

3Q23 results at first glance

3Q23 profit misses estimates

Highlights

- GLOBAL reported a 3Q23 net profit of THB525m (-25% q-q, -32% y-y), missing our estimate by 11% and the consensus forecast by 9% due to an SSSG of -12.3% (vs 2Q23 of -9.5% and 3Q22 of +4.4%) from stubbornly weak purchasing power in the provinces and stabilizing steel prices. Meanwhile, October SSSG is likely to remain negative at c9-10%.
- The gross margin improved to 25.9% (vs 2Q23 of 25.4% and 3Q23 of 25.8%) due to a higher house-brand gross margin after the shipping costs from importing house-brand products decreased.
- The SG&A-to-sales ratio came in at 19.1% (vs 2Q23 of 16.7% and 3Q22 of 16.2%). It was up q-q and y-y, in line with lower sales. During the quarter, GLOBAL opened two new branches in Roi Et and Yasothon, driving the total store count to 81 by 3Q23.

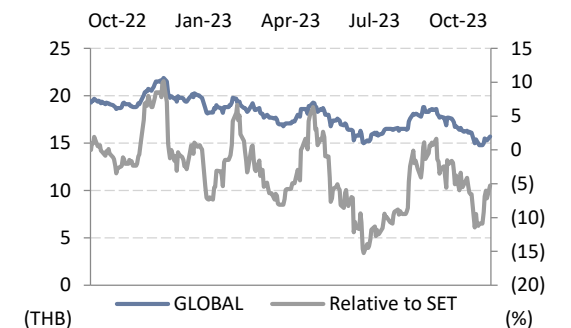
Outlook

- GLOBAL's 9M23 net profit equaled THB2.1b (-29% y-y), securing 72% of our full-year estimate, which may see a 3-5% downside. However, 3Q23 was the trough of this year, in our view. In this regard, we expect 4Q23 profit to grow q-q and y-y from a recovery in provincial purchasing power, particularly in the North East and domestic steel prices. We anticipate a lower negative or flat SSSG due to the stabilizing steel price outlook and a strong recovery in the farm income index. Also, we expect no provisioning for slow-moving inventory in 4Q23 as in 4Q22 (THB137m after-tax).
- We put our 2023E net profit under review. However, we anticipate a recovery in 2024 due to the stabilizing domestic steel price outlook, the economic stimulus to boost purchasing power and government construction, and a high season for construction activities in 1H24.
- GLOBAL risks an El Nino phenomenon. It would result in a lower agricultural output, which would, in turn, result in a lower farm income index and purchasing power, particularly in the North East. Note that GLOBAL earns 50% and 30% of its revenue from the North East and the North.

TARGET PRICE	THB20.50
CLOSE	THB15.70
UP/DOWNSIDE	+30.6%
TP vs CONSENSUS	+12.2%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	35,270	33,516	36,501	40,019
Net profit	3,487	2,921	3,331	3,788
EPS (THB)	0.73	0.58	0.67	0.76
vs Consensus (%)	-	1.4	-	-
EBITDA	4,941	4,405	4,964	5,600
Recurring net profit	3,487	2,921	3,331	3,788
Core EPS (THB)	0.73	0.58	0.67	0.76
EPS growth (%)	(0.1)	(19.6)	14.0	13.7
Core P/E (x)	21.6	26.9	23.6	20.7
Dividend yield (%)	1.9	1.5	1.7	1.9
EV/EBITDA (x)	18.0	20.5	18.3	16.3
Price/book (x)	3.5	3.3	3.0	2.8
Net debt/Equity (%)	59.3	47.8	45.6	43.2
ROE (%)	16.9	12.8	13.4	14.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.5)	(4.8)	(19.4)
Relative to country (%)	(1.5)	6.1	(7.1)
Mkt cap (USD m)	2,188		
3m avg. daily turnover (USD m)	4.7		
Free float (%)	35		
Major shareholder	Suriyawanakul Family (34%)		
12m high/low (THB)	22.37/14.60		
Issued shares (m)	5,001.80		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amornthum

Fundamental Investment Analyst on Securities; License no. 014530
jitra.a@fssia.com, +66 2646 9966

