

## 1Q24 results at first glance

TARGET PRICE	THB17.30
CLOSE	THB15.70
UP/DOWNSIDE	+10.2%
TP vs CONSENSUS	+1.4%

## 1Q24 กำไรสุทธิ 725 ลบ. ไกล่กับที่เราคาด แต่น้อยกว่าตลาดคาด 4%

## Highlights

- GLOBAL รายงานกำไรสุทธิเท่ากับ 725 ลบ. เพิ่มขึ้น 29% q-q ตามปัจจัยฤดูกาลที่เข้าสู่ช่วงการก่อสร้างในครึ่งแรกของปี แต่ลดลง 18% y-y จากภาพรวมกำลังซื้อที่ยังอ่อนแอ และการเบิกจ่ายงบประมาณภาครัฐล่าช้า รวมถึงค่าใช้จ่ายที่เพิ่มขึ้นตามการขยายสาขาและการปรับเงินเดือนพนักงาน และดอกเบี้ยจ่ายสูงขึ้นตามการขึ้นอัตราดอกเบี้ยของธพ.
- ยอดขายรวม 8.77 พันลบ. เพิ่มขึ้น 17% q-q ตามปัจจัยฤดูกาล แต่ลดลง 2% y-y โดยเป็น SSSG ที่ยังติดลบ 5.3% y-y จากภาพรวมกำลังซื้อที่ยังอ่อนแอ และการเบิกจ่ายงบประมาณภาครัฐล่าช้า แต่ชดเชยจากยอดขายสาขาใหม่ 6 สาขาที่เปิดเพิ่มในปี 2023
- อัตรากำไรขั้นต้น 25.0% ลดลงจาก 26.1% ใน 4Q23 ตามปัจจัยฤดูกาลที่ยอดขายกลุ่มสินค้าโครงสร้างสูงขึ้น ซึ่งเป็นกลุ่มสินค้าที่มี gross margin ต่ำกว่ากลุ่มอื่นๆ โดยเปรียบเทียบ และสัดส่วนยอดขายสินค้ากลุ่ม Private brand ราว 23% ลดลงจาก 24% ใน 4Q23 แต่ flat จาก 1Q23 ซึ่งเกิดจากสินค้าในบางสาขาขาดแคลนจากการกระจายสินค้าไม่ดีเท่าที่ควร โดยบริษัทมีการทยอยปรับปรุงไปแล้วตั้งแต่เดือน ก.พ. ซึ่งคาดว่าจะกลับเป็นปกติในช่วง 3Q24E
- ค่าใช้จ่ายต่อยอดขายที่ 16.7% ลดลงจาก 18.9% ใน 4Q23 ตามยอดขายที่สูงขึ้น แต่เพิ่มขึ้นจาก 14.3% ใน 1Q23 จากค่าใช้จ่ายการขยายสาขาใหม่และการปรับขึ้นเงินเดือนพนักงาน รวมถึงค่าใช้จ่ายดอกเบี้ยเพิ่มขึ้น 35% y-y จากการปรับอัตราดอกเบี้ยของธพ.

## Outlook

- กำไรสุทธิ 1Q24 คิดเป็น 25% ของประมาณการกำไรทั้งปีที่ 2.96 พันลบ. (+11% y-y) ในแง่ SSSG ใน 2Q24 คาดว่าจะยังเป็นลบ (คาด SSSG เดือน เม.ย. ยังติดลบราว 5-6%) และคาดว่าจะกลับมาเป็นบวกได้ครึ่งหลังของปี หลังจากได้อานิสงส์ของการเบิกจ่ายงบประมาณภาครัฐเต็มไตรมาส
- เรายังคงคำแนะนำ ถือ ราคาเป้าหมาย 17.30 บาท โดยยังคงมุมมองระยะยาวจาก SSSG ที่อาจน้อยกว่าที่คาด และ GPM อาจน้อยกว่าที่คาดจากสัดส่วนสินค้า Private brand น้อยกว่าที่คาด และสัดส่วนการขายสินค้ากลุ่มโครงสร้างซึ่งเป็นสินค้ากลุ่มที่มี Margin ต่ำที่คาดว่าจะมีมากขึ้นหลังจากการเบิกจ่ายงบลงทุนภาครัฐ

