

1 DECEMBER 2021

THAILAND / CONSUMER DISCRETIONARY

SIAM GLOBAL HOUSE GLOBAL TB

BUY

UNCHANGED

TARGET PRICE	THB27.50
CLOSE	THB19.10
UP/DOWNSIDE	+44.0%
PRIOR TP	THB27.00
CHANGE IN TP	+1.9%
TP vs CONSENSUS	+5.1%

New stores – the key engine in 2022

Earnings growth to resume in 2H22

GLOBAL's share price has underperformed the SET Index by 8.1% over the past three months due to the low season in 4Q21 and the concern over its slow earnings growth potential in 1H22 following the high base in 1H21 due to the steel price spike (c20% of total sales in 1H21 vs c15% in 2020). We think the low earnings growth potential in 1H22 has already been priced in, and expect growth to resume in 2H22 from its aggressive expansion plan. We expect earnings to grow by 7.4-10.5% in 2022-23.

SSSG to continue in the low teens in 4Q21

4Q21 QTD SSSG remains positive at c12-15%, driven by the demand for construction materials after the rainy season and the resultant flooding. GLOBAL plans to open 1 new store in Samui in 4Q21 after opening 4 stores in 9M21. GLOBAL's GPM should slightly rise in 4Q21 after it starts adjusting its product prices to reflect the higher freight cost. Overall, we preliminarily estimate 4Q21 earnings of THB580m-620m.

Plenty of room to expand new stores with GPM expansion

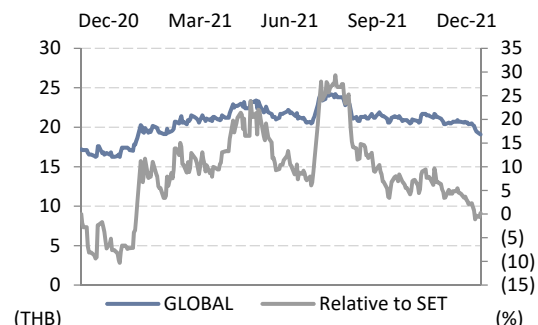
For its 2022 outlook, we expect GLOBAL to post flat growth in 1H22 following the high base due to the high steel price. The steel contribution rose to c20% in 9M21 vs c15% in 2020. We estimate that a 10% drop in steel price would impact SSSG by 1.5-2.0%. We believe GLOBAL should post positive SSSG in 2022 if the average steel price does not drop below THB20,000 per tonne. However, we expect total sales to grow y-y, driven by its aggressive expansion plan. GLOBAL plans to open 7 new stores in 2022 vs our estimate of 6 stores. We think GLOBAL still has plenty of room to grow in rural areas or second-tier cities due to the low penetration rate of c30% for the modern trade format. We estimate that its GPM could expand by 20bps to 25.0% in 2022, in line with the company's target of a 20-30bps GPM expansion.

Maintain BUY with a higher TP to THB27.5 (from THB27.0)

We revise up our 2021E net profit by 10% to reflect the stronger-than-expected 9M21 results and fine-tune our 2022-23E earnings to reflect the higher-than-expected GPM trend and better cost saving efficiency. We think GLOBAL's short-term outlook should be resilient vs its peers amid the concern over the Omicron variant, while we remain convinced that its growth should resume in 2H22, driven by its aggressive expansion plan of 6-7 new stores in 2022. GLOBAL is trading at an attractive valuation of 26x 2022E P/E, lower than its peers' average of 35x. Key downside risks are a plunge in the steel price and a contraction in farm income.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	27,354	33,553	37,284	41,252
Net profit	1,955	3,176	3,411	3,769
EPS (THB)	0.44	0.69	0.74	0.82
vs Consensus (%)	-	(0.1)	(2.1)	(5.3)
EBITDA	3,883	5,340	5,776	6,368
Core net profit	1,956	3,176	3,411	3,769
Core EPS (THB)	0.44	0.69	0.74	0.82
Chg. In EPS est. (%)	-	5.2	1.5	0.0
EPS growth (%)	(11.3)	55.3	7.4	10.5
Core P/E (x)	43.0	27.7	25.8	23.3
Dividend yield (%)	1.2	1.4	1.6	1.7
EV/EBITDA (x)	25.4	19.6	18.3	16.6
Price/book (x)	5.0	4.6	4.2	3.8
Net debt/Equity (%)	82.8	86.3	81.9	75.8
ROE (%)	11.9	17.6	17.0	17.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.4)	(12.0)	10.3
Relative to country (%)	(3.1)	(8.1)	(1.0)
Mkt cap (USD m)	2,609		
3m avg. daily turnover (USD m)	8.0		
Free float (%)	35		
Major shareholder	Suriyawanakul Family (37%)		
12m high/low (THB)	24.70/15.69		
Issued shares (m)	4,601.68		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

GLOBAL is the first mover in the one-stop service home improvement and construction material industry in Thailand. GLOBAL's target market is low- to middle-income households in rural provinces. 80% of GLOBAL's stores are in central, northern, and northeastern Thailand, where purchasing power is highly related to farm income. Moreover, 37% of GLOBAL's customers are contractors. Hence, the disbursement of government budgets, government spending on infrastructure, and rising farm incomes would be key catalysts for GLOBAL.

Store expansions and GPM improvements are key growth drivers for GLOBAL, in our view. The company plans to improve its GPM by increasing the proportion of its private brand products sold by at least 1% per year to 25%, from 16% in 2019.

