

26 OCTOBER 2021

THAILAND / CONSUMER DISCRETIONARY

HOME PRODUCT CENTER HMPRO TB

BUY

UNCHANGED

TARGET PRICE	THB18.30
CLOSE	THB14.30
UP/DOWNSIDE	+28.0%
PRIOR TP	THB18.50
CHANGE IN TP	-1.1%
TP vs CONSENSUS	+15.0%

Bottom passed, solid recovery in 4Q

Weak net profit in 3Q21 as expected

HMPRO booked a net profit of THB870m in 3Q21 (-38% y-y, -39% q-q), missing BBG's consensus estimate by 7%. Its weak 3Q21 results were hit by the lockdown and curfew measures in both Thailand and Malaysia. Its 9M21 earnings account for 70% of our full-year estimate.

Operations in Thailand and Malaysia hit by lockdowns

Average SSSG in 3Q21 was at -11% for the HomePro format, -6% for Mega Home, and -60% for HomePro Malaysia. 29 HomePro and 4 Mega Home stores in Thailand were temporarily closed during 20 Jul to 31 Aug. HomePro Malaysia closed 7 stores from May to 22 Aug. Rental income plunged 28% q-q and 56% y-y to THB217m due to the fee waivers provided to tenants in Jul-Aug. Its GPM was flat q-q at 25.2% in 3Q21, as there was no significant change in product mix, but softened y-y due to a high proportion of low-margin products like home appliances and a low contribution from its soft-line products which normally have a high margin. SG&A to sales rose 1.7ppt q-q to 18.6% in 3Q21 on lower sales.

Solid recovery in 4Q21

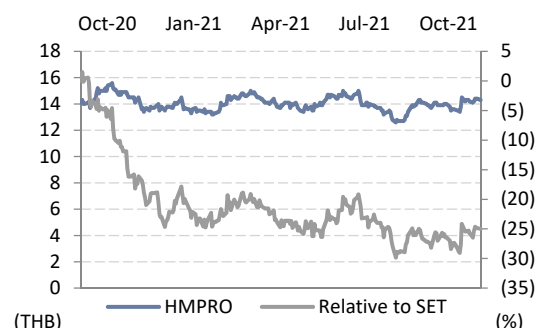
SSSG in Oct-21 turned positive in the double digits, driven by pent-up demand following its store reopenings and the Super Expo event (5 days). Mega Home also had positive SSSG at 10-12%, while HomePro Malaysia's SSSG remained negative due to the stringent measures. Its GPM could improve to the 4Q20 level at 25.7%, in our view. Hence, we expect 4Q21 earnings to peak this year at THB1.6b. For its expansion plan, we expect HMPRO to expand its Mega Home format by 2-3 stores next year after not expanding this format for the past three years.

Maintain BUY with lower TP to THB18.3 (from THB18.5)

We revise down our TP to THB18.3 (from THB18.5) following our 2021-23E net profit cuts by 2-10% after fine-tuning our SSSG and GPM assumptions to reflect the weaker-than-expected 9M21 performance. We prefer HMPRO among home improvement players due to its solid 2022E earnings growth of 22%. We expect to see pent-up demand from the lockdown easing and for home repairs in flood-affected areas, along with potential shopping tax breaks and a windfall benefit from increasing housing demand due to the LTV easing. HMPRO is trading at 29.4x 2022E P/E or close to -1.0SD of its 5-year average of 33x.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	61,749	64,537	69,714	76,320
Net profit	5,155	5,255	6,402	7,353
EPS (THB)	0.39	0.40	0.49	0.56
vs Consensus (%)	-	(0.7)	3.4	4.9
EBITDA	9,822	9,807	11,379	12,648
Core net profit	5,155	5,255	6,402	7,353
Core EPS (THB)	0.39	0.40	0.49	0.56
Chg. In EPS est. (%)	-	(10.4)	(5.1)	(2.1)
EPS growth (%)	(16.5)	1.9	21.8	14.9
Core P/E (x)	36.5	35.8	29.4	25.6
Dividend yield (%)	2.1	2.1	2.6	3.0
EV/EBITDA (x)	20.2	20.1	17.2	15.4
Price/book (x)	8.7	8.2	7.7	7.2
Net debt/Equity (%)	46.8	39.0	30.9	24.3
ROE (%)	24.1	23.7	27.2	29.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.1	4.4	5.1
Relative to country (%)	1.2	(0.8)	(21.9)
Mkt cap (USD m)	5,682		
3m avg. daily turnover (USD m)	10.2		
Free float (%)	42		
Major shareholder	Land & Houses (30%)		
12m high/low (THB)	15.80/12.40		
Issued shares (m)	13,151.12		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

