



# Analyst Meeting | 2020 Result

March 2, 2021



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# About HomePro



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



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



HomePro operates **95** stores nationwide



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



# Agenda

- **2020 Financial Results**

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- Business Outlook
- Sustainability Development



# Corporate Group Structure



## 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.

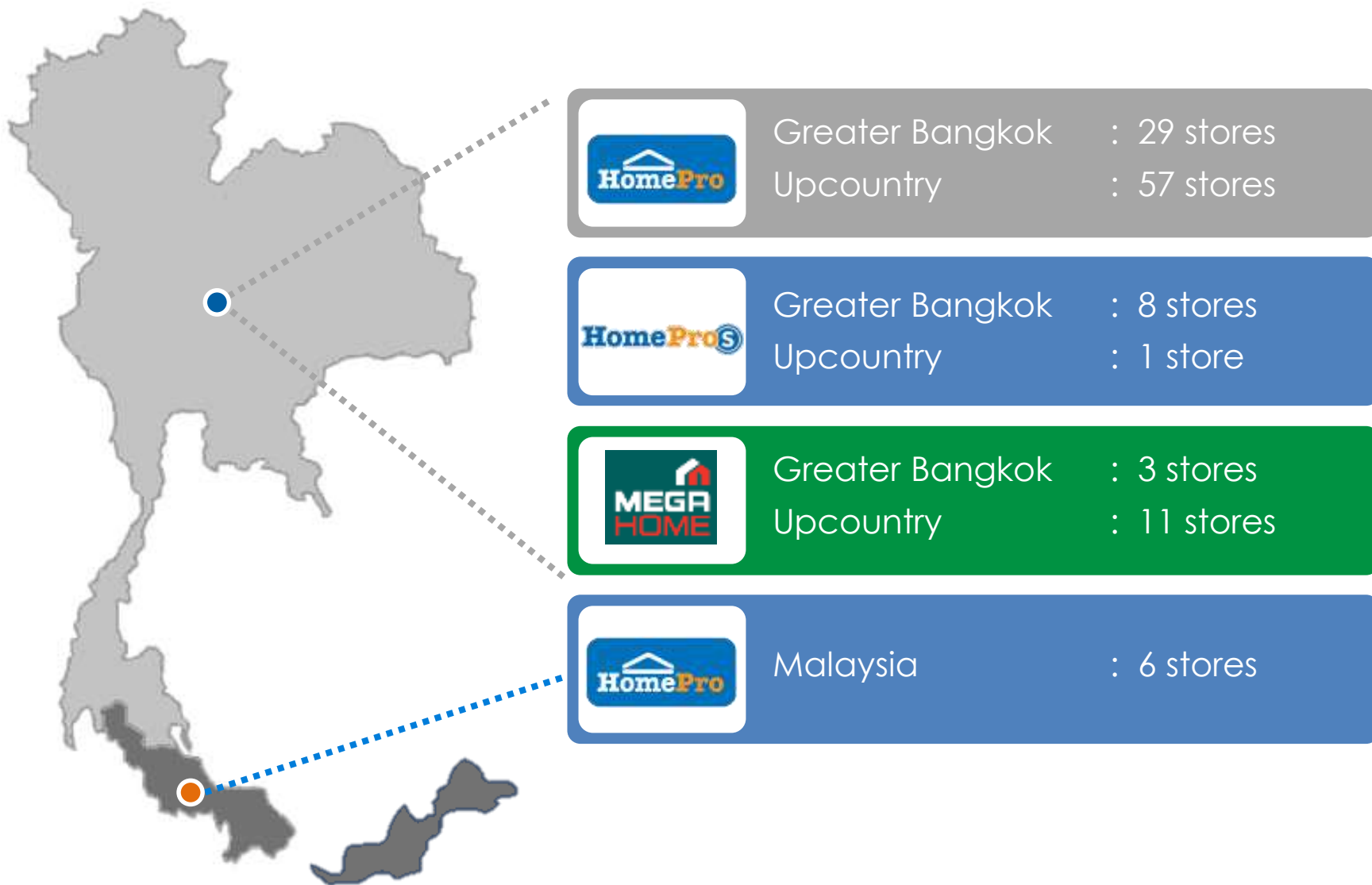
- Holds 99.99% of total shares
- Objective to operate retail business under trade name "Mega Home".



### DC Service Center Co., Ltd.

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

# Store Footprint



Unit : MB

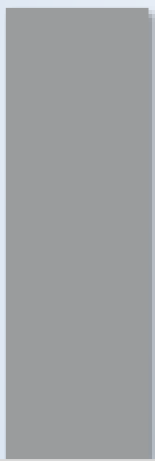
	2020	% of sales	2019	% of sales	Var	% change
Revenue from contracts with customers	58,346.8	100.0%	63,046.2	100.0%	(4,699.5)	(7.5%)
Rental Income	1,527.2	2.6%	2,207.1	3.5%	(679.9)	(30.8%)
Other Income	1,875.1	3.2%	2,120.4	3.4%	(245.3)	(11.6%)
<b>Total Revenue</b>	61,749.0	105.8%	67,373.7	106.9%	(5,624.7)	(8.3%)
Cost of sales and service	43,566.5	74.7%	46,824.9	74.3%	(3,258.4)	(7.0%)
<b>Gross profit</b>	14,780.3	25.3%	16,221.3	25.7%	(1,441.0)	(8.9%)
Cost of Rental	553.6	0.9%	645.1	1.0%	(91.4)	(14.2%)
<b>Total Expenses</b>	10,996.5	18.8%	11,944.9	18.9%	(948.4)	(7.9%)
EBIT	6,632.4	11.4%	7,958.9	12.6%	(1,326.5)	(16.7%)
Financial Income	16.4	0.0%	50.2	0.1%	(33.7)	(67.2%)
Financial Cost	458.8	0.8%	405.5	0.6%	53.3	13.2%
Tax	1,035.4	1.8%	1,427.0	2.3%	(391.6)	(27.4%)
<b>Net Profit</b>	5,154.7	8.8%	6,176.6	9.8%	(1,021.9)	(16.5%)

