



Indexlivingmall

Index Living Mall Public Company Limited (ILM)

Q2/2021

Analyst Meeting

19 August 2021



Disclaimers

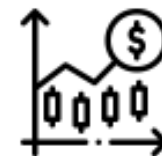
The information contained herein is intended to represent the Company's operating and financial position at a given point in time and may also contain forward looking information which only reflects expectations based on the prevailing geo-political, economic and non-controllable factors. Such information has been obtained from sources believed to be most reliable and the means in analyzing and preparation of such information for disclosure are based on approve practices and principles in the investment industry. The views are based on assumption subject to various risks and uncertainties and no assurance is made as to whether such future events will occur. No assurance is made as to the accuracy or completeness of information presented in this document.

Q2/2021 Highlights



Net Profit Grew Remarkably by 596.7%YoY

The Company recorded net profit in Q2/2021 of 101.0 MB, increased by 596.7% YoY, mainly supported by recovered revenue and effective operating cost management.



Online Sales Hit a New Record High

Online sales in Q2/2021 rose to 237.8 MB, increased by 16.5% YoY and 53.3% QoQ, breaking the previous quarterly sales record of 204.1 MB in Q2/2020.



Outstanding Sales Growth of Younique Customized Furniture in Provincial

Sales of Younique Customized Furniture in provincial continued to grow strongly by 158.1% YoY and 1.7% QoQ, compared to sales in greater Bangkok, which grew by 28.2% YoY but decreased by 16.4% QoQ. Overall sales were 95.8 MB, increased by 68.4% YoY but decreased by 8.6% QoQ



Well Managed Liquidity

Total borrowings continued to decrease and stood at 2,575.3 MB at the end of Q2/2021, reduced by 558.1 MB or 17.8% from 3,133.4 MB at the end of 2020, with the long-term loan prepayment of 484.7 MB. The Company also announced the interim dividend of 0.15 Baht per share, totaling 75.8 MB for the operating performance between 1 January - 30 June 2021.



AGENDA



Financial Updates



Situation Updates & Outlook



Appendix

Q2/2021 Key Financial Highlights



+11.2% YoY

Operating Revenue

(Q2/2021) **2,033.8** MB

1,829.8 MB (Q2/2020)



+2.8% YoY

SG&A

(Q2/2021) **726.9** MB

707.0 MB (Q2/2020)



+596.7% YoY

Net Profit

(Q2/2021) **101.0** MB

14.5 MB (Q2/2020)



+1.5% YoY

%GPM from Sale

(Q2/2021) **44.2%**

42.7% (Q2/2020)



+34.1% YoY

EBITDA

(Q2/2021) **402.8** MB

300.3 MB (Q2/2020)



+16.5% YoY

Online Sales

(Q2/2021) **237.8** MB

204.1 MB (Q2/2020)

6M/2021 Key Financial Highlights



+3.1% YoY

Operating Revenue

(6M/2021) **4,167.3** MB

4,040.8 MB (6M/2020)



-5.5% YoY

SG&A

(6M/2021) **1,432.1** MB

1,514.7 MB (6M/2020)



+85.7% YoY

Net Profit

(6M/2021) **246.4** MB

132.7 MB (6M/2020)



-0.7% YoY

%GPM from Sale

(6M/2021) **43.8%**

44.4% (6M/2020)



+16.1% YoY

EBITDA

(6M/2021) **860.1** MB

740.8 MB (6M/2020)



+38.9% YoY

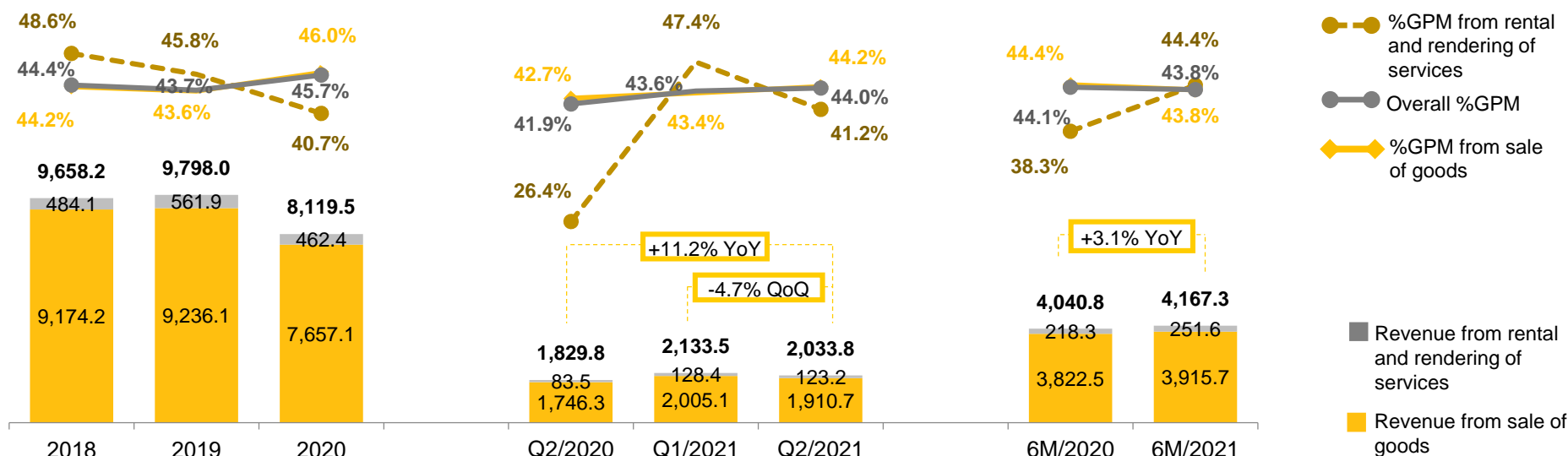
Online Sales

(6M/2021) **392.8** MB

282.8 MB (6M/2020)

Operating Revenue

(THB million, %)



