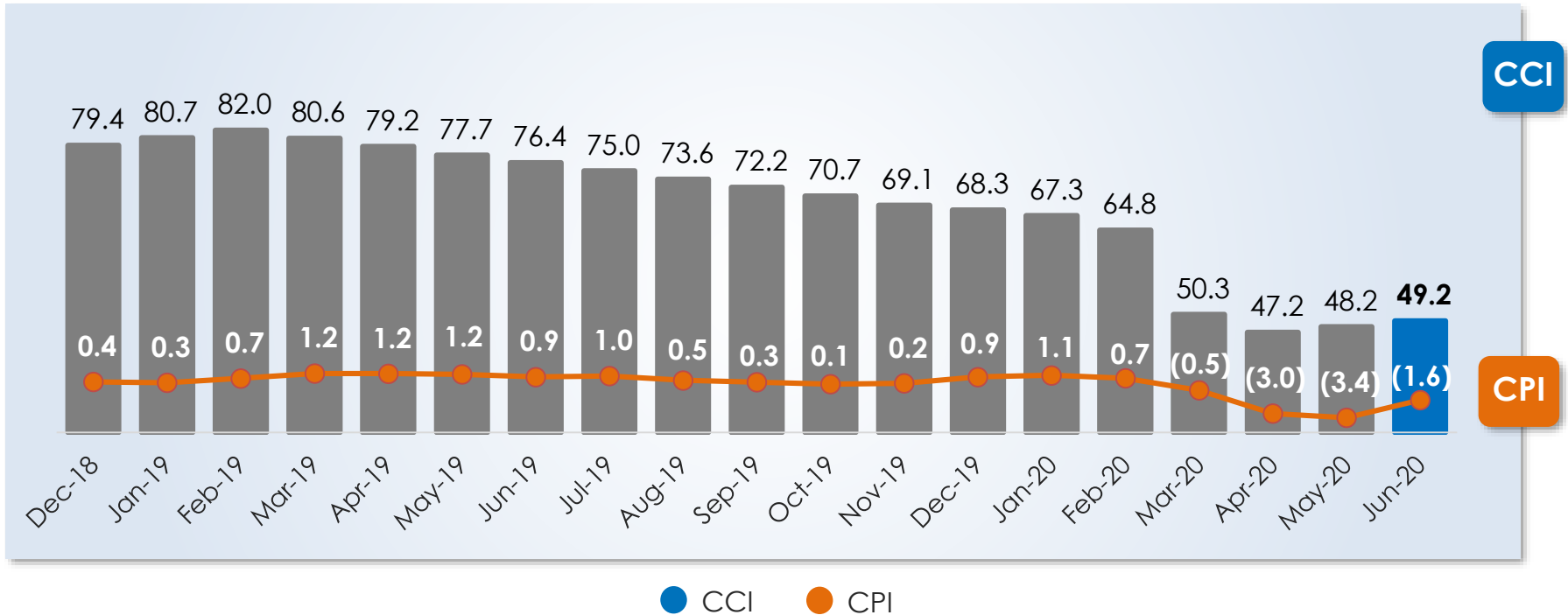


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- **Business Outlook**
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Sentiment picked up for a second straight month



Consumer sentiment rose to 49.2 points in June from 48.2 points in May. Consumer sentiment picked up for the second consecutive month, boosted by businesses reopening and the government’s relief and economic stimulus schemes. Despite improving sentiment, the index remains at historically low levels since October 1998 as consumers are still fretting over the economy and overall employment prospects, as well as lower domestic purchasing power, tourism and exports. Consumers are likely to slow their spending for the next three to six months until the outbreak situation improves and wider economic activity resumes.



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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