Thada Jiracharoenyang

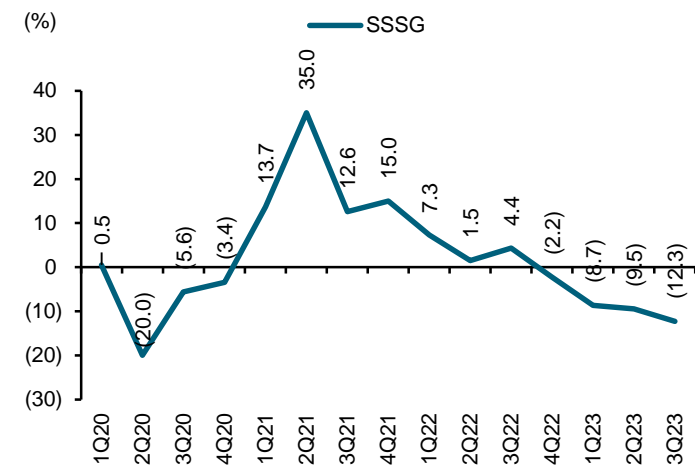
Research assistant
thada.j@fssia.com, +66 2646 9964

Exhibit 1: 3Q23 results summary

Profit & Loss Statement	3Q22	4Q22	1Q23	2Q23	3Q23	-----Change-----		----- 9M23 -----			2023E	Change
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	%23E	(THB m)	(y-y%)
Retail sales	8,170	8,247	8,933	8,503	7,340	(14)	(10)	24,777	(8)	74	33,516	(5)
Cost of retail sales	6,066	6,201	6,696	6,344	5,443	(14)	(10)	18,483	(7)	74	25,070	(4)
Gross profit	2,104	2,045	2,238	2,159	1,898	(12)	(10)	6,294	(17)	75	8,446	(7)
Operating costs	(1,320)	(1,530)	(1,280)	(1,423)	(1,399)	(2)	6	(4,101)	6	76	(5,363)	(1)
Operating profit	785	515	958	736	499	(32)	(36)	2,194	(41)	71	3,083	(17)
Operating EBITDA	1,084	821	1,246	1,039	813	(22)	(25)	3,098	(34)	70	4,405	(11)
Other income/expenses	177	160	166	180	173	(4)	(2)	519	(5)	77	670	(5)
Interest expense	(47)	(54)	(64)	(65)	(71)	9	52	(201)	45	85	(236)	22
Profit before tax	915	620	1,060	851	601	(29)	(34)	2,512	(30)	71	3,518	(16)
Tax	(179)	(118)	(209)	(167)	(117)	(30)	(35)	(494)	(30)	71	(693)	(16)
Associates	43	29	35	22	44	101	2	101	10	88	114	(5)
Minority interests	(4)	(5)	(4)	(2)	(2)	34	(49)	(7)	(48)	41	(18)	(5)
Non recurring items	0	0	0	0	0	n/a	n/a	0	n/a	n/a	0	n/a
Reported net profit	775	527	883	703	525	(25)	(32)	2,111	(29)	72	2,921	(16)
Recurring net profit	775	527	883	703	525	(25)	(32)	2,111	(29)	72	2,921	(16)
EPS (THB)	0.16	0.11	0.18	0.14	0.10	(25)	(35)	0.43	(31)	74	0.58	(20)
Recurring EPS (THB)	0.16	0.11	0.18	0.14	0.10	(25)	(35)	0.43	(31)	74	0.58	(20)
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)				(%)	(ppt)
Retail sales margin	25.8	24.8	25.0	25.4	25.9	0.5	0.1	25.4	(2.7)		25.2	(0.6)
Operating margin	9.6	6.2	10.7	8.7	6.8	(1.9)	(2.8)	8.9	(35.8)		9.2	(1.3)
Recurring net margin	9.5	6.4	9.9	8.3	7.2	(1.1)	(2.3)	8.0	(27.2)		8.7	(1.2)
SG&A / Sales	16.2	18.6	14.3	16.7	19.1	2.3	2.9	16.6	15.3		16.0	0.7
Operating stats												
SSSG (%)	4.4	(2.2)	(8.7)	(9.5)	(12.3)	(2.8)	(16.7)				(8.0)	(10.5)

