

# INDEX LIVING MALL

## THAILAND / COMMERCE

# ILM TB

**BUY**  
 UNCHANGED

### คาดการณ์ 2Q24 โต y-y และคาดการณ์ 2H24 จะโตในทิศทางชะลอลง

- ค่ากำไรสุทธิ 2Q24 ที่ 178 ลบ. (-15% q-q, +8.5% y-y) ลดลง q-q ตามปัจจัยฤดูกาล เพิ่มขึ้น y-y จากยอดขายและรายได้ค่าเช่าที่สูงขึ้น
- แนวโน้มครึ่งปีหลังคาดว่าจะยังเติบโตทั้ง h-h และ y-y แต่ในทิศทางชะลอลง
- คงคำแนะนำ ซื้อ ราคาเป้าหมาย 26.7 บาท

TARGET PRICE	THB26.70
CLOSE	THB17.90
UP/DOWNSIDE	+49.2%
PRIOR TP	THB26.70
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+1.2%

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	9,309	10,039	10,811	11,452
Net profit	726	786	854	908
EPS (THB)	1.44	1.56	1.69	1.80
vs Consensus (%)	-	(2.7)	(2.6)	(2.7)
EBITDA	1,933	2,081	2,241	2,377
Recurring net profit	726	786	854	908
Core EPS (THB)	1.44	1.56	1.69	1.80
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	10.2	8.3	8.6	6.3
Core P/E (x)	12.5	11.5	10.6	10.0
Dividend yield (%)	5.6	6.1	6.6	7.0
EV/EBITDA (x)	6.6	6.3	5.8	5.4
Price/book (x)	1.5	1.5	1.4	1.3
Net debt/Equity (%)	60.8	65.4	61.0	55.6
ROE (%)	12.5	12.9	13.5	13.8

### ค่ากำไรสุทธิ 2Q24 ยังเติบโต y-y หนุนจากยอดขายและรายได้ค่าเช่าเพิ่มขึ้น

เราคาดการณ์กำไรสุทธิ 2Q24 ที่ 178 ลบ. (-15% q-q, +8.5% y-y) ลดลง q-q จากปัจจัยฤดูกาลและมาตรการ E-receipt ทำให้ยอดขายชะลอลง ขณะที่ y-y เพิ่มขึ้นจากยอดขายสาขาเดิม (SSSG) คาด 2% ซึ่งยังหนุนจากสาขาท่องเที่ยวเป็นหลัก และยอดขายผ่านช่องทางออนไลน์ที่ยังเติบโตต่อเนื่อง รวมถึงรายได้งานโครงการที่เพิ่มขึ้น นอกจากนี้รายได้ค่าเช่าเพิ่มขึ้นจากการเปิด Little walk กรุงเทพมหานครในช่วง ต.ค. 2023 และอัตราการเช่าเฉลี่ย (Occupancy rate) ที่ทยอยปรับดีขึ้นเป็น 89% (2Q23 ที่ 88%)

### ค่า GPM ลดลงตามสัดส่วนยอดขายโครงการที่เพิ่มขึ้น

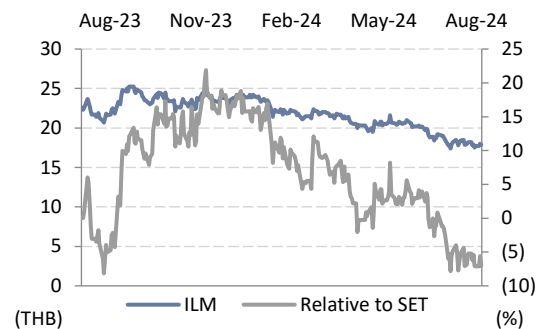
เราคาดการณ์กำไรขั้นต้นที่ 46.5% (ทรงตัว q-q, -100bps y-y) จากสัดส่วนช่องทางผ่านงานโครงการเพิ่มขึ้นซึ่งเป็นช่องทางที่มีอัตรากำไรขั้นต้นน้อย ขณะที่ค่าใช้จ่ายปรับตัวเพิ่มขึ้น 3.5% y-y จากค่าใช้จ่ายด้านการขนส่งเพิ่มขึ้น แต่ SG&A to revenue ปรับลดลงเป็น 36% (vs 2Q23 ที่ 37.5%) จากรายได้รวมที่เพิ่มสูงขึ้น ทั้งนี้อัตรากำไรขั้นต้นของบริษัทจะอยู่ราว 20% หลังจากไม่ได้รับสิทธิประโยชน์ทางภาษีเหมือนปีก่อน ซึ่งบริษัทอยู่ระหว่างการขอ BOI จากเครื่องจักรใหม่ คาดว่าจะแล้วเสร็จในปีหน้า