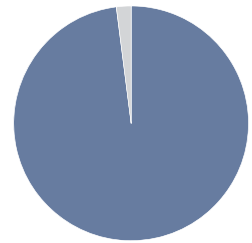
Company profile

Siam Global House is a leading Thai home-improvement product seller focusing on underpenetrated provincial markets. In Nov 2012, Siam Cement (SCC TB) became a 30% shareholder, providing GLOBAL with funding for store additions and expertise on how to improve operations, such as logistics.

www.globalhouse.co.th

Principal activities (revenue, 2020)

■ Sales - 98.0 % ■ Others - 2.0 %

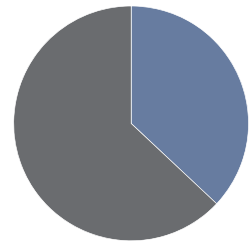


Source: Siam Global House

Major shareholders

■ Suriyawanakul Family - 37.0 %

■ Others - 63.0 %



Source: Siam Global House

Catalysts

Potential catalysts for GLOBAL include government measures to support agricultural prices, government spending on infrastructure, and the disbursement of government budgets.

Risks to our call

The key downside risks to our DCF-based TP are volatile farm incomes and farm prices which could negatively impact purchasing power, especially in the provinces.

Event calendar

Date	Event
February 2022	4Q21 results announcement

Key assumptions

	2021E (%)	2022E (%)	2023E (%)
SSSG	14.0	4.0	3.0
New store growth	7.0	7.9	6.1
GPM	24.8	25.0	25.1
SG&A to sales	14.3	14.6	14.7

Source: FSSIA estimates

Earnings sensitivity

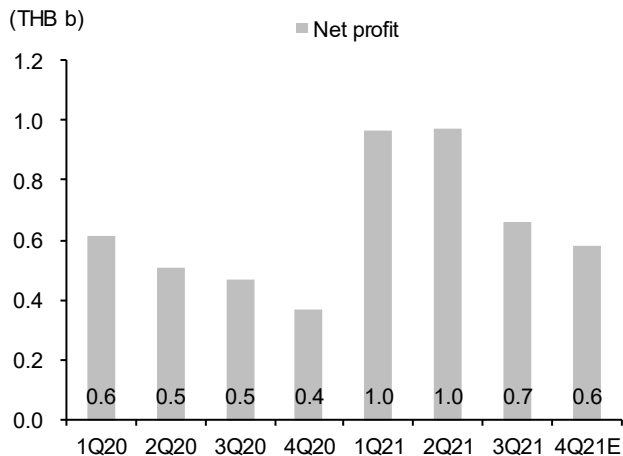
- For every 1% increase in SSSG we estimate 2021 EPS would rise 1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM we estimate 2021 EPS would rise 1.1%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales we estimate 2021 EPS would fall 1.1%, and vice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

Source: FSSIA estimates

Low earnings growth potential in 1H22 has already been priced in

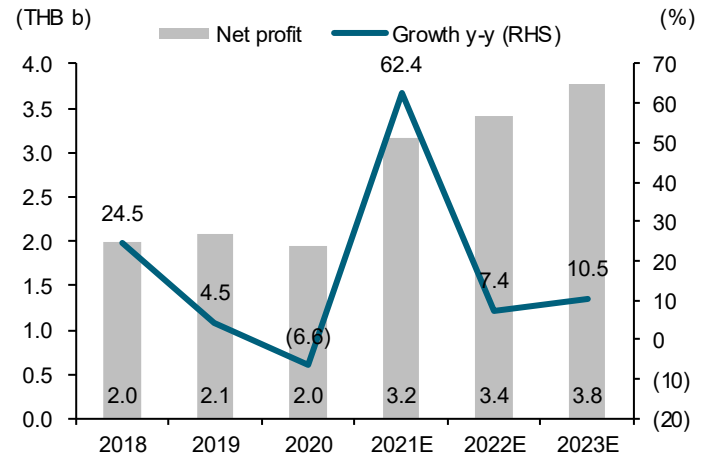
GLOBAL's share price has underperformed the SET Index by 8.1% over the past three months due to the low season in 4Q21 and the concern over its slow earnings growth potential in 1H22 following the high base in 1H21 due to the steel price spike (c20% of total sales in 1H21 vs c15% in 2020). We think the low earnings growth potential in 1H22 has already been priced in, and expect growth to resume in 2H22 from its aggressive expansion plan. Overall, we expect earnings to grow by 7.4-10.5% in 2022-23.

