



Indexlivingmall

Index Living Mall Public Company Limited (ILM)

2022

Opportunity Day

14 March 2023



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.

Q4/2022 Highlights



Record High Net Profit in 2022

Net profit in 2022 was 659.1 MB, a record high since the Company's establishment in 1994. Net profit in Q4/2022 was 183.5 MB, a new high in 16 quarters since Q4/2018 and the highest since being listed in SET in Q3/2019.



New Store Openings of ILM & LW - Lat Krabang

Index Living Mall and Little Walk - Lat Krabang already opened on 16 December 2022. Both received good feedback since opening, with Index Living Mall achieving its sales target and Little Walk having a 100% occupancy rate.

Index
livingmall



FLASH
EXPRESS

To Establish a New Joint Venture Company

The BOD's meeting approved the Company to establish a joint venture company with Flash Express Co., Ltd., the integrated E-Commerce service provider, to provide delivery, assembling, and installation services of furniture and bulky products in Thailand.



Continuous Prepayment of LT Loans

Total borrowings from financial institutions stood at 1,136.5 MB at the end of 2022, reduced by 839.5 MB or 42.5% from 1,975.9 MB at the end of 2021, with the long-term loan prepayment of 613.0 MB. DPS of Baht 0.80 for the 2022 operating results, representing the 61.3% payout ratio set to propose to the shareholders' meeting for approval on 26 April 2023.



AGENDA



Financial Updates



Situation Updates & Outlook



Appendix

Q4/2022 Key Financial Highlights



+5.0% YoY

Operating Revenue*

(Q4/2022) **2,435.4** MB

2,319.6 MB (Q4/2021)



+5.9% YoY

SG&A

(Q4/2022) **822.5** MB

776.7 MB (Q4/2021)



+21.6% YoY

Net Profit

(Q4/2022) **183.5** MB

150.9 MB (Q4/2021)



+1.9% YoY

%GPM from Sales

(Q4/2022) **43.0%**

41.1% (Q4/2021)



+6.5% YoY

EBITDA

(Q4/2022) **479.5** MB

450.1 MB (Q4/2021)



-22.5% YoY

Online Sales*

(Q4/2022) **219.7** MB

283.6 MB (Q4/2021)

*If excluding home electric sales, operating revenue will increase by 7.6% YoY, and online sales will decrease by 22.1%. Online sales dropped due to the change of strategy to focus on profitability instead of sales growth.

2022 Key Financial Highlights



+6.9% YoY

Operating Revenue*

(2022) **8,888.9** MB

8,317.1 MB (2021)



+7.6% YoY

SG&A

(2022) **3,136.2** MB

2,914.3 MB (2021)



+45.4% YoY

Net Profit

(2022) **659.1** MB

453.2 MB (2021)



+1.5% YoY

%GPM from Sales

(2022) **44.7%**

43.1% (2021)



+10.8% YoY

EBITDA

(2022) **1,826.0** MB

1,647.6 MB (2021)



-9.8% YoY

Online Sales*

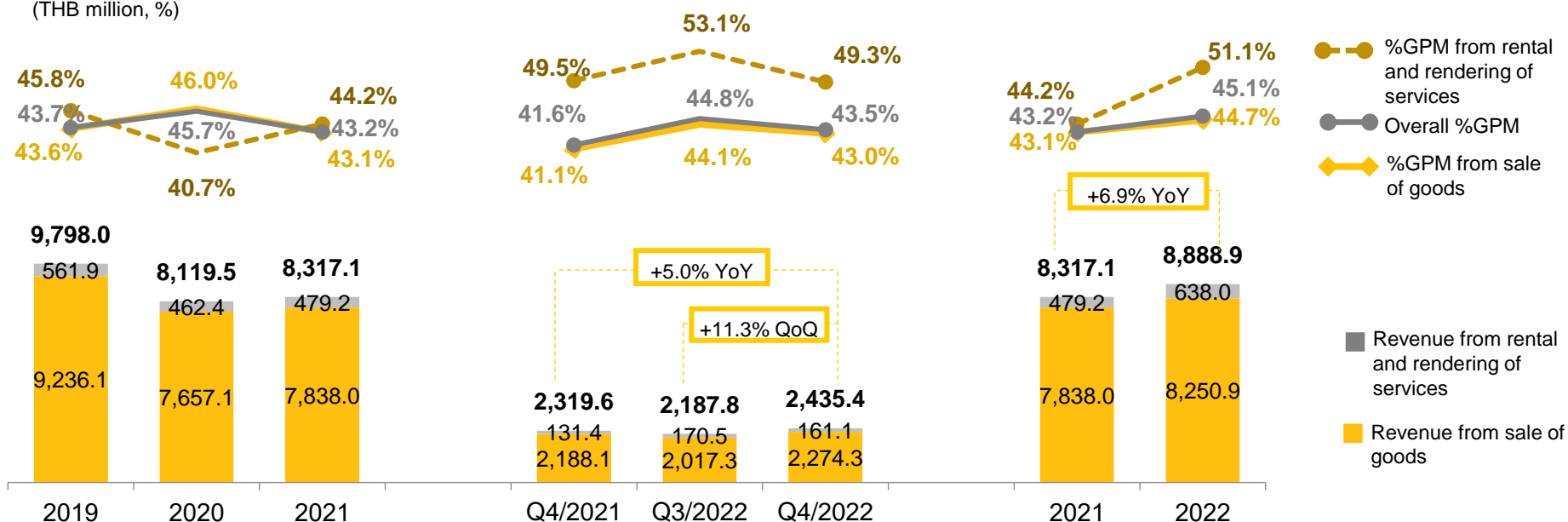
(2022) **902.8** MB

1,000.7 MB (2021)

*If excluding home electric sales, operating revenue will increase by 12.3% YoY, and online sales will decrease by 3.9%. Online sales dropped due to the change of strategy to focus on profitability instead of sales and the previous year's lockdown, which caused substantial online sales growth in Q3/2021.

Operating Revenue

(THB million, %)



