

AllHome
One-stop shop for *your* home



Company Presentation

January 2020

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01 / Overview of AllHome

02 / Financial and Operational Highlights

03 / Growth Strategies

Section 1

Overview of AllHome



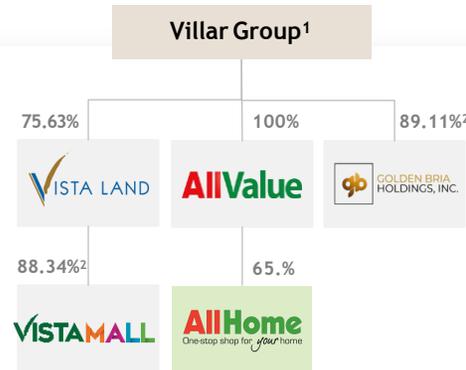
Snapshot of AllHome



One-stop shop home store



Synergistic relationship with the Villar Group



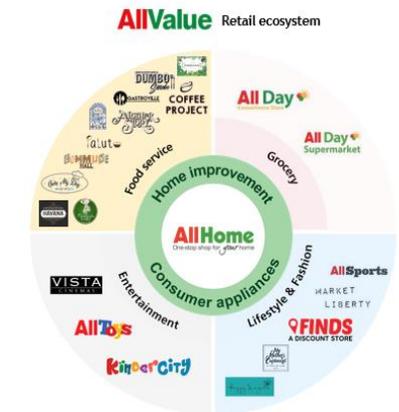
✓ Wholly owned subsidiary of AllValue Holdings Corp., an affiliate of Villar Group, the largest homebuilder in the Philippines

✓ **3,000+ hectares** of raw land across the country

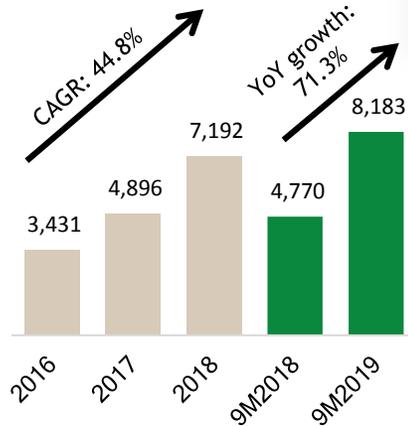
✓ **26,000 and 57,000 homes** built and sold in 2018 respectively

✓ **PHP76bn** of total value of residential projects launched in 2018

Differentiated customer shopping experience in a retail ecosystem



Fast revenue growth³



Fast store network growth and strategic coverage³

27 stores across **20** cities and municipalities with **215,994 sqm** of net selling space³

Wide offering of soft and hard products

✓ **7 key product categories**

SOFT CATEGORIES	SKUs ³	Revenues ³
Furniture	10%	23%
Appliances	3%	26%
Homewares	32%	6%
Linens	9%	3%

HARD CATEGORIES

Hardware	37%	25%
Tiles & sanitary wares	6%	12%
Construction	3%	6%

Diversified brand portfolio

Selected in-house brands



Selected third-party brands



Source: Company information, public filings, UBSResearch

Notes:

1. Villar Group represents companies owned and controlled by Spouses Villar, including Fine Properties, Inc., AllValue, Vista Land, and Golden Bria

2. Percentage ownership reflects direct and indirect ownership based on public ownership reports available on The Philippine Stock Exchange, Inc. as of September 30, 2019

3. Data as of September 30, 2019

Pioneering "one-stop shop" home store in the Philippines



Wide and diversified product and brand offering creating a one-stop shopping experience.

		% SKUs ¹	% Revenues ¹	Selected brands	In-house brands
Soft categories					
Furniture		10%	23%		
Appliances		3%	26%		N/A
Homewares		32%	6%		
Linens		9%	3%		HOME THREADS

		% SKUs ¹	% Revenues ¹	Selected brands	In-house brands
Hard categories					
Hardware		37%	25%		
Tiles and sanitary wares		6%	12%		
Construction material		3%	6%		

Source: Euromonitor, company information and disclosure
Note:

