

INDEX LIVING MALL ILM TB

THAILAND / COMMERCE

BUY
 UNCHANGED

Cheapest valuation in Home Improvement

- We expect a 3Q24 net profit of THB178m, up 4.1% q-q due to project and online sales but down 6.9% y-y owing to higher sales-related expenses.
- Trim our 2024-26 estimates due to BOI. Expect 2024-25 net profit to rise by 4% y-y and 10% y-y due to positive SSSG and branch expansion.
- Maintain BUY at our 2025 TP of THB22.

3Q24 net profit should grow q-q but decrease y-y due to higher expenses

We expect a 3Q24 net profit of THB178m, increasing 4.1% q-q due to higher project and online sales but decreasing 6.9% y-y owing to higher sales-related expenses, such as transportation, in line with higher diesel prices. We anticipate sales revenue to increase 6.6% q-q and 2.4% y-y due to project sales after higher property transfers and continued online sales. Also, rental income should soar by 1.1% q-q and 10% y-y owing to a higher occupancy rate and the Little Walk Krungthep Kreetha branch, which ILM opened in October 2023.

Expenses would pressure performance y-y

We project the GPM of sales at 45.3%, slightly down 10bps q-q due to a higher project sales mix and up 20bps y-y. However, higher expenses should offset it. Specifically, SG&A expenses should rise 7.3% y-y owing to sales-related costs, such as transportation. It should increase in tandem with diesel prices. Finally, we expect SSSG in Oct to remain positive at about 1-3%.

Trim our estimate to reflect the absence of BOI privileges before an expected return in 2H25

We have decreased our 2024-26E net profit by 4%/2.8%/1.6%, respectively, to reflect a potentially higher effective tax rate in 2024 due to the absence of BOI privileges. ILM is currently applying for them for a new set of machinery. In particular, we anticipate a higher effective tax rate of 19%, up from 15.6%, and the privileges to resume in 2H25. We project a net profit of THB755m (+4% y-y) in 2024 and THB830m (+10% y-y) in 2025, assuming SSSG of c3% and branch expansion.

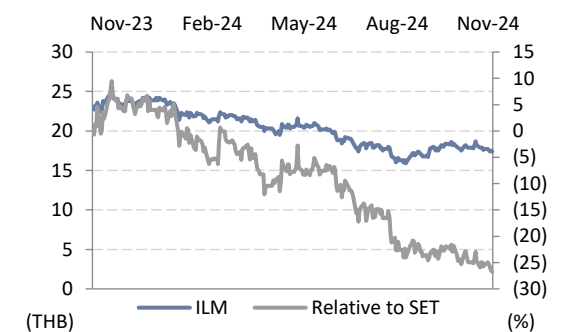
Retain BUY after rolling over to our 2025 TP of THB22

We reaffirm a BUY call after rolling forward to our 2025 TP of THB22, implying 13.4x 2025E P/E. ILM traded at an undemanding 2025E P/E of just 11x, lower than its five-year historical average of 14.4x and peer average of 22x. Also, it has a more concrete branch expansion plan for Index Living Mall and Little Walk in 2024-25 and a renovation plan for branches in tourist destinations, such as Chiang Mai, which should help support traffic and sales to increase.

TARGET PRICE	THB22.00
CLOSE	THB17.40
UP/DOWNSIDE	+26.4%
PRIOR TP	THB26.70
CHANGE IN TP	-17.6%
TP vs CONSENSUS	-8.2%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	9,309	10,039	10,754	11,334
Net profit	726	755	830	894
EPS (THB)	1.44	1.50	1.64	1.77
vs Consensus (%)	-	(2.6)	(0.9)	(0.7)
EBITDA	1,880	1,878	2,031	2,160
Recurring net profit	726	755	830	894
Core EPS (THB)	1.44	1.50	1.64	1.77
Chg. In EPS est. (%)	-	(4.0)	(2.8)	(1.6)
EPS growth (%)	10.2	4.0	9.9	7.6
Core P/E (x)	12.1	11.6	10.6	9.8
Dividend yield (%)	5.7	6.0	6.6	7.1
EV/EBITDA (x)	6.6	6.9	6.4	6.0
Price/book (x)	1.5	1.4	1.4	1.3
Net debt/Equity (%)	60.8	67.7	65.7	62.4
ROE (%)	12.5	12.4	13.1	13.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.8)	0.6	(24.7)
Relative to country (%)	(2.8)	(9.1)	(29.0)
Mkt cap (USD m)	259		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	25		
Major shareholder	Krobkrua Thammada Panich Co Ltd (40%)		
12m high/low (THB)	25.25/15.90		
Issued shares (m)	505.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

ILM reported continued growth, except during the Covid-19 pandemic period. It has multiple sales channels, including physical stores, projects, and online. Also, it distributes products internationally. ILM benefits from tourism recovery since 30-40% of total revenue comes from branches in tourist destinations. It plans 2-3 new branches annually. Besides sales, ILM earned rental revenue from community malls under The Walk and Little Walk brands. They have a good response, with an average occupancy rate of over 85%. In particular, the latest two Little Walks in Lardkrabang and Krungthep Kreetha have an occupancy rate of 100%.

