5 NOVEMBER 2024

EQUITY RESEARCH – ANALYST MEETING

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating ★★★★★

HOME PRODUCT CENTER HMPRO TB

THAILAND / COMMERCE

BUY

UNCHANGED

Key takeaways from analyst meeting

TARGET PRICE	THB13.20
CLOSE	THB9.50
UP/DOWNSIDE	+38.9%
TP vs CONSENSUS	+8.7%

Highlights

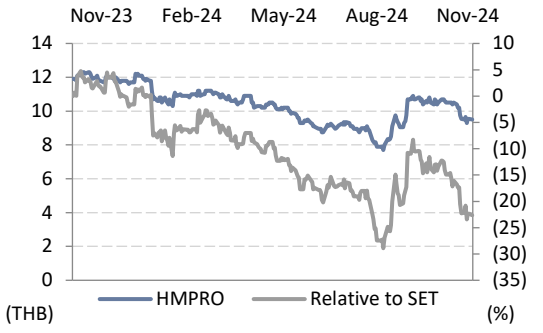
- เรามีมุมมองเป็นกลางต่อโทน Analyst meeting
- SSSG 9M24 ของ HomePro ติดลบราว 5% หลักๆจาก traffic ที่ลดลง แต่ในแง่ spending per basket ยังทรงๆ ขณะที่ MegaHome SSSG 9M24 ติดลบราว 3% โดยเป็น spending per basket ที่ลดลง แต่ traffic ทรงตัว สะท้อนภาพกำลังซื้อของกลุ่มฐานรากยังอ่อนแอ
- แนวโน้ม SSSG เดือน ต.ค. ปรับดีขึ้น โดย Format ของ HomePro ติดลบน้อยลงเป็น -2-3% (3Q24 -5.8%), MegaHome กลับมาเป็นบวกได้ 4-5% (3Q24 -3.9%) จาก Demand หลังน้ำลดโดยเฉพาะสาขาในภาคเหนือ, สาขาในจังหวัดท่องเที่ยวยังดีต่อเนื่อง รวมถึงภาพรวมสาขาในต่างจังหวัดดีขึ้น
- การก่อสร้างถนนบริเวณสาขาของราชพฤกษ์จะแล้วเสร็จในเดือน พ.ค. ปี 2025 ซึ่งคาดว่าจะช่วยให้ Traffic ในสาขากลับมาฟื้นตัวได้ดีขึ้น
- ปัจจุบันมีสาขาทั้งหมด 133 สาขา โดยมีแผนขยายสาขาใน 4Q24 อีก 3-4 สาขา และปี 2025 รวม 6-8 สาขาทั้ง format ของ HomePro และ MegaHome ซึ่งส่วนมากจะเป็นการขยายในรูปแบบ Hybrid 4-5 สาขา และเป็นstandalone 3-4 สาขา สำหรับแผนระยะยาวจะมี 170 สาขา ในปี 2028

Outlook

- เบื้องต้นเราคาดกำไร 4Q24 บริเวณ THB1.6-1.7b ซึ่งจะยังทรงตัว y-y แม้ SSSG ของ MegaHome จะพลิกกลับมาเป็นบวกได้ในเดือน ต.ค. แต่ format HomePro ยังติดลบ รวมถึงการไม่จัดงาน Fair ในปีนี้น่าจะยังกดดันยอดขาย และรายได้ค่าเช่า แต่ค่าใช้จ่ายของการจัดงาน Fair ก็จะลดลงด้วย ทั้งนี้โดยภาพรวมเราคาดว่าทิศทางกำไร 4Q24 จะดีขึ้นกว่าตอน 3Q24 ที่กำไรลดลง 5.9%
- ปี 2025 คาดกำไรสุทธิ THB6.78b (+5.4% y-y) จาก SSSG ของทั้ง HomePro และ MegaHome จะกลับมาเป็นบวกได้ราว 3% จากภาพรวมกำลังซื้อที่จะทยอยฟื้นตัวขึ้น ขณะที่ GPM จะยังถูก drive ด้วย Private brand ของ MegaHome เป็นหลัก ซึ่งง่ายกว่า HomePro ที่มี mix เครื่องใช้ไฟฟ้าสูงราว 25%
- เรายังคงแนะนำ ซื้อ ราคาเป้าหมาย 13.2 บาท โดย Valuation ยังไม่แพงเทรดบน 2025E P/E ที่ 18.4 เท่า และคาด Div yield 4.4% ในปี 2025

