

TARGET PRICE	THB16.00
CLOSE	THB14.00
UP/DOWNSIDE	+14.3%
PRIOR TP	THB17.30
CHANGE IN TP	-7.5%
TP vs CONSENSUS	-4.6%

SSSG ในช่วงที่เหลือปีซ้ากว่าที่คาด

- เรามีมุมมองเป็นลบต่อทิศทาง SSSG จาก Oppday (6 Aug 24) โดยแนวโน้ม SSSG เดือนก.ค. ติดลบมากขึ้นเป็น 6-7% (2Q24 ที่ -2.3%)
- ปรับลดประมาณการกำไรปี 2024-26 ลง 6-7% สะท้อน SSSG ที่ซ้ากว่าที่คาด
- ปรับราคาเป้าหมายเป็น 16.0 บาท คงคำแนะนำ ชื้อ

เรามีมุมมองเป็นลบเล็กน้อยต่อ SSSG จาก Opportunity day

เรามีมุมมองเป็นลบเล็กน้อยต่อทิศทาง SSSG จาก Oppday โดยแนวโน้ม SSSG เดือนก.ค. ติดลบมากขึ้นเป็น 6-7% (2Q24 ที่ -2.3%) จากภาพกำลังซื้อที่ยังซ้า รวมถึงปริมาณน้ำฝนที่สูงกว่าปีที่แล้ว ทีมผู้บริหารยังมีมุมมองระยะยาวมากขึ้นกับแนวโน้มยอดขายในครึ่งปีหลังตามภาพรวมกำลังซื้อที่ดูชะลอลง การเปิดสาขายังคงตามแผนเดิมในครึ่งปีหลัง โดยเปิดเพิ่มอีก 4 สาขา รวมเป็น 91 สาขาในปี 2024

กำไรสุทธิ 2Q24 เพิ่มขึ้นทั้ง q-q, y-y หนุนจาก GPM และส่วนแบ่งกำไร

กำไรสุทธิ 2Q24 เท่ากับ 765 ลบ. เพิ่มขึ้น 5% q-q และ 9% y-y จาก GPM ที่ปรับดีขึ้นเป็น 26.6% (+160bps q-q, +120bps y-y) จากสัดส่วน Private brand เพิ่มขึ้นและการทำโปรโมชั่นที่มีประสิทธิภาพมากขึ้น รวมถึง GPM ของเหล็กปรับดีขึ้น นอกจากนี้ส่วนแบ่งกำไรจากธุรกิจต่างประเทศดีขึ้นเป็น 61 ลบ. (+21% q-q, +183% y-y)

ปรับลดประมาณการกำไรสุทธิ 2024 ลง 6-7% สะท้อน SSSG ที่ซ้ากว่าที่คาด

ปรับประมาณการกำไรสุทธิปี 2024-26 ลง 6-7% สะท้อน SSSG ที่ซ้ากว่าที่คาดกับมุมมองระยะยาวที่ยอดขายมากขึ้นจากที่ไม่มีมาตรการกระตุ้นเศรษฐกิจเพิ่มเติมในระหว่างนี้ โดยคาดการณ์กำไรสุทธิปี 2024 เติบโตเหลือ 4% จาก 11% และอัตราการเติบโตเฉลี่ย 2024-26 เป็น 10% จากเดิม 13% อย่างไรก็ตามสิ่งที่ยังดูดีขึ้นคืออัตรากำไรขั้นต้นของบริษัทที่ปรับเพิ่มขึ้นมาได้ดี 1H24 ที่ 25.8 (+60bps y-y) จากการผลักดันสินค้ากลุ่ม House brand สูงขึ้น นอกจากนี้ส่วนแบ่งกำไรจากการลงทุนในประเทศสามารถสร้างกำไรได้ทุกประเทศ