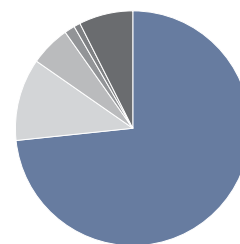
Company profile

ILM retails furniture and home decorative items in Thailand under the Index Living Mall and other brands. Also, it distributes products through online and offline channels, covering customers in Thailand and abroad. Besides sales, ILM provides space rental services from its community malls (under The Walk, Little Walk, and Index Mall brands) and Index Living Mall branches.

www.indexlivingmall.com

Principal activities (revenue, 2023)

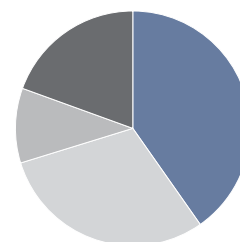
- Retail - 73.3 %
- Online - 11.3 %
- Project - 5.6 %
- Oversea - 1.4 %
- Dealer - 0.9 %
- Rental - 7.4 %



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

Potential catalysts for ILM are 1) domestic consumption and tourism recoveries and 2) a recovery in the property sector.

Risks to our call

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.

Event calendar

Date	Event
11 Nov 2024	3Q24 results announcement

Key assumptions

	Actual 2023A	Current 2024E	Current 2025E	Current 2026E
Revenues (THB m)	9,309	10,039	10,754	11,334
- Sales	8,617	9,272	9,856	10,368
- Rental	692	768	898	966
SSSG (%)	9.9	6.1	3.0	3.0
Average occ rate (%)	88.7	88.7	88.5	88.6
Gross margin (%)	46.0	46.1	46.2	46.2
- GPM sales	45.7	45.8	45.8	45.8
- 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	755	830	894
Effective tax rate	15.6	19.0	17.5	16.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 net profit to rise by 0.9%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 net profit to rise by 1%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A, we estimate 2025 net profit to fall by 1.1%, and vice versa, all else being equal.

