EQUITY RESEARCH - COMPANY REPORT

SIAM GLOBAL HOUSE   GLOBAL TB
THAILAND / COMMERCE

HOLD
FROM BUY

TARGET PRICE	THB17.30
CLOSE	THB16.10
UP/DOWNSIDE	+7.5%
PRIOR TP	THB17.70
CHANGE IN TP	-2.3%
TP vs CONSENSUS	+1.5%

กำไรสุทธิ 1Q24E ไม่ตื่นเต้น ยังรอการเบิกจ่ายงบประมาณ

- คาดกำไรสุทธิ 1Q24E ที่ 730 ลบ. เพิ่มขึ้น 30% q-q ตามปัจจัยฤดูกาล แต่ลดลง 17% y-y จากกำลังซื้อต่างจังหวัดยังอ่อนแอและการเบิกจ่ายงบประมาณล่าช้า
- คาด SSSG ฟื้นตัวขึ้นแต่ยังเป็นแดนลบใน 2Q24E ก่อนจะเป็นบวกใน 2H24E
- ปรับ TP ลงเป็น 17.3 สะท้อนหุ้นปันผล ลดคำแนะนำเป็น ถือ จาก upside จำกัด

คาดกำไรสุทธิ 1Q24E ยังไม่ตื่นเต้น, SSSG ยังลบราว 5.5%

เราคาดกำไรสุทธิ 1Q24E ของ GLOBAL ที่ 730 ลบ. เพิ่มขึ้น 30% q-q จากการเข้าสู่ช่วงการก่อสร้างใน 1H24E แต่ลดลง 17% y-y จากกำลังซื้อในต่างจังหวัดยังอ่อนแอ สะท้อนจากดัชนีรายได้ภาคเกษตรเดือนม.ค. และก.พ. ยังปรับลดลง 1.8% และ 2.4% y-y ตามลำดับ รวมถึงการเบิกจ่ายงบประมาณล่าช้า ส่งผลให้คาด SSSG ใน 1Q24E ลดลง 5.5% โดยคาดยอดขายรวมที่ 8.78 พันลบ. (+17% q-q, -2% y-y) รวมถึงใน 1Q24 เปิดสาขาเพิ่ม 1 สาขา ใน Community Mall เดอะไนน์ ติวานนท์ เป็นสาขาขนาดเล็ก พื้นที่ราว 2,800 ตร.ม. (ขนาดปกติราว 10,000-12,000 ตร.ม.) มีสาขาทั้งหมด 85 สาขา แบ่งเป็นในประเทศ 84 สาขา และสาขาของบริษัทย่อยในกัมพูชา 1 สาขา

GPM ทรงตัว y-y แต่ลดลง q-q ขณะที่ค่าใช้จ่ายปรับขึ้นตามการขยายสาขา

เราคาด Gross margin ที่ 25.0% ลดลง 110 bps q-q ตามสัดส่วนสินค้าโครงสร้างสูงขึ้นตามปัจจัยฤดูกาล และสัดส่วน Private brand ที่ชะลอลง แต่ทรงตัว y-y โดย margin เหล็กยังทรงตัวได้บริเวณ 10-11% ขณะที่ค่าใช้จ่ายปรับสูงขึ้น 2% q-q และ 13% y-y ตามการขยายสาขาและปรับขึ้นเงินเดือนของพนักงาน

คาด SSSG ฟื้นตัวขึ้นแต่ยังเป็นแดนลบใน 2Q24E ก่อนจะเป็นบวกใน 2H24E

หากกำไรสุทธิ 1Q24E ตามคาด คิดเป็น 25% ของกำไรสุทธิทั้งปี 2024 โดยเราคาด 2Q24E ในแง่ SSSG จะเห็นการฟื้นตัวขึ้นเป็น -1-3% และจะกลับมาเป็นบวกได้ช่วง 2H24E ภายหลังการเบิกจ่ายงบประมาณภาครัฐ และทิศทางราคาสินค้าเกษตรหลายชนิดยังอยู่ในเกณฑ์ดี ช่วยหนุนรายได้เกษตรกรและกำลังซื้อในต่างจังหวัด

