

# INDEX LIVING MALL ILM TB

THAILAND / COMMERCE

BUY

UNCHANGED

## คาดกำไรสุทธิ 195 ลบ. และระดับ ATH อีกครั้ง

- เราคาดกำไรสุทธิ 195 ลบ. (+1.7% q-q, 6.3% y-y) และระดับ ATH อีกครั้ง หลังจาก 3Q23 ตามการฟื้นตัวของภาคการท่องเที่ยว
- หากกำไร 4Q23 ตามคาดจะมี upside ต่อประมาณการปี 2023-25ของเรา 3-5%
- คงคำแนะนำซื้อ ราคาเป้าหมาย 26.70 บาท

TARGET PRICE	THB26.70
CLOSE	THB22.20
UP/DOWNSIDE	+20.3%
PRIOR TP	THB26.70
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-3.7%

## คาดกำไรสุทธิ 4Q23 ที่ 195 ลบ. และระดับ ATH อีกครั้ง

เราคาดกำไรสุทธิ 4Q23 ที่ 195 ลบ. (+1.7% q-q, +6.3% y-y) โดยเราคาด SSSG ยังบวกได้ราว 9% ตามการฟื้นตัวของภาคการท่องเที่ยว ซึ่ง ILM มีสัดส่วนรายได้จากสาขาการท่องเที่ยว 30-40% รายได้ค่าเช่าปรับสูงขึ้นจากการเปิด LittleWalk กรุงเทพมหานคร ได้รับการตอบรับที่ดี Occ. rate 100% พื้นที่เช่าเพิ่มขึ้นราว 6% ขณะที่ค่าอัตรากำไรขั้นต้นจากการขายที่ 44.5% (vs 3Q23 ที่ 45.1%, 4Q22 ที่ 43.5%) ปรับลดลง q-q จาก GPM ของช่องทาง Project เป็นช่วงโอนโครงการที่มี GPM ต่ำ ขณะที่เพิ่มขึ้น y-y จากการขายผ่านช่องทางหน้าร้านมากขึ้นเป็น 76% (4Q22 ที่ 73%)

## ฟื้นตัวเด่น ตามภาคการท่องเที่ยว

แม้ปี 2023 บริษัทจะฟื้นตัวขึ้นมากในแง่ SSSG เฉลี่ยรายไตรมาสปรับสูงขึ้นราว 10% แต่เราเชื่อว่าบริษัทยังมีโอกาสการเติบโตได้ต่อเนื่อง หากเทียบยอดขายหน้าร้าน Index living Mall ในช่วง pre-covid ยอดขาย 9M23 คิดเป็น 90% ของ 9M19 ซึ่งยังมีโอกาสฟื้นตัวได้ต่อ รวมถึงการปรับปรุงสาขาท่องเที่ยวอย่างภูเก็ตแล้วเสร็จใน 3Q23 และสาขาพัทยาแล้วเสร็จใน 4Q23 ซึ่งภายหลังจากรีโนเวทคาดว่าจะยอดขายเพิ่มขึ้นราว 10-20%

## หากกำไรสุทธิ 4Q23 เป็นไปตามคาดจะทำให้ประมาณการปี 2023-25 มี upside

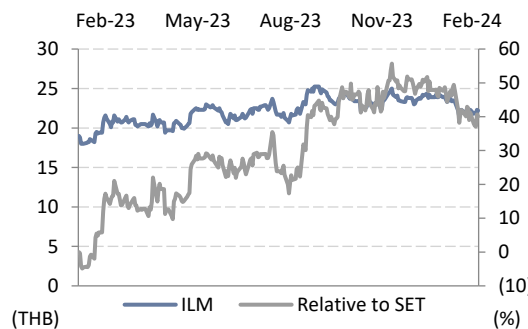
หากกำไรสุทธิเป็นไปตามคาด กำไรสุทธิปี 2023 ของเราจะมี upside 4.3% และปี 2024-25 อีกราว 3-5% ขณะที่แนวโน้ม SSSG เดือน ม.ค. 2024 ยังเติบโตได้ราว 6-7% ตามภาคการท่องเที่ยวที่ฟื้นตัว โดยปี 2024 บริษัทตั้งเป้าขยายสาขาของ Index Living Mall เพิ่มขึ้น 2 สาขา แบ่งเป็นสาขารัตนาธิเบศ และสระบุรี รวมถึง Little walk 2 สาขา แบ่งเป็นสาขารัตนาธิเบศ และอีก 1 สาขา

