

DOHOME DOHOME TB

THAILAND / COMMERCE

BUY

FROM HOLD

TARGET PRICE	THB11.80
CLOSE	THB10.30
UP/DOWNSIDE	+14.6%
PRIOR TP	THB11.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-0.7%

รับรู้ข่าวร้ายไปมากแล้ว

- เราเชื่อว่าความกังวลต่างๆสะท้อนไปในราคาหุ้นพอสมควรแล้ว สะท้อนราคาหุ้น MTD ปรับลงราว 12% สูงสุดในกลุ่ม และเริ่มเห็นทิศทางฟื้นตัว
- คาดกำไร 2Q24 โต y-y สูงสุดในกลุ่ม รวมถึงปี 2025-26E ยังคาดเติบโตต่อเนื่อง
- ราคาหุ้นปรับลง Upside กว้างขึ้น ปรับคำแนะนำจาก ถือ เป็น ชื้อ PEG ยัง 1.3x

เชื่อว่าราคาหุ้นสะท้อนความกังวลต่างๆไปแล้ว และเริ่มเห็นทิศทางฟื้นตัว

ราคาน่าจะรับรู้ข่าวร้ายไปแล้วทั้งเรื่องแผนไม่มีการเปิดสาขาในปีนี้ และการเบิกจ่ายงบประมาณล่าช้า รวมถึงรายได้ของสาขาบางพื้นที่ล่าช้ากว่าเป้า โดยหากดูผลตอบแทนของหุ้นในกลุ่มค้าปลีกในเดือนมี.ย. DOHOME ติดลบไปราว 12% ติดลบมากที่สุดในกลุ่ม โดยเราเริ่มเห็นทิศทางฟื้นตัวในแง่ SSSG โดยเดือน เม.ย. ติดลบราว 8-9% เดือนพ.ค.และมิ.ย. ติดลบราว 3-5% ทำให้ใน 2Q24 คาดว่า SSSG จะติดลบ 5-6% ฟื้นตัวขึ้นจาก 1Q24 ที่ติดลบ 9.8% และคาดว่าจะกลับมาเป็นบวกได้ใน 2H24 ซึ่งเราเริ่มเห็นทิศทางของดัชนีรายได้เกษตรกรที่ปรับเพิ่มขึ้น 3 เดือนติดต่อกัน (มี.ค.-พ.ค.) จากราคาพืชผลทางการเกษตรปรับเพิ่มขึ้น รวมถึงการเบิกจ่ายงบลงทุนสะสมที่ยับยั้งขึ้นเป็น 34.2% และแผนการก่อสร้างสาขาใหม่ราว 2 สาขา ซึ่งคาดว่าจะเริ่มก่อสร้างได้ในเดือน ก.ค.-ส.ค. ปีนี้และจะเปิดได้ในช่วง 1H25

เราคาดการณ์กำไรปี 2024 อยู่ราว 200-220 ลบ. เติบโต y-y เด่นสุดในกลุ่ม

แนวโน้ม 2Q24E เบื้องต้นเราคาดว่ากำไรปี 2024 จะอยู่ราว 200-220 ลบ. โตขึ้นจาก 39 ลบ. ใน 2Q23 แม้ SSSG จะยังติดลบราว 5-6% แต่ยอดขายรวมคาดว่าจะโตในกรอบ +/-1% y-y จากยอดขายสาขาใหม่ ขณะที่ Gross margin คาดว่าจะลดลงเล็กน้อยจาก 1Q24 จากสัดส่วนสินค้ากลุ่มก่อสร้างเพิ่มขึ้น คาดว่าจะอยู่ใกล้เคียง 17.5% (1Q24 ที่ 17.8%) สำหรับค่าใช้จ่ายและดอกเบี้ยคาดว่าจะปรับขึ้นเล็กน้อยตามค่าใช้จ่ายของการขยายสาขา