Q2/2021

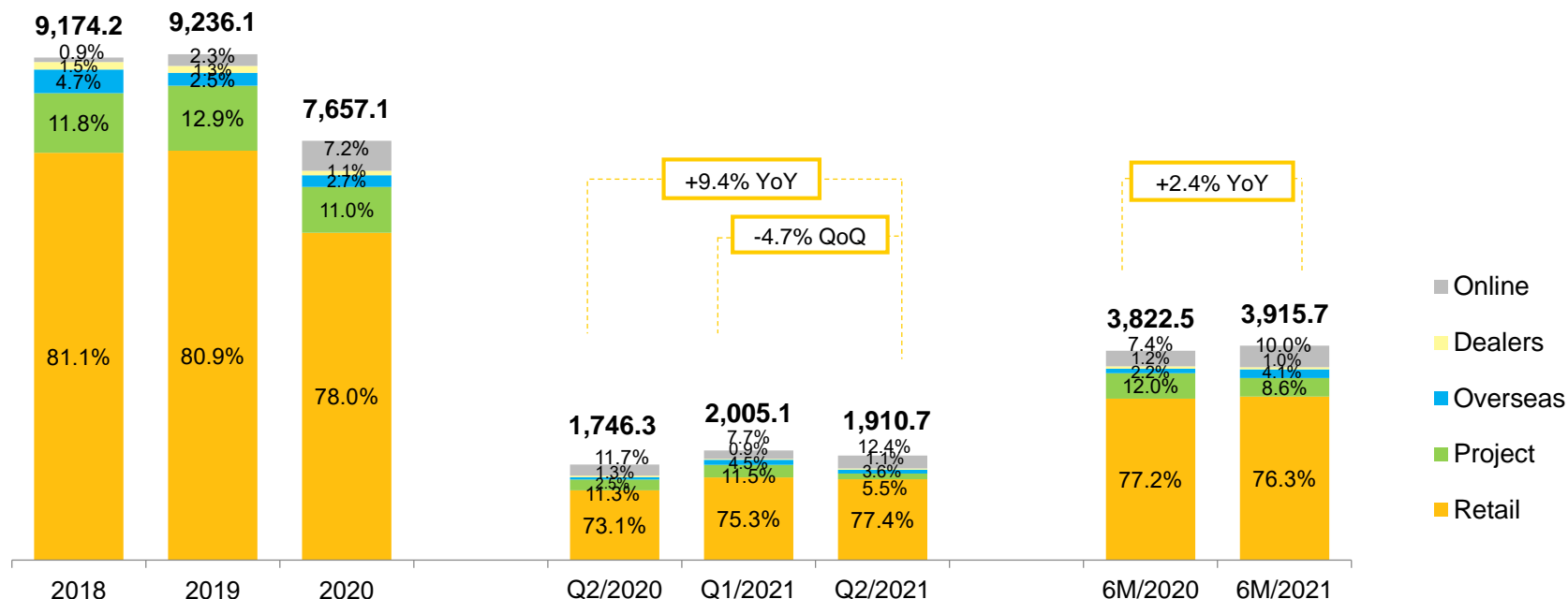
- Increased operating revenue YoY was mainly due to the country lockdown during the first outbreak of COVID-19, which caused the significant drop in retail sales in the same period last year.
 - Higher %GPM from sale YoY was supported by increased sales and improved sales proportion of higher-margin products, e.g., retail sales and Younique Customized Furniture.
 - Higher %GPM from rental and rendering of services YoY was attributable to lower rental discounts given to tenants compared to the same period last year.
- Decreased operating revenue QoQ was mainly due to the third wave of COVID-19 since April 2021.
 - Higher %GPM from sale QoQ was supported by the increased selling prices to compensate for the higher cost of particle board and improved sales proportion of retail sales which contributed to better margin.
 - Lower %GPM from rental and rendering of services QoQ was due to rental discounts given to tenants impacted from the government's measures over the highest and strict areas during the third wave of COVID-19.

6M/2021

- Increased operating revenue YoY was due to the same reasons as Q2/2021, the country lockdown during the first outbreak of COVID-19.
 - Lower %GPM from sale YoY was mainly due to increased cost of particle board and higher sales proportion of lower-margin products, including OEM sales, and clearance of slow-moving goods during Q1/2021.
 - Higher %GPM from rental and rendering of services QoQ was resulted from lower rental discounts given to tenants in Q2/2021 compared to the same period last year.

Sales by Channel

(THB million, %)



Q2/2021

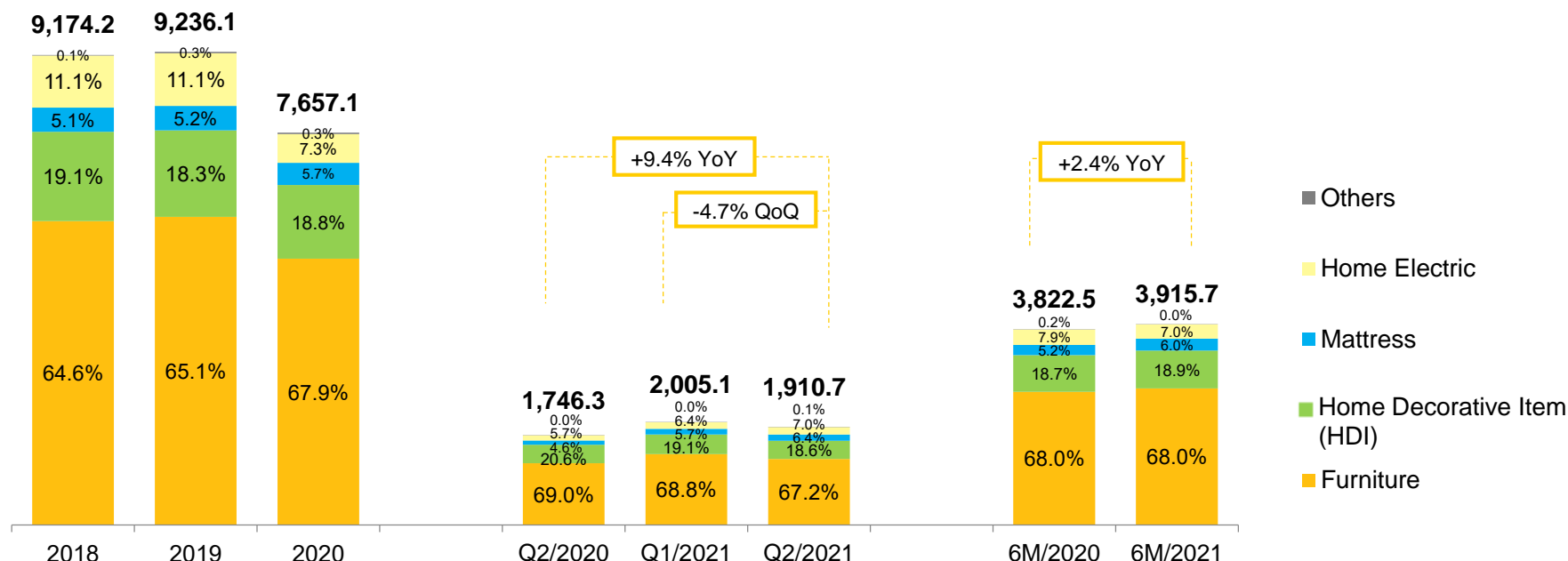
- Sales of almost every channel grew YoY, except domestic project and dealers. Conversely, sales of almost every channel dropped QoQ, except online and dealers, which managed to grow by 53.3% and 15.2% QoQ, respectively.
- Increased sales growth channels YoY included retail sales, which grew by 15.8% YoY; online sales, which grew by 16.5% YoY; overseas OEM, which grew by 89.8% YoY; and overseas franchise, which grew by 17.1% YoY. Younique Customized Furniture, which was a part of retail sales also grew by 68.4% YoY.
- Online sales have made a new record high of 238.7 MB, increased by 16.5% YoY and 53.3% QoQ

6M/2021

- Sales of almost every channel grew YoY, except domestic project and dealers.
- Increased sales growth channels YoY included retail sales, which grew by 1.3% YoY; online sales, which grew by 38.9% YoY; overseas OEM, which grew by 168.2% YoY; and overseas franchise, which grew by 17.9% YoY. Younique Customized Furniture, which was a part of retail sales also grew by 39.4% YoY.

