



Analyst Meeting | 3Q'20 Result

November 3, 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

- **3Q'20 Financial Results**

- Business Outlook
- Sustainability Development



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.

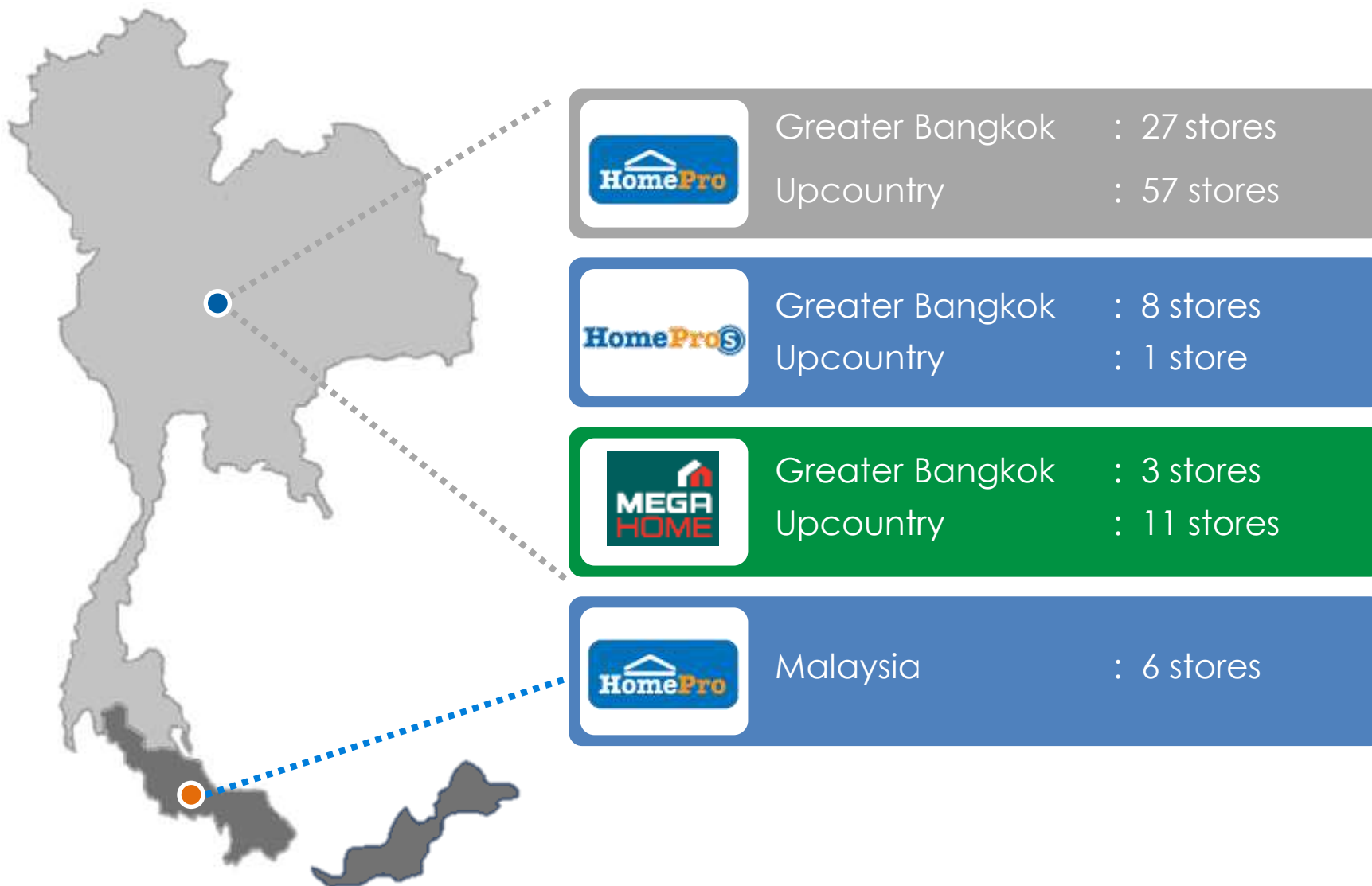
- Holds 99.99% of total shares
- Objective to operate retail business under trade name "Mega Home".