Depreciation	3,181.7	5.5%	2,942.0	4.7%	239.7	8.1%
EBITDA	9,814.1	16.8%	10,900.9	17.3%	(1,086.8)	(10.0%)

Unit : million baht

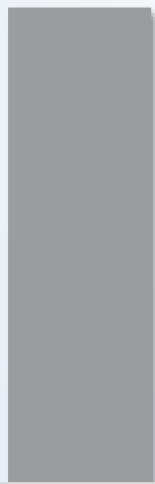


56,928



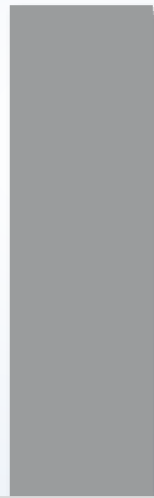
2016

59,888



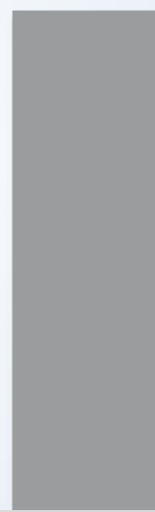
2017

61,951



2018

63,046



2019

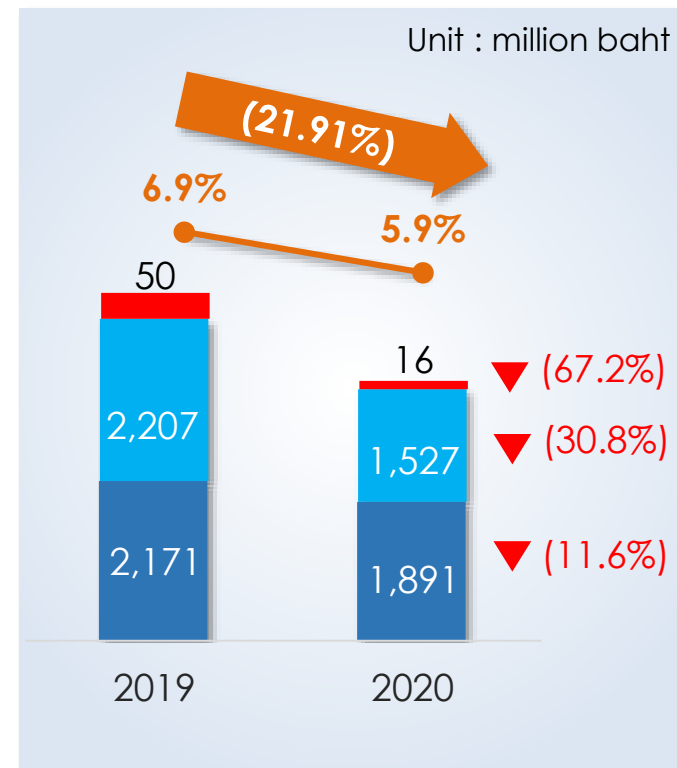
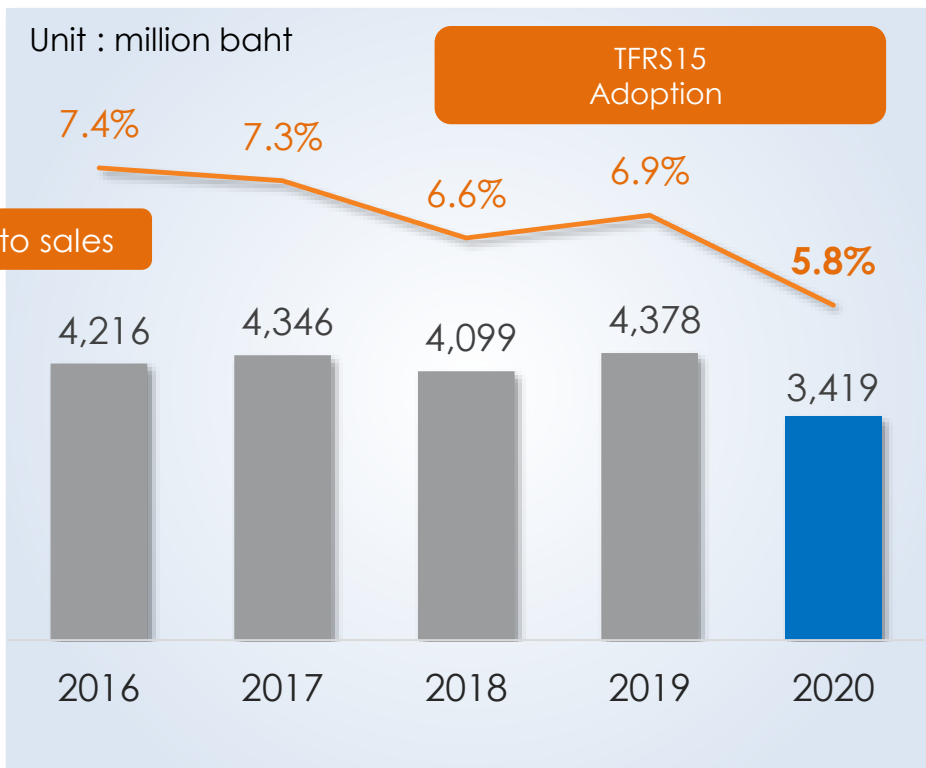
58,347



2020

- Sales in 2020 has declined resulted from the store closure in Thailand and Malaysia during lockdown period mainly in Q2 to comply with local regulatory.