### แนวโน้ม 2H24 คาดโตแล้วลงเป็น 4% h-h และ 3% y-y (vs 2H23; +15% h-h&y-y)

หากกำไร 2Q24 ตามคาด กำไร 1H24 จะคิดเป็น 49% ของกำไรทั้งปี (1H23 คิดเป็น 47% ของปี 2023) โดยเรายังคงประมาณการกำไร 2024 โต 8.3% ทั้งนี้เราเชื่อว่าช่วงที่เหลือของปีแนวโน้ม SSSG จะยังโตได้ แต่ทิศทางจะชะลอลง จากภาพกำลังซื้อที่ยังฟื้นตัวช้า และฐานที่สูงในปีก่อน และการเปิดสาขาใหม่ 2 สาขาจะเข้ามาช่วง 4Q24 ซึ่งจะหนุนยอดขายในช่วงต้นปีหน้า ทำให้คาดว่ากำไรจะยังไม่ฟื้นตัวมากนักสำหรับช่วงครึ่งปีหลัง ระยะสั้นอาจมี sentiment เชิงลบจากการเข้ามาของ Temu

### คงคำแนะนำ ซื้อ ราคาเป้าหมาย 26.7 บาท

คงคำแนะนำ ซื้อ ราคาเป้าหมาย 26.7 บาท เรายังชอบในแง่ของการเติบโตต่อเนื่องและฐานรายได้จากสาขาท่องเที่ยวกว่า 30% ซึ่งล้อไปกับการเติบโตของภาคท่องเที่ยว รวมถึง Little Walk ที่ได้รับการตอบรับที่ดี ประกอบกับ Valuation ที่เทรดบน 2024E P/E เพียง 11.5 ถูกที่สุดในกลุ่ม และค่า Div. Yield ราว 6% (Payout ratio c70%)



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.2)	(13.9)	(21.8)
Relative to country (%)	(4.7)	(10.9)	(7.9)
Mkt cap (USD m)	254		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	25		
Major shareholder	Krobkrua Thammada Panich Co Ltd (40%)		
12m high/low (THB)	26.00/17.40		
Issued shares (m)	505.00		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

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

### Company profile

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

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

### Principal activities (revenue, 2023)

Retail - 73.3 %

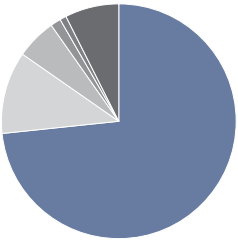
Online - 11.3 %

Project - 5.6 %

Oversea - 1.4 %

Dealer - 0.9 %

Rental - 7.4 %



Source: Index Living Mall

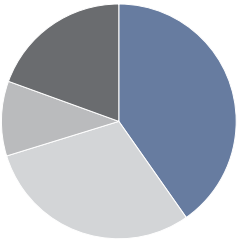
### Major shareholders

Krobkrua Thammada Panich Co Ltd - 40.3 %

Patamasatayasonthi Family - 30.0 %

Udomma huntisuk Family - 10.3 %

Others - 19.5 %



Source: Index Living Mall

## Catalysts

ปัจจัยสนับสนุนสำหรับ ILM ได้แก่ 1) การฟื้นตัวของการบริโภคและการท่องเที่ยวในประเทศ 2) การฟื้นตัวของภาคอสังหาริมทรัพย์

## Risks to our call

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

## Event calendar

Date	Event
9 Aug 2024	2Q24 results announcement

## Key assumptions

	2023A	2024E	2025E	2026E
Revenues (THB m)	9,309	10,039	10,811	11,452
- Sales	8,617	9,272	9,913	10,486
- Rental	692	768	898	966
SSSG (%)	9.9	6.1	3.8	3.8
Gross margin (%)	46.0	46.1	46.2	46.2
- GPM sales	45.7	45.8	45.8	45.9
- GPM Rental	50.4	50.4	50.4	50.4
SG&A to sales	35.6	35.9	35.9	36.0
Net profit (THB m)	726	786	854	908