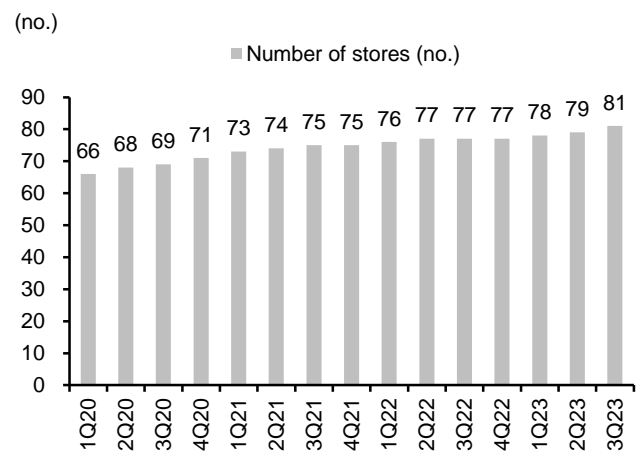
Sources: GLOBAL; FSSIA estimates

Exhibit 2: Same-store sales growth

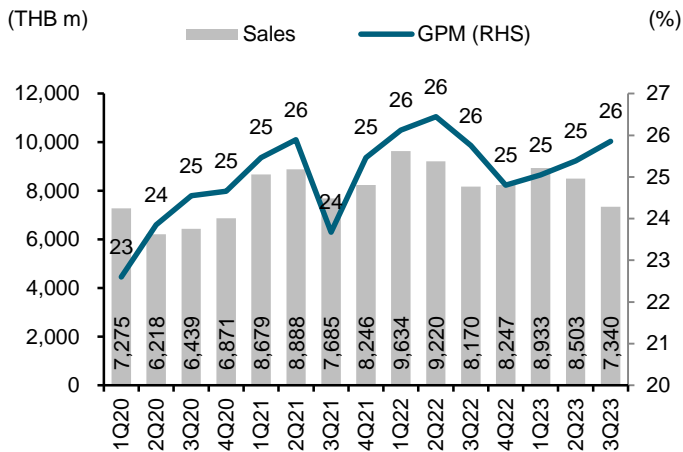


Source: GLOBAL

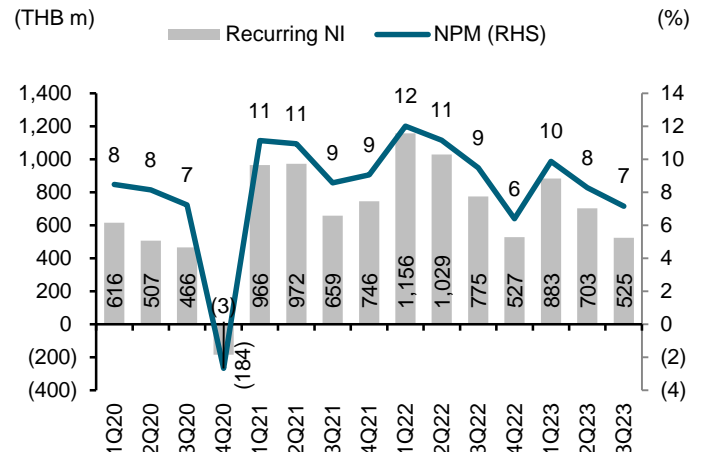
Exhibit 3: Number of stores



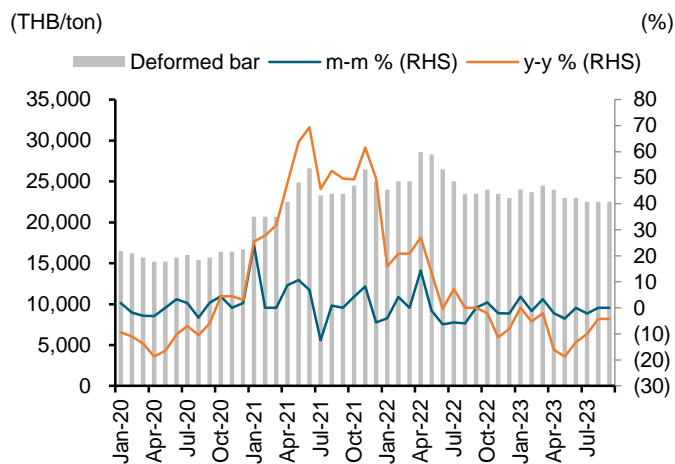
Source: GLOBAL

Exhibit 4: Quarterly revenue and gross margin

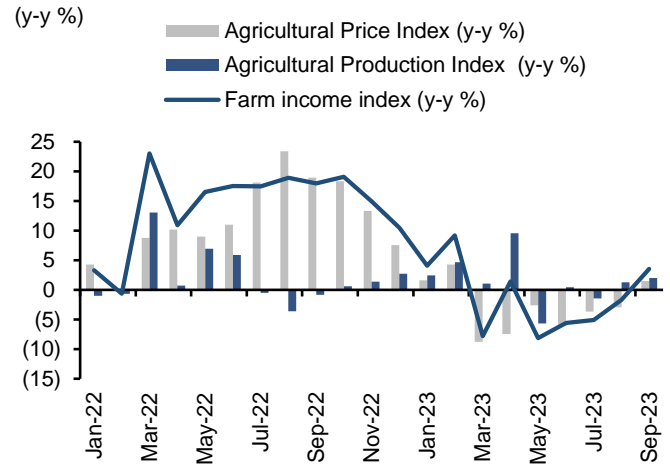
Source: GLOBAL

Exhibit 5: Quarterly net profit and net margin

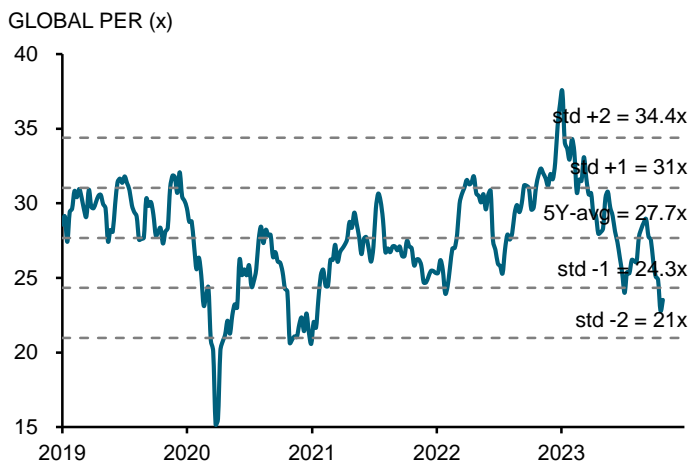
Source: GLOBAL

Exhibit 6: Domestic steel price recovery

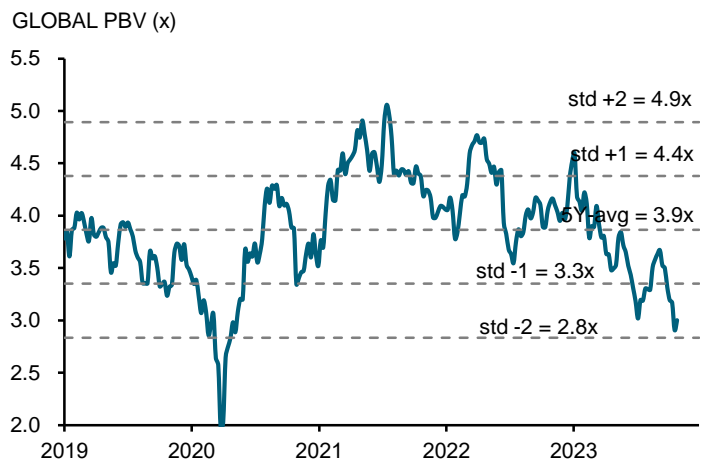
Source: Ministry of Commerce

Exhibit 7: Higher farm income

Source: Office of Agricultural Economics

Exhibit 8: Rolling one-year forward P/E band

Sources: Bloomberg; FSSIA estimates

Exhibit 9: Rolling one-year forward P/BV band

Sources: Bloomberg; FSSIA estimates

Exhibit 10: Commerce peers as of 30 October 2023

Company	BBG	Rec	----- Share price -----			Market Cap (USD m)	----- PE -----		---- ROE ----		--- PBV ---		-- EV/ EBITDA --	
			Current	Target	Upside		23E	24E	23E	24E	23E	24E	23E	24E
			(LCY)	(LCY)	(%)		(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Consumer Staple														
CP All	CPALL TB	BUY	56.00	77.00	38	14,017	30.7	25.9	15.6	17.0	5.1	4.6	21.6	19.2
CP Axtra	CPAXT TB	BUY	28.50	38.00	33	8,402	33.8	27.1	3.1	3.8	1.0	1.0	10.7	9.9
Berli Jucker*	BJC TB	n/a	27.50	n/a	n/a	3,116	19.5	16.9	4.6	5.3	0.9	0.9	13.1	12.5
Consumer Staple average						25,535	28.0	23.3	7.8	8.7	2.3	2.2	15.1	13.9
Consumer Discretionary														
