

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF  
ALLHOME CORP.**

Held by remote communication  
on Friday, June 25, 2021, 10:00 a.m.

**DIRECTORS AND OFFICERS PRESENT IN THE MEETING**

Manuel B. Villar, Jr.	- Chairman of the Board
Camille A. Villar	- Vice Chairman of the Board, Member of the Corporate Governance Committee
Benjaminie Therese N. Serrano	- President
Frances Rosalie T. Coloma	- Treasurer and Chief Financial Officer
Manuel Paolo A. Villar	- Director, Member of the Audit Committee
Laura Suarez Acuzar	- Independent Director, Chairman of the Audit Committee, Member of the Corporate Governance Committee
Jessie D. Cabaluna	- Independent Director, Chairman of the Corporate Governance Committee, Member of the Audit Committee
Jo Marie Lazaro Lim	- Corporate Secretary
Mary Lee S. Sadiasa	- Chief Operating Officer
Robirose M. Abbot	- Head of Investor Relations
Maria Cristina O. Barao	- Compliance Officer and Controller

**SHARE INFORMATION**

TOTAL ISSUED AND OUTSTANDING SHARES	:	3,750,000,002 common
TOTAL NUMBER OF SHARES REPRESENTED IN THE MEETING	:	
<i>By Chairman as proxy</i>	:	3,036,537,688 common
<i>By voting in absentia</i>	:	3,500 common

**CALL TO ORDER**

The Chairman of the Board, Mr. Manuel B. Villar, Jr., called the meeting to order and presided over the same. The Corporate Secretary, Ms. Jo Marie L. Lim, recorded the minutes of the meeting.

**CERTIFICATION OF NOTICE AND QUORUM**

At the request of the Chairman, the Corporate Secretary certified that notices of the meeting were published in print and online format in the Manila Bulletin and BusinessWorld, both newspapers of general circulation, on June 3 and June 4, 2021 and posted on the website of the Company and the Philippine Stock Exchange (PSE), all in accordance with the requirements of the Securities and Exchange Commission (SEC), that there were represented in the meeting stockholders owning a total of 3,036,541,188 common and preferred shares representing 80.97% of the total issued and outstanding voting stock of the Company, and that there is therefore a quorum at the meeting.

The Corporate Secretary explained that the meeting is being conducted through remote communication pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, and proceeded to discuss the rules and procedures for the conduct of the meeting.

## **APPROVAL OF THE MINUTES OF THE LAST ANNUAL STOCKHOLDERS' MEETING HELD ON JULY 22, 2020**

The Chairman noted that the next item in the agenda is the approval of the minutes of the last Annual Meeting of Stockholders held on July 22, 2020, a copy of the same minutes of meeting may be found in the Company's website, and a summary of the same is contained in the Definitive Information Statement circulated prior to the meeting.

At the request of the Chairman, the Corporate Secretary reported that shareholders owning 3,036,537,688 shares or 100.00% of the total voting shares represented in the meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairman declared the minutes of the last Annual Meeting of Stockholders held on July 22, 2020 approved.

The breakdown of the votes cast on this matter was as follows:

Votes in favor –	3,036,537,688 (representing 100.00% of total votes cast)
Votes against –	0
Abstentions –	3,500 (representing 0.00% of total votes cast)

## **PRESIDENT'S REPORT / APPROVAL OF 2020 AUDITED FINANCIAL STATEMENTS**

The President, Ms. Benjamarie Therese N. Serrano, reported the highlights of the Company's operations and financial performance for the year 2020, as follows

Against the backdrop of challenges posed by the Pandemic, AllHome continues to be resilient, ending 2020 with a commendable operating performance.

Emerging from the two-month lockdown from March 17 to May 15 that greatly affected the Company's performance in the second quarter, it saw steady quarterly improvements in its performance from the second quarter to the 4th quarter with the 4th quarter already approximating the pre-covid quarterly sales. This resulted in topline growth and decent net profit numbers amidst an extremely difficult retail climate.