Source: FSSIA estimates

## Earnings sensitivity

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

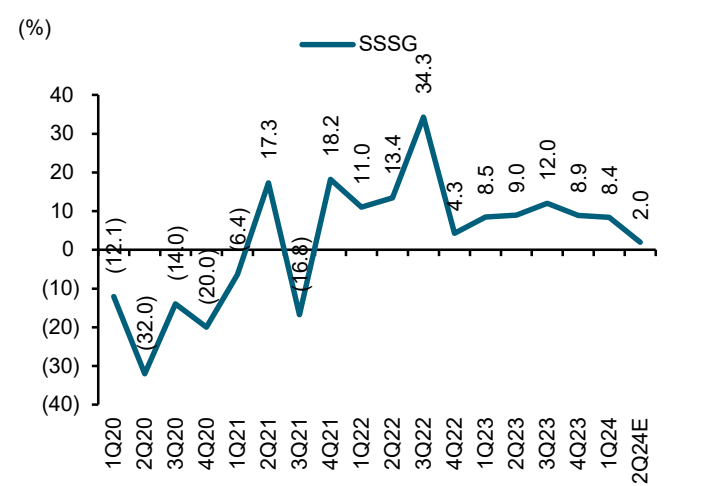
Source: FSSIA estimates

Exhibit 1: ILM - 2Q24 result preview

Year to Dec 31	2Q23	3Q23	4Q23	1Q24	2Q24E	Change		1H24E			2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(%24E)	(THB m)	(y-y%)
Total revenue	2,184	2,396	2,541	2,449	2,356	(3.8)	7.9	4,805	9.9	48	10,039	7.8
- Retail sales	2,012	2,222	2,361	2,265	2,170	(4.2)	7.8	4,434	9.9	48	9,272	7.6
- Rental and services	172	174	181	184	187	1.1	8.3	371	10.0	48	768	11.0
Core COGS	(1,147)	(1,309)	(1,410)	(1,312)	(1,262)	(3.9)	10.0	(2,574)	11.6	48	(5,407)	7.6
- COGS	(1,065)	(1,220)	(1,323)	(1,222)	(1,174)	(3.9)	10.3	(2,396)	12.0	48	(5,027)	7.3
- Cost of Rental and service	(83)	(89)	(87)	(90)	(88)	(2.7)	6.1	(178)	6.7	47	(381)	11.0
Gross profit	1,037	1,086	1,131	1,137	1,094	(3.8)	5.6	2,232	8.0	48	4,632	8.1
Operating costs	(820)	(827)	(872)	(851)	(848)	(0.4)	3.5	(1,700)	5.4	47	(3,605)	8.8
Operating profit	217	259	259	286	246	(13.9)	13.4	532	17.4	52	1,027	5.7
Other income	32	22	29	24	26	10.8	(17.0)	50	(10.8)	45	112	4.4
Interest expense	(54)	(55)	(55)	(52)	(52)	0.2	(2.9)	(104)	(1.6)	50	(207)	(4.1)
Profit before tax	195	226	233	258	220	(14.4)	13.0	478	18.5	51	932	8.1
Tax	(31)	(37)	(38)	(50)	(44)	(11.3)	40.9	(94)	43.7	64	(146)	4.1
Minority interests	-	(2)	(1)	(1)	(1)	74.2	n/a	(2)	n/a	n/a	-	(100.0)
Non-recurring items	-	-	-	-	-	n/a	n/a	-	n/a	n/a	-	n/a
Reported net profit	164	191	197	209	178	(14.9)	8.5	386	14.3	49	786	8.3
Recurring net profit	164	191	197	209	178	(14.9)	8.5	386	14.3	49	786	8.3
EPS (THB)	0.32	0.38	0.39	0.41	0.35	(14.9)	8.5	0.76	14.3	49	1.56	8.3
Recurring EPS (THB)	0.32	0.38	0.39	0.41	0.35	(14.9)	8.5	0.76	14.3	49	1.56	8.3
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)		(%)	(ppt)
Gross margin	47.5	45.3	44.5	46.4	46.5	0.0	(1.0)	46.4	(0.8)		46.1	0.1
- Retail	47.1	45.1	43.9	46.0	45.9	(0.1)	(1.2)	46.0	(1.0)		45.8	0.1
- Rental and services	52.0	48.5	51.8	51.1	53.0	1.9	1.0	52.1	1.5		50.4	-
Operating margin	11.4	11.7	11.3	12.6	11.6	(1.1)	0.2	12.1	0.5		11.3	(0.2)
Recurring net margin	7.5	8.0	7.7	8.5	7.5	(1.0)	0.0	8.0	0.3		7.8	0.0
SG&A / Sales	37.5	34.5	34.3	34.8	36.0	1.2	(1.5)	35.4	(1.5)		35.9	0.3
Operating statistics	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(%24E)	(%)	(y-y%)
SSSG (%y-y)	9.0	12.0	8.9	8.4	2.0						6.1	
Retails Sales (THB m)	1,671	1,682	1,800	1,789	1,704	(4.7)	2.0	3,493	4.4	47	7,381	8.1
Project Sales (THB m)	58	195	207	117	121	3.3	110.0	238	105.8	47	510	(1.5)
Oversea Sales (THB m)	25	42	26	28	20	(28.7)	(20.0)	49	(25.9)	36	136	1.5
Dealer Sales (THB m)	23	17	21	18	18	0.4	(20.0)	37	(18.4)	44	84	1.2
Online Sales (THB m)	235	286	307	312	306	(2.0)	30.0	617	33.4	53	1,161	10.0