Sales by Product

(THB million, %)



Q2/2021

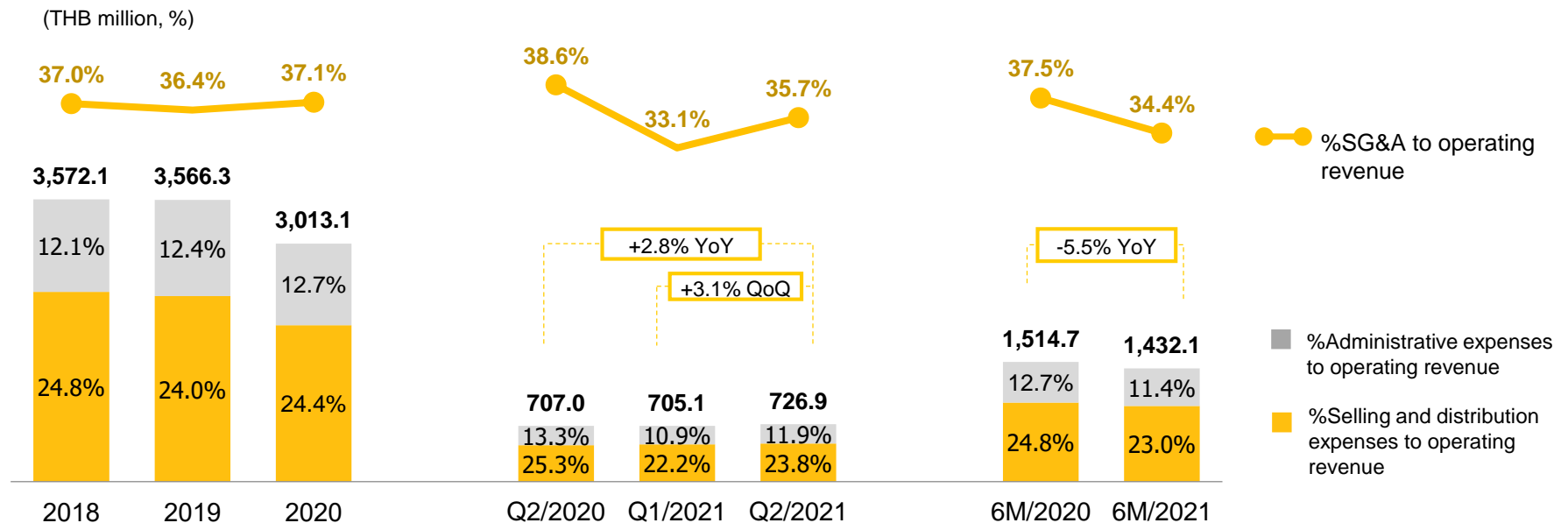
- Sales of almost every product group increased YoY, except HDI which slightly dropped 1.3% YoY.
- Mattress sales grew by 52.6% YoY and 8.4% QoQ following the success of adding more partners brands and relocating the mattress zone to be adjacent to the bedroom furniture to support a cross-selling category strategy.

6M/2021

- Sales of almost every channel grew YoY, except home electric.
- Mattress sales grew by 18.7% YoY, the highest sales growth among all product groups.

Selling & Administrative Expenses

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- Selling and distribution expenses include the Company's retail stores and rental spaces expenses, e.g., employee expenses, depreciation, utilities expenses, rental costs, etc.
- Administrative expenses are related to back office expenses, e.g., employee expenses, delivery costs, depreciation, etc.

Q2/2021

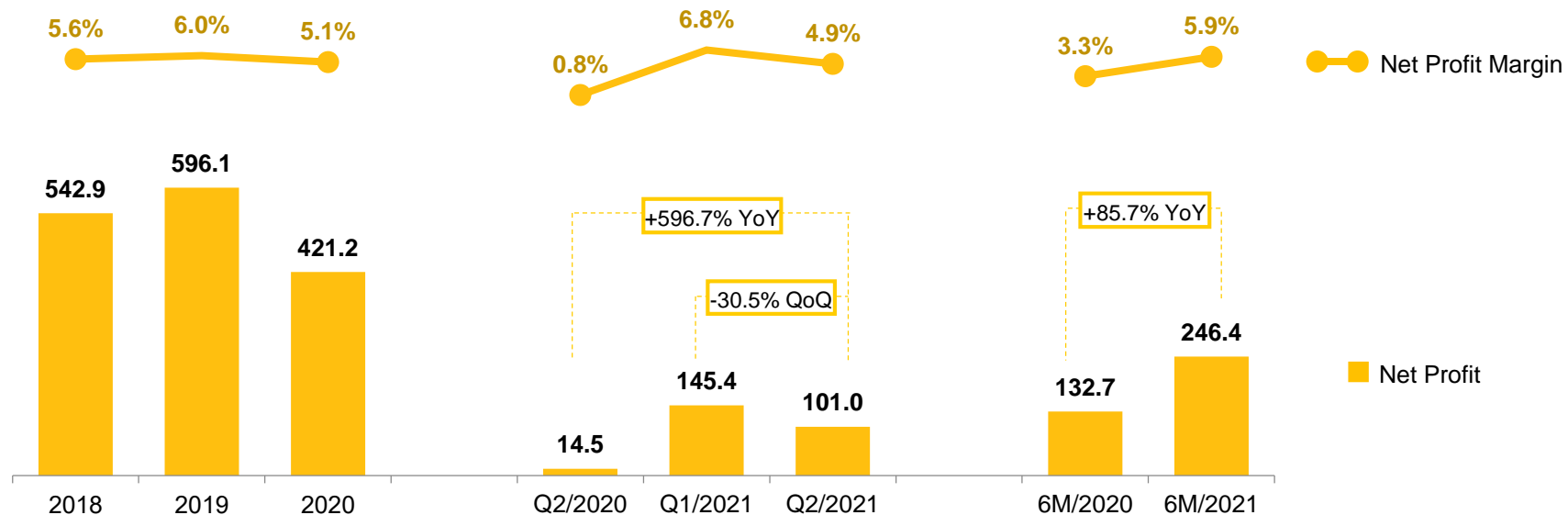
- Higher SG&A YoY was following the higher operating revenue and the less-than-usual expenses in the same period last year due to most store closures during the country lockdown to prevent the spread of the first outbreak of COVID-19.
 - Lower %SG&A to operating revenue YoY was mainly supported by higher operating revenue and improved cost management.
- Higher SG&A QoQ was mainly because of increased promotional expenses and delivery costs, especially from online sales.
 - Higher %SG&A to operating revenue QoQ was due to lower operating revenue. However, effective cost management still has been on track.

6M/2021

- Lower SG&A despite higher operating revenue was mainly attributable to improved cost management, e.g., employee expenses, utilities expenses, and promotional expenses.
 - Lower %SG&A to operating revenue YoY was resulted from improved cost management and higher operating revenue.

Net Profit & Net Profit Margin

(THB million, %)