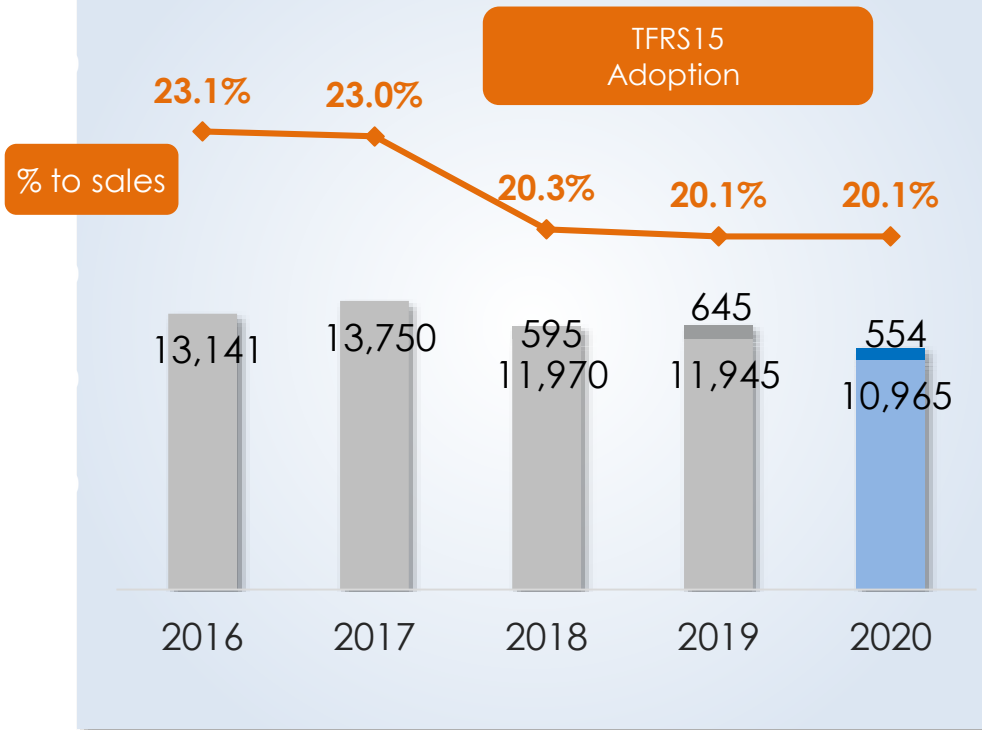


● Rent & Service   
 ● Others   
 ● Finance Income   
 ● % to Sales

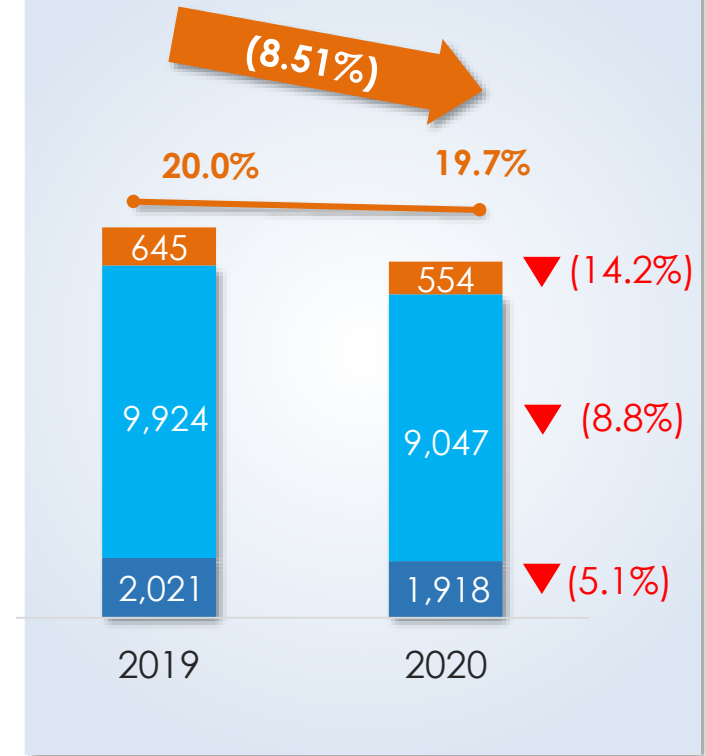
- Rental and service income decreased from the closure of leasable space in HomePro and Market Village, during which the Company has lowered or suspended the rent for tenants, and the cancellation of HomePro Expo event in the first quarter of 2020
- Other income declined in relation to the lower-level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