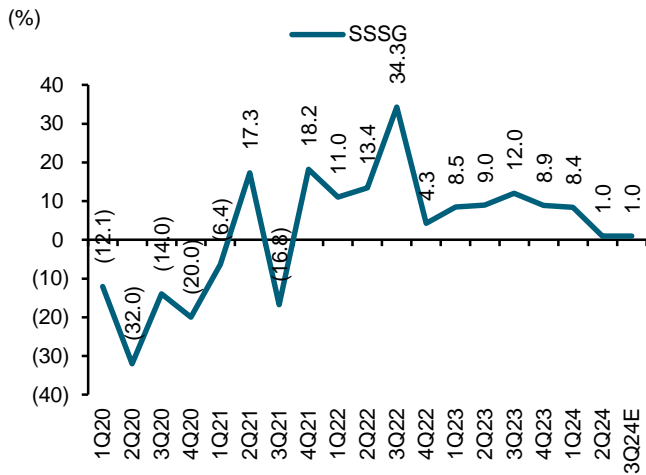
Source: FSSIA estimates

Exhibit 1: ILM – 3Q24 results preview

	3Q23	4Q23	1Q24	2Q24	3Q24E	----- Change -----		----- 9M24E -----			2024E	Change
Year to Dec 31	(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	2,396	2,541	2,449	2,324	2,467	6.2	3.0	7,240	7.0	72	10,039	7.8
- Retail sales	2,222	2,361	2,265	2,134	2,275	6.6	2.4	6,674	6.7	77	9,272	7.6
- Rental and Rendering of services	174	181	184	190	192	1.1	10.5	566	10.8	82	768	11.0
Core COGS	(1,309)	(1,410)	(1,312)	(1,252)	(1,334)	6.5	1.9	(3,899)	7.8	78	(5,407)	7.6
- COGS	(1,220)	(1,323)	(1,222)	(1,164)	(1,244)	6.9	1.9	(3,630)	8.0	78	(5,027)	7.3
- Cost of Rental and Rendering	(89)	(87)	(90)	(88)	(90)	2.1	0.9	(269)	5.0	78	(381)	11.0
Gross profit	1,086	1,131	1,137	1,072	1,133	5.7	4.3	3,342	6.0	78	4,632	8.1
Operating costs	(827)	(872)	(851)	(838)	(887)	5.8	7.3	(2,577)	5.6	78	(3,605)	8.8
Operating profit	259	259	286	233	246	5.3	(5.2)	765	7.4	79	1,027	5.7
Other income	22	29	24	29	27	(5.7)	23.8	80	2.7	75	112	4.4
Interest expense	(55)	(55)	(52)	(52)	(52)	(0.4)	(5.6)	(156)	(2.8)	72	(206)	(4.4)
Profit before tax	226	233	258	210	221	5.3	(2.3)	689	9.4	80	933	8.1
Tax	(37)	(38)	(50)	(40)	(44)	11.6	19.6	(134)	30.7	96	(177)	26.7
Minority interests	(2)	(1)	(1)	(1)	(1)	73.7	(34.6)	(3)	40.6	85	-	(100.0)
Non-recurring items	-	-	-	-	-	n/a	n/a	-	n/a	n/a	-	n/a
Reported net profit	191	197	209	171	178	4.1	(6.9)	558	5.4	77	755	4.0
Recurring net profit	191	197	209	171	178	4.1	(6.9)	558	5.4	74	755	4.0
EPS (THB)	0.38	0.39	0.41	0.34	0.35	4.1	(6.9)	1.10	5.4	77	1.50	4.0
Recurring EPS (THB)	0.38	0.39	0.41	0.34	0.35	4.1	(6.9)	1.10	5.4	77	1.50	4.0
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)		(%)	(ppt)
Gross margin	45.3	44.5	46.4	46.1	45.9	(0.2)	0.6	46.2	(0.4)		46.1	0.1
- Retail	45.1	43.9	46.0	45.5	45.3	(0.1)	0.2	45.6	(0.7)		45.8	0.1
- Rental and Rendering of services	48.5	51.8	51.1	53.4	53.0	(0.4)	4.5	52.5	2.6		50.4	-
Operating margin	11.7	11.3	12.6	11.3	11.1	(0.2)	(0.7)	11.7	(0.0)		11.3	(0.2)
Recurring net margin	8.0	7.7	8.5	7.4	7.2	(0.1)	(0.8)	7.7	(0.1)		7.5	(0.3)
SG&A / Sales	34.5	34.3	34.8	36.1	36.0	(0.1)	1.4	35.6	(0.5)		35.9	0.3
Effective tax rate	16.3	16.1	19.3	18.9	20.0	1.1	3.7	19.4	3.2		19.0	3.4
Operating statistics	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)				(%)	(y-y%)
SSSG (%y-y)	12.0	8.9	8.4	1.0	1.0						6.1	
Retails Sales (THB m)	1,682	1,800	1,789	1,661	1,698	2.2	1.0	5,149	2.4		7,381	8.1
Project Sales (THB m)	195	207	117	131	214	64.1	10.0	462	48.8		510	(1.5)
Oversea Sales (THB m)	42	26	28	19	34	76.8	(20.0)	81	(24.7)		136	1.5
Dealer Sales (THB m)	17	21	18	18	14	(23.6)	(20.0)	50	(19.6)		84	1.2
Online Sales (THB m)	286	307	312	305	315	3.2	10.0	932	24.4		1,161	10.0
Retails Sales (% to sales)	76	76	79	78	75			77			80	
Project Sales (% to sales)	9	9	5	6	9			7			6	
Oversea Sales (% to sales)	2	1	1	1	1			1			1	
Dealer Sales (% to sales)	1	1	1	1	1			1			1	
Online Sales (% to sales)	13	13	14	14	14			14			13	