ปรับราคาเป้าหมายลงเป็น 16.0 บาท คงคำแนะนำ ชื้อ

เราปรับราคาเป้าหมายลงเป็น 16.0 บาท/หุ้น (เดิม 17.3 บาท/หุ้น) สะท้อนกำไรสุทธิที่ปรับลงจาก SSSG ที่ซ้ากว่าที่คาด แต่ยังคงคำแนะนำ ชื้อ จากราคาหุ้นที่ปรับลงคาดว่าจะรับรู้ SSSG ที่ดูซ้าไปแล้ว นอกจากนี้เชื่อว่าอัตรากำไรขั้นต้นที่เพิ่มขึ้นและส่วนแบ่งกำไรจากการลงทุนในประเทศจะช่วยจำกัด downside ได้

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	32,301	32,845	35,687	37,820
Net profit	2,671	2,790	3,105	3,572
EPS (THB)	0.53	0.54	0.60	0.69
vs Consensus (%)	-	(6.1)	(8.3)	(5.0)
EBITDA	3,960	4,177	4,674	5,338
Recurring net profit	2,671	2,790	3,105	3,572
Core EPS (THB)	0.53	0.54	0.60	0.69
Chg. In EPS est. (%)	-	(5.6)	(6.7)	(6.8)
EPS growth (%)	(26.5)	0.4	11.3	15.0
Core P/E (x)	26.2	26.1	23.5	20.4
Dividend yield (%)	1.5	1.5	1.7	2.0
EV/EBITDA (x)	20.5	20.2	18.2	15.9
Price/book (x)	3.0	2.9	2.8	2.6
Net debt/Equity (%)	46.6	44.4	44.9	40.3
ROE (%)	11.9	11.6	12.1	13.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.8)	(12.5)	(11.8)
Relative to country (%)	(1.9)	(5.9)	6.0
Mkt cap (USD m)	2,050		
3m avg. daily turnover (USD m)	3.0		
Free float (%)	35		
Major shareholder	Suriyawanakul Family (34%)		
12m high/low (THB)	18.17/14.00		
Issued shares (m)	5,001.80		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

GLOBAL เป็นหนึ่งในผู้นำศูนย์จำหน่ายสินค้าวัสดุก่อสร้าง วัสดุก่อสร้าง เครื่องมือ อุปกรณ์ ที่ใช้ในงานก่อสร้าง ต่อเติม ตกแต่ง บ้านและสวน แบบครบวงจร ในรูปแบบ One Stop Shopping Home Center. กลุ่มลูกค้าเป้าหมายของ GLOBAL อยู่ในระดับกลางถึงล่างในพื้นที่ต่างจังหวัดโดยเฉพาะภาคตะวันออกเฉียงเหนือ โดยร้านค้ากว่า 80% ตั้งอยู่ในพื้นที่ภาคกลาง ภาคเหนือ และภาคตะวันออกเฉียงเหนือ ซึ่งกำลังซื้อหลักจะขึ้นอยู่กับรายได้เกษตรกร นอกจากนั้น GLOBAL ยังมีกลุ่มลูกค้าที่เป็นผู้รับเหมาก่อสร้างและงานโครงการ ซึ่งส่วนหนึ่งขึ้นอยู่กับงบประมาณและการลงทุนในโครงสร้างพื้นฐานของรัฐ หากรัฐบาลมีงบลงทุนมากขึ้น รวมถึงรายได้เกษตรกรเพิ่มสูงขึ้นจะเป็นปัจจัยหนุนให้กับ GLOBAL

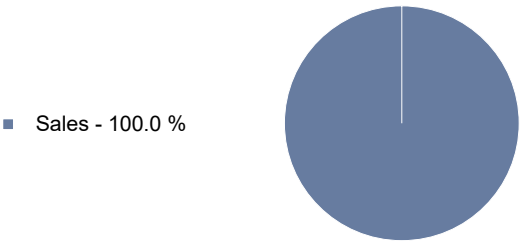
ปัจจัยสำคัญที่จะขับเคลื่อน GLOBAL ได้แก่ การขยายสาขาอย่างต่อเนื่อง, การเติบโตของยอดขายสาขาเดิม (SSSG) และการปรับปรุงอัตรากำไรขั้นต้น