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	72,822	72,872	77,094	81,475
Net profit	6,442	6,433	6,779	7,029
EPS (THB)	0.49	0.49	0.52	0.53
vs Consensus (%)	-	(3.0)	(4.6)	(9.6)
EBITDA	11,948	12,231	13,014	13,739
Recurring net profit	6,442	6,433	6,779	7,029
Core EPS (THB)	0.49	0.49	0.52	0.53
EPS growth (%)	3.6	(0.1)	5.4	3.7
Core P/E (x)	19.4	19.4	18.4	17.8
Dividend yield (%)	4.2	4.2	4.4	4.6
EV/EBITDA (x)	11.4	11.2	10.6	10.2
Price/book (x)	4.9	4.7	4.5	4.3
Net debt/Equity (%)	44.5	45.3	48.4	50.0
ROE (%)	25.9	24.6	24.8	24.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.5)	7.3	(19.5)
Relative to country (%)	(10.7)	(3.7)	(21.9)

Mkt cap (USD m)	3,707
3m avg. daily turnover (USD m)	14.2
Free float (%)	42
Major shareholder	Land & Houses (30%)
12m high/low (THB)	12.50/7.65
Issued shares (m)	13,151.12

Sources: Bloomberg consensus; FSSIA estimates

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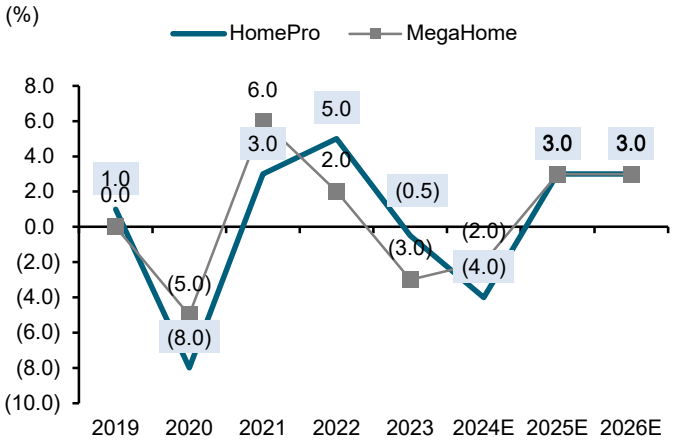
Exhibit 1: HMPRO - 3Q24 results summary

