

AllHome
One-stop shop for *your* home

9M 2021 Results Briefing

November 15, 2021



9M2021 by the numbers



22%

YoY Net sales growth to ₱10.1B
(24% higher vs pre-pandemic levels 9M19)



36%

3rd quarter Gross Profit Margin



32%

YoY EBITDA growth to ₱2.4B
(27% higher vs pre-pandemic levels 9M19)



65%

YoY NIAT growth to ₱973M
(30% higher vs pre-pandemic levels 9M19)



17%

Increase in transaction count



12%

9M 2021 SSSG
(9M 2020 SSSG at 0.3%)



P46,353

Sales per sqm in 9M2021
(9M 2020 at 35,979)



11%

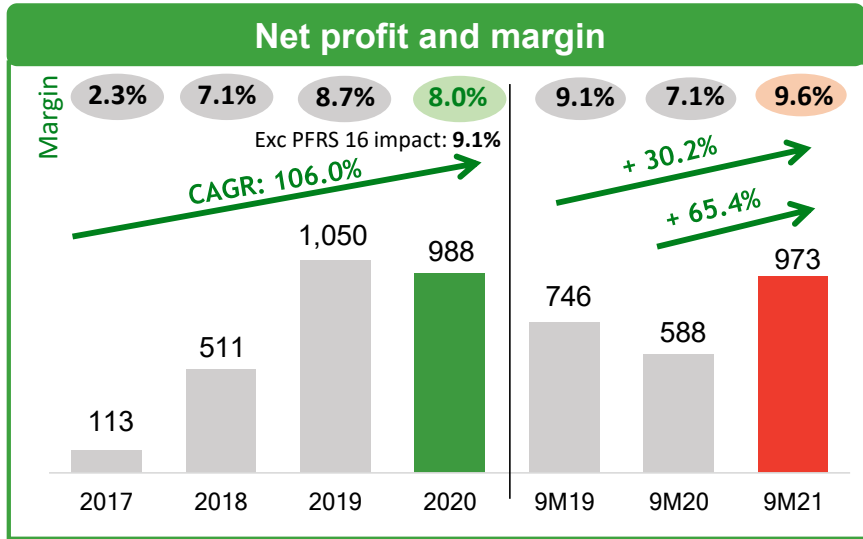
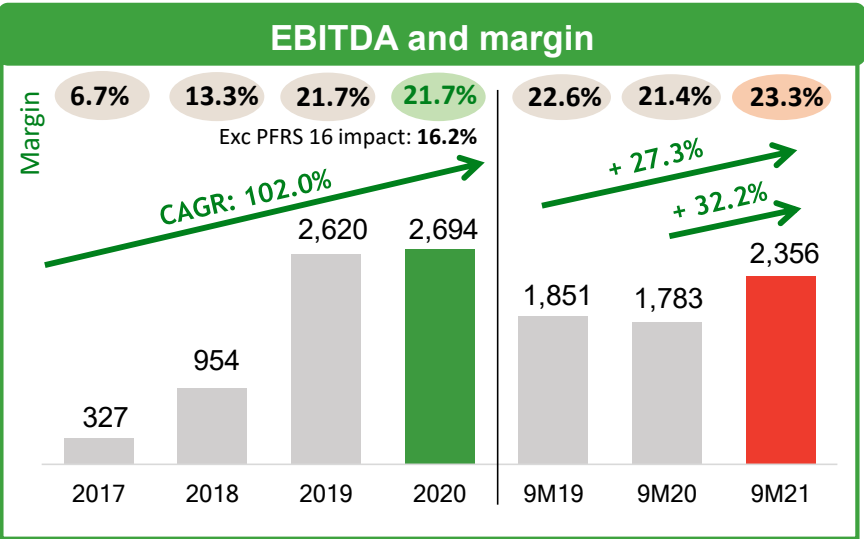
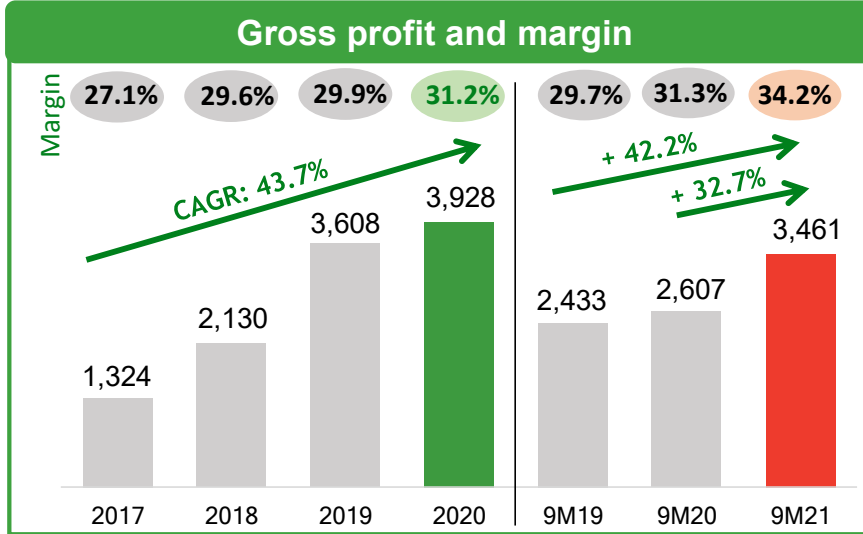
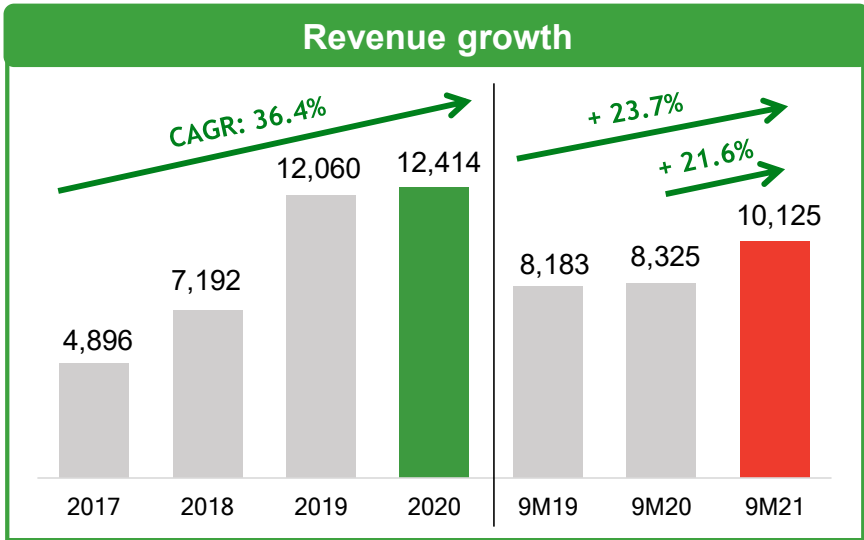
E-commerce sales contribution
(as of September 2021)

