

# INDEX LIVING MALL ILM TB

## THAILAND / COMMERCE

**BUY**

UNCHANGED

TARGET PRICE	THB17.00
CLOSE	THB14.50
UP/DOWNSIDE	+17.2%
PRIOR TP	THB22.00
CHANGE IN TP	-22.7%
TP vs CONSENSUS	-22.0%

## 4Q24 net profit to be lackluster

- We expect a 4Q24 net profit of THB182m (-6% q-q, -7% y-y). The q-q decrease is due to a lower GPM and the y-y drop is from tax benefits.
- Index Living Mall is returning to a store expansion phase, with plans to open both Index Living Mall and Little Walk locations.
- Revise our TP down to THB17. Maintain BUY as dividend stock.

### We expect 4Q24 net profit to drop both q-q and y-y

We anticipate a 4Q24 net profit of THB182m (-6% q-q, -7% y-y). The q-q decrease is due to a higher proportion of overseas sales, which are OEM, and dealer sales, leading to a lower gross margin. The y-y decline is attributed to reduced tax benefits compared to the previous year. We expect revenue to grow slightly by 1% y-y in 4Q24, supported by higher online and overseas sales, while SSSG should remain flat due to a slow recovery in purchasing power. Project sales are expected to decline, as last year's revenue recognition was more loaded in 2H23, whereas this year's project deliveries are smoother.

### GPM from sales may be flat from mixed overseas sales

We expect a 4Q24 gross margin of 44.6% (4Q23 at 44.5%, 3Q24 at 46.8%) the increase 10bps y-y is mainly from the rental GPM, while the GPM from sales may be flattish y-y at 44.0%. Despite a lower proportion of project sales, the rise in overseas sales will likely keep the overall GPM from sales steady. SG&A to sales should increase by 50bps y-y to 34.8% due to expenses related to new store openings, including Décor Scape Thonglor and Index Living Mall branches in Saraburi and Rattanaibet, as well as higher logistic costs.

### Index Living Mall returning to store expansion phase

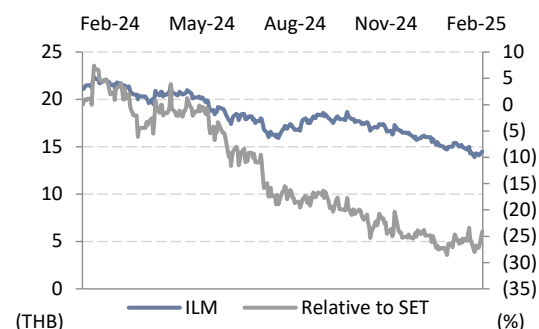
If 4Q24 net profit aligns with our forecast, ILM's 2024 net profit would be close to our estimate of THB755m (+4% y-y). For 2025-26, we fine-tune our net profit estimates down slightly by 2%-3%. We now expect a 2025 net profit of THB810m (+7% y-y), supported by 5% revenue growth with expected SSSG of 2% and the full-year contribution from the Saraburi and Rattanaibet branches. Additionally, rental income would be boosted by the expansion of Little Walk, with three new locations planned this year, increasing the total rental space by c22% y-y. Moreover, ILM should benefit from BOI incentives for solar until Apr-25, with potential additional benefits from new machinery expected in 2H25.

### Revise our TP down to THB17; maintain BUY as dividend stock

We revise our DCF-TP down to THB17, reflecting a slower earnings growth outlook for 2025-27 of c6% CAGR, compared to c16% CAGR during 2021-24. This implies a 2025E P/E of 10.6x, close to its 5-year avg P/E at -1.5SD. However, we maintain BUY, as ILM remains the highest dividend-yielding stock in its sector. If ILM's 2H24 dividend payout is close to last year's at THB0.75/shr, it would imply a 5.2% dividend yield. Looking ahead, we expect ILM to offer a c8% dividend yield in 2025, based on a 70% payout ratio, consistent with 2023's 70% dividend payout.