## คงคำแนะนำซื้อ แนวโน้มเติบโต Valuation ไม่แพง ราคาเป้าหมาย 26.70 บาท

เรายังคงคำแนะนำซื้อ ราคาเป้าหมาย 26.7 บาท Implied 2024E P/E เพียง 17.5 เท่า ปัจจุบัน ILM เทรดบน 2024E P/E ที่ 14.5 เท่า (เฉลี่ย 5 ปี -0.1SD) เรายังชอบ ILM คู่กับ HMPRO ในกลุ่ม Home improvement โดย ILM เราชอบในแง่ของการเติบโตที่ SSSG สามารถเติบโตได้ต่อเนื่อง เดือน ม.ค. 2024 ยัง +6-7% สูงสุดในกลุ่ม Home improvement กับ Valuation ที่ 14.3 เท่า ถูกที่สุดในกลุ่ม Home improvement

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	8,889	10,005	10,779	11,396
Net profit	659	694	771	836
EPS (THB)	1.31	1.37	1.53	1.66
vs Consensus (%)	-	(3.4)	(5.0)	(8.8)
EBITDA	1,807	1,913	2,038	2,144
Recurring net profit	659	694	771	836
Core EPS (THB)	1.31	1.37	1.53	1.66
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	45.4	5.3	11.1	8.4
Core P/E (x)	17.0	16.2	14.5	13.4
Dividend yield (%)	2.7	3.9	4.1	4.6
EV/EBITDA (x)	8.4	7.8	7.0	6.4
Price/book (x)	2.0	1.9	1.8	1.7
Net debt/Equity (%)	71.0	61.1	49.3	37.7
ROE (%)	12.0	12.0	12.7	13.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.1)	(3.5)	16.2
Relative to country (%)	(5.3)	(2.3)	39.7
Mkt cap (USD m)			312
3m avg. daily turnover (USD m)			0.3
Free float (%)			25
Major shareholder	Krobkrua Thammada Panich Co Ltd (40%)		
12m high/low (THB)	26.00/17.70		
Issued shares (m)	505.00		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

ILM มีผลประกอบการเติบโตต่อเนื่อง หากไม่รวมช่วง Covid-19 โดยมีช่องทางการขายที่หลากหลายทั้งในรูปแบบหน้าร้าน (physical stores), งานโครงการ (Project), ออนไลน์ (online channels) รวมถึงเป็น Distributor ในการขายต่างประเทศ บริษัทได้อนิสงค์ต่อการฟื้นตัวของภาคท่องเที่ยว โดยสัดส่วนรายได้จากสาขาท่องเที่ยวคิดเป็น 30-40% ของรายได้รวม บริษัทมีแผนการขยายสาขา 2-3 สาขาต่อปี นอกจากนี้บริษัทยังมีรายได้จากการให้เช่าภายใต้แบรนด์ The Walk และ Little Walk ซึ่งเป็นศูนย์การค้าแบบเปิด หรือ Community Mall โดยได้รับการตอบรับที่ดี โดยมีอัตราการเช่าเฉลี่ย (Occupancy rate) มากกว่า 85% โดย 2 สาขาล่าสุดคือ Little Walk ลาดกระบังและกรุงเทพมหานคร มี Occupancy rate 100%

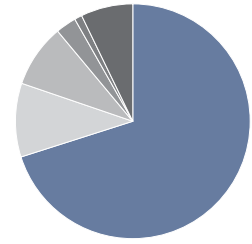
### Company profile

ILM ประกอบธุรกิจร้านค้าปลีกจำหน่ายเฟอร์นิเจอร์และของตกแต่งบ้านครบวงจรในประเทศไทย ภายใต้แบรนด์ร้านค้า "Index Living Mall" และแบรนด์อื่น ๆ รวมทั้งจำหน่ายสินค้าผ่านช่องทางอื่น ๆ ทั้งออนไลน์และออฟไลน์ ที่ครอบคลุมลูกค้าทั้งในประเทศไทย และต่างประเทศ นอกจากนี้ยังมีธุรกิจพื้นที่ให้เช่าภายใต้รูปแบบคอมมูนิตี้ออลล์ ภายใต้แบรนด์ "The Walk" "Little Walk" และ "Index Mall" รวมถึงพื้นที่เช่าในสาขาของ Index Living Mall

[www.indexlivingmall.com](http://www.indexlivingmall.com)

### Principal activities (revenue, 2022)

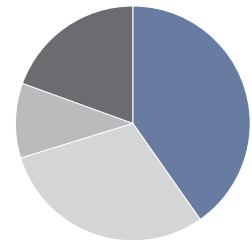
- Retail - 70.1 %
- Online - 10.2 %
- Project - 8.7 %
- Oversea - 2.8 %
- Dealer - 1.0 %
- Rental - 7.2 %