Exhibit 1: Net profit by quarter



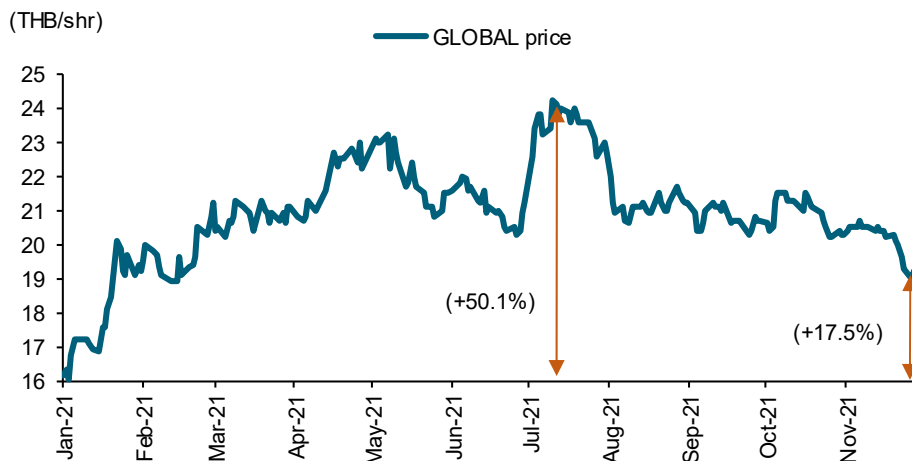
Sources: GLOBAL; FSSIA estimates

Exhibit 2: Expect earnings to grow by 7.4-10.5% in 2022-23



Sources: GLOBAL; FSSIA estimates

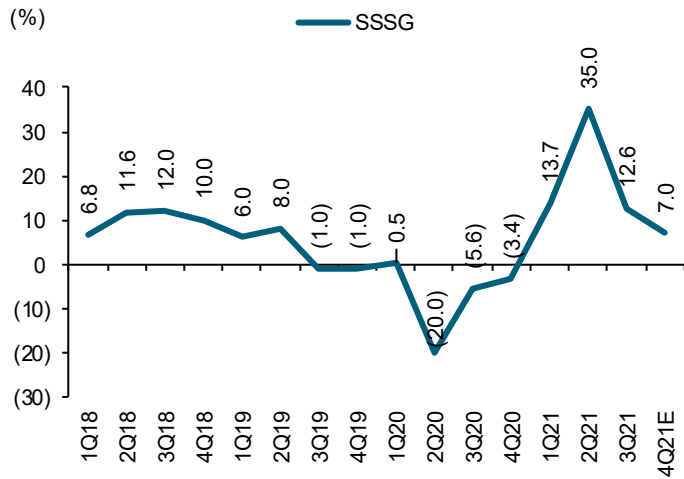
Exhibit 3: GLOBAL's share price has dropped 22% from its peak, still +17.5% YTD vs 2021E earnings growth of 62%



Source: Bloomberg

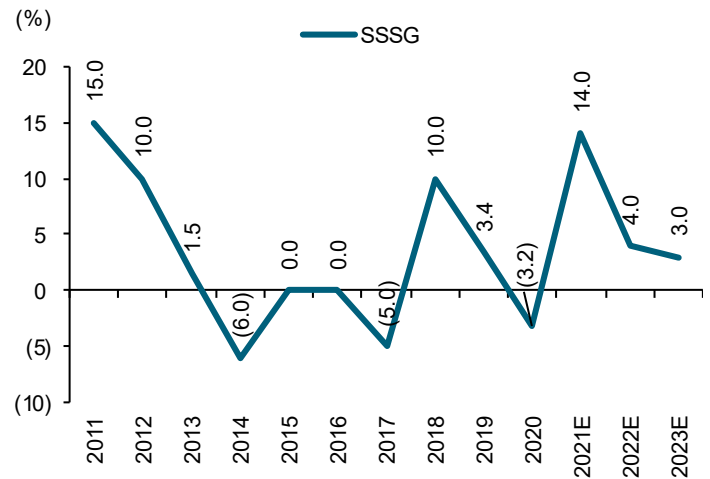
4Q21 QTD same-store sales growth (SSSG) remains positive at c12-15%, driven by the demand for construction materials after the rainy season and the resultant flooding. GLOBAL plans to open 1 new store in Samui in 4Q21 after opening 4 stores in 9M21 (Maha Sarakham and Prachinburi in 1Q21 and Udonthani and Chiang Rai in 3Q21). GLOBAL's GPM should slightly rise in 4Q21 after it starts adjusting its product prices to reflect the higher freight cost. Overall, we preliminarily estimate 4Q21 earnings of THB580m-620m.

Exhibit 4: Quarterly SSSG



Sources: GLOBAL; FSSIA estimates

Exhibit 5: Annual SSSG



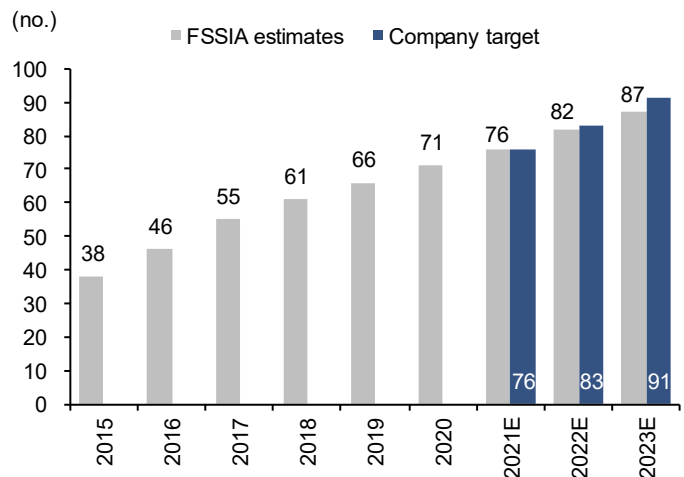
Sources: GLOBAL; FSSIA estimates

Aggressive expansion plan to support long-term growth

For its 2022 outlook, we expect GLOBAL to post flat growth in 1H22 following the high base due to the high steel price. The steel contribution rose to c20% in 9M21 vs c15% in 2020. We estimate that a 10% drop in steel price would impact SSSG by 1.5-2.0%. We believe GLOBAL should post positive SSSG in 2022 if the average steel price does not drop below THB20,000 per tonne. We estimate that GLOBAL will post 4% SSSG in 2022 vs the company's target of 5-10%.