HMPRO is the leading player in the home improvement sector, with a c22% market share based on revenue of THB62b in 2020. Despite the slowdown in the property sector in 2018-20, HMPRO has continued to deliver double-digit earnings growth, even though new-home customers have declined from 50% of total customers to about 20% (2015-20). Sales to renovation customers have grown to c50% currently, which are more sustainable, in our view. Moreover, about 30% of total customers are contractors, which should benefit from government spending.

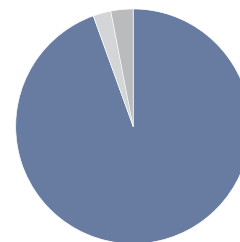
Company profile

HMPRO is a home-improvement product seller that targets the mid- to high-end segment. From 2013, it started to expand aggressively, both with its HomePro stores and in the budget segment with its Mega Home stores. It also expanded to Malaysia by setting up a store around the end of 2014.

www.homepro.co.th

Principal activities (revenue, 2020)

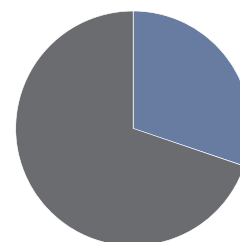
- Sales - 94.5 %
- Rental and service - 2.5 %
- Others - 3.0 %



Source: Home Product Center

Major shareholders

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



Source: Home Product Center

Catalysts

Potential catalysts include the faster-than-expected turnaround of overseas operations, a better-than-expected macro outlook in Thailand, and a higher proportion of house brands to drive its gross profit margin (GPM).

Risks to our call

The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) the slow recovery of tourist numbers; and 3) operating losses from its overseas business.

Event calendar

Date	Event
January 2022	4Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
SSSG	3.0	4.0	5.0
New store growth	2.7	5.2	6.2
GPM	25.3	25.9	26.2
SG&A to sales	18.0	17.6	17.5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG we estimate 2021 EPS would rise 1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM we estimate 2021 EPS would rise 1.1%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales we estimate 2021 EPS would fall 1.1%, and vice versa, all else being equal.