Company profile

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

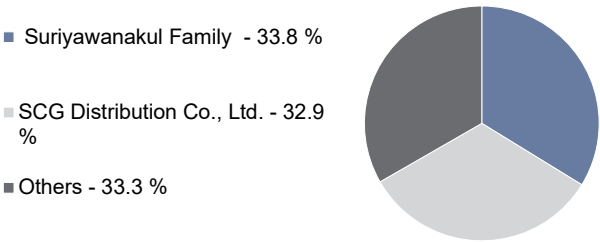
www.globalhouse.co.th

Principal activities (revenue, 2023)



Source: Siam Global House

Major shareholders



Source: Siam Global House

Catalysts

ปัจจัยหนุนสำหรับ GLOBAL ได้แก่ 1) ราคาเหล็กปรับสูงขึ้น (สัดส่วนรายได้จากเหล็กอยู่ราว 15% ของรายได้รวม) 2) การเติบโตของภาคอสังหาริมทรัพย์ 3) มาตรการกระตุ้นกำลังซื้อของภาครัฐ 4) โครงการลงทุนโครงสร้างพื้นฐาน 5) ผลผลิตและราคาสินค้าเกษตรสูงขึ้น

Risks to our call

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

Event calendar

Date	Event
Oct 2024	3Q24 results announcement

Key assumptions

GLOBAL	2023A (%)	2024E (%)	2025E (%)	2026E (%)
SSSG	(10.8)	(3.0)	3.0	3.0
New stores (no.)	6.0	8.0	9.0	5.0
GPM	25.6	25.7	26.1	26.6
SG&A to sales	17.1	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.

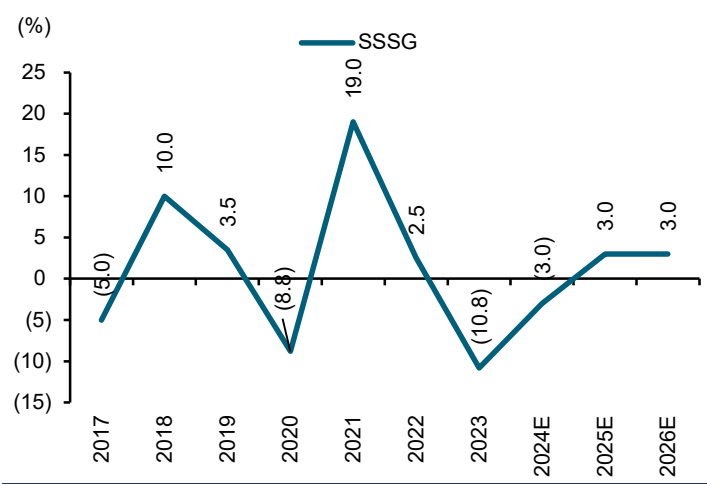
Source: FSSIA estimates

Exhibit 1: Earnings revised down due to slower-than-expected recovery in SSSG

	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Revenues (THB m)	32,845	35,687	37,820	35,554	38,630	40,939	(7.6)	(7.6)	(7.6)
SSSG (%)	(3.0)	3.0	3.0	5.0	3.0	3.0	(8.0)	0.0	0.0
Gross margin (%)	25.7	26.1	26.6	25.7	26.1	26.6	0.0	0.0	0.0
No. of new stores	8	9	5	8	9	5	0.0	0.0	0.0
SG&A expenses to sales (%)	17.0	17.0	16.6	17.0	17.0	16.6	0.0	0.0	0.0
Net profit (THB m)	2,790	3,105	3,572	2,956	3,327	3,833	(5.6)	(6.7)	(6.8)