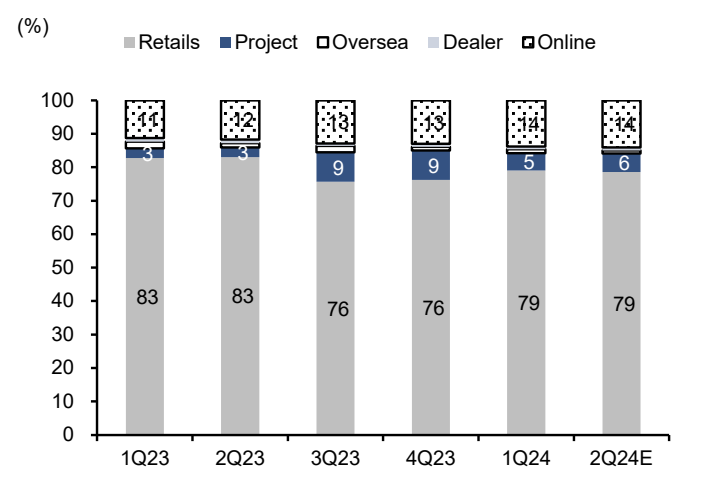
Sources: ILM; FSSIA estimates

Exhibit 2: Quarterly SSSG



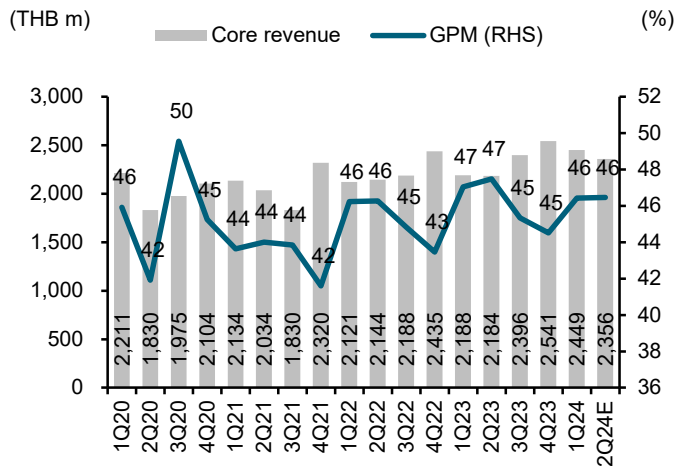
Sources: ILM; FSSIA estimates

Exhibit 3: Sales mixed by channel



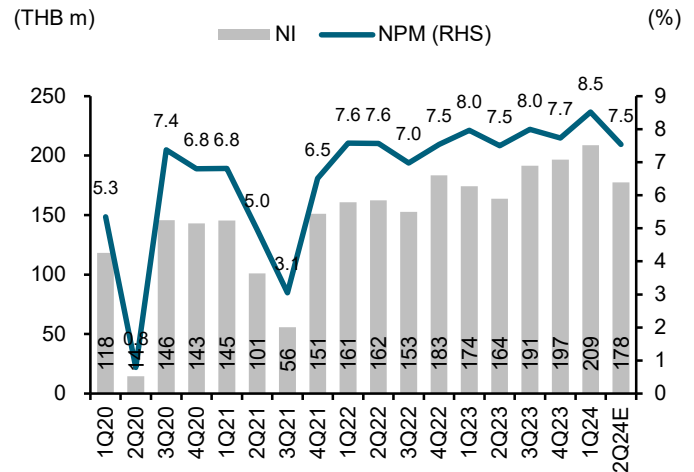
Sources: ILM; FSSIA estimates

Exhibit 4: Quarterly revenue and gross margin



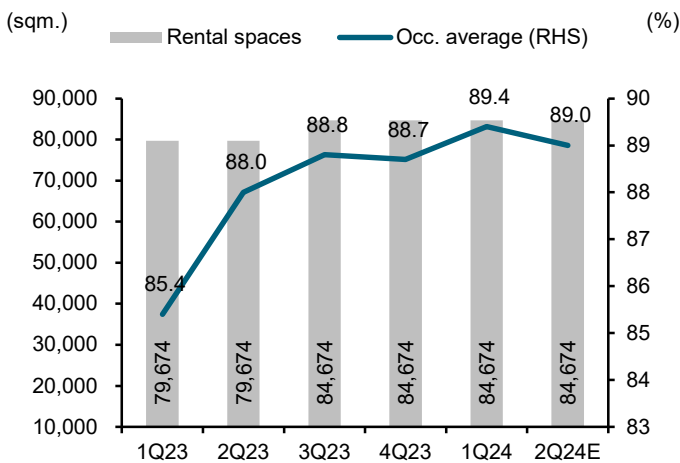
Sources: ILM; FSSIA estimates

Exhibit 5: Quarterly net profit and net profit margin



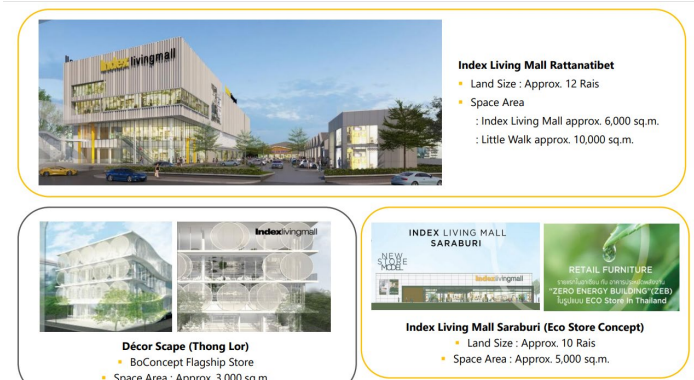
Sources: ILM; FSSIA estimates

Exhibit 6: Rental spaces and Occupancy rate



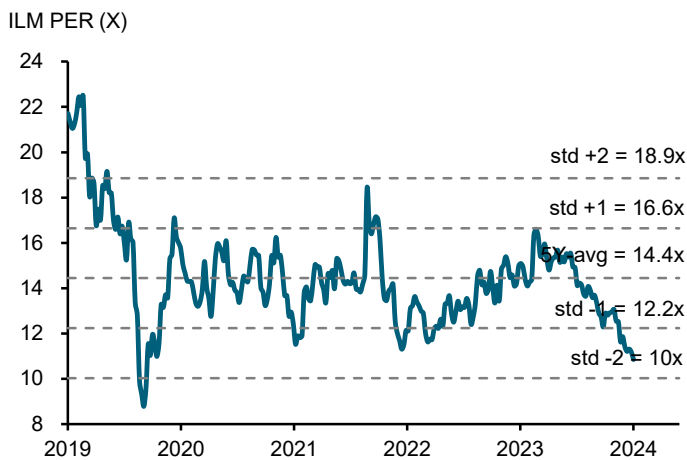
Sources: ILM; FSSIA estimates

Exhibit 7: Store expansion



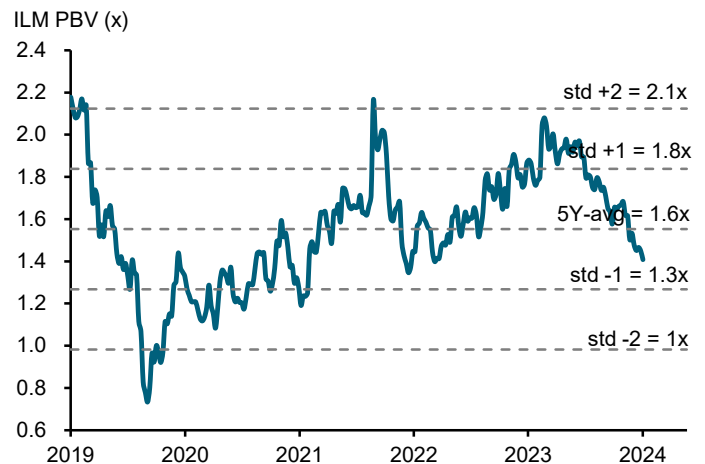
Source: ILM

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



Sources: Bloomberg; FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Commerce peers as of 31 July 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)
Consumer Staple														
CP All	CPALL TB	BUY	58.25	79.00	36	14,686	22.1	19.1	20.2	21.2	4.6	4.1	18.3	15.8
CP Axtra	CPAXT TB	BUY	30.50	36.00	18	9,057	30.3	25.8	3.6	4.2	1.1	1.1	11.2	10.5
Berli Jucker*	BJC TB	n/a	20.70	n/a	n/a	2,377	18.0	15.6	3.8	4.3	0.7	0.7	11.4	10.9
Consumer Staple average						26,120	23.5	20.2	9.2	9.9	2.1	2.0	13.6	12.4
Consumer Discretionary														
Com7	COM7 TB	HOLD	20.40	20.00	(2)	1,356	16.9	15.3	33.5	31.8	5.3	4.5	11.2	9.9
Central Retail Corp	CRC TB	BUY	31.75	44.00	39	5,374	21.2	19.0	12.9	13.3	2.6	2.4	9.4	8.8
Home Improvement														