Source: Index Living Mall

### Major shareholders

- Krobkrua Thammada Panich Co Ltd - 40.3 %
- Patamasatayasonthi Family - 30.0 %
- Udomma huntisuk Family - 10.3 %
- Others - 19.5 %



Source: Index Living Mall

### Catalysts

ปัจจัยสนับสนุนสำหรับ ILM ได้แก่ 1) การฟื้นตัวของการบริโภคและการท่องเที่ยวในประเทศ 2) การฟื้นตัวของภาคอสังหาริมทรัพย์

### Risks to our call

ความเสี่ยง 1) Same-store sales growth (SSSG) เติบโตน้อยกว่าที่คาด 2) อัตรากำไรขั้นต้นสูงกว่าที่คาด 3) ค่าใช้จ่ายในการขายและบริหารสูงกว่าที่คาด

### Event calendar

Date	Event
28 Feb 2024	4Q23 results announcement

### Key assumptions

	2023E	2024E	2025E
SSSG (%)	8.4	6.1	3.8
Average occupancy rate (%)	86.0	87.4	88.6
GPM	45.7	45.9	46.1
- GPM sales	45.4	45.6	45.8
- GPM Rental	49.7	49.9	49.6
SG&A to sales	36.1	36.4	36.6

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2024 net profit to rise by 1%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 5.5%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2024 net profit to fall by 5.9%, and vice versa, all else being equal.