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	32,301	35,554	38,630	40,939
Net profit	2,671	2,956	3,327	3,833
EPS (THB)	0.53	0.57	0.64	0.74
vs Consensus (%)	-	(3.7)	(4.5)	-
EBITDA	3,960	4,419	4,941	5,650
Recurring net profit	2,671	2,956	3,327	3,833
Core EPS (THB)	0.53	0.57	0.64	0.74
EPS growth (%)	(26.5)	6.4	12.6	15.2
Core P/E (x)	29.4	27.6	24.5	21.3
Dividend yield (%)	1.4	1.4	1.6	1.9
EV/EBITDA (x)	22.7	21.3	19.2	16.7
Price/book (x)	3.4	3.3	3.1	2.9
Net debt/Equity (%)	46.6	48.5	48.3	43.0
ROE (%)	11.9	12.3	12.9	13.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.8)	8.9	(4.0)
Relative to country (%)	(3.6)	9.5	9.0
Mkt cap (USD m)	2,210		
3m avg. daily turnover (USD m)	3.1		
Free float (%)	35		
Major shareholder	Suriyawanakul Family (34%)		
12m high/low (THB)	18.56/14.04		
Issued shares (m)	5,001.80		

Sources: Bloomberg consensus; FSSIA estimates



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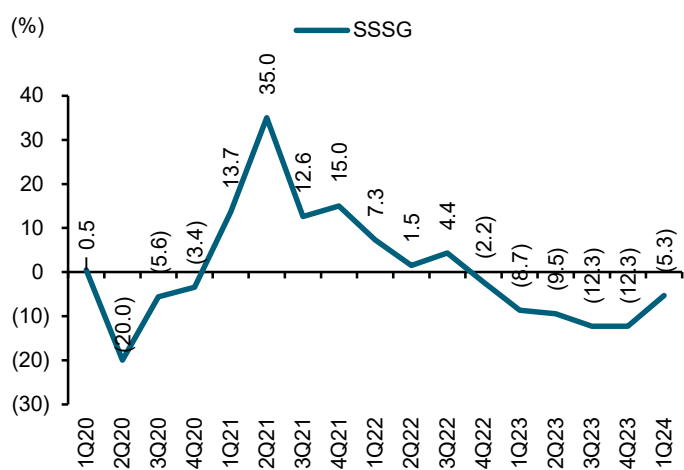
## Exhibit 1: GLOBAL - 1Q24 results summary

Profit & Loss Statement	1Q23	2Q23	3Q23	4Q23	1Q24	----- Change -----		1Q24	2023	2024E	Change
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	%24E	(THB m)	(THB m)	(y-y%)
<b>Retail sales</b>	<b>8,933</b>	<b>8,503</b>	<b>7,340</b>	<b>7,523</b>	<b>8,767</b>	<b>17</b>	<b>(2)</b>	<b>25</b>	<b>32,301</b>	<b>35,554</b>	<b>10</b>
Cost of retail sales	6,696	6,344	5,443	5,557	6,578	18	(2)	25	24,040	26,418	10
<b>Gross profit</b>	<b>2,238</b>	<b>2,159</b>	<b>1,898</b>	<b>1,966</b>	<b>2,190</b>	<b>11</b>	<b>(2)</b>	<b>24</b>	<b>8,261</b>	<b>9,135</b>	<b>11</b>
Operating costs	(1,280)	(1,423)	(1,399)	(1,423)	(1,464)	3	14	24	(5,524)	(6,044)	9
<b>Operating profit</b>	<b>958</b>	<b>736</b>	<b>499</b>	<b>543</b>	<b>726</b>	<b>34</b>	<b>(24)</b>	<b>23</b>	<b>2,737</b>	<b>3,091</b>	<b>13</b>
Other income/expenses	166	180	173	190	212	12	28	29	708	721	2
Interest expense	(64)	(65)	(71)	(81)	(86)	6	35	30	(282)	(284)	1
Profit before tax	1,060	851	601	651	852	31	(20)	24	3,163	3,527	12
Tax	(209)	(167)	(117)	(126)	(179)	42	(15)	25	(620)	(705)	14
Associates	35	22	44	34	51	47	43	36	135	142	5
Minority interests	(4)	(2)	(2)	1	2	124	(146)	(23)	(7)	(7)	10
Non-recurring items	0	0	0	0	0	n/a	n/a	n/a	0	0	n/a
Reported net profit	883	703	525	560	725	29	(18)	25	2,671	2,956	11
<b>Recurring net profit</b>	<b>883</b>	<b>703</b>	<b>525</b>	<b>560</b>	<b>725</b>	<b>29</b>	<b>(18)</b>	<b>25</b>	<b>2,671</b>	<b>2,956</b>	<b>11</b>
EPS (THB)*	0.18	0.14	0.10	0.11	0.14	24	(24)	25	0.53	0.57	6
<b>Recurring EPS (THB)*</b>	<b>0.18</b>	<b>0.14</b>	<b>0.10</b>	<b>0.11</b>	<b>0.14</b>	<b>24</b>	<b>(24)</b>	<b>25</b>	<b>0.53</b>	<b>0.57</b>	<b>6</b>
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>		<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Retail sales margin	25.0	25.4	25.9	26.1	25.0	(1.2)	(0.1)		25.6	25.7	0.1
Operating margin	10.7	8.7	6.8	7.2	8.3	1.1	(2.5)		8.5	8.7	0.2
Recurring net margin	9.9	8.3	7.2	7.4	8.3	0.8	(1.6)		8.3	8.3	0.0
SG&A / Sales	14.3	16.7	19.1	18.9	16.7	(2.2)	2.4		17.1	17.0	(0.1)
<b>Operating stats</b>											
SSSG (%)	(8.7)	(9.5)	(12.3)	(12.3)	(5.3)				(10.8)	5.0	
Private brand (%)	23.0	23.8	23.9	24.0	23.0				24.0	24.2	
Number of stores-TH (no.)	78	79	81	83	84				83	91	

