

SIAM GLOBAL HOUSE

THAILAND / COMMERCE

GLOBAL TB

FSSIA ESG rating



BUY

UNCHANGED

4Q23 net profit beat our estimate and consensus forecast

- GLOBAL reported a 4Q23 net profit of THB560m (+7% q-q, 6% y-y), beating our estimate and the street forecast by 10% due to better-than-expected sales and GPM.
- The SSSG for January 2024 remained negative at 5-6% due to contractors.
- Maintain BUY rating at our TP of THB17.70.

TARGET PRICE	THB17.70
CLOSE	THB15.80
UP/DOWNSIDE	+12.0%
PRIOR TP	THB17.70
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.9%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	32,301	35,554	38,630	40,939
Net profit	2,671	2,956	3,327	3,833
EPS (THB)	0.53	0.59	0.67	0.77
vs Consensus (%)	-	11.7	8.1	9.4
EBITDA	3,960	4,419	4,941	5,650
Recurring net profit	2,671	2,956	3,327	3,833
Core EPS (THB)	0.53	0.59	0.67	0.77
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	(26.5)	10.7	12.5	15.2
Core P/E (x)	29.6	26.7	23.8	20.6
Dividend yield (%)	1.4	1.5	1.7	1.9
EV/EBITDA (x)	22.8	20.8	18.7	16.3
Price/book (x)	3.4	3.2	3.0	2.8
Net debt/Equity (%)	46.6	49.7	49.4	44.0
ROE (%)	11.9	12.3	13.0	14.0

GLOBAL reported a better-than-expected 4Q23 net profit

GLOBAL posted a 4Q23 net profit of THB560m (+7% q-q, +6% y-y), beating our estimate and the street forecast by 10% due to better-than-expected sales and GPM. Specifically, sales amounted to THB7.5b (+2% q-q, -9% y-y) due to a negative SSSG of 12.3%, down in line with persistently slow purchasing power recovery. While 4Q23 GPM increased to 26.1% (vs 25.9% in 3Q23 and 24.8% in 4Q22) due to improved private brand margins in tandem with lower freights. In 2023, GLOBAL posted a net profit of THB2.67b (-23% y-y), beating our estimate by 1.9%, with 83 branches, up by six from 2022.

January SSSG remained negative at 5-6% due to contractors

The SSSG of January 2024 remained negative at 5-6% due to contractors, which are yet to recover, a delay of the construction site, slow government budget disbursements, and the limited impact of the E-receipt tax-deductible campaign. We expect SSSG to turn positive in 2H24 after the parliament approves the 2024 fiscal budget.

Lack of short-term catalysts while SSSG should turn positive only in 2H24

In the short term, GLOBAL lacks fresh catalysts. Slow provincial purchasing power recovery persists. The three-month average farm income index (October - December 2023) decreased by 1.8%. The consumption stimulus remains unclear, while government disbursements are slow. Therefore, we expect SSSG to turn positive in 2H24 after the parliament approves the fiscal budget. Also, we maintain our 2024-26E profit.

Retain our BUY rating at our TP of THB17.70

We reaffirm our BUY call at our TP of THB17.70 (unchanged) on a valuation lower than its five-year historical average. GLOBAL traded on a 2024E P/E of 26.7x, close to its five-year historical average -0.5SD. Also, it announced a 25:1 stock dividend and a cash dividend of THB0.17 per share, implying a payout ratio of 40.2% and a dividend yield of 1.4%.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.1)	(6.5)	(20.5)
Relative to country (%)	(1.2)	(5.4)	(4.4)
Mkt cap (USD m)	2,201		
3m avg. daily turnover (USD m)	3.9		
Free float (%)	35		
Major shareholder	Suriyawanakul Family (34%)		
12m high/low (THB)	20.16/14.60		
Issued shares (m)	5,001.80		

Sources: Bloomberg consensus; FSSIA estimates


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Exhibit 1: 4Q23 results summary