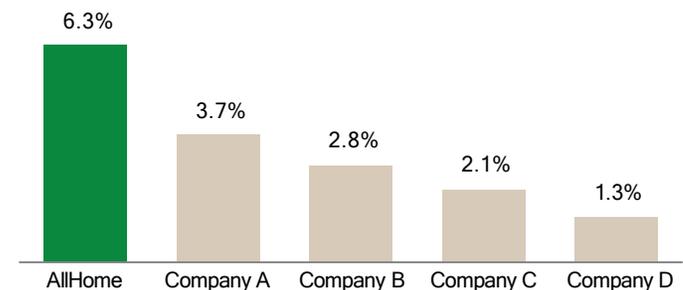
1. As of September 30, 2019
2. For large free-standing and large mall-based stores
3. Sub-sector of home and garden specialist retailers
4. Difference between market shares in 2014 and 2018

One-stop shop: The only home store in the Philippines with full product offering

	AllHome	Company A	Company B	Company C	Company D
Total SKUs	250,000 ^{1,2}	90,000 - 200,000	na	na	na
Soft categories					
Furniture					
Appliances					
Homewares					
Linens					
Hard categories					
Hardware					
Tiles and sanitary wares					
Construction material					

AllHome is the fastest growing home improvement and gardening store³ in the Philippines over the last 5 years

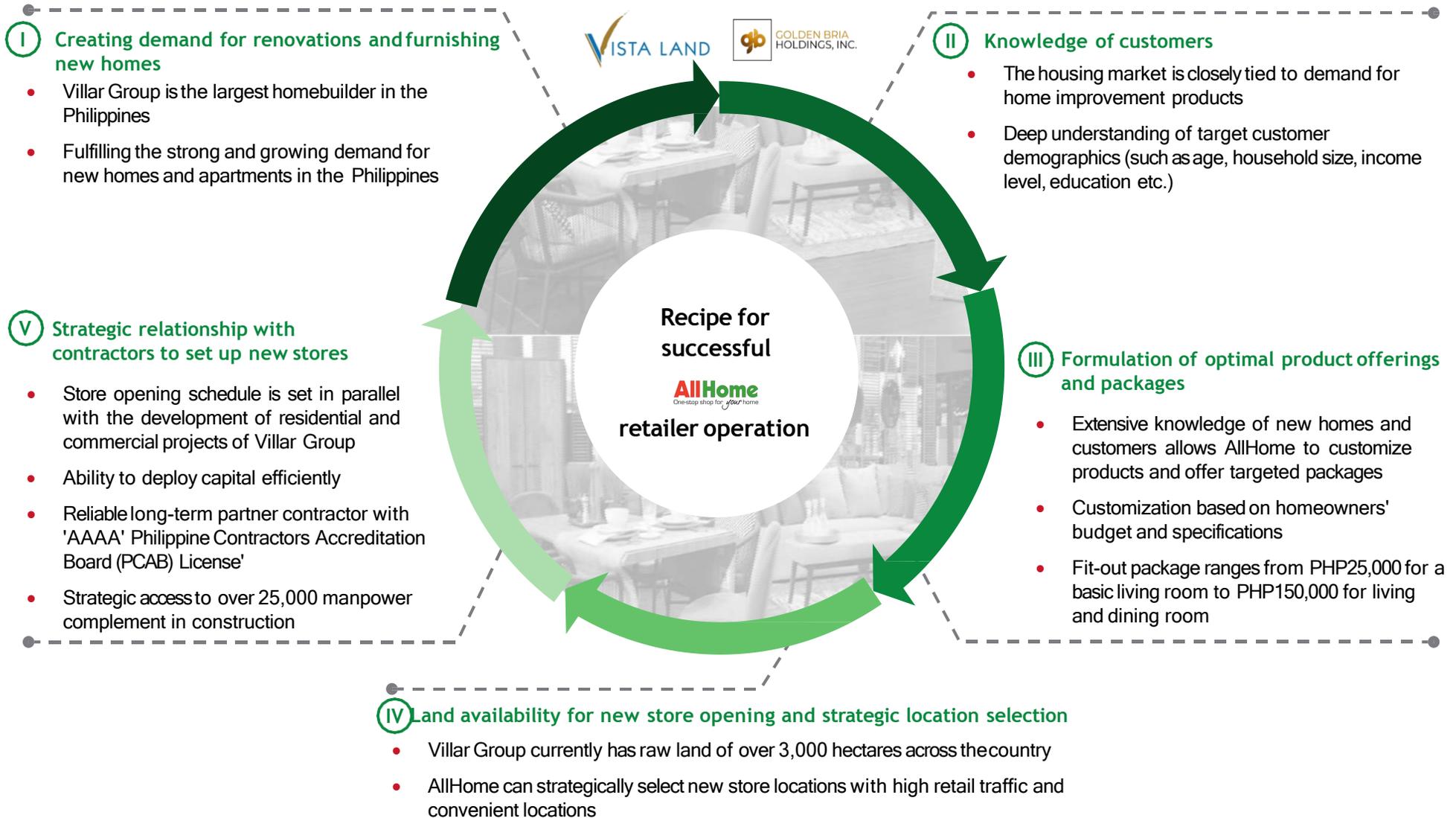
Growth in market share for the top 5 players⁴ (%)