Q2/2021

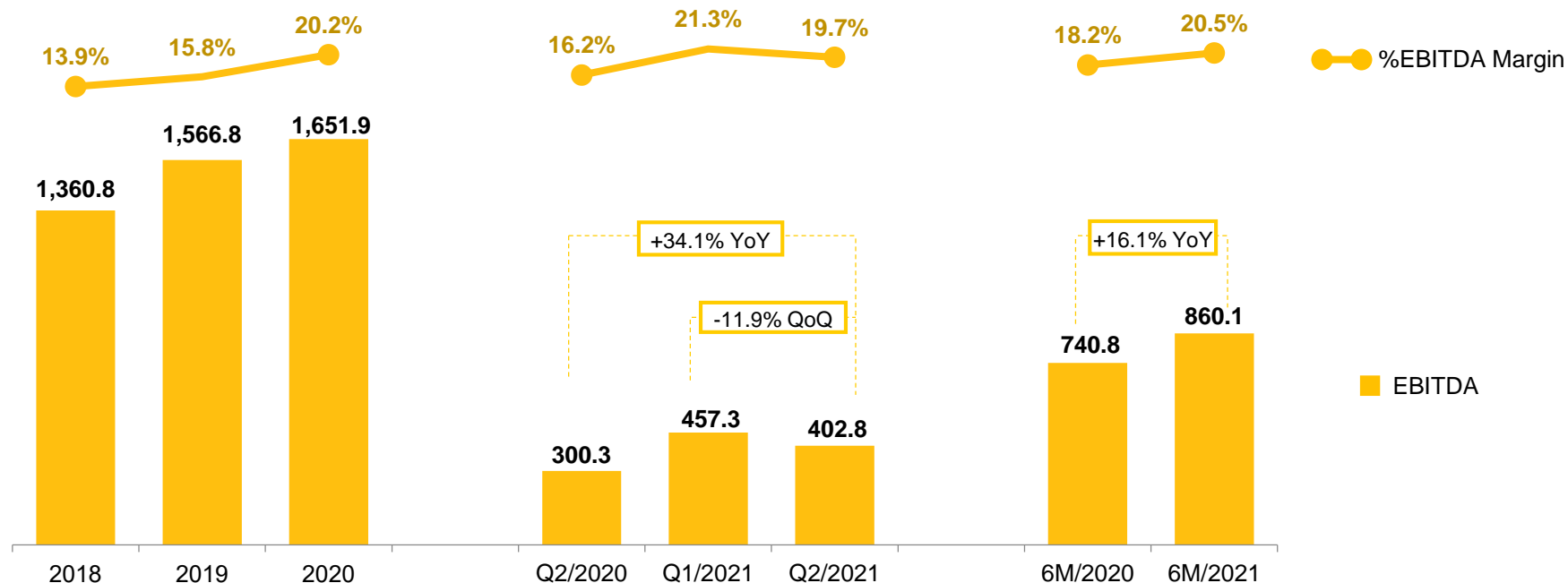
- Impressively increased net profit YoY was mainly supported by recovered operating revenue, improved gross profit margin both from sale and from rental and rendering of services, lower %SG&A to operating revenue, and BOI tax incentives of 4.2 MB from new machinery investment.
- Decreased net profit QoQ was mainly due to lower operating revenue resulted from the third wave of COVID-19 since April 2021, reduced gross profit margin from rental and rendering of services from rental discounts given to tenants, and higher promotional expenses and delivery costs especially from online sales. BOI tax incentives utilized in Q2/2021 were also lower QoQ from 6.2 to 4.2 MB.

6M/2021

- Increased net profit YoY was mainly supported by higher operating revenue, improved gross profit margin from rental and rendering of services, and reduced SG&A from improved cost management, e.g., employee expenses, utilities expenses, and promotional expenses.
- BOI tax incentives utilized during 6M/2021 were 10.4 MB out of total tax incentives received of 64.3 MB.

EBITDA & EBITDA Margin

(THB million, %)

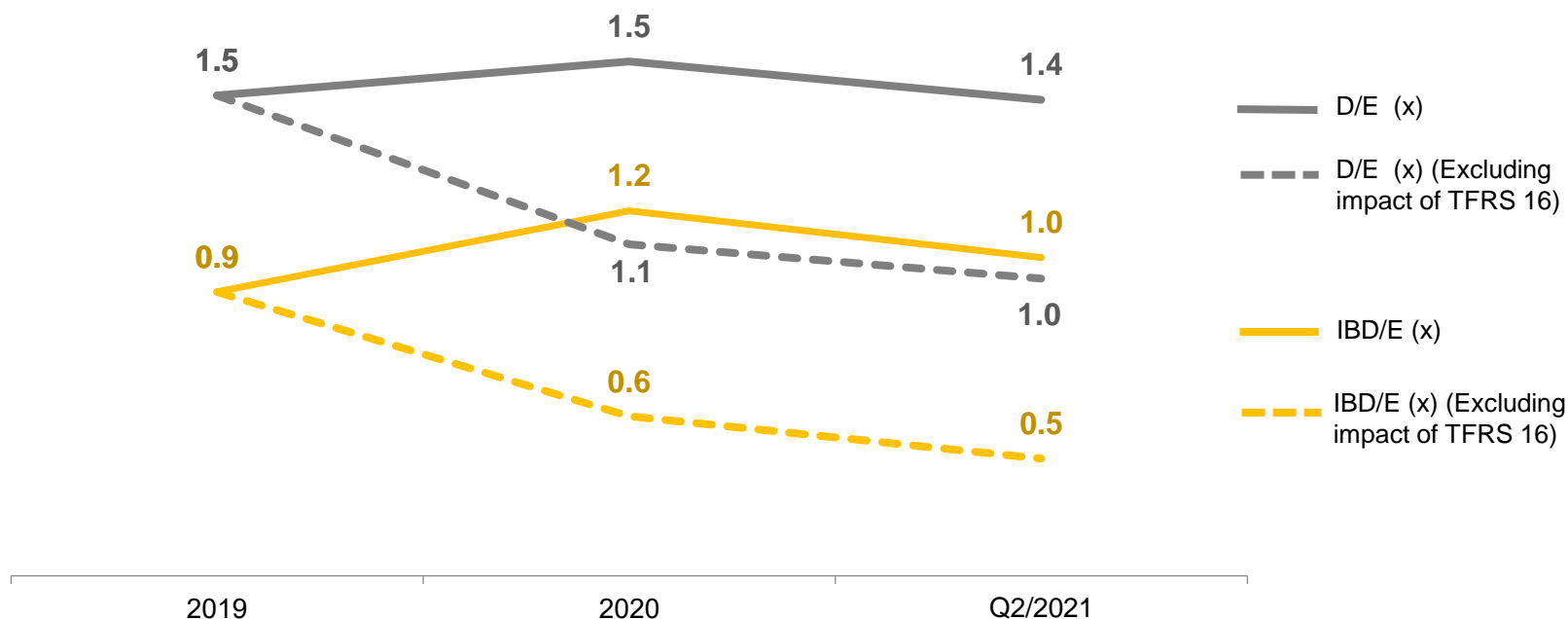


Q2/2021

- Increased EBITDA YoY was mainly supported by improved operating profit.
- Decreased EBITDA QoQ was mainly due to lower operating profit.

6M/2021

- Increased EBITDA YoY was mainly supported by improved operating profit.



Q2/2021

- Debt to Equity (D/E) and Interest-bearing Debt to Equity (IBD/E) at the end of Q2/2021 continued to decrease, mainly supported by reduced borrowings from financial institutions.
- Increased leverage ratios at the end of 2020 compared to the end of 2019 were mainly due to the adoption of the TFRS 16 since 1 January 2020, which resulted in higher liabilities by 2,436.4 MB.
- Total borrowings at the end of Q2/2021 were 2,575.3 MB, reduced by 558.1 MB or 17.8% from 3,133.4 MB at the end of 2020, with the long-term loan prepayment of 484.7 MB.