ปรับ TP ลงจากหุ้นปันผลเป็น 17.3 บาท ลดคำแนะนำเป็น ถือ จาก upside จำกัด

เราปรับราคาเป้าหมายของ GLOBAL ลงเป็น 17.3 บาท (DCF: WACC 7.3%, TG 2%) รวมผลกระทบของหุ้นปันผลจำนวนราว 200 ล้านหุ้น โดยปัจจุบัน upside จำกัด ทำให้ปรับคำแนะนำจาก ซื้อ เป็น ถือ ขณะที่ยังคงคาดกำไรสุทธิปี 2024E ที่ 2.96 พันลบ. (+11% y-y) และในปี 2025-26E เติบโตต่อเนื่อง 13% และ 15% ตามลำดับ

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	0.57	0.64	0.74
vs Consensus (%)	-	(3.7)	(4.5)	-
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	0.57	0.64	0.74
Chg. In EPS est. (%)	-	(3.9)	(3.8)	(3.9)
EPS growth (%)	(26.5)	6.4	12.6	15.2
Core P/E (x)	30.1	28.3	25.2	21.9
Dividend yield (%)	1.3	1.4	1.6	1.8
EV/EBITDA (x)	23.2	21.8	19.6	17.1
Price/book (x)	3.5	3.4	3.2	2.9
Net debt/Equity (%)	46.6	48.5	48.3	43.0
ROE (%)	11.9	12.3	12.9	13.9
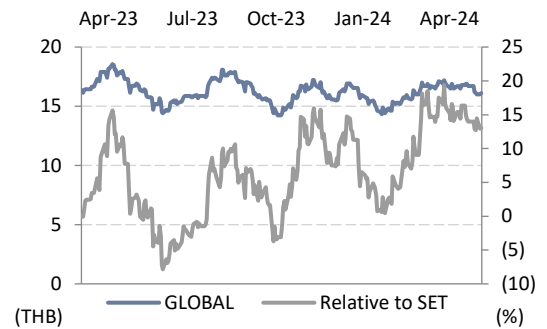
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.2)	12.4	(1.5)
Relative to country (%)	(2.5)	12.3	13.1

Mkt cap (USD m)	2,260
3m avg. daily turnover (USD m)	3.1
Free float (%)	35
Major shareholder	Suriyawanakul Family (34%)
12m high/low (THB)	18.56/14.04
Issued shares (m)	5,001.80

Sources: Bloomberg consensus; FSSIA estimates

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Investment thesis

GLOBAL เป็นหนึ่งในผู้นำศูนย์จำหน่ายสินค้าวัสดุก่อสร้าง วัสดุตกแต่ง เครื่องมือ อุปกรณ์ ที่ใช้ในงานก่อสร้าง ต่อเติม ตกแต่ง บ้านและสวน แบบครบวงจร ในรูปแบบ One Stop Shopping Home Center. กลุ่ม ลูกค้าเป้าหมายของ GLOBAL อยู่ในระดับกลางถึงล่างในพื้นที่ ต่างจังหวัดโดยเฉพาะภาคตะวันออกเฉียงเหนือ โดยร้านค้ากว่า 80% ตั้งอยู่ในพื้นที่ภาคกลาง ภาคเหนือ และภาคตะวันออกเฉียงเหนือ ซึ่ง กำลังซื้อหลักจะขึ้นอยู่กับรายได้เกษตรกร นอกจากนั้น GLOBAL ยังมี กลุ่มลูกค้าที่เป็นผู้รับเหมาก่อสร้างและงานโครงการ ซึ่งส่วนหนึ่งขึ้นอยู่ กับงบประมาณและการลงทุนในโครงสร้างพื้นฐานของรัฐ หากรัฐบาลมี งบลงทุนมากขึ้น รวมถึงรายได้เกษตรกรเพิ่มสูงขึ้นจะเป็นปัจจัยหนุน ให้กับ GLOBAL

ปัจจัยสำคัญที่จะขับเคลื่อน GLOBAL ได้แก่ การขยายสาขาอย่าง ต่อเนื่อง, การเติบโตของยอดขายสาขาเดิม (SSSG) และการปรับปรุง อัตรากำไรขั้นต้น
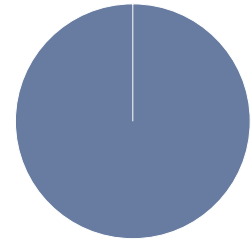
Company profile