Our core advantages remain relevant to post-pandemic scenario

AllHome is part of a retail ecosystem that offers customers an **elevated in-store experience** and **one-stop shop convenience**

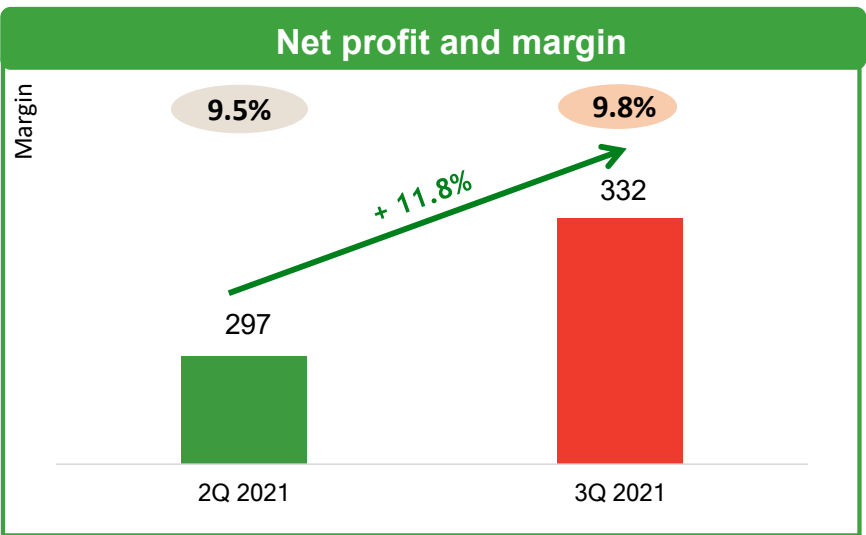
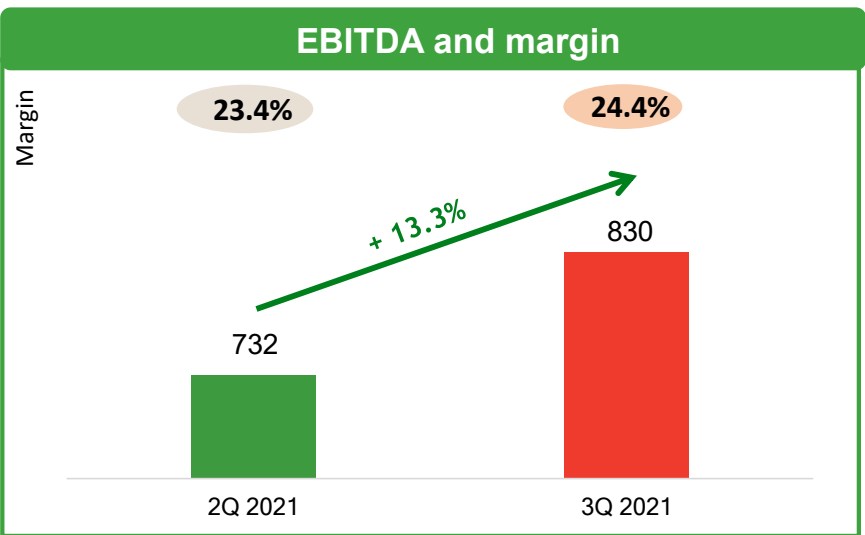
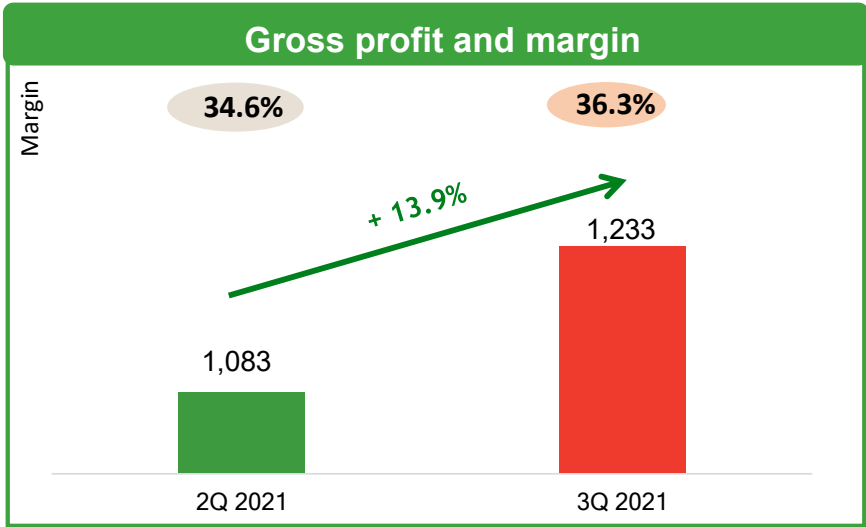
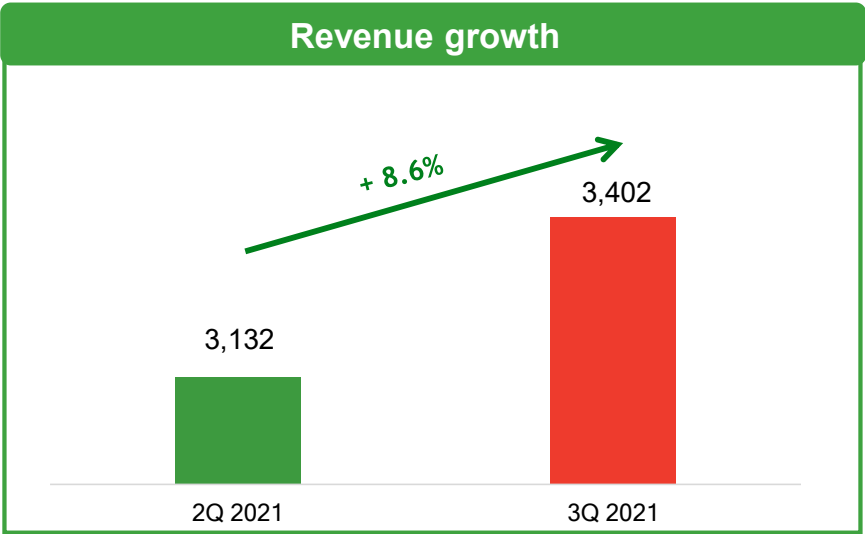