Com7	COM7 TB	BUY	27.25	38.70	42	1,811	18.9	16.2	44.8	45.6	8.0	6.9	13.6	11.6
Central Retail Corp*	CRC TB	n/a	38.25	n/a	n/a	6,154	26.8	21.8	12.9	14.2	3.3	2.9	11.1	10.1
Home Improvement														
Index Living Mall	ILM TB	BUY	22.60	26.70	18	318	16.4	14.8	12.0	12.7	1.9	1.8	7.9	7.1
Home Product Center	HMPRO TB	BUY	12.00	16.00	33	4,397	24.0	21.7	26.4	27.7	6.2	5.9	14.1	13.0
Siam Global House	GLOBAL TB	BUY	15.70	20.50	31	2,188	26.9	23.6	12.8	13.4	3.3	3.0	20.5	18.3
Dohome	DOHOME TB	BUY	11.30	13.00	15	973	58.7	31.4	4.9	8.5	2.8	2.6	25.6	18.8
Home Improvement avg.						7,876	31.5	22.9	14.0	15.6	3.6	3.3	17.0	14.3
Consumer Discretionary avg.						15,841	28.6	21.6	19.0	20.4	4.2	3.9	15.5	13.1
Total average						41,375	28.4	22.2	15.2	16.5	3.6	3.3	15.4	13.4

Sources: *Bloomberg; FSSIA estimates

Financial Statements

Siam Global House

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	33,498	35,270	33,516	36,501	40,019
Cost of goods sold	(25,067)	(26,166)	(25,070)	(27,159)	(29,655)
Gross profit	8,431	9,104	8,446	9,341	10,364
Other operating income	0	0	0	0	-
Operating costs	(4,806)	(5,410)	(5,363)	(5,804)	(6,323)
Operating EBITDA	4,889	4,941	4,405	4,964	5,600
Depreciation	(1,264)	(1,246)	(1,322)	(1,427)	(1,559)
Goodwill amortisation	0	0	0	0	-
Operating EBIT	3,625	3,695	3,083	3,538	4,041
Net financing costs	(182)	(193)	(236)	(229)	(237)
Associates	81	120	114	120	126
Recurring non-operating income	699	828	785	850	926
Non-recurring items	0	0	0	0	0
Profit before tax	4,142	4,330	3,632	4,159	4,730