Index Living Mall	ILM TB	BUY	17.90	26.70	49	254	11.5	10.6	12.9	13.5	1.5	1.4	6.3	5.8
Home Product Center	HMPRO TB	BUY	9.10	13.60	49	3,359	17.5	16.5	26.1	26.4	4.5	4.3	10.4	9.8
Siam Global House	GLOBAL TB	BUY	15.40	17.30	12	2,248	27.1	24.1	12.3	12.9	3.2	3.0	21.0	18.9
Dohome	DOHOME TB	BUY	11.20	11.80	5	1,015	36.9	28.8	7.7	9.2	2.7	2.6	18.4	16.1
Home Improvement avg.						6,876	23.2	20.0	14.8	15.5	3.0	2.8	14.0	12.7
Consumer Discretionary avg.						13,606	21.8	19.1	17.6	17.8	3.3	3.0	12.8	11.6
Total average						39,726	22.4	19.4	14.8	15.2	2.9	2.7	13.1	11.9

Sources: \*Bloomberg; FSSIA estimates

## Financial Statements

### Index Living Mall

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	8,889	9,309	10,039	10,811	11,452
Cost of goods sold	(4,877)	(5,026)	(5,407)	(5,814)	(6,156)
<b>Gross profit</b>	<b>4,011</b>	<b>4,283</b>	<b>4,632</b>	<b>4,996</b>	<b>5,296</b>
Other operating income	120	107	112	120	128
Operating costs	(3,136)	(3,312)	(3,605)	(3,885)	(4,122)
<b>Operating EBITDA</b>	<b>1,797</b>	<b>1,933</b>	<b>2,081</b>	<b>2,241</b>	<b>2,377</b>
Depreciation	(801)	(855)	(942)	(1,009)	(1,076)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>995</b>	<b>1,078</b>	<b>1,139</b>	<b>1,232</b>	<b>1,302</b>
Net financing costs	(214)	(216)	(207)	(220)	(226)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>781</b>	<b>862</b>	<b>932</b>	<b>1,012</b>	<b>1,076</b>
Tax	(122)	(140)	(146)	(158)	(168)
<b>Profit after tax</b>	<b>659</b>	<b>723</b>	<b>786</b>	<b>854</b>	<b>908</b>