\*Noted : Fully diluted

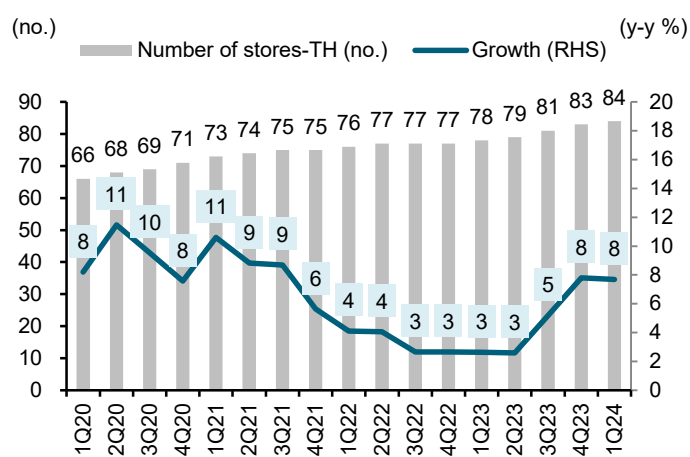
Sources: GLOBAL; FSSIA estimates

## Exhibit 2: SSSG still dragged by slow budget disbursement



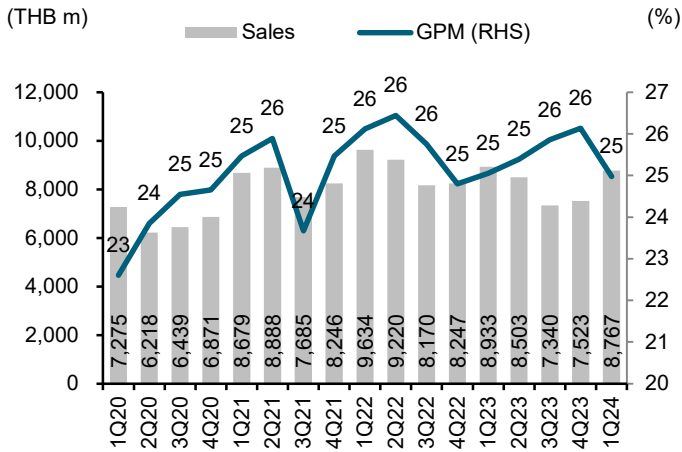
Sources: GLOBAL; FSSIA compilation

## Exhibit 3: A store expansion in 1Q24



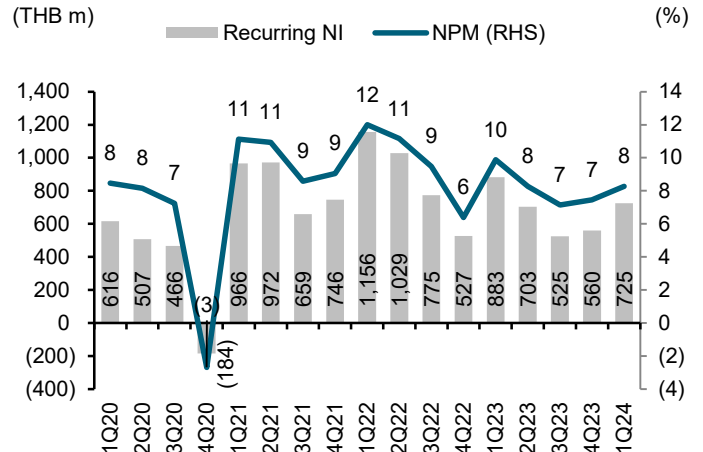
Sources: GLOBAL; FSSIA compilation