Profit & Loss Statement Year to Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23	Change		2022	2023	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Retail sales	8,247	8,933	8,503	7,340	7,523	2	(9)	35,270	32,301	(8)
Cost of retail sales	6,201	6,696	6,344	5,443	5,557	2	(10)	26,166	24,040	(8)
Gross profit	2,045	2,238	2,159	1,898	1,966	4	(4)	9,104	8,261	(9)
Operating costs	(1,530)	(1,280)	(1,423)	(1,399)	(1,423)	2	(7)	(5,410)	(5,524)	2
Operating profit	515	958	736	499	543	9	5	3,695	2,737	(26)
Other income/expenses	160	166	180	173	190	10	19	708	708	0
Interest expense	(54)	(64)	(65)	(71)	(81)	14	49	(193)	(282)	46
Profit before tax	620	1,060	851	601	651	8	5	4,210	3,163	(25)
Tax	(118)	(209)	(167)	(117)	(126)	8	7	(824)	(620)	(25)
Associates	29	35	22	44	34	(21)	18	120	135	12
Minority interests	(5)	(4)	(2)	(2)	1	(134)	(116)	(19)	(7)	(65)
Non-recurring items	0	0	0	0	0	n/a	n/a	0	0	n/a
Reported net profit	527	883	703	525	560	7	6	3,487	2,671	(23)
Recurring net profit	527	883	703	525	560	7	6	3,487	2,671	(23)
EPS (THB)	0.11	0.18	0.14	0.10	0.11	7	2	0.73	0.53	(26)
Recurring EPS (THB)	0.11	0.18	0.14	0.10	0.11	7	2	0.73	0.53	(26)
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Retail sales margin	24.8	25.0	25.4	25.9	26.1	0.3	1.3	25.8	25.6	(0.2)
Operating margin	6.2	10.7	8.7	6.8	7.2	0.4	1.0	10.5	8.5	(2.0)
Recurring net margin	6.4	9.9	8.3	7.2	7.4	0.3	1.1	9.9	8.3	(1.6)
SG&A / Sales	18.6	14.3	16.7	19.1	18.9	(0.1)	0.4	15.3	17.1	1.8
Operating stats										
SSSG (%)	(2.2)	(8.7)	(9.5)	(12.3)	(12.3)					
Private brand (%)	23.7	23.8	23.9	23.9	24.0					
Number of stores (no.)	77	78	79	81	83					

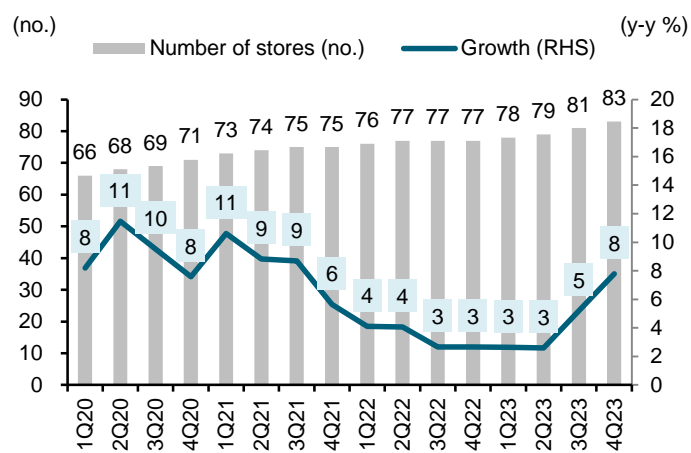
Sources: GLOBAL; FSSIA's compilation

Exhibit 2: Same-store sales growth (%)