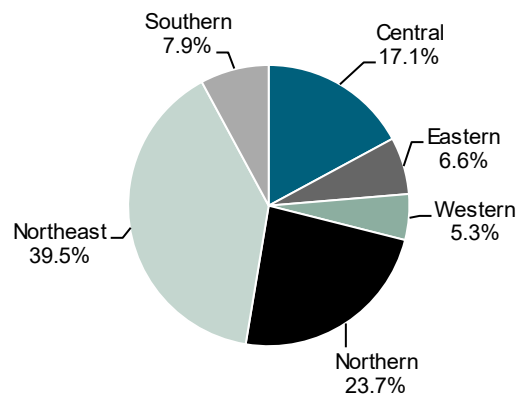
We expect total sales to grow y-y, driven by its aggressive expansion plan. GLOBAL plans to open 7 new stores in 2022 vs our estimate of 6 stores. We think GLOBAL still has plenty of room to grow in rural areas or second-tier cities due to the low penetration rate of c30% for the modern trade format. We estimate that its GPM could expand by 20bps to 25.0% in 2022, in line with the company's target of a 20-30bps GPM expansion.

Exhibit 6: Aggressive new store opening plan

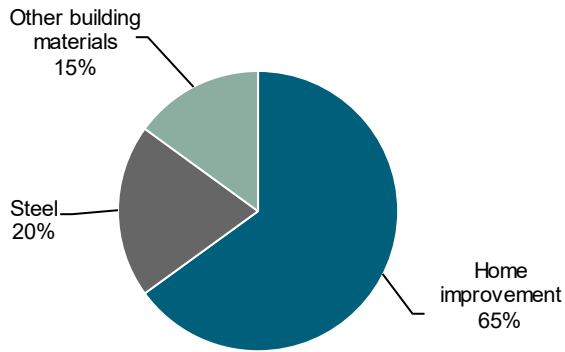


Sources: GLOBAL; FSSIA estimates

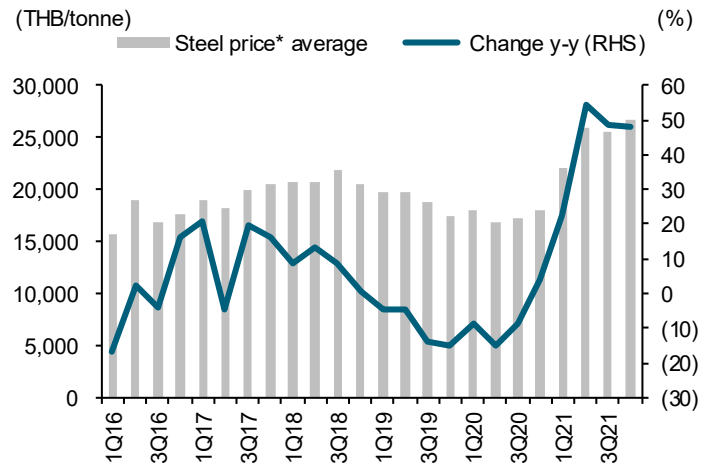
Exhibit 7: Store breakdown by location in 2021



Sources: GLOBAL; FSSIA's compilation

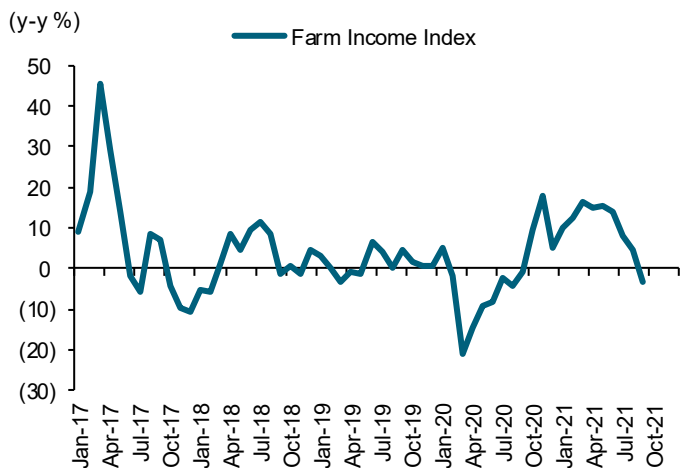
Exhibit 8: Sales breakdown by product, 2021E