DC Service Center Co., Ltd.

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

Store Footprint



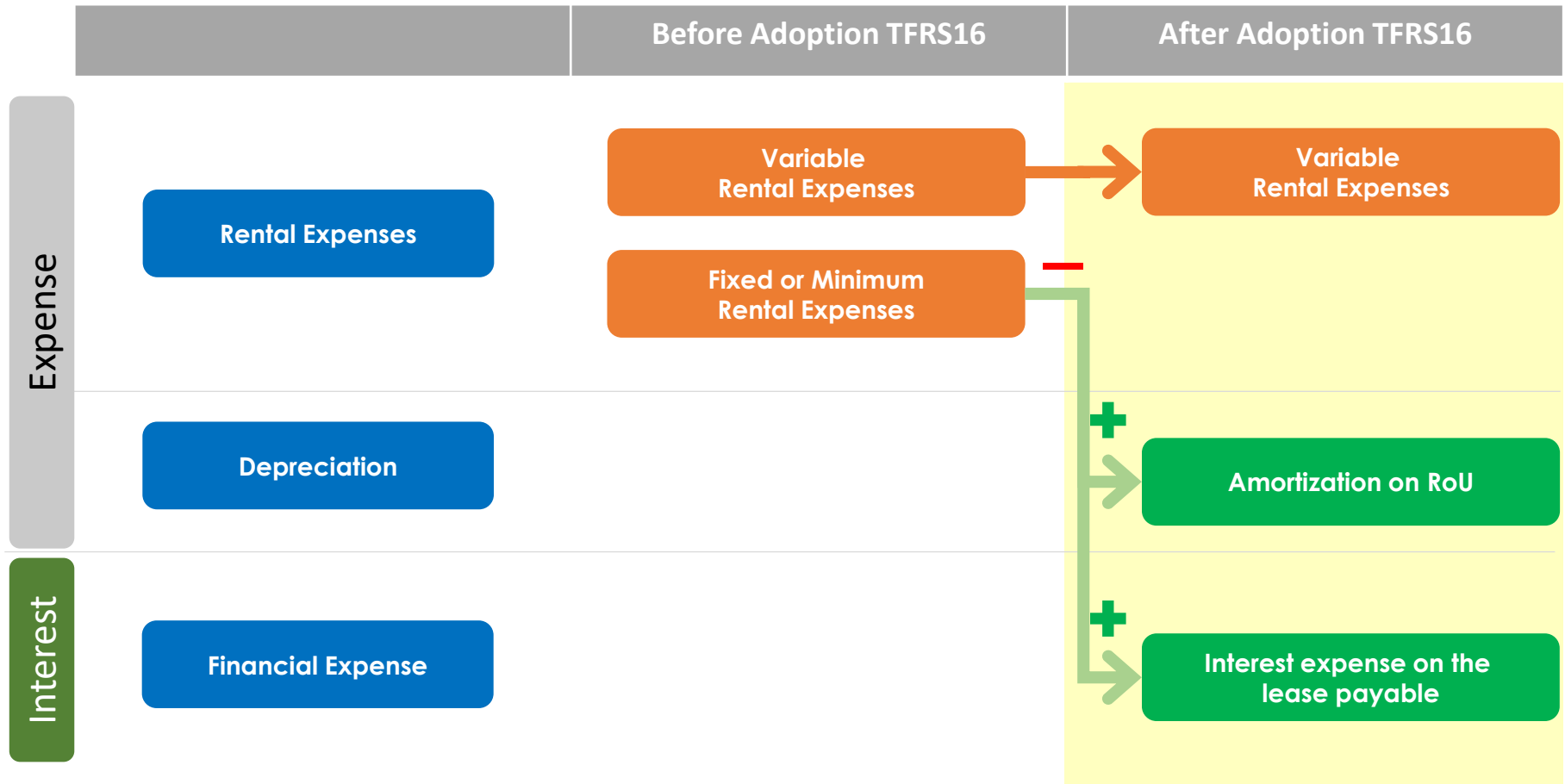


TFRS 16 Adoption – Balance Sheet Impact as at Jan 1, 2020

	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

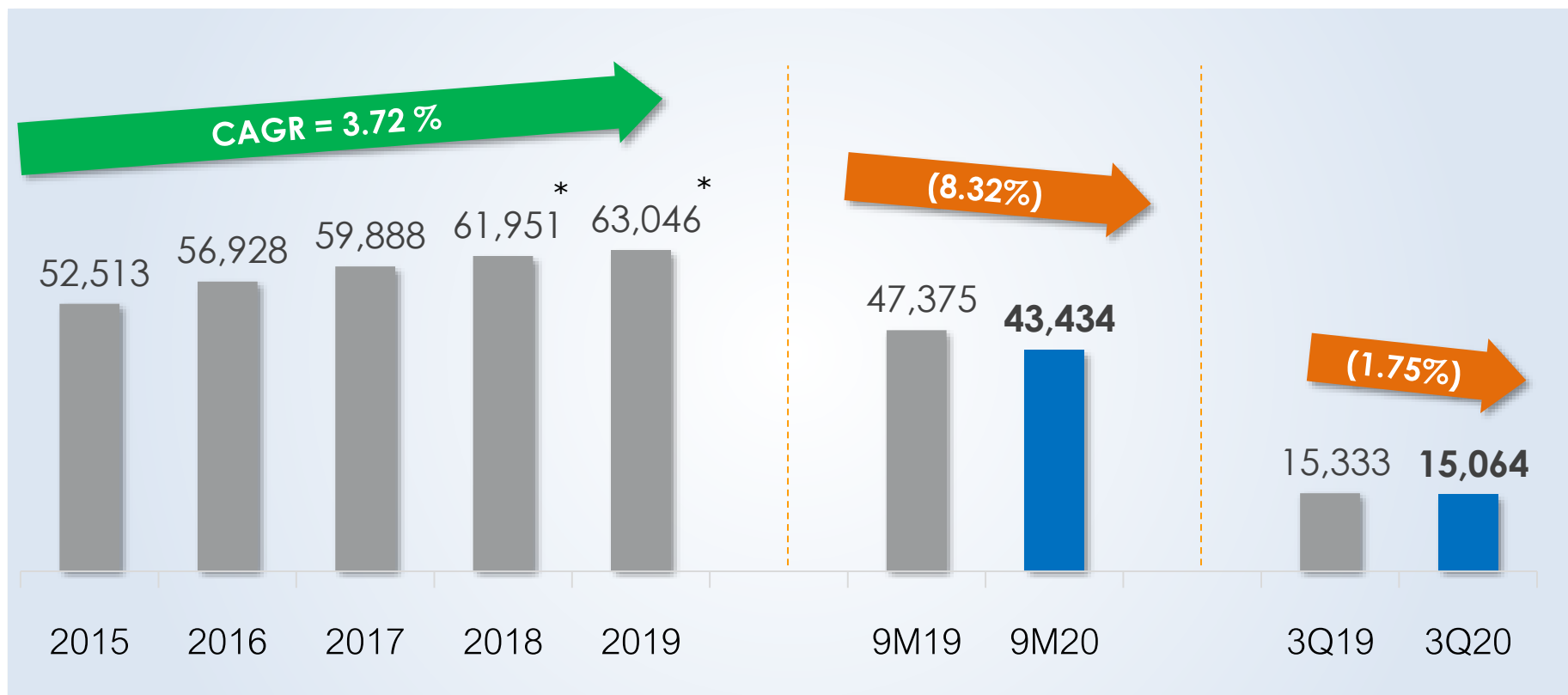
	9M'2020	% of sales	9M'2019	% of sales	Var	% change
Revenue from contracts with customers	43,434.1	100.0%	47,375.3	100.0%	(3,941.3)	(8.3%)
Rental Income	1,081.9	2.5%	1,622.6	3.4%	(540.6)	(33.3%)
Other Income	1,224.1	2.8%	1,496.0	3.2%	(271.9)	(18.2%)
Total Revenue	45,740.1	105.3%	50,493.9	106.6%	(4,753.8)	(9.4%)
Cost of sales and service	32,522.1	74.9%	35,411.11	74.7%	(2,889.0)	(8.2%)
Gross profit	10,911.9	25.1%	11,964.2	25.3%	(1,052.3)	(8.8%)
Cost of Rental	405.1	0.9%	485.2	1.0%	(80.1)	(16.5%)
Total Expenses	8,061.8	18.6%	8,824.8	18.6%	(763.0)	(8.6%)
EBIT	4,751.1	10.4%	5,772.7	12.2%	(1,021.7)	(17.7%)
Finance Cost	351.1	0.8%	315.5	0.7%	35.6	11.3%
Tax	790.3	1.8%	1,028.5	2.2%	(238.2)	(23.2%)
Net Profit	3,609.7	8.3%	4,428.7	9.3%	(819.0)	(18.5%)

