

HOME PRODUCT CENTER
THAILAND / COMMERCE

HMPRO TB

BUY

UNCHANGED

คาดการณ์กำไรสุทธิ 1Q24E โตเล็กน้อย คาดโตเด่น 2H24E

- คาดกำไรสุทธิ 1Q24E ที่ 1.64 พันลบ. ลดลง 2.2% q-q จากปัจจัยฤดูกาล, เพิ่มขึ้น 1.8% y-y หนุนจากยอดขายของสาขาใหม่ที่เพิ่มขึ้นในปีที่แล้ว
- แนวโน้มกำไรสุทธิ 2Q24E โตได้เล็กน้อย และจะเห็นฟื้นตัวชัดเจนใน 2H24E
- ปัจจุบัน Valuation ไม่แพง คงค่านำซื้อ ราคาเป้าหมาย 13.60 บาท (DCF)

TARGET PRICE	THB13.60
CLOSE	THB10.30
UP/DOWNSIDE	+32.0%
PRIOR TP	THB13.60
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-5.6%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	72,822	77,688	82,177	86,838
Net profit	6,442	6,839	7,243	7,529
EPS (THB)	0.49	0.52	0.55	0.57
vs Consensus (%)	-	(1.9)	(5.7)	(8.8)
EBITDA	11,948	12,754	13,596	14,376
Recurring net profit	6,442	6,839	7,243	7,529
Core EPS (THB)	0.49	0.52	0.55	0.57
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	3.6	6.1	5.9	3.9
Core P/E (x)	21.0	19.8	18.7	18.0
Dividend yield (%)	3.9	4.1	4.4	4.5
EV/EBITDA (x)	12.3	11.6	11.0	10.5
Price/book (x)	5.3	5.1	4.8	4.6
Net debt/Equity (%)	44.5	46.3	48.9	50.2
ROE (%)	25.9	26.1	26.4	26.1

คาดการณ์กำไรสุทธิ 1Q24E โตเล็กน้อย y-y จากยอดขายสาขาใหม่

เรคาดกำไรสุทธิ 1Q24E ที่ 1.64 พันลบ. ลดลง 2.2% q-q จากปัจจัยด้านฤดูกาล เพิ่มขึ้น 1.8% y-y จากยอดขายสาขาใหม่ที่เปิดกว่า 11 สาขาในปี 2023 โดยค้ายอดขายรวมทั้ง 17.3 พันลบ. เพิ่มขึ้นเล็กน้อย 0.5% y-y แม้ยังคง SSSG ของทั้ง HomePro และ MegaHome จะยังติดลบ 2% และ 5% ตามลำดับ โดยเป็นผลจากกำลังซื้อที่ยังฟื้นตัวไม่เต็มที่แม้จะมีนโยบาย E-receipt และไม่มีการจัด HomePro Expo ในช่วงเดือนมี.ค. (หากไม่รวมผลของ HomePro Expo คาด SSSG ของ HomePro จะติดลบเพียง 0.5%) ขณะที่ HomePro มาเลเซีย คาด SSSG ยังเติบโตได้ 1.5%

คาดการณ์ GPM และ SG&A to sales ทรงตัว y-y

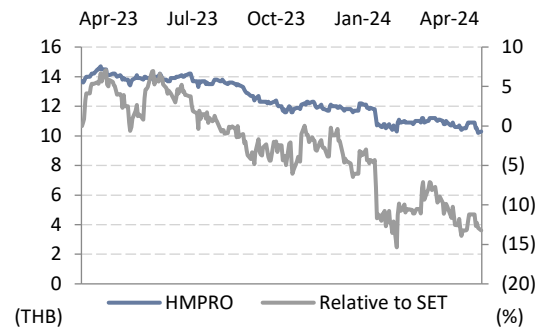
เรคาด GPM ใน 1Q24E จะทรงตัว y-y ที่ 26.1% จากสัดส่วนยอดขายเครื่องใช้ไฟฟ้าสูงขึ้นจาก E-receipt และสัดส่วนของสินค้ากลุ่มโครงสร้างผ่านร้าน MegaHome สูงขึ้น ขณะที่ SG&A to sales คาดทรงตัว y-y ที่ 18.5% แม้ในปี 2023 จะเปิดสาขาเพิ่มเติม SG&A to sales ยังทรงตัวได้จาก 1) ค่าไฟที่ลง 2) 1Q24E คาดว่าจะยังไม่มีการเปิดสาขาเพิ่ม ทำให้ค่าใช้จ่ายก่อนเปิดสาขา (Pre-operating expense) ลดลง