คาดการณ์กำไรปี 2024-26 กำไรปี 2024 จะยังเติบโตสูงสุดในกลุ่ม

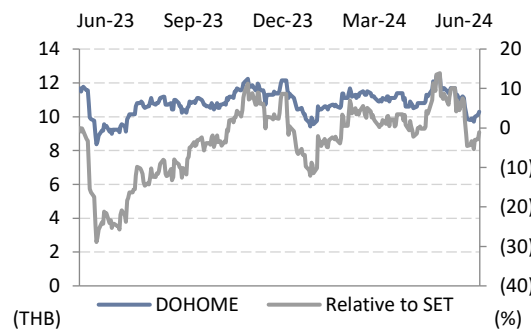
เราปรับประมาณกำไรปี 2024 เล็กน้อยเพื่อ fine tune ในแง่ SSSG และ Gross margin ของบริษัท โดยเราปรับ SSSG ลง และ Gross margin ขึ้น ทำให้กำไรปี 2024-26 ของ DOHOME ขึ้นเล็กน้อย 0.7%, 0.1% และ 0.8% ตามลำดับ ซึ่งเราคาดปี 2024 โต 84% และปี 2025-26 เติบโตเฉลี่ย 26% CAGR

ปรับคำแนะนำจาก ถือ เป็น ชื้อ คงราคาเป้าหมาย 11.8 บาท

เราคงราคาเป้าหมายที่ 11.8 บาท และปรับคำแนะนำจาก ถือ เป็น ชื้อ จาก Upside ที่เปิดกว้างขึ้น โดยเราเชื่อว่าราคาที่ปรับลงรับรู้ประเด็นลบไปพอสมควรแล้ว เริ่มเห็นทิศทางฟื้นตัวของ SSSG และกำไรปี 2024 จะเห็นชัดเจนในช่วง 2H24 รวมถึง Valuation ในแง่ PEG ต่ำสุดในกลุ่มเพียง 1.3x

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	31,218	32,172	34,755	38,259
Net profit	585	982	1,256	1,563
EPS (THB)	0.19	0.30	0.39	0.48
vs Consensus (%)	-	(2.0)	(0.5)	-
EBITDA	2,240	2,906	3,331	3,832
Recurring net profit	532	982	1,256	1,563
Core EPS (THB)	0.17	0.30	0.39	0.48
Chg. In EPS est. (%)	-	0.7	0.1	0.8
EPS growth (%)	(41.0)	76.2	28.0	24.4
Core P/E (x)	59.8	33.9	26.5	21.3
Dividend yield (%)	0.5	0.3	0.9	1.1
EV/EBITDA (x)	22.0	17.4	15.3	13.3
Price/book (x)	2.6	2.5	2.4	2.2
Net debt/Equity (%)	143.7	130.3	123.6	116.2
ROE (%)	4.5	7.7	9.2	10.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(12.0)	(5.5)	(13.2)
Relative to country (%)	(8.9)	(1.7)	(0.9)
Mkt cap (USD m)	908		
3m avg. daily turnover (USD m)	1.9		
Free float (%)	30		
Major shareholder	Tangmitpracha Family (36%)		
12m high/low (THB)	12.60/8.23		
Issued shares (m)	3,089.13		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

DOHOME หนึ่งในผู้ประกอบการค้าปลีก ค้าส่ง และให้บริการด้านวัสดุก่อสร้างและอุปกรณ์ตกแต่งบ้านแบบครบวงจร เน้นสาขาในต่างจังหวัดซึ่งมีสาขานาขนาดใหญ่กว่า 80% และสาขาในกรุงเทพและปริมณฑลอีก 20% ภายใต้แนวคิด ครบ ถูก และดีที่สุด สำหรับลูกค้าทุกกลุ่ม

เราคาดการณ์กำไรสุทธิ DOHOME ปี 2024E เติบโต 84% จากฐานที่ต่ำในปี 2023 และคาดการณ์ปี 2025-26E เติบโตต่อเนื่องเฉลี่ย 26% CAGR เติบโตมากที่สุดในกลุ่ม Home improvement หนุนจากยอดขายสาขาเดิม (SSSG) ที่ 3-5% การขยายสาขานาขนาดใหญ่ 2-4 สาขาต่อปี และกลยุทธ์ในการเพิ่มอัตรากำไรจากการเน้นการขายสินค้า Private brand และการควบคุมค่าใช้จ่ายให้มีประสิทธิภาพ