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	9,309	9,764	10,321	10,850
Net profit	726	755	810	864
EPS (THB)	1.44	1.50	1.60	1.71
vs Consensus (%)	-	(0.9)	0.3	0.4
EBITDA	1,880	1,882	2,015	2,132
Recurring net profit	726	755	810	864
Core EPS (THB)	1.44	1.50	1.60	1.71
Chg. In EPS est. (%)	-	0.0	(2.4)	(3.4)
EPS growth (%)	10.2	4.1	7.3	6.6
Core P/E (x)	10.1	9.7	9.0	8.5
Dividend yield (%)	6.9	7.2	7.7	8.2
EV/EBITDA (x)	5.8	6.1	5.7	5.4
Price/book (x)	1.2	1.2	1.1	1.1
Net debt/Equity (%)	60.8	67.4	65.5	62.5
ROE (%)	12.5	12.4	12.8	13.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.3)	(16.7)	(32.9)
Relative to country (%)	3.1	(4.3)	(25.9)
Mkt cap (USD m)	217		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	25		
Major shareholder	Krobkrua Thammada Panich Co Ltd (40%)		
12m high/low (THB)	22.60/13.80		
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. It also 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 had 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%.

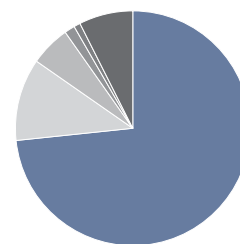
## Company profile

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

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

## Principal activities (revenue, 2023)

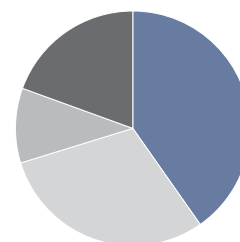
- Retail - 73.3 %
- Online - 11.3 %
- Project - 5.6 %
- Oversea - 1.4 %
- Dealer - 0.9 %
- Rental - 7.4 %



Source: Index Living Mall

## Major shareholders

- Krobkrua Thammada Panich Co Ltd - 40.3 %
- Patamasatayasonthi Family - 30.0 %
- Udomma huntisuk Family - 10.3 %
- Others - 19.5 %



Source: Index Living Mall

## Catalysts

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) lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) higher-than-expected SG&A.

## Event calendar

Date	Event
26 Feb 2025	4Q24 results announcement

## Key assumptions

	2024E	2025E	2026E
SSSG (%)	1.1	2.0	2.0
Average occ rate (%)	88.7	88.5	88.6
GPM	46.0	46.0	46.0
- GPM sales	45.4	45.5	45.4
- GPM Rental	52.3	52.3	52.3
SG&A to sales	35.4	35.4	35.5

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.