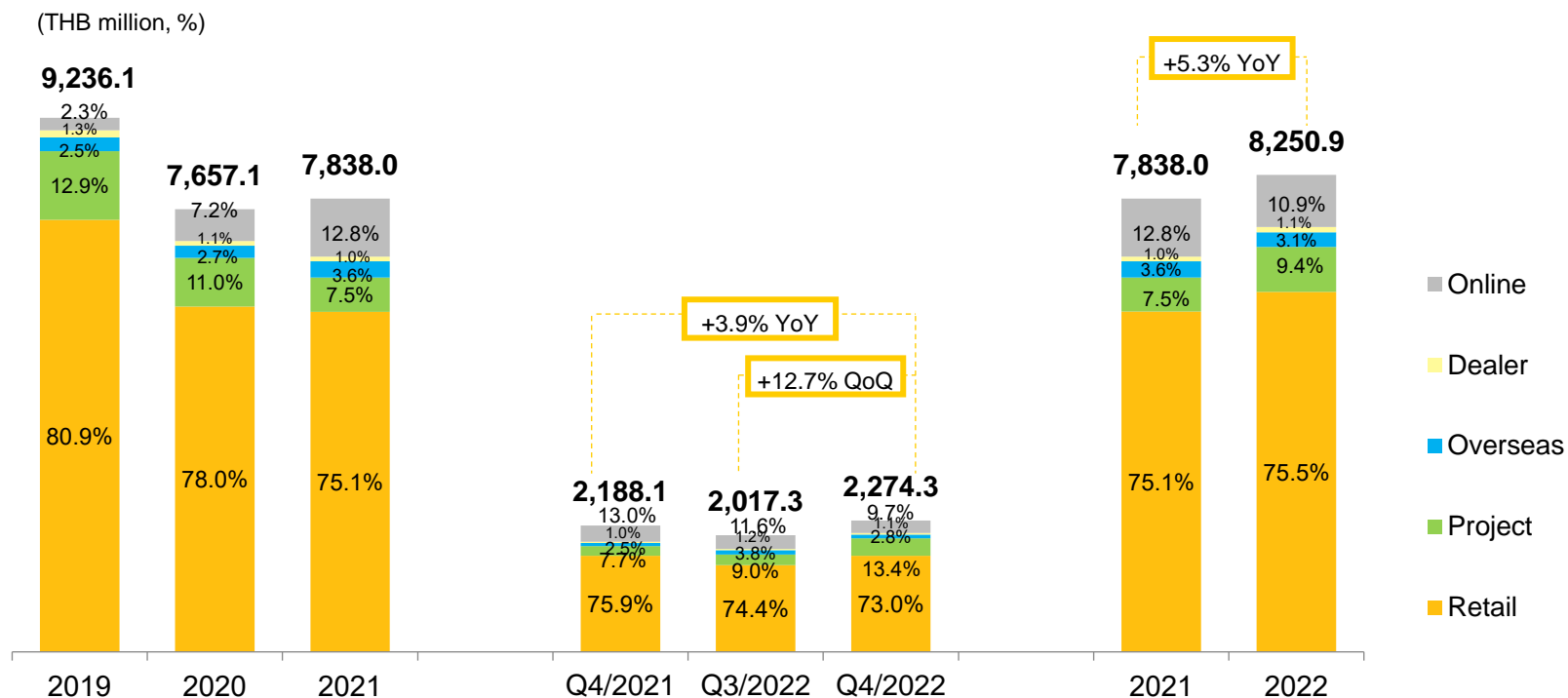
Q4/2022

- Increased sales YoY and QoQ, supported by the improved consumer spending during the fourth quarter as a festive season, despite the Company's termination of home electric sale under the brand of Power One since the beginning of 2022 and having the sales area of Power One rented by Com7 Public Company Limited (COM7).
 - Substantially increased %GPM from sales YoY, mainly due to 1) allowance for diminution in value of home electric inventories in Q4/2021 for preparation to transfer the rental spaces to COM7; and 2) termination of the home electric sale
 - Decreased %GPM from sales QoQ, mainly due to the considerably increased proportion of domestic project sales, which contributed to low gross profit margin.
- Increased revenue from rental and rendering of services YoY, supported by the Company's increased and diversified tenants. On the other hand, the decrease QoQ was due to some tenant discontinuing the lease contract.
 - Decreased %GPM from rental and rendering of services YoY and QoQ, mainly due to the higher utilities expense resulting from rising Ft and some tenant discontinuing the lease contract.

2022

- Increased sales YoY, mainly supported by higher purchasing power and no lockdown as occurred in the previous year, despite the termination of the home electric sale under the brand of Power One since the beginning of 2022.
 - Improved %GPM from sales, mainly supported by 1) increased sales proportion of high gross profit margin products; 2) increased selling prices to compensate for the cost hike; 3) termination of the home electric sale since the beginning of 2022; and 4) no allowance for diminution in value of home electric inventories as occurred in the previous year
- Increased revenue and %GPM from rental and rendering of services YoY, mainly supported by increased and diversified tenants as well as effective cost management. Also, the Company no longer gives rental discounts to tenants, as occurred during the lockdown period last year.

Sales by Channel



Q4/2022

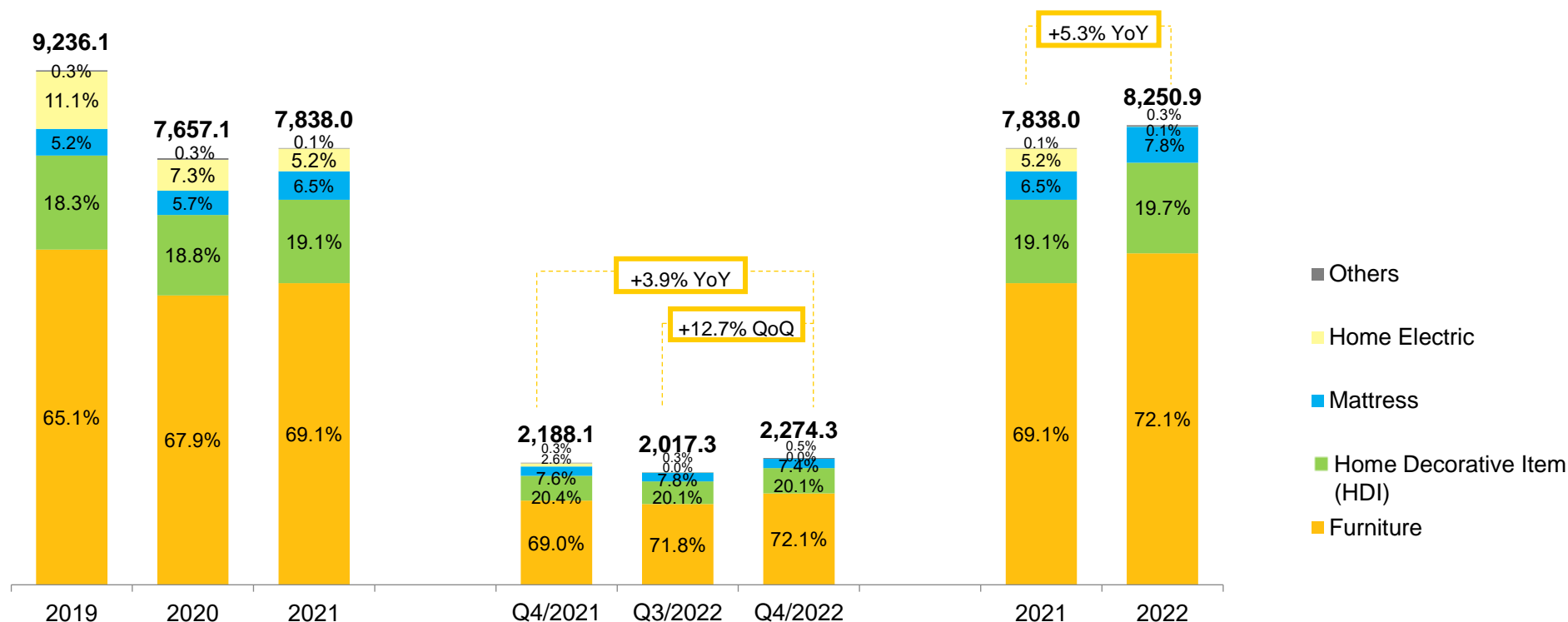
- Sales increased YoY and QoQ, supported by the improved consumer spending during the fourth quarter as a festive season, despite the Company's termination of home electric sale under the brand of Power One
 - Sales growth came from retail sales (+10.6% QoQ), domestic project sales (+82.3% YoY and +67.8% QoQ), domestic dealer sales (+16.6% YoY and +5.3% QoQ), and overseas sales (+15.6% YoY).
 - If excluding home electric sales, total sales will increase by 6.7% YoY, and retail sales will rise by 4.1% YoY, but online sales will still decrease by 22.1% YoY due to the change of strategies from building sales growth to focusing on profitability.

2022

- Sales increased YoY, mainly supported by improved purchasing power and no lockdown measures as occurred in the previous year, despite the Company's termination of home electric sale under the brand of Power One.
 - Growing sales channel YoY included retail sales (+5.8% YoY), domestic project sales (+31.4% YoY), domestic dealer sales (+16.5% YoY), and overseas franchise sales (+10.3% YoY).
 - If excluding home electric sales, total sales will increase by 10.9% YoY, retail sales will increase by 12.8% YoY, but online sales will still decrease by 3.9% YoY due to the lockdown measures in 2021, which boosted exceptionally high online sales growth and the change of strategies from building sales growth to focusing on profitability.