คาดการณ์แนวโน้มกำไรสุทธิ 2Q24E โตได้เล็กน้อย และจะเห็นฟื้นตัวชัดเจนใน 2H24E

หากกำไรสุทธิ 1Q24E ตามคาดจะคิดเป็น 24% ของกำไรสุทธิปี 2024 โดยเรายังคงคาดการณ์กำไรสุทธิปี 2024 ที่ 6.84 ลบ. (+6.1% y-y) แนวโน้มกำไรสุทธิ 2Q24E คาดว่าจะโตได้เล็กน้อย y-y จากการขายสินค้าในกลุ่มเครื่องใช้ไฟฟ้า ประกอบกับการ Trade-in ที่ทำได้หลากหลายสินค้ามากขึ้น และคาดว่าจะเห็นฟื้นตัวชัดเจนใน 2H24E จากฐานที่ต่ำ รวมถึงสินค้ากลุ่มโครงสร้างจาก MegaHome ที่คาดว่าจะได้อานิสงส์จากการเบิกจ่ายงบประมาณภาครัฐ โดยสัดส่วนยอดขายของ MegaHome ททยอยปรับสูงขึ้นจาก 14% ของยอดขายในปี 2022 เป็น 17% ในปี 2023

คงค่านำซื้อ ราคาเป้าหมาย 13.60 ปัจจุบัน Valuation ไม่แพง

เรายังคงค่านำซื้อ ราคาเป้าหมาย 13.60 บาท โดยปัจจุบันเทรดบน 2024E P/E ที่ 20 เท่า (ใกล้เคียงเฉลี่ย 5 ปี -2SD) โดยทิศทางกำไรสุทธิในไตรมาสที่เหลือคาดว่าจะเติบโตได้ y-y หนุนจากสาขาใหม่ของ MegaHome ที่เปิดในปีก่อนและการขยาย Private brand



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.5)	(2.8)	(23.7)
Relative to country (%)	(3.3)	(1.4)	(11.9)
Mkt cap (USD m)	3,661		
3m avg. daily turnover (USD m)	6.3		
Free float (%)	42		
Major shareholder	Land & Houses (30%)		
12m high/low (THB)	14.70/10.00		
Issued shares (m)	13,151.12		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

HMPRO เป็นผู้นำในธุรกิจค้าปลีกสินค้าเกี่ยวกับบ้านและที่อยู่อาศัยในประเทศไทย HMPRO ก่อตั้งขึ้นเมื่อ 1995 โดยเป็นการร่วมลงทุนของ บมจ. แลนด์แอนด์เฮ้าส์ และ บมจ. ควอลิตี้เฮ้าส์

จำนวนสาขาของ HMPRO เน้นในเขตพื้นที่กรุงเทพฯ และปริมณฑล มีสัดส่วนกว่า 36% ขณะที่พื้นที่ภาคกลาง ภาคตะวันออก เชียงเหนือ และภาคใต้ มีสัดส่วนแต่ละภาคราว 15% รวมถึงภาคเหนือและภาคตะวันออก โดยมีสัดส่วนแต่ละภาคราว 10-15% โดยสาขาในกรุงเทพฯ และปริมณฑลมีสัดส่วนรายได้กว่า 40-50%

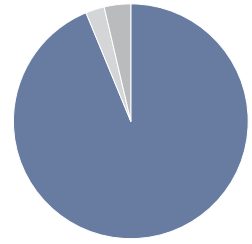
Company profile

HMPRO เป็นผู้นำในธุรกิจจำหน่ายสินค้าและให้บริการที่เกี่ยวข้องกับการก่อสร้าง ตกแต่ง ต่อเติม ซ่อมแซม ปรับปรุง อาคาร บ้าน และที่อยู่อาศัยแบบครบวงจร เน้นกลุ่มลูกค้าเป้าหมายระดับกลางถึงบน ในปี 2011-12 ยังขยายธุรกิจโฮมโปรไปสู่ประเทศมาเลเซีย รวมถึงขยายธุรกิจค้าปลีกและค้าส่งที่เน้นวัสดุก่อสร้าง สินค้าโครงสร้าง ภายใต้แบรนด์ เมกา โฮม นอกจากนี้ยังมีธุรกิจให้บริการพื้นที่เช่า ภายใต้แบรนด์ มาร์เก็ต วิลเลจ

www.homepro.co.th

Principal activities (revenue, 2023)

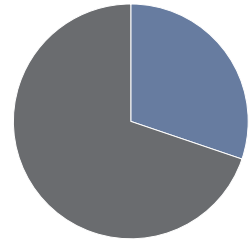
- Sales - 93.8 %
- Rental and service - 2.6 %
- Others - 3.6 %



Source: Home Product Center

Major shareholders

- Land & Houses - 30.2 %
- Others - 69.8 %



Source: Home Product Center

Catalysts

ปัจจัยบวกต่อราคา 1) การบริโภคในประเทศและอุตสาหกรรมท่องเที่ยวฟื้นตัว 2) มาตรการกระตุ้นการบริโภคกระตุ้นกำลังซื้อในประเทศ 3) กระตุ้นยอดขายสินค้า house brand ปีละ 1-2% ต่อปี ช่วยเพิ่มอัตรากำไรขั้นต้นสูงขึ้น 4) รายการส่งเสริมการขาย เช่น Trade-in

Risks to our call

ความเสี่ยง 1) อัตราการเติบโตของยอดขายสาขาเดิม (Same-store sales growth : SSSG) น้อยกว่าที่คาด 2) การฟื้นตัวของบริโภคในประเทศและจำนวนนักท่องเที่ยวฟื้นตัวช้ากว่าที่คาด 3) ผลประกอบการธุรกิจ在不同ประเทศขาดทุน

Event calendar

Date	Event
30 Apr 2024	1Q24 results announcement

Key assumptions

HMPRO	2023A (%)	2024E (%)	2025E (%)	2026E (%)
SSSG	(0.5)	3.0	3.0	3.0
New store growth	9.4	5.5	5.2	4.9
Gross profit margin	26.6	26.7	26.8	26.9
SG&A to sales	19.6	19.6	19.7	19.9

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2024 net profit to rise by 1.9%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2024 net profit to rise by 0.9%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A, we estimate 2024 net profit to fall by 0.9%, and vice versa, all else being equal.