Minority interests	0	3	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>659</b>	<b>726</b>	<b>786</b>	<b>854</b>	<b>908</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>659</b>	<b>726</b>	<b>786</b>	<b>854</b>	<b>908</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.31	1.44	1.56	1.69	1.80
Reported EPS	1.31	1.44	1.56	1.69	1.80
DPS	0.60	1.00	1.08	1.18	1.25
Diluted shares (used to calculate per share data)	505	505	505	505	505
<b>Growth</b>					
Revenue (%)	6.9	4.7	7.8	7.7	5.9
Operating EBITDA (%)	9.1	7.6	7.6	7.7	6.1
Operating EBIT (%)	28.3	8.3	5.6	8.2	5.6
Recurring EPS (%)	45.4	10.2	8.3	8.6	6.3
Reported EPS (%)	45.4	10.2	8.3	8.6	6.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	45.1	46.0	46.1	46.2	46.2
Gross margin exc. depreciation (%)	54.1	55.2	55.5	55.5	55.6
Operating EBITDA margin (%)	20.2	20.8	20.7	20.7	20.8
Operating EBIT margin (%)	11.2	11.6	11.3	11.4	11.4
Net margin (%)	7.4	7.8	7.8	7.9	7.9
Effective tax rate (%)	15.6	16.2	15.6	15.6	15.6
Dividend payout on recurring profit (%)	46.0	69.6	69.6	69.6	69.6
Interest cover (X)	4.6	5.0	5.5	5.6	5.8
Inventory days	145.3	145.9	146.8	147.1	152.2
Debtor days	9.3	12.1	13.9	13.5	13.6
Creditor days	144.2	142.5	135.5	130.1	131.7
Operating ROIC (%)	15.9	17.6	18.2	19.1	20.0
ROIC (%)	8.0	8.8	9.1	9.5	9.9
ROE (%)	12.0	12.5	12.9	13.5	13.8
ROA (%)	6.9	7.4	7.6	7.9	8.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Retail	6,230	6,827	7,381	7,897	8,348
Online	903	1,056	1,161	1,266	1,367
Project	773	518	510	525	541
Oversea	253	134	136	140	144