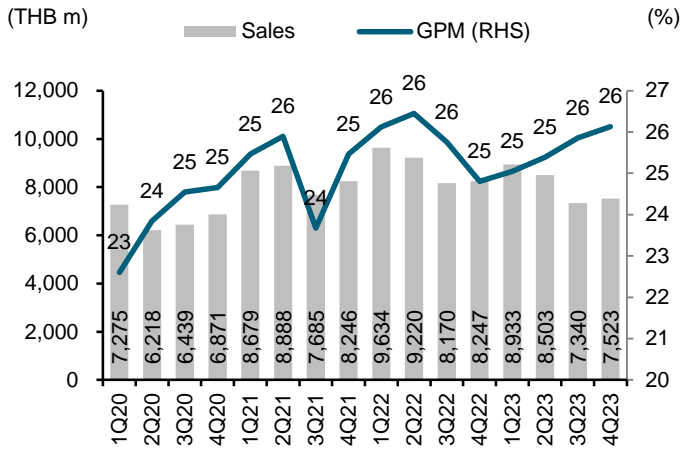
Sources: GLOBAL; FSSIA's compilation

Exhibit 3: Number of stores



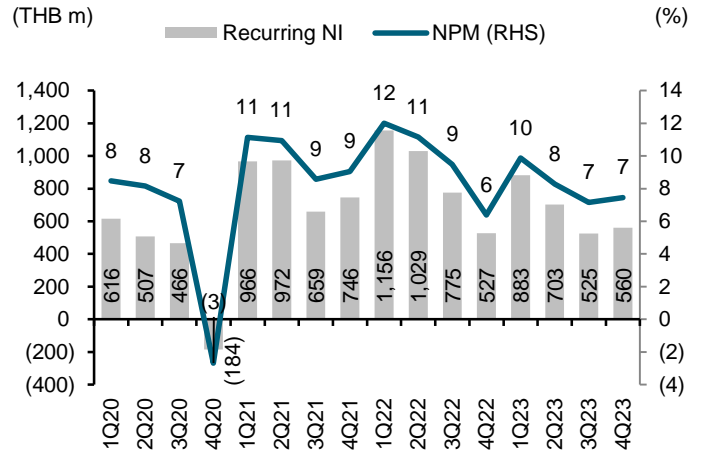
Sources: GLOBAL; FSSIA's compilation

Exhibit 4: Sales and GPM improve beat our estimate



Sources: GLOBAL; FSSIA's compilation

Exhibit 5: Net profit and NPM



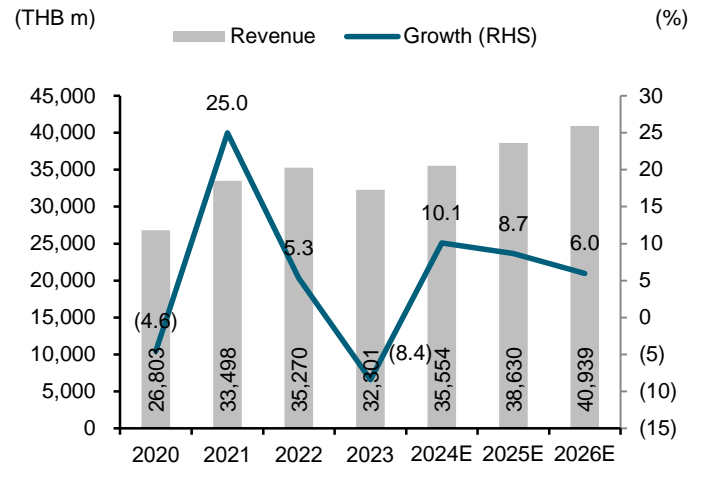
Sources: GLOBAL; FSSIA's compilation

Exhibit 6: Yearly SSSG



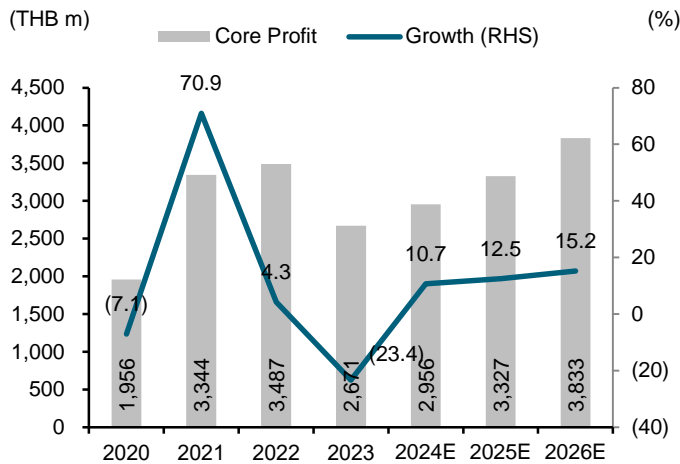
Sources: GLOBAL; FSSIA estimates

Exhibit 7: Yearly revenue and growth



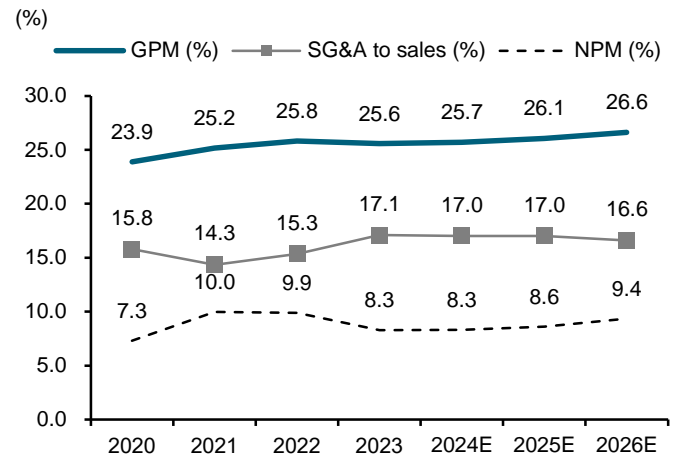
Sources: GLOBAL; FSSIA estimates

Exhibit 8: Yearly net income and growth



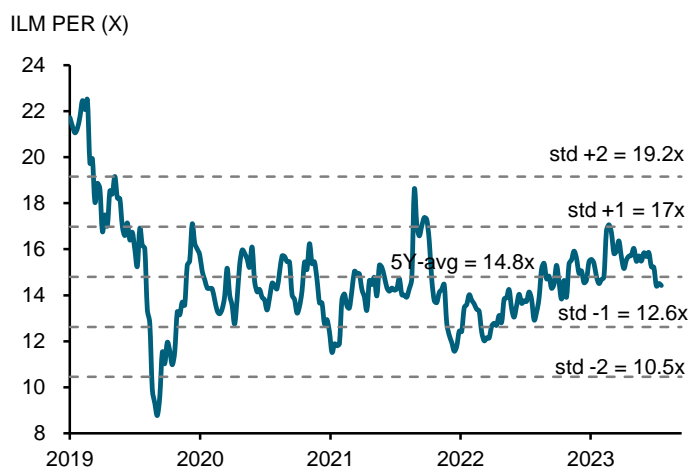
Sources: GLOBAL; FSSIA estimates

Exhibit 9: Profitability



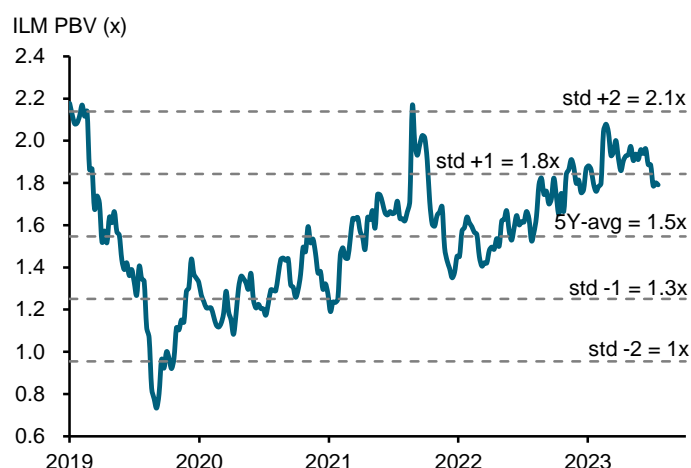
Sources: GLOBAL; FSSIA estimates

Exhibit 10: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Commerce peers as of 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)
Consumer Staple														
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
Consumer Staple average						25,337	28.8	24.2	7.8	8.5	2.3	2.1	14.8	13.5
Consumer Discretionary														
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
Home Improvement														
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	29.6	26.7	11.9	12.3	3.4	3.2	22.8	20.8
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
Home Improvement avg.						7,461	33.9	24.4	13.4	14.7	3.4	3.2	17.3	14.8
Consumer Discretionary avg.						14,583	29.6	22.4	18.0	19.0	3.9	3.6	15.8	13.7
Total average						39,920	29.3	23.0	14.6	15.5	3.4	3.1	15.4	13.6