Synergistic collaboration with the Villar Group, the largest homebuilder in the Philippines



Villar Group, Vista Land and Golden Bria have proprietary knowledge and real estate industry experience to position AllHome for strategic and sustainable growth



Differentiated customer shopping experience in a retail ecosystem



AllHome, together with other retail offerings of AllValue and the Villar Group, creates a retail ecosystem that addresses various needs of the surrounding residential communities

AllValue Retail ecosystem



AllREWARDS Membership program

AllRewards
338,470 cardholders¹
 Earn points for purchases at AllHome
 Points can be used as payment for purchases at any AllValue store

AllHome Value-added service

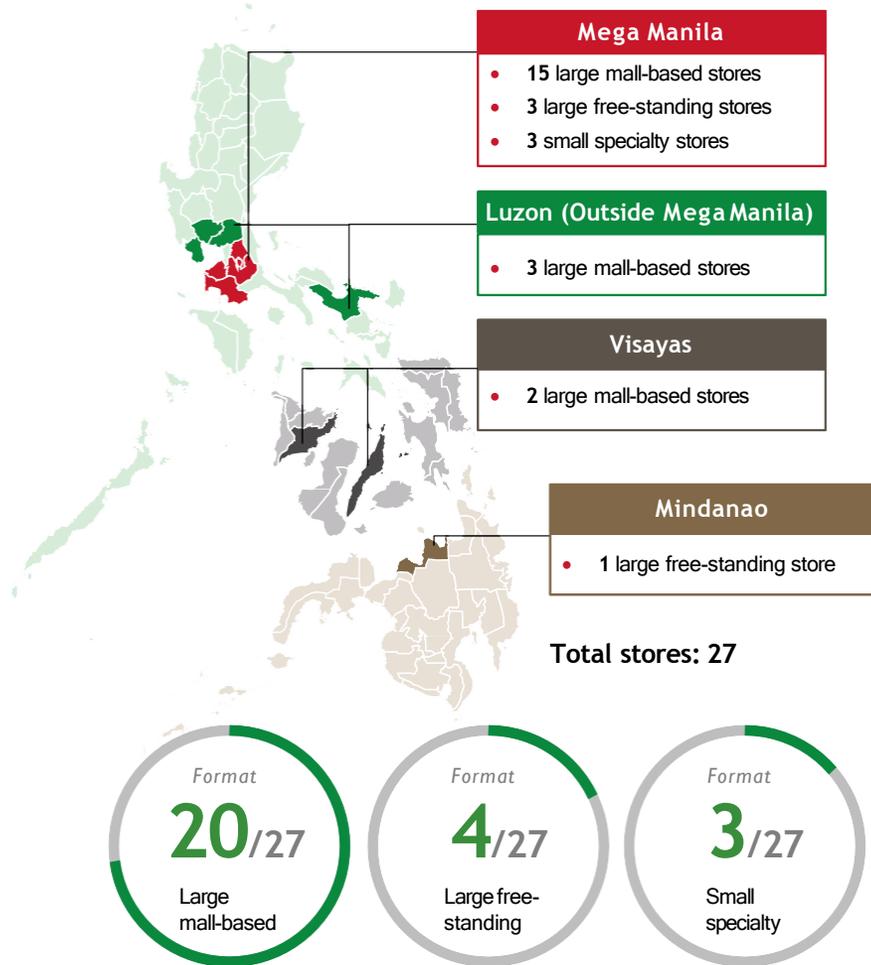
- ✓ Free styling consultations with in-house design consultants
- ✓ Delivery and installation services
- ✓ Customizable furniture
- ✓ Customer lounges and gift registry services
- ✓ "Ready-for-occupancy" home furnishing packages