Company profile

DOHOME ดำเนินธุรกิจค้าปลีก ค้าส่ง และให้บริการด้านวัสดุก่อสร้างและอุปกรณ์ตกแต่งบ้าน ภายใต้แนวคิด One-stop home products destination ศูนย์จำหน่ายสินค้าเป็นอาคารขนาดใหญ่ด้วยพื้นที่ให้บริการที่ประกอบด้วยพื้นที่ขายและพื้นที่คลังสินค้าขนาดประมาณ 22,000 – 65,000 ตร.ม. นอกจากนี้ยังมีสาขานาขนาดเล็ก (ToGo) ขนาดประมาณ 800 – 1,000 ตร.ม.

www.dohome.co.th

Principal activities (revenue, 2023)

Activity	Percentage
Sales	98.9 %
Service income	1.1 %

Source: Dohome PCL

Major shareholders

Shareholder	Percentage
Tangmitrphracha Family	36.0 %
Dohome Holding Company Limited	28.2 %
Amplus Holdings Limited	5.4 %
Others	30.5 %

Source: Dohome PCL

Catalysts

ปัจจัยหนุนสำหรับ DOHOME ได้แก่ 1) ราคาเหล็กปรับสูงขึ้น (สัดส่วนรายได้จากเหล็กอยู่ราว 30% ของรายได้รวม) 2) การเติบโตของภาคอสังหาริมทรัพย์ 3) มาตรการกระตุ้นกำลังซื้อของภาครัฐ 4) การลงทุนในโครงสร้างพื้นฐาน 5) ผลผลิตและราคาสินค้าเกษตรสูงขึ้น

Risks to our call

ความเสี่ยง 1) รายได้เกษตรกรลดลง กระทบกำลังซื้อในภาคเกษตร 2) การเบิกจ่ายงบประมาณภาครัฐ 3) สัดส่วนและอัตรากำไรของสินค้า Private brand ลดลง 4) ค่าใช้จ่ายสูงกว่าที่คาด 5) ผลกระทบของเอลนีโญ (ภาวะแล้ง) มากกว่าที่คาด

Event calendar

Date	Event
Aug 2024	Q2Q4 results announcement

Key assumptions

	2024E	2025E	2026E
SSSG (%)	(3.0)	3.0	3.0
Stores L expansion (no.)	-	2.0	3.0
House brand (%)	20.0	21.0	22.0
GPM (%)	17.0	17.4	17.9
SG&A to sales	12.3	12.1	12.0

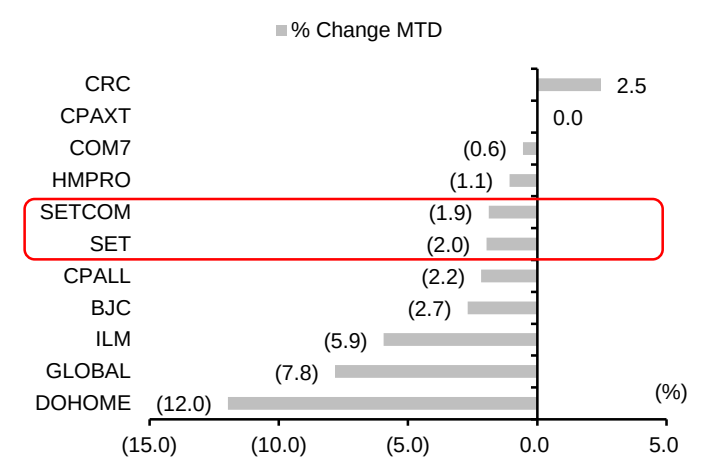
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2024 net profit to rise by 1.2%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2024 net profit to rise by 2.7%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A, we estimate 2024 net profit to fall by 2.7%, and vice versa, all else being equal.