Exhibit 4: Quarterly sales and GPM



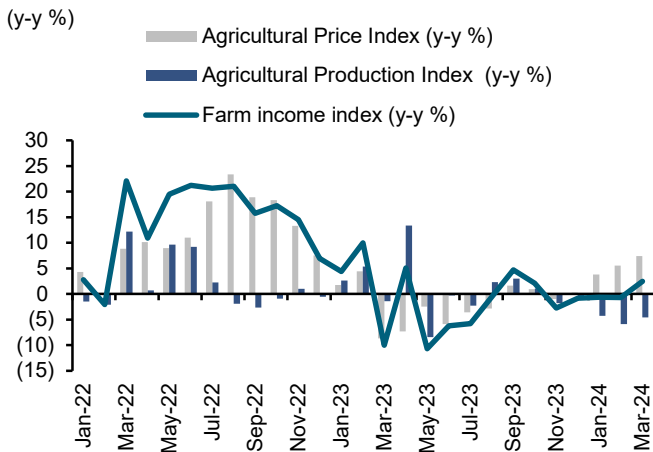
Sources: GLOBAL; FSSIA compilation

Exhibit 5: Quarterly net profit and NPM



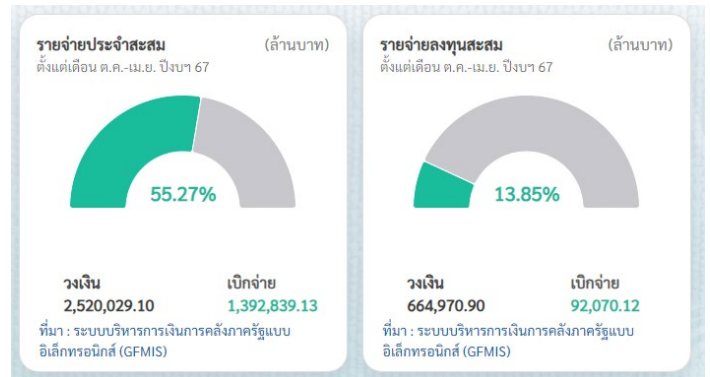
Sources: GLOBAL; FSSIA compilation

Exhibit 6: Farm income



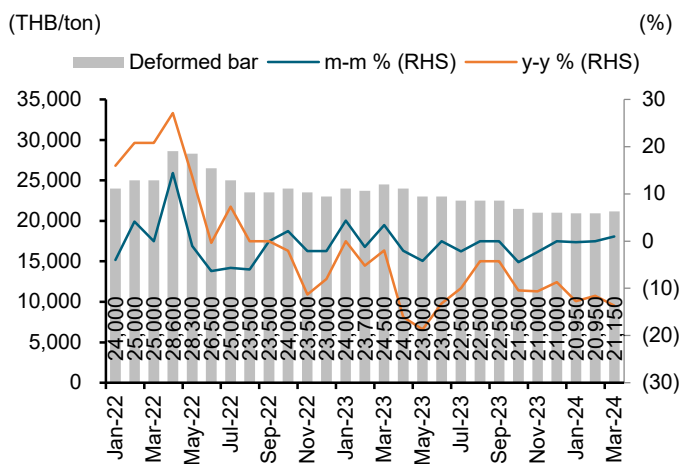
Source: Office of Agricultural Economics