GLOBAL เป็นหนึ่งในผู้นำศูนย์จำหน่ายสินค้าวัสดุก่อสร้างที่เน้นกลุ่ม ลูกค้าในต่างจังหวัด โดยในเดือนพฤศจิกายน ปี 2012 Siam Cement (SCC TB) ได้เข้ามาเป็นผู้ถือหุ้น 30% ของบริษัท

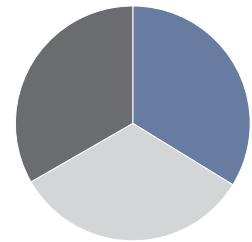www.globalhouse.co.th

Principal activities (revenue, 2023)

- Sales - 100.0 %

Source: Siam Global House

Major shareholders

- Suriyawanakul Family - 33.8 %
- SCG Distribution Co., Ltd. - 32.9 %
- Others - 33.3 %

Source: Siam Global House

Catalysts

ปัจจัยหนุนสำหรับ GLOBAL ได้แก่ 1) ราคาเหล็กปรับสูงขึ้น (สัดส่วนรายได้ จากเหล็กอยู่ราว 15% ของรายได้รวม) 2) การเติบโตของภาค อสังหาริมทรัพย์ 3) มาตรการกระตุ้นกำลังซื้อของภาครัฐ 4) โครงการลงทุน โครงสร้างพื้นฐาน 5) ผลผลิตและราคาสินค้าเกษตรสูงขึ้น

Risks to our call

ความเสี่ยง 1) รายได้เกษตรกรเพิ่มขึ้น/ลดลง กระทบกำลังซื้อในภาคเกษตร 2) การเบิกจ่ายงบประมาณภาครัฐ 3) สัดส่วนและอัตรากำไรของสินค้า Private brand เพิ่มขึ้น/ลดลง 4) ค่าใช้จ่ายสูงกว่า/ต่ำกว่าที่คาด 5) ผลกระทบของเอลนีโญ (ภาวะแล้ง) มากกว่า/น้อยกว่าที่คาด

Event calendar

Date	Event
29 April 2024	1Q24 results announcement

Key assumptions

GLOBAL	2024E	2025E	2026E
	(%)	(%)	(%)
SSSG	5.0	3.0	3.0
New stores (no.)	8.0	9.0	5.0
GPM	25.7	26.1	26.6
SG&A to sales	17.0	17.0	16.6

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2024 net profit to rise by 1.0%, and vice versa, all else being equal.

- For every 0.1% increase in GPM, we estimate 2024 net profit to rise by 1.0%, and vice versa, all else being equal.

- For every 0.1% increase in SG&A, we estimate 2024 net profit to fall by 1.0%, and vice versa, all else being equal.
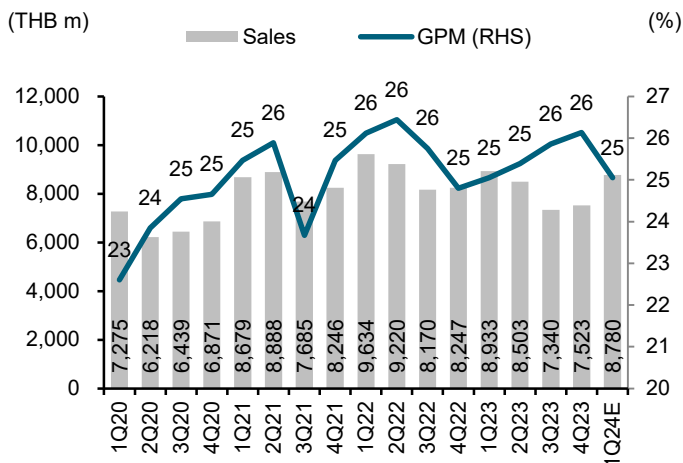
Source: FSSIA estimates