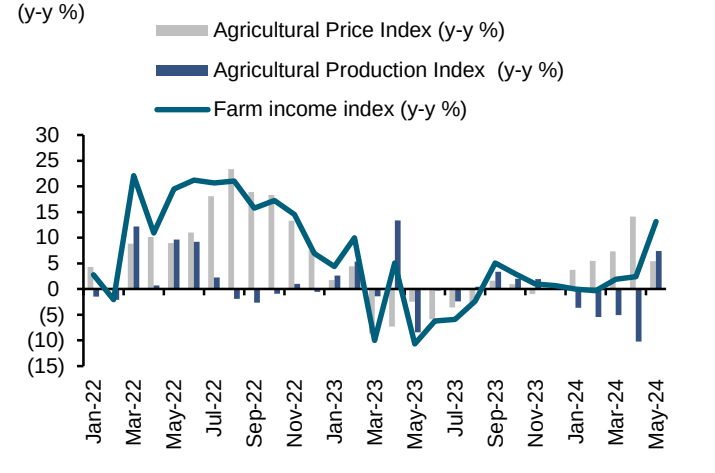
Source: FSSIA estimates

Exhibit 1: Price performance MTD as of 25/6/2024



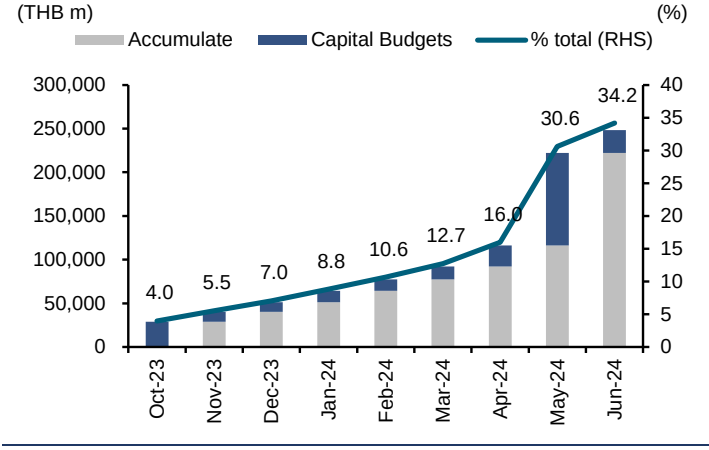
Source: FSSIA estimates

Exhibit 2: Farm income index has increased for three months



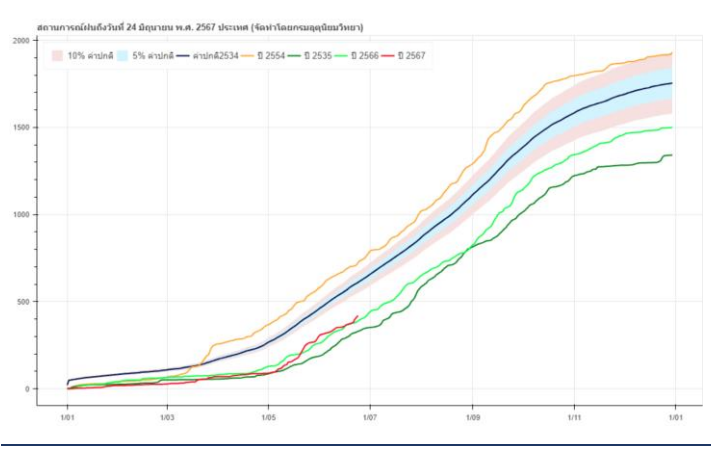
Sources: Office of Agricultural Economics

Exhibit 3: Capital Budgets could be disbursed continuously



*Note: Jun as of 21/6/2024
Sources: Government Fiscal Management Information System

Exhibit 4: The rainfall may slightly close to last year



Sources: Thai Meteorological Department

Exhibit 5: Valuation VS growth

----- Recurring net profit -----							
	2023	2024E	2025E	2026E	CAGR (25-26E)	PER 24E	PEG
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(x)	(x)
CPALL TB	18,136	23,640	27,447	30,900	14.3	21.4	1.5
CPAXT TB	8,777	10,653	12,512	14,080	15.0	28.6	1.9
CRC TB	7,868	9,021	10,077	11,093	10.9	20.9	1.9
HMPRO TB	6,442	6,839	7,243	7,529	4.9	17.7	3.6
GLOBAL TB	2,671	2,956	3,327	3,833	13.9	26.9	1.9
COM7 TB	2,857	2,903	3,198	3,454	9.1	14.6	1.6
DOHOME TB	532	982	1,256	1,563	26.2	33.9	1.3
ILM TB	726	786	854	908	7.5	12.2	1.6
Commerce	48,011	57,780	65,915	73,360	12.7		