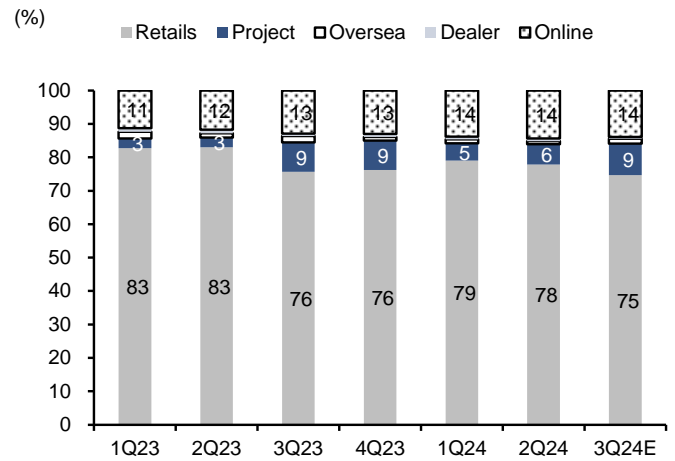
Sources: ILM; FSSIA estimates

Exhibit 2: Quarterly SSSG



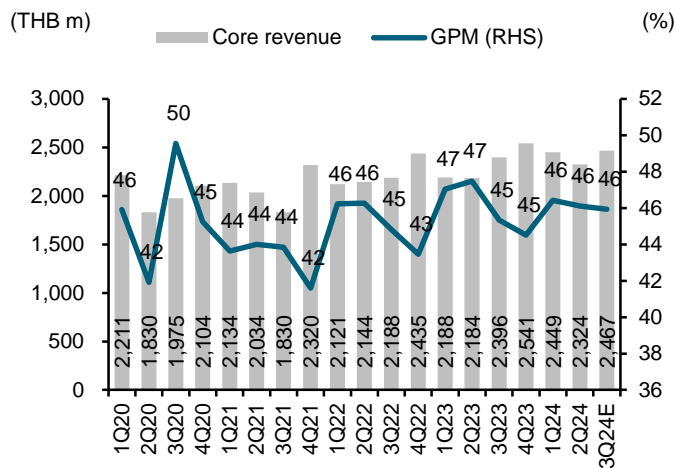
Sources: ILM; FSSIA estimates

Exhibit 3: Sales breakdown by channel



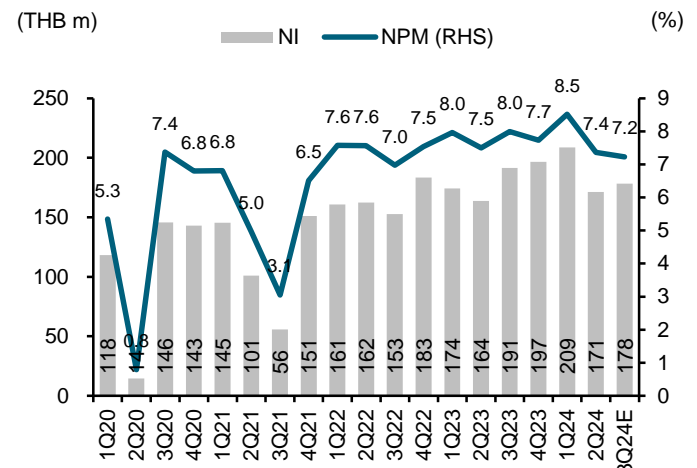
Sources: ILM; FSSIA estimates

Exhibit 4: Quarterly revenue and %GPM



Sources: ILM; FSSIA estimates

Exhibit 5: Quarterly net profit and %NPM



Sources: ILM; FSSIA estimates

Exhibit 6: Key assumption

	Actual	Current			Previous			Change		
	2023A	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Revenues (THB m)	9,309	10,039	10,754	11,334	10,039	10,811	11,452	0.0	(0.5)	(1.0)
- Sales	8,617	9,272	9,856	10,368	9,272	9,913	10,486	0.0	(0.6)	(1.1)
- Rental	692	768	898	966	768	898	966	0.0	0.0	0.0
SSSG (%)	9.9	6.1	3.0	3.0	6.1	3.8	3.8	0.0	(0.8)	(0.8)
Average occ rate (%)	88.7	88.7	88.5	88.6	88.7	88.5	88.6	0.0	0.0	0.0
Gross margin (%)	46.0	46.1	46.2	46.2	46.1	46.2	46.2	0.0	(0.0)	(0.0)
- GPM sales	45.7	45.8	45.8	45.8	46	46	46	0.0	(0.0)	(0.0)
- GPM Rental	50.4	50.4	50.4	50.4	50.4	50.4	50.4	0.0	0.0	0.0
SG&A to sales	35.6	35.9	35.9	36.0	35.9	35.9	36.0	0.0	(0.0)	(0.0)
Net profit (THB m)	726	755	830	894	786	854	908	(4.0)	(2.8)	(1.6)
Effective tax rate	15.6	19.0	17.5	16.0	15.6	15.6	15.6	3.4	1.9	0.4

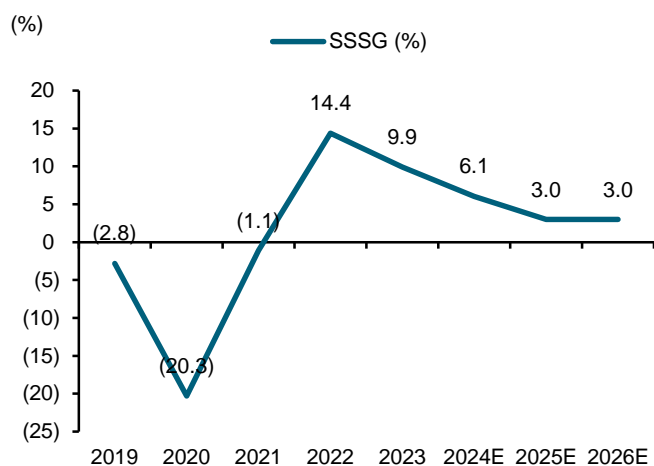
Sources: ILM; FSSIA estimates

Exhibit 7: DCF-derived 2025 TP

DCF-derived TP	(%)	(THB m)
Discount rate (WACC)	8.4	
Terminal growth	2.0	
FCFF		6,784
Terminal Value		8,566
Net Debt		(4,243)
Value of equity		11,107
# of shares		505
Share price		22.0