Depreciation	2,393.1	5.5%	2,192.5	4.6%	200.6	9.1%
EBITDA	7,144.1	16.4%	7,965.2	16.8%	(821.1)	(10.3%)

Sustainable Sales Growth



Unit : million baht

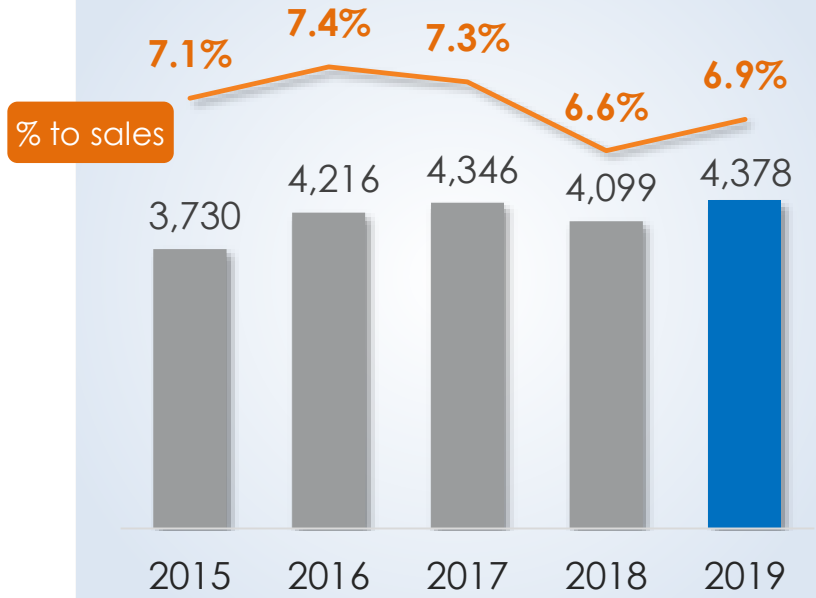


*Service Income (Home Service) was included in 2018-2019

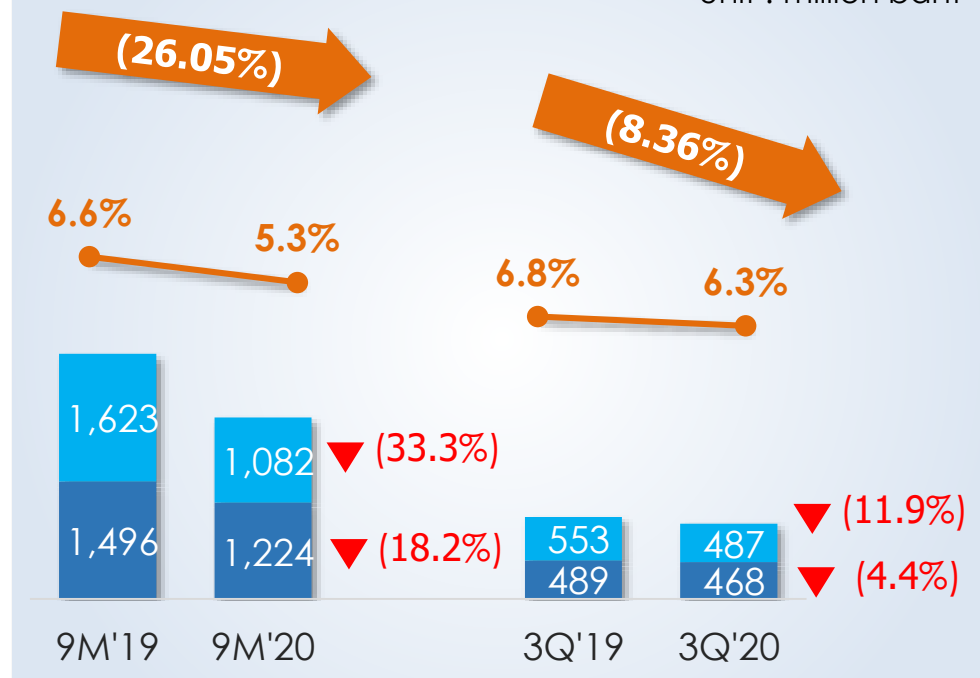
Other Income

Unit : million baht

IFRS15
Adoption



Unit : million baht



● Rent & Service ● Others ● % to Sales