Source: FSSIA estimates

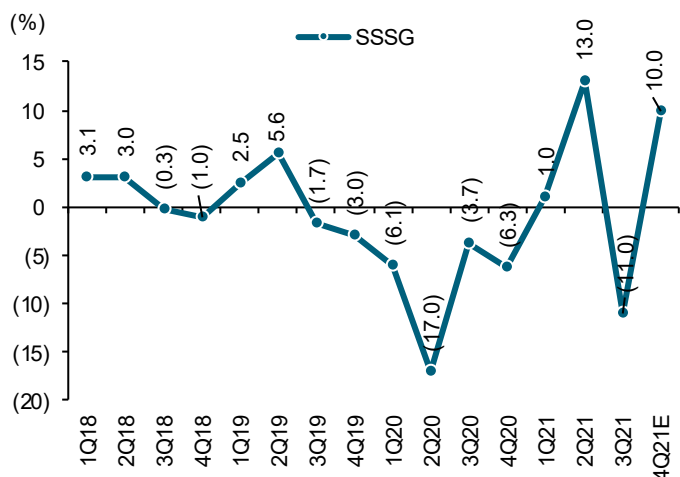
Exhibit 1: 3Q21 results summary

YE Dec 31	3Q20	4Q20	1Q21	2Q21	3Q21	Change		2020	2021E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)			
Total revenue	16,018	16,016	15,833	16,954	13,777	(19)	(14)	61,749	64,537	4.5
Retail sales	15,064	14,913	15,052	16,154	13,170	(18)	(13)	58,347	60,884	4.3
Rental and service income	487	445	325	302	217	(28)	(55)	1,527	1,644	7.6
Other income	466	658	456	498	390	(22)	(16)	1,875	2,009	7.2
Gross profit*	4,703	4,792	4,491	4,709	3,781	(20)	(20)	17,597	18,383	4.5
Operating costs	(2,891)	(2,906)	(2,686)	(2,859)	(2,560)	(10)	(11)	(10,957)	(11,617)	6.0
Operating profit	1,812	1,886	1,804	1,850	1,221	(34)	(33)	6,641	6,766	1.9
Operating EBITDA	2,589	2,675	2,605	2,647	2,030	(23)	(22)	9,823	9,935	1.1
Interest expense	(110)	(108)	(107)	(102)	(108)	6	(2)	(459)	(448)	(2.3)
Profit before tax	1,702	1,790	1,694	1,743	1,082	(38)	(36)	6,190	6,310	1.9
Tax	(301)	(245)	(331)	(311)	(212)	(32)	(30)	(1,035)	(1,055)	1.9
Reported net profit	1,401	1,545	1,362	1,433	870	(39)	(38)	5,155	5,255	1.9
Recurring net profit	1,401	1,545	1,362	1,433	870	(39)	(38)	5,155	5,255	1.9
EPS (THB)	0.11	0.12	0.10	0.11	0.07	(39)	(38)	0.39	0.40	1.9
Recurring EPS (THB)	0.11	0.12	0.10	0.11	0.07	(39)	(38)	0.39	0.40	1.9
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Retail sales margin	25.8	25.7	25.7	25.2	25.2	0.0	(0.6)	25.3	25.3	0.1
Operating margin	12.0	12.6	12.0	11.5	9.3	(2.2)	(2.8)	11.4	11.1	(0.3)
Recurring net margin	8.7	9.6	8.6	8.4	6.3	(2.1)	(2.4)	8.3	8.1	(0.2)
SG&A / Sales	18.0	18.1	17.0	16.9	18.6	1.7	0.5	17.7	18.0	0.3
Effective tax rate	17.7	13.7	19.5	17.8	19.6	1.8	1.9	16.7	16.7	0.0
Operating stats										
SSSG (%)	(3.7)	(6.3)	1.0	13.0	(11.0)					
Number of stores (no.)	113	115	115	115	115					
Home Pro	84	86	86	86	86					
Home Pro S	9	9	9	8	8					
Mega Home	14	14	14	14	14					
Home Pro Malaysia	6	6	6	7	7					
Private brand proportion (%)	19.5	18.9	19.5	19.3	19.7					

*Gross profit calculation includes depreciation and amortisation

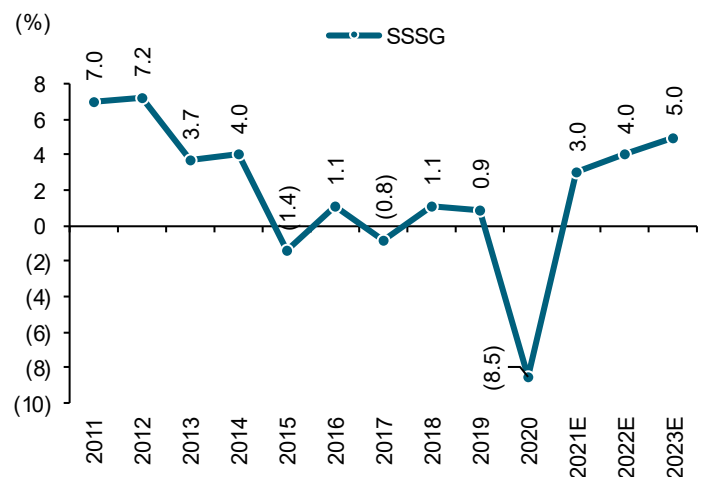
Sources: HMPRO; FSSIA estimates

Exhibit 2: Quarterly SSSG



Source: HMPRO

Exhibit 3: Yearly SSSG



Sources: HMPRO; FSSIA estimates

Exhibit 4: Revised assumptions

	Current			Previous			Change (%)		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Revenue (THB m)	64,537	69,714	76,320	65,594	70,523	76,837	(1.6)	(1.1)	(0.7)
SSSG (%)	3.0	4.0	5.0	4.0	4.0	5.0	(1.0)	0.0	0.0
Gross margin (%)	25.3	25.9	26.2	25.9	26.2	26.2	(0.6)	(0.3)	0.0
Private brand proportion (%)	19.5	21.5	21.7	20.0	21.5	21.7	(0.5)	0.0	0.0
Number of new stores (no.)	0	3	4	0	3	4	0.0	0.0	0.0
SG&A expenses to total revenue (%)	18.0	17.6	17.5	18.0	17.5	17.4	0.0	0.1	0.1
Net profit (THB m)	5,255	6,402	7,353	5,863	6,745	7,511	(10.4)	(5.1)	(2.1)