Sources: Index Living Mall; FSSIA estimates

## Financial Statements

### Index Living Mall

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	659	726	786	854	908
Depreciation	801	855	942	1,009	1,076
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	311	15	31	120	124
<b>Cash flow from operations</b>	<b>1,772</b>	<b>1,596</b>	<b>1,759</b>	<b>1,982</b>	<b>2,108</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(577)	(641)	(1,052)	(979)	(1,013)
Net acquisitions & disposals	(40)	51	(344)	(99)	(67)
Other investments (net)	(2)	468	(1)	(2)	(2)
<b>Cash flow from investing</b>	<b>(619)</b>	<b>(123)</b>	<b>(1,397)</b>	<b>(1,079)</b>	<b>(1,081)</b>
Dividends paid	(303)	(429)	(547)	(594)	(632)
Equity finance	0	0	0	0	0
Debt finance	(674)	(664)	353	107	80
Other financing cash flows	(208)	(181)	(247)	(195)	(201)
<b>Cash flow from financing</b>	<b>(1,185)</b>	<b>(1,275)</b>	<b>(441)</b>	<b>(682)</b>	<b>(753)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(32)</b>	<b>199</b>	<b>(79)</b>	<b>221</b>	<b>274</b>
Free cash flow to firm (FCFF)	1,367.18	1,689.36	568.87	1,123.20	1,252.13
Free cash flow to equity (FCFE)	270.70	628.00	467.63	815.38	905.34
<b>Per share (THB)</b>					
FCFF per share	2.71	3.35	1.13	2.22	2.48
FCFE per share	0.54	1.24	0.93	1.61	1.79
Recurring cash flow per share	2.89	3.13	3.42	3.69	3.93
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	13,001	12,971	13,570	14,068	14,567
Less: Accumulated depreciation	(8,314)	(8,497)	(8,985)	(9,514)	(10,076)
<b>Tangible fixed assets (net)</b>	<b>4,688</b>	<b>4,474</b>	<b>4,584</b>	<b>4,554</b>	<b>4,491</b>
<b>Intangible fixed assets (net)</b>	<b>2,979</b>	<b>2,966</b>	<b>3,277</b>	<b>3,353</b>	<b>3,408</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	75	274	194	415	689
A/C receivable	522	703	727	783	833
Inventories	1,586	1,748	1,845	2,029	2,208
Other current assets	14	13	14	15	16
<b>Current assets</b>	<b>2,197</b>	<b>2,738</b>	<b>2,780</b>	<b>3,243</b>	<b>3,746</b>
Other assets	2,168	2,147	2,192	2,231	2,257
<b>Total assets</b>	<b>12,032</b>	<b>12,324</b>	<b>12,833</b>	<b>13,381</b>	<b>13,903</b>
Common equity	5,668	5,965	6,204	6,464	6,740
Minorities etc.	0	14	14	14	14
<b>Total shareholders' equity</b>	<b>5,668</b>	<b>5,979</b>	<b>6,218</b>	<b>6,478</b>	<b>6,754</b>
Long term debt	3,029	2,992	3,309	3,385	3,438
Other long-term liabilities	615	651	580	626	668
<b>Long-term liabilities</b>	<b>3,644</b>	<b>3,643</b>	<b>3,890</b>	<b>4,011</b>	<b>4,106</b>
A/C payable	1,590	1,666	1,650	1,777	1,890
Short term debt	1,072	915	950	981	1,009
Other current liabilities	57	122	125	135	144
<b>Current liabilities</b>	<b>2,719</b>	<b>2,703</b>	<b>2,726</b>	<b>2,893</b>	<b>3,043</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,032</b>	<b>12,324</b>	<b>12,833</b>	<b>13,381</b>	<b>13,903</b>
Net working capital	474	676	811	916	1,023
Invested capital	10,310	10,263	10,864	11,054	11,180
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	11.22	11.81	12.29	12.80	13.35
Tangible book value per share	5.32	5.94	5.80	6.16	6.60
<b>Financial strength</b>					
Net debt/equity (%)	71.0	60.8	65.4	61.0	55.6
Net debt/total assets (%)	33.5	29.5	31.7	29.5	27.0
Current ratio (x)	0.8	1.0	1.0	1.1	1.2
CF interest cover (x)	5.0	6.9	8.3	9.1	9.5
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>13.7</b>	<b>12.5</b>	<b>11.5</b>	<b>10.6</b>	<b>10.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>20.5</b>	<b>18.6</b>	<b>17.1</b>	<b>15.8</b>	<b>14.8</b>
Reported P/E (x)	13.7	12.5	11.5	10.6	10.0
Dividend yield (%)	3.4	5.6	6.1	6.6	7.0
Price/book (x)	1.6	1.5	1.5	1.4	1.3
Price/tangible book (x)	3.4	3.0	3.1	2.9	2.7
EV/EBITDA (x) **	7.3	6.6	6.3	5.8	5.4
EV/EBITDA @ target price (x) **	9.7	8.9	8.4	7.8	7.3
EV/invested capital (x)	1.3	1.2	1.2	1.2	1.1
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Index Living Mall; FSSIA estimates