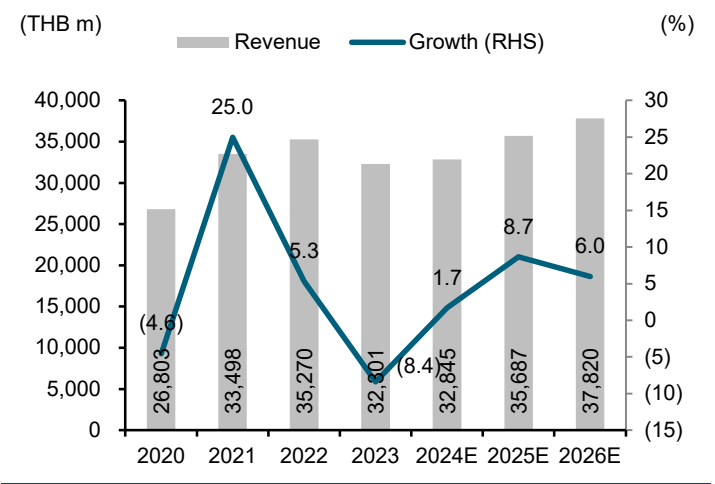
Source: FSSIA estimates

Exhibit 2: SSSG



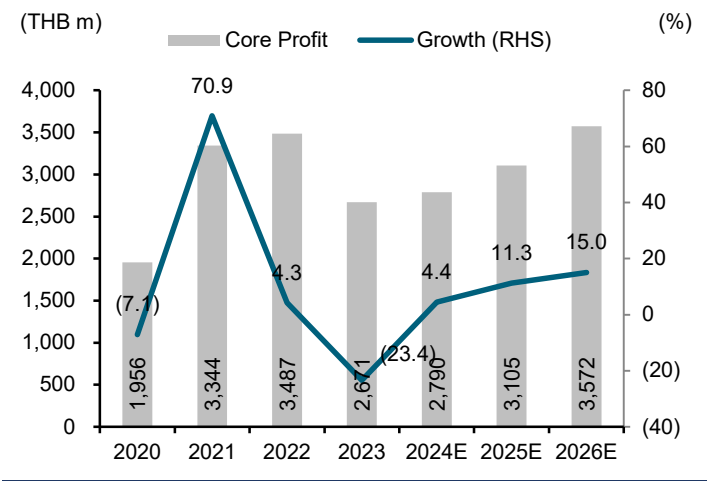
Sources: GLOBAL; FSSIA estimates

Exhibit 3: Revenue



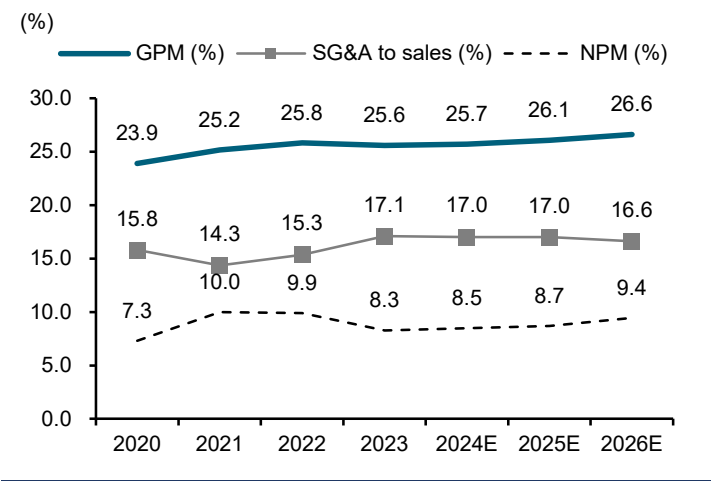
Sources: GLOBAL; FSSIA estimates

Exhibit 4: Core profit



Sources: GLOBAL; FSSIA estimates

Exhibit 5: Profitability



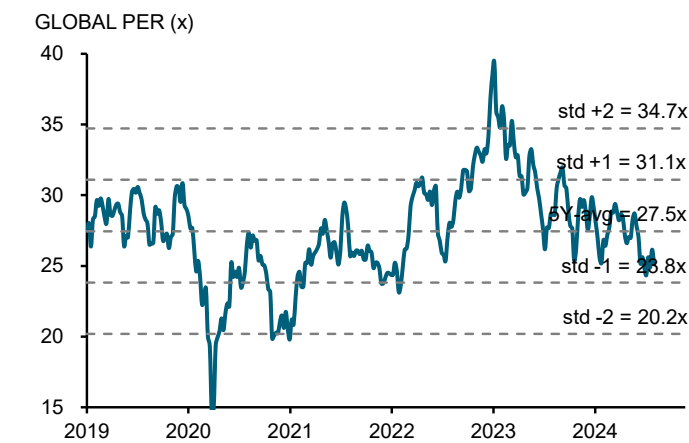
Sources: GLOBAL; FSSIA estimates

Exhibit 6: DCF-derived TP

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.3%	
Terminal growth	2.0%	
NPV		22
Add: terminal value		73
Sum of PV		95
Add: investment		0
Less: debt		12
Less: minorities		0
Residual ordinary equity		83
No. of shares (m)		5,202
Residual ordinary equity (THB/share)		16.0