Source: FSSIA estimates

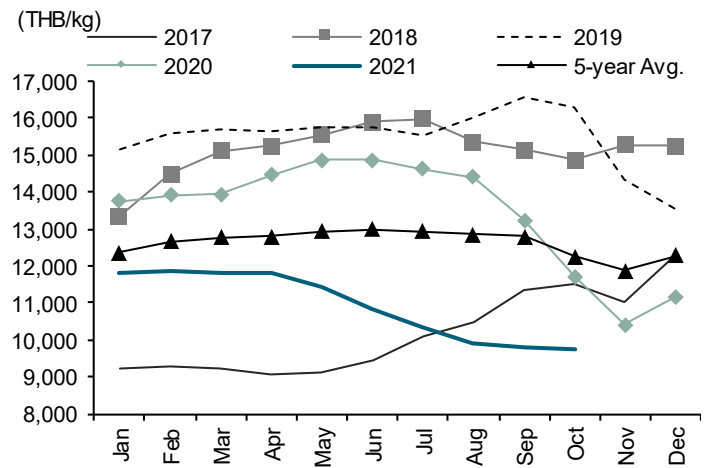
Exhibit 9: Steel price is in an uptrend

*Sr 24 TIS Round Bar Diameter 6 mm 10m length

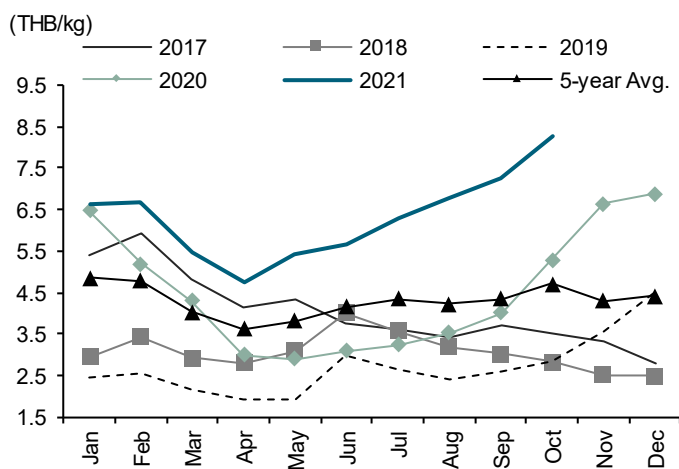
Source: Bureau of Trade and Economic Indices (CMI) - Ministry of Commerce

Exhibit 10: Farm Income Index

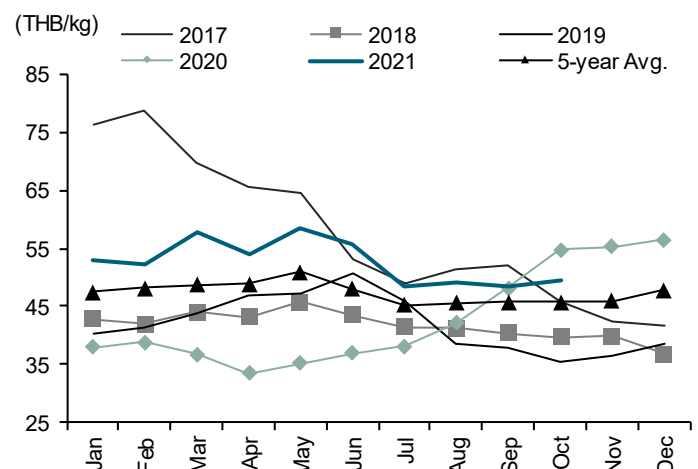
Sources: Office of Agricultural Economics; FSSIA's compilation

Exhibit 11: Paddy rice price

Sources: Office of Agricultural Economics; FSSIA's compilation

Exhibit 12: Palm price

Sources: Office of Agricultural Economics; FSSIA's compilation

Exhibit 13: Rubber price

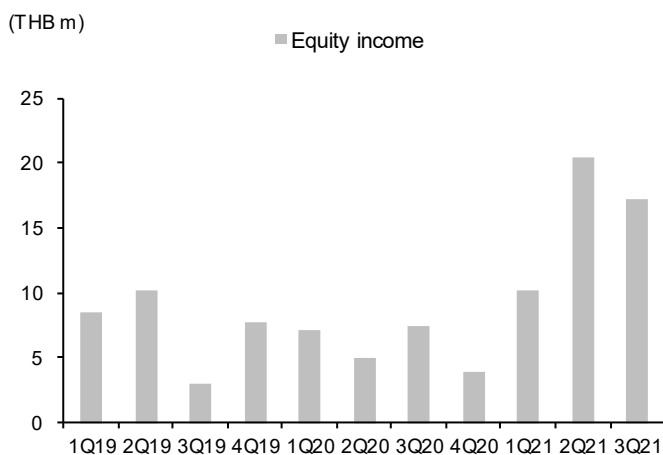
Sources: Office of Agricultural Economics; FSSIA's compilation

Expanding its overseas footprint to Indonesia

On 25 November 2021, Global House International Company Limited (GBI, not listed), a joint venture with SCG Distribution Company Limited (not listed; 50% stake each), announced that it would invest in a 12.75% stake in PT Caturkarda Depo Bangunan TBK (DEPO INJ) for a total value of THB981m. The acquisition price implies 34x 2020 P/E, which is justified in our view, as it is a slight discount compared to GLOBAL's 5-year average P/E at 35x. GLOBAL will receive dividend income from DEPO which has a policy to pay a dividend of not less than 40% of its net income. Hence, we think this transaction will have a significant impact on GLOBAL's bottom line in the following year.

We believe this transaction will be GLOBAL's footprint to expand into the Indonesian market. DEPO is a leading Indonesian retailer of building materials, hardware, construction, renovation, and decorative house/garden products under the brand Depo Bangunan. DEPO currently has 9 stores and plans to open 3 new stores per year.

Exhibit 14: Profitable overseas stores, unlike other retailers



Source: FSSIA estimates

Exhibit 15: Overseas store details and expansion plan

Overseas operations	Method	Stake (%)	No. of stores (no.)	2022 expansion plan (no.)	Expected opening
Cambodia	Consolidate	55	1	1	1H22
Myanmar	Equity income	17	9	1-2	1H22
Laos	Equity income	15	6	1	1H22
Indonesia	Dividend income	6.4	9	3	1H22
Philippines	JV	n/a	0	0	2023

Sources: GLOBAL; FSSIA estimates

Apart from Indonesia, GLOBAL plans to expand to the Philippines via a joint venture with a local partner. The first store would open by 1H23, if its plans are realised. We are not concerned about GLOBAL's overseas expansion plan as its operations have so far been profitable, unlike other retailers which are facing overseas operational losses due to their overhead and head office costs because they lack the number of stores to break even with their fixed costs.