\*Include finance income

Unit : million baht



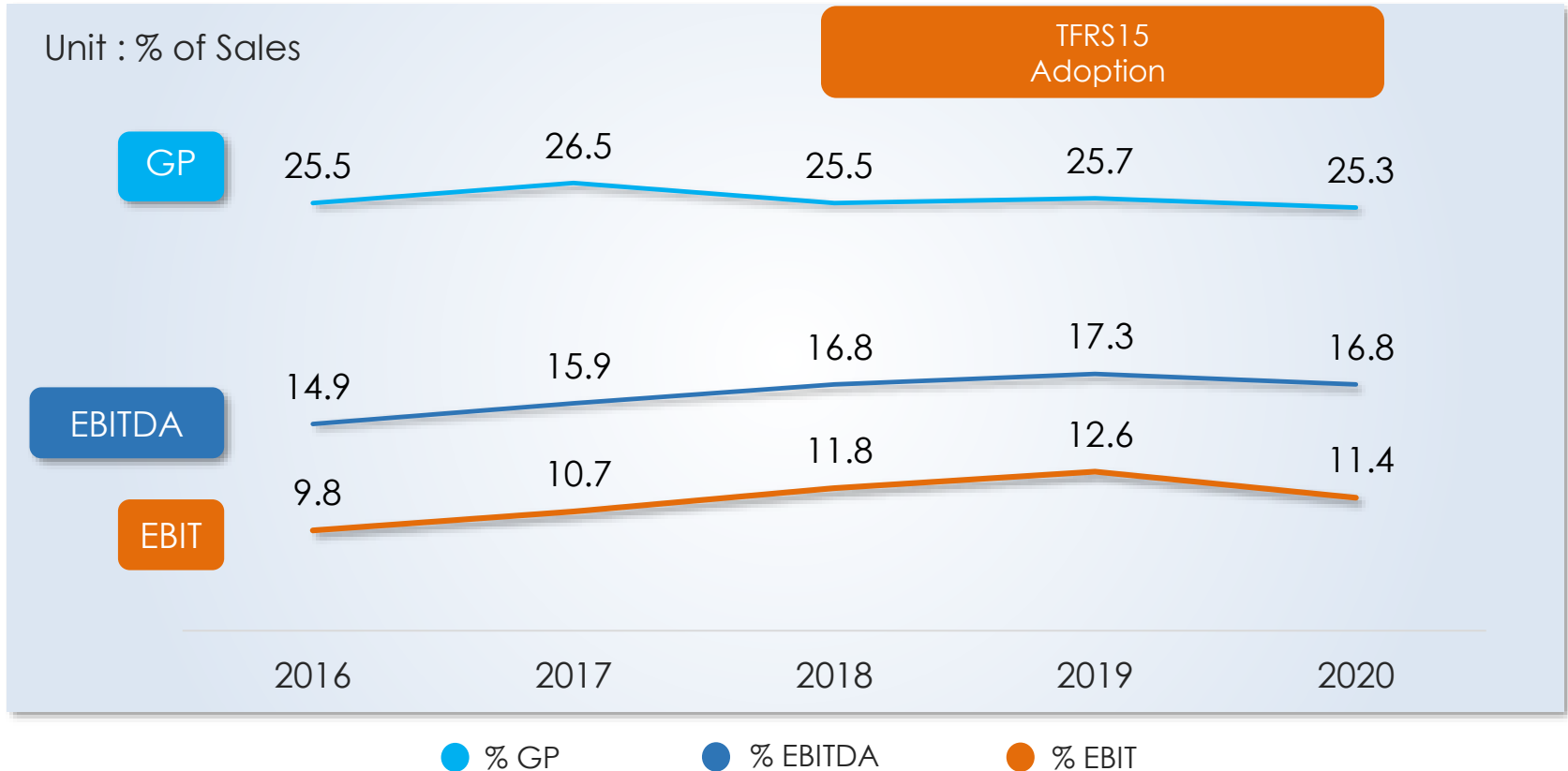
Unit : million baht



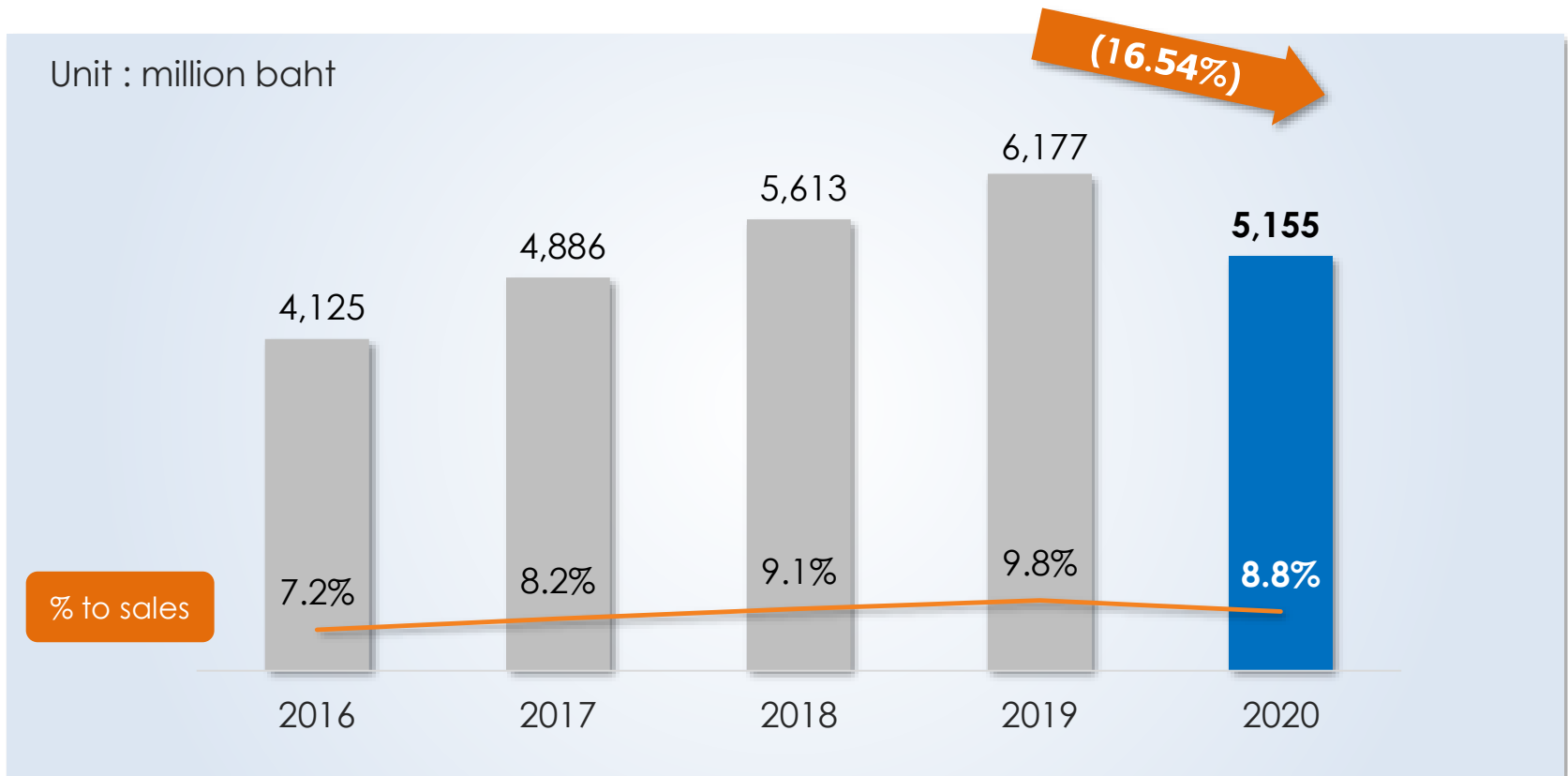
● Sales Related ● Cost of Rental ● Admin Expense ● % to Sales

- 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 18.95% in 2019 to 18.79% in 2020
- 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 2018-2020



Gross profit margin as a percentage of sales has decreased from 25.73% in 2019 to 25.28% in 2020 due to an increase of sales mix from home appliances that have lower gross profit margin than the average of Homepro business.