Exhibit 1: GLOBAL - 1Q24E results preview

| Profit & Loss Statement | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24E | ------- Change ------- | | 1Q24E | 2023 | 2024E | Change |
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	%24E	(THB m)	(THB m)	(y-y%)
Retail sales	**8,933**	**8,503**	**7,340**	**7,523**	**8,780**	*17*	*(2)*	*25*	**32,301**	**35,554**	*10*
Cost of retail sales	6,696	6,344	5,443	5,557	6,580	*18*	*(2)*	*25*	24,040	26,418	*10*
Gross profit	**2,238**	**2,159**	**1,898**	**1,966**	**2,199**	*12*	*(2)*	*24*	**8,261**	**9,135**	*11*
Operating costs	(1,280)	(1,423)	(1,399)	(1,423)	(1,449)	*2*	*13*	*24*	(5,524)	(6,044)	*9*
Operating profit	**958**	**736**	**499**	**543**	**751**	*38*	*(22)*	*24*	**2,737**	**3,091**	*13*
Other income	166	180	173	190	192	*1*	*16*	*27*	708	721	*2*
Interest expense	(64)	(65)	(71)	(81)	(83)	*2*	*30*	*29*	(282)	(284)	*1*
Profit before tax	**1,060**	**851**	**601**	**651**	**860**	*32*	*(19)*	*24*	**3,163**	**3,527**	*12*
Tax	(209)	(167)	(117)	(126)	(168)	*33*	*(20)*	*24*	(620)	(705)	*14*
Associates	35	22	44	34	40	*17*	*13*	*28*	135	142	*5*
Minority interests	(4)	(2)	(2)	1	(2)	*(366)*	*(45)*	*27*	(7)	(7)	*10*
Non-recurring items	0	0	0	0	0	*n/a*	*n/a*	*n/a*	0	0	*n/a*
Reported net profit	883	703	525	560	730	*30*	*(17)*	*25*	2,671	2,956	*11*
Recurring net profit	**883**	**703**	**525**	**560**	**730**	*30*	*(17)*	*25*	**2,671**	**2,956**	*11*
EPS (THB)	0.18	0.14	0.10	0.11	0.14	*25*	*(24)*	*25*	0.53	0.57	*6*
Recurring EPS (THB)	**0.18**	**0.14**	**0.10**	**0.11**	**0.14**	*25*	*(24)*	*25*	**0.53**	**0.57**	*6*
Key Ratios	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	*(ppt)*	*(ppt)*		**(%)**	**(%)**	*(ppt)*
Retail sales margin	25.0	25.4	25.9	26.1	25.0	*(1.1)*	*0.0*		25.6	25.7	*0.1*
Operating margin	10.7	8.7	6.8	7.2	8.5	*1.3*	*(2.2)*		8.5	8.7	*0.2*
Recurring net margin	9.9	8.3	7.2	7.4	8.3	*0.9*	*(1.6)*		8.3	8.3	*0.0*
SG&A / Sales	14.3	16.7	19.1	18.9	16.5	*(2.4)*	*2.2*		17.1	17.0	*(0.1)*
Operating stats											
SSSG (%)	(8.7)	(9.5)	(12.3)	(12.3)	(5.5)				(10.8)	5.0	
Private brand (%)	23.8	23.9	23.9	24.0	23.8				24.0	24.2	
Number of stores-TH (no.)	78	79	81	83	84				83	91	