Sales by Product

(THB million, %)



Q4/2022

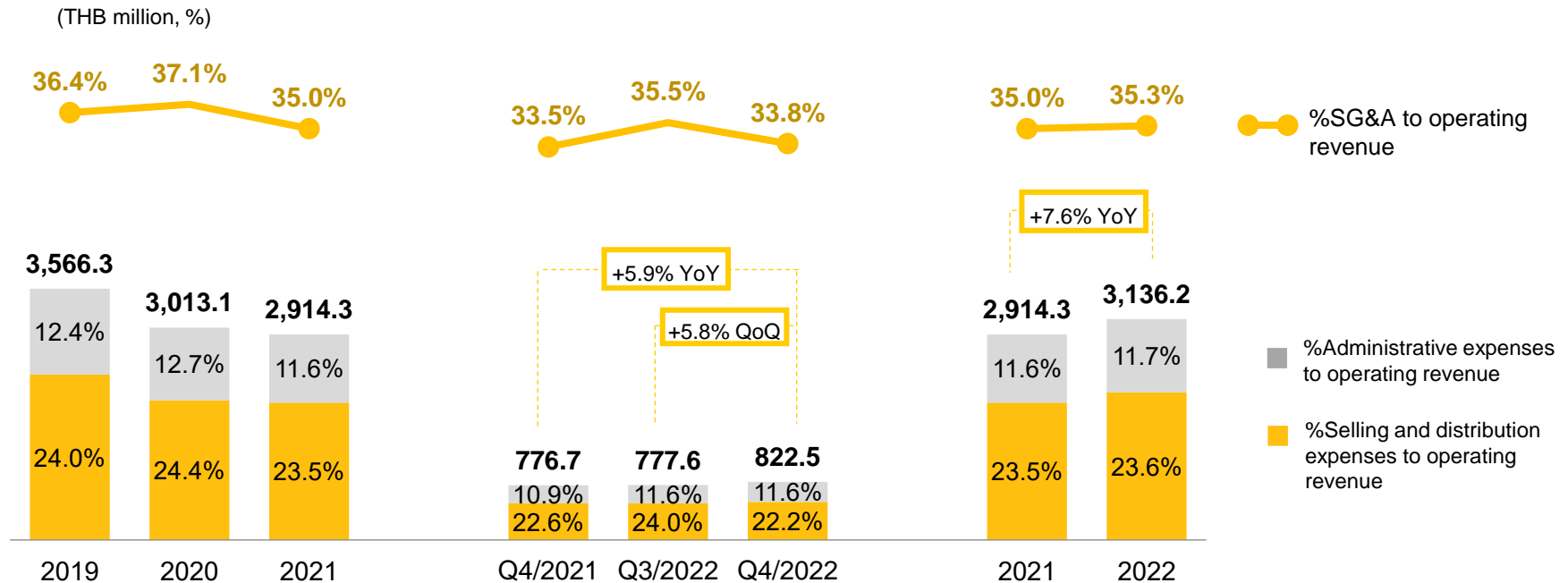
- Sales of almost all product groups increased YoY and QoQ, except home electric, due to the Company's termination of home electric sale under the brand of Power One, having the sales area of Power One rented by COM7 since the beginning of 2022.

2022

- Sales of almost all product groups increased YoY, except home electric, for the same reason as Q4/2022.

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, promotion expenses, utilities expenses, rental costs, etc.
- Administrative expenses are related to back-office expenses, e.g., employee expenses, delivery costs, depreciation, etc.

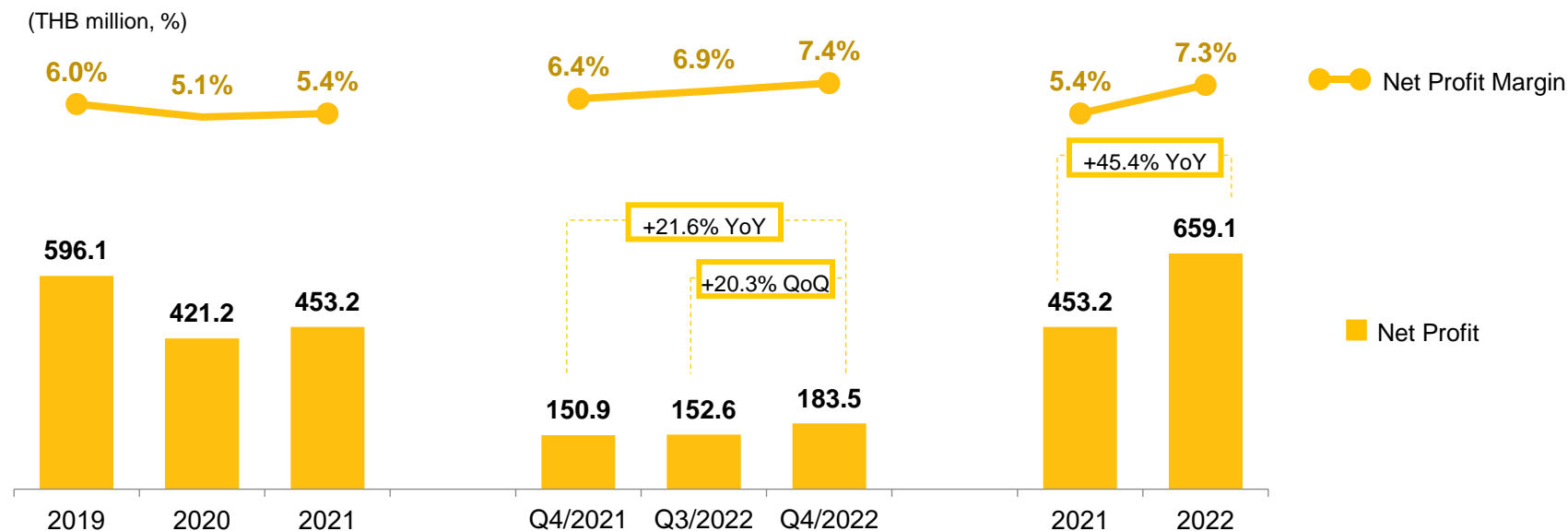
Q4/2022

- Increased SG&A YoY and QoQ, mainly due to 1) increased salary and employee benefits YoY; 2) elevated delivery costs QoQ resulting from increased sales; 3) higher utilities expenses YoY and QoQ from rising Ft; and 4) higher sales promotion expenses QoQ from increased sales and new store openings of Index Living Mall and Little Walk – Lat Krabang.

2022

- Increased SG&A YoY, mainly due to 1) increased salary and employee benefits; 2) higher sales promotion expenses from increased sales and new store openings of Index Living Mall and Little Walk – Lat Krabang; 3) higher utilities expenses from rising Ft; and 4) elevated delivery costs resulting from increased sales and higher oil prices.

Net Profit & Net Profit Margin



Q4/2022

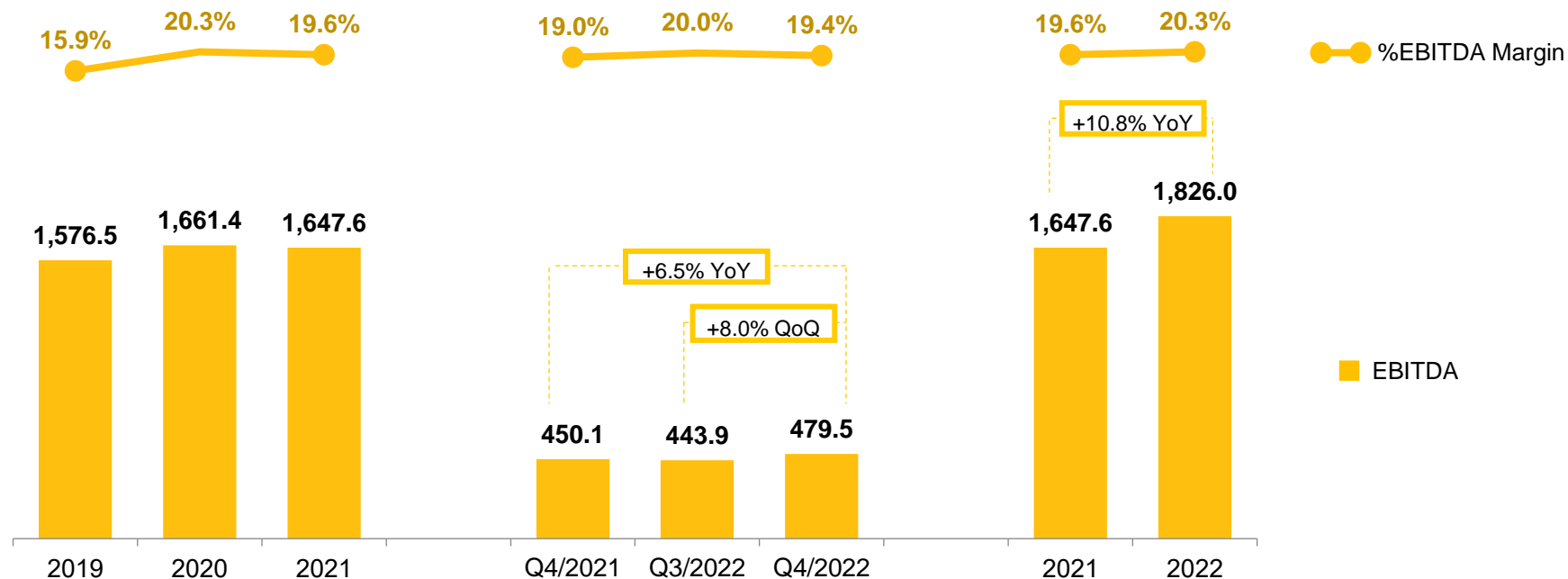
- Net profit made a new high in 16 quarters since Q4/2018 and since being listed on the Stock Exchange of Thailand in Q3/2019:
 - Higher sales YoY and QoQ, mainly supported by the improved spending during the festive season, despite the Company's termination of home electric sale since the beginning of 2022 and having the sales area rented by COM7
 - Substantially increased %GPM from sales YoY from sales due to no allowance for diminution in value of home electric inventories as occurred in Q4/2021 for preparation to transfer the rental spaces to COM7 and the termination of the home electric sale under the brand of Power One since the beginning of 2022
 - Decreased %SG&A to operating revenue QoQ, supported by effective cost management despite the increased expenses.
 - Decreased finance costs YoY, supported by continuous long-term loan prepayment despite the increased interest rates
 - BOI tax incentives of 7.5 MB, increased from 4.5 MB in Q4/2021 and 5.3 MB in Q3/2022.