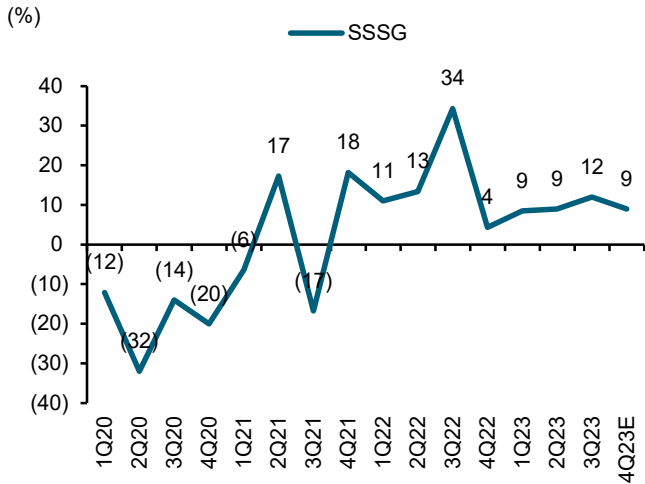
Source: FSSIA estimates

## Exhibit 1: 4Q23 results preview

Year to Dec 31	4Q22 (THB m)	1Q23 (THB m)	2Q23 (THB m)	3Q23 (THB m)	4Q23E (THB m)	----- Change ----- (q-q%)	(y-y%)
<b>Total revenue</b>	<b>2,435</b>	<b>2,188</b>	<b>2,184</b>	<b>2,396</b>	<b>2,478</b>	<b>3.4</b>	<b>1.7</b>
- Retail sales	2,274	2,023	2,012	2,222	2,300	3.5	1.1
- Rental and Rendering of services	161	165	172	174	178	2.3	10.4
<b>Core COGS</b>	<b>(1,377)</b>	<b>(1,159)</b>	<b>(1,147)</b>	<b>(1,309)</b>	<b>(1,366)</b>	<b>4.3</b>	<b>(0.8)</b>
- COGS	(1,296)	(1,075)	(1,065)	(1,220)	(1,276)	4.6	(1.5)
- Cost of Rental and Rendering	(82)	(84)	(83)	(89)	(91)	1.4	11.2
<b>Gross profit</b>	<b>1,058</b>	<b>1,029</b>	<b>1,037</b>	<b>1,086</b>	<b>1,111</b>	<b>2.3</b>	<b>5.0</b>
Operating costs	(823)	(793)	(820)	(827)	(851)	2.9	3.5
<b>Operating profit</b>	<b>236</b>	<b>236</b>	<b>217</b>	<b>259</b>	<b>260</b>	<b>0.4</b>	<b>10.5</b>
Other income	35	24	32	22	26	17.5	(25.1)
Interest expense	(55)	(52)	(54)	(55)	(57)	3.5	4.2
Profit before tax	216	208	195	226	229	1.3	6.3
Tax	(32)	(34)	(31)	(37)	(37)	(0.7)	13.8
Minority interests	-	-	-	(2)	(2)	0.0	n/a
Non-recurring items	-	-	-	-	-	n/a	n/a
Reported net profit	183	174	164	191	195	1.7	6.1
<b>Recurring net profit</b>	<b>183</b>	<b>174</b>	<b>164</b>	<b>191</b>	<b>195</b>	<b>1.7</b>	<b>6.1</b>
EPS (THB)	0.36	0.35	0.32	0.38	0.39	1.7	6.1
<b>Recurring EPS (THB)</b>	<b>0.36</b>	<b>0.35</b>	<b>0.32</b>	<b>0.38</b>	<b>0.39</b>	<b>1.7</b>	<b>6.1</b>
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	43.5	47.0	47.5	45.3	44.9	(0.5)	1.4
- Retail	43.0	46.9	47.1	45.1	44.5	(0.6)	1.5
- Rental and Rendering of services	49.3	49.2	52.0	48.5	49.0	0.5	(0.3)
Operating margin	11.1	11.9	11.4	11.7	11.6	(0.2)	0.5
Recurring net margin	7.5	8.0	7.5	8.0	7.9	(0.1)	0.3
SG&A / Sales	33.8	36.3	37.5	34.5	34.3	(0.2)	0.6
<b>Operating statistics</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
SSSG (%y-y)	4.3	8.5	9.0	12.0	9.0	(3.0)	4.7
Retails Sales (THB m)	1,661	1,675	1,671	1,682	1,755	4.4	5.7
Project Sales (THB m)	305	58	58	195	197	1.2	(35.5)
Oversea Sales (THB m)	64	40	25	42	40	(4.0)	(36.8)
Dealer Sales (THB m)	25	22	23	17	17	(1.2)	(30.9)
Online Sales (THB m)	220	228	235	286	290	1.3	32.0
Retails Sales (% to sales)	73	83	83	76	76	0.6	3.3
Project Sales (% to sales)	13	3	3	9	9	(0.2)	(4.9)
Oversea Sales (% to sales)	3	2	1	2	2	(0.1)	(1.1)
Dealer Sales (% to sales)	1	1	1	1	1	(0.0)	(0.3)
Online Sales (% to sales)	10	11	12	13	13	(0.3)	3.0