Exhibit 7: Government budget disbursements



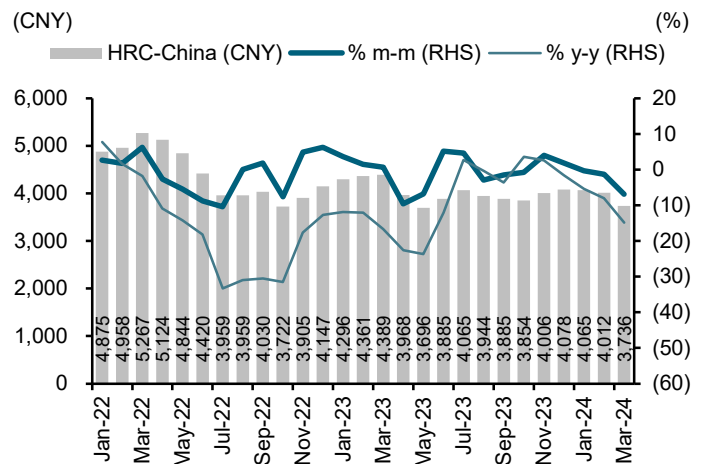
Source: Ministry of Finance

Exhibit 8: Deformed bar Thailand price



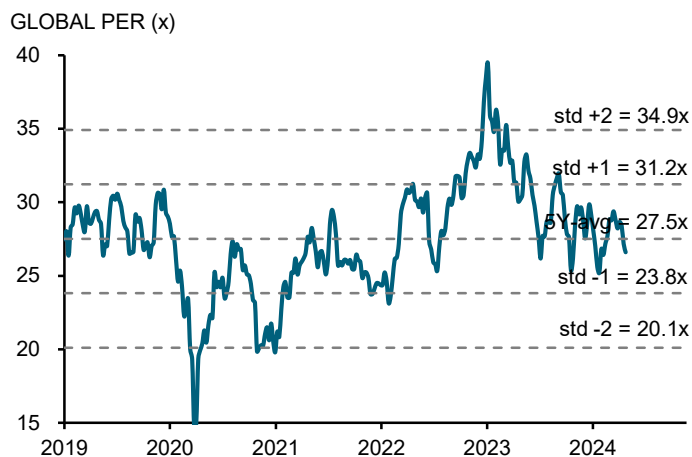
Source: Ministry of Commerce

Exhibit 9: HRC China price



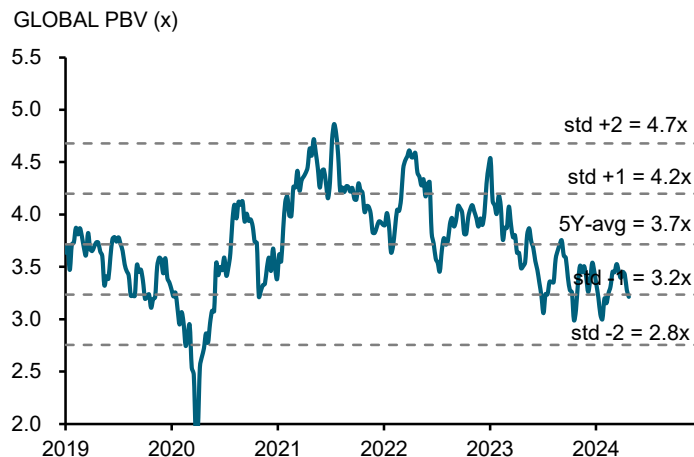
Source: Bloomberg

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 26 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)
<b>Consumer Staple</b>														
CP All	CPALL TB	BUY	56.75	77.00	36	13,793	24.2	20.7	18.1	19.3	4.6	4.1	19.0	16.4
CP Axtra	CPAXT TB	BUY	31.75	36.00	13	9,089	31.5	26.8	3.6	4.2	1.1	1.1	11.6	10.9
Berli Jucker*	BJC TB	n/a	24.80	n/a	n/a	2,685	18.1	17.0	4.5	4.8	0.8	0.8	12.0	11.4
<b>Consumer Staple average</b>						<b>25,566</b>	<b>24.6</b>	<b>21.5</b>	<b>8.7</b>	<b>9.4</b>	<b>2.2</b>	<b>2.0</b>	<b>14.2</b>	<b>12.9</b>
<b>Consumer Discretionary</b>														
Com7	COM7 TB	BUY	18.10	22.50	24	1,168	14.5	13.4	34.3	32.0	4.6	4.0	9.9	8.8
Central Retail Corp	CRC TB	BUY	34.00	44.00	29	5,548	22.7	20.3	12.9	13.3	2.8	2.6	9.8	9.2
<b>Home Improvement</b>														
Index Living Mall	ILM TB	BUY	20.60	26.70	30	281	13.2	12.2	12.9	13.5	1.7	1.6	7.0	6.4
Home Product Center	HMPRO TB	BUY	10.20	13.60	33	3,629	19.6	18.5	26.1	26.4	5.0	4.8	11.5	10.9
Siam Global House	GLOBAL TB	HOLD	15.70	17.30	10	2,210	27.6	24.5	12.3	12.9	3.3	3.1	21.3	19.2
Dohome	DOHOME TB	HOLD	10.50	11.80	12	917	34.8	27.0	7.7	9.2	2.6	2.4	17.7	15.5
<b>Home Improvement avg.</b>						<b>7,038</b>	<b>23.8</b>	<b>20.6</b>	<b>14.8</b>	<b>15.5</b>	<b>3.1</b>	<b>3.0</b>	<b>14.4</b>	<b>13.0</b>
<b>Consumer Discretionary avg.</b>						<b>13,754</b>	<b>22.1</b>	<b>19.3</b>	<b>17.7</b>	<b>17.9</b>	<b>3.3</b>	<b>3.1</b>	<b>12.9</b>	<b>11.7</b>
<b>Total average</b>						<b>39,320</b>	<b>22.9</b>	<b>20.1</b>	<b>14.7</b>	<b>15.1</b>	<b>2.9</b>	<b>2.7</b>	<b>13.3</b>	<b>12.1</b>