2022

- Net profit made a record high since establishment in 1994:
 - Higher revenue, both from sales and from rental and rendering of services, mainly supported by improved purchasing power and no lockdown as occurred in the previous year, despite the Company's termination of home electric sale.
 - Improved %GPM from sales, supported by 1) increased sales proportion of high gross profit margin products; 2) increased selling prices to compensate for the cost hike; 3) termination of the home electric sale since the beginning of 2022; and 4) no allowance for diminution in value of home electric inventories as occurred in the previous year.
 - Improved %GPM from rental and rendering of services, supported by increased and diversified tenants as well as effective cost management. Also, the Company no longer gives rental discounts to tenants, as occurred during the lockdown period last year.
 - Decreased finance costs, supported by continuous long-term loan prepayment, despite the increased interest rates
 - BOI tax incentives of 24.2 MB, increased from 18.4 MB in 2021. During 2021-2022, the Company utilized tax incentives of 42.6 MB out of total tax incentives of 71.1 MB received from investment in new machinery to utilize by the end of 2023.

EBITDA & EBITDA Margin

(THB million, %)

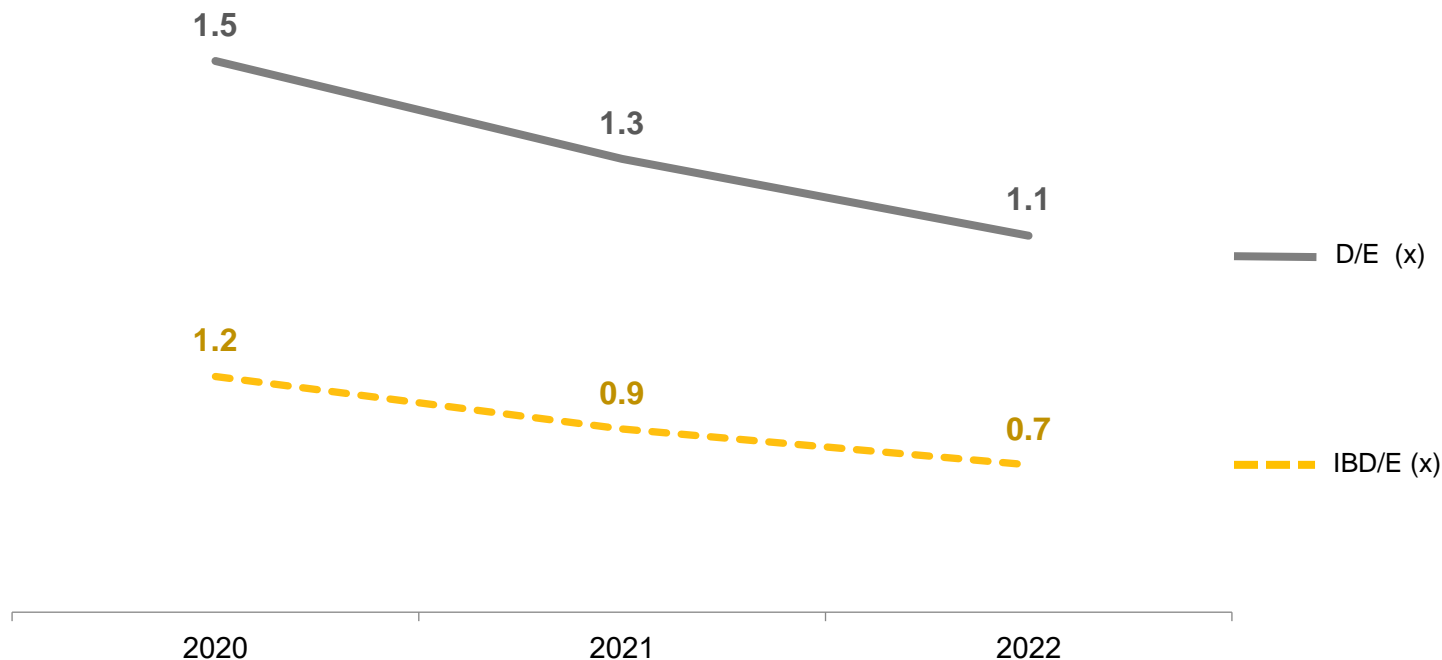


Q4/2022

- Increased EBITDA YoY and QoQ, mainly supported by higher operating profit

2022

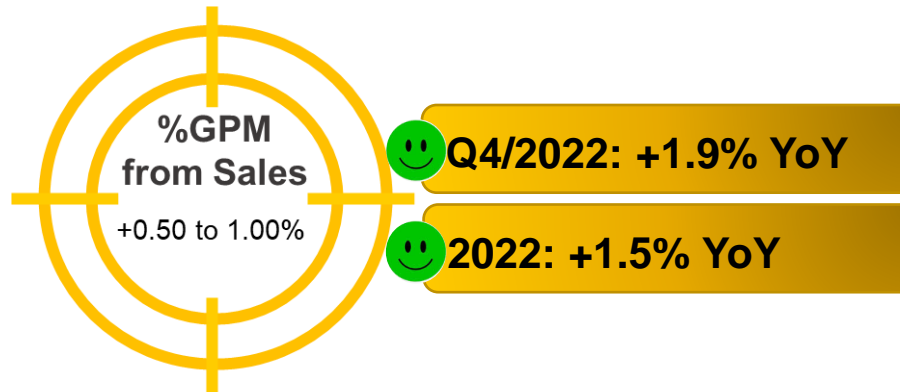
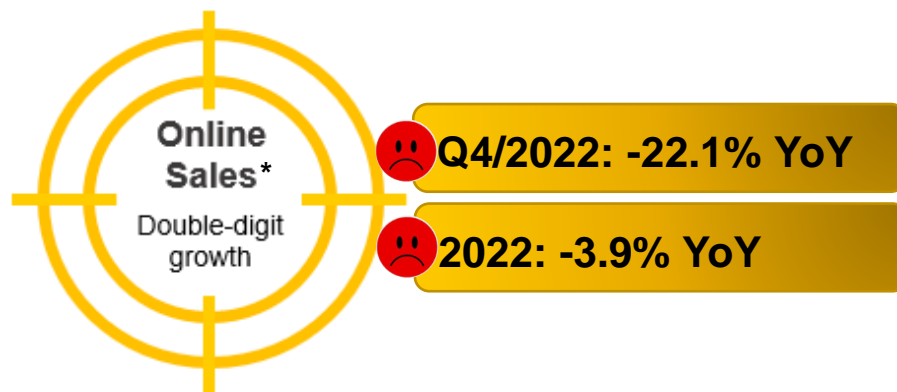
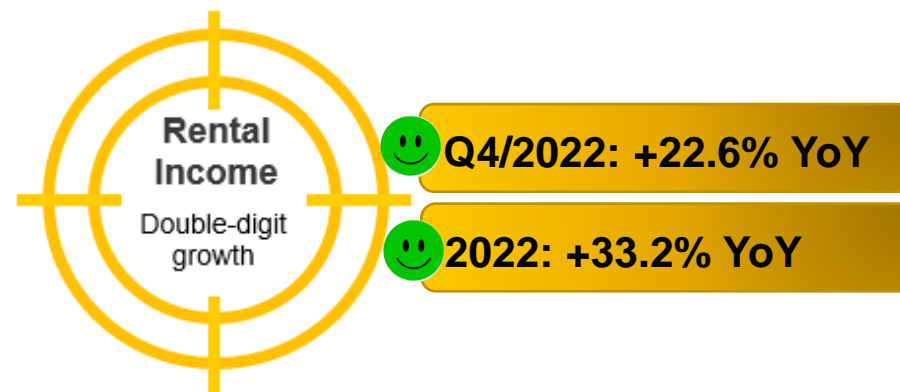
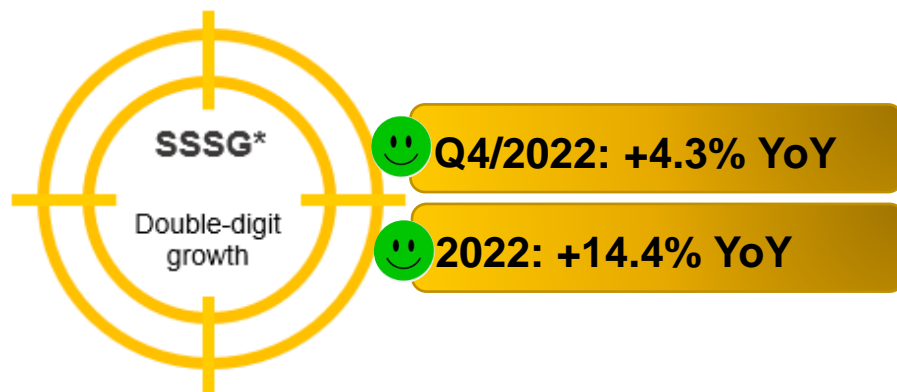
- Increased EBITDA YoY, mainly supported by higher operating profit.



2022

- Debt to Equity (D/E) and Interest-bearing Debt to Equity (IBD/E) at the end of 2022 continued to decrease, mainly supported by reduced borrowings from financial institutions.
 - If excluding the impact from TFRS16, D/E will drop from 1.1x to 0.6x.
 - If excluding the impact from TFRS16, IBD/E will drop from 0.7x to 0.2x.
- Total borrowings at the end of 2022 were 1,136.5 MB, reduced by 839.5 MB or 42.5% from 1,975.9 MB at the end of 2021, with the long-term loan prepayment of 613.0 MB.

2022 Goals & Results



*Excluding home electric sales.