Financial Highlights



Amounts in PHP million

Financial Highlights



Income Statement

IN PHP MILLIONS	3Q2021	3Q2020	% Change	9M2021	9M2020	% Change
Revenues	3,402	3,471	-2.0%	10,125	8,325	21.6%
Cost of Goods Sold	2,168	2,367	-8.4%	6,665	5,718	16.5%
Gross Profit	1,233	1,104	11.7%	3,461	2,607	32.7%
<i>Gross Profit Margin</i>	<i>36.3%</i>	<i>31.8%</i>		<i>34.2%</i>	<i>31.3%</i>	
Other Income	85	95	-10.5%	234	267	-12.3%
Operating Expenses	778	657	18.5%	2,152	1,762	22.2%
Operating Profit	541	542	-0.4%	1,543	1,113	38.7%
<i>Operating Profit Margin</i>	<i>15.9%</i>	<i>15.6%</i>		<i>15.2%</i>	<i>13.4%</i>	
Profit Before Tax	442	446	-0.9%	1,264	840	50.5%
Tax Expense	111	134	-17.4%	292	252	15.9%
Net Income	332	312	6.1%	973	588	65.4%
<i>Net Margin</i>	<i>9.8%</i>	<i>9.0%</i>		<i>9.6%</i>	<i>7.1%</i>	

Financial Position

IN PHP MILLIONS	September 30, 2021	December 31, 2020
Current Assets	9,934	8,993
Noncurrent Assets	14,820	12,782
Total Assets	24,753	21,775
Current Liabilities	3,535	3,855
Noncurrent Liabilities	6,875	4,549
Total Liabilities	10,410	8,404
Capital Stock	3,750	3,750
Additional Paid-in Capital	7,209	7,209
Retained Earnings	3,384	2,421
Total Equity	14,344	13,371
Current ratio	2.81	2.33
Quick ratio	0.55	0.60
Debt to equity ratio	0.73	0.63
Return on asset	3.9%	4.5%
Return on equity	6.8%	7.4%

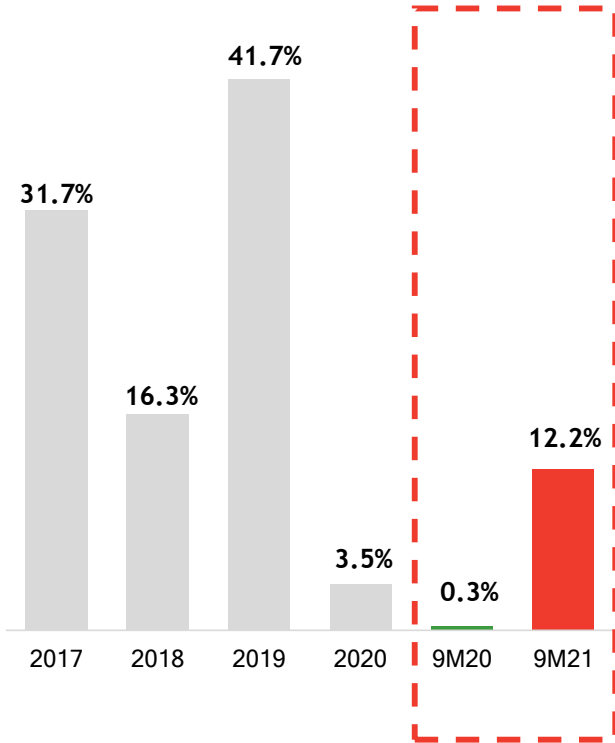
Note:

1 Annualized ROA using six-month period as of September 30, 2021 - 5.2%

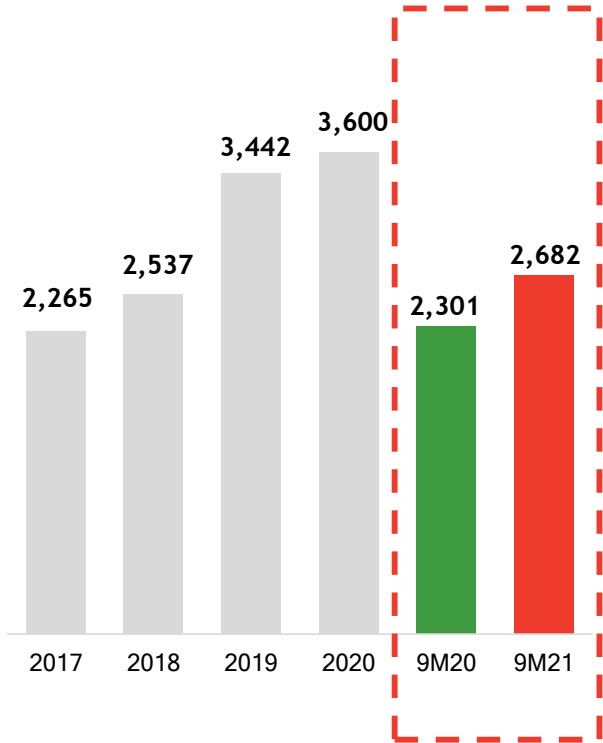
2 Annualized ROE using six-month period as of September 30, 2021 - 9.0%