Store Network



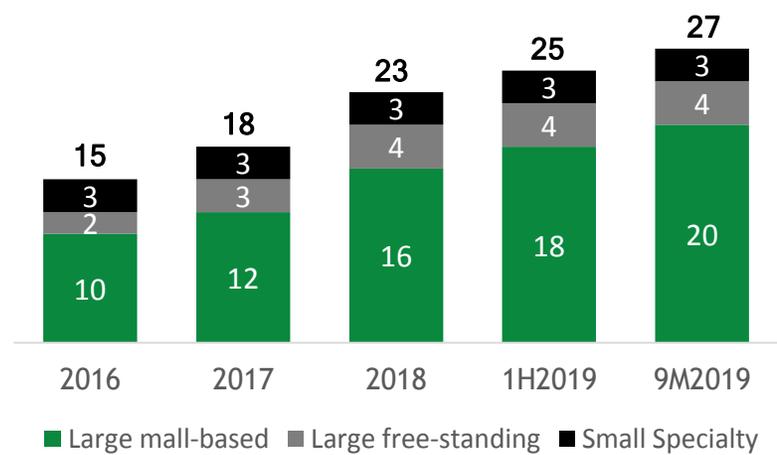
27 stores located in key regions of growth in the Philippines

Existing presence¹



Store expansion¹

Store count by format



NSA (in sqm) as of September 30, 2019

Store Format	NSA (in sqm.)
Large mall-based	181,713
Large free-standing	33,126
Small specialty	1,155
TOTAL	215,994

Note:
1 Number of stores as of September 30, 2019



Section 2

Financial and Operational Highlights



Financial Results: Income Statement



	For the nine months ended			For the years ended December 31		
	<u>2019</u>	<u>2018</u>	<u>% Change</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues	8,183	4,770	71.6%	7,192	4,896	3,431
Cost of Goods Sold	5,750	3,370	70.6%	5,062	3,572	2,503
Gross Profit	2,433	1,400	73.8%	2,130	1,324	928
<i>Gross Profit Margin</i>	29.7%	29.3%		29.6%	27.1%	27.1%
Other Operating Expenses	1,303	1,137	14.5%	1,546	1,182	861
EBITDA	1,851	496	273.2%	954	327	222
<i>EBITDA Margin</i>	22.6%	10.4%		13.3%	6.7%	6.5%
Other Income						
Finance Costs	318	44	614.3%	1,647	663	1,653
Other Income	253	110	131.1%	210	62	25
Profit Before Tax	1,065	328	225.3%	730	161	66
Tax Expense	321	98	225.9%	219	48	19
Net Income	746	230	225.0%	511	113	47
<i>Net Margin</i>	9.1%	4.8%		7.1%	2.3%	1.4%

Source: Company information

Notes:

- Effective January 1, 2019, AllHome adopted PFRS16 (Leases) resulting in changes in the accounting of lease transactions. Prior to 2019, lease payments in respect of the store and warehouse facilities were treated as rent expense. Upon adoption of this standard, the present value of future lease payments throughout the expected lease period, including probable lease extensions, are recognized as lease liability and the corresponding right-of-use asset is recognized in view of the right obtained by the lessee to use the relevant facilities

Financial Results: Balance Sheet



For the years ended December 31

	<u>Sept 30, 2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Cash	257	298	400	476
Receivables	189	1,196	591	470
Inventories	4,755	2,691	1,494	1,087
Property and Equipment	9,359	2,969	1,922	1,166
Others	1,126	1,060	773	466
Total Assets	15,707	8,215	5,180	3,665
Account Payables	1,412	380	482	702
Loans	5,478	4,315	2,900	1,450
Lease Liability	4,379	-	-	-
Others	261	842	773	820
Total Liabilities	11,531	5,537	3,673	2,270
Capital Stock	3,000	2,000	1,340	1,340
Retained Earnings	1,175	679	167	55
Total Equity	4,175	2,679	1,507	1,395