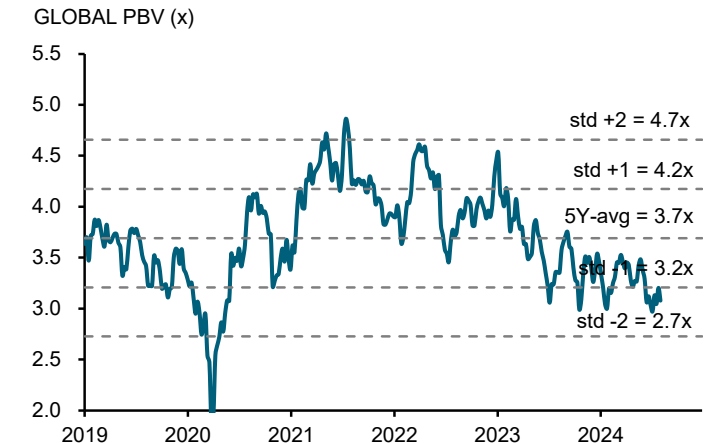
Sources: FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Commerce peers as of 6 August 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	57.00	79.00	39	14,413	21.7	18.7	20.2	21.2	4.5	4.0	18.1	15.7
CP Aextra	CPAXT TB	BUY	28.75	36.00	25	8,562	28.6	24.3	3.6	4.2	1.0	1.0	10.7	10.0
Berli Jucker*	BJC TB	n/a	19.30	n/a	n/a	2,229	17.8	15.1	3.6	4.2	0.6	0.6	11.2	10.8
Consumer Staple average						25,204	22.7	19.4	9.2	9.9	2.1	1.9	13.3	12.2
Consumer Discretionary														
Com7	COM7 TB	HOLD	19.30	20.00	4	1,286	16.0	14.5	33.5	31.8	5.0	4.3	10.7	9.4
Central Retail Corp	CRC TB	BUY	26.25	40.00	52	4,456	18.6	16.9	12.2	12.4	2.2	2.0	8.6	8.1
Home Improvement														
Index Living Mall	ILM TB	BUY	16.00	26.70	67	227	10.3	9.5	12.9	13.5	1.3	1.3	5.8	5.4
Home Product Center	HMPRO TB	BUY	8.20	13.60	66	3,035	15.8	14.9	26.1	26.4	4.0	3.8	9.4	8.9
Siam Global House	GLOBAL TB	BUY	14.00	16.00	14	2,050	26.1	23.5	11.6	12.1	2.9	2.8	20.2	18.2
Dohome	DOHOME TB	BUY	10.10	11.80	17	918	33.3	26.0	7.7	9.2	2.5	2.3	17.2	15.1
Home Improvement avg.						6,231	21.4	18.4	14.6	15.3	2.7	2.5	13.2	11.9
Consumer Discretionary avg.						11,973	20.0	17.5	17.4	17.6	3.0	2.7	12.0	10.8
Total average						37,177	20.9	18.1	14.6	15.0	2.7	2.5	12.4	11.3