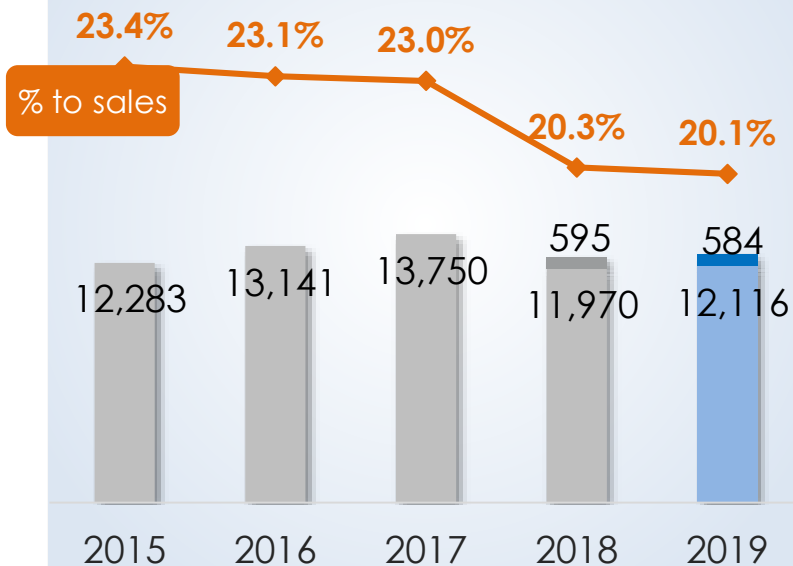
- Rental and service income decreased from the closure of leasable space in HomePro and Market Village, during which the Company has lowered or suspended the rent for tenants, and the cancellation of HomePro Expo event in the first quarter of 2020
- Other income declined in relation to the lower-level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