- Online sales dropped due to the change of strategies to focus on profitability instead of sales growth and the previous year's lockdown, which caused substantial online sales growth in Q3/202.

2023 Goals

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Total Sales

Double-digit
growth

**Rental
Income**

Double-digit
growth

**%GPM
from Sales**

+0.50%

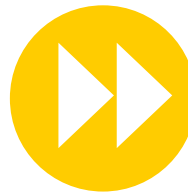
**%SG&A
to Operating
Revenue**
Maintained



AGENDA



Financial Updates

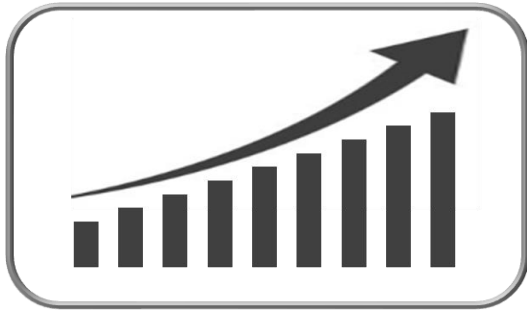


Situation Updates & Outlook



Appendix

Looking Forward



The Company targets its 2023 operating revenue to expand by two digits while being aware of the rising costs, e.g., wages, fuel prices, electricity costs, interest rates, and foreign exchange fluctuation and prepared to manage costs to maintain the optimal profit.



After the ease of COVID-19 outbreak, the Company started to plan for the new store opening continuously. With the success of Index Living Mall and Little Walk - Lat Krabang since opening in December 2022, the Company plans to open Little Walk – Krungthep Kreetha in Q3/2023 and three new stores of Index Living Mall during 2023 - 2024.



Significant recovery of foreign tourists, especially from China's reopening on 8 January 2023, will help drive Thailand's economic growth and the Company's operating results.



The government's stimulus campaign 'Shop Dee Mee Kuen' between 1 January to 15 February 2023 provided personal tax income deductions of up to THB 40,000, increased from THB 30,000 in the previous year, to help boost sales in Q1/2023.



AGENDA



Financial Updates



Situation Updates & Outlook



Appendix

Outlook of the Thai Economy

(%YoY)	2020p	2021p	2022p1	2021p				2022p1				Projection for 2023	
				Q1	Q2	Q3	Q4	Q1	Q2	Q3r	Q4	As of 21 Nov 2022	As of 17 Feb 2023
GDP Growth	-6.1	1.5	2.6	-2.5	7.7	-0.2	1.9	2.2	2.5	4.6	1.4	3.0 - 4.0	2.7 - 3.7
- Private Consumption	-0.8	0.6	6.3	-0.1	5.3	-3.2	0.6	3.5	7.1	9.1	5.7	3.0	3.2
- Private Investment	-8.1	3.0	5.1	2.9	8.8	2.3	-1.1	2.9	2.3	11.2	4.5	2.6	2.1
- Export volume of goods & services	-19.7	11.1	6.8	-9.8	28.8	13.0	18.7	11.9	7.8	8.7	-0.7	8.5	7.4
- Import volume of goods & services	-13.9	17.8	4.1	2.1	29.9	27.4	15.6	4.4	7.3	9.5	-4.6	3.6	2.6

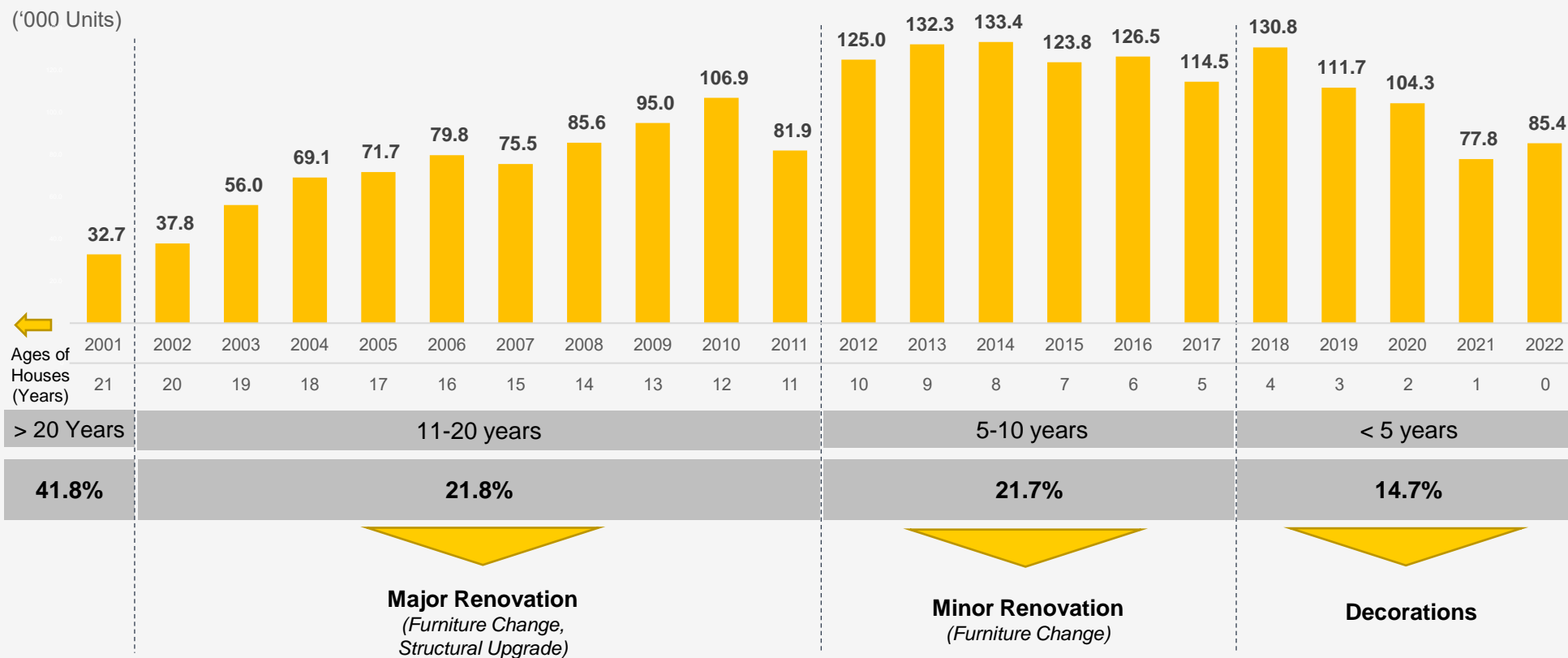
Source: Office of the National Economic and Social Development Council, 17 February 2023