Net profit and target price revisions

We revise up our net profit forecast for 2021 by 10% to reflect the stronger-than-expected 9M21 results and fine-tune our 2022-23E earnings to reflect the higher-than-expected GPM trend and better cost saving efficiency.

We maintain BUY and raise our TP to THB27.5 from THB27.0 to reflect our earnings assumption revisions. GLOBAL is trading at an attractive valuation of 26x 2022E P/E, lower than its peers' average of 35x. We think GLOBAL's short-term outlook should be resilient vs its peers amid the concern over the Omicron variant of Covid-19, while we remain convinced that its growth should resume in 2H22, driven by its aggressive expansion plan of 6-7 new stores in 2022. Key downside risks are a plunge in the steel price and a contraction in farm income.

Exhibit 16: Assumption revisions

	Current			Previous			Change		
	2021E (%)	2022E (%)	2023E (%)	2021E (%)	2022E (%)	2023E (%)	2021E (%)	2022E (%)	2023E (%)
Revenue (THB m)	33,553	37,284	41,252	36,977	42,162	46,607	(9.3)	(11.6)	(11.5)
SSSG	14.0	4.0	3.0	12.4	4.0	3.0	1.6	0.0	0.0
Gross margin	24.8	25.0	25.1	24.7	24.3	24.3	0.1	0.7	0.8
Private brand proportion	20.0	20.0	20.0	20.0	20.0	20.0	0.0	0.0	0.0
No. of new stores (no.)	5	6	5	6	6	5	(1)	0	0
SG&A expenses to total revenue	14.3	14.6	14.7	15.1	14.9	14.8	(0.8)	(0.3)	(0.1)
Net profit (THB m)	3,176	3,411	3,769	2,887	3,214	3,605	10.0	6.1	4.5

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

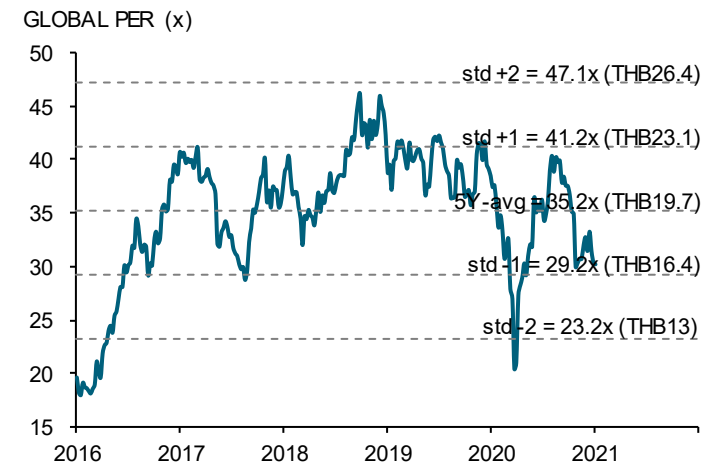
Source: FSSIA estimates

Exhibit 17: DCF valuation

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.9	
Terminal growth	2.0	
NPV		38
Add: terminal value		106
Sum of PV		144
Add: investment		0
Less: debt		17
Less: minorities		0
Residual ordinary equity		127
No. of shares (m)		4,602
Residual ordinary equity (THB/share)		27.5

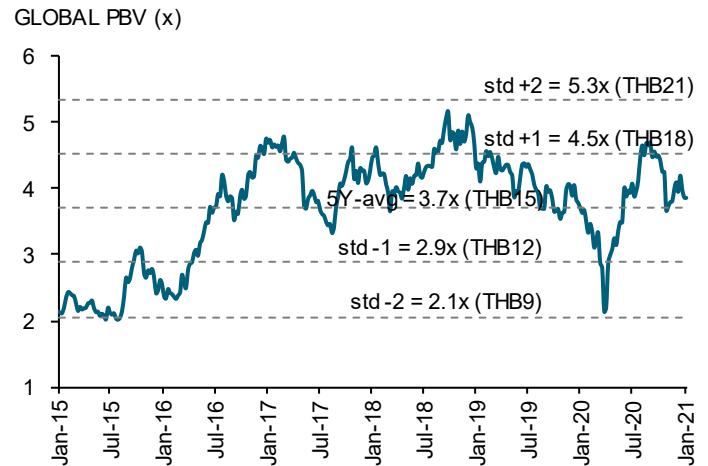
Source: FSSIA estimates

Exhibit 18: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 19: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 20: Peers valuation