The following are the key factors that made this possible:

First, the Company took advantage of the AllValue Retail Ecosystem which enabled AllHome to serve its customers even during the Enhanced Community Quarantine (ECQ) when 40 out of our 45 stores were temporarily closed. Its immediate response to establish pop-up stores beside AllDay Supermarkets allowed AllHome to make available essential home items needed by customers at the height of summer while being home-quarantined. Co-located with its affiliate supermarkets and coffee shops, AllHome was able to provide a one-stop shop destination for customers from thriving residential communities, near to which its stores are located. AllHome's store formats which are essentially free-standing stores with separate entrances and exits provide a safe shopping experience to its customers as they could park, shop, and then leave without having to mingle with a wider group of shoppers compared to stores with access only from inside the malls.

Second, AllHome's continued synergy with the Villar Group resulted in securing the best store locations, satisfying its captive target markets, fast-tracking execution capabilities, and achieving economies of scale.

Third, AllHome initiated digital innovations to complement its brick and mortar stores. AllHome launched its own E-commerce platform [www.allhome.com.ph](http://www.allhome.com.ph) during the ECQ period and created various online shopping platforms to maximize its online presence and make its products available to customers while observing quarantine and health protocols. These are the Shop Online at AllHome Viber community, AllHome Builders Centre Viber Community and Personal Shopper Service. It is also in major third-party online marketplaces—Lazada, Shopee, PayMaya Mall and All Day e-commerce platform. It also tapped the on-demand delivery app services GrabMart and Metromart, and are active in online selling on Facebook and have its own YouTube channel, All Home's Inspirations.

Fourth, AllHome is continuously finding ways to expand its customer base and one of the market that it aims to serve in a big way is the b2b market - and these are the architects, builders, contractors, designers and engineers. Membership in Our Builders Loyalty card is aimed at increasing sales in hard categories and now has 5,506 members reflecting a 140% growth from Dec 2020.

Fifth, AllHome's balanced category mix mitigated the declining demand for hard categories during the lockdowns and in the succeeding months. Its wide and diversified product offering covering 250,000 SKUs are almost equally spread between the soft and hard categories, thus it can easily calibrate its product mix depending on market demand or season.

AllHome's In-House brand portfolio grew from 27 brands in 2019 to 40 by 2020 across all its seven product categories, 5 new in house brands in the soft categories and 8 in construction, flooring, and DIY categories, consistent with its objective of expanding our B2B market base.

Sixth, AllHome resumed store construction as soon as social and business restrictions were eased and opened five new stores in the last four months of 2020, which was quickly followed by additional 5 stores in the first four month of 2021, bringing its total network to 55 stores, 41 of which are in Mega Manila or NCR+, 7 rest of Luzon, 3 in Visayas and 4 in Mindanao. In terms of size and format, 39 are large stores, both mall based and free standing, with their own entrance and exits, while 16 are small specialty stores. Included in its specialty stores is the pilot AllDigital store in response to the times. Total selling space of the entire network as of June 2021 is already more than 362,000 sqm.

As a result, AllHome Revenue for FY of 2020 reached Php12.414 billion—reflecting a CAGR of 36.4% from 2017 to 2020. It also surpassed the 2019 top line figure by 3%, despite the temporary closures of stores during the two-month ECQ from March-May and the two-week Modified ECQ in August. Comparative 4th quarter figures also showed a 5.5 % increase. Gross profit likewise reflected a CAGR of 43.7 % and an annual growth of 8.9% in 2020 with GP Margin improving from almost 30% in 2019 to 31.2% in 2020 and further to 32.3% in the fourth quarter of 2020.

Margin improvement came from sourcing and negotiation gains and increased sales contribution from in-house brands.

EBITDA still has a CAGR of 102% despite the flat figure for 2020 because of the additional operating expenses incurred from 18 new stores that opened in the fourth quarter of 2019 and the five new stores in 2020. However, EBITDA recovered towards the 4th quarter reflecting an 18.6% growth, and an EBITDA margin at its highest at 22.3%.

Net income after tax decreased YOY by 5.9% from Php1.050 billion in 2019 to Php988 million in 2020. This was a result of the additional depreciation and fixed overhead expenditures related to 23 new stores opened from the fourth quarter 2019 up to the end of 2020. Corresponding net profit margin declined from 8.7% in 2019 to 8.0% in 2020. However, for fourth quarter comparables, net profit margin already reflected an increase from 7.8% in 2019 to 9.8% in 2020.