Source: Company information

Notes:

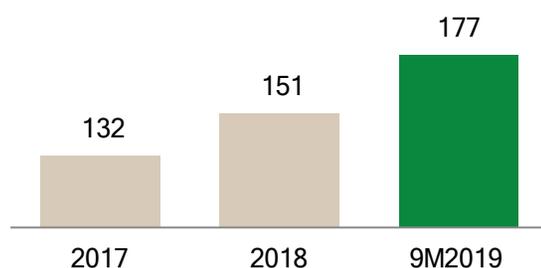
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Working capital



Inventory turnover¹

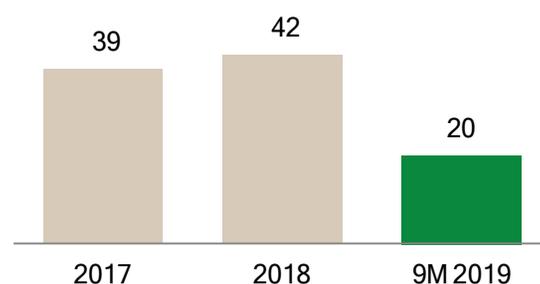
Days



- Increase in inventory turnover days as a result of increase in product offerings, additional stores and ramp-up of existing stores

Trade receivables turnover²

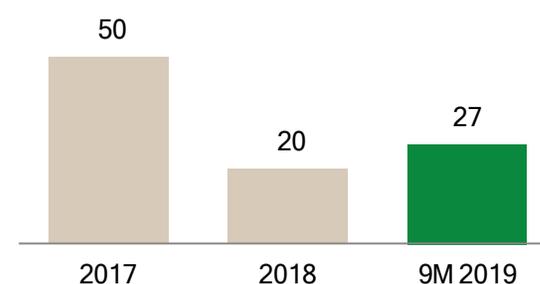
Days



- Decrease in trade receivables turnover days in 9M 2019 due to improved collection of corporate sales and more robust credit policies.

Trade payables turnover³

Days



- Trade payable days start to normalize
Target normal trade payable turnover days is at 30.

Notes:

1. Inventory turnover days is equal to the average opening and closing inventory divided by cost of goods sold and multiplied by 180 days (for the nine months ended September 30, 2019) and 365 days (for the year ended December 31, 2017 and December 31, 2018)
2. Trade receivables turnover days is equal to the average opening and closing trade receivables divided by revenues and multiplied by 180 days (for the nine months ended September 30, 2019) and 365 days (for the year ended December 31, 2017 and December 31, 2018)
3. Trade payables turnover days is equal to the average opening and closing trade payables divided by cost of goods sold and multiplied by 180 days (for the nine months ended September 30, 2019) and 365 days (for the year ended December 31, 2017 and December 31, 2018)

