



INVESTOR FACT SHEET

TSX:CWA

Business Profile

Coast is a leading independent supplier of major household appliances and accessories. Headquartered in Vancouver, BC, we sell to developers and builders of multi-family and single-family housing, designers and to retail customers.

The exceptional stability of our business is largely due to our balanced business model, which allows us to draw revenues from all of the new home, home renovation and retail markets. We currently operate 15 stores across the four western provinces and one store in the Greater Toronto Area (GTA) of Ontario, as well as a network of warehouse distribution centres strategically situated to serve these locations. At each of our stores, we offer our customers the convenience of one-stop shopping for all of their major household appliance needs featuring more than 35 brands.

Coast was founded in 1978 and operated as an income trust from mid-2005 through 2010, converting to a publicly-traded, monthly dividend paying corporation in early 2011.

Growth Strategy

Coast's growth strategy is threefold:

1. Build on strong market position in Western Canada and explore growth opportunities in the West and in Ontario as they arise
2. Increase sales from existing stores
 - Sales performance has been enhanced through relocation of multiple stores to higher-traffic areas
 - Current focus on refreshing stores through incremental improvements requires only moderate capital investment
3. Continue to enhance profitability
 - Product and supplier mixes have been adjusted to better fit core markets and improve focus on key suppliers, with further streamlining planned to enhance gross margin performance
 - Inventory and pricing management systems are being upgraded to support better control of margins, increase inventory turns and facilitate price-based marketing initiatives
 - On-going focus on streamlining non-selling functions has improved operating efficiency and reduced costs

Why Invest

- Steady history of monthly distributions and dividends
- Solid industry fundamentals
- Proven and sustainable business model
- Leading market position
- Experienced, proven management
- Growth potential

Market Information (as at May 6, 2013)

| | |
|-------------------------------|----------------------------|
| Share Price | \$3.27 |
| Current dividend | \$0.025/share paid monthly |
| Shares outstanding | 10.03 million |
| Current market capitalization | \$32.8 million |
| Average daily trading volume | 5,600 shares |

Leading Brands

The image displays a grid of leading appliance brands. The brands shown are: Bosch, Danby, Electrolux, DCS by Fisher & Paykel, Fisher & Paykel appliances, FRIGIDAIRE, JENN-AIR, KitchenAid (with the tagline 'FOR THE WAY IT'S MADE'), Miele, MAYTAG, SAMSUNG, Panasonic, SUB-ZERO, Whirlpool HOME APPLIANCES, and WOLF.



Board of Directors

Stephen Bellringer - *Chair*

Donald Smith, CA

Maurice Paquette

Jack Peck, CA

Anthony Soda, CA

Management Team

Maurice Paquette

President and Chief Executive Officer

Gordon Howie, CA

Chief Financial Officer

Stephen Raben

Senior Vice President, Sales and Marketing

Michael Fiorini

Vice President, Multi-Family Sales Eastern Canada

Bradley Romo

Vice President, Multi-Family Sales British Columbia

Jamie Willoughby

Vice President, Multi-Family Sales Prairies

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First Quarter Performance Highlights

(in thousands of dollars except percentages and per-share amounts)

| | 2013 Q1 | 2012 Q1 | 2011 Q1 |
|-------------------------------------|--------------|--------------|--------------|
| Sales | 34,360 | 30,035 | 28,086 |
| Gross profit | 7,418 | 6,883 | 6,752 |
| <i>As a percentage of sales</i> | <i>21.6%</i> | <i>22.9%</i> | <i>24.0%</i> |
| Profit (loss) | 359 | (4) | (487) |
| Diluted net income (loss) per share | 0.036 | (0.000) | (0.049) |
| EBITDA | 1,070 | 616 | (43) |
| <i>EBITDA margin</i> | <i>3.1%</i> | <i>2.1%</i> | <i>-0.2%</i> |
| EBITDA per share | 0.107 | 0.061 | (0.004) |
| Dividends per share | 0.075 | 0.105 | 0.070 |

- Sales of \$34.4 million were up by 14.4% from \$30 million in the first quarter of 2012.
- Sales in the builder segment of our business increased by 25.2%, sales to retail customers decreased by 0.4% and revenues from warranty sales, freight and installation, sale of glass products and commission sales increased by 2.1%
- Gross profit of \$7.4 million was up by \$0.5 million while gross margin percentage was eroded by more competitive market conditions, decreasing to 21.6% from 22.9% in 2012
- Selling, warehouse, facility, and general and administrative expenses were level with the 2012 amount but were reduced as a percentage of sales to 18.5% from 20.9% in 2012.
- EBITDA of \$1.1 million was up by \$0.5 million, or 74% over 2012 and EBITDA margin increased to 3.1% up from 2.1% in 2012.
- Inventory rose by \$1.2 million from the 2012 year-end due to higher sales volumes and the introduction of new products.
- Monthly dividends of \$0.025 per share (\$0.30) per annum were paid during the quarter.
- We proceeded with significant upgrade work at our Calgary South, Alberta store and began major renovations at our Saskatoon, Saskatchewan store.
- Effective March 27, 2013, Stephen Bellringer was appointed to the Board of Directors and assumed the role of Chair.

Coast's Locations