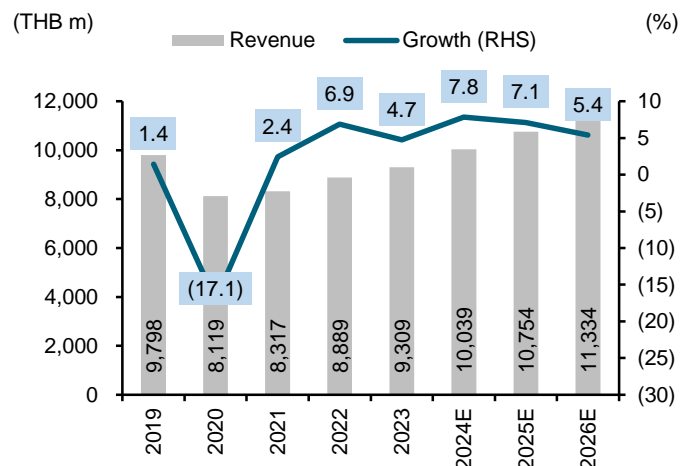
Sources: FSSIA estimates

Exhibit 8: Yearly SSSG



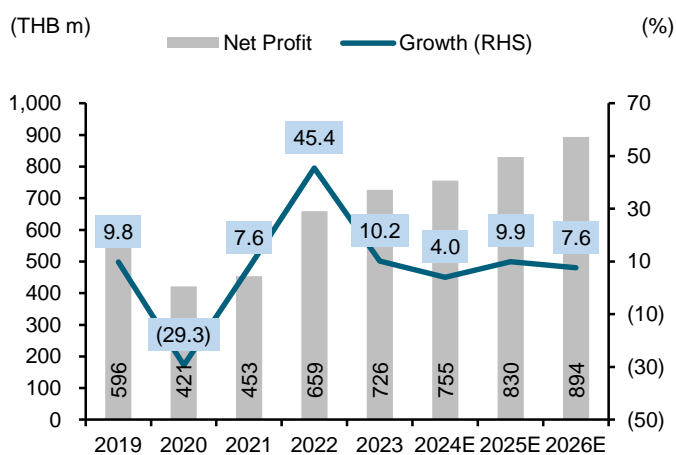
Sources: ILM; FSSIA estimates

Exhibit 9: Revenue and growth



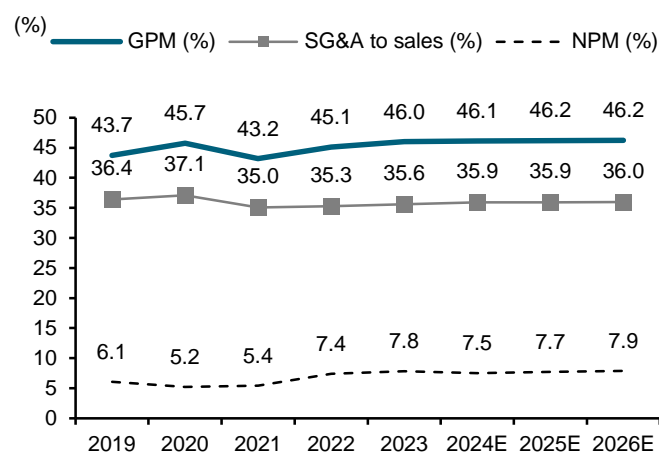
Sources: ILM; FSSIA estimates

Exhibit 10: Net profit and growth



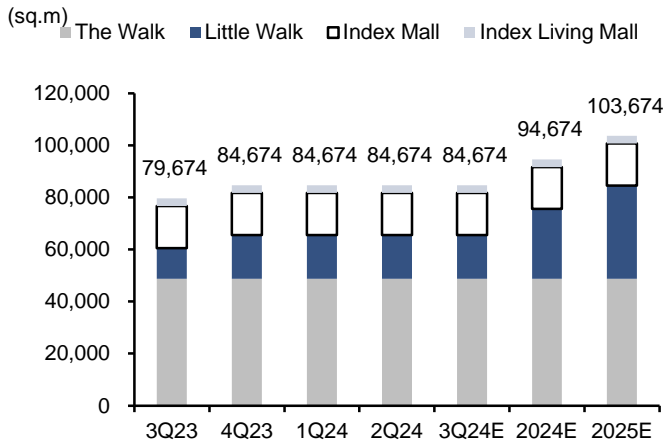
Sources: ILM; FSSIA estimates

Exhibit 11: Profitability



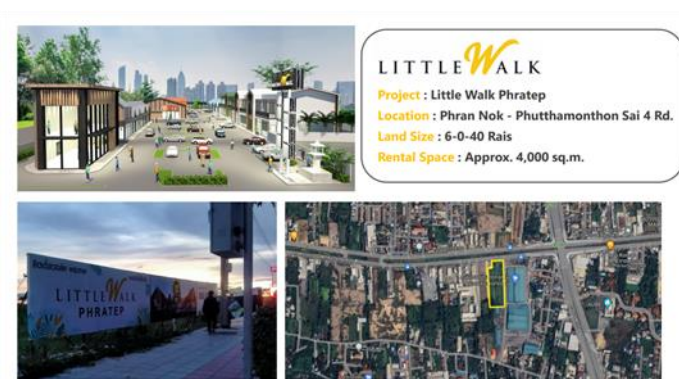
Sources: ILM; FSSIA estimates

Exhibit 12: Rental space



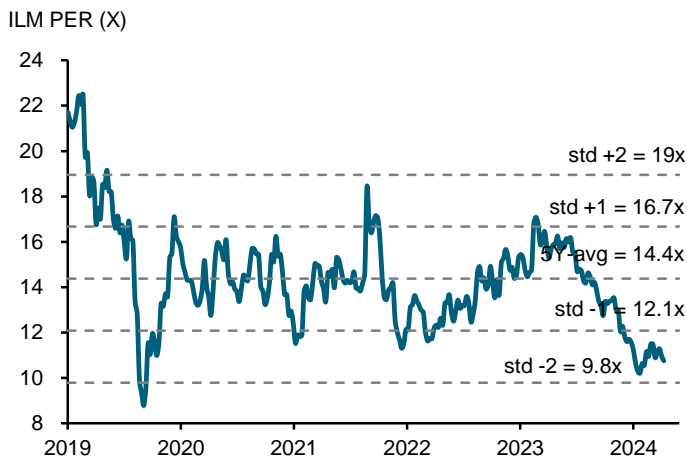
Sources: ILM; FSSIA estimates

Exhibit 14: New project for 2025



Source: ILM

Exhibit 16: Rolling one-year forward P/E band



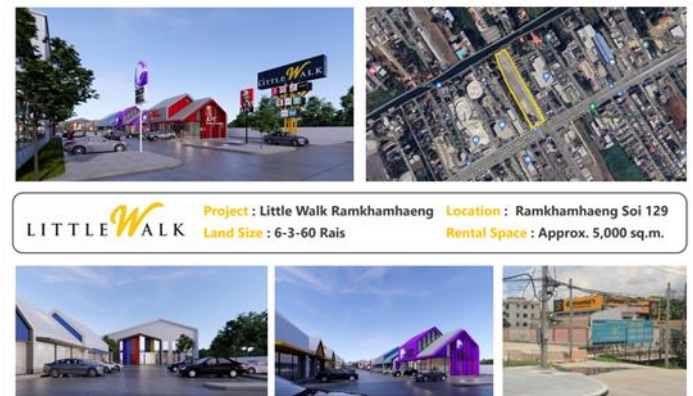
Sources: Bloomberg; FSSIA estimates

Exhibit 13: New project for 2024



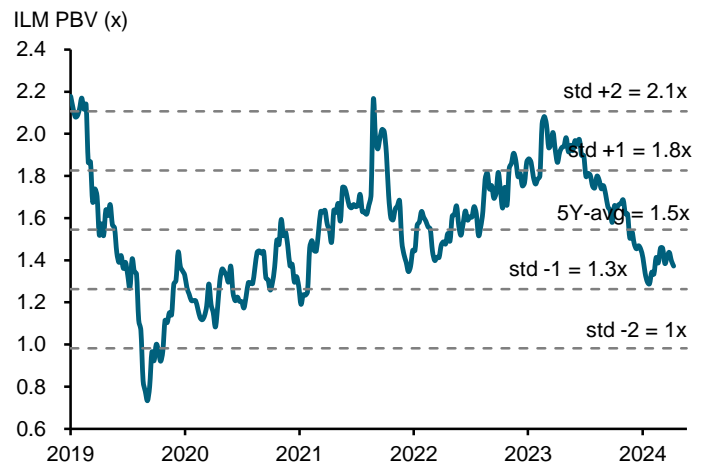
Source: ILM

Exhibit 15: New project for 2025



Source: ILM

Exhibit 17: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 18: Commerce peers as of 1 November 2024

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)		(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Consumer Staple														