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 1988-2022: 3,479,527 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

29

Years of furniture and home furnishing experience in Thailand

Experienced management team with continuous innovation

59

Retail stores to capture all diverse customer groups in Asia

32 Index Living Mall stores

2 Index Furniture Center stores

7 High-end brand stores

1 OK Furniture

17* Index Living Mall franchise stores in 8 countries across Asia

Remark: Data as of 31 December 2022

** Excluding 6 shop-in-shops*

Business Overview

2022
Operating
Revenue

Revenue from sale of
goods
92.8%
of operating
revenue

SALES

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Revenue from rental and
rendering of services

7.2%
of operating
revenue
RENTAL

Domestic



96.9% of sale of goods

1. Retail Stores

75.5%

- 4 Brands of retail store covering all groups of customers

3. Dealers

1.1%

- Products sold through dealer stores nationwide

2. Projects

9.4%

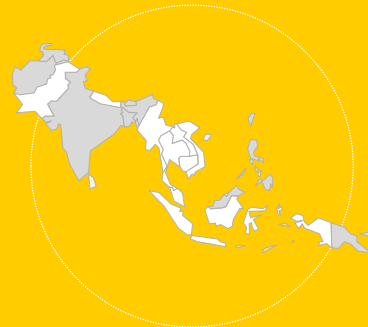
- Focus on property developers, offices, shops, hospitals, schools, hotels, etc.

4. Online

10.9%

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

Overseas



3.1% of sale of goods

1. Franchise Stores: 17* stores in 8 countries
2. International Projects
3. OEM & Trading

*Excluding 6 shop-in-shops

- 3 Mid-sized Community Malls

THE WALK

LITTLE WALK

- 3 Small-sized Community Malls

- Rental spaces at Index Living Mall stores

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- Rental spaces at the warehouse