FY	2016	2017	2018	2019	2020
EPS	0.31	0.37	0.43	0.47	0.39

NPAT in 2020 declined by 16.54% and NPAT as a percentage of sales decreased from 9.80 % in 2019 to 8.83% in 2020. Earnings per share (EPS) were Baht 0.39 in 2020, down 16.54% YoY mainly as a results of store closure in Q2.

# Balance Sheet at a glance

Unit : million baht

	30 Dec 2020	31 Dec 2019	Var	% change
Cash & Deposit	3,282.7	2,860.0	422.7	14.8%
Inventory	10,344.6	10,421.3	(76.7)	(0.7%)
Land Building & Equipment	39,225.3	35,710.6	3,514.7	9.8%
Others	3,238.2	3,057.1	181.1	5.9%
<b>Total Assets</b>	<b>56,090.8</b>	<b>52,049.0</b>	<b>4,041.8</b>	<b>7.8%</b>
Financial Debt*	18,002.1	13,388.2	4,613.9	34.5%
Account Payable	13,050.3	14,069.1	(1,018.8)	(7.2%)
Others	3,473.1	3,453.6	19.6	0.6%
<b>Total Liabilities</b>	<b>34,525.5</b>	<b>30,910.9</b>	<b>3,614.7</b>	<b>11.7%</b>
Paid-Up Capital	13,151.2	13,151.2	-	-
Share Premium	646.3	646.3	-	-
Retain Earnings	7,767.7	7,340.6	427.2	5.8%
<b>Total Equities</b>	<b>21,565.2</b>	<b>21,138.1</b>	<b>427.2</b>	<b>2.0%</b>

\*Included impact of TFRS16 on lease liabilities of 4,373.30 million baht

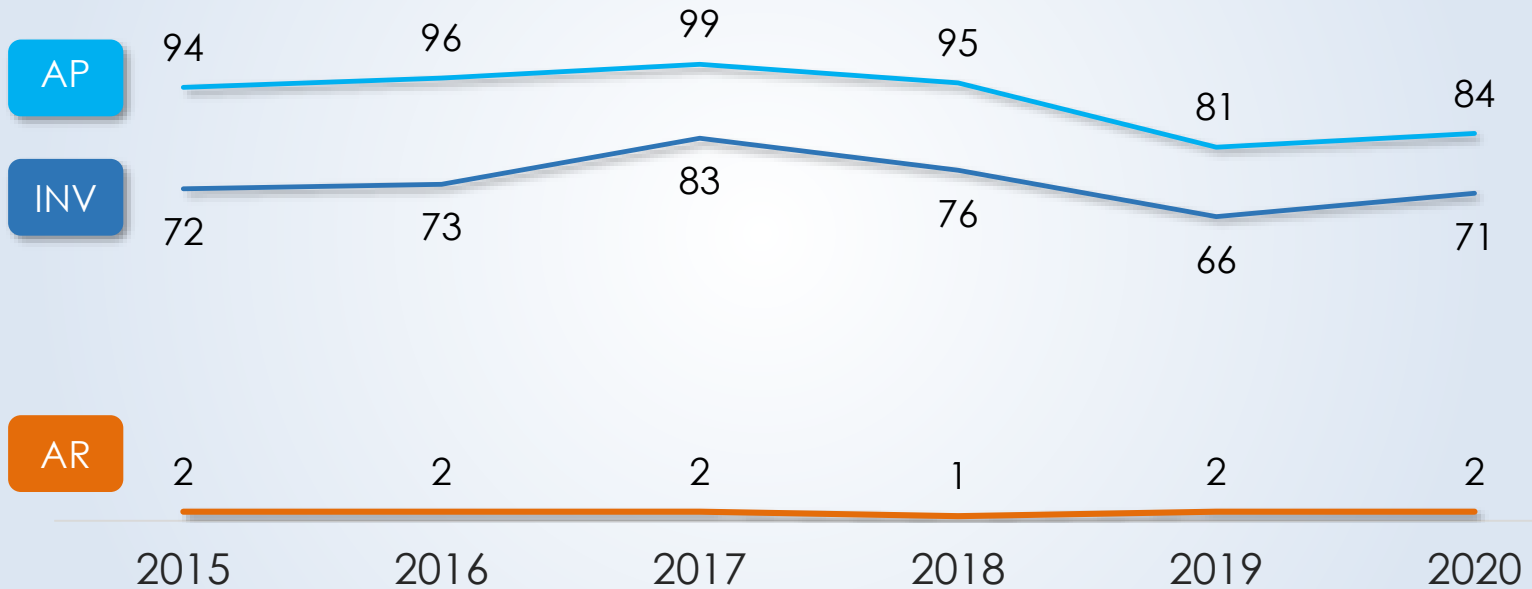


# Working Capital

After Adoption TFRS15

Unit : Days

\*Home Product Center Plc. Only



Net Cash Cycle (days)