AllHome was able to recover on a quarterly basis from its lowest point during the ECQ period in the second quarter of 2020. Sales normalized to pre-pandemic levels in the third quarter of 2020, increasing by 133% versus the second quarter and further by 18% to the fourth quarter as AllHome was able to take advantage of the holiday season. Consequently, Gross Profit, EBITDA, and NIAT all registered an upward trend and have since returned to profitable levels. GP, EBITDA and Net Profit margins were all at its highest level by the fourth quarter of 2020. Its SSSG for 2020 was just 3.5% from 2019's 41.7%. However, on a quarterly basis, its SSSG recovered significantly at 13.3% on the 3Q and 10% on the 4Q from -8.2% in the first half of the year.

The 3.6 million number of transactions for 2020 surpassed the volume of transactions of 2019, primarily because of the strong recovery in the third and fourth quarters especially since AllHome was able to take advantage of holiday sales. Average transaction size for 2020 increased from Php 3,157 to Php 3,343, reflecting a 5.9% growth.

One clear factor driving AllHome's sales growth and profitability is its distinct advantage of carrying seven key product categories, divided between the soft and hard categories, with a 58% 42% historical ratio. Sales contribution of the soft categories moved from its historical average of 58% to 62%, primarily driven by the increase in contribution of the appliances category. Soft category sales spiked in the second quarter, reaching 66% of sales and remaining higher than the 2019 average up to the fourth quarter, with 63% contribution to sales. This helped mitigate the drop in construction-related sales which are mostly in the hard categories.

For working capital, Inventory turn-over as of FY 2020 was at 248 days, due to inventory build-up for AllHome's store openings in the fourth quarter of 2020 and first quarter 2021, in addition to its expanded in-house brands.

Trade receivables turnover in 2020 was at five days, showing marked improvement against the 18 days as of end 2019. This was a direct result of AllHome's continuous effort to improve collection and the enhanced accreditation process of corporate customers. Trade payables turnover likewise improved significantly from 32 days in 2019 to 53 days in 2020 as AllHome was able to negotiate for better credit terms with suppliers.

In terms of AllHome's financial position, its total assets have increased to Php21.7B as of end 2020 from Php19.6B in 2019, primarily due to increase in inventories, and property and equipment for new stores and in-house brands expansion. It ended 2020 with a cash balance of Php1.7B from Php2.3B in 2019. Inventories were at Php6.3B and property and equipment ended 2020 with Php11.9B as it rolled out 5 additional stores during the year. Its equity base by the end of 2020 was at Php13.3B due to net income recorded during the period.

In closing, Ms. Serrano affirmed AllHome's commitment to growth and shareholder value by continuing its store network expansion of 6-8 stores per year while vigorously pursuing its omni channel strategies. She emphasized that maximizing AllHome's synergistic relationship with the Villar Companies remains integral to its growth strategy. As the economy emerges from the pandemic, the company acknowledges that a new normal will emerge and it recognizes that this is where resilience comes into play and it will look to leverage its ability to remain agile and to innovate in all its initiatives to drive growth, across all channels, in-store and on-line.

Ms. Serrano finally stated that AllHome remains steadfast in its commitment of growth to stakeholders while always having the health, safety and welfare of its employees and customers in mind.

At the request of the Chairman, the Corporate Secretary reported that shareholders owning 3,036,537,688 shares or 100% of total voting shares represented in the meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairman declared the President's Report and the Annual Report of the Company for the year ended December 31, 2020 noted and the Audited Financial Statement of the Company as of and for the year ended December 31, 2020 approved.

The breakdown of the votes cast on this matter was as follows:

Votes in favor –	3,036,537,688 (representing 100% of total votes cast)
Votes against –	0
Abstentions –	3,500 (representing 0.00% of total votes cast)

### **RATIFICATION OF ACTS OF BOARD OF DIRECTORS AND MANAGEMENT**

At the request of the Chairman, the Corporate Secretary explained that Management is proposing the ratification of the acts of the Board of Directors and Management of the Company for the year 2020 until the day of the meeting, as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the Securities and Exchange Commission and the Philippine Stock Exchange and as more particularly described in the Definitive Information Statement for the meeting.