Business Overview

4 Brands of Retail Stores in Thailand

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โอเค
เฟอร์นิเจอร์

TRENDDSIGN®

BoConcept®



Furniture Brands



TRENDDSIGN®

BoConcept®



Store Concept & Lifestyle

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



Customer Group

Mass to Premium
Mass

Mass

Premium Mass to
Premium

Premium



Number of Stores

- 32 Stores of Index Living Mall
- 2 Stores of Index Furniture Center

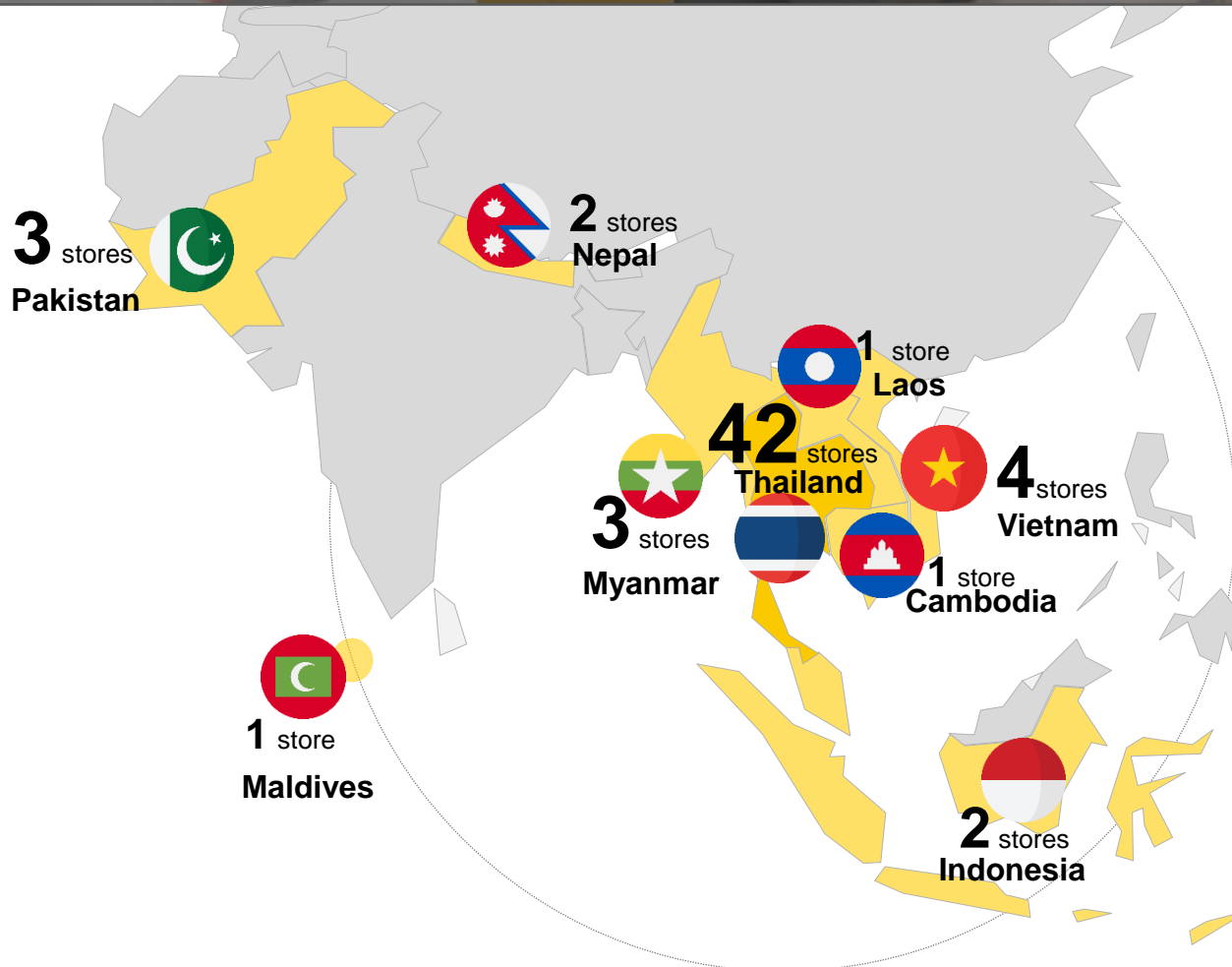
- 1 OK Furniture in Ratchaburi

- 6 Stores at Index Living Mall

- 1 Store at Siam Paragon

Business Overview

ILM's Retail Stores Across Asia



Remark: Data as of 31 December 2022

* Excluding 6 shop-in-shops

**Total of 59 Index Living Mall and other retail stores
in 9 Countries**

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	89.0%

Tenants



The Walk Kaset-Navamin

Year of opening	August 2013
Area (m ²)	15,310.9
Occupancy Rate	73.8%

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	90.9%

Tenants



Little Walk Pattaya

Year of opening	November 2018
Area (m ²)	5,322.2
Occupancy Rate	71.4%

Tenants



Little Walk Lat Krabang

Year of opening	December 2022
Area (m ²)	3,009.5
Occupancy Rate	100.0%

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	84.6%

Index Mall Chaiyaprupek

Year of opening	March 2019
Area (m ²)	3,623.6
Occupancy Rate	92.5%

Index Mall Bang Yai

Year of opening	March 2017
Area (m ²)	5,907.0
Occupancy Rate	57.1%

Index Mall Bangna

Year of opening	September 2018
Area (m ²)	3,171.6
Occupancy Rate	81.3%

Tenants



4

Other rental areas in Index Living Mall

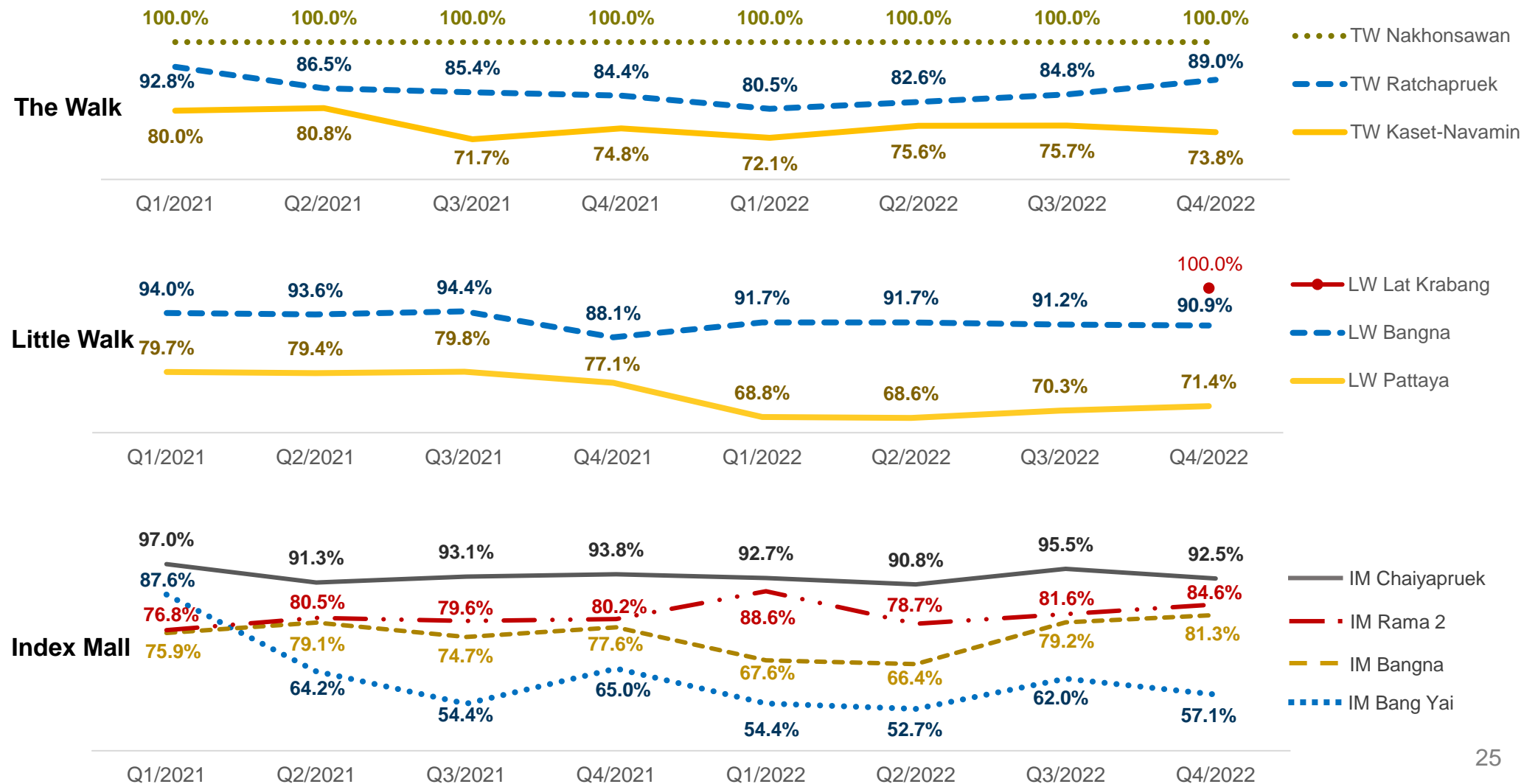
Rental spaces in 11 Stores of Index Living Mall

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

Tenants

au bon pain. and other tenants
the bakery café

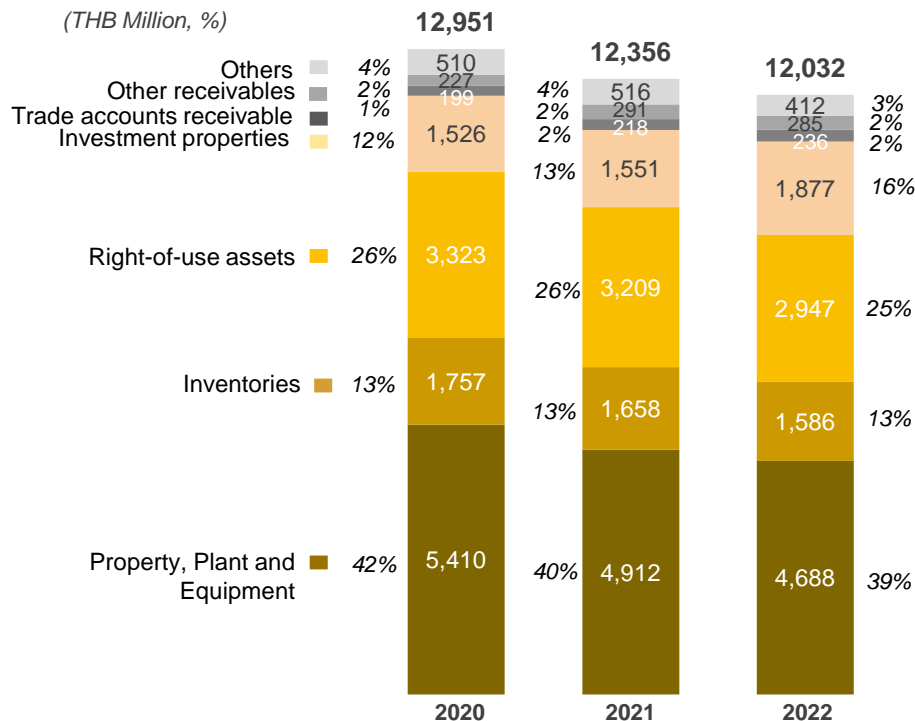
Rental Occupancy Rate



Statement of Financial Position

Total Assets

(THB Million, %)