Note: Change of items in percentage terms are represented in ppt change

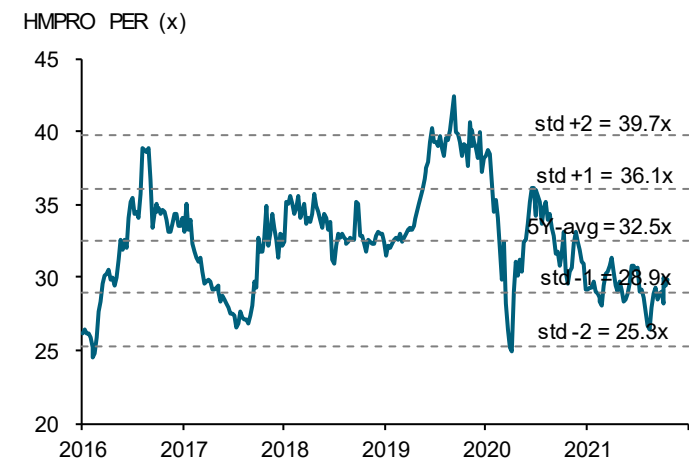
Source: FSSIA estimates

Exhibit 5: DCF valuation

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.9	
Terminal growth	2.0	
NPV		73
Add: terminal value		176
Sum of PV		249
Add: investment		0
Less: debt		8
Less: minorities		0
Residual ordinary equity		241
No. of shares (m)		13,151
Residual ordinary equity (THB/share)		18.3

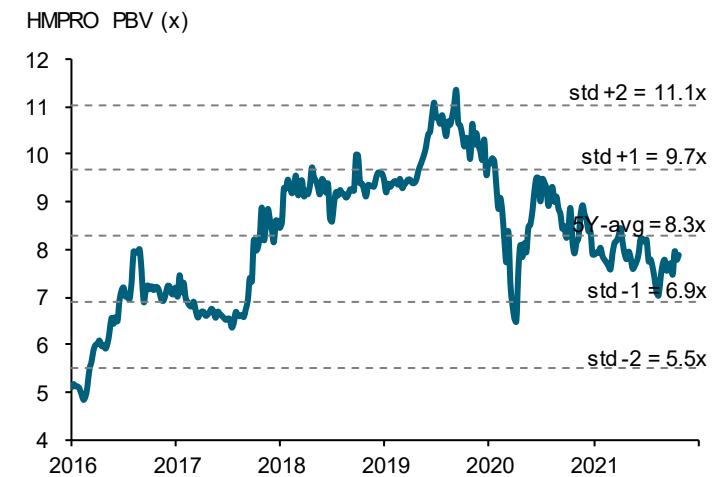
Source: FSSIA estimates

Exhibit 6: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 7: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Home Product Center