YE Dec 31	3Q23	4Q23	1Q24	2Q24	3Q24	----- Change ----		---------- 9M24 ----------			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	**17,491**	**18,177**	**18,788**	**18,535**	**17,013**	**(8.2)**	**(2.7)**	**54,335**	**(0.6)**	**75**	**72,872**	**0.1**
Retail sales	16,390	16,881	17,664	17,398	15,930	(8.4)	(2.8)	50,992	(0.8)	75	68,297	0.0
Rental and service income	434	507	451	458	467	2.1	7.7	1,376	0.1	75	1,839	(2.3)
Other income	666	788	673	679	615	(9.4)	(7.6)	1,967	5.3	72	2,736	3.0
Gross profit	**5,280**	**5,717**	**5,563**	**5,501**	**5,192**	**(5.6)**	**(1.7)**	**16,255**	**0.3**	**74**	**22,077**	**0.7**
Operating costs	(3,237)	(3,507)	(3,273)	(3,339)	(3,203)	(4.1)	(1.0)	(9,815)	(0.8)	73	(13,517)	0.9
Operating profit	**2,043**	**2,210**	**2,289**	**2,162**	**1,989**	**(8.0)**	**(2.7)**	**6,440**	**2.1**	**75**	**8,561**	**0.5**
Other income (expense)	(1)	13	8	22	(36)	(261)	5,334	(6)	(146)	(11)	50	79.9
Interest expense	(138)	(166)	(158)	(162)	(180)	11.2	29.9	(499)	24.3	75	(667)	17.5
Profit before tax	1,904	2,058	2,140	2,022	1,773	(12.3)	(6.9)	5,935	0.3	75	7,942	(0.4)
Tax	(371)	(380)	(427)	(401)	(331)	(17.3)	(10.7)	(1,159)	0.6	77	(1,509)	(1.5)
Reported net profit	1,533	1,677	1,713	1,622	1,442	(11.1)	(5.9)	4,777	0.3	74	6,433	(0.1)
Recurring net profit	**1,533**	**1,677**	**1,713**	**1,622**	**1,442**	**(11.1)**	**(5.9)**	**4,777**	**0.3**	**74**	**6,433**	**(0.1)**
EPS (THB)	0.12	0.13	0.13	0.12	0.11	(11.1)	(5.9)	0.36	0.2	74	0.49	(0.1)
Recurring EPS (THB)	**0.12**	**0.13**	**0.13**	**0.12**	**0.11**	**(11.1)**	**(5.9)**	**0.36**	**0.2**	**74**	**0.49**	**(0.1)**
Key Ratios (%)	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(ppt)**	**(ppt)**	**(%)**	**(ppt)**		**(%)**	**(ppt)**
Retail sales margin	26.7	27.3	26.2	26.3	27.1	0.8	0.3	26.3	(0.0)		26.7	0.1
Rental margin	54.1	61.9	56.4	55.1	57.1	2.0	3.0	56.2	(0.7)		60.0	1.8
Operating margin	12.5	13.1	13.0	12.4	12.5	0.1	0.0	12.6	0.4		12.5	0.1
Recurring net margin	8.8	9.2	9.1	8.7	8.5	(0.3)	(0.3)	8.8	0.1		8.8	(0.0)
SG&A / sales	19.7	20.8	18.5	19.2	20.1	0.9	0.4	19.2	(0.0)		19.8	0.2
Operating statistics												
SSSG (%)												
HomePro	(3.6)	(8.5)	(2.0)	(7.3)	(5.8)						(4.0)	
MegaHome	(1.5)	(7.0)	(4.0)	(1.3)	(3.9)						(2.0)	
HomePro-Malaysia	(6.0)	(2.0)	1.0	(10.4)	(1.4)						(3.0)	
Number of stores (no.)	124	128	128	130	133							
Home Pro	87	89	89	90	92							
Home Pro S	5	5	5	5	5							
Mega Home	25	27	27	28	29							
Home Pro Malaysia	7	7	7	7	7							