2015

2016

2017

2018

2019

2020

Home Product Center Plc. only

-20

-21

-17

-18

-14

-11

Including subsidiaries

-17

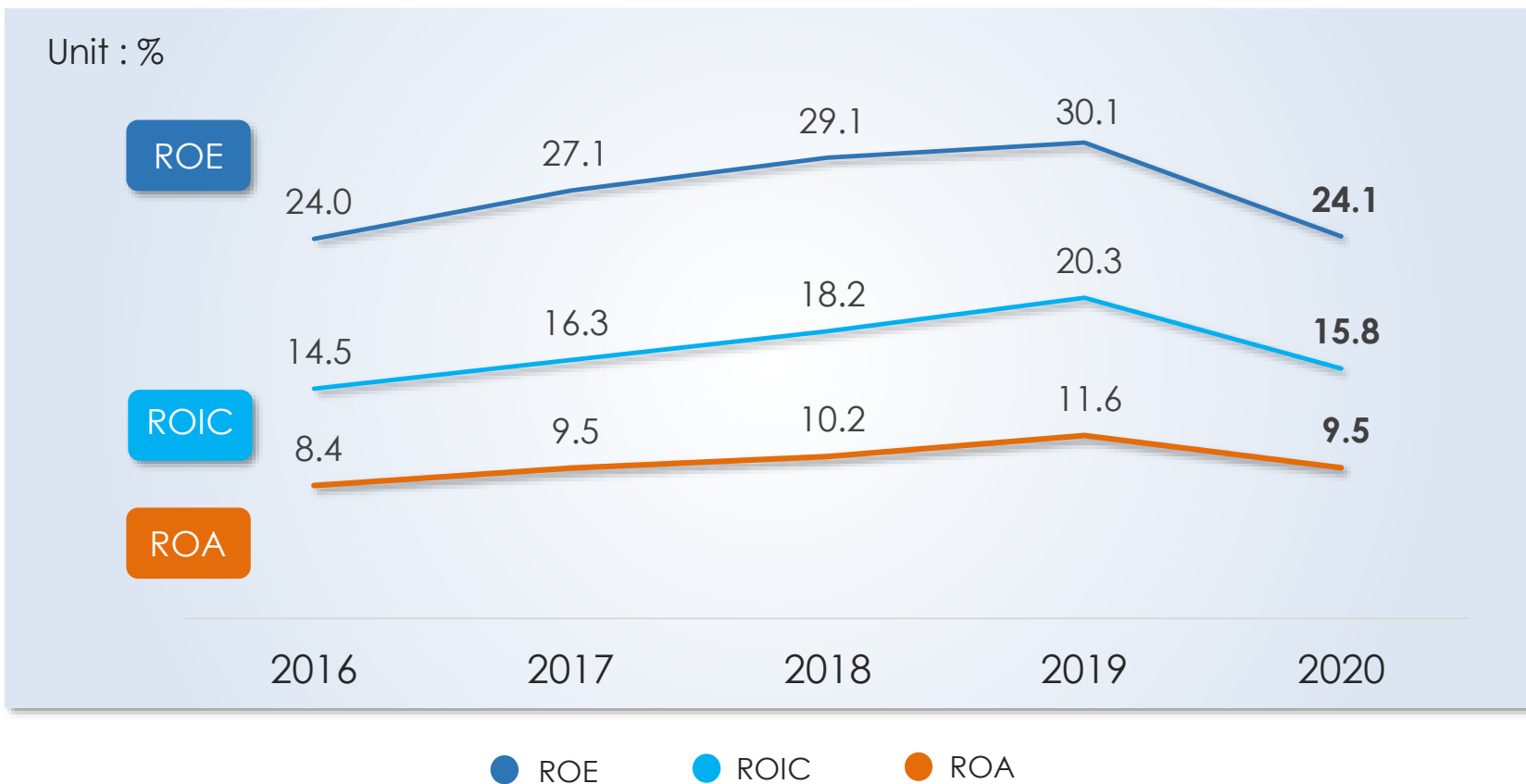
-18

-14

-13

-11

-8





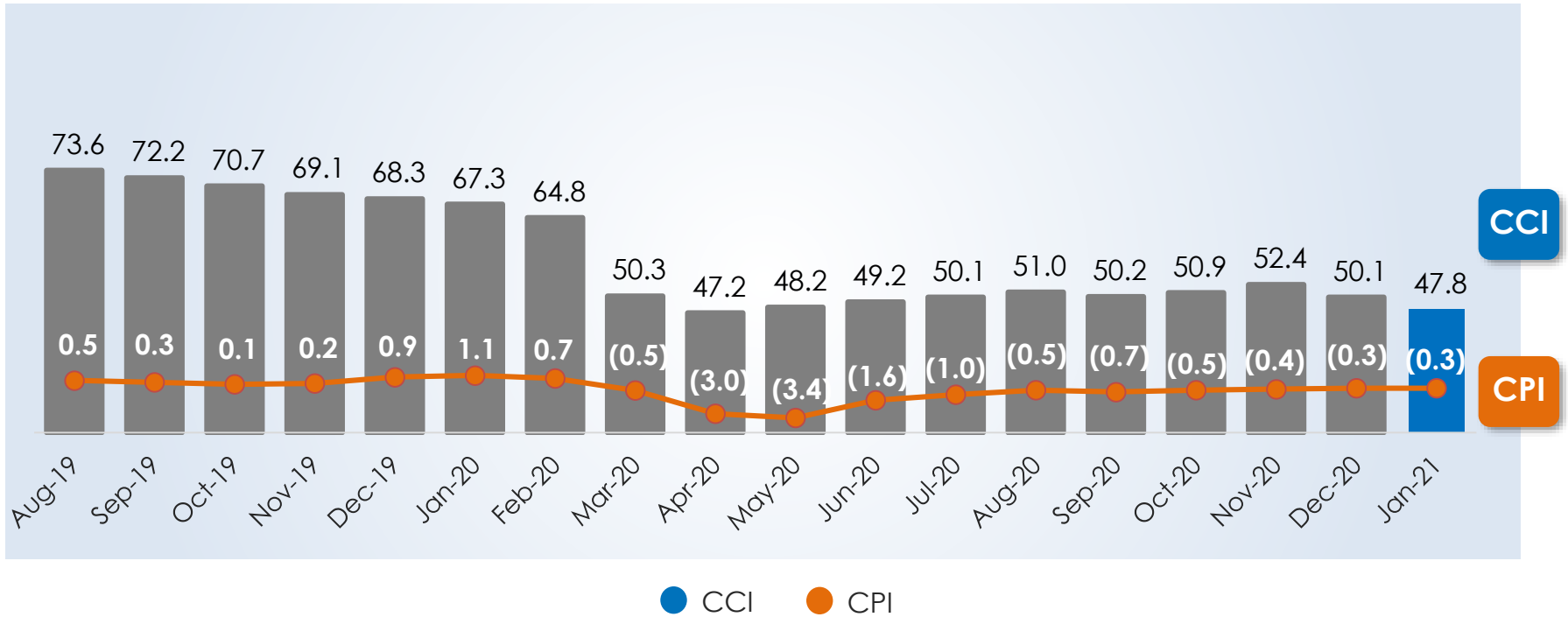
# Agenda

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- **Business Outlook**
- Sustainability Development