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	67,374	61,749	64,537	69,714	76,320
Cost of goods sold	(44,528)	(40,970)	(43,113)	(46,065)	(50,316)
Gross profit	22,846	20,779	21,424	23,648	26,004
Other operating income	-	-	-	-	-
Operating costs	(11,927)	(10,957)	(11,617)	(12,270)	(13,356)
Operating EBITDA	10,919	9,822	9,807	11,379	12,648
Depreciation	(2,942)	(3,182)	(3,041)	(3,202)	(3,378)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,977	6,641	6,766	8,177	9,270
Net financing costs	(355)	(442)	(448)	(481)	(432)
Associates	0	0	0	0	0
Recurring non-operating income	(18)	(8)	(8)	(8)	(8)
Non-recurring items	0	0	0	0	0
Profit before tax	7,604	6,190	6,310	7,688	8,830
Tax	(1,427)	(1,035)	(1,055)	(1,286)	(1,477)
Profit after tax	6,177	5,155	5,255	6,402	7,353
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	6,177	5,155	5,255	6,402	7,353
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	6,177	5,155	5,255	6,402	7,353
Per share (THB)					
Recurring EPS *	0.47	0.39	0.40	0.49	0.56
Reported EPS	0.47	0.39	0.40	0.49	0.56
DPS	0.38	0.30	0.31	0.37	0.43
Diluted shares (used to calculate per share data)	13,151	13,151	13,151	13,151	13,151
Growth					
Revenue (%)	2.0	(8.3)	4.5	8.0	9.5
Operating EBITDA (%)	4.7	(10.0)	(0.2)	16.0	11.2
Operating EBIT (%)	8.3	(16.7)	1.9	20.8	13.4
Recurring EPS (%)	10.0	(16.5)	1.9	21.8	14.9
Reported EPS (%)	10.0	(16.5)	1.9	21.8	14.9
Operating performance					
Gross margin inc. depreciation (%)	29.5	28.5	28.5	29.3	29.6
Gross margin of key business (%)	25.9	25.3	25.3	25.9	26.2
Operating EBITDA margin (%)	16.2	15.9	15.2	16.3	16.6
Operating EBIT margin (%)	11.8	10.8	10.5	11.7	12.1
Net margin (%)	9.2	8.3	8.1	9.2	9.6
Effective tax rate (%)	18.8	16.7	16.7	16.7	16.7
Dividend payout on recurring profit (%)	80.9	76.5	76.5	76.5	76.5
Interest cover (X)	22.4	15.0	15.1	17.0	21.4
Inventory days	84.7	92.5	89.8	90.1	91.1
Debtor days	10.6	10.9	10.2	10.1	10.0
Creditor days	116.6	120.8	113.0	111.9	110.6
Operating ROIC (%)	24.8	21.1	21.8	26.6	30.4
ROIC (%)	19.8	15.6	14.9	17.8	19.8
ROE (%)	30.1	24.1	23.7	27.2	29.2
ROA (%)	12.1	10.2	10.0	11.9	13.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	63,046	58,347	60,884	65,459	71,662
Rental and service	2,207	1,527	1,644	1,898	2,078
Others	2,120	1,875	2,009	2,357	2,580

Sources: Home Product Center; FSSIA estimates

Financial Statements

Home Product Center

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	6,177	5,155	5,255	6,402	7,353
Depreciation	2,942	3,182	3,041	3,202	3,378
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(391)	(799)	(6)	(217)	(225)
Cash flow from operations	8,728	7,537	8,290	9,386	10,506
Capex - maintenance	0	0	0	0	0
Capex - new investment	(3,252)	(2,286)	(2,637)	(2,901)	(3,191)
Net acquisitions & disposals	(85)	381	(168)	266	107
Other investments (net)	104	(1,271)	(256)	(475)	(606)
Cash flow from investing	(3,233)	(3,176)	(3,060)	(3,109)	(3,690)
Dividends paid	(4,997)	(3,945)	(4,022)	(4,900)	(5,628)
Equity finance	0	0	0	0	0
Debt finance	(3,875)	7	(1,865)	(1,640)	(952)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(8,873)	(3,938)	(5,887)	(6,540)	(6,580)
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	(3,378)	423	(657)	(263)	236
Free cash flow to firm (FCFF)	5,900.36	4,819.99	5,678.09	6,758.16	7,248.46
Free cash flow to equity (FCFE)	1,619.68	4,368.07	3,365.38	4,637.26	5,863.99

Per share (THB)	2019	2020	2021E	2022E	2023E
FCFF per share	0.45	0.37	0.43	0.51	0.55
FCFE per share	0.12	0.33	0.26	0.35	0.45
Recurring cash flow per share	0.69	0.63	0.63	0.73	0.82