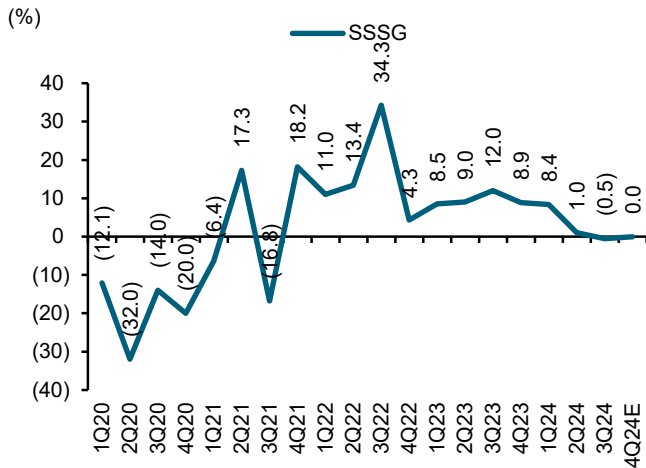
Source: FSSIA estimates

## Exhibit 1: ILM – 4Q24 results preview

Year to Dec 31	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	3Q24 (THB m)	4Q24E (THB m)	----- Change ----- (q-q%) (y-y%)		2023 (THB m)	2024E (THB m)	Change (y-y%)
<b>Total revenue</b>	<b>2,541</b>	<b>2,449</b>	<b>2,324</b>	<b>2,419</b>	<b>2,572</b>	<b>6</b>	<b>1</b>	<b>9,309</b>	<b>9,764</b>	<b>4.9</b>
- Retail sales	2,361	2,265	2,134	2,230	2,383	7	1	8,617	9,012	4.6
- Rental and Rendering of services	181	184	190	189	189	0	5	692	753	8.8
<b>Core COGS</b>	<b>(1,410)</b>	<b>(1,312)</b>	<b>(1,252)</b>	<b>(1,288)</b>	<b>(1,425)</b>	<b>11</b>	<b>1</b>	<b>(5,026)</b>	<b>(5,277)</b>	<b>5.0</b>
- COGS	(1,323)	(1,222)	(1,164)	(1,197)	(1,335)	12	1	(4,683)	(4,918)	5.0
- Cost of Rental and Rendering	(87)	(90)	(88)	(90)	(90)	(0)	4	(343)	(359)	4.7
<b>Gross profit</b>	<b>1,131</b>	<b>1,137</b>	<b>1,072</b>	<b>1,131</b>	<b>1,147</b>	<b>1</b>	<b>1</b>	<b>4,283</b>	<b>4,487</b>	<b>4.8</b>
Operating costs	(872)	(851)	(838)	(871)	(894)	3	3	(3,312)	(3,455)	4.3
<b>Operating profit</b>	<b>259</b>	<b>286</b>	<b>233</b>	<b>261</b>	<b>252</b>	<b>(3)</b>	<b>(3)</b>	<b>971</b>	<b>1,032</b>	<b>6.3</b>
Other income	29	24	29	28	30	8	5	107	111	3.9
Interest expense	(55)	(52)	(52)	(55)	(55)	1	0	(216)	(214)	(0.7)
Profit before tax	233	258	210	234	227	(3)	(2)	862	929	7.7
Tax	(38)	(50)	(40)	(41)	(46)	13	23	(140)	(177)	26.3
Minority interests	(1)	(1)	(1)	(1)	(1)	(0)	(47)	(3)	(3)	(12.5)
Non-recurring items	-	-	-	-	-	n/a	n/a	-	-	n/a
Reported net profit	197	209	171	194	182	(6)	(7)	726	755	4.1
<b>Recurring net profit</b>	<b>197</b>	<b>209</b>	<b>171</b>	<b>194</b>	<b>182</b>	<b>(6)</b>	<b>(7)</b>	<b>726</b>	<b>755</b>	<b>4.1</b>
EPS (THB)	0.39	0.41	0.34	0.38	0.36	(6)	(7)	1.44	1.50	4.1
<b>Recurring EPS (THB)</b>	<b>0.39</b>	<b>0.41</b>	<b>0.34</b>	<b>0.38</b>	<b>0.36</b>	<b>(6)</b>	<b>(7)</b>	<b>1.44</b>	<b>1.50</b>	<b>4.1</b>
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	44.5	46.4	46.1	46.8	44.6	(2.2)	0.1	46.0	46.0	(0.1)
- Retail	43.9	46.0	45.5	46.3	44.0	(2.3)	0.0	45.7	45.4	(0.2)
- Rental and Rendering of services	51.8	51.1	53.4	52.3	52.3	0.1	0.5	50.4	52.3	1.9
Operating margin	11.3	12.6	11.3	11.9	11.0	(0.9)	(0.3)	11.6	11.7	0.1
Recurring net margin	7.7	8.5	7.4	8.0	7.1	(0.9)	(0.7)	7.8	7.7	(0.1)
SG&A / Sales	34.3	34.8	36.1	36.0	34.8	(1.2)	0.5	35.6	35.4	(0.2)
Effective tax rate	16.1	19.3	18.9	17.5	20.0	2.5	3.9	15.6	19.0	3.4
<b>Operating statistics</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(q-q%)</b>	<b>(y-y%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(y-y%)</b>
SSSG (%y-y)	8.9	8.4	1.0	(0.5)	0.0			9.9	1.1	
Retails Sales (THB m)	1,800	1,789	1,661	1,663	1,800	8	0	6,827	6,927	1
Project Sales (THB m)	207	117	131	170	176	4	(15)	518	588	14
Oversea Sales (THB m)	26	28	19	35	53	50	104	134	136	1
Dealer Sales (THB m)	21	18	18	21	17	(20)	(20)	83	74	(12)
Online Sales (THB m)	307	312	305	341	337	(1)	10	1,056	1,288	22
Retails Sales (% to sales)	76	79	78	75	76			79	77	
Project Sales (% to sales)	9	5	6	8	7			6	7	
Oversea Sales (% to sales)	1	1	1	2	2			2	2	
Dealer Sales (% to sales)	1	1	1	1	1			1	1	
Online Sales (% to sales)	13	14	14	15	14			12	14	