Company	BBG	----- Share price -----			Market Cap	3Y EPS CAGR	----- PE -----		----- ROE -----		--- PBV ---		- EVEBITDA -	
		Current	Target	Upside			21E	22E	21E	22E	21E	22E	21E	22E
		(LCY)	(LCY)	(%)	(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Berli Jucker	BJC TB	33.00	38.00	15.2	3,926	16.8	38.6	25.9	3.0	4.5	1.2	1.2	15.4	13.9
Cp All	CPALL TB	58.50	82.00	40.2	15,601	12.8	50.5	30.5	10.4	15.9	6.3	5.6	22.0	18.2
Siam Global House	GLOBAL TB	19.10	27.50	44.0	2,609	22.6	27.7	25.8	17.6	17.0	4.6	4.2	19.6	18.3
Home Product Center	HMPRO TB	13.60	18.30	34.6	5,310	12.6	34.0	27.9	23.7	27.2	7.8	7.4	19.1	16.4
Siam Makro	MAKRO TB	44.00	52.00	18.2	12,815	3.4	32.3	37.9	28.1	8.8	8.7	1.8	19.2	17.5
Central Retail Corp	CRC TB	32.00	40.00	25.0	5,729	417.4	(326.8)	51.3	(1.1)	7.0	3.7	3.5	21.0	14.5
Srinanaporn Marketing	SNNP TB	10.80	15.00	38.9	308	67.9	35.5	20.7	20.7	18.6	4.0	3.7	14.9	12.3
Coverage					46,299	19.4	(15.5)	31.4	14.6	14.1	5.2	3.9	18.8	15.9
Dohome	DOHOME TB	22.60	n/a	n/a	1,623	48.9	26.9	23.9	21.7	19.5	5.3	4.5	20.6	18.5
Lawson	2651 JP	5,540.00	n/a	n/a	4,992	(17.5)	62.9	31.6	3.4	6.7	2.1	2.1	5.2	4.5
Dairy Farm Intl Holding	DFI SP	3.12	n/a	n/a	4,153	47.5	29.5	15.7	11.3	18.6	3.4	3.1	12.2	14.0
Better Life Commercial	002251 CH	6.51	n/a	n/a	881	20.9	32.0	27.9	2.3	2.7	1.0	1.0	25.1	20.3
Regional					11,649	(14.3)	37.8	24.7	9.7	11.9	2.9	2.7	15.8	14.3
Average					57,948	7.7	3.9	29.0	12.8	13.3	4.4	3.5	17.7	15.3

Sources: Bloomberg; FSSIA estimates

Financial Statements

Siam Global House

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	28,624	27,354	33,553	37,284	41,252
Cost of goods sold	(20,811)	(19,237)	(23,415)	(26,065)	(28,820)
Gross profit	7,814	8,117	10,138	11,219	12,432
Other operating income	0	0	0	0	0
Operating costs	(3,993)	(4,233)	(4,798)	(5,443)	(6,064)
Operating EBITDA	3,821	3,883	5,340	5,776	6,368
Depreciation	(931)	(1,164)	(1,274)	(1,404)	(1,531)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,890	2,720	4,066	4,372	4,837
Net financing costs	(301)	(313)	(183)	(192)	(201)
Associates	29	23	60	66	69
Recurring non-operating income	29	23	60	66	69
Non-recurring items	(13)	(1)	0	0	0
Profit before tax	2,606	2,429	3,943	4,246	4,704
Tax	(493)	(455)	(749)	(815)	(913)
Profit after tax	2,113	1,975	3,194	3,431	3,791
Minority interests	(21)	(20)	(18)	(20)	(22)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	2,093	1,955	3,176	3,411	3,769
Non-recurring items & goodwill (net)	13	1	0	0	0
Recurring net profit	2,105	1,956	3,176	3,411	3,769
Per share (THB)					
Recurring EPS *	0.50	0.44	0.69	0.74	0.82
Reported EPS	0.50	0.44	0.69	0.74	0.82
DPS	0.21	0.23	0.28	0.30	0.33
Diluted shares (used to calculate per share data)	4,202	4,402	4,602	4,602	4,602
Growth					
Revenue (%)	9.0	(4.4)	22.7	11.1	10.6
Operating EBITDA (%)	8.9	1.6	37.5	8.2	10.3
Operating EBIT (%)	7.1	(5.9)	49.5	7.5	10.6
Recurring EPS (%)	5.1	(11.3)	55.3	7.4	10.5
Reported EPS (%)	4.5	(10.8)	55.4	7.4	10.5
Operating performance					
Gross margin inc. depreciation (%)	24.0	25.4	26.4	26.3	26.4
Gross margin of key business (%)	22.6	23.9	24.8	25.0	25.1
Operating EBITDA margin (%)	13.3	14.2	15.9	15.5	15.4
Operating EBIT margin (%)	10.1	9.9	12.1	11.7	11.7
Net margin (%)	7.4	7.2	9.5	9.1	9.1
Effective tax rate (%)	19.0	18.9	19.3	19.5	19.7
Dividend payout on recurring profit (%)	41.0	51.9	40.0	40.0	40.0
Interest cover (X)	9.7	8.8	22.5	23.1	24.4
Inventory days	253.4	283.6	244.0	250.7	248.8
Debtor days	17.2	12.9	11.6	15.1	15.1
Creditor days	55.0	60.6	51.2	52.7	52.4
Operating ROIC (%)	10.3	9.2	13.0	12.6	13.0
ROIC (%)	9.8	8.6	12.1	11.7	12.1
ROE (%)	13.8	11.9	17.6	17.0	17.0
ROA (%)	7.2	6.3	8.7	8.4	8.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	28,081	26,803	32,831	36,625	40,523
Others	543	551	722	659	729

Sources: Siam Global House; FSSIA estimates

Financial Statements

Siam Global House

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	2,105	1,956	3,176	3,411	3,769
Depreciation	931	1,164	1,274	1,404	1,531
Associates & minorities	(16)	(6)	0	0	0
Other non-cash items	21	20	18	20	22
Change in working capital	(1,559)	1,429	(2,851)	(1,556)	(1,480)
Cash flow from operations	1,482	4,563	1,617	3,278	3,842
Capex - maintenance	(3,077)	(2,207)	(2,473)	(2,400)	(2,400)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	12	(1,024)	(392)	(241)	(257)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(3,065)	(3,231)	(2,865)	(2,641)	(2,657)
Dividends paid	(863)	(1,015)	(1,270)	(1,364)	(1,508)
Equity finance	9	129	140	(65)	(65)
Debt finance	3,074	(521)	2,745	435	449
Other financing cash flows	0	0	0	0	0
Cash flow from financing	2,221	(1,407)	1,615	(994)	(1,123)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	637	(75)	367	(357)	62
Free cash flow to firm (FCFF)	(1,315.29)	1,578.19	(1,067.69)	826.18	1,383.70
Free cash flow to equity (FCFE)	1,490.32	811.05	1,497.23	1,072.41	1,634.04