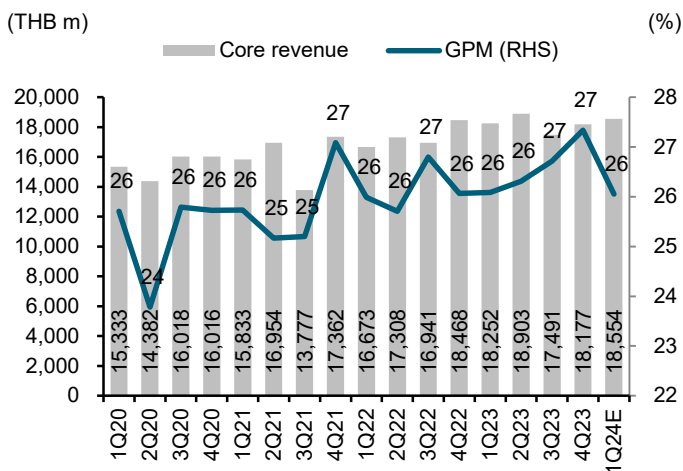
Source: FSSIA estimates

Exhibit 1: HMPRO - 1Q24E results preview

YE Dec 31	1Q23	2Q23	3Q23	4Q23	1Q24E	----- Change -----		1Q24E	2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	%24E	(THB m)	(THB m)	(y-y%)
Total revenue	18,252	18,903	17,491	18,177	18,554	2.1	1.7	24	72,822	77,688	6.7
--- Retail sales	17,223	17,789	16,390	16,881	17,313	2.6	0.5	24	68,283	72,986	6.9
--- Rental and service	477	464	434	507	450	(11)	(5.6)	23	1,882	1,966	4.4
--- Other income	551	650	666	788	791	0.4	43	29	2,656	2,736	3.0
Gross profit	5,328	5,593	5,280	5,717	5,420	(5.2)	1.7	23	21,918	23,405	6.8
Operating costs	(3,192)	(3,466)	(3,237)	(3,507)	(3,209)	(8.5)	0.5	22	(13,401)	(14,321)	6.9
Operating profit	2,135	2,127	2,043	2,210	2,211	0.0	3.5	24	8,516	9,084	6.7
Other income / (expense)	2	11	(1)	13	7	(47)	263	23	28	30	9.6
Interest expense	(133)	(130)	(138)	(166)	(168)	1.3	26	25	(567)	(670)	18.2
Profit before tax	2,004	2,008	1,904	2,058	2,050	(0.4)	2.3	24	7,975	8,443	5.9
Tax	(393)	(388)	(371)	(380)	(410)	7.8	4.4	26	(1,533)	(1,604)	4.7
Reported net profit	1,611	1,620	1,533	1,677	1,640	(2.2)	1.8	24	6,442	6,839	6.1
Recurring net profit	1,611	1,620	1,533	1,677	1,640	(2.2)	1.8	24	6,442	6,839	6.1
EPS (THB)	0.12	0.12	0.12	0.13	0.12	(2.2)	1.7	24	0.49	0.52	6.1
Recurring EPS (THB)	0.12	0.12	0.12	0.13	0.12	(2.2)	1.7	24	0.49	0.52	6.1
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)		(%)	(%)	(ppt)
Retail sales margin	26.1	26.3	26.7	27.3	26.1	(1.3)	(0.0)		26.6	26.7	0.1
Operating margin	12.4	12.0	12.5	13.1	12.8	(0.3)	0.4		12.5	12.4	(0.0)
Recurring net margin	8.8	8.6	8.8	9.2	8.8	(0.4)	0.0		8.8	8.8	(0.0)
SG&A / sales	18.5	19.5	19.7	20.8	18.5	(2.2)	0.0		19.6	19.6	(0.0)
Operating statistics											
SSSG (%)											
HomePro	5.8	5.0	(3.6)	(8.5)	(2.0)				(0.5)	3.0	
MegaHome	0.0	(2.0)	(1.5)	(7.0)	(5.0)				(3.0)	3.0	
HomePro-Malaysia	8.0	(11.0)	(6.0)	(2.0)	1.5				(3.0)	3.0	
Number of stores (no.)											
Home Pro	120	122	124	128	128				128	135	
Home Pro S	87	86	87	89	89				89	92	
Home Pro S	5	5	5	5	5				5	5	
Mega Home	21	24	25	27	27				27	31	
Home Pro Malaysia	7	7	7	7	7				7	7	