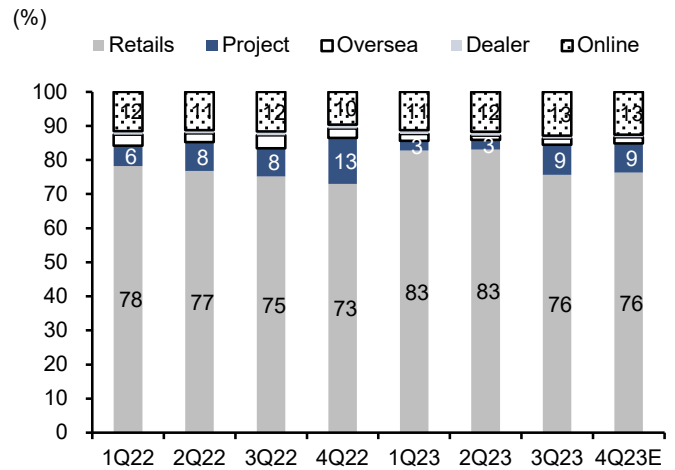
Sources: ILM; FSSIA estimates

**Exhibit 2: 4Q23E SSSG would continue to grow**



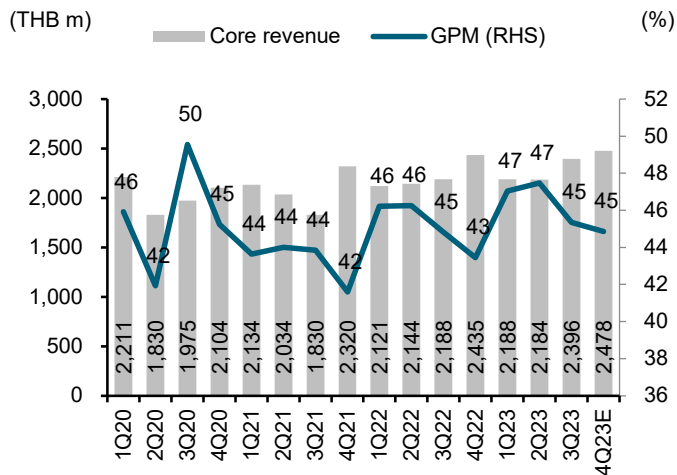
Sources: ILM; FSSIA estimates

**Exhibit 3: Retail sales would increase to enhance GPM**



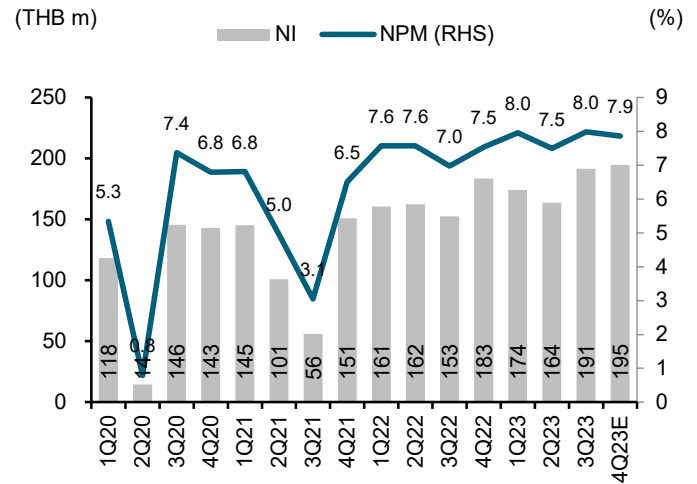
Sources: ILM; FSSIA estimates

**Exhibit 4: Quarterly revenue & GPM**



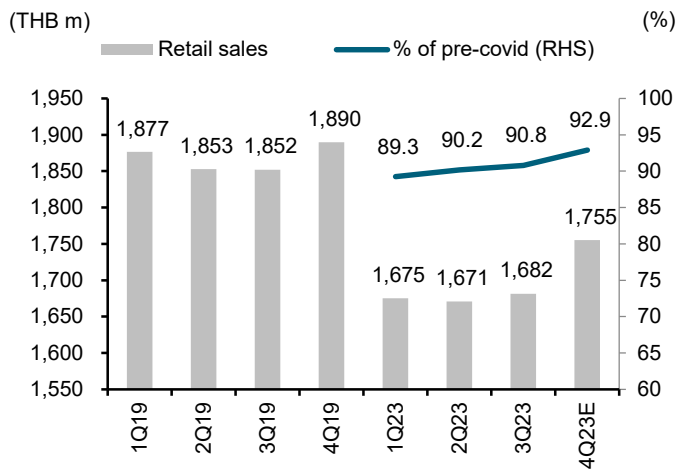
Sources: ILM; FSSIA estimates

**Exhibit 5: Quarterly net profit & NPM**



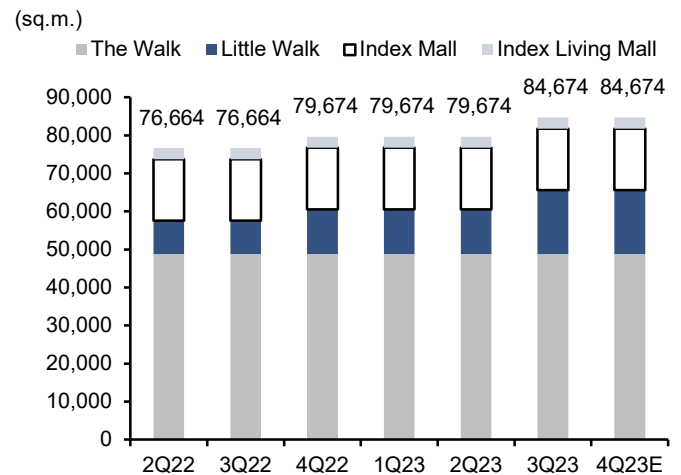
Sources: ILM; FSSIA estimates

**Exhibit 6: Potential recovery to pre-covid level**



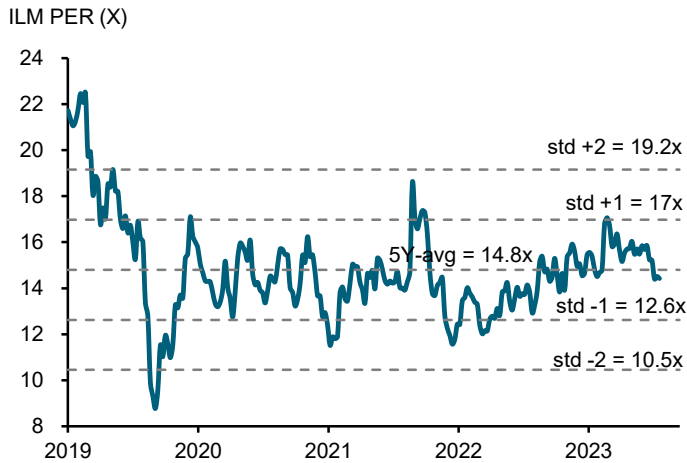
Sources: ILM; FSSIA estimates

**Exhibit 7: NLA increase by LittleWalk Krungthep Kritha**



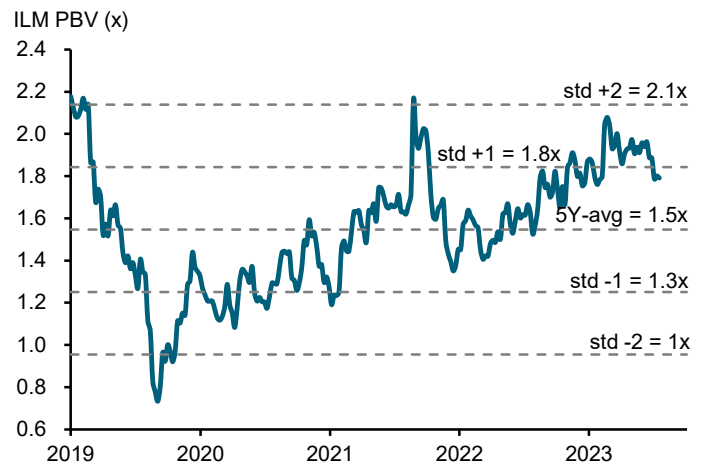
Sources: ILM; FSSIA estimates

**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 9 February 2024**

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
<b>Consumer Staple</b>														
CP All	CPALL TB	BUY	54.25	77.00	42	13,573	28.2	24.3	16.4	17.5	4.9	4.4	20.1	17.8
CP Aextra	CPAXT TB	BUY	30.50	36.00	18	8,988	37.5	30.3	2.9	3.6	1.1	1.1	11.3	10.6
Berli Jucker*	BJC TB	n/a	24.90	n/a	n/a	2,776	20.6	18.1	4.0	4.5	0.8	0.8	12.8	12.0