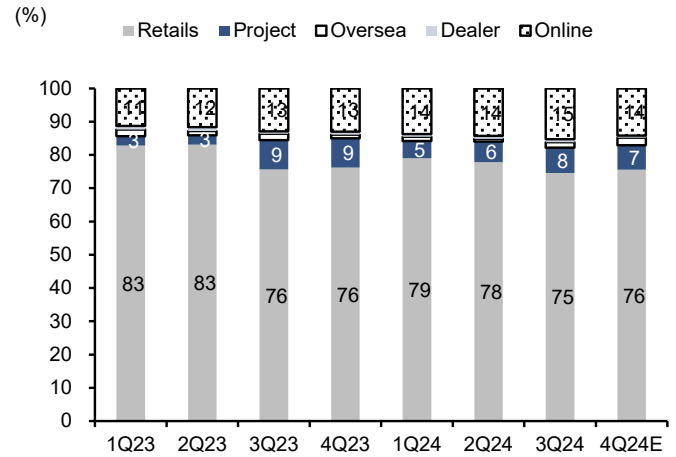
Sources: ILM; FSSIA estimates

Exhibit 2: Quarterly SSSG



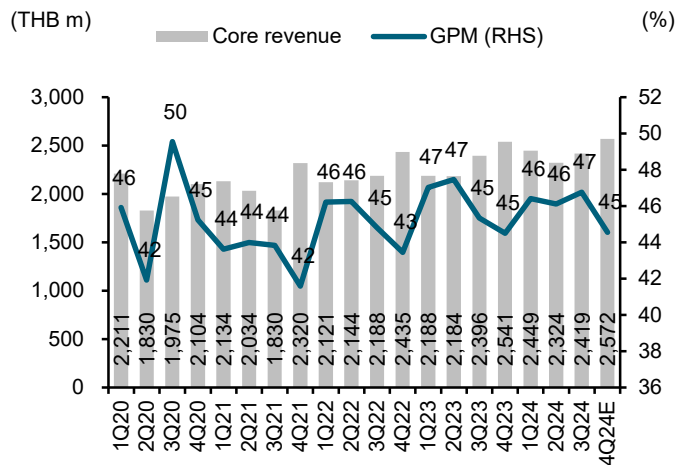
Sources: ILM; FSSIA estimates

Exhibit 3: Sales breakdown by channel



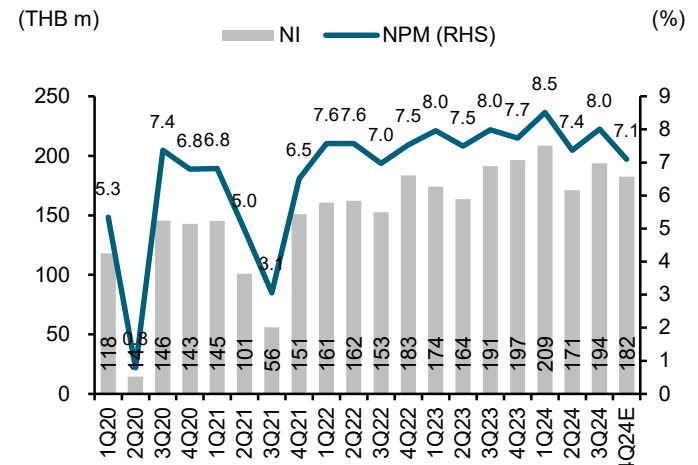
Sources: ILM; FSSIA estimates

Exhibit 4: Quarterly revenue and %GPM



Sources: ILM; FSSIA estimates

Exhibit 5: Quarterly net profit and %NPM



Sources: ILM; FSSIA estimates

Exhibit 6: Changes in key assumptions

	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Revenue (THB m)	9,764	10,321	10,850	10,039	10,754	11,334	(2.7)	(4.0)	(4.3)
- Sales	9,012	9,466	9,939	9,272	9,856	10,368	(2.8)	(3.9)	(4.1)
- Rental	753	855	911	768	898	966	(2.0)	(4.8)	(5.7)