Sources: GLOBAL; FSSIA estimates

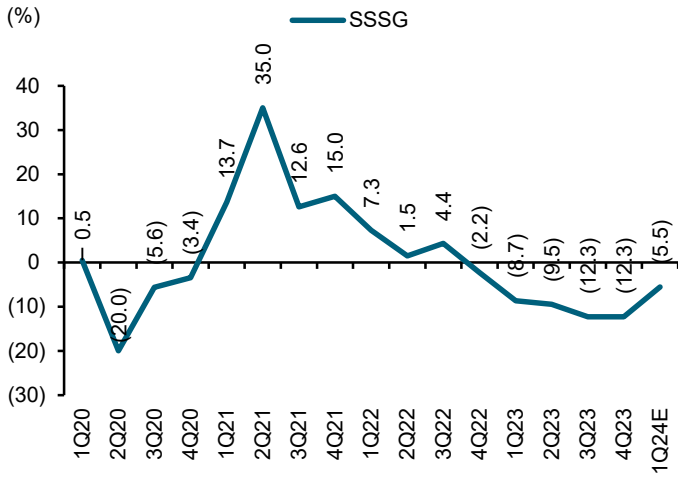**Exhibit 2: Quarterly sales and GPM**

Sources: GLOBAL; FSSIA estimates

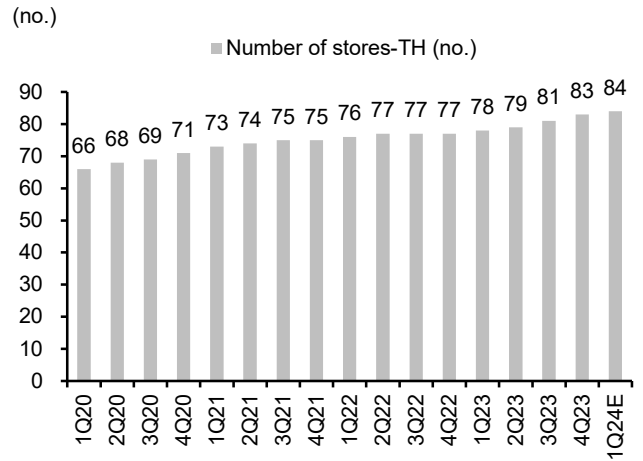**Exhibit 3: Quarterly net profit and NPM**
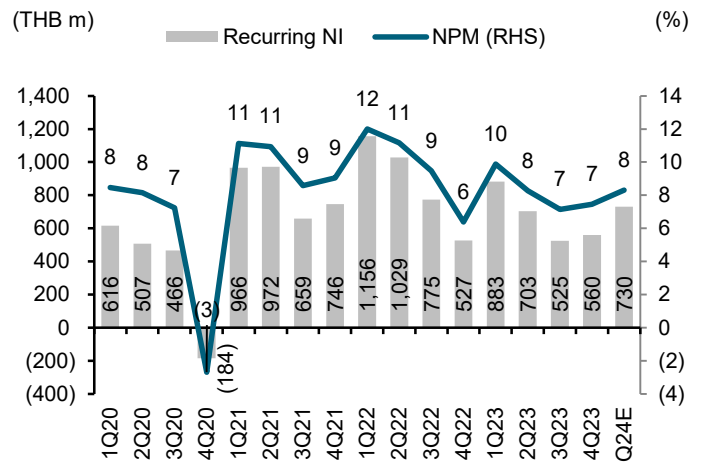
Sources: GLOBAL; FSSIA estimates
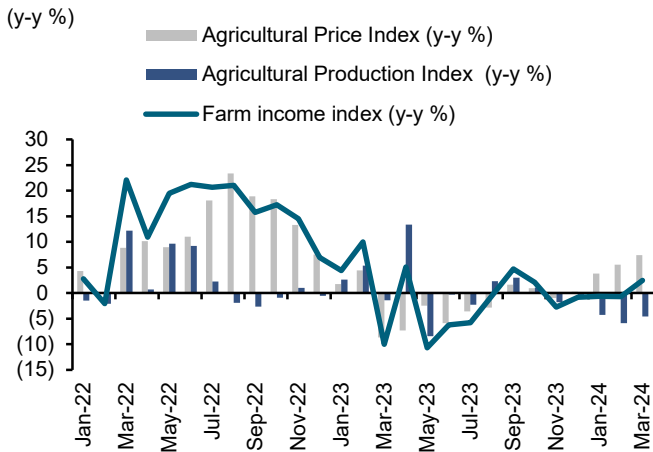
Exhibit 4: Quarterly SSSG

Sources: GLOBAL; FSSIA estimates
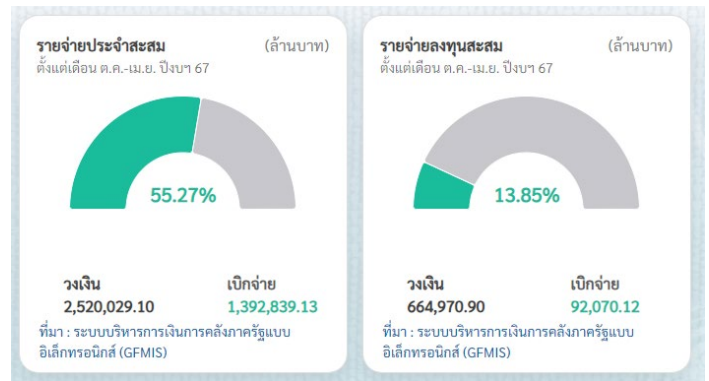
Exhibit 5: One store expansion for 1Q24E