The Corporate Secretary then reported that shareholders owning 3,015,089,502 shares or 99.29% of total voting shares represented in the meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairman declared the acts of the Board of Directors and Management of the Company for the year 2020 until June 25, 2021 ratified.

The breakdown of the votes cast on this matter was as follows:

Votes in favor –	3,015,089,502 (representing 99.29% of total votes cast)
Votes against –	0
Abstentions –	21,451,686 (representing 0.71% of total votes cast)

### **ELECTION OF DIRECTORS**

At the request of the Chairman, the Corporate Secretary reported that the following individuals have been nominated for election as directors of the Company:

Manuel B. Villar, Jr.  
Camille A. Villar  
Benjamin Therese N. Serrano  
Frances Rosalie T. Coloma  
Manuel Paolo A. Villar  
Laura Suarez Acuzar  
Jessie D. Cabaluna

The Corporate Secretary identified Ms. Acuzar and Ms. Cabaluna as independent directors. She added that the Nominations Committee of the Board has evaluated the nomination of these individuals and confirmed that they possess all the qualifications and have none of the disqualifications to be elected as directors of the Company, and that Ms. Acuzar and Ms. Cabaluna meet all the requirements for election as independent directors of the Company under the Securities Regulation Code and its Implementing Rules and Regulations.

The Corporate Secretary then stated that considering that there are only seven nominees for the seven Board seats and each nominee received votes, each of the nominees has received sufficient votes for election to the Board.

Accordingly, the Chairman declared the seven nominees named by the Corporate Secretary elected as directors of the Company for the year 2021 and until their successors have been duly elected and qualified.

The number of votes cast in favor of each directors is as follows:

Manuel B. Villar, Jr.	-	2,968,440,002
Camille A. Villar	-	2,871,740,802
Benjamarie Therese N. Serrano	-	3,015,089,502
Frances Rosalie T. Coloma	-	2,910,794,302
Manuel Paolo A. Villar	-	2,854,327,802
Laura Suarez Acuzar (Independent Director)	-	3,036,537,688
Jessie D. Cabaluna (Independent Director)	-	3,036,537,688

### **APPOINTMENT OF EXTERNAL AUDITOR**

The Corporate Secretary stated that the Audit Committee of the Board recommended, and Management is accordingly proposing to the stockholders, the re-appointment of Punongbayan and Araullo as external auditors of the Company for the year 2021.

The Corporate Secretary then reported that shareholders owning 3,036,537,688 shares or 100.0% of total voting shares represented in the meeting have voted in favor of the approval of this corporate action.

The Chairman accordingly declared Punongbayan and Araullo reappointed as external auditors of the Company for the year 2021.

The breakdown of the votes cast on this matter was as follows:

Votes in favor –	3,036,537,688 (representing 100.00% of total votes cast)
Votes against –	0
Abstentions –	3,500 (representing 0.00% of total votes cast)

### **OTHER MATTERS**

The Company's Head of Investor Relations, Ms. Robirose M. Abbot, read the questions received from the shareholders of the Company, and the same were addressed by the Chief Executive Officer, as follows:

1. How does the ECQ/MECQ this 2021 affected the operations of AllHome? (Question from Mr. Roydon Joseph Padua)

Unlike the ECQ/MECQ in 2020 when 40 out of 45 stores went into temporary closure, the ECQ/MECQ this 2021 did not put any of AllHome's stores in temporary closure. All or 100% of its stores were allowed to operate albeit at shortened operating hours due to quarantine curfews.

2. How many stores does the Company have as of now? Will there be new store openings in the second half of the year? (Question from Mr. Eronnie de Guzman)

The Company has 55 stores as of this date. It launched 5 new stores this year in addition to the 50 stores it had as of end 2020. The latest addition and its 55th store is AllHome Sto. Tomas in Batangas, which opened earlier this month. As to new store openings in the second half of the year, this remains fluid and dynamic as the pandemic situation goes on. AllHome planned to have at least 6 new stores this year, out of which 5 have already opened.

#### **ADJOURNMENT**

There being no further business to transact, the Chairman declared the meeting adjourned.

CERTIFIED CORRECT:

(signed)  
**JO MARIE LAZARO LIM**  
Corporate Secretary

ATTESTED BY:

(signed)  
**MANUEL B. VILLAR, JR.**  
Chairman