2021 Goals & Q2/2021 Results

2021 Goals

Q2/2021 Results

6M/2021 Results

SSSG

Single Digit Growth



+15.9% YoY



+2.5% YoY

%GPM
from Sale

+0.25 to +0.50%



+1.5% YoY

Q2/2020: 42.7%, Q2/2021: 44.2%



-0.7 % YoY

2020: 46.0%, 6M/2020: 44.4%,
6M/2021: 43.8%

%SG&A
to Operating
Revenue

-0.5 to -1.0%
to Operating
revenue



-2.9% to Operating
Revenue YoY

Q2/2020: 38.6%, Q2/2021: 35.7%



-3.1% to Operating
Revenue YoY

2020: 37.1%, 6M/2020: 37.5%,
6M/2021: 34.4%



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Situation Updates & Outlook



Appendix

Growth Strategies



Accelerating online sales from the Company's platforms and partners' marketplaces



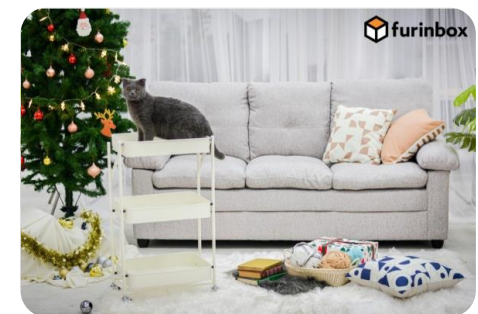
Driving sales from small and middle-tier projects through Younique Customized Furniture



Growing sales of Younique Customized Furniture in provincial



Additional overseas franchise stores in the pipeline



"Furinbox" on track to penetrate the mass market through the online channel

Looking Forward



***Expanding sales channel into modern trade
OEM***



***Rebuilding network with previously expired-
contract dealers and also recruiting new
partners***



***Cost savings initiatives, e.g., supply chain
revamps, solar rooftop, fuel bunker, etc.***



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Financial Updates



Situation Updates & Outlook



Appendix

Outlook of the Thai Economy

(%YoY)	Actual Data		Actual 2021			Projection for 2021	
	2019	2020	Q1	Q2	H1	As of 17 May 21	As of 16 Aug 21
GDP Growth	2.3	-6.1	-2.6	7.5	2.0	1.5 - 2.5	0.7 - 1.2
- Private Consumption	4.0	-1.0	-0.3	4.6	2.1	1.6	1.1
- Private Investment	2.7	-8.4	3.0	9.2	5.9	4.3	4.7
- Export volume of goods & services	-3.0	-19.4	-10.5	27.5	5.6	1.8	9.6
- Import volume of goods & services	-5.2	-13.3	1.7	31.4	14.8	4.7	15.8

Source: Office of the National Economic and Social Development Council, 16 August 2021

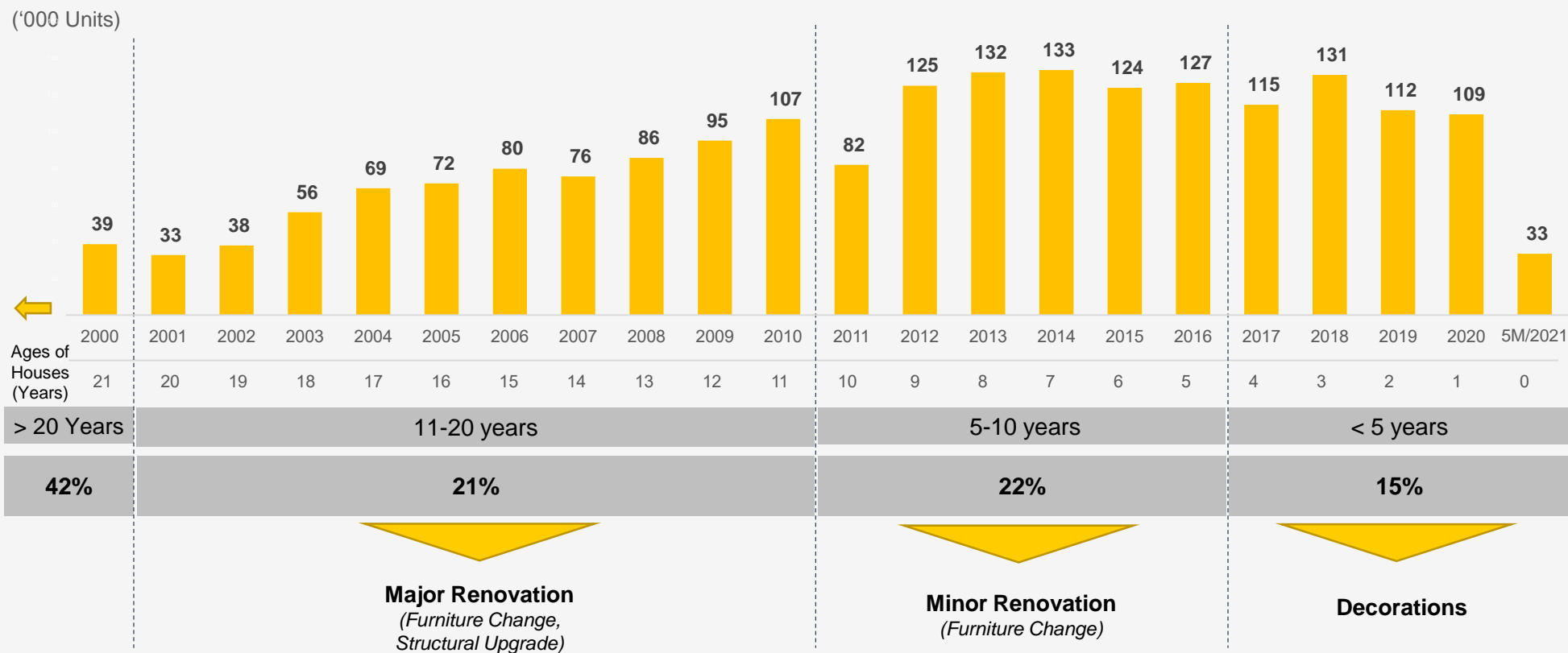
Notes: 2020 GDP Growth by Quarter: Q1/2020 -2.1%, Q2/2020 -12.1%, Q3/2020 -6.4%, Q4/2020 -4.2%

Ageing Houses Drive Demand for Home Improvement and Renovation

Renovated Properties: Home Improvement and Renovation

Number of New Houses Registered in Bangkok Metropolitan Region *

(Total Registered Houses During 1988-5M/2021: **3,354,813** units)



* New registered houses include housing projects, apartment, condominium, and self-built housing

Source: Bank of Thailand

Strength in Numbers

1st

Largest market share in Thailand home furnishing retailer Industry

ILM sells not only furniture but also a full range of home decorative products, marking ILM a leading furniture and home furnishing retailer in Thailand

27

Years of furniture and home furnishing experience in Thailand

Experienced management team with continuous innovation

58

Branches to capture all diverse customer groups in Asia

31 Standalone Index Living Mall stores
12 Index Furniture Center and high-end brand stores
1 WINNER Store
14 Franchise stores in 7 countries* across Asia

Remark: Data as of 30 June 2021

* Excluding 6 shop-in-shops

Business Overview

6M/2021

Revenue from sale of goods

94% **SALES**

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Revenue from rental and rendering of services

6% **RENTAL**

Domestic

Overseas



96% Of revenue from sale of goods

1. Retail Stores

- 5 Brands of retail store covering all groups of customers

3. Dealers

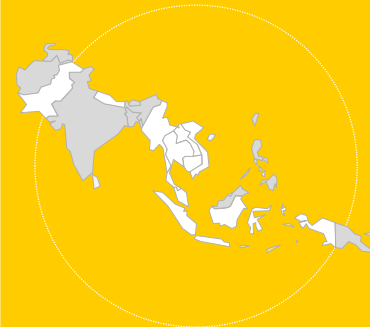
- Products sold through dealer stores nationwide

2. Projects

- Focus on property developers, offices, shops, hospitals, schools, hotels, etc.