Operational Highlights

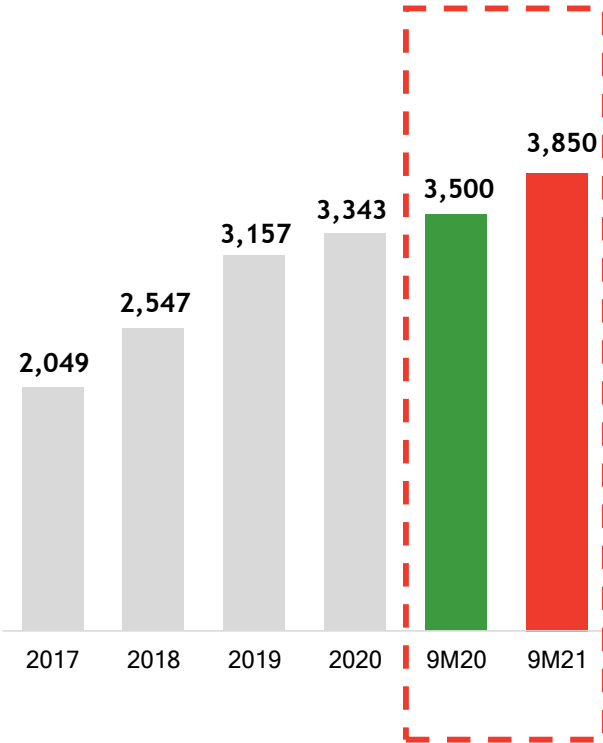
Same store sales growth



No. of transactions ('000s)



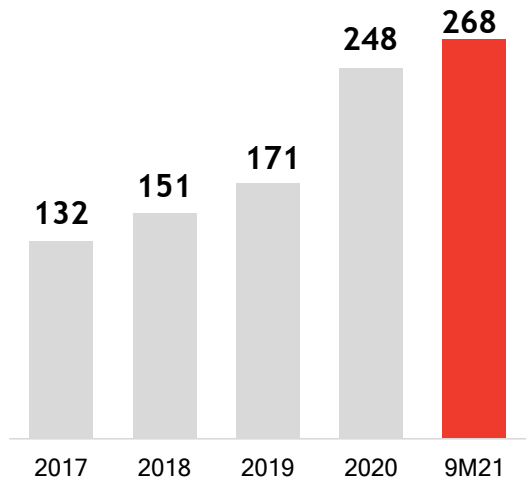
Ave transaction size (PHP)



Working Capital

Inventory turnover

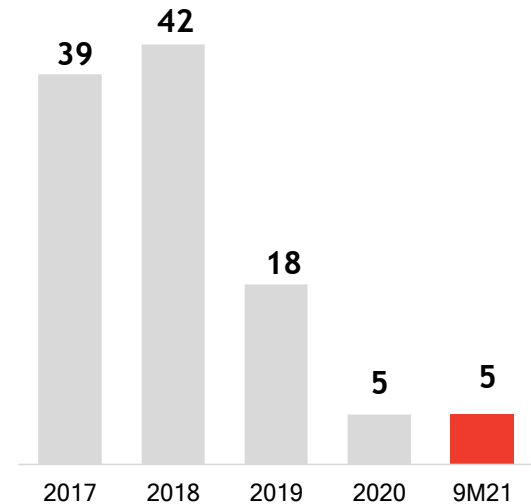
Days



- Increase in outright buys and expansion of in-house brands to increase GP margin
- Holiday buys

Trade receivables turnover

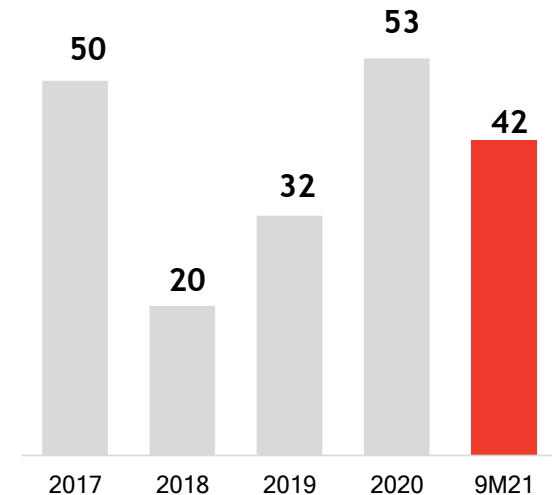
Days



- Trade receivables days maintained at single digit due to improved collection of corporate sales.

Trade payables turnover

Days



- Within the 30-60 credit term with suppliers
- Includes Advances for importation in relation to increase in outright buys and expansion of in-house brands

Notes:

1. Inventory turnover days is equal to the average opening and closing inventory divided by cost of goods sold and multiplied by 365 days (for the year ended December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020)
2. Trade receivables turnover days is equal to the average opening and closing trade receivables divided by revenues and multiplied by 365 days (for the year ended December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020)
3. Trade payables turnover days is equal to the average opening and closing trade payables divided by cost of goods sold and multiplied by 365 days (for the year ended December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020)

Sustainable network expansion

Opened 5 stores in
9M 2021

AllHome Stores opened:

- AllHome General Santos
- AllHome Cauayan, Isabela
- AllHome Bacolod
- AllHome Camella East
- AllHome Sto Tomas, Batangas



more stores to
end the year

with **57** stores

100 Stores by 2026

- Increased ability to open new stores with lower CAPEX requirement
- Focused expansion primarily through large stores in **NCR+ and Tier 1 cities**;
- **Immediate pipelines:** Mandaluyong, Caloocan, Las Pinas, Dasmaringas, Bulacan, Muntinlupa, GMA, Trece Martires, Cebu, Davao