CP All	CPALL TB	BUY	63.50	83.00	31	16,827	23.3	20.6	20.9	21.3	5.0	4.5	19.0	16.7
CP Axtra	CPAXT TB	BUY	34.75	42.00	21	10,689	34.7	27.9	3.5	4.3	1.2	1.2	11.8	10.3
Berli Jucker	BJC TB	BUY	23.70	31.00	31	2,802	21.5	18.6	3.7	4.2	0.8	0.8	12.0	11.6
Consumer Staple average						30,318	26.5	22.4	9.4	9.9	2.3	2.2	14.3	12.9
Consumer Discretionary														
Com7	COM7 TB	BUY	27.75	24.00	(14)	1,928	20.9	19.4	36.1	33.2	7.0	6.0	14.2	12.6
Central Retail Corp	CRC TB	BUY	31.25	42.00	34	5,560	22.1	20.1	12.2	12.4	2.6	2.4	9.4	8.9
Home Improvement														
Index Living Mall	ILM TB	BUY	17.40	22.00	26	259	11.6	10.6	12.4	13.1	1.4	1.4	6.9	6.4
Home Product Center	HMPRO TB	BUY	9.55	13.20	38	3,705	19.5	18.5	24.6	24.8	4.7	4.5	11.3	10.7
Siam Global House	GLOBAL TB	HOLD	16.00	17.30	8	2,455	32.7	28.1	10.6	11.7	3.4	3.2	25.1	21.9
Dohome	DOHOME TB	HOLD	10.20	10.50	3	972	51.9	35.5	5.1	7.0	2.6	2.4	20.5	17.7
Home Improvement avg.						7,391	28.9	23.2	13.2	14.2	3.0	2.9	16.0	14.2
Consumer Discretionary avg.						14,878	26.5	22.0	16.8	17.0	3.6	3.3	14.6	13.0
Total average						45,196	26.5	22.1	14.4	14.7	3.2	2.9	14.5	13.0