* Home Service income was included in 2018-2019

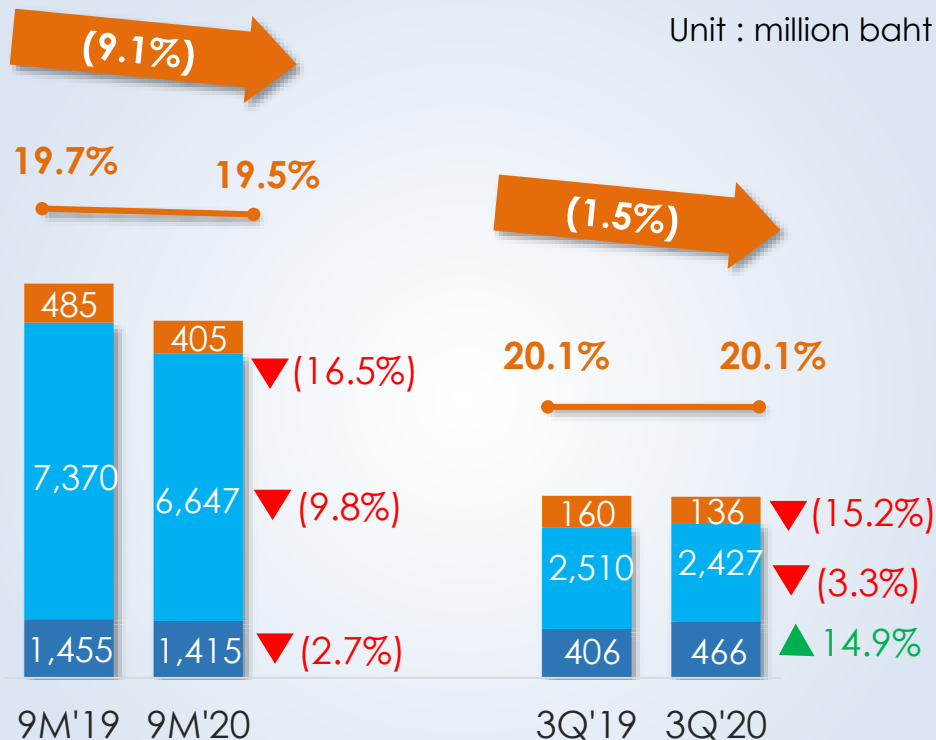
SG&A Expenses

Unit : million baht

TFRS15
Adoption



Unit : million baht



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

- The amount decreases in SG&A from 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 18.63% in 9M'19 to 18.56% in 9M'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