SSSG (%)	1.1	2.0	2.0	6.1	3.0	3.0	(4.9)	(1.0)	(1.0)
Average occ rate (%)	88.7	88.5	88.6	88.7	88.5	88.6	0.0	0.0	0.0
Gross margin (%)	46.0	46.0	46.0	46.1	46.2	46.2	(0.2)	(0.2)	(0.2)
- GPM sales	45.4	45.5	45.4	46	46	46	(0.4)	(0.4)	(0.4)
- GPM Rental	52.3	52.3	52.3	50.4	50.4	50.4	1.9	1.9	1.9
SG&A to sales	35.4	35.4	35.5	35.9	35.9	36.0	(0.5)	(0.5)	(0.5)
Net profit (THB m)	755	810	864	755	830	894	0.0	(2.4)	(3.4)
Effective tax rate	19.0	17.5	16.0	19.0	17.5	16.0	-	-	-

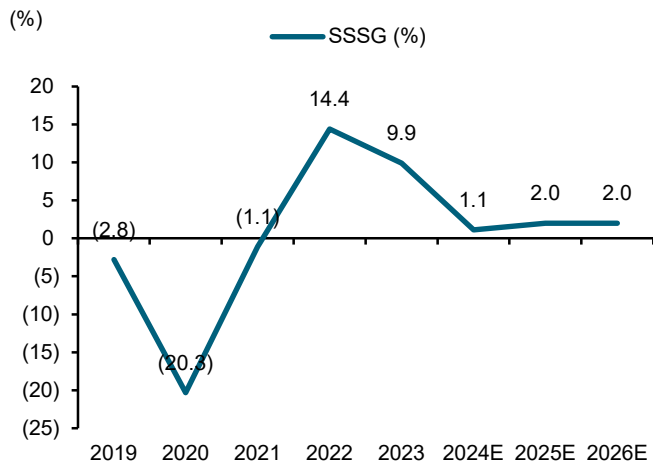
Source: FSSIA estimates

## Exhibit 7: DCF-derived TP

DCF-derived TP	(%)	(THB m)
Discount rate (WACC)	8.4	
Terminal growth	2	
FCFF		6,127
Terminal Value		6,699
Net Debt		(4,230)
Value of equity		8,597
# of shares		505
<b>Share price</b>		<b>17.0</b>