Existing large stores

- ✓ 9,000-10,000 NSA (in sqm)
- ✓ Php200 million capex
- ✓ 250,000 SKUs



New generation stores

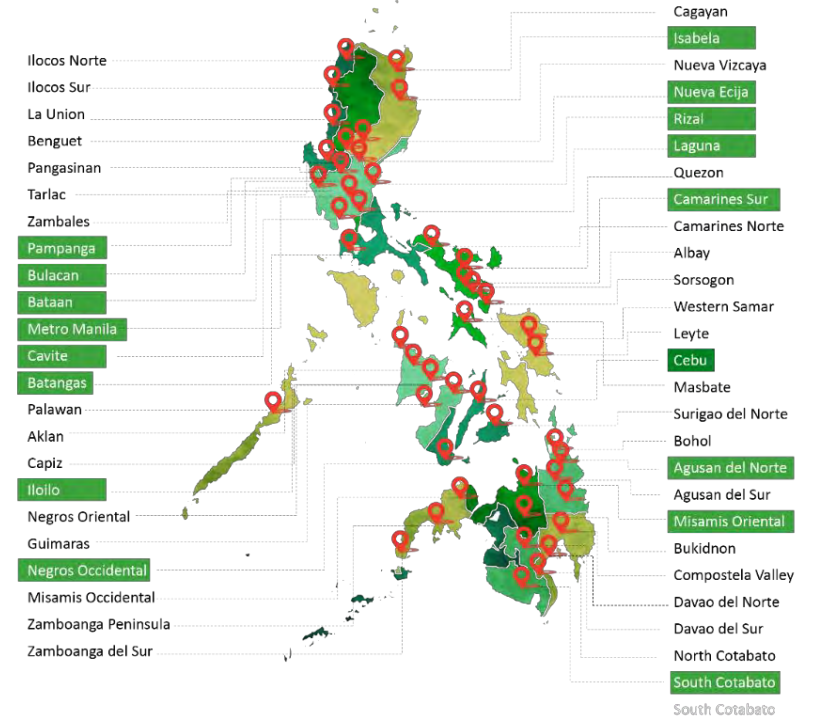
- ✓ 7,000-8,000 NSA (in sqm)
- ✓ Php160 million capex
- ✓ 250,000 SKUs (maximizing vertical display)

Small store remains an opportunistic strategy



- ✓ 250-400 NSA (in sqm)
- ✓ Php10 to Php20 million capex
- ✓ Appliances, DIY or Digital

Footprint expansion opportunity



Vista Land presence

AllHome's presence

- ✓ Currently in **17** out of **49 provinces** and **34** out of **147 cities and municipalities** owned by Vista Land
- ✓ The home improvement market is fragmented, with 81% comprised of numerous small players (mostly traditional hardware). AllHome has been gaining market share from these players. (Euromonitor Passport, January 2021 update)

Strategically selected store locations

Our 55 stores cover the regions where 80% of high/middle income Filipinos and OFW families are residing, top areas of economic growth.

Central Luzon (Region III excluding Bulacan)

Population	8.8mn
Employment rate	90.4%
Average annual family income	PHP334k

Southern Luzon (Region V)

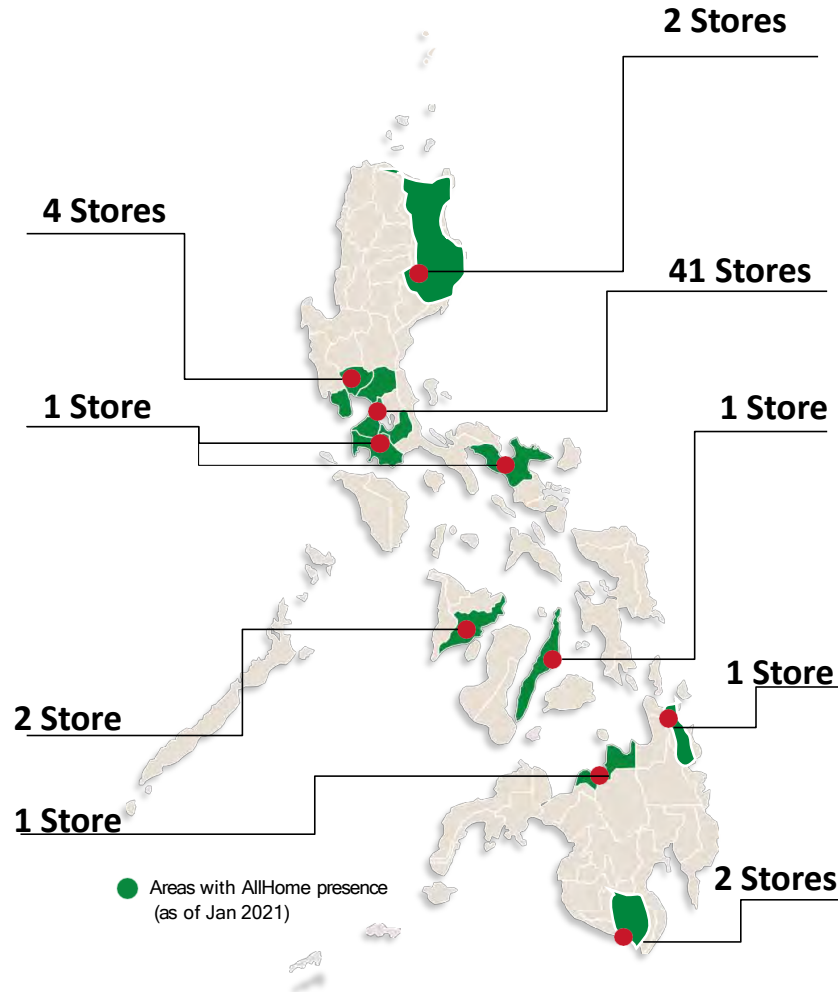
Population	6.2mn
Employment rate	91.8%
Average annual family income	PHP235k

Western Visayas (Region VI)

Population	8.0mn
Employment rate	94.1%
Average annual family income	PHP266k

Northern Mindanao (Region X)

Population	5.1mn
Employment rate	94.4%
Average annual family income	PHP250k



Cagayan Valley (Region II)

Population	3.7mn
Employment rate	94.2%
Average annual family income	PHP265k

Mega Manila

Population	28.8mn
Employment rate	88.3%
Average annual family income	PHP422k

Central Visayas (Region VII)

Population	8.1mn
Employment rate	90.1%
Average annual family income	PHP308k

CARAGA (Region XIII)