Sources: GLOBAL; FSSIA estimates

Exhibit 6: Farm income

Source: Office of Agricultural Economics

Exhibit 7: Government budget disbursements

รายจ่ายประจำสะสม (ล้านบาท)
ตั้งแต่เดือน ต.ค.-เม.ย. ปีงบฯ 67

55.27%

วงเงิน 2,520,029.10   เบิกจ่าย 1,392,839.13

ที่มา : ระบบบริหารการเงินการคลังภาครัฐแบบอิเล็กทรอนิกส์ (GFMIS)

รายจ่ายลงทุนสะสม (ล้านบาท)
ตั้งแต่เดือน ต.ค.-เม.ย. ปีงบฯ 67

13.85%

วงเงิน 664,970.90   เบิกจ่าย 92,070.12

ที่มา : ระบบบริหารการเงินการคลังภาครัฐแบบอิเล็กทรอนิกส์ (GFMIS)

Source: Ministry of Finance

Exhibit 8: Deformed bar Thailand price
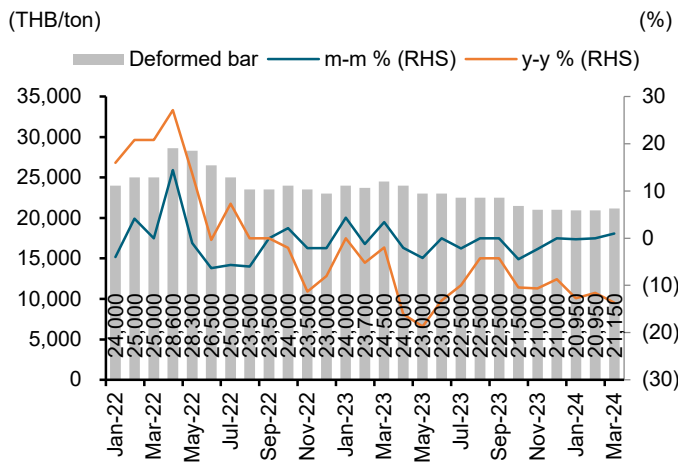
Source: Ministry of Commerce

Exhibit 9: HRC China price

Source: Bloomberg

Exhibit 10: DCF-based valuation

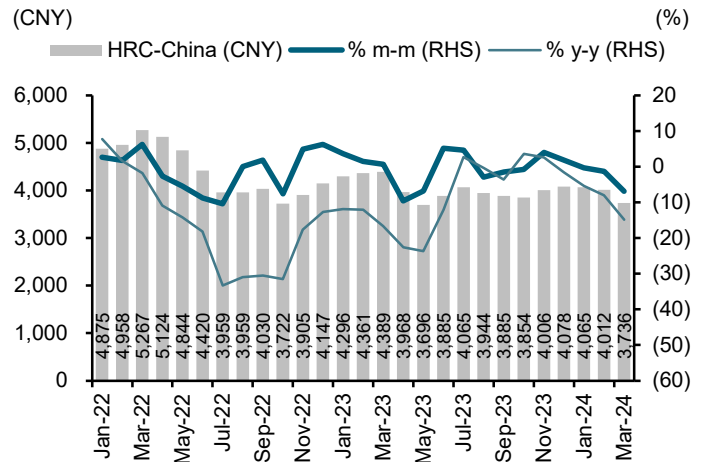| DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.3%	
Terminal growth	2.0%	
NPV		23
Add: terminal value		79
Sum of PV		103
Add: investment		0
Less: debt		12
Less: minorities		0
Residual ordinary equity		90
No. of shares (m)		5,202
Residual ordinary equity (THB/share)		**17.3**

Source: FSSIA estimates

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

GLOBAL PER (x)

std +2 = 34.9x
std +1 = 31.2x
5Y-avg = 27.5x
std -1 = 23.8x
std -2 = 20.1x
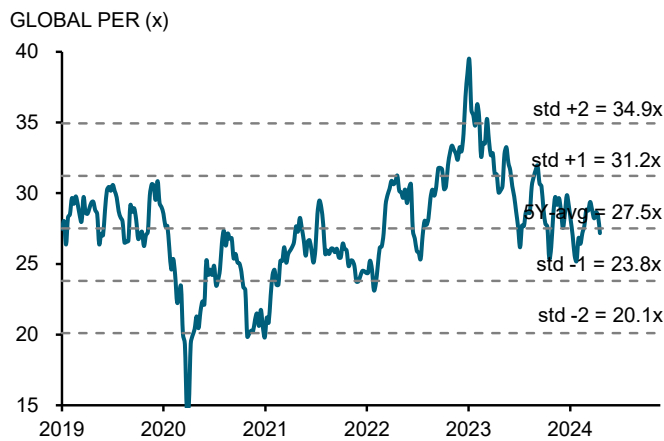
Sources: Bloomberg; FSSIA estimates