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	32,845	35,687	37,820
Cost of goods sold	(26,166)	(24,040)	(24,406)	(26,389)	(27,754)
Gross profit	9,104	8,261	8,439	9,298	10,066
Other operating income	0	0	0	-	-
Operating costs	(5,410)	(5,524)	(5,590)	(6,067)	(6,278)
Operating EBITDA	4,941	3,960	4,177	4,674	5,338
Depreciation	(1,246)	(1,223)	(1,328)	(1,443)	(1,550)
Goodwill amortisation	0	0	0	-	-
Operating EBIT	3,695	2,737	2,849	3,231	3,788
Net financing costs	(193)	(287)	(278)	(286)	(292)
Associates	120	135	162	170	179
Recurring non-operating income	828	848	885	903	935
Non-recurring items	0	0	0	0	0
Profit before tax	4,330	3,298	3,456	3,848	4,430
Tax	(824)	(620)	(659)	(736)	(850)
Profit after tax	3,506	2,678	2,797	3,113	3,580
Minority interests	(19)	(7)	(7)	(7)	(8)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	3,487	2,671	2,790	3,105	3,572
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	3,487	2,671	2,790	3,105	3,572
Per share (THB)					
Recurring EPS *	0.73	0.53	0.54	0.60	0.69
Reported EPS	0.73	0.53	0.54	0.60	0.69
DPS	0.30	0.21	0.21	0.24	0.27
Diluted shares (used to calculate per share data)	4,802	5,002	5,202	5,202	5,202
Growth					
Revenue (%)	5.3	(8.4)	1.7	8.7	6.0
Operating EBITDA (%)	1.1	(19.9)	5.5	11.9	14.2
Operating EBIT (%)	1.9	(25.9)	4.1	13.4	17.2
Recurring EPS (%)	(0.1)	(26.5)	0.4	11.3	15.0
Reported EPS (%)	(0.1)	(26.5)	0.4	11.3	15.0
Operating performance					
Gross margin inc. depreciation (%)	25.8	25.6	25.7	26.1	26.6
Gross margin exc. depreciation (%)	29.3	29.4	29.7	30.1	30.7
Operating EBITDA margin (%)	14.0	12.3	12.7	13.1	14.1
Operating EBIT margin (%)	10.5	8.5	8.7	9.1	10.0
Net margin (%)	9.9	8.3	8.5	8.7	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	13.4	14.5	16.2
Inventory days	233.9	238.2	222.1	212.4	212.4
Debtor days	6.8	7.8	12.2	15.3	16.5
Creditor days	35.5	42.8	49.0	48.6	50.3
Operating ROIC (%)	11.7	8.7	8.9	9.6	10.7
ROIC (%)	12.7	10.0	10.3	10.7	11.7
ROE (%)	16.9	11.9	11.6	12.1	13.1
ROA (%)	9.4	7.6	7.7	8.0	8.7