4. Online

- Selling through the Company's platforms and partners' marketplaces



4% Of revenue from sale of goods

1. Franchise Stores: 14 stores in 7 countries*
2. International Projects
3. OEM & Trading

*Excluding 6 shop-in-shops

- 3 Mid-sized Community Malls

THE WALK

LITTLE WALK

- 2 Small-sized Community Malls

- Rental spaces in 4 standalone Index Living Mall stores

Index livingmall

+

- Other rental areas in 11 Index Living Mall stores

Business Overview

5 Brands of Retail Stores in Thailand

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TRENDDESIGN®

BoConcept®

MOMENTOUS



TRENDDESIGN®

BoConcept®



One-stop shopping solution for modern, functional, simple, customized, and reasonably priced products

Simple and good quality furniture at reasonable prices

Imported high-quality furniture with unique modern design

Imported high-quality furniture and home décor products in Danish-style

Imported American luxury high-quality furniture and home décor products



Mass to Premium Mass

Mass

Premium Mass to Premium

Premium

Ultra Luxury



- 31 stores of Index Living Mall
- 4 stores of Index Furniture Center

- 1 WINNER Store in Ratchaburi

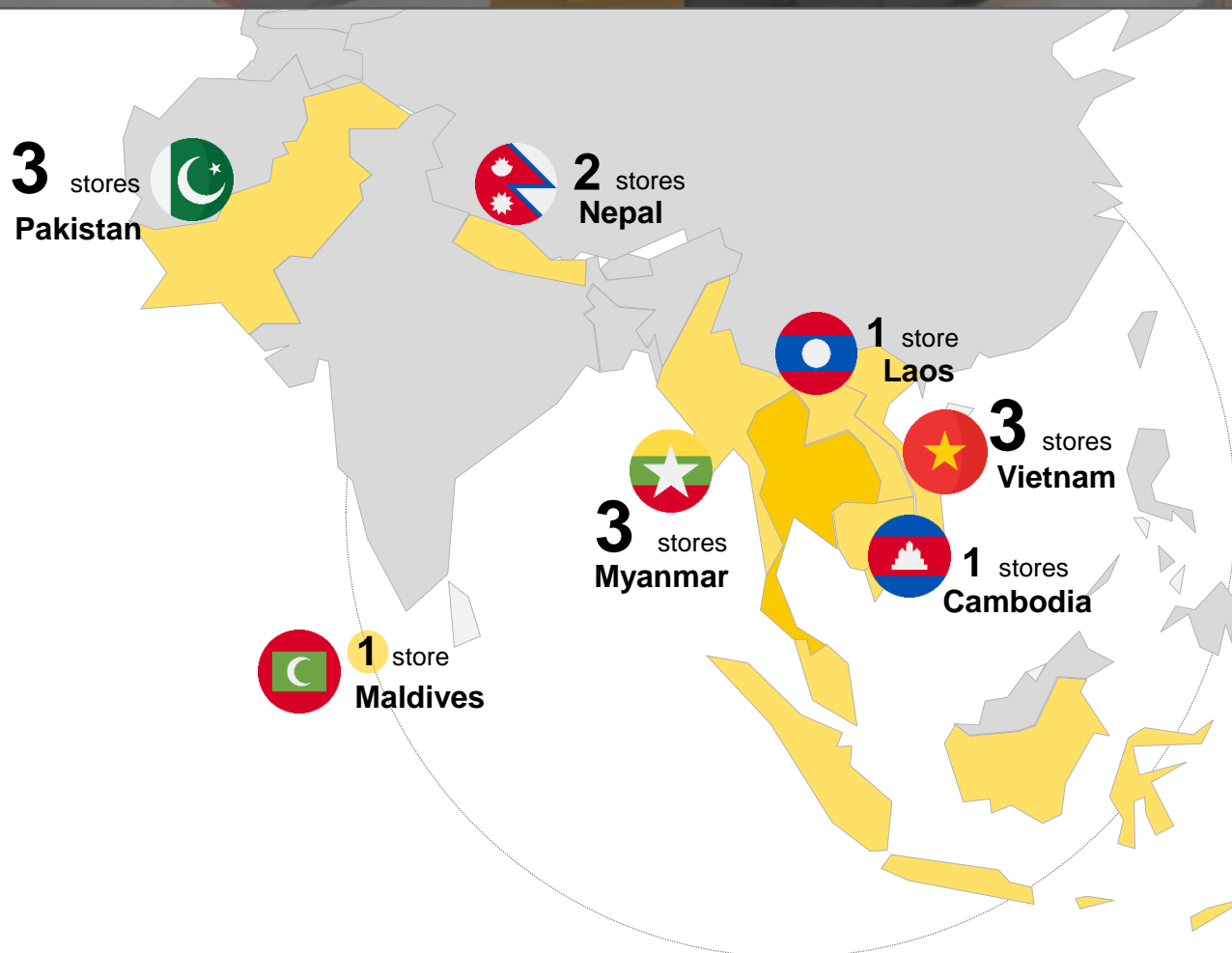
- 6 Stores at Index Living Mall

- 1 Store at Siam Paragon

- 1 Store at Siam Paragon
- 2 Shop-in-shops at Index Living Mall

Business Overview

ILM's Retail Stores Across Asia



Space Rental and Rendering of Services

1

THE WALK



Mid-sized Community Mall

Rental space in multi-storey building with various shops that fulfill and meet lifestyle of the target group

The Walk Ratchaphruek

Year of opening	February 2012
Area (m ²)	16,515.7
Occupancy Rate	86.5%

Tenants



The Walk Kaset-Navamin

Year of opening	August 2013
Area (m ²)	15,310.9
Occupancy Rate	80.8%

Tenants



The Walk Nakhonsawan

Year of opening	January 2014
Area (m ²)	16,932.0
Occupancy Rate	100.0%

Tenants Sub-leased by Tesco Lotus

2

LITTLE WALK



Small Community Mall

Rental space in one-storey building whose advantage is convenience to access stores in the mall

Little Walk Bangna

Year of opening	January 2017
Area (m ²)	3,484.8
Occupancy Rate	93.6%

Tenants



Little Walk Pattaya

Year of opening	November 2018
Area (m ²)	5,322.2
Occupancy Rate	79.4%

Tenants



3

Index Mall



Rental spaces in large-sized standalone Index Living Mall which enhance opportunities and attract customers to visit the mall

Index Mall Rama II

Year of opening	April 2017
Area (m ²)	3,450.9
Occupancy Rate	80.5%

Index Mall Chaiyapruet

Year of opening	March 2019
Area (m ²)	3,623.6
Occupancy Rate	91.3%

Index Mall Bang Yai

Year of opening	March 2017
Area (m ²)	5,907.0
Occupancy Rate	64.2%

Index Mall Bangna

Year of opening	September 2018
Area (m ²)	3,171.6
Occupancy Rate	79.1%

Tenants



4

Other rental areas in Index Living Mall

Rental space in 11 Stores of Index Living Mall

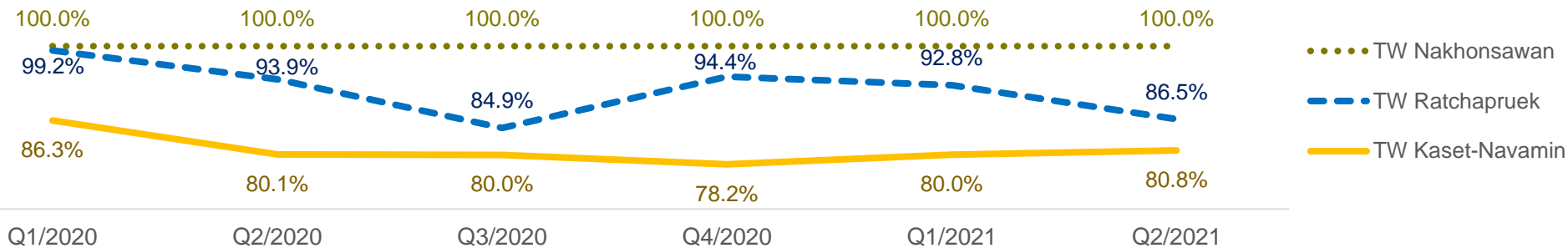
Total rental area (m ²)	2,945.5
Occupancy Rate	45.0%