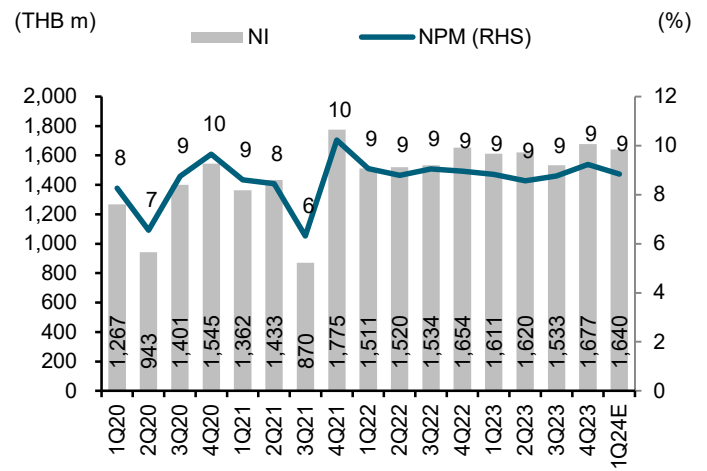
Sources: HMPRO; FSSIA estimates

Exhibit 2: Quarterly revenue and GPM



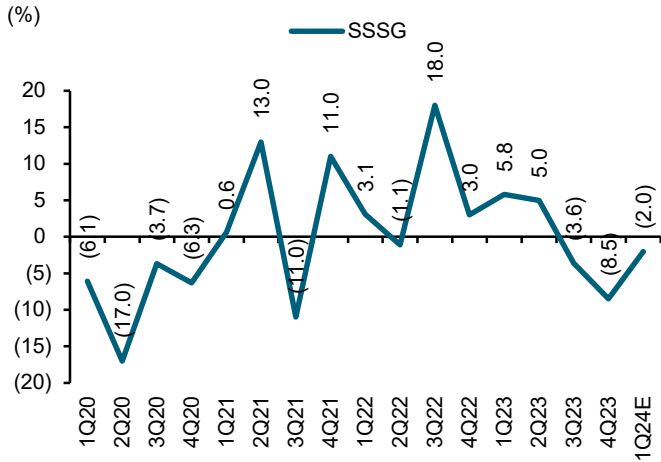
Sources: HMPRO; FSSIA estimates

Exhibit 3: Quarterly net profit



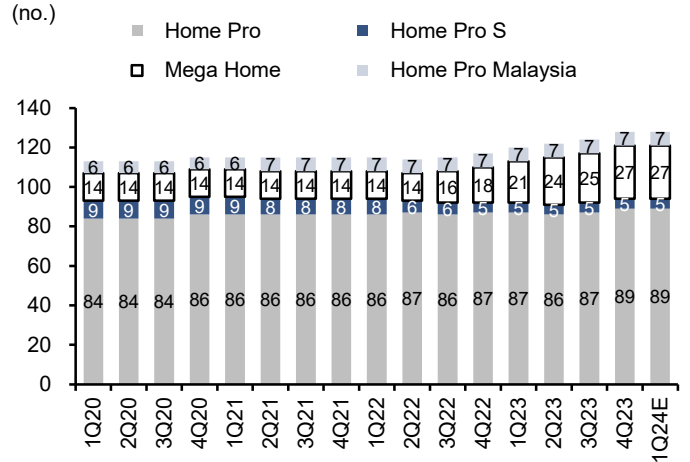
Sources: HMPRO; FSSIA estimates

Exhibit 4: Quarterly SSSG



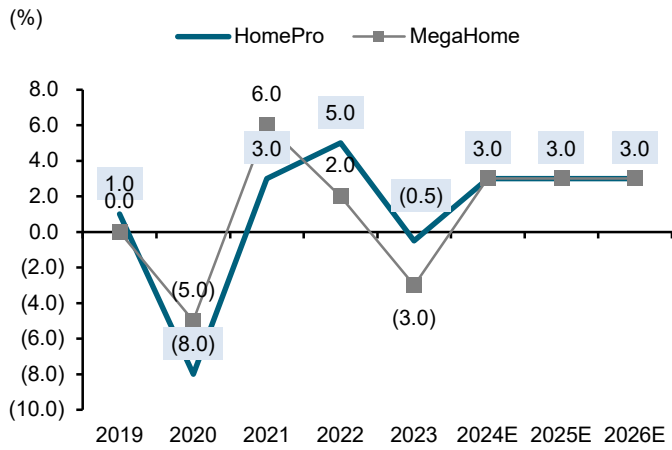
Sources: HMPRO; FSSIA estimates

Exhibit 5: Store breakdown



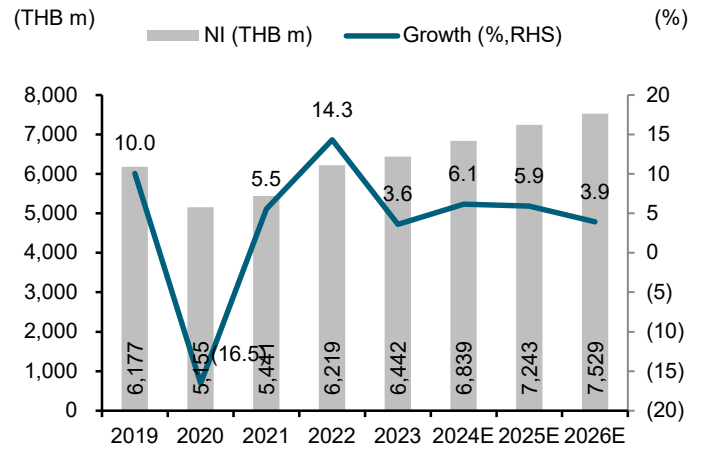
Sources: HMPRO; FSSIA estimates

Exhibit 6: Yearly SSSG and expect SSSG 2024 of 3%