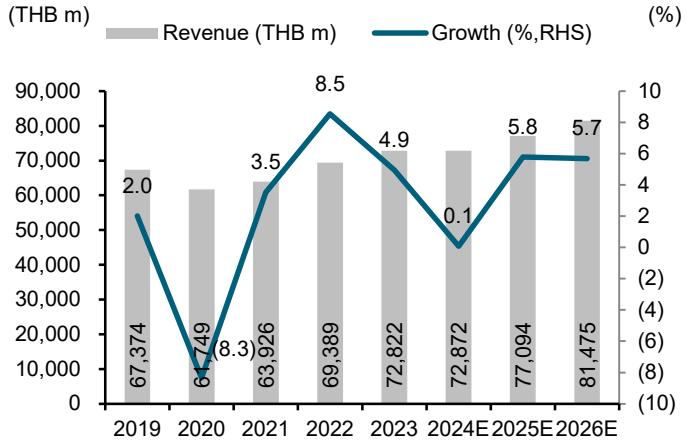
Sources: HMPRO;FSSIA estimates

Exhibit 2: Yearly SSSG



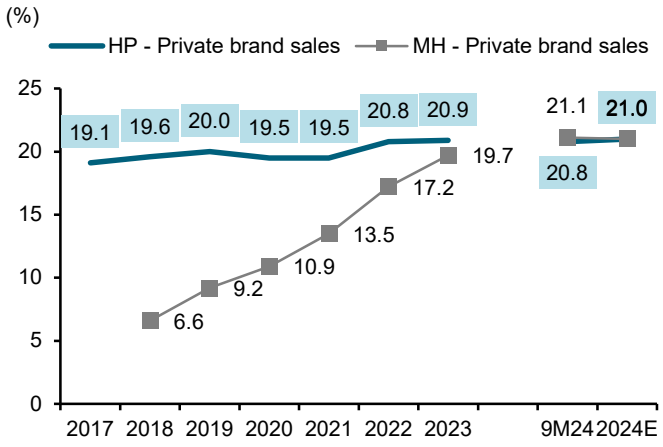
Sources: HMPRO; FSSIA estimates

Exhibit 3: Yearly revenue and growth



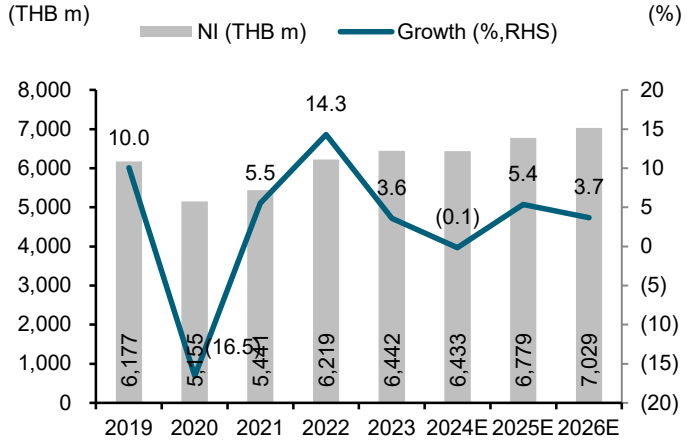
Sources: HMPRO; FSSIA estimates

Exhibit 4: Private brand contribution



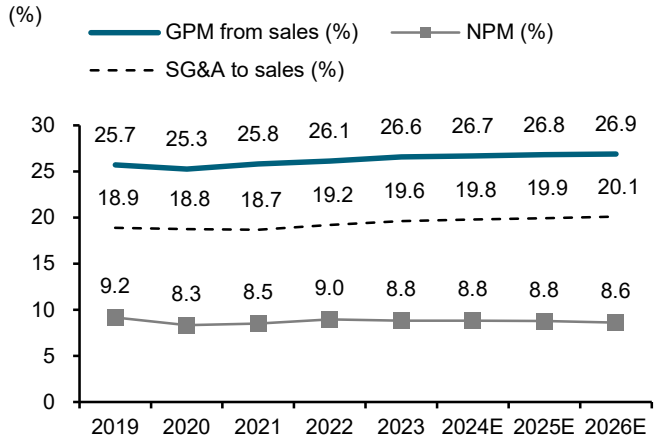
Sources: HMPRO; FSSIA estimates

Exhibit 5: Net profit and growth



Sources: HMPRO; FSSIA estimates

Exhibit 6: Profitability



Sources: HMPRO; FSSIA estimates

Exhibit 7: Expansion plan

Source: HMPRO

Financial Statements

Home Product Center

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	69,389	72,822	72,872	77,094	81,475
Cost of goods sold	(48,783)	(50,904)	(50,795)	(53,684)	(56,722)
Gross profit	**20,607**	**21,918**	**22,077**	**23,410**	**24,752**
Other operating income	-	-	-	-	-
Operating costs	(12,519)	(13,401)	(13,517)	(14,415)	(15,403)
Operating EBITDA	**11,244**	**11,948**	**12,231**	**13,014**	**13,739**
Depreciation	(3,156)	(3,431)	(3,670)	(4,018)	(4,389)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**8,088**	**8,516**	**8,561**	**8,995**	**9,350**
Net financing costs	(428)	(540)	(617)	(625)	(670)
Associates	0	0	0	0	0
Recurring non-operating income	0	(2)	(2)	(2)	(2)
Non-recurring items	0	0	0	0	0
Profit before tax	**7,660**	**7,975**	**7,942**	**8,369**	**8,678**
Tax	(1,441)	(1,533)	(1,509)	(1,590)	(1,649)
Profit after tax	**6,219**	**6,442**	**6,433**	**6,779**	**7,029**
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	**6,219**	**6,442**	**6,433**	**6,779**	**7,029**
Non-recurring items & goodwill (net)	**0**	**0**	**0**	**0**	**0**
Recurring net profit	**6,219**	**6,442**	**6,433**	**6,779**	**7,029**
Per share (THB)					
Recurring EPS *	0.47	0.49	0.49	0.52	0.53
Reported EPS	0.47	0.49	0.49	0.52	0.53
DPS	0.38	0.40	0.40	0.42	0.44
Diluted shares (used to calculate per share data)	13,151	13,151	13,151	13,151	13,151
Growth					
Revenue (%)	8.5	4.9	0.1	5.8	5.7
Operating EBITDA (%)	9.4	6.3	2.4	6.4	5.6
Operating EBIT (%)	14.5	5.3	0.5	5.1	3.9
Recurring EPS (%)	14.3	3.6	(0.1)	5.4	3.7
Reported EPS (%)	14.3	3.6	(0.1)	5.4	3.7
Operating performance					
Gross margin inc. depreciation (%)	29.7	30.1	30.3	30.4	30.4
Gross margin exc. depreciation (%)	34.2	34.8	35.3	35.6	35.8
Operating EBITDA margin (%)	16.2	16.4	16.8	16.9	16.9
Operating EBIT margin (%)	11.7	11.7	11.7	11.7	11.5
Net margin (%)	9.0	8.8	8.8	8.8	8.6
Effective tax rate (%)	18.8	19.2	19.0	19.0	19.0
Dividend payout on recurring profit (%)	80.4	81.7	81.7	81.7	81.7
Interest cover (X)	18.9	15.8	13.9	14.4	13.9
Inventory days	104.8	106.1	108.3	106.1	107.0
Debtor days	9.8	10.5	10.6	10.3	10.3
Creditor days	119.1	119.3	117.8	115.0	115.4
Operating ROIC (%)	24.7	24.1	22.5	22.1	21.6
ROIC (%)	16.5	15.9	15.0	15.0	14.7
ROE (%)	26.4	25.9	24.6	24.8	24.6
ROA (%)	10.6	10.2	9.9	9.9	9.7

* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Sales	65,091	68,283	68,297	72,328	76,539
Rental and service	1,721	1,882	1,839	1,948	2,061
Others	2,578	2,656	2,736	2,818	2,874

Sources: Home Product Center; FSSIA estimates

Financial Statements

Home Product Center

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	6,219	6,442	6,433	6,779	7,029
Depreciation	3,156	3,431	3,670	4,018	4,389
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	387	(968)	(60)	(113)	(121)
Cash flow from operations	**9,763**	**8,906**	**10,043**	**10,684**	**11,297**
Capex - maintenance	0	0	0	0	0
Capex - new investment	(5,041)	(5,142)	(5,656)	(6,222)	(6,408)
Net acquisitions & disposals	118	30	127	65	168
Other investments (net)	(914)	(24)	(5)	(408)	(424)
Cash flow from investing	**(5,837)**	**(5,136)**	**(5,534)**	**(6,565)**	**(6,664)**
Dividends paid	(4,997)	(5,260)	(5,253)	(5,535)	(5,739)
Equity finance	0	0	0	0	0
Debt finance	1,946	2,499	874	2,071	1,467
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(3,052)**	**(2,762)**	**(4,379)**	**(3,464)**	**(4,272)**
Non-recurring cash flows	0	0	0	0	0
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**874**	**1,008**	**130**	**656**	**361**
Free cash flow to firm (FCFF)	4,370.42	4,337.61	5,176.00	4,778.75	5,340.36
Free cash flow to equity (FCFE)	5,871.79	6,268.86	5,382.82	6,190.97	6,100.05
Per share (THB)					
FCFF per share	0.33	0.33	0.39	0.36	0.41
FCFE per share	0.45	0.48	0.41	0.47	0.46
Recurring cash flow per share	0.71	0.75	0.77	0.82	0.87