Sources: \*Bloomberg; FSSIA estimates

## Financial Statements

Siam Global House

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	35,270	32,301	35,554	38,630	40,939
Cost of goods sold	(26,166)	(24,040)	(26,418)	(28,565)	(30,043)
<b>Gross profit</b>	<b>9,104</b>	<b>8,261</b>	<b>9,135</b>	<b>10,065</b>	<b>10,896</b>
Other operating income	0	0	0	-	-
Operating costs	(5,410)	(5,524)	(6,044)	(6,567)	(6,796)
<b>Operating EBITDA</b>	<b>4,941</b>	<b>3,960</b>	<b>4,419</b>	<b>4,941</b>	<b>5,650</b>
Depreciation	(1,246)	(1,223)	(1,328)	(1,443)	(1,550)
Goodwill amortisation	0	0	0	-	-
<b>Operating EBIT</b>	<b>3,695</b>	<b>2,737</b>	<b>3,091</b>	<b>3,498</b>	<b>4,100</b>
Net financing costs	(193)	(287)	(289)	(308)	(313)
Associates	120	135	142	149	156
Recurring non-operating income	828	848	867	942	975
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>4,330</b>	<b>3,298</b>	<b>3,669</b>	<b>4,132</b>	<b>4,762</b>
Tax	(824)	(620)	(705)	(797)	(921)
<b>Profit after tax</b>	<b>3,506</b>	<b>2,678</b>	<b>2,964</b>	<b>3,335</b>	<b>3,841</b>
Minority interests	(19)	(7)	(7)	(8)	(9)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>3,487</b>	<b>2,671</b>	<b>2,956</b>	<b>3,327</b>	<b>3,833</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>3,487</b>	<b>2,671</b>	<b>2,956</b>	<b>3,327</b>	<b>3,833</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.73	0.53	0.57	0.64	0.74
Reported EPS	0.73	0.53	0.57	0.64	0.74
DPS	0.30	0.21	0.23	0.26	0.29
Diluted shares (used to calculate per share data)	4,802	5,002	5,202	5,202	5,202
<b>Growth</b>					
Revenue (%)	5.3	(8.4)	10.1	8.7	6.0
Operating EBITDA (%)	1.1	(19.9)	11.6	11.8	14.4
Operating EBIT (%)	1.9	(25.9)	12.9	13.2	17.2
Recurring EPS (%)	(0.1)	(26.5)	6.4	12.6	15.2
Reported EPS (%)	(0.1)	(26.5)	6.4	12.6	15.2
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	25.8	25.6	25.7	26.1	26.6
Gross margin exc. depreciation (%)	29.3	29.4	29.4	29.8	30.4
Operating EBITDA margin (%)	14.0	12.3	12.4	12.8	13.8
Operating EBIT margin (%)	10.5	8.5	8.7	9.1	10.0
Net margin (%)	9.9	8.3	8.3	8.6	9.4
Effective tax rate (%)	19.6	19.6	20.0	20.0	20.0
Dividend payout on recurring profit (%)	41.1	40.2	40.0	40.0	40.0
Interest cover (X)	23.5	12.5	13.7	14.4	16.2
Inventory days	233.9	238.2	212.7	211.4	211.5
Debtor days	6.8	7.8	11.8	15.3	16.5
Creditor days	35.5	42.8	47.0	48.4	50.1
Operating ROIC (%)	11.7	8.7	9.5	10.0	11.2
ROIC (%)	12.7	10.0	10.7	11.2	12.2
ROE (%)	16.9	11.9	12.3	12.9	13.9
ROA (%)	9.4	7.6	8.0	8.3	9.0
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Sales	35,270	32,301	35,554	38,630	40,939
Others	0	0	0	0	0