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	49,560	51,115	53,751	56,652	59,843
Less: Accumulated depreciation	(19,923)	(22,373)	(25,415)	(28,616)	(31,995)
Tangible fixed assets (net)	29,637	28,741	28,337	28,036	27,848
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	2,860	3,283	2,626	2,364	2,600
A/C receivable	1,912	1,769	1,849	1,998	2,187
Inventories	10,421	10,345	10,875	11,878	13,240
Other current assets	496	432	451	487	534
Current assets	15,690	15,828	15,801	16,727	18,560
Other assets	6,722	11,521	12,042	13,007	14,240
Total assets	52,049	56,091	56,180	57,770	60,648
Common equity	21,138	21,565	22,798	24,300	26,025
Minorities etc.	0	0	0	0	0
Total shareholders' equity	21,138	21,565	22,798	24,300	26,025
Long term debt	7,072	8,056	6,425	5,333	4,818
Other long-term liabilities	1,550	5,860	6,125	6,616	7,243
Long-term liabilities	8,622	13,916	12,550	11,948	12,061
A/C payable	14,069	13,050	13,655	14,589	15,915
Short term debt	6,301	5,324	5,090	4,543	4,105
Other current liabilities	1,919	2,235	2,087	2,389	2,542
Current liabilities	22,289	20,610	20,831	21,521	22,561
Total liabilities and shareholders' equity	52,048	56,090	56,179	57,769	60,648
Net working capital	(3,158)	(2,740)	(2,567)	(2,615)	(2,497)
Invested capital	33,201	37,522	37,812	38,428	39,591

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

Per share (THB)	2019	2020	2021E	2022E	2023E
Book value per share	1.61	1.64	1.73	1.85	1.98
Tangible book value per share	1.61	1.64	1.73	1.85	1.98

Financial strength	2019	2020	2021E	2022E	2023E
Net debt/equity (%)	49.7	46.8	39.0	30.9	24.3
Net debt/total assets (%)	20.2	18.0	15.8	13.0	10.4
Current ratio (x)	0.7	0.8	0.8	0.8	0.8
CF interest cover (x)	14.7	16.0	14.4	16.7	21.9

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	30.4	36.5	35.8	29.4	25.6
Recurring P/E @ target price (x) *	39.0	46.7	45.8	37.6	32.7
Reported P/E (x)	30.4	36.5	35.8	29.4	25.6
Dividend yield (%)	2.7	2.1	2.1	2.6	3.0
Price/book (x)	8.9	8.7	8.2	7.7	7.2
Price/tangible book (x)	8.9	8.7	8.2	7.7	7.2
EV/EBITDA (x) **	18.2	20.2	20.1	17.2	15.4
EV/EBITDA @ target price (x) **	23.0	25.5	25.4	21.8	19.5
EV/invested capital (x)	6.0	5.3	5.2	5.1	4.9

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

Sources: Home Product Center; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITISB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

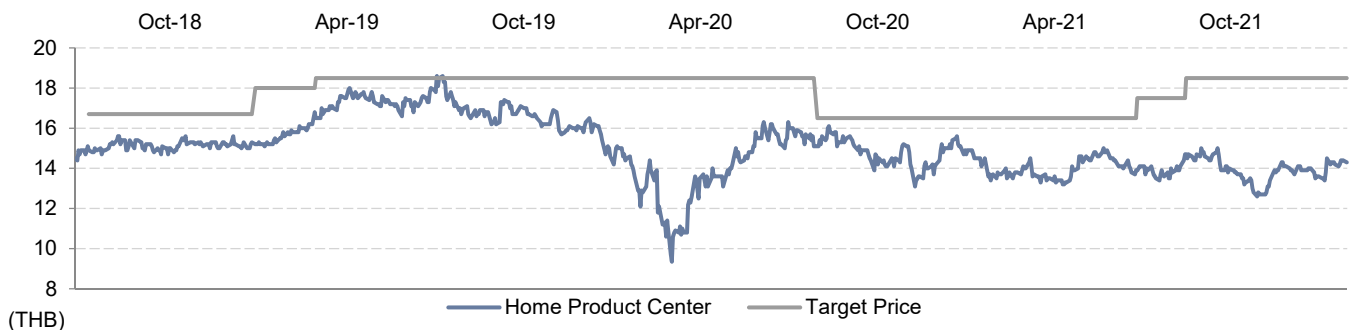
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Home Product Center (HMPRO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Nov-2018	BUY	16.70	24-Jul-2020	HOLD	16.50	27-Apr-2021	BUY	17.50
01-Apr-2019	BUY	18.00	06-Aug-2020	HOLD	16.50	08-Jun-2021	BUY	18.50
23-May-2019	BUY	18.50	27-Oct-2020	BUY	16.50			
02-Apr-2020	BUY	18.50	25-Mar-2021	BUY	16.50			

Karun Intrachai started covering this stock from 24-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Home Product Center	HMPRO TB	THB 14.30	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) the slow recovery of tourist numbers; and 3) operating losses from its overseas business.

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 Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 25-Oct-2021 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.