Sources: *Bloomberg; FSSIA estimates

Financial Statements

Siam Global House

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	35,270	32,301	35,554	38,630	40,939
Cost of goods sold	(26,166)	(24,040)	(26,418)	(28,565)	(30,043)
Gross profit	9,104	8,261	9,135	10,065	10,896
Other operating income	0	0	0	-	-
Operating costs	(5,410)	(5,524)	(6,044)	(6,567)	(6,796)
Operating EBITDA	4,941	3,960	4,419	4,941	5,650
Depreciation	(1,246)	(1,223)	(1,328)	(1,443)	(1,550)
Goodwill amortisation	0	0	0	-	-
Operating EBIT	3,695	2,737	3,091	3,498	4,100
Net financing costs	(193)	(287)	(289)	(308)	(312)
Associates	120	135	142	149	156
Recurring non-operating income	828	848	867	942	975
Non-recurring items	0	0	0	0	0
Profit before tax	4,330	3,298	3,669	4,132	4,763
Tax	(824)	(620)	(706)	(797)	(921)
Profit after tax	3,506	2,678	2,964	3,335	3,842
Minority interests	(19)	(7)	(7)	(8)	(9)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	3,487	2,671	2,956	3,327	3,833
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	3,487	2,671	2,956	3,327	3,833
Per share (THB)					
Recurring EPS *	0.73	0.53	0.59	0.67	0.77
Reported EPS	0.73	0.53	0.59	0.67	0.77
DPS	0.30	0.21	0.24	0.27	0.31
Diluted shares (used to calculate per share data)	4,802	5,002	5,002	5,002	5,002
Growth					
Revenue (%)	5.3	(8.4)	10.1	8.7	6.0
Operating EBITDA (%)	1.1	(19.9)	11.6	11.8	14.4
Operating EBIT (%)	1.9	(25.9)	12.9	13.2	17.2
Recurring EPS (%)	(0.1)	(26.5)	10.7	12.5	15.2
Reported EPS (%)	(0.1)	(26.5)	10.7	12.5	15.2
Operating performance					
Gross margin inc. depreciation (%)	25.8	25.6	25.7	26.1	26.6
Gross margin exc. depreciation (%)	29.3	29.4	29.4	29.8	30.4
Operating EBITDA margin (%)	14.0	12.3	12.4	12.8	13.8
Operating EBIT margin (%)	10.5	8.5	8.7	9.1	10.0
Net margin (%)	9.9	8.3	8.3	8.6	9.4
Effective tax rate (%)	19.6	19.6	20.0	20.0	20.0
Dividend payout on recurring profit (%)	41.1	40.2	40.0	40.0	40.0
Interest cover (X)	23.5	12.5	13.7	14.4	16.3
Inventory days	233.9	238.2	212.7	211.4	211.5
Debtor days	6.8	7.8	11.8	15.3	16.5
Creditor days	35.5	42.8	47.0	48.4	50.1
Operating ROIC (%)	11.7	8.7	9.5	10.0	11.2
ROIC (%)	12.7	10.0	10.7	11.2	12.2
ROE (%)	16.9	11.9	12.3	13.0	14.0
ROA (%)	9.4	7.6	8.0	8.3	9.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	35,270	32,301	35,554	38,630	40,939
Others	0	0	0	0	0