<b>Consumer Staple average</b>						<b>25,337</b>	<b>28.8</b>	<b>24.2</b>	<b>7.8</b>	<b>8.5</b>	<b>2.3</b>	<b>2.1</b>	<b>14.8</b>	<b>13.5</b>
<b>Consumer Discretionary</b>														
Com7	COM7 TB	BUY	22.50	30.00	33	1,495	17.2	15.4	41.6	41.7	6.8	6.1	12.2	11.0
Central Retail Corp	CRC TB	BUY	33.50	48.00	43	5,627	24.7	21.2	12.6	13.4	3.0	2.7	13.1	11.7
<b>Home Improvement</b>														
Index Living Mall	ILM TB	BUY	22.20	26.70	20	312	16.2	14.5	12.0	12.7	1.9	1.8	7.8	7.0
Home Product Center	HMPRO TB	BUY	10.90	13.60	25	3,993	22.6	21.1	25.5	26.0	5.6	5.3	13.1	12.3
Siam Global House	GLOBAL TB	BUY	15.80	17.70	12	2,201	30.1	26.7	11.5	12.0	3.3	3.1	22.5	20.2
Dohome	DOHOME TB	BUY	11.10	12.30	11	955	67.2	35.3	4.3	7.7	2.8	2.6	25.7	19.1
<b>Home Improvement avg.</b>						<b>7,461</b>	<b>34.0</b>	<b>24.4</b>	<b>13.3</b>	<b>14.6</b>	<b>3.4</b>	<b>3.2</b>	<b>17.3</b>	<b>14.7</b>
<b>Consumer Discretionary avg.</b>						<b>14,583</b>	<b>29.7</b>	<b>22.4</b>	<b>17.9</b>	<b>18.9</b>	<b>3.9</b>	<b>3.6</b>	<b>15.7</b>	<b>13.6</b>
<b>Total average</b>						<b>39,920</b>	<b>29.4</b>	<b>23.0</b>	<b>14.6</b>	<b>15.5</b>	<b>3.4</b>	<b>3.1</b>	<b>15.4</b>	<b>13.5</b>