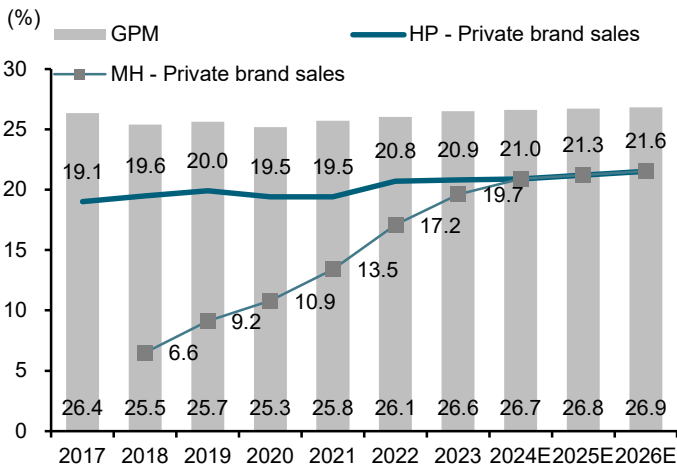
Sources: HMPRO; FSSIA estimates

Exhibit 7: Yearly net profit



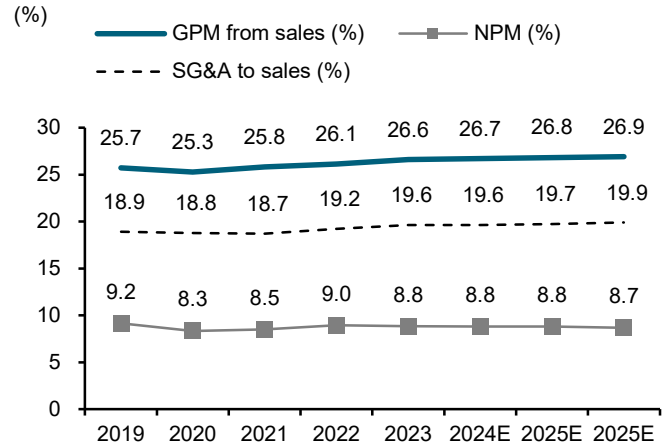
Sources: HMPRO; FSSIA estimates

Exhibit 8: Target proportion of private brand



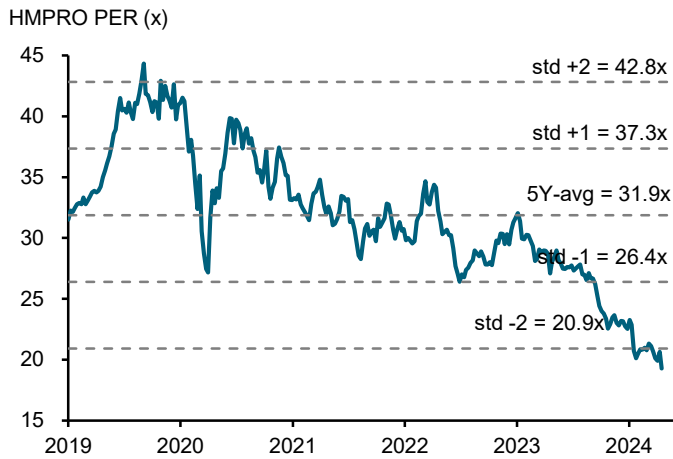
Sources: HMPRO; FSSIA estimates

Exhibit 9: Profitability



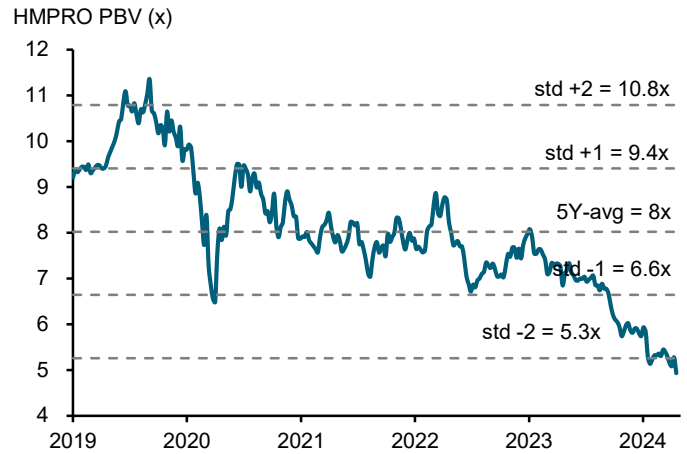
Sources: HMPRO; FSSIA estimates

Exhibit 10: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Commerce peers as of 22 April 2024