Tax	(783)	(824)	(693)	(808)	(921)
Profit after tax	3,359	3,506	2,939	3,351	3,809
Minority interests	(15)	(19)	(18)	(20)	(22)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	3,344	3,487	2,921	3,331	3,788
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	3,344	3,487	2,921	3,331	3,788
Per share (THB)					
Recurring EPS *	0.73	0.73	0.58	0.67	0.76
Reported EPS	0.73	0.73	0.58	0.67	0.76
DPS	0.23	0.30	0.23	0.27	0.30
Diluted shares (used to calculate per share data)	4,602	4,802	5,002	5,002	5,002
Growth					
Revenue (%)	25.0	5.3	(5.0)	8.9	9.6
Operating EBITDA (%)	46.7	1.1	(10.8)	12.7	12.8
Operating EBIT (%)	67.1	1.9	(16.5)	14.7	14.2
Recurring EPS (%)	63.5	(0.1)	(19.6)	14.0	13.7
Reported EPS (%)	63.5	(0.1)	(19.6)	14.0	13.7
Operating performance					
Gross margin inc. depreciation (%)	25.2	25.8	25.2	25.6	25.9
Gross margin exc. depreciation (%)	28.9	29.3	29.1	29.5	29.8
Operating EBITDA margin (%)	14.6	14.0	13.1	13.6	14.0
Operating EBIT margin (%)	10.8	10.5	9.2	9.7	10.1
Net margin (%)	10.0	9.9	8.7	9.1	9.5
Effective tax rate (%)	19.3	19.6	19.7	20.0	20.0
Dividend payout on recurring profit (%)	31.7	41.1	40.0	40.0	40.0
Interest cover (X)	23.8	23.5	16.4	19.2	21.0
Inventory days	233.6	233.9	235.4	218.3	214.4
Debtor days	7.3	6.8	11.4	15.2	15.2
Creditor days	42.4	35.5	35.3	34.3	35.1
Operating ROIC (%)	11.9	11.7	9.6	10.7	11.5
ROIC (%)	12.9	12.7	10.7	11.6	12.3
ROE (%)	18.3	16.9	12.8	13.4	14.0
ROA (%)	9.4	9.4	8.0	8.7	9.2
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	33,498	35,270	33,516	36,501	40,019
Others	0	0	0	0	0