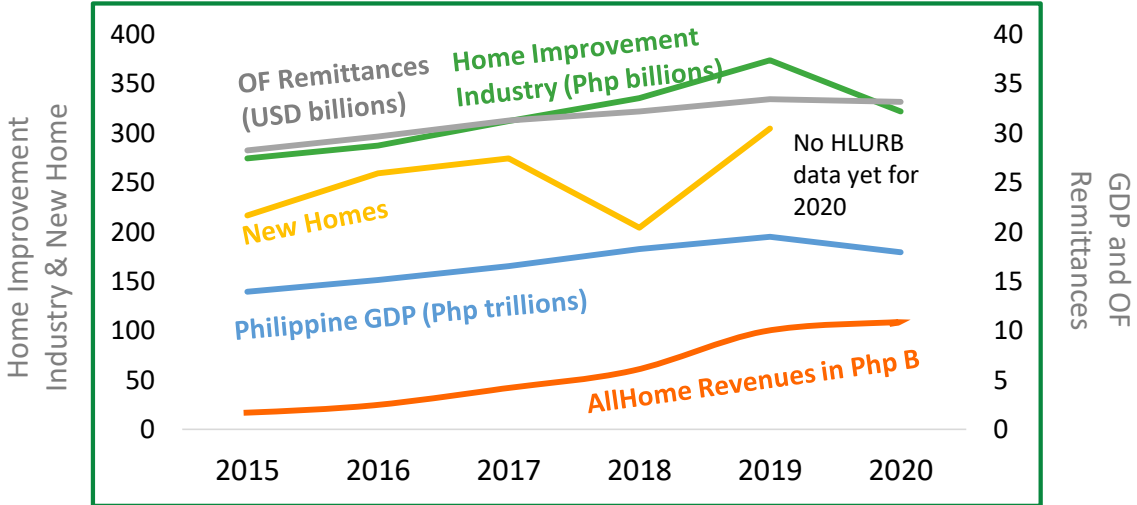
Population	2.8mn
Employment rate	92.4%
Average annual family income	PHP243k

SOCCSKSARGEN (Region XII)

Population	5.0mn
Employment rate	93.7%
Average annual family income	PHP242k

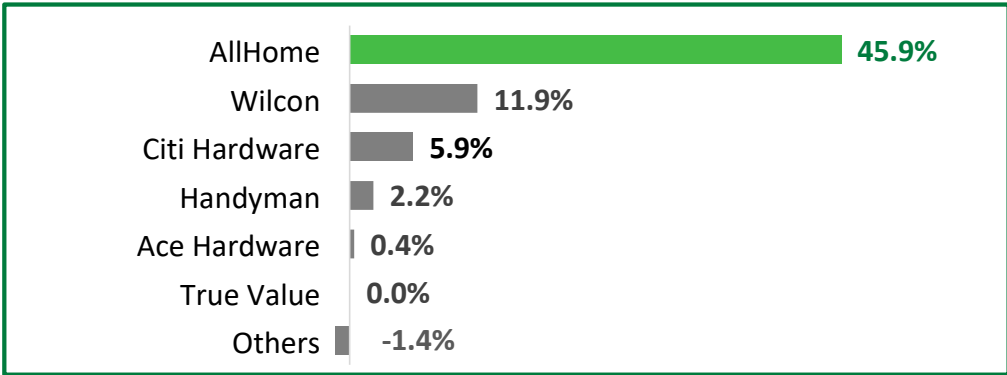
Home Improvement Industry grows beyond home starts

The growth of home improvement industry tracks OF remittances and GDP, more than just home starts



Source: <https://psa.gov.ph/national-accounts/base-2018/data-series>, Euromonitor Home Improvement and Gardening Stores Jan 2021 update, Cash Remittances Data (BSP), HLURB LTS Statistics

Market Share and Growth: AllHome growing fastest



Source: Euromonitor Passport, January 2021 Update (2015 to 2020 CAGR)

	2015	2016	2017	2018	2019	2020
Wilcon Depot	3.7	4.3	5.7	6.3	6.5	6.5
Ace Hardware	5.2	5.6	5.8	5.8	5.6	5.3
AllHome	0.5	1.5	1.6	2.1	3.2	3.3
Handyman	2.6	3.0	3.1	3.3	3.1	2.9
Citi Hardware	0.6	0.7	0.7	0.8	0.8	0.8
True Value	0.6	0.7	0.7	0.8	0.7	0.6
Others	87	84	83	81	80	81
Total	100	100	100	100	100	100

Continuous margin improvement

Increase in In-house brand contribution

45

In-house brands

27 out of 45 are hard categories

12%

Sales contribution

As of 9M21, up from 7% of prior year

20%

Target sales contribution

By 2023

IN-HOUSE BRAND STRATEGY

- Selected based on top SKUs
- Building brand awareness
- Use of power aisle displays
- Technical proficiency training of products
- Incentives to sales personnel
- Spanning all categories
- Drive B2B customer base expansion

Construction



Hardware



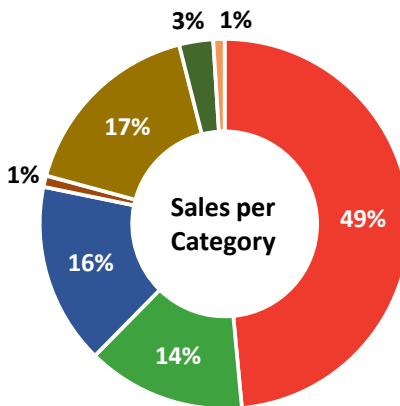
Flooring and Tiles



Soft Category Brands



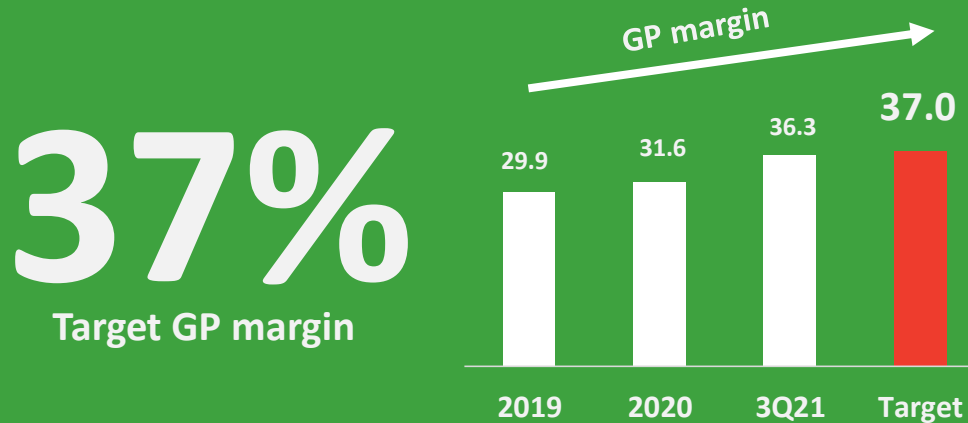
SALES PER CATEGORY



- Tiles & Sanitary Wares
- Construction Materials
- Furniture
- Linens
- Hardware
- Appliances
- Homewares