Exhibit 12: Rolling one-year forward P/BV band

GLOBAL PBV (x)

std +2 = 4.7x
std +1 = 4.2x
5Y-avg = 3.7x
std -1 = 3.2x
std -2 = 2.8x
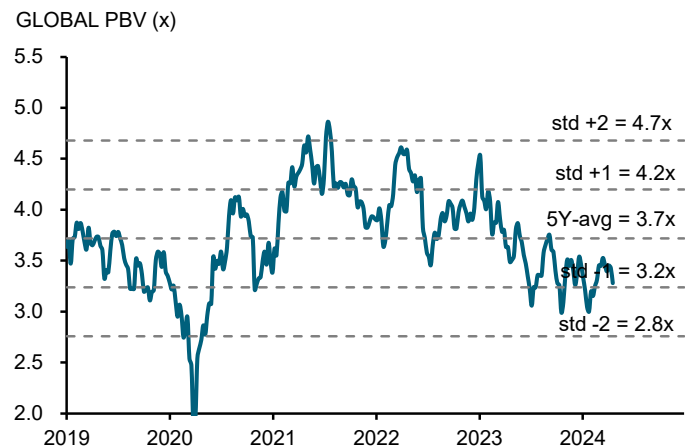
Sources: Bloomberg; FSSIA estimates

Exhibit 13: Commerce peers as of 23 April 2024

Company	BBG	Rec	Share price Current (LCY)	Share price Target (LCY)	Upside (%)	Market Cap (USD m)	PE 24E (x)	PE 25E (x)	ROE 24E (%)	ROE 25E (%)	PBV 24E (x)	PBV 25E (x)	EV/ EBITDA 24E (x)	EV/ EBITDA 25E (x)
Consumer Staple														
CP All	CPALL TB	BUY	56.75	77.00	36	13,757	24.2	20.7	18.1	19.3	4.6	4.1	19.0	16.4
CP Axtra	CPAXT TB	BUY	31.50	36.00	14	8,993	31.3	26.6	3.6	4.2	1.1	1.1	11.5	10.8
Berli Jucker*	BJC TB	n/a	25.75	n/a	n/a	2,794	18.7	17.7	4.5	4.7	0.8	0.8	12.2	11.6
Consumer Staple average						**25,544**	**24.7**	**21.7**	**8.7**	**9.4**	**2.2**	**2.0**	**14.2**	**12.9**
Consumer Discretionary														
Com7	COM7 TB	BUY	18.00	22.50	25	1,158	14.5	13.3	34.3	32.0	4.6	4.0	9.8	8.7
Central Retail Corp	CRC TB	BUY	33.75	44.00	30	5,493	22.6	20.2	12.9	13.3	2.8	2.6	9.8	9.2
Home Improvement														
Index Living Mall	ILM TB	BUY	19.50	26.70	37	266	12.5	11.5	12.9	13.5	1.6	1.5	6.7	6.2
Home Product Center	HMPRO TB	BUY	10.30	13.60	32	3,655	19.8	18.7	26.1	26.4	5.1	4.8	11.6	11.0
Siam Global House	GLOBAL TB	HOLD	16.10	17.30	7	2,260	28.3	25.2	12.3	12.9	3.4	3.2	21.8	19.6
Dohome	DOHOME TB	HOLD	10.90	11.80	8	950	36.2	28.1	7.7	9.2	2.7	2.5	18.2	15.8
Home Improvement avg.						**7,131**	**24.2**	**20.9**	**14.8**	**15.5**	**3.2**	**3.0**	**14.6**	**13.2**
Consumer Discretionary avg.						**13,782**	**22.3**	**19.5**	**17.7**	**17.9**	**3.3**	**3.1**	**13.0**	**11.7**
Total average						**39,326**	**23.1**	**20.2**	**14.7**	**15.1**	**3.0**	**2.7**	**13.4**	**12.1**