Sources: Siam Global House; FSSIA estimates

Financial Statements

Siam Global House

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	3,344	3,487	2,921	3,331	3,788
Depreciation	1,264	1,246	1,322	1,427	1,559
Associates & minorities	27	9	0	0	0
Other non-cash items	15	19	18	20	22
Change in working capital	(2,272)	258	17	(869)	(1,020)
Cash flow from operations	2,379	5,019	4,278	3,909	4,348
Capex - maintenance	(1,215)	(1,618)	(1,616)	(2,530)	(2,682)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(850)	(549)	(236)	(537)	(587)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(2,066)	(2,167)	(1,852)	(3,066)	(3,269)
Dividends paid	(1,061)	(1,432)	(1,168)	(1,333)	(1,515)
Equity finance	297	172	304	61	61
Debt finance	921	(2,138)	(1,447)	492	442
Other financing cash flows	0	0	0	0	0
Cash flow from financing	157	(3,399)	(2,312)	(779)	(1,012)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	470	(547)	115	63	66
Free cash flow to firm (FCFF)	493.54	3,044.84	2,662.06	1,071.14	1,315.42
Free cash flow to equity (FCFE)	1,233.74	713.58	979.04	1,334.70	1,520.49
Per share (THB)					
FCFF per share	0.10	0.61	0.53	0.21	0.26
FCFE per share	0.25	0.14	0.20	0.27	0.30
Recurring cash flow per share	1.01	0.99	0.85	0.96	1.07
Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	23,807	25,311	26,927	29,457	32,139
Less: Accumulated depreciation	(6,708)	(7,840)	(9,162)	(10,589)	(12,147)
Tangible fixed assets (net)	17,099	17,471	17,765	18,868	19,991
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	1,507	1,824	2,157	2,507	2,874
Cash & equivalents	1,694	1,147	1,262	1,325	1,392
A/C receivable	674	631	1,460	1,590	1,743
Inventories	16,186	15,747	14,881	15,898	17,115
Other current assets	78	42	40	43	48
Current assets	18,631	17,568	17,643	18,857	20,298
Other assets	2,037	2,285	2,171	2,365	2,592
Total assets	39,275	39,148	39,737	42,597	45,756
Common equity	19,561	21,788	23,844	25,904	28,238
Minorities etc.	275	304	322	341	363
Total shareholders' equity	19,836	22,091	24,166	26,245	28,601
Long term debt	3,268	3,252	2,669	2,927	3,153
Other long-term liabilities	160	176	160	166	174
Long-term liabilities	3,427	3,428	2,829	3,093	3,327
A/C payable	2,543	2,311	2,283	2,547	2,862
Short term debt	13,128	11,006	10,141	10,376	10,591
Other current liabilities	340	313	319	335	374
Current liabilities	16,011	13,629	12,742	13,259	13,828
Total liabilities and shareholders' equity	39,275	39,148	39,737	42,597	45,756
Net working capital	14,055	13,797	13,780	14,649	15,670
Invested capital	34,698	35,377	35,874	38,389	41,127
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.25	4.54	4.77	5.18	5.65
Tangible book value per share	4.25	4.54	4.77	5.18	5.65
Financial strength					
Net debt/equity (%)	74.1	59.3	47.8	45.6	43.2
Net debt/total assets (%)	37.4	33.5	29.1	28.1	27.0
Current ratio (x)	1.2	1.3	1.4	1.4	1.5
CF interest cover (x)	7.8	4.7	5.2	6.8	7.4
Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	21.6	21.6	26.9	23.6	20.7
Recurring P/E @ target price (x) *	28.2	28.2	35.1	30.8	27.1
Reported P/E (x)	21.6	21.6	26.9	23.6	20.7
Dividend yield (%)	1.5	1.9	1.5	1.7	1.9
Price/book (x)	3.7	3.5	3.3	3.0	2.8
Price/tangible book (x)	3.7	3.5	3.3	3.0	2.8
EV/EBITDA (x) **	17.8	18.0	20.5	18.3	16.3
EV/EBITDA @ target price (x) **	22.4	22.6	26.0	23.1	20.6
EV/invested capital (x)	2.5	2.5	2.5	2.4	2.2
* 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 11: FSSIA ESG score implication