# Consumer sentiment hits 9-month low



Consumer sentiment dropped for the second straight month in January as people grew concerned about a fresh surge of infections in the country. Consumer sentiment fell to 47.8 points in January from 50.1 points in December, the lowest in nine months. The weakened sentiment stemmed largely from concerns about the overall economic prospects and future employment, affecting consumer purchasing power while business has yet picked up. Consumer spending would remain relatively low until the beginning of the second quarter, with a recovery expected if the government contains the pandemic spread and economic stimulus packages (we win, co-payment, social security subsidy) are successful.



# Margin expansion through Private Label



Over **36** Private Brands



Quality **and** worthiness



Over **5,000** items



Continuous **development**



# 2021 Store Expansion Plan



## 2021 New stores

1      -      -      1

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

## Our stores in 2021

Total (stores)	87	9	14	7
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- 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

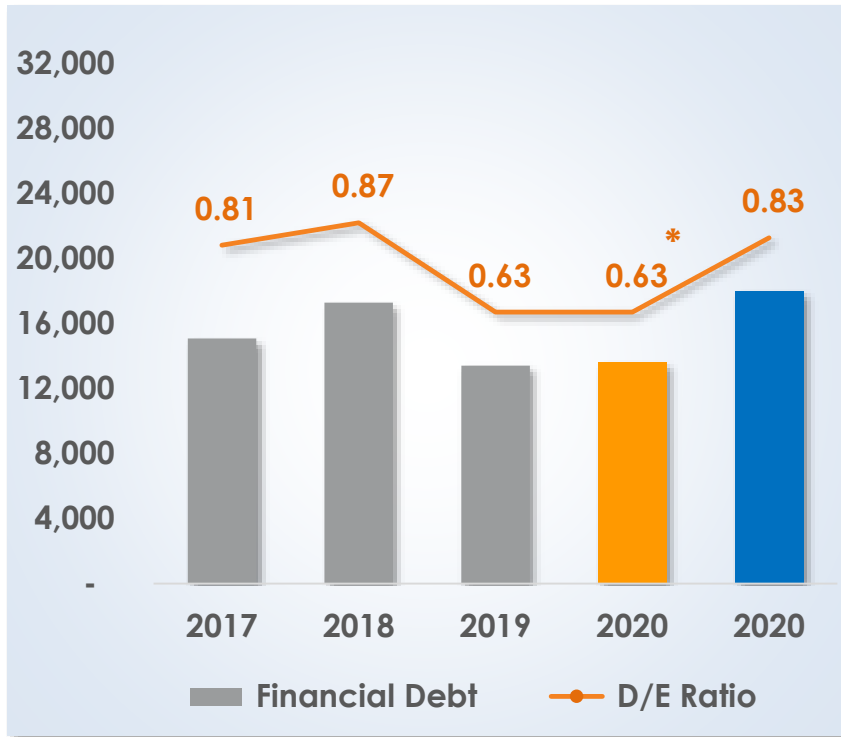
At HomePro Online  
23 Oct 2020 - 31 Dec 2020

\*Find more information at Online promotion.

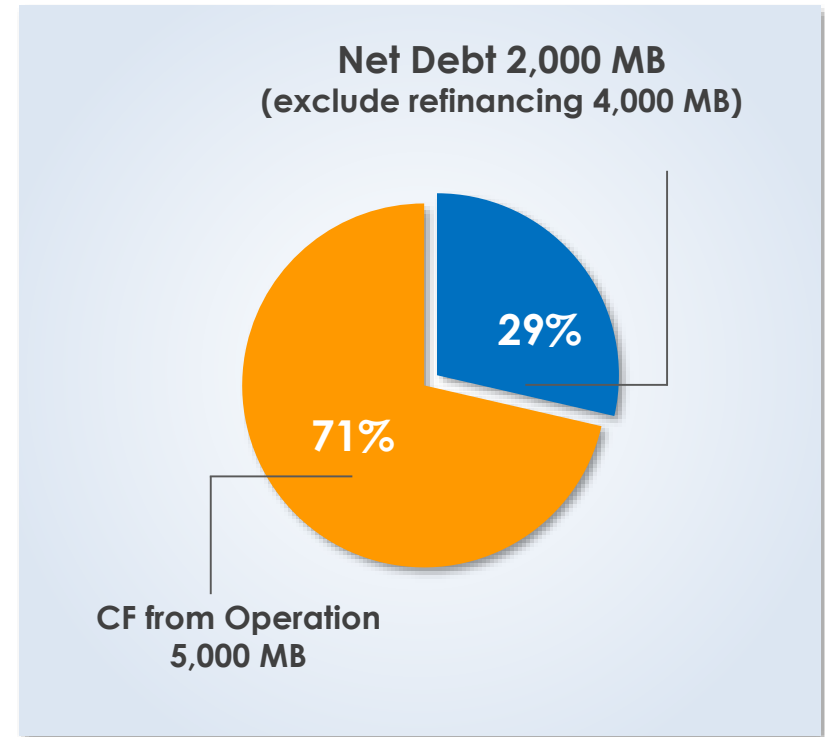




## Financial D/E Ratio



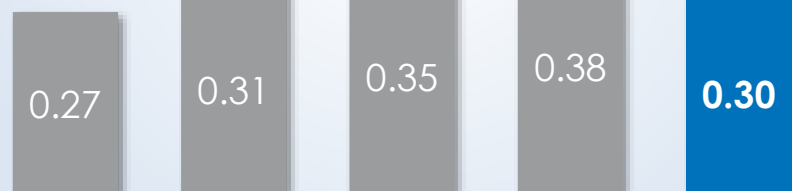
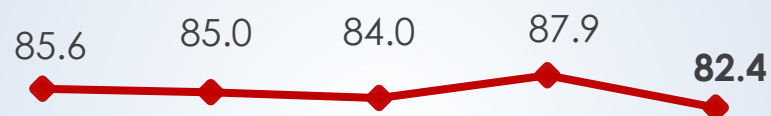
## Source of Fund 2021



2021 CAPEX 4,000- 5,000 MB for new stores expansion of all business units, including an improvement of distribution center.