Profitability Ratio

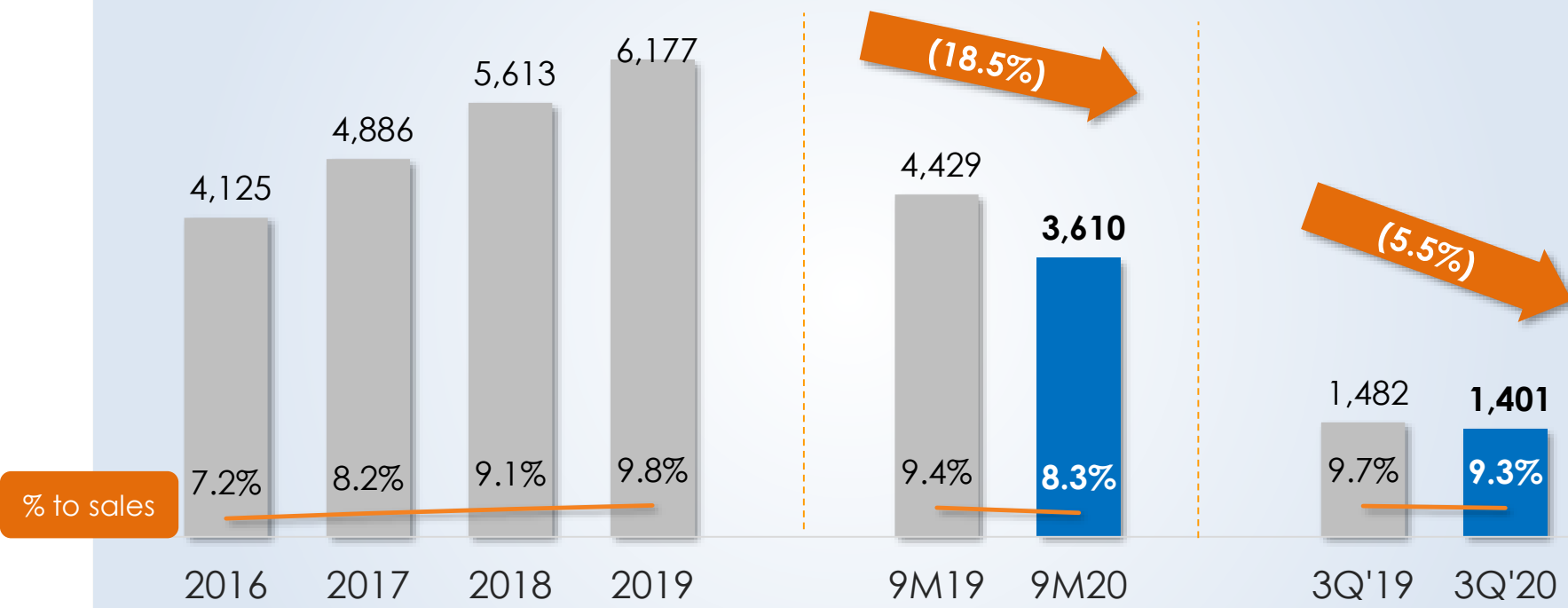
Unit : % of Sales

IFRS15 Adoption



Gross profit margin as a percentage of sales has decreased from 25.25% in 9M'19 to 25.12% in 9M'20 due to an increase of sales mix from home appliances that have lower gross profit margin than the average of Homepro business.

Unit : million baht



FY	2016	2017	2018	2019
EPS	0.31	0.37	0.43	0.47

9M'19	9M'20
0.34	0.27

3Q'19	3Q'20
0.11	0.11

NPAT in 9M'20 declined by 18.5% and NPAT as a percentage of sales decreased from 9.4 % in 9M'19 to 8.3% in 9M'20. Earnings per share (**EPS**) were Baht 0.27 in 9M'20, down 18.5% YoY mainly as a results of store closure in Q2.