Sources: Siam Global House; FSSIA estimates

## Financial Statements

Siam Global House

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	3,487	2,671	2,956	3,327	3,833
Depreciation	1,246	1,223	1,328	1,443	1,550
Associates & minorities	9	(2)	0	0	0
Other non-cash items	19	7	7	8	9
Change in working capital	258	2,060	(1,558)	(792)	(628)
<b>Cash flow from operations</b>	<b>5,019</b>	<b>5,959</b>	<b>2,733</b>	<b>3,987</b>	<b>4,763</b>
Capex - maintenance	(1,618)	(2,556)	(2,332)	(2,682)	(1,967)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(549)	(53)	(364)	(362)	(330)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(2,167)</b>	<b>(2,608)</b>	<b>(2,696)</b>	<b>(3,044)</b>	<b>(2,297)</b>
Dividends paid	(1,432)	(1,073)	(1,182)	(1,331)	(1,533)
Equity finance	172	(147)	(110)	(350)	(350)
Debt finance	(2,138)	(2,226)	1,308	793	(466)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(3,399)</b>	<b>(3,446)</b>	<b>16</b>	<b>(888)</b>	<b>(2,350)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(547)</b>	<b>(95)</b>	<b>53</b>	<b>55</b>	<b>116</b>
Free cash flow to firm (FCFF)	3,044.84	3,632.82	321.31	1,245.66	2,773.54
Free cash flow to equity (FCFE)	713.58	1,124.96	1,344.98	1,736.34	1,999.25

### Per share (THB)

FCFF per share	0.61	0.73	0.06	0.25	0.55
FCFE per share	0.14	0.22	0.27	0.35	0.40
Recurring cash flow per share	0.99	0.78	0.82	0.92	1.04

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	25,311	27,696	30,028	32,710	34,677
Less: Accumulated depreciation	(7,840)	(8,893)	(10,220)	(11,663)	(13,213)
<b>Tangible fixed assets (net)</b>	<b>17,471</b>	<b>18,804</b>	<b>19,808</b>	<b>21,047</b>	<b>21,464</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	1,824	1,967	2,118	2,275	2,449
Cash & equivalents	1,147	1,053	1,105	1,161	1,277
A/C receivable	631	757	1,549	1,683	2,008
Inventories	15,747	14,038	15,210	16,211	16,803
Other current assets	42	216	238	259	274
<b>Current assets</b>	<b>17,568</b>	<b>16,064</b>	<b>18,102</b>	<b>19,314</b>	<b>20,362</b>
Other assets	2,285	2,222	2,446	2,658	2,817
<b>Total assets</b>	<b>39,148</b>	<b>39,058</b>	<b>42,474</b>	<b>45,294</b>	<b>47,091</b>
Common equity	21,788	23,239	24,903	26,549	28,499
Minorities etc.	304	308	315	323	332
<b>Total shareholders' equity</b>	<b>22,091</b>	<b>23,547</b>	<b>25,218</b>	<b>26,873</b>	<b>28,831</b>
Long term debt	3,252	2,186	3,086	3,566	3,238
Other long-term liabilities	176	204	214	222	224
<b>Long-term liabilities</b>	<b>3,428</b>	<b>2,390</b>	<b>3,301</b>	<b>3,788</b>	<b>3,462</b>
A/C payable	2,311	3,043	3,417	3,773	4,050
Short term debt	11,006	9,845	10,253	10,567	10,429
Other current liabilities	313	232	285	293	320
<b>Current liabilities</b>	<b>13,629</b>	<b>13,120</b>	<b>13,955</b>	<b>14,633</b>	<b>14,799</b>
<b>Total liabilities and shareholders' equity</b>	<b>39,148</b>	<b>39,058</b>	<b>42,474</b>	<b>45,294</b>	<b>47,091</b>
Net working capital	13,797	11,737	13,295	14,087	14,715
Invested capital	35,377	34,730	37,667	40,067	41,445