Source: FSSIA estimates

Exhibit 6: Fine tune SSSG and GPM slightly impact to core profit

	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Revenues (THB m)	32,172	34,755	38,259	32,957	36,157	39,486	(2.4)	(3.9)	(3.1)
SSSG (%)	(3.0)	3.0	3.0	5.0	3.0	3.0	(8.0)	0.0	0.0
Gross margin (%)	17.0	17.4	17.9	16.5	17.0	17.5	0.5	0.5	0.4
No. of new stores L	0	2	3	0	3	3	0.0	(1.0)	0.0
SG&A expenses to sales (%)	12.3	12.1	12.0	11.8	11.7	11.7	0.5	0.4	0.3
Core profit (THB m)	982	1,256	1,563	975	1,255	1,551	0.7	0.1	0.8

Source: FSSIA estimates

Exhibit 7: Rolling one-year forward P/E band

DOHOME PER (X)



Sources: Bloomberg; FSSIA estimates

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

DOHOME PBV (x)



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Commerce peers as of 25 Jun 2024

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Consumer Staple														
CP All	CPALL TB	BUY	56.25	79.00	40	13,790	21.4	18.4	20.2	21.2	4.5	4.0	18.0	15.6
CP Aextra	CPAXT TB	BUY	28.75	36.00	25	8,301	28.6	24.3	3.6	4.2	1.0	1.0	10.7	10.0
Berli Jucker*	BJC TB	n/a	21.60	n/a	n/a	2,320	18.0	15.5	4.0	4.4	0.7	0.7	11.4	10.9
Consumer Staple average						24,411	22.6	19.4	9.3	9.9	2.1	1.9	13.4	12.2
Consumer Discretionary														
Com7	COM7 TB	HOLD	17.60	20.00	14	1,146	14.6	13.2	33.5	31.8	4.6	3.9	9.8	8.6
Central Retail Corp	CRC TB	BUY	31.25	44.00	41	5,143	20.9	18.7	12.9	13.3	2.6	2.4	9.3	8.8
Home Improvement														
Index Living Mall	ILM TB	BUY	19.00	26.70	41	262	12.2	11.2	12.9	13.5	1.5	1.5	6.6	6.1
Home Product Center	HMPRO TB	BUY	9.20	13.60	48	3,302	17.7	16.7	26.1	26.4	4.5	4.3	10.5	9.9
Siam Global House	GLOBAL TB	HOLD	15.30	17.30	13	2,172	26.9	23.9	12.3	12.9	3.2	3.0	20.9	18.8
Dohome	DOHOME TB	BUY	10.30	11.80	15	908	33.9	26.5	7.7	9.2	2.5	2.4	17.4	15.3
Home Improvement avg.						6,644	22.7	19.6	14.8	15.5	2.9	2.8	13.8	12.5
Consumer Discretionary avg.						12,932	21.0	18.4	17.6	17.8	3.2	2.9	12.4	11.2
Total average						37,343	21.6	18.7	14.8	15.2	2.8	2.6	12.7	11.6

Sources: *Bloomberg; FSSIA estimates

Financial Statements

Dohome

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	31,321	31,218	32,172	34,755	38,259
Cost of goods sold	(26,434)	(26,317)	(26,703)	(28,691)	(31,427)
Gross profit	4,887	4,901	5,469	6,064	6,832
Other operating income	210	303	271	293	323
Operating costs	(3,731)	(3,992)	(3,941)	(4,212)	(4,587)
Operating EBITDA	2,149	2,240	2,906	3,331	3,832
Depreciation	(784)	(1,028)	(1,107)	(1,186)	(1,265)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,365	1,213	1,800	2,145	2,568
Net financing costs	(333)	(544)	(586)	(592)	(614)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	(75)	53	0	0	0
Profit before tax	957	722	1,214	1,553	1,954
Tax	(183)	(136)	(232)	(297)	(391)
Profit after tax	774	585	982	1,256	1,563
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	774	585	982	1,256	1,563
Non-recurring items & goodwill (net)	75	(53)	0	0	0
Recurring net profit	849	532	982	1,256	1,563
Per share (THB)					
Recurring EPS *	0.29	0.17	0.30	0.39	0.48
Reported EPS	0.27	0.19	0.30	0.39	0.48
DPS	0.21	0.05	0.03	0.09	0.12
Diluted shares (used to calculate per share data)	2,907	3,089	3,234	3,234	3,234
Growth					
Revenue (%)	21.5	(0.3)	3.1	8.0	10.1
Operating EBITDA (%)	(30.5)	4.2	29.7	14.6	15.1
Operating EBIT (%)	(45.5)	(11.2)	48.4	19.2	19.7
Recurring EPS (%)	(53.9)	(41.0)	76.2	28.0	24.4
Reported EPS (%)	(58.0)	(28.9)	60.3	28.0	24.4
Operating performance					
Gross margin inc. depreciation (%)	15.6	15.7	17.0	17.4	17.9
Gross margin exc. depreciation (%)	18.1	19.0	20.4	20.9	21.2
Operating EBITDA margin (%)	6.9	7.2	9.0	9.6	10.0
Operating EBIT margin (%)	4.4	3.9	5.6	6.2	6.7
Net margin (%)	2.7	1.7	3.1	3.6	4.1
Effective tax rate (%)	19.1	18.9	19.1	19.1	20.0
Dividend payout on recurring profit (%)	72.7	28.8	10.4	23.1	23.8
Interest cover (X)	4.1	2.2	3.1	3.6	4.2
Inventory days	181.8	195.0	192.3	188.7	186.8
Debtor days	17.7	16.3	15.7	15.7	15.6
Creditor days	59.6	60.2	57.6	58.2	57.6
Operating ROIC (%)	4.5	3.5	5.0	5.8	6.6
ROIC (%)	4.2	3.3	4.8	5.5	6.3
ROE (%)	7.6	4.5	7.7	9.2	10.6
ROA (%)	3.7	2.9	4.2	4.8	5.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	31,045	30,890	31,834	34,389	37,857
Service income	275	328	338	365	402