Balance Sheet at a glance

Unit : million baht

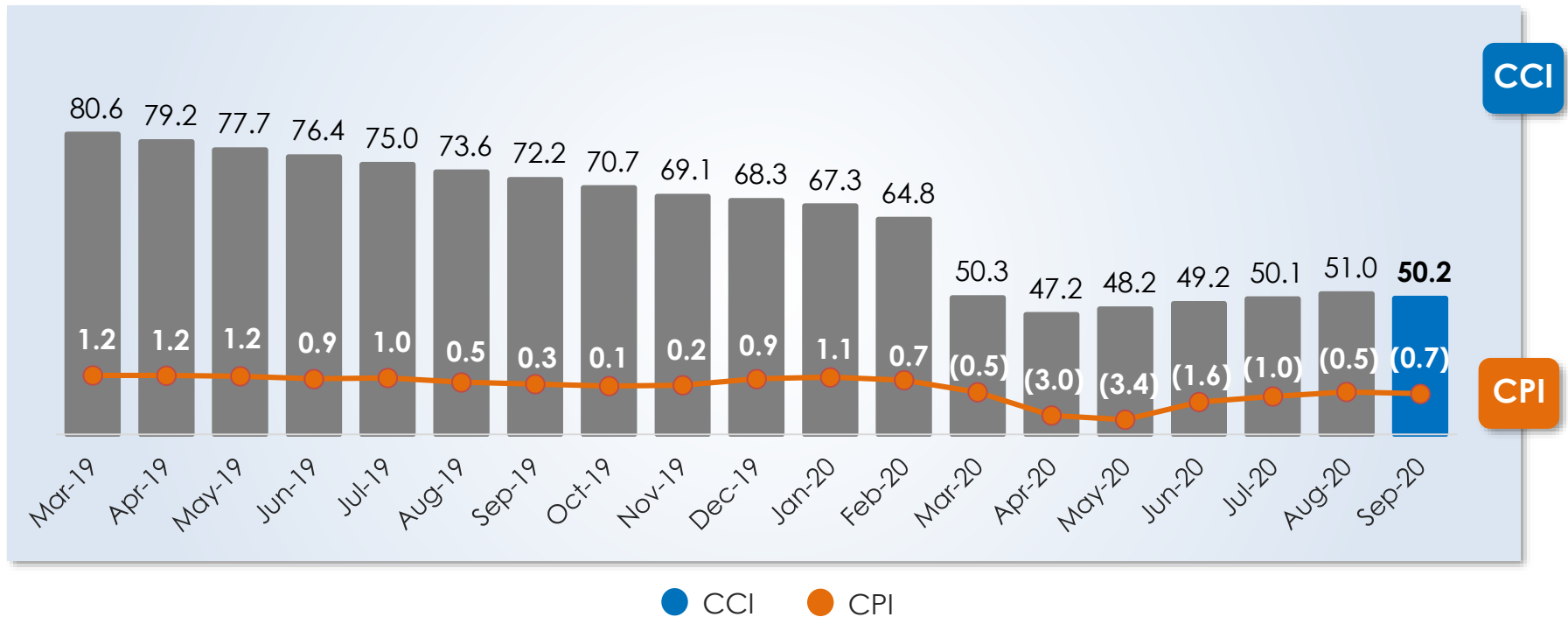
	30 Sep 2020	31 Dec 2019	Var	% change
Cash & Deposit	3,205.9	2,860.0	345.9	12.1%
Inventory	9,877.2	10,421.3	(544.1)	(5.2%)
Land Building & Equipment	38,987.3	35,710.6	3,276.7	9.2%
Others	2,664.3	3,057.1	(392.8)	(12.8%)
Total Assets	54,734.6	52,049.0	2,685.6	5.2%
Financial Debt*	18,409.1	13,388.2	5,020.9	37.5%
Account Payable	13,376.1	14,069.1	(693.0)	(4.9%)
Others	2,932.4	3,453.6	(521.2)	(15.1%)
Total Liabilities	34,717.6	30,910.9	3,806.7	12.3%
Paid-Up Capital	13,151.2	13,151.2	-	-
Share Premium	646.3	646.3	-	-
Retain Earnings	6,219.5	7,340.6	(1,121.1)	(15.3%)
Total Equities	20,017.0	21,138.1	(1,121.1)	(5.3%)

*Included impact of TFRS16 on lease liabilities of 4,495.23 million baht



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Consumer sentiment fell for the first time in five months, dropping to 50.2 points in September from 51.0 points in August. Overall consumers are increasingly worried about political stability. Consumers also concerned over the slow recovery of the economy and job-loss prospects as a result of the pandemic. The prolonged outbreak also results in a negative impact on domestic purchasing power, tourism, exports, and general businesses. Consumer spending will remain low up to at least the fourth quarter 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

4Q	Rangsit khlong 4	30 Oct	-	-	-
	Suksawat	Nov	-	-	-

Our stores in 2020

Total (stores)	86	9	14	6
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HomePro Expo #32

13 - 22 November 2020

The event much anticipated by all home lovers, offering wide range of brands from more than 300 manufactures and distributors, home service and innovation, with special deals.



Market Village
ศูนย์การค้า



ศูนย์การค้ามาร์เก็ตวิลเลจ - สาขารังสิต
โฮมโปร - สาขารังสิตคลอง 4

พบกับ
30 ตุลาคม 2563

- Tax deductions of up to 30,000 Baht for purchasing products and services
- Vatable Goods & Service: Except for alcoholic beverages, tobacco products, government lotteries, fuel, accommodation services and flight tickets
- Period: 23 October – 31 December, 2020

Shopping for the Nation

Year	2015	2016	2017	2018-2019
Period	25 - 31 Dec	11 Nov - 3 Dec	11 Nov - 3 Dec	15 Dec - 16 Jan (For OTOP, Book, tire)
Amount	← 15,000 Baht →			

Shop and Payback

At HomePro Online
23 Oct 2020 - 31 Dec 2020

*Find more information at Online promotion.





Q & A

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