Sources: \*Bloomberg; FSSIA estimates

## Financial Statements

### Index Living Mall

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	8,317	8,889	10,005	10,779	11,396
Cost of goods sold	(4,724)	(4,877)	(5,434)	(5,828)	(6,143)
<b>Gross profit</b>	<b>3,593</b>	<b>4,011</b>	<b>4,571</b>	<b>4,951</b>	<b>5,253</b>
Other operating income	97	120	111	119	126
Operating costs	(2,914)	(3,136)	(3,614)	(3,921)	(4,168)
<b>Operating EBITDA</b>	<b>1,648</b>	<b>1,807</b>	<b>1,913</b>	<b>2,038</b>	<b>2,144</b>
Depreciation	(872)	(812)	(844)	(888)	(932)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>776</b>	<b>995</b>	<b>1,068</b>	<b>1,150</b>	<b>1,212</b>
Net financing costs	(246)	(214)	(246)	(236)	(221)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>529</b>	<b>781</b>	<b>822</b>	<b>914</b>	<b>991</b>
Tax	(76)	(122)	(128)	(143)	(155)
<b>Profit after tax</b>	<b>453</b>	<b>659</b>	<b>694</b>	<b>771</b>	<b>836</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>453</b>	<b>659</b>	<b>694</b>	<b>771</b>	<b>836</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>453</b>	<b>659</b>	<b>694</b>	<b>771</b>	<b>836</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.90	1.31	1.37	1.53	1.66
Reported EPS	0.90	1.31	1.37	1.53	1.66
DPS	0.44	0.60	0.87	0.92	1.02
Diluted shares (used to calculate per share data)	505	505	505	505	505
<b>Growth</b>					
Revenue (%)	2.4	6.9	12.6	7.7	5.7
Operating EBITDA (%)	(0.8)	9.7	5.9	6.5	5.2
Operating EBIT (%)	(0.3)	28.3	7.3	7.6	5.4
Recurring EPS (%)	7.6	45.4	5.3	11.1	8.4
Reported EPS (%)	7.6	45.4	5.3	11.1	8.4
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	43.2	45.1	45.7	45.9	46.1
Gross margin exc. depreciation (%)	53.7	54.3	54.1	54.2	54.3
Operating EBITDA margin (%)	19.8	20.3	19.1	18.9	18.8
Operating EBIT margin (%)	9.3	11.2	10.7	10.7	10.6
Net margin (%)	5.4	7.4	6.9	7.2	7.3
Effective tax rate (%)	14.4	15.6	15.6	15.6	15.6
Dividend payout on recurring profit (%)	48.9	46.0	63.5	60.2	61.7
Interest cover (X)	3.1	4.6	4.3	4.9	5.5
Inventory days	161.8	145.6	134.9	138.3	139.4
Debtor days	9.2	9.3	9.0	9.0	9.1
Creditor days	140.0	144.5	134.6	138.3	140.8
Operating ROIC (%)	10.7	15.1	16.8	18.7	20.5
ROIC (%)	5.6	7.6	8.3	9.1	9.8
ROE (%)	8.7	12.0	12.0	12.7	13.1
ROA (%)	5.1	6.8	7.2	7.7	8.0
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Retail	5,886	6,230	6,845	7,400	7,825
Online	1,001	903	1,266	1,380	1,490
Project	588	773	782	790	798
Oversea	284	253	337	375	403

Sources: Index Living Mall; FSSIA estimates

## Financial Statements

### Index Living Mall

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	453	659	694	771	836
Depreciation	872	812	844	888	932
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	484	311	195	228	210
<b>Cash flow from operations</b>	<b>1,809</b>	<b>1,782</b>	<b>1,733</b>	<b>1,887</b>	<b>1,978</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(374)	(587)	(647)	(670)	(694)
Net acquisitions & disposals	100	(40)	(25)	(3)	25
Other investments (net)	125	(2)	(2)	(2)	(1)
<b>Cash flow from investing</b>	<b>(150)</b>	<b>(629)</b>	<b>(673)</b>	<b>(675)</b>	<b>(671)</b>
Dividends paid	(222)	(303)	(441)	(464)	(515)
Equity finance	0	0	0	0	0
Debt finance	(1,104)	(674)	106	(827)	125
Other financing cash flows	(333)	(208)	(212)	(198)	(193)
<b>Cash flow from financing</b>	<b>(1,658)</b>	<b>(1,185)</b>	<b>(546)</b>	<b>(1,488)</b>	<b>(584)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>1</b>	<b>(32)</b>	<b>514</b>	<b>(277)</b>	<b>724</b>
Free cash flow to firm (FCFF)	1,905.54	1,367.18	1,305.58	1,447.28	1,528.66
Free cash flow to equity (FCFE)	222.34	270.70	954.21	187.07	1,239.45

Per share (THB)	2021	2022	2023E	2024E	2025E
FCFF per share	3.77	2.71	2.59	2.87	3.03
FCFE per share	0.44	0.54	1.89	0.37	2.45
Recurring cash flow per share	2.62	2.91	3.05	3.29	3.50