Strategic inventory buys and pricing

- Increased outright buys for top-selling and fast-moving SKUs
- Periodic review of slow-moving and fast-moving products
- Regular negotiation with suppliers for improved margins
- Dynamic offering through consistent introduction of new items
- Strategic pricing



37%
Target GP margin

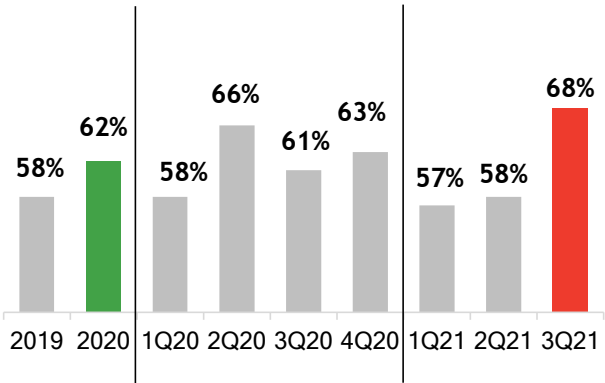
Our balanced category mix adapts to changing customer needs

Wide offering of soft and hard products

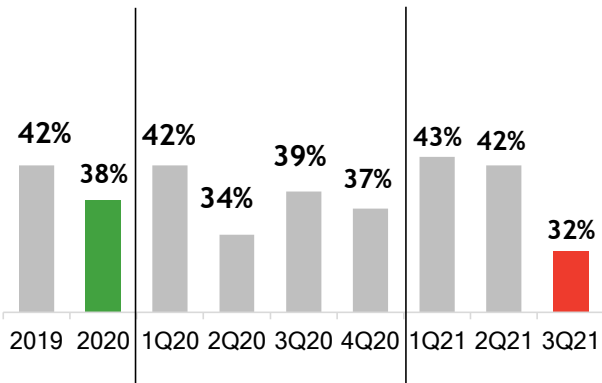
SOFT CATEGORIES	Contribution	
	9M21	9M20
Furniture	20%	20%
Appliances	29%	31%
Homewares	9%	7%
Linens	3%	3%
TOTAL	61%	61%

HARD CATEGORIES	Contribution	
	9M21	9M20
Hardware	5%	4%
Tiles & sanitary wares	10%	9%
Construction	23%	26%
TOTAL	39%	39%

Soft Categories



Hard Categories



Target category mix

50%

SOFT

Target sales contribution



50%

HARD

Target sales contribution



Push for hard categories through B2B expansion



Hard categories driven by loyalty card

7,233 members

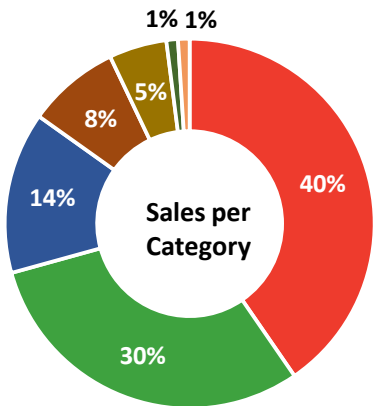
As of 9M2021

215% growth from Dec 2020

₱287M Sales

As of 9M2021

99% growth in quarterly sales from 4Q2020



- Tiles & Sanitary Wares
- Construction Materials
- Hardware
- Appliances
- Furniture
- Homewares
- Linens

Operational efficiency initiatives

Inventory Management

- Agility in calibration of merchandise as indicated by market demand
- Efficient product assortment process
- Maintain sufficient inventory level
- With designated outlet stores for select inventories



	2018	2019	2020	2021
NSA (in sqm)	186,665	296,772	331,590	291,259
Ave NSA of Large Store	9,276	9,160	9,279	7,289

Optimized Store Size

- Allotting larger store space as designated fulfillment / logistics area in response to increasing e-commerce sales
- Bigger store warehouse minimized capex for additional DC space requirement
- Right-sizing of selling area and increased store warehouse will result to savings on utilities, manpower cost and DC rent
- Maximizing store inventory capacity via vertical display efficiency resulting to smaller required selling space footprint

Ramping up omnichannel presence and capability

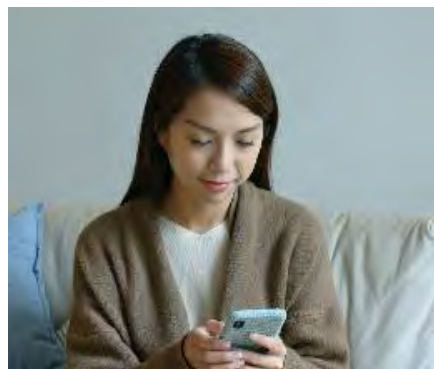
Seamless experience between **digital** and **physical stores** that will allow customers freer and faster access to our **elevated in-store and online experience**



Self Checkout Counter



Click & Collect Counter



On top of the ecommerce platforms, AllHome promoted personal shopper to bring a human touch to the home shopping experience.

 **11%**
Ecommerce sales contribution



Building life stories campaign - aims to further increase brand awareness and improve brand equity in the mind of our target market. This is a campaign that we are running online and offline.



Downloadable Christmas e-catalog

- One of the top sellers in Lazada
- Same day delivery of AllHome
- Shop4u – a personal shopper service

Engagement with Leading On-Demand Delivery Providers

AllHome has taken an active approach in joining on demand delivery providers like GrabMart, Metromart, Pandamart and Pickaroo. Also available on GLife and Beauty Mnl.