Sources: Dohome PCL; FSSIA estimates

Financial Statements

Dohome

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	849	532	982	1,256	1,563
Depreciation	784	1,028	1,107	1,186	1,265
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(1,060)	712	425	(210)	(497)
Cash flow from operations	573	2,272	2,514	2,233	2,331
Capex - maintenance	-	-	-	-	-
Capex - new investment	(4,455)	(2,367)	(1,731)	(1,735)	(1,739)
Net acquisitions & disposals	(708)	58	86	86	85
Other investments (net)	0	0	0	0	0
Cash flow from investing	(5,163)	(2,310)	(1,645)	(1,649)	(1,654)
Dividends paid	(617)	-	(102)	(291)	(372)
Equity finance	487	194	144	0	0
Debt finance	4,919	700	(422)	494	680
Other financing cash flows	(340)	(721)	(608)	(613)	(633)
Cash flow from financing	4,449	173	(988)	(410)	(326)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(141)	136	(119)	174	351
Free cash flow to firm (FCFF)	(4,239.40)	528.84	1,477.90	1,199.86	1,314.80
Free cash flow to equity (FCFE)	(10.25)	(57.98)	(161.47)	465.06	723.03

Per share (THB)

FCFF per share	(1.37)	0.17	0.48	0.39	0.43
FCFE per share	0.00	(0.02)	(0.05)	0.15	0.23
Recurring cash flow per share	0.56	0.51	0.65	0.76	0.87

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	19,851	22,014	23,514	25,014	26,514
Less: Accumulated depreciation	(3,835)	(4,659)	(5,534)	(6,485)	(7,511)
Tangible fixed assets (net)	16,016	17,356	17,980	18,529	19,003
Intangible fixed assets (net)	1,593	1,539	1,453	1,365	1,279
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	160	296	177	351	702
A/C receivable	1,463	1,326	1,437	1,553	1,709
Inventories	13,761	13,264	13,711	14,731	16,137
Other current assets	274	158	160	169	184
Current assets	15,659	15,044	15,485	16,804	18,732
Other assets	50	44	45	47	52
Total assets	33,318	33,983	34,962	36,746	39,066
Common equity	11,603	12,176	13,200	14,165	15,356
Minorities etc.	0	0	0	0	0
Total shareholders' equity	11,603	12,176	13,200	14,165	15,356
Long term debt	5,164	5,833	5,957	6,382	6,940
Other long-term liabilities	95	105	107	113	123
Long-term liabilities	5,259	5,938	6,063	6,495	7,063
A/C payable	4,483	3,855	4,230	4,545	4,978
Short term debt	11,929	11,961	11,415	11,483	11,606
Other current liabilities	45	54	55	58	63
Current liabilities	16,456	15,869	15,699	16,086	16,647
Total liabilities and shareholders' equity	33,318	33,983	34,962	36,746	39,066
Net working capital	10,971	10,839	11,024	11,851	12,989
Invested capital	28,631	29,778	30,501	31,792	33,323