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

### Per share (THB)

Book value per share	4.54	4.65	4.79	5.10	5.48
Tangible book value per share	4.54	4.65	4.79	5.10	5.48

### Financial strength

Net debt/equity (%)	59.3	46.6	48.5	48.3	43.0
Net debt/total assets (%)	33.5	28.1	28.8	28.6	26.3
Current ratio (x)	1.3	1.2	1.3	1.3	1.4
CF interest cover (x)	4.7	4.9	5.7	6.6	7.4

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>21.6</b>	<b>29.4</b>	<b>27.6</b>	<b>24.5</b>	<b>21.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>23.8</b>	<b>32.4</b>	<b>30.4</b>	<b>27.0</b>	<b>23.5</b>
Reported P/E (x)	21.6	29.4	27.6	24.5	21.3
Dividend yield (%)	1.9	1.4	1.4	1.6	1.9
Price/book (x)	3.5	3.4	3.3	3.1	2.9
Price/tangible book (x)	3.5	3.4	3.3	3.1	2.9
EV/EBITDA (x) **	18.0	22.7	21.3	19.2	16.7
EV/EBITDA @ target price (x) **	19.5	24.7	23.2	20.9	18.2
EV/invested capital (x)	2.5	2.6	2.5	2.4	2.3

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

Sources: Siam Global House; FSSIA estimates

# Siam Global House PCL (GLOBAL TB)

**FSSIA ESG rating**

**59.18 /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.
★★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>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 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>2.92</b>	<b>2.83</b>	<b>3.28</b>	<b>3.24</b>
BESG environmental pillar score	1.16	0.86	0.85	0.96
BESG social pillar score	4.31	4.24	4.82	4.85
BESG governance pillar score	3.70	3.93	4.93	4.56
<b>ESG disclosure score</b>	<b>38.07</b>	<b>41.93</b>	<b>44.61</b>	<b>52.38</b>
Environmental disclosure score	7.58	13.17	15.98	36.70
Social disclosure score	25.39	31.38	30.35	32.95
Governance disclosure score	81.10	81.10	87.36	87.36
<b>Environmental</b>				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	No	No	Yes
GHG scope 1	—	—	—	15
GHG scope 2 location-based	—	—	—	34
GHG Scope 3	—	—	—	10
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	—
Electricity used	68	133	151	149
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 16: ESG score by Bloomberg (cont.)**

<b>FY ending Dec 31</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	No	Yes	Yes	Yes
Hazardous waste	—	—	—	—
Total waste	—	—	—	—
Waste recycled	—	—	—	2
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	Yes
Water policy	No	No	Yes	Yes
Water consumption	—	296	297	343
<b>Social</b>				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	—	43	43
Pct disabled in workforce	1	1	1	1
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	2	1	1	1
Total recordable incident rate - employees	—	—	—	1
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	9,398	9,286	9,872	10,063
Employee turnover pct	—	—	—	—
Total hours spent by firm - employee training	76,726	69,157	83,511	81,309
Social supply chain management	No	No	No	Yes
<b>Governance</b>				
<b>Board size</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of women on board	1	1	0	0
No. of non-executive directors on board	7	7	7	8
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	4	4	6	6
Board meeting attendance pct	100	98	100	98
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	49	53	33	34
Age of the oldest director	74	75	76	77
<b>No. of executives / company managers</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>11</b>
No. of female executives	3	1	3	3
Executive share ownership guidelines	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3
Audit committee meetings	3	5	5	4
Audit meeting attendance %	100	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	2	2	2	2
Compensation meeting attendance %	100	100	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	2	2	2	2
Nomination meeting attendance %	100	100	100	100
<b>Sustainability governance</b>				
Verification type	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 <b>THSI inclusion</b> , 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. <b>SETTHSI Index</b> 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&amp;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. 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.	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.																				
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="0"> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
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

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Company	Ticker	Price	Rating	Valuation & Risks
Siam Global House	GLOBAL TB	THB 15.70	HOLD	Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the El Nino.
Index Living Mall	ILM TB	THB 20.60	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.
Home Product Center	HMPRO TB	THB 10.20	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.
Dohome PCL	DOHOME TB	THB 10.50	HOLD	Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the El Nino.
CP All	CPALL TB	THB 56.75	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 18.10	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 34.00	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 26-Apr-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

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.