Per share (THB)

FCFF per share	(0.29)	0.34	(0.23)	0.18	0.30
FCFE per share	0.32	0.18	0.33	0.23	0.36
Recurring cash flow per share	0.72	0.71	0.97	1.05	1.16

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	20,757	22,696	25,169	27,569	29,969
Less: Accumulated depreciation	(4,652)	(5,548)	(6,822)	(8,226)	(9,757)
Tangible fixed assets (net)	16,105	17,148	18,347	19,343	20,212
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	815	838	838	838	838
Cash & equivalents	1,299	1,224	1,592	1,235	1,297
A/C receivable	1,278	672	1,468	1,631	1,803
Inventories	15,602	14,287	17,019	18,785	20,507
Other current assets	0	0	0	0	0
Current assets	18,179	16,184	20,079	21,651	23,607
Other assets	887	1,850	2,270	2,522	2,791
Total assets	35,986	36,020	41,534	44,354	47,448
Common equity	15,912	16,981	19,027	21,009	23,206
Minorities etc.	219	233	251	271	293
Total shareholders' equity	16,131	17,214	19,278	21,280	23,499
Long term debt	833	3,384	3,835	3,777	3,717
Other long-term liabilities	198	161	189	200	211
Long-term liabilities	1,032	3,545	4,024	3,977	3,929
A/C payable	3,399	2,988	3,582	3,948	4,321
Short term debt	15,163	12,091	14,385	14,878	15,387
Other current liabilities	262	182	265	271	313
Current liabilities	18,824	15,261	18,232	19,098	20,021
Total liabilities and shareholders' equity	35,986	36,020	41,534	44,354	47,448
Net working capital	13,219	11,789	14,640	16,196	17,677
Invested capital	31,026	31,626	36,095	38,900	41,517

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

Per share (THB)

Book value per share	3.79	3.86	4.13	4.57	5.04
Tangible book value per share	3.79	3.86	4.13	4.57	5.04

Financial strength

Net debt/equity (%)	91.1	82.8	86.3	81.9	75.8
Net debt/total assets (%)	40.8	39.6	40.0	39.3	37.5
Current ratio (x)	1.0	1.1	1.1	1.1	1.2
CF interest cover (x)	6.0	3.6	9.2	6.6	9.1

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	38.1	43.0	27.7	25.8	23.3
Recurring P/E @ target price (x) *	54.9	61.9	39.8	37.1	33.6
Reported P/E (x)	38.3	43.0	27.7	25.8	23.3
Dividend yield (%)	1.1	1.2	1.4	1.6	1.7
Price/book (x)	5.0	5.0	4.6	4.2	3.8
Price/tangible book (x)	5.0	5.0	4.6	4.2	3.8
EV/EBITDA (x) **	24.9	25.4	19.6	18.3	16.6
EV/EBITDA @ target price (x) **	34.1	34.9	26.9	25.0	22.7
EV/invested capital (x)	3.1	3.1	2.9	2.7	2.6

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

Sources: Siam Global House; 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	ICHI	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	TSC	TSR	TSTE	TSTH	TTA
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	MITSI	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	AMANAH	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	WIIK	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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Company	Ticker	Price	Rating	Valuation & Risks
Siam Global House	GLOBAL TB	THB 19.10	BUY	The key downside risks to our DCF-based TP are volatile farm incomes and farm prices which could negatively impact purchasing power, especially in the provinces.
Berli Jucker	BJC TB	THB 33.00	HOLD	Key downside risks to our DCF-based TP could come from 1) competition with Lotus which could impact its sales and gross margin; and 2) a lower-than-expected utilisation rate and profit margin from its packaging unit after losing major customers in Thailand. The key upside risk is from easing competition in the hypermarket segment
CP All	CPALL TB	THB 58.50	BUY	The key downside risks to our DCF-derived TP are: 1) the higher-than-expected impact from a loss of service income from the convenience store business; 2) the worse-than-expected overseas performance of Makro; and 3) the slow recovery of tourist numbers.
Home Product Center	HMPRO TB	THB 13.60	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.
Siam Makro	MAKRO TB	THB 44.00	HOLD	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) lower-than-expected GPM improvement; and 3) operational losses from its overseas business. The key upside risks include: 1) the faster-than-expected recovery of Lotus' performance; and 2) a more aggressive expansion plan.
Central Retail Corp	CRC TB	THB 32.00	BUY	The key downside risks to our DCF-based TP include 1) new waves of Covid-19; and 2) lower-than-expected sales from the high-margin fashion business.
Srinanaporn Marketing	SNNP TB	THB 10.80	BUY	The key downside risks to our DCF-based TP are 1) slower-than-expected demand growth and market penetration overseas, especially in Cambodia and Vietnam; 2) a lower-than-expected profit margin due to high raw material and transportation costs; and 3) higher-than-expected SG&A expenses from overseas operations.

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

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 Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 30-Nov-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.