Tenants

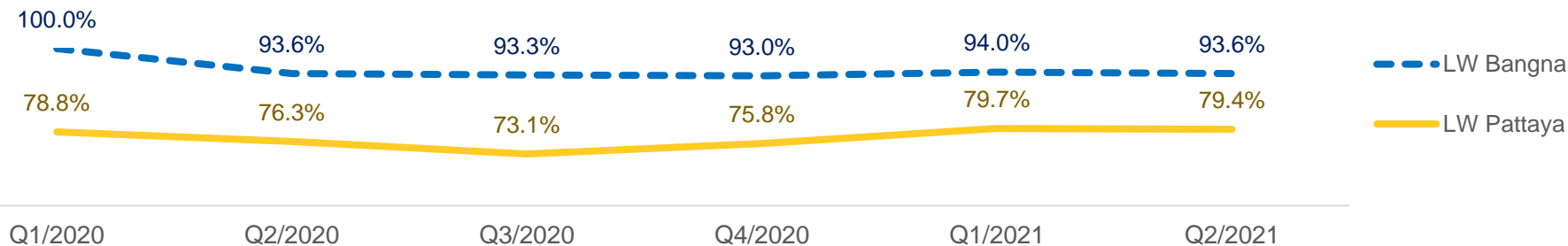
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Rental Occupancy Rate

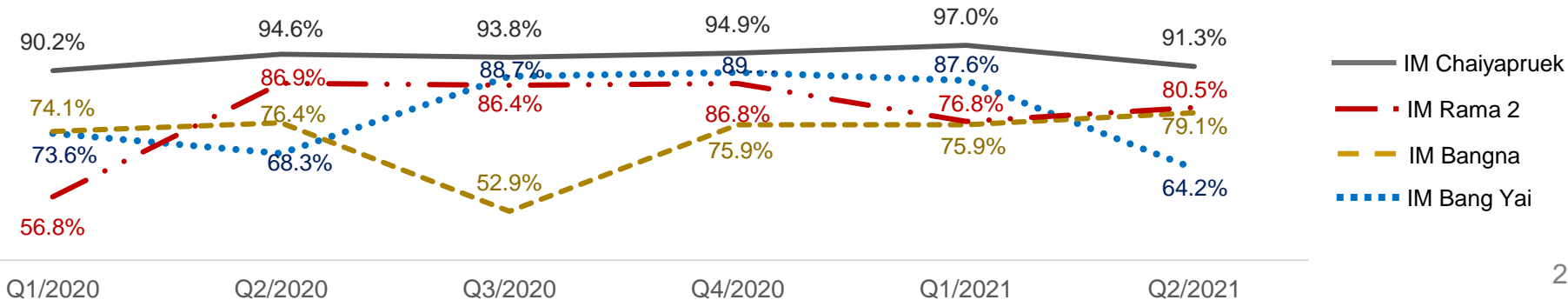
The Walk



Little Walk



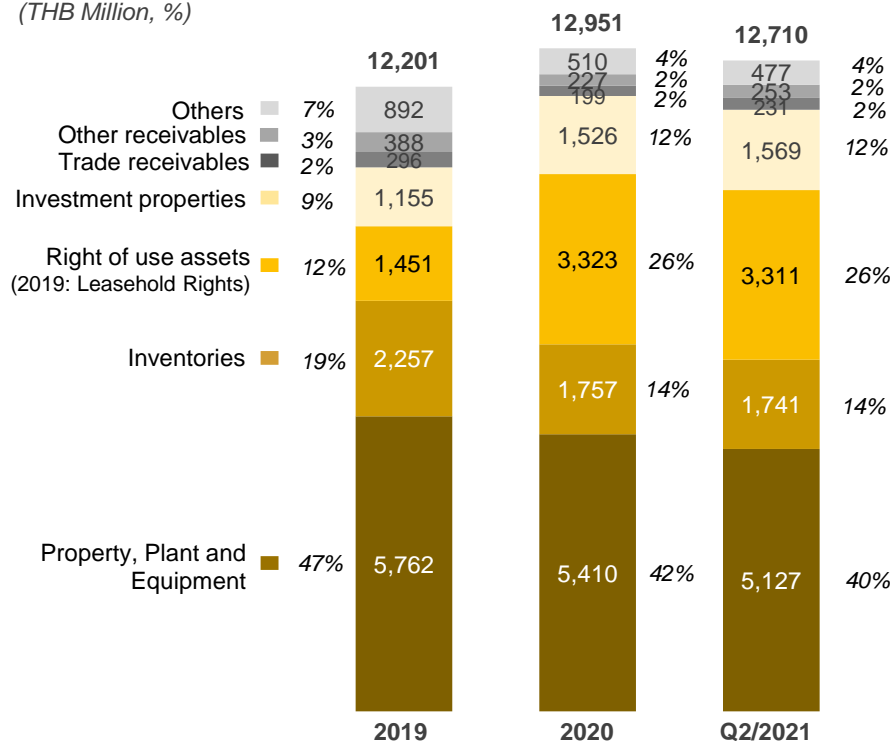
Index Mall



Statement of Financial Position

Total Assets

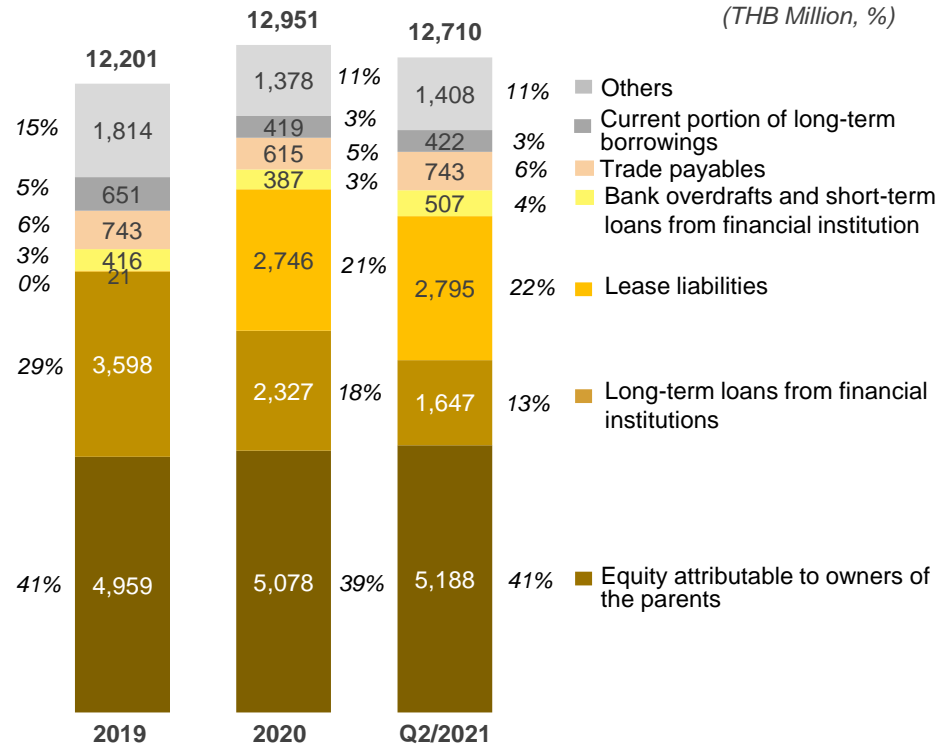
(THB Million, %)



- The decrease of total assets at the end of Q2/2021 by 241.0 MB or 1.9% from the end of 2020 was mainly due to lower property, plant and equipment by 282.9 MB as a result of depreciation.