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

Sources: FSSIA estimates

Exhibit 12: 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 13: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	2.92	2.83	3.28	3.24
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
ESG disclosure score	38.07	41.93	44.61	52.38
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
Environmental				
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 14: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
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
Social				
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
Governance				
Board size	10	10	10	10
No. of independent directors (ID)	4	4	4	4
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
No. of executives / company managers	12	12	13	11
No. of female executives	3	1	3	3
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	3	5	5	4
Audit meeting attendance %	100	100	100	100
Size of compensation committee	3	3	3	3
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
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	2	2	2	2
Nomination meeting attendance %	100	100	100	100
Sustainability governance				
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 THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</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>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																			
AA	7.143-8.570																					
A	5.714-7.142																					
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																			
BB	2.857-4.285																					
B	1.429-2.856																					
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
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.																				

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

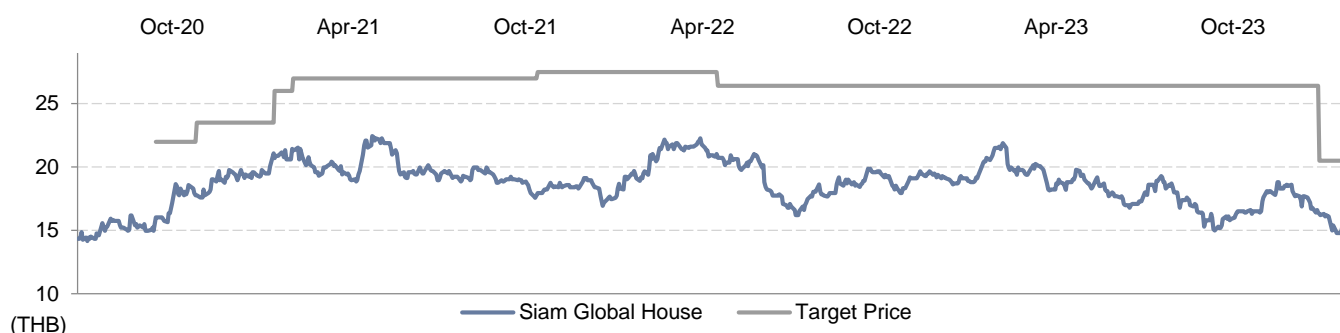
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Siam Global House (GLOBAL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-Jan-2021	BUY	22.00	05-May-2021	BUY	27.00	04-Oct-2023	BUY	20.50
11-Feb-2021	BUY	23.50	01-Dec-2021	BUY	27.50			
19-Apr-2021	BUY	26.00	05-May-2022	BUY	26.40			

Jitra Amornthum started covering this stock from 04-Oct-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Siam Global House	GLOBAL TB	THB 15.70	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 and a larger-than-expected impact on farm income from the El Nino effect.

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 30-Oct-2023 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.