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	55,912	59,722	65,378	71,600	78,008
Less: Accumulated depreciation	(26,444)	(28,543)	(32,213)	(36,232)	(40,621)
Tangible fixed assets (net)	**29,469**	**31,179**	**33,165**	**35,368**	**37,387**
Intangible fixed assets (net)	**0**	**0**	**0**	**0**	**0**
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	5,420	6,429	6,559	7,214	7,575
A/C receivable	2,069	2,115	2,116	2,239	2,366
Inventories	13,630	13,965	14,005	14,875	15,795
Other current assets	311	150	150	159	168
Current assets	**21,430**	**22,659**	**22,830**	**24,487**	**25,904**
Other assets	14,286	15,210	15,221	16,102	17,017
Total assets	**65,185**	**69,048**	**71,215**	**75,957**	**80,308**
Common equity	24,246	25,559	26,739	27,983	29,272
Minorities etc.	0	0	0	0	0
Total shareholders' equity	**24,246**	**25,559**	**26,739**	**27,983**	**29,272**
Long term debt	9,056	11,743	11,051	12,277	13,145
Other long-term liabilities	7,398	8,167	8,173	8,646	9,138
Long-term liabilities	**16,454**	**19,910**	**19,224**	**20,923**	**22,283**
A/C payable	15,812	15,225	15,206	16,085	17,012
Short term debt	6,248	6,060	7,625	8,470	9,069
Other current liabilities	2,425	2,294	2,421	2,495	2,672
Current liabilities	**24,485**	**23,579**	**25,252**	**27,051**	**28,753**
Total liabilities and shareholders' equity	**65,184**	**69,047**	**71,215**	**75,957**	**80,308**
Net working capital	(2,227)	(1,289)	(1,356)	(1,308)	(1,355)
Invested capital	41,528	45,100	47,030	50,162	53,050
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	1.84	1.94	2.03	2.13	2.23
Tangible book value per share	1.84	1.94	2.03	2.13	2.23
Financial strength					
Net debt/equity (%)	40.8	44.5	45.3	48.4	50.0
Net debt/total assets (%)	15.2	16.5	17.0	17.8	18.2
Current ratio (x)	0.9	1.0	0.9	0.9	0.9
CF interest cover (x)	26.5	22.1	18.9	20.9	19.7

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**20.1**	**19.4**	**19.4**	**18.4**	**17.8**
Recurring P/E @ target price (x) *	**27.9**	**26.9**	**27.0**	**25.6**	**24.7**
Reported P/E (x)	20.1	19.4	19.4	18.4	17.8
Dividend yield (%)	4.0	4.2	4.2	4.4	4.6
Price/book (x)	5.2	4.9	4.7	4.5	4.3
Price/tangible book (x)	5.2	4.9	4.7	4.5	4.3
EV/EBITDA (x) **	12.0	11.4	11.2	10.6	10.2
EV/EBITDA @ target price (x) **	16.3	15.5	15.2	14.4	13.7
EV/invested capital (x)	3.2	3.0	2.9	2.8	2.6

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

Sources: Home Product Center; FSSIA estimates

Home Product Center PCL (HMPRO TB)

FSSIA ESG rating

★★★★★

87.20 /100

Exhibit 8: 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 9: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
DOHOME	42.34	--	--	--	5.00	5.00	Declared	Medium	37.50	--	--	37.19	20.00	4.17	46.91
GLOBAL	59.18	--	Y	Y	5.00	5.00	Declared	Low	53.10	--	--	36.48	41.00	3.24	52.38
HMPRO	87.20	Y	Y	Y	5.00	5.00	Certified	Low	66.54	AA	37.00	65.78	81.00	5.36	62.59
ILM	20.00	--	--	--	5.00	5.00	Certified	--	--	--	--	--	--	--	--
MEGA	54.48	--	Y	Y	4.00	4.00	Declared	Medium	66.56	--	--	58.59	24.00	2.39	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 10: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	**2.33**	**2.48**	**3.72**	**3.82**	**3.88**	**3.90**	**4.43**	**5.36**
BESG environmental pillar score	0.72	0.90	1.00	1.21	1.16	1.36	2.58	4.21
BESG social pillar score	3.21	3.22	7.34	7.42	7.72	7.47	7.70	8.17
BESG governance pillar score	3.47	3.69	3.92	3.83	3.85	3.82	3.62	4.08
ESG disclosure score	**49.20**	**49.20**	**53.02**	**53.90**	**58.58**	**59.11**	**60.32**	**62.59**
Environmental disclosure score	28.39	28.39	39.08	41.71	41.71	41.71	41.71	45.15
Social disclosure score	35.49	35.49	36.28	36.28	50.33	51.93	55.56	58.95
Governance disclosure score	83.59	83.59	83.59	83.59	83.59	83.59	83.59	83.59
Environmental								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	Yes	Yes	Yes	Yes	Yes
GHG scope 1	1	1	1	1	0	0	0	0
GHG scope 2 location-based	91	85	92	84	85	63	64	71
GHG Scope 3	23	23	23	27	28	27	26	26
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	—	—	198
Renewable energy use	—	—	—	—	—	—	—	51
Electricity used	159	158	158	144	147	112	136	146
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 11: ESG score by Bloomberg *(cont.)*