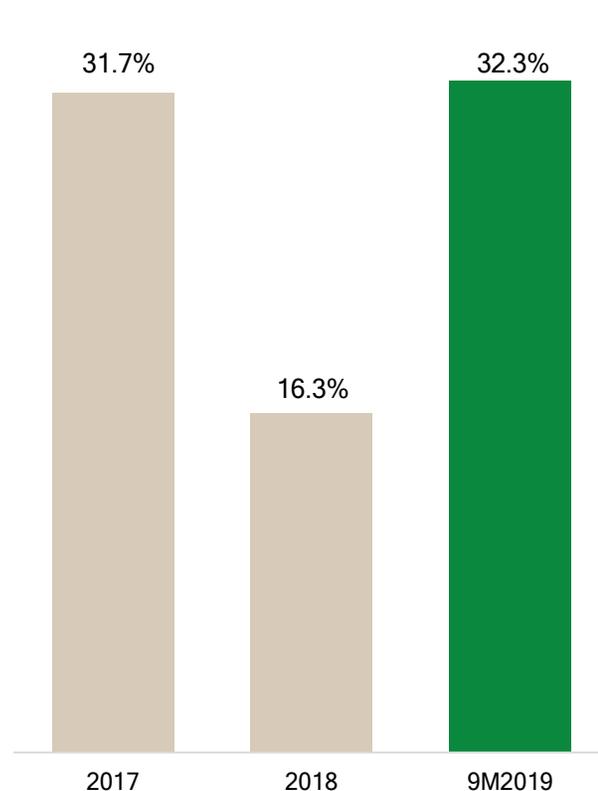
Operating Highlights



AllHome has grown significantly over the past four years

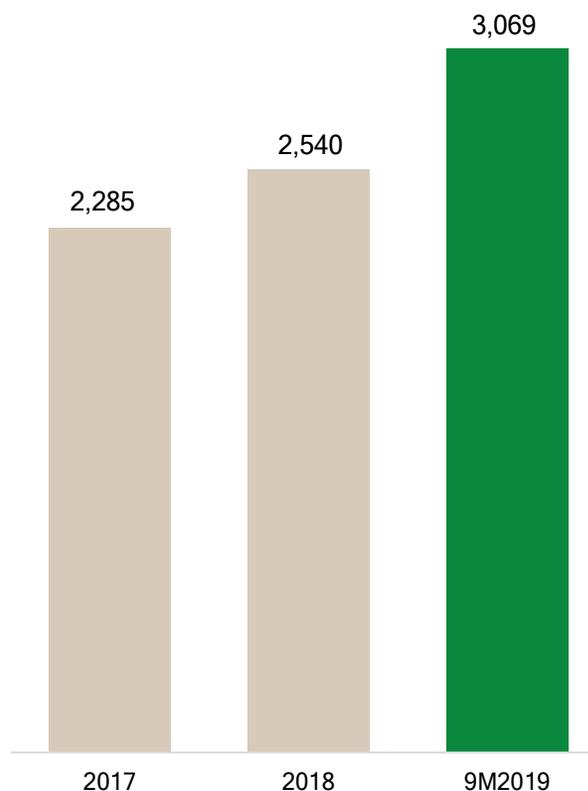
Same-store sales growth (SSSG)¹

Number of stores

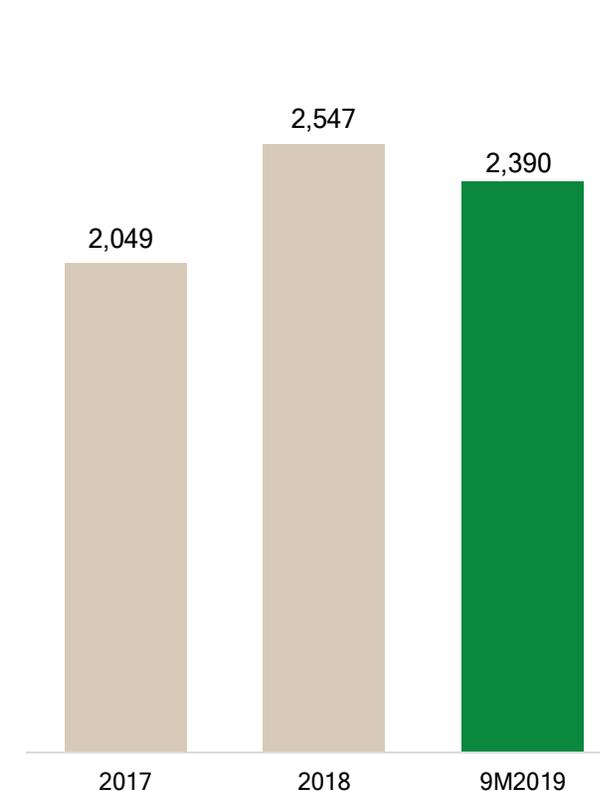


Average transaction size

(PHP)



No. of transactions ('000)