OmniChannel Presence

- Allhome.com.ph
- Builders Centre Viber Community
- Shop online at AllHome Viber community
- Youtube Channel
- AllHome Virtual Store
- SHOP4U

Social Media Platforms

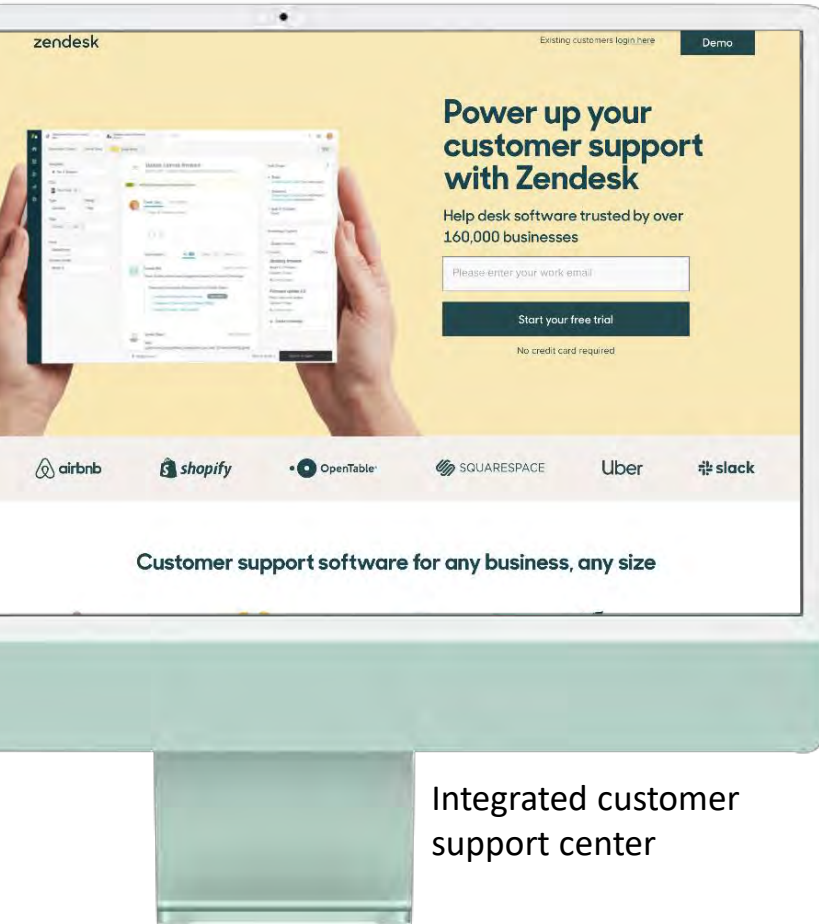
- Facebook
- LinkedIn
- Instagram
- Twitter
- Pinterest
- YouTube
- Tiktok

Marketplaces

- Allday.com.ph
- Lazada
- Shopee
- Paymaya Mall

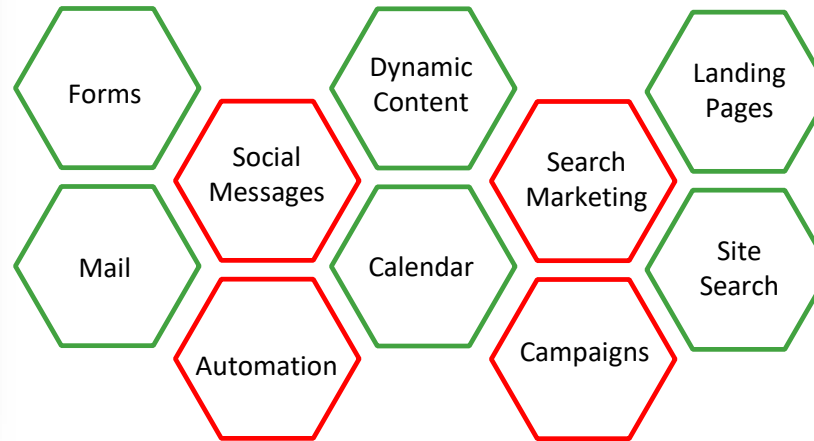


Revolutionizing digital experience



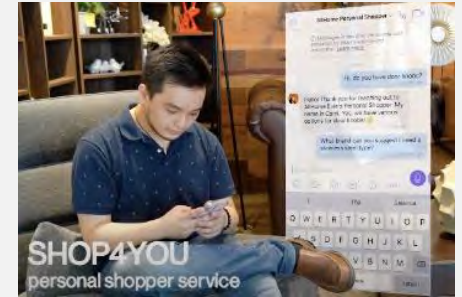
Integrated customer support center

Marketing Automation Tool

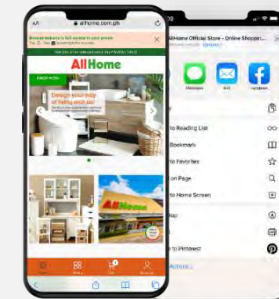


Use of latest cutting-edge marketing tool that can drive up quality leads, conversion and marketing ROI in general.

Enhancing Customer Experience



Shop4u – a personal shopper service



PWA

Progressive Web Application

Offline mode

No installation or manual updates required

App store independent

Outlook / Strategies

Sustainable Network Expansion

- 100 stores by 2026
- NCR+ and Tier 1 key cities
- New generation store format
- Synergies with Villar Group

Margin Enhancement

- 20% in-house brands target sales contribution by 2023
- 37% target GP
- Increase outright buys of saleable SKUs
- Pursue exclusive brand offerings
- Strategic pricing

Omnichannel Strategy

- www.allhome.com.ph
- Progressive Web Application
- Marketing automation tool
- SHOP4U
- On-demand delivery and third party platforms

Operational Efficiencies

- Optimal inventory management
- Capex savings
- Opex savings
- Periodic review of optimal store size and layout

Harness synergies with the Villar Group

- Retail Group
 - Home Improvement
 - Grocery
 - Food Service
 - Entertainment
 - Lifestyle and fashion
- Real Estate and Malls

Q&A

AllHome Website
www.allhome.com.ph



**For Corporate
Disclosures**





Thank You!

AllHome
One-stop shop for *your* home