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		24E (x)	25E (x)	24E (%)	25E (%)	24E (x)	25E (x)	24E (x)	25E (x)
Consumer Staple														
CP All	CPALL TB	BUY	55.50	77.00	39	13,476	23.7	20.3	18.1	19.3	4.5	4.0	18.8	16.2
CP Axtra	CPAXT TB	BUY	31.75	36.00	13	9,080	31.5	26.8	3.6	4.2	1.1	1.1	11.6	10.9
Berli Jucker*	BJC TB	n/a	25.00	n/a	n/a	2,757	18.5	17.5	4.5	4.7	0.8	0.8	12.0	11.5
Consumer Staple average						25,313	24.6	21.5	8.7	9.4	2.1	2.0	14.1	12.9
Consumer Discretionary														
Com7	COM7 TB	BUY	17.90	22.50	26	1,154	14.4	13.2	34.3	32.0	4.6	3.9	9.8	8.7
Central Retail Corp	CRC TB	BUY	33.75	44.00	30	5,502	22.6	20.2	12.9	13.3	2.8	2.6	9.8	9.2
Home Improvement														
Index Living Mall	ILM TB	BUY	20.00	26.70	34	273	12.8	11.8	12.9	13.5	1.6	1.6	6.8	6.3
Home Product Center	HMPRO TB	BUY	10.30	13.60	32	3,661	19.8	18.7	26.1	26.4	5.1	4.8	11.6	11.0
Siam Global House	GLOBAL TB	BUY	16.00	17.70	11	2,250	27.1	24.1	12.3	13.0	3.2	3.0	21.0	18.9
Dohome	DOHOME TB	BUY	10.60	12.30	16	925	33.6	26.1	7.7	9.3	2.5	2.3	17.4	15.1
Home Improvement avg.						7,109	23.3	20.2	14.8	15.5	3.1	2.9	14.2	12.8
Consumer Discretionary avg.						13,765	21.7	19.0	17.7	17.9	3.3	3.0	12.7	11.5
Total average						39,078	22.7	19.9	14.7	15.1	2.9	2.7	13.2	12.0

Sources: *Bloomberg; FSSIA estimates

Financial Statements

Home Product Center

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	69,389	72,822	77,688	82,177	86,838
Cost of goods sold	(48,783)	(50,904)	(54,282)	(57,358)	(60,593)
Gross profit	20,607	21,918	23,405	24,820	26,245
Other operating income	-	-	-	-	-
Operating costs	(12,519)	(13,401)	(14,321)	(15,242)	(16,259)
Operating EBITDA	11,244	11,948	12,754	13,596	14,376
Depreciation	(3,156)	(3,431)	(3,670)	(4,018)	(4,389)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	8,088	8,516	9,084	9,578	9,987
Net financing costs	(428)	(540)	(640)	(633)	(690)
Associates	0	0	0	0	0
Recurring non-operating income	0	(2)	(2)	(2)	(2)
Non-recurring items	0	0	0	0	0
Profit before tax	7,660	7,975	8,443	8,943	9,295
Tax	(1,441)	(1,533)	(1,604)	(1,699)	(1,766)
Profit after tax	6,219	6,442	6,839	7,243	7,529
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	6,219	6,442	6,839	7,243	7,529
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	6,219	6,442	6,839	7,243	7,529
Per share (THB)					
Recurring EPS *	0.47	0.49	0.52	0.55	0.57
Reported EPS	0.47	0.49	0.52	0.55	0.57
DPS	0.38	0.40	0.42	0.45	0.47
Diluted shares (used to calculate per share data)	13,151	13,151	13,151	13,151	13,151
Growth					
Revenue (%)	8.5	4.9	6.7	5.8	5.7
Operating EBITDA (%)	9.4	6.3	6.8	6.6	5.7
Operating EBIT (%)	14.5	5.3	6.7	5.4	4.3
Recurring EPS (%)	14.3	3.6	6.1	5.9	3.9
Reported EPS (%)	14.3	3.6	6.1	5.9	3.9
Operating performance					
Gross margin inc. depreciation (%)	29.7	30.1	30.1	30.2	30.2
Gross margin exc. depreciation (%)	34.2	34.8	34.9	35.1	35.3
Operating EBITDA margin (%)	16.2	16.4	16.4	16.5	16.6
Operating EBIT margin (%)	11.7	11.7	11.7	11.7	11.5
Net margin (%)	9.0	8.8	8.8	8.8	8.7
Effective tax rate (%)	18.8	19.2	19.0	19.0	19.0
Dividend payout on recurring profit (%)	80.4	81.7	81.7	81.7	81.7
Interest cover (X)	18.9	15.8	14.2	15.1	14.5
Inventory days	104.8	106.1	104.3	105.6	106.4
Debtor days	9.8	10.5	10.3	10.3	10.3
Creditor days	119.1	119.3	113.5	114.4	114.8
Operating ROIC (%)	24.7	24.1	23.9	23.6	23.1
ROIC (%)	16.5	15.9	15.8	15.7	15.4
ROE (%)	26.4	25.9	26.1	26.4	26.1
ROA (%)	10.6	10.2	10.3	10.2	10.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	65,091	68,283	72,986	77,278	81,762
Rental and service	1,721	1,882	1,966	2,081	2,202
Others	2,578	2,656	2,736	2,818	2,874