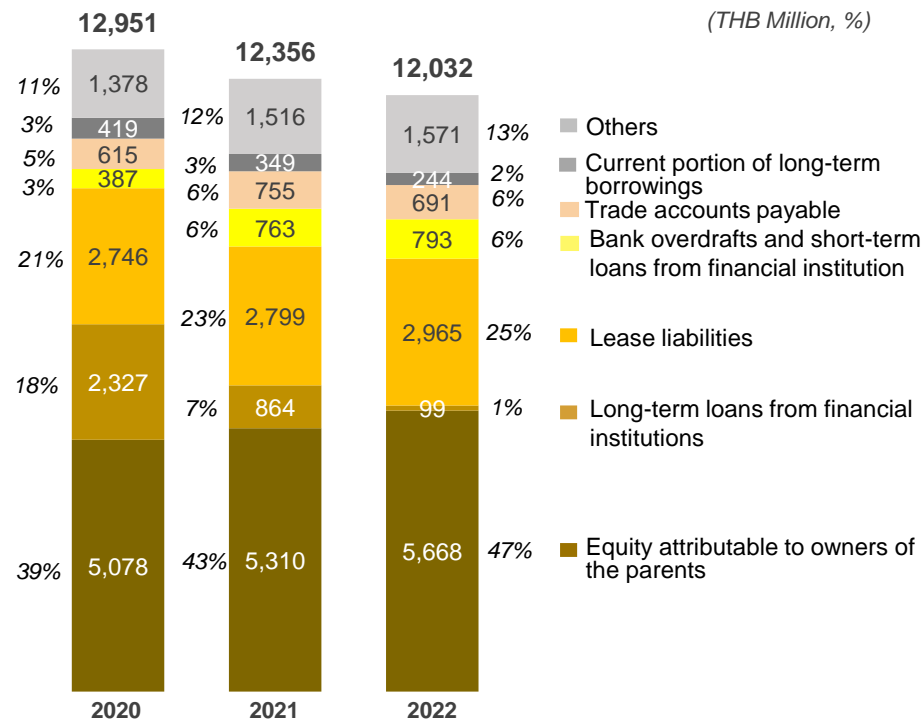


- The decreased total assets at the end of 2022 by 324.4 MB or 2.6% from 12,356.0 at the end of 2021 was mainly due to: 1) decreased right-of-use assets by 262.8 MB or 8.2%; 2) decreased property, plant and equipment by 224.4 MB or 4.6%; and 3) decreased inventories by 71.5 MB or 4.3%.

On the other hand, investment properties increased by 325.5 MB or 21.0% from 1,551.3 MB at the end of 2021.

Total Liabilities and Equity

(THB Million, %)

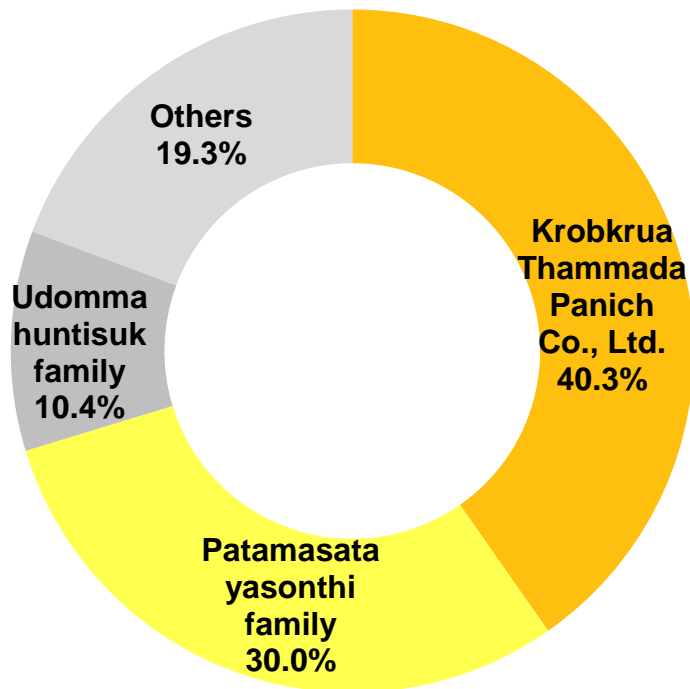


- The decreased liabilities at the end of 2022 by 681.3 MB or 9.7% from 7,044.9 MB at the end of 2021 was mainly due to 1) decreased borrowings by 839.5 MB or 42.5% from 1,975.9 MB at the end of 2021 to 1,136.5 MB at the end of 2022, with long-term loan prepayment of 613.0 MB; and 2) decreased trade accounts payable by 63.9 MB or 8.5%.
- The increased equity attributable to owners of the parent at the end of 2022 by 358.2 MB or 6.7% from 5,309.8 MB at the end of 2021 mainly resulted from the Company's 2022 net profit of 659.1 MB deducted by a cash dividend of 202.0 MB for the 2021 operating results, the amount of which the remaining after paying the interim dividend of 75.8 MB and an interim dividend of 101.0 MB for the 6M/2022 operating results paid to shareholders.

Shareholding Structure and Share Information

Shareholding Structure

(As of 31 January 2023)

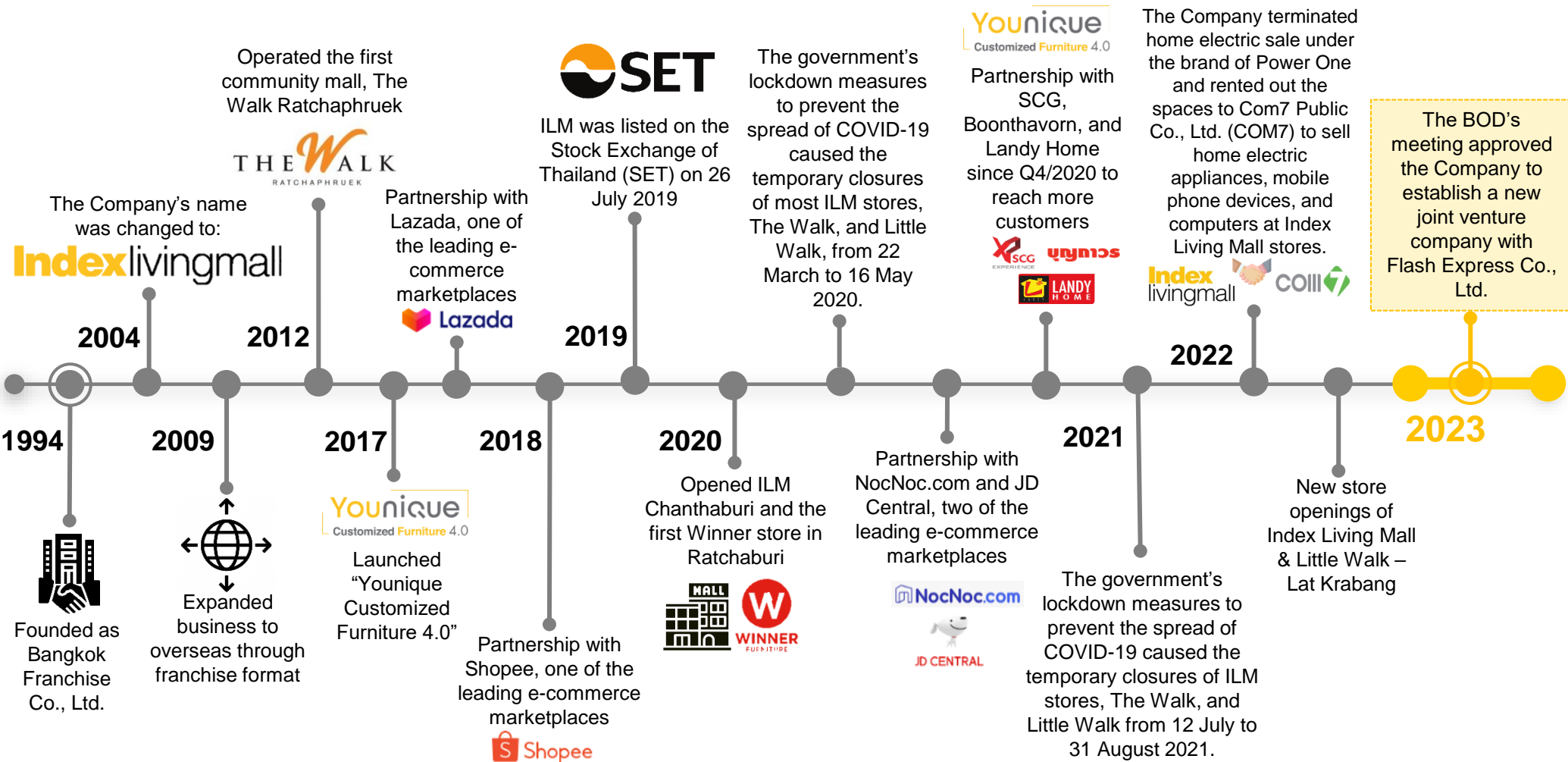


Share Information

(As of 9 March 2023)

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 48.21%)
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:	10,908 MB or 311 MUSD
Free Float:	24.68%

Milestones



Group Company Structure





THANK YOU

For more information, please contact
Tel: 02 898 6420-5 Ext 6129, or
ir@indexlivingmall.com

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