Source: 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	10,754	11,334
Cost of goods sold	(4,877)	(5,026)	(5,407)	(5,785)	(6,096)
Gross profit	4,011	4,283	4,632	4,968	5,239
Other operating income	120	107	112	120	126
Operating costs	(3,136)	(3,312)	(3,605)	(3,863)	(4,077)
Operating EBITDA	1,711	1,880	1,878	2,031	2,160
Depreciation	(715)	(801)	(739)	(806)	(873)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	995	1,078	1,139	1,225	1,288
Net financing costs	(214)	(216)	(206)	(219)	(224)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	781	862	933	1,007	1,064
Tax	(122)	(140)	(177)	(176)	(170)
Profit after tax	659	723	755	830	894
Minority interests	0	3	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	659	726	755	830	894
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	659	726	755	830	894
Per share (THB)					
Recurring EPS *	1.31	1.44	1.50	1.64	1.77
Reported EPS	1.31	1.44	1.50	1.64	1.77
DPS	0.60	1.00	1.04	1.14	1.23
Diluted shares (used to calculate per share data)	505	505	505	505	505
Growth					
Revenue (%)	6.9	4.7	7.8	7.1	5.4
Operating EBITDA (%)	3.8	9.9	(0.1)	8.2	6.4
Operating EBIT (%)	28.3	8.3	5.6	7.6	5.1
Recurring EPS (%)	45.4	10.2	4.0	9.9	7.6
Reported EPS (%)	45.4	10.2	4.0	9.9	7.6
Operating performance					
Gross margin inc. depreciation (%)	45.1	46.0	46.1	46.2	46.2
Gross margin exc. depreciation (%)	53.2	54.6	53.5	53.7	53.9
Operating EBITDA margin (%)	19.2	20.2	18.7	18.9	19.1
Operating EBIT margin (%)	11.2	11.6	11.3	11.4	11.4
Net margin (%)	7.4	7.8	7.5	7.7	7.9
Effective tax rate (%)	15.6	16.2	19.0	17.5	16.0
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	142.3	144.0	141.0	143.1	149.5
Debtor days	9.3	12.1	13.9	13.5	13.6
Creditor days	141.2	140.7	129.6	125.3	127.3
Operating ROIC (%)	15.9	17.6	17.3	17.9	18.4
ROIC (%)	8.0	8.8	8.7	9.1	9.4
ROE (%)	12.0	12.5	12.4	13.1	13.6
ROA (%)	6.9	7.4	7.3	7.7	8.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Retail	6,230	6,827	7,381	7,840	8,230
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	755	830	894
Depreciation	715	801	739	806	873
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	311	15	16	110	111
Cash flow from operations	1,686	1,543	1,510	1,746	1,877
Capex - maintenance	-	-	-	-	-
Capex - new investment	(491)	(588)	(985)	(919)	(952)
Net acquisitions & disposals	(40)	51	(324)	(92)	(60)
Other investments (net)	(2)	468	(1)	(2)	(1)
Cash flow from investing	(533)	(69)	(1,310)	(1,012)	(1,013)
Dividends paid	(303)	(429)	(525)	(578)	(622)
Equity finance	0	0	0	0	0
Debt finance	(674)	(664)	332	97	70
Other financing cash flows	(208)	(181)	(247)	(194)	(201)
Cash flow from financing	(1,185)	(1,275)	(440)	(674)	(753)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(32)	199	(240)	59	111
Free cash flow to firm (FCFF)	1,367.18	1,689.36	406.57	952.28	1,087.17
Free cash flow to equity (FCFE)	270.70	628.00	285.72	636.83	732.65
Per share (THB)					
FCFF per share	2.71	3.35	0.81	1.89	2.15
FCFE per share	0.54	1.24	0.57	1.26	1.45
Recurring cash flow per share	2.72	3.02	2.96	3.24	3.50
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)	(8,849)	(9,235)	(9,654)
Tangible fixed assets (net)	4,688	4,474	4,721	4,834	4,914
Intangible fixed assets (net)	2,979	2,966	3,257	3,326	3,375
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	75	274	34	93	204
A/C receivable	522	703	727	780	825
Inventories	1,586	1,748	1,858	2,047	2,230
Other current assets	14	13	14	15	16
Current assets	2,197	2,738	2,634	2,936	3,276
Other assets	2,168	2,147	2,192	2,230	2,255
Total assets	12,032	12,324	12,803	13,326	13,819
Common equity	5,668	5,965	6,195	6,447	6,719
Minorities etc.	0	14	14	14	14
Total shareholders' equity	5,668	5,979	6,208	6,461	6,733
Long term debt	3,029	2,992	3,289	3,358	3,404
Other long-term liabilities	615	651	580	624	663
Long-term liabilities	3,644	3,643	3,869	3,982	4,067
A/C payable	1,590	1,666	1,650	1,770	1,874
Short term debt	1,072	915	950	978	1,003
Other current liabilities	57	122	125	134	143
Current liabilities	2,719	2,703	2,725	2,883	3,019
Total liabilities and shareholders' equity	12,032	12,324	12,803	13,326	13,819
Net working capital	474	676	824	938	1,055
Invested capital	10,310	10,263	10,994	11,328	11,599
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	11.22	11.81	12.27	12.77	13.31
Tangible book value per share	5.32	5.94	5.82	6.18	6.62
Financial strength					
Net debt/equity (%)	71.0	60.8	67.7	65.7	62.4
Net debt/total assets (%)	33.5	29.5	32.8	31.8	30.4
Current ratio (x)	0.8	1.0	1.0	1.0	1.1
CF interest cover (x)	4.6	6.6	7.2	8.1	8.5
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	13.3	12.1	11.6	10.6	9.8
Recurring P/E @ target price (x) *	16.9	15.3	14.7	13.4	12.4
Reported P/E (x)	13.3	12.1	11.6	10.6	9.8
Dividend yield (%)	3.4	5.7	6.0	6.6	7.1
Price/book (x)	1.6	1.5	1.4	1.4	1.3
Price/tangible book (x)	3.3	2.9	3.0	2.8	2.6
EV/EBITDA (x) **	7.5	6.6	6.9	6.4	6.0
EV/EBITDA @ target price (x) **	8.8	7.9	8.2	7.6	7.1
EV/invested capital (x)	1.2	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 19: 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 20: 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	--	--	--	--	--	--	--	--
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 21: ESG disclosure from the company's one report