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	12,803	13,001	13,309	13,617	13,925
Less: Accumulated depreciation	(7,891)	(8,314)	(8,819)	(9,344)	(9,890)
<b>Tangible fixed assets (net)</b>	<b>4,912</b>	<b>4,688</b>	<b>4,491</b>	<b>4,273</b>	<b>4,034</b>
<b>Intangible fixed assets (net)</b>	<b>3,244</b>	<b>2,979</b>	<b>2,975</b>	<b>2,957</b>	<b>2,923</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	107	75	588	311	1,035
A/C receivable	509	522	569	620	659
Inventories	1,658	1,586	1,807	1,938	2,041
Other current assets	12	14	15	17	18
<b>Current assets</b>	<b>2,287</b>	<b>2,197</b>	<b>2,980</b>	<b>2,886</b>	<b>3,753</b>
Other assets	1,913	2,168	2,214	2,255	2,279
<b>Total assets</b>	<b>12,356</b>	<b>12,032</b>	<b>12,660</b>	<b>12,371</b>	<b>12,990</b>
Common equity	5,310	5,668	5,921	6,228	6,549
Minorities etc.	1	0	0	0	0
<b>Total shareholders' equity</b>	<b>5,311</b>	<b>5,668</b>	<b>5,921</b>	<b>6,228</b>	<b>6,549</b>
Long term debt	3,603	3,029	2,764	2,743	2,746
Other long-term liabilities	588	615	676	743	793
<b>Long-term liabilities</b>	<b>4,190</b>	<b>3,644</b>	<b>3,440</b>	<b>3,486</b>	<b>3,539</b>
A/C payable	1,630	1,590	1,793	1,950	2,070
Short term debt	1,172	1,072	1,443	638	759
Other current liabilities	53	57	62	69	73
<b>Current liabilities</b>	<b>2,855</b>	<b>2,719</b>	<b>3,299</b>	<b>2,657</b>	<b>2,902</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,356</b>	<b>12,032</b>	<b>12,660</b>	<b>12,371</b>	<b>12,990</b>
Net working capital	497	474	536	556	575
Invested capital	10,567	10,310	10,216	10,041	9,811

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

Per share (THB)	2021	2022	2023E	2024E	2025E
Book value per share	10.51	11.22	11.73	12.33	12.97
Tangible book value per share	4.09	5.32	5.83	6.48	7.18

Financial strength	2021	2022	2023E	2024E	2025E
Net debt/equity (%)	87.9	71.0	61.1	49.3	37.7
Net debt/total assets (%)	37.8	33.5	28.6	24.8	19.0
Current ratio (x)	0.8	0.8	0.9	1.1	1.3
CF interest cover (x)	3.4	5.0	7.5	4.6	9.7

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>24.7</b>	<b>17.0</b>	<b>16.2</b>	<b>14.5</b>	<b>13.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>29.8</b>	<b>20.5</b>	<b>19.4</b>	<b>17.5</b>	<b>16.1</b>
Reported P/E (x)	24.7	17.0	16.2	14.5	13.4
Dividend yield (%)	2.0	2.7	3.9	4.1	4.6
Price/book (x)	2.1	2.0	1.9	1.8	1.7
Price/tangible book (x)	5.4	4.2	3.8	3.4	3.1
EV/EBITDA (x) **	9.6	8.4	7.8	7.0	6.4
EV/EBITDA @ target price (x) **	11.0	9.7	8.9	8.1	7.4
EV/invested capital (x)	1.5	1.5	1.5	1.4	1.4

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

Sources: Index Living Mall; FSSIA estimates

Disclaimer for ESG scoring

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

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

Source: FSSIA's compilation



## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Index Living Mall	ILM TB	THB 22.20	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) higher-than-expected SG&A.
Home Product Center	HMPRO TB	THB 10.90	BUY	Key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) slower-than-expected recovery in domestic consumption and tourist arrivals, and 3) operating losses from overseas units.
Siam Global House	GLOBAL TB	THB 15.80	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.
Dohome PCL	DOHOME TB	THB 11.10	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; 3) higher-than-expected SG&A; and 4) a worse-than-expected effect from El Nino.
CP All	CPALL TB	THB 54.25	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
CP Axtra	CPAXT TB	THB 30.50	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) a lower-than-expected GPM improvement; and 3) operational losses from its overseas business.
Com7	COM7 TB	THB 22.50	BUY	Downside risks to our P/E-based TP include 1) lower consumption and domestic purchasing power, 2) store cannibalization, and 3) product shortages.
Central Retail Corp	CRC TB	THB 33.50	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) an absence of the government's stimulus, and 4) a slower-than-expected economic recovery in Vietnam.

Source: FSSIA estimates

#### Additional Disclosures

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

All share prices are as at market close on 09-Feb-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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

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

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

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

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

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

## Industry Recommendations

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

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

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

## Country (Strategy) Recommendations

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

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

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