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

Per share (THB)

Book value per share	3.99	3.94	4.08	4.38	4.75
Tangible book value per share	3.44	3.44	3.63	3.96	4.35

Financial strength

Net debt/equity (%)	145.9	143.7	130.3	123.6	116.2
Net debt/total assets (%)	50.8	51.5	49.2	47.7	45.7
Current ratio (x)	1.0	0.9	1.0	1.0	1.1
CF interest cover (x)	14.3	5.2	3.7	4.7	5.0

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	35.3	59.8	33.9	26.5	21.3
Recurring P/E @ target price (x) *	40.4	68.5	38.9	30.4	24.4
Reported P/E (x)	38.7	54.4	33.9	26.5	21.3
Dividend yield (%)	2.1	0.5	0.3	0.9	1.1
Price/book (x)	2.6	2.6	2.5	2.4	2.2
Price/tangible book (x)	3.0	3.0	2.8	2.6	2.4
EV/EBITDA (x) **	21.8	22.0	17.4	15.3	13.3
EV/EBITDA @ target price (x) **	23.8	24.1	19.0	16.7	14.6
EV/invested capital (x)	1.6	1.7	1.7	1.6	1.5

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

Sources: Dohome PCL; FSSIA estimates

Dohome (DOHOME TB)

FSSIA ESG rating

★ ★ ★

Exhibit 10: FSSIA ESG score implication

42.34 /100

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 11: 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; FSSIA's compilation

Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.50	1.52	2.55	4.17
BESG environmental pillar score	0.00	0.00	0.00	2.33
BESG social pillar score	0.67	0.67	3.88	5.70
BESG governance pillar score	5.00	5.11	4.98	4.79
ESG disclosure score	28.73	32.69	37.03	46.91
Environmental disclosure score	0.00	0.00	2.08	25.67
Social disclosure score	15.72	16.81	27.75	33.83
Governance disclosure score	70.32	81.10	81.10	81.10
Environmental				
Emissions reduction initiatives	No	No	No	Yes
Climate change policy	No	No	No	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	No	Yes	Yes
GHG scope 1	—	—	—	—
GHG scope 2 location-based	—	—	—	—
GHG Scope 3	—	—	—	—
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	No	No	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	16
Electricity used	—	—	—	50
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 13: 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	No	Yes	Yes
Hazardous waste	—	—	—	—
Total waste	—	—	—	—
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	Yes
Water policy	No	No	Yes	Yes
Water consumption	—	—	—	—
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	No	No	No	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	—	44	43
Pct disabled in workforce	—	—	1	1
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	No	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	1
Total recordable incident rate - employees	—	—	2	—
Training policy	No	Yes	Yes	Yes
Fair remuneration policy	No	No	No	Yes
Number of employees – CSR	3,706	5,176	6,219	7,837
Employee turnover pct	—	—	—	—
Total hours spent by firm - employee training	1,098	2,388	1,910	30,870
Social supply chain management	No	No	No	Yes
Governance				
Board size	11	11	8	8
No. of independent directors (ID)	5	5	3	3
No. of women on board	5	5	3	3
No. of non-executive directors on board	5	5	3	3
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	5	6	4	4
Board meeting attendance pct	—	95	88	97
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	28	29	30	31
Age of the oldest director	66	67	68	69
No. of executives / company managers	10	11	11	11
No. of female executives	7	7	7	7
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	5	4	4	4
Audit meeting attendance %	—	100	75	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	83	100
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	2	2	2	2
Nomination meeting attendance %	—	100	83	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 Sustainabilitys	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="2">Average:</td><td rowspan="2">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><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																			
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B	1.429-2.856	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
CCC	0.000-1.428																					
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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Dohome	DOHOME TB	THB 10.30	BUY	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.
Index Living Mall	ILM TB	THB 19.00	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 9.20	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 15.30	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 56.25	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 28.75	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 17.60	HOLD	Risks to our P/E-based TP include 1) lower/higher domestic consumption and purchasing power, 2) store cannibalization/expansion, and 3) lower/higher-than-expected gross margin.
Central Retail Corp	CRC TB	THB 31.25	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 25-Jun-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.