\*Excluded impact of TFRS16 on lease liabilities of 4,373.30 million baht

Unit : Baht/Share



■ Cash Dividend    ◆ Payout Ratio

## 2020

- Final Dividend at **Baht 0.20 per share**  
Payment date on 6 May 2021 \*
- Interim Dividend at **Baht 0.10 per share**  
Payment date on 23 September 2020

## 2019

- Interim Dividend at **Baht 0.21 per share**  
Payment date on 8 May 2020
- Interim Dividend at **Baht 0.17 per share**  
Payment date on 25 September 2019

HomePro's **Dividend Policy** is to pay no less than 40% of NPAT.

\* Subject to shareholder's approval (AGM to be held on April 8<sup>th</sup>, 2021)

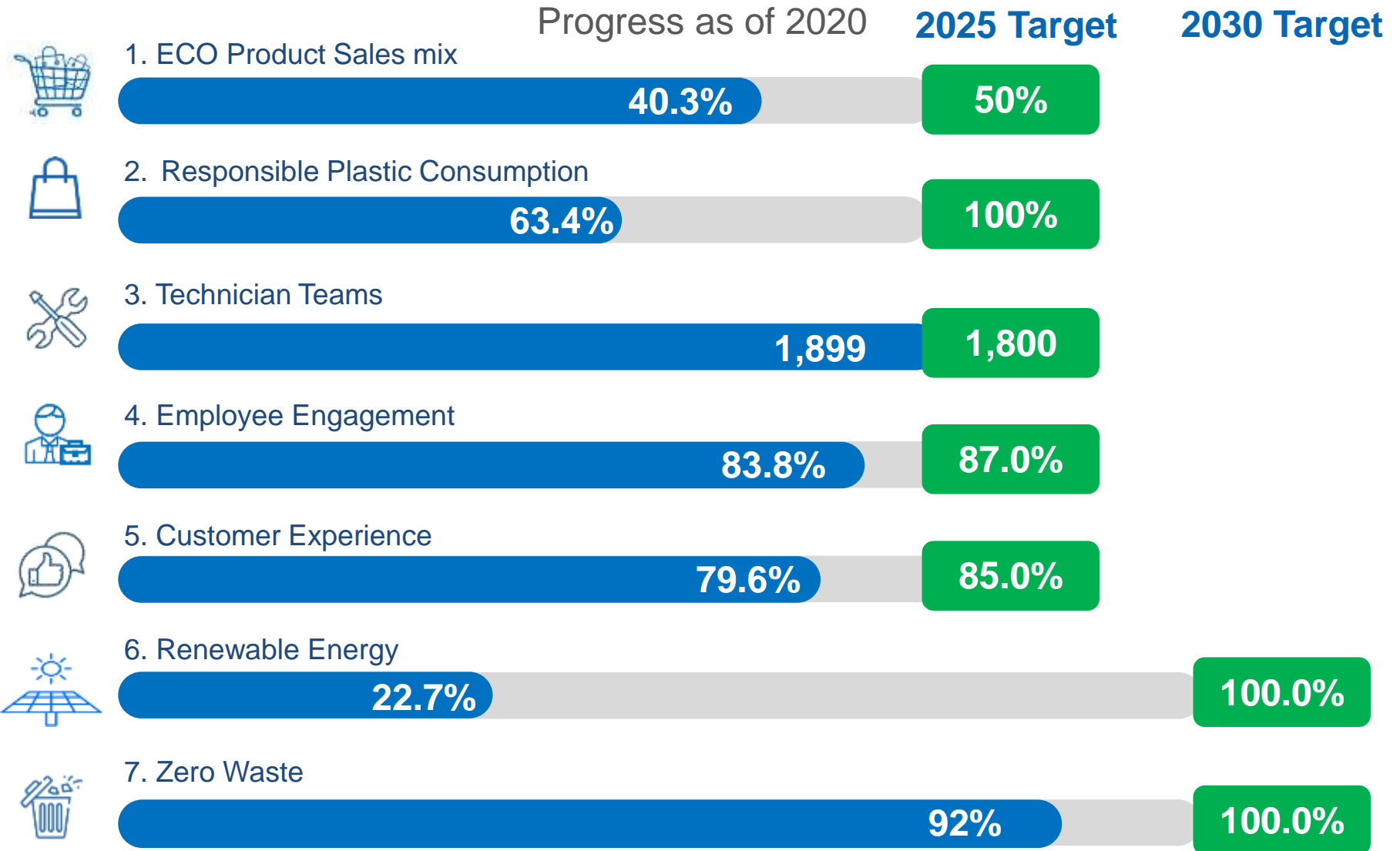


# Agenda

- 2020 Financial Results
  - Business Outlook
  - **Sustainability Development**
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# 2025 & 2030 SD ROADMAP







# Track record of endorsement in key sustainable indices



## International

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA



FTSE4Good

**MSCI**  
ESG RATINGS



Received AA  
rating from  
MSCI-ESG



Included in the  
Bloomberg Gender  
Equality Index (GEI)

Included in the DJSI  
Emerging Market  
since 2017

Included in the  
FTSE4Good since  
2016

## Domestic



AGM Investors' Choice



Outstanding Award



Best Investor Relations



Excellence CG Score



Listed in ESG100 Index



Anti-Corruption Certified



Q & A

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