FY ending Dec 31		FY 2022	
Environmental			
Climate change policy		Yes	
Climate change opportunities discussed		--	
GHG scope 2 location-based policy		Yes	
Biodiversity policy		--	
Energy efficiency policy		Yes	
Electricity used		Yes	
Fuel used - crude oil/diesel		1.5	
Waste reduction policy		Yes	
Water policy		Yes	
Water consumption		28520	
Social			
Human rights policy		Yes	
Policy against child labor		Yes	
Quality assurance and recall policy		--	
Consumer data protection policy		--	
Equal opportunity policy		Yes	
Gender pay gap breakout		--	
Pct women in workforce		45.2	
Business ethics policy		Yes	
Anti-bribery ethics policy		Yes	
Health and safety policy		Yes	
Lost time incident rate - employees		--	
Training policy		Yes	
Fair remuneration policy		Yes	
Number of employees - CSR		--	
Total hours spent by firm - employee training		--	
Social supply chain management		Yes	

FY ending Dec 31		FY 2022	
Governance			
Board size / Independent directors (ID) / Female		11 / 5 / 4	
No. of board meetings for the year / % attendance		5 / 94.55%	
Company conducts board evaluations		Yes	
Number of non-executive directors on board		5	
Director share ownership guidelines		No	
Board age limit		No	
Age of the youngest / oldest director		--	
Number of executives / female		13 / 5	
Executive share ownership guidelines		No	
Size of audit committee / ID		3 / 3	
Audit committee meetings		4	
Audit committee meeting attendance (%)		100	
Size of compensation committee		3 / 3	
Number of compensation committee meetings		3	
Compensation committee meeting attendance (%)		88.88	
Size of nomination committee / ID		3 / 3	
Number of nomination committee meetings		3	
Nomination committee meeting attendance (%)		88.88	
Board compensation (THB m)		5.9	
Auditor fee (THB m)		3.6	
(KPMG Phoomchai Audit Company Limited)			

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 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

Thada Jiracharoenyng FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Index Living Mall	ILM TB	THB 17.40	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 9.55	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 16.00	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.
Dohome	DOHOME TB	THB 10.20	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 63.50	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 34.75	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.
Berli Jucker	BJC TB	THB 23.70	BUY	Key downside risks to our DCF-based TP could come from 1) competition with Lotus which could impact its sales and gross margin; and 2) a higher in raw material prices.
Com7	COM7 TB	THB 27.75	BUY	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 01-Nov-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.