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	2	2	2	1	2	2
Waste recycled	—	—	2	2	2	1	2	2
Waste sent to landfills	—	—	—	0	0	0	0	0
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	931	872	858	895	934	712	840	898
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	Yes	Yes	Yes	No
Pct women in workforce	46	47	49	51	52	49	50	50
Pct disabled in workforce	1	1	1	1	1	1	1	1
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	0	0	0	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	—	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	Yes
Number of employees – CSR	9,280	9,238	8,172	8,221	8,351	10,771	10,601	11,359
Employee turnover pct	23	24	20	18	20	20	17	20
Total hours spent by firm - employee training	640,876	713,543	398,140	407,186	449,534	240,193	251,456	353,151
Social supply chain management	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	**12**	**12**	**11**	**11**	**11**	**11**	**11**	**12**
No. of independent directors (ID)	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**
No. of women on board	1	1	1	1	1	1	1	1
No. of non-executive directors on board	11	11	10	10	9	9	9	10
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	12	12	12	12	12	14	12	12
Board meeting attendance pct	95	96	97	95	98	99	98	99
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	40	41	42	43	44	45	46	47
Age of the oldest director	70	71	72	73	74	75	76	77
No. of executives / company managers	**17**	**16**	**17**	**19**	**18**	**21**	**25**	**24**
No. of female executives	8	9	10	11	13	14	14	13
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	12	12	12	12	12	12	12	12
Audit meeting attendance %	100	97	100	100	97	100	100	100
Size of compensation committee	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
No. of ID on compensation committee	1	1	1	1	1	1	1	1
No. of compensation committee meetings	3	2	2	2	2	2	2	4
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
No. of nomination committee meetings	3	2	2	2	2	2	2	4
Nomination meeting attendance %	100	100	100	100	100	100	100	100
Sustainability governance								
Verification type	No	No	No	No	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%). (*The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)*	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. *(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)*	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.

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

ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.		The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.		
	AAA 8.571-10.000 **AA** 7.143-8.570 **A** 5.714-7.142	**Leader:**	leading its industry in managing the most significant ESG risks and opportunities
	BBB 4.286-5.713 **BB** 2.857-4.285	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
	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
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.		
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*		
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.		
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.	
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.	

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

Source: FSSIA's compilation

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Thada Jiracharoenying 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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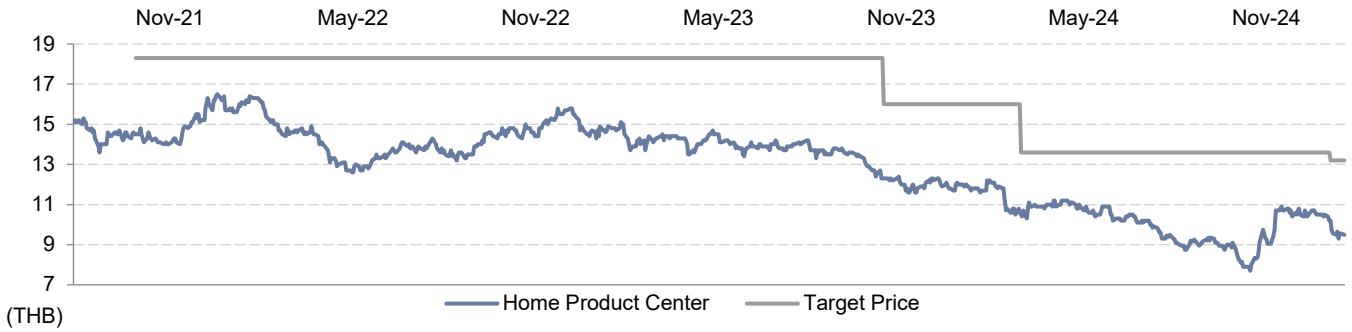
History of change in investment rating and/or target price

Home Product Center (HMPRO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Dec-2021	BUY	18.30	30-Jan-2024	BUY	13.60	-	-	-
04-Oct-2023	BUY	16.00	22-Oct-2024	BUY	13.20			

Thada Jiracharoenying started covering this stock from 04-Oct-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Home Product Center	HMPRO TB	THB 9.50	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.

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 04-Nov-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

BUY (B). The upside is 10% or more.
HOLD (H). The upside or downside is less than 10%.
REDUCE (R). The downside is 10% or more.
Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.
Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.
Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.