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Sales	35,270	32,301	32,845	35,687	37,820
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	2,790	3,105	3,572
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	7	8
Change in working capital	258	2,060	(545)	(731)	(581)
Cash flow from operations	5,019	5,959	3,579	3,824	4,549
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)	(194)	(346)	(318)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(2,167)	(2,608)	(2,526)	(3,028)	(2,285)
Dividends paid	(1,432)	(1,073)	(1,116)	(1,242)	(1,429)
Equity finance	172	(147)	(110)	(350)	(350)
Debt finance	(2,138)	(2,226)	225	851	(369)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(3,399)	(3,446)	(1,001)	(741)	(2,148)
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	1,326.35	1,076.87	2,551.78
Free cash flow to equity (FCFE)	713.58	1,124.96	1,278.51	1,647.50	1,895.05
Per share (THB)					
FCFF per share	0.61	0.73	0.27	0.22	0.51
FCFE per share	0.14	0.22	0.26	0.33	0.38
Recurring cash flow per share	0.99	0.78	0.79	0.88	0.99
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	1,431	1,555	1,855
Inventories	15,747	14,038	14,051	14,976	15,523
Other current assets	42	216	220	239	253
Current assets	17,568	16,064	16,807	17,931	18,908
Other assets	2,285	2,222	2,260	2,455	2,602
Total assets	39,148	39,058	40,993	43,708	45,423
Common equity	21,788	23,239	24,803	26,316	28,110
Minorities etc.	304	308	315	322	330
Total shareholders' equity	22,091	23,547	25,118	26,639	28,440
Long term debt	3,252	2,186	2,850	3,363	3,097
Other long-term liabilities	176	204	198	205	207
Long-term liabilities	3,428	2,390	3,047	3,568	3,304
A/C payable	2,311	3,043	3,157	3,485	3,742
Short term debt	11,006	9,845	9,407	9,745	9,642
Other current liabilities	313	232	263	271	295
Current liabilities	13,629	13,120	12,827	13,501	13,679
Total liabilities and shareholders' equity	39,148	39,058	40,993	43,708	45,423
Net working capital	13,797	11,737	12,282	13,013	13,594
Invested capital	35,377	34,730	36,467	38,791	40,109
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.54	4.65	4.77	5.06	5.40
Tangible book value per share	4.54	4.65	4.77	5.06	5.40
Financial strength					
Net debt/equity (%)	59.3	46.6	44.4	44.9	40.3
Net debt/total assets (%)	33.5	28.1	27.2	27.3	25.2
Current ratio (x)	1.3	1.2	1.3	1.3	1.4
CF interest cover (x)	4.7	4.9	5.6	6.8	7.5
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	19.3	26.2	26.1	23.5	20.4
Recurring P/E @ target price (x) *	22.0	30.0	29.8	26.8	23.3
Reported P/E (x)	19.3	26.2	26.1	23.5	20.4
Dividend yield (%)	2.1	1.5	1.5	1.7	2.0
Price/book (x)	3.1	3.0	2.9	2.8	2.6
Price/tangible book (x)	3.1	3.0	2.9	2.8	2.6
EV/EBITDA (x) **	16.3	20.5	20.2	18.2	15.9
EV/EBITDA @ target price (x) **	18.3	23.1	22.7	20.4	17.8
EV/invested capital (x)	2.3	2.3	2.3	2.2	2.1
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Siam Global House; FSSIA estimates

Siam Global House PCL (GLOBAL TB)

FSSIA ESG rating


59.18 /100

Exhibit 10: 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 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](https://www.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	2.92	2.83	3.28	3.24
BESG environmental pillar score	1.16	0.86	0.85	0.96
BESG social pillar score	4.31	4.24	4.82	4.85
BESG governance pillar score	3.70	3.93	4.93	4.56
ESG disclosure score	38.07	41.93	44.61	52.38
Environmental disclosure score	7.58	13.17	15.98	36.70
Social disclosure score	25.39	31.38	30.35	32.95
Governance disclosure score	81.10	81.10	87.36	87.36
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	No	No	Yes
GHG scope 1	—	—	—	15
GHG scope 2 location-based	—	—	—	34
GHG Scope 3	—	—	—	10
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	—
Electricity used	68	133	151	149
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 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	Yes	Yes	Yes
Hazardous waste	—	—	—	—
Total waste	—	—	—	—
Waste recycled	—	—	—	2
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	Yes
Water policy	No	No	Yes	Yes
Water consumption	—	296	297	343
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	—	43	43
Pct disabled in workforce	1	1	1	1
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	2	1	1	1
Total recordable incident rate - employees	—	—	—	1
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	9,398	9,286	9,872	10,063
Employee turnover pct	—	—	—	—
Total hours spent by firm - employee training	76,726	69,157	83,511	81,309
Social supply chain management	No	No	No	Yes
Governance				
Board size	10	10	10	10
No. of independent directors (ID)	4	4	4	4
No. of women on board	1	1	0	0
No. of non-executive directors on board	7	7	7	8
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	4	4	6	6
Board meeting attendance pct	100	98	100	98
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	49	53	33	34
Age of the oldest director	74	75	76	77
No. of executives / company managers	12	12	13	11
No. of female executives	3	1	3	3
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	3	5	5	4
Audit meeting attendance %	100	100	100	100
Size of compensation committee	3	3	3	3
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	2	2	2	2
Compensation meeting attendance %	100	100	100	100
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	2	2	2	2
Nomination meeting attendance %	100	100	100	100
Sustainability governance				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar 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="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
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

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

Source: FSSIA's compilation

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 14.00	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 16.00	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 8.20	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.
Dohome PCL	DOHOME TB	THB 10.10	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 57.00	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 19.30	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 26.25	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 06-Aug-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.