Sources: Home Product Center; FSSIA estimates

Financial Statements

Home Product Center

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	6,219	6,442	6,839	7,243	7,529
Depreciation	3,156	3,431	3,670	4,018	4,389
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	387	(968)	(117)	(121)	(129)
Cash flow from operations	9,763	8,906	10,391	11,141	11,789
Capex - maintenance	0	0	0	0	0
Capex - new investment	(5,041)	(5,142)	(5,656)	(6,222)	(6,408)
Net acquisitions & disposals	118	30	277	69	179
Other investments (net)	(914)	(24)	(471)	(434)	(451)
Cash flow from investing	(5,837)	(5,136)	(5,850)	(6,586)	(6,680)
Dividends paid	(4,997)	(5,260)	(5,584)	(5,915)	(6,148)
Equity finance	0	0	0	0	0
Debt finance	1,946	2,499	1,172	2,015	1,400
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(3,052)	(2,762)	(4,412)	(3,899)	(4,748)
Non-recurring cash flows	0	0	0	0	0
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	874	1,008	130	656	361
Free cash flow to firm (FCFF)	4,370.42	4,337.61	5,212.19	5,220.46	5,821.03
Free cash flow to equity (FCFE)	5,871.79	6,268.86	5,713.83	6,570.40	6,508.28

Per share (THB)	2022	2023	2024E	2025E	2026E
FCFF per share	0.33	0.33	0.40	0.40	0.44
FCFE per share	0.45	0.48	0.43	0.50	0.49
Recurring cash flow per share	0.71	0.75	0.80	0.86	0.91

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	55,912	59,722	65,378	71,600	78,008
Less: Accumulated depreciation	(26,444)	(28,543)	(32,213)	(36,232)	(40,621)
Tangible fixed assets (net)	29,469	31,179	33,165	35,368	37,387
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	5,420	6,429	6,559	7,214	7,575
A/C receivable	2,069	2,115	2,256	2,386	2,522
Inventories	13,630	13,965	14,966	15,893	16,872
Other current assets	311	150	160	170	179
Current assets	21,430	22,659	23,941	25,663	27,148
Other assets	14,286	15,210	16,226	17,164	18,138
Total assets	65,185	69,048	73,333	78,195	82,673
Common equity	24,246	25,559	26,813	28,142	29,524
Minorities etc.	0	0	0	0	0
Total shareholders' equity	24,246	25,559	26,813	28,142	29,524
Long term debt	9,056	11,743	11,228	12,421	13,249
Other long-term liabilities	7,398	8,167	8,713	9,217	9,739
Long-term liabilities	16,454	19,910	19,941	21,637	22,988
A/C payable	15,812	15,225	16,250	17,186	18,172
Short term debt	6,248	6,060	7,747	8,569	9,141
Other current liabilities	2,425	2,294	2,581	2,660	2,848
Current liabilities	24,485	23,579	26,578	28,415	30,161
Total liabilities and shareholders' equity	65,184	69,047	73,332	78,195	82,673
Net working capital	(2,227)	(1,289)	(1,448)	(1,397)	(1,447)
Invested capital	41,528	45,100	47,943	51,135	54,078

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)	2022	2023	2024E	2025E	2026E
Book value per share	1.84	1.94	2.04	2.14	2.24
Tangible book value per share	1.84	1.94	2.04	2.14	2.24

Financial strength	2022	2023	2024E	2025E	2026E
Net debt/equity (%)	40.8	44.5	46.3	48.9	50.2
Net debt/total assets (%)	15.2	16.5	16.9	17.6	17.9
Current ratio (x)	0.9	1.0	0.9	0.9	0.9
CF interest cover (x)	26.5	22.1	18.8	21.2	19.7

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	21.8	21.0	19.8	18.7	18.0
Recurring P/E @ target price (x) *	28.8	27.8	26.2	24.7	23.8
Reported P/E (x)	21.8	21.0	19.8	18.7	18.0
Dividend yield (%)	3.7	3.9	4.1	4.4	4.5
Price/book (x)	5.6	5.3	5.1	4.8	4.6
Price/tangible book (x)	5.6	5.3	5.1	4.8	4.6
EV/EBITDA (x) **	12.9	12.3	11.6	11.0	10.5
EV/EBITDA @ target price (x) **	16.8	15.9	15.0	14.2	13.5
EV/invested capital (x)	3.5	3.3	3.1	2.9	2.8

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Home Product Center; FSSIA estimates

Home Product Center PCL (HMPRO TB)