# INDEX LIVINGMALL PCL (ILM TB)

FSSIA ESG rating

★ ★

Exhibit 11: FSSIA ESG score implication

20 /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.

Source: FSSIA estimates

Exhibit 12: 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	--	--	--	--	--	--	--	--
BJC	71.33	Y	Y	Y	4.00	4.00	--	Medium	55.09	A	--	65.19	89.00	2.16	--

Sources: [SETTRADE.com](#); FSSIA's compilation

Exhibit 13: ESG disclosure from the company's one report

FY ending Dec 31		FY 2022	FY ending Dec 31		FY 2022
Environmental			Governance		
Climate change policy			Board size / Independent directors (ID) / Female		
Climate change opportunities discussed			No. of board meetings for the year / % attendance		
GHG scope 2 location-based policy			Company conducts board evaluations		
Biodiversity policy			Number of non-executive directors on board		
Energy efficiency policy			Director share ownership guidelines		
Electricity used			Board age limit		
Fuel used - crude oil/diesel			Age of the youngest / oldest director		
Waste reduction policy			Number of executives / female		
Water policy			Executive share ownership guidelines		
Water consumption			Size of audit committee / ID		
Social			Audit committee meetings		
Human rights policy			Audit committee meeting attendance (%)		
Policy against child labor			Size of compensation committee		
Quality assurance and recall policy			Number of compensation committee meetings		
Consumer data protection policy			Compensation committee meeting attendance (%)		
Equal opportunity policy			Size of nomination committee / ID		
Gender pay gap breakout			Number of nomination committee meetings		
Pct women in workforce			Nomination committee meeting attendance (%)		
Business ethics policy			Board compensation (THB m)		
Anti-bribery ethics policy			Auditor fee (THB m)		
Health and safety policy			(KPMG Phoomchai Audit Company Limited)		
Lost time incident rate - employees					
Training policy					
Fair remuneration policy					
Number of employees - CSR					
Total hours spent by firm - employee training					
Social supply chain management					

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

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

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

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

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
Index Living Mall	ILM TB	THB 17.90	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 9.10	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 15.40	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.
Dohome PCL	DOHOME TB	THB 11.20	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.
CP All	CPALL TB	THB 58.25	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	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 20.40	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 31.75	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.

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 31-Jul-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.