Sources: Siam Global House; FSSIA estimates

Financial Statements

Siam Global House

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	3,487	2,671	2,956	3,327	3,833
Depreciation	1,246	1,223	1,328	1,443	1,550
Associates & minorities	9	(2)	0	0	0
Other non-cash items	19	7	7	8	9
Change in working capital	258	2,060	(1,558)	(792)	(628)
Cash flow from operations	5,019	5,959	2,733	3,986	4,763
Capex - maintenance	(1,618)	(2,556)	(2,332)	(2,682)	(1,967)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(549)	(53)	(364)	(362)	(330)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(2,167)	(2,608)	(2,696)	(3,044)	(2,297)
Dividends paid	(1,432)	(1,073)	(1,183)	(1,331)	(1,533)
Equity finance	172	(147)	(310)	(350)	(350)
Debt finance	(2,138)	(2,226)	1,508	794	(467)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(3,399)	(3,446)	15	(887)	(2,350)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(547)	(95)	53	55	116
Free cash flow to firm (FCFF)	3,044.84	3,632.82	321.25	1,245.73	2,773.35
Free cash flow to equity (FCFE)	713.58	1,124.96	1,545.15	1,736.23	1,999.56
Per share (THB)					
FCFF per share	0.61	0.73	0.06	0.25	0.55
FCFE per share	0.14	0.22	0.31	0.35	0.40
Recurring cash flow per share	0.99	0.78	0.86	0.96	1.08
Balance Sheet (THB m) Year Ending Dec					
	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	25,311	27,696	30,028	32,710	34,677
Less: Accumulated depreciation	(7,840)	(8,893)	(10,220)	(11,663)	(13,213)
Tangible fixed assets (net)	17,471	18,804	19,808	21,047	21,464
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	1,824	1,967	2,118	2,275	2,449
Cash & equivalents	1,147	1,053	1,105	1,161	1,277
A/C receivable	631	757	1,549	1,683	2,008
Inventories	15,747	14,038	15,210	16,211	16,803
Other current assets	42	216	238	259	274
Current assets	17,568	16,064	18,102	19,314	20,362
Other assets	2,285	2,222	2,446	2,658	2,817
Total assets	39,148	39,058	42,474	45,294	47,091
Common equity	21,788	23,239	24,703	26,349	28,299
Minorities etc.	304	308	315	323	332
Total shareholders' equity	22,091	23,547	25,019	26,673	28,631
Long term debt	3,252	2,186	3,203	3,683	3,355
Other long-term liabilities	176	204	214	222	224
Long-term liabilities	3,428	2,390	3,417	3,905	3,578
A/C payable	2,311	3,043	3,417	3,773	4,050
Short term debt	11,006	9,845	10,336	10,650	10,512
Other current liabilities	313	232	285	293	320
Current liabilities	13,629	13,120	14,038	14,716	14,882
Total liabilities and shareholders' equity	39,148	39,058	42,474	45,294	47,091
Net working capital	13,797	11,737	13,295	14,087	14,715
Invested capital	35,377	34,730	37,667	40,067	41,445
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.54	4.65	4.94	5.27	5.66
Tangible book value per share	4.54	4.65	4.94	5.27	5.66
Financial strength					
Net debt/equity (%)	59.3	46.6	49.7	49.4	44.0
Net debt/total assets (%)	33.5	28.1	29.3	29.1	26.7
Current ratio (x)	1.3	1.2	1.3	1.3	1.4
CF interest cover (x)	4.7	4.9	6.3	6.6	7.4
Valuation					
	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	21.8	29.6	26.7	23.8	20.6
Recurring P/E @ target price (x) *	24.4	33.1	29.9	26.6	23.1
Reported P/E (x)	21.8	29.6	26.7	23.8	20.6
Dividend yield (%)	1.9	1.4	1.5	1.7	1.9
Price/book (x)	3.5	3.4	3.2	3.0	2.8
Price/tangible book (x)	3.5	3.4	3.2	3.0	2.8
EV/EBITDA (x) **	18.1	22.8	20.8	18.7	16.3
EV/EBITDA @ target price (x) **	19.9	25.2	22.9	20.7	18.0
EV/invested capital (x)	2.5	2.6	2.4	2.3	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 13: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>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 14: ESG – peer comparison

	FSSIA ESG score	Domestic ratings					Global ratings						Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
DOHOME	42.34	--	--	--	5.00	5.00	Declared	Medium	37.50	--	--	37.19	20.00	4.17	46.91
GLOBAL	59.18	--	Y	Y	5.00	5.00	Declared	Low	53.10	--	--	36.48	41.00	3.24	52.38
HMPRO	87.20	Y	Y	Y	5.00	5.00	Certified	Low	66.54	AA	37.00	65.78	81.00	5.36	62.59
ILM	20.00	--	--	--	5.00	5.00	Certified	--	--	--	--	--	--	--	--
MEGA	54.48	--	Y	Y	4.00	4.00	Declared	Medium	66.56	--	--	58.59	24.00	2.39	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 15: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
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 16: 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 Sustainability	The Sustainability's 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 border="1"> <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+										
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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="1"> <tbody> <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> </tbody> </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	
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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; >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.																				

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

Source: FSSIA's compilation

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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.

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Company	Ticker	Price	Rating	Valuation & Risks
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.
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.
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.