FSSIA ESG rating

87.20 /100
Exhibit 13: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 14: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
DOHOME	42.34	--	--	--	5.00	5.00	Declared	Medium	37.50	--	--	37.19	20.00	4.17	46.91
GLOBAL	59.18	--	Y	Y	5.00	5.00	Declared	Low	53.10	--	--	36.48	41.00	3.24	52.38
HMPRO	87.20	Y	Y	Y	5.00	5.00	Certified	Low	66.54	AA	37.00	65.78	81.00	5.36	62.59
ILM	20.00	--	--	--	5.00	5.00	Certified	--	--	--	--	--	--	--	--
MEGA	54.48	--	Y	Y	4.00	4.00	Declared	Medium	66.56	--	--	58.59	24.00	2.39	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 15: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	2.33	2.48	3.72	3.82	3.88	3.90	4.43	5.36
BESG environmental pillar score	0.72	0.90	1.00	1.21	1.16	1.36	2.58	4.21
BESG social pillar score	3.21	3.22	7.34	7.42	7.72	7.47	7.70	8.17
BESG governance pillar score	3.47	3.69	3.92	3.83	3.85	3.82	3.62	4.08
ESG disclosure score	49.20	49.20	53.02	53.90	58.58	59.11	60.32	62.59
Environmental disclosure score	28.39	28.39	39.08	41.71	41.71	41.71	41.71	45.15
Social disclosure score	35.49	35.49	36.28	36.28	50.33	51.93	55.56	58.95
Governance disclosure score	83.59	83.59	83.59	83.59	83.59	83.59	83.59	83.59
Environmental								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	Yes	Yes	Yes	Yes	Yes
GHG scope 1	1	1	1	1	0	0	0	0
GHG scope 2 location-based	91	85	92	84	85	63	64	71
GHG Scope 3	23	23	23	27	28	27	26	26
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	—	—	198
Renewable energy use	—	—	—	—	—	—	—	51
Electricity used	159	158	158	144	147	112	136	146
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 16: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	2	2	2	1	2	2
Waste recycled	—	—	2	2	2	1	2	2
Waste sent to landfills	—	—	—	0	0	0	0	0
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	931	872	858	895	934	712	840	898
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	Yes	Yes	Yes	No
Pct women in workforce	46	47	49	51	52	49	50	50
Pct disabled in workforce	1	1	1	1	1	1	1	1
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	0	0	0	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	—	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	Yes
Number of employees – CSR	9,280	9,238	8,172	8,221	8,351	10,771	10,601	11,359
Employee turnover pct	23	24	20	18	20	20	17	20
Total hours spent by firm - employee training	640,876	713,543	398,140	407,186	449,534	240,193	251,456	353,151
Social supply chain management	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	12	12	11	11	11	11	11	12
No. of independent directors (ID)	4	4	4	4	4	4	4	4
No. of women on board	1	1	1	1	1	1	1	1
No. of non-executive directors on board	11	11	10	10	9	9	9	10
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	12	12	12	12	12	14	12	12
Board meeting attendance pct	95	96	97	95	98	99	98	99
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	40	41	42	43	44	45	46	47
Age of the oldest director	70	71	72	73	74	75	76	77
No. of executives / company managers	17	16	17	19	18	21	25	24
No. of female executives	8	9	10	11	13	14	14	13
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	12	12	12	12	12	12	12	12
Audit meeting attendance %	100	97	100	100	97	100	100	100
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	1	1	1	1	1	1	1	1
No. of compensation committee meetings	3	2	2	2	2	2	2	4
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	3	2	2	2	2	2	2	4
Nomination meeting attendance %	100	100	100	100	100	100	100	100
Sustainability governance								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
NEGL	Low	Medium	High	Severe																										
0-10	10-20	20-30	30-40	40+																										
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
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Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Home Product Center	HMPRO TB	THB 10.30	BUY	Key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) slower-than-expected recovery in domestic consumption and tourist arrivals, and 3) operating losses from overseas units.
Index Living Mall	ILM TB	THB 20.00	BUY	Risks to our DCF-based TP include 1) a lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) a higher-than-expected SG&A.
Siam Global House	GLOBAL TB	THB 16.00	HOLD	Key downside risks to our DCF-based TP are 1) lower farm income, 2) a delay in government disbursement, 3) decreased private brand exposure and its lower gross margin, 4) higher-than-expected expenses, and 5) a larger-than-expected impact of the El Nino.
Dohome PCL	DOHOME TB	THB 10.60	BUY	Downside risks to our DCF-based TP include 1) lower farm income, 2) a delay in government disbursement, 3) a decreased private brand exposure and its lower margins, 4) higher-than-expected expenses, and 5) a higher-than-expected impact of the El Nino.
CP All	CPALL TB	THB 55.50	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
CP Axtra	CPAXT TB	THB 31.75	BUY	Key downside risks to our DCF-based TP include 1) a lower-than-expected SSSG, 2) a lower-than-expected GPM, 3) higher-than-expected SG&A expenses, and 4) an operating loss from its overseas units.
Com7	COM7 TB	THB 17.90	BUY	Downside risks to our P/E-based TP include 1) lower consumption and domestic purchasing power, 2) store cannibalization, and 3) product shortages.
Central Retail Corp	CRC TB	THB 33.75	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) an absence of the government's stimulus, and 4) a slower-than-expected economic recovery in Vietnam.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 22-Apr-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.