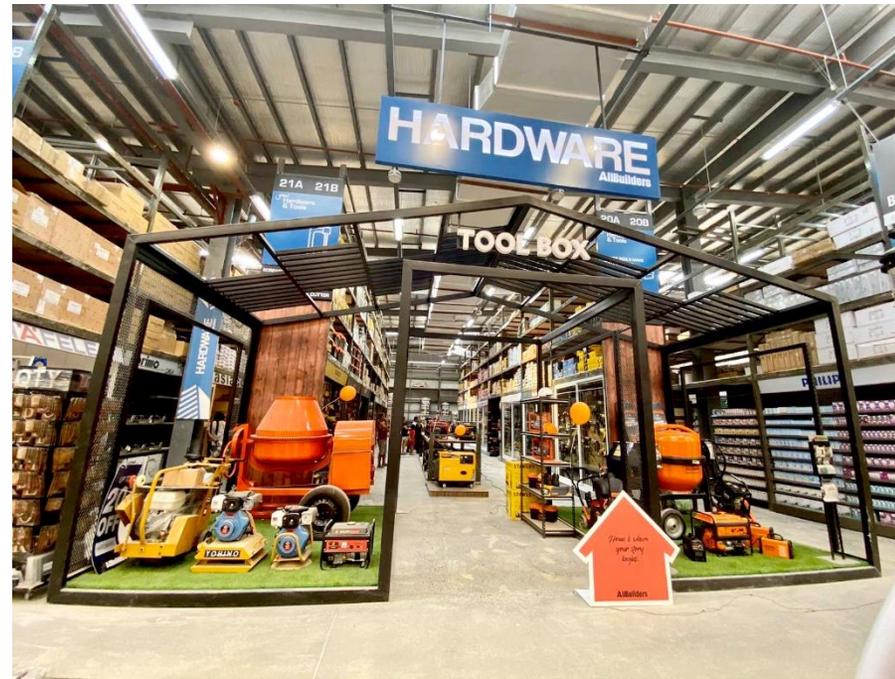
Source: Company information

Note:

1 Same store sales growth refers to the comparisons of net sales between two periods generated by the relevant stores. The stores that are included in the comparisons are those that have been in operation for at least 24 months preceding the beginning of the reporting period and for the entirety of the two periods of comparison. The comparison for each store takes into account net sales by that store during the same period it was in operation in both the reporting period and the period of comparison. The net sales of all the relevant stores in the relevant period are then aggregated and compared. Revenues generated by the relevant stores exclude corporate sales

2. Same store sales growth ("SSSG") reported in 2018 includes same store sales of older stores which were opened prior to December 31, 2015 (the "pre-2016 stores"), which registered SSSG of 12.9%. Pre-2016 stores SSSG for the six months ended September 30, 2019 is currently at 32.3%.

New AllBuilders format launched



Section 3

Growth Strategies

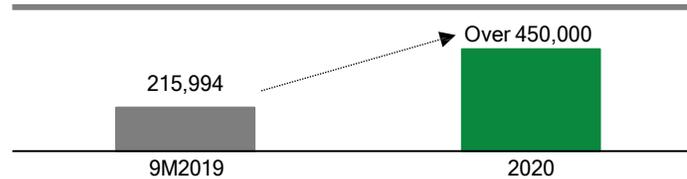


Growth strategies



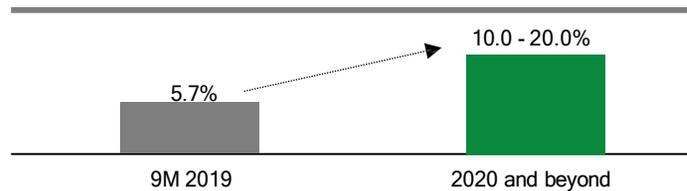
1 Further expand store network

Store space (sqm)



2 Continue to expand offering of in-house brand products

Revenue contribution of in-house brands



3 Continue to enhance shopping experience

A New initiatives and differentiated value-adding services to customer

B Store and customer service upgrade

C Online/ e-commerce development

- ✓ Improve customer loyalty and satisfaction
- ✓ Adapt to customers' evolving tastes and preferences for products and services
- ✓ Reach broader audience and cater to consumers in digital era
- ✓ Retain existing and acquire new customers
- ✓ Gain market share in home improvement sector

4 Continue to invest in technology and supply chain solutions

- ✓ Enhance customer loyalty and acquire more customers
- ✓ Further improve store productivity
- ✓ Efficiently manage inventory to improve cash flows
- ✓ Ensure sufficient capacity to support store expansion plan

Continue to expand offering of in-house brand products



AllHome has 25 in house brands with a revenue contribution of 5.7%¹

	2016	2017	2018	1H2019	9M2019	
Soft categories						
Furniture						4
Appliances			N/A			
Homewares						4
Linens						1
Hard categories						
Hardware						4
Tiles and sanitary wares						8
Construction material						4
TOTAL	1	3	9	5	7	

Note:
¹ Data as of September 30, 2019

Thank you.