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)	(313)
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**	**4,762**
Tax	(824)	(620)	(705)	(797)	(921)
Profit after tax	**3,506**	**2,678**	**2,964**	**3,335**	**3,841**
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	0.57	0.64	0.74
Reported EPS	0.73	0.53	0.57	0.64	0.74
DPS	0.30	0.21	0.23	0.26	0.29
Diluted shares (used to calculate per share data)	4,802	5,002	5,202	5,202	5,202
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)	6.4	12.6	15.2
Reported EPS (%)	(0.1)	(26.5)	6.4	12.6	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	16.2
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	12.9	13.9
ROA (%)	9.4	7.6	8.0	8.3	9.0

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
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**	**3,987**	**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)	(1,182)	(1,331)	(1,533)
Equity finance	172	(147)	(110)	(350)	(350)
Debt finance	(2,138)	(2,226)	1,308	793	(466)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(3,399)**	**(3,446)**	**16**	**(888)**	**(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	321.31	1,245.66	2,773.54
Free cash flow to equity (FCFE)	713.58	1,124.96	1,344.98	1,736.34	1,999.25

Per share (THB)					
FCFF per share	0.61	0.73	0.06	0.25	0.55
FCFE per share	0.14	0.22	0.27	0.35	0.40
Recurring cash flow per share	0.99	0.78	0.82	0.92	1.04

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	24,903	26,549	28,499
Minorities etc.	304	308	315	323	332
Total shareholders' equity	**22,091**	**23,547**	**25,218**	**26,873**	**28,831**
Long term debt	3,252	2,186	3,086	3,566	3,238
Other long-term liabilities	176	204	214	222	224
Long-term liabilities	**3,428**	**2,390**	**3,301**	**3,788**	**3,462**
A/C payable	2,311	3,043	3,417	3,773	4,050
Short term debt	11,006	9,845	10,253	10,567	10,429
Other current liabilities	313	232	285	293	320
Current liabilities	**13,629**	**13,120**	**13,955**	**14,633**	**14,799**
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	4.79	5.10	5.48
Tangible book value per share	4.54	4.65	4.79	5.10	5.48
Financial strength					
Net debt/equity (%)	59.3	46.6	48.5	48.3	43.0
Net debt/total assets (%)	33.5	28.1	28.8	28.6	26.3
Current ratio (x)	1.3	1.2	1.3	1.3	1.4
CF interest cover (x)	4.7	4.9	5.7	6.6	7.4

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**22.2**	**30.1**	**28.3**	**25.2**	**21.9**
Recurring P/E @ target price (x) *	**23.8**	**32.4**	**30.4**	**27.0**	**23.5**
Reported P/E (x)	22.2	30.1	28.3	25.2	21.9
Dividend yield (%)	1.9	1.3	1.4	1.6	1.8
Price/book (x)	3.5	3.5	3.4	3.2	2.9
Price/tangible book (x)	3.5	3.5	3.4	3.2	2.9
EV/EBITDA (x) **	18.4	23.2	21.8	19.6	17.1
EV/EBITDA @ target price (x) **	19.5	24.7	23.2	20.9	18.2
EV/invested capital (x)	2.6	2.6	2.6	2.4	2.3
* 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)

Exhibit 14: 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 15: ESG – peer comparison

	FSSIA	----------------- Domestic ratings ----------------------						---------------------------- Global ratings -------------------------						--- Bloomberg ---	
	ESG score	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; FSSIA's compilation

Exhibit 16: 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

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Exhibit 17: 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

FINANSIA

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%). *(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.)*	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. *(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.)*	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.

	NEGL	Low	Medium	High	Severe
	0-10	10-20	20-30	30-40	40+

ESG score	Methodology	Rating
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.	

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	

ESG score	Methodology	Rating
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. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
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
Siam Global House	GLOBAL TB	THB 16.10	HOLD	Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the El Nino.
CP All	CPALL TB	THB 56.75	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 31.50	BUY	Key downside risks to our DCF-based TP include 1) a lower-than-expected SSSG, 2) a lower-than-expected GPM, 3) higher-than-expected SG&A expenses, and 4) an operating loss from its overseas units.
Com7	COM7 TB	THB 18.00	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 33.75	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.
Index Living Mall	ILM TB	THB 19.50	BUY	Risks to our DCF-based TP include 1) a lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) a higher-than-expected SG&A.
Home Product Center	HMPRO TB	THB 10.30	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 10.90	HOLD	Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the El Nino.

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 23-Apr-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.