Total Liabilities and Equity

(THB Million, %)

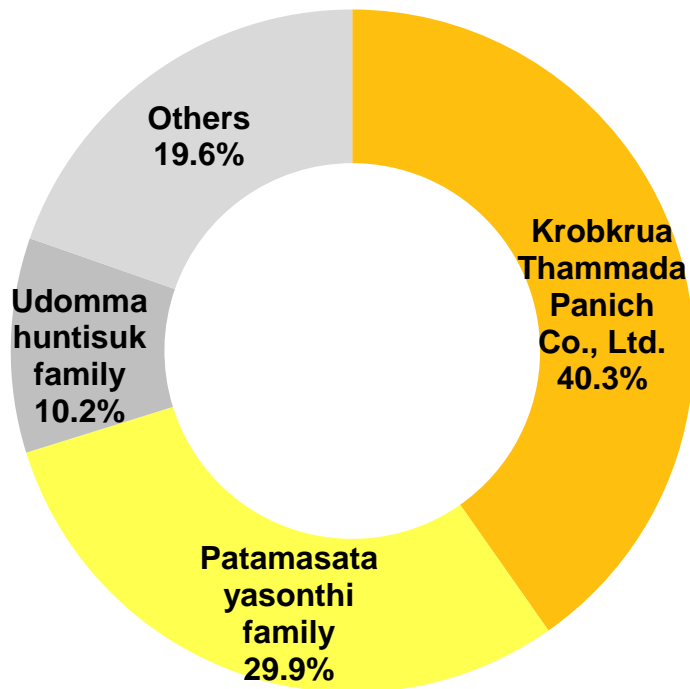


- The decrease of liabilities at the end of Q2/2021 by 351.0 MB, or 4.5% from the end of 2020 was mainly due to lower borrowings from financial institutions by 558.1 MB or 17.8% from 3,133.4 MB at the end of 2020 to 2,575.3 MB at the end of Q2/2021 with long-term loan prepayment of 484.7 MB.
- Increased equity attributable to owners of the parent at the end of Q2/2021 by 110.0 MB or 2.2% from the end of 2020 resulted from the operating profit of the Company's operating profit during 6M/2021 of 246.4 MB deducted by cash dividend payment of 136.3 MB for the 2020 operating performance, the amount of which the remaining after paying the interim dividend of 75.8 MB.

Shareholding Structure and Share Information

Shareholding Structure

(As of 7 May 2021)

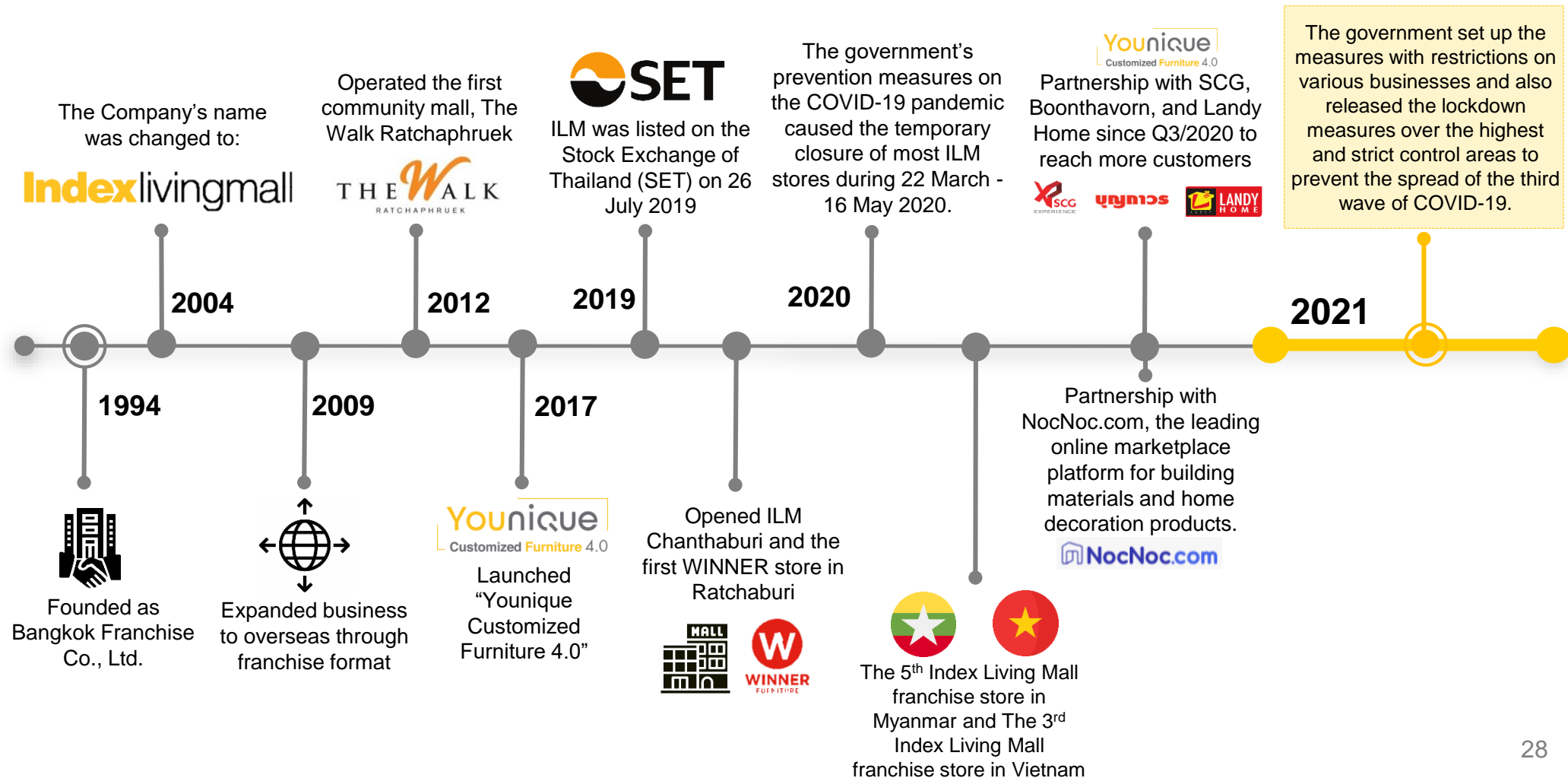


Share Information

(As of 10 August 2021)

Stock Symbol:	ILM
Industry and Sector:	Commerce
No. of Listed Shares:	505,000,000 Shares
Registered Capital:	THB 2,525,000,000
Paid-up Capital:	THB 2,525,000,000
Par Value:	THB 5.0 per Share
Listing Date:	26 July 2019
Foreign Limit:	49% (available 48.72%)
Dividend Policy:	Not less than 50% of net profit from normal operation according to consolidated financial statements after deduction of tax revenue and legal reserve. However, actual payments will depend on cash flows and investment plans of the Company's and its affiliates as well as other necessities as the Board of Directors deems appropriate.
Market Capitalization:	6,918 MB or 206 MUSD
Free Float:	24.87%

Milestones



Group Company Structure





THANK YOU

For more information, please contact
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