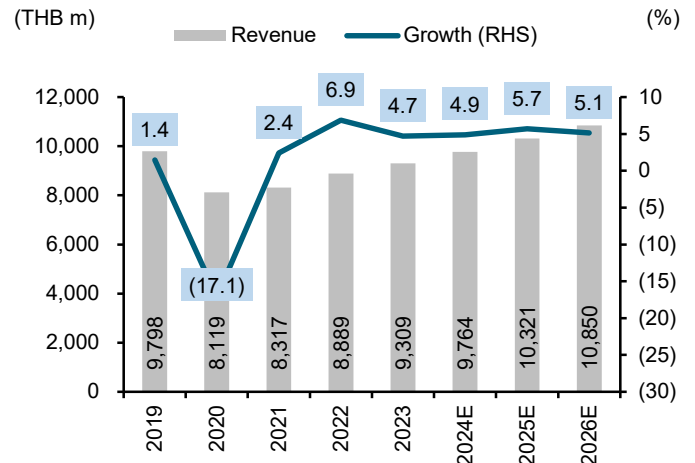
Source: FSSIA estimates

## Exhibit 8: Yearly SSSG



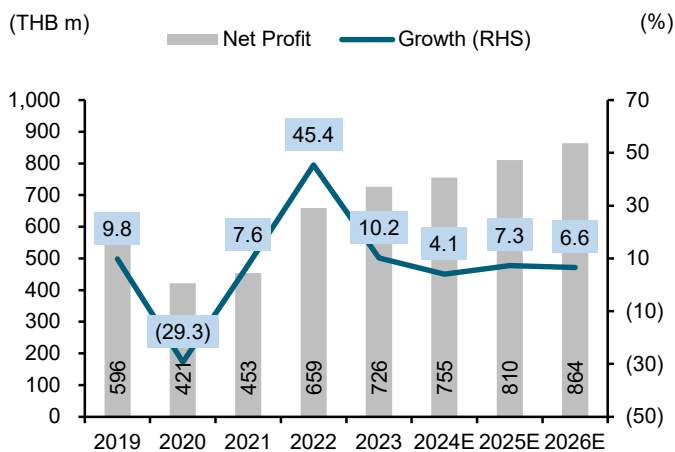
Sources: ILM; FSSIA estimates

## Exhibit 9: Revenue and growth



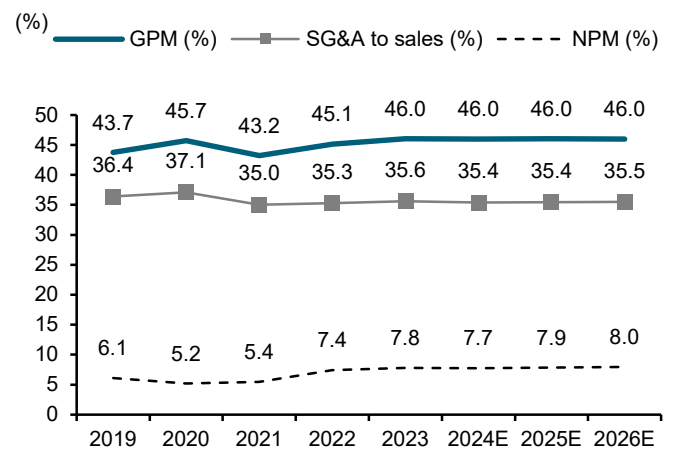
Sources: ILM; FSSIA estimates

## Exhibit 10: Net profit and growth



Sources: ILM; FSSIA estimates

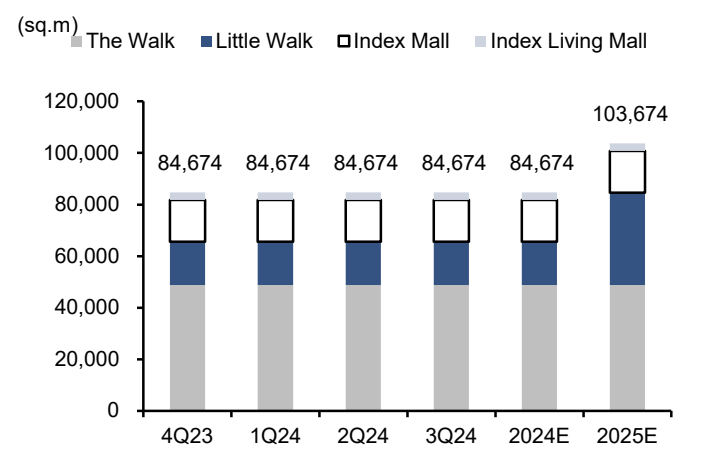
## Exhibit 11: Profitability



Sources: ILM; FSSIA estimates

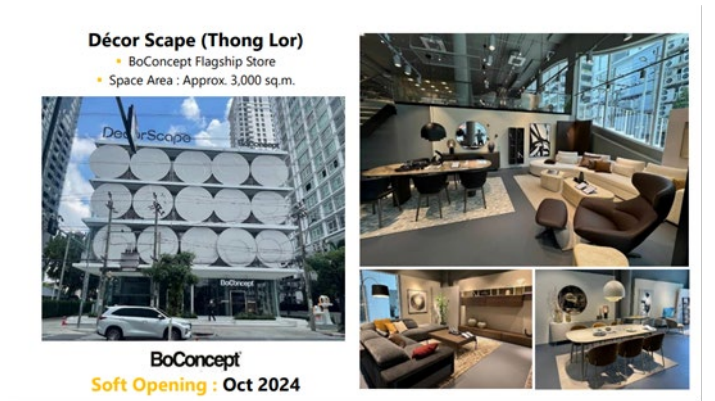


Exhibit 12: Rental space



Sources: ILM; FSSIA estimates

Exhibit 13: New project for Oct-24: Décor Scape Thong Lor



Source: ILM

Exhibit 14: New project for Nov-24: Index Living Mall Saraburi



Source: ILM

Exhibit 15: New project for Nov-24 Index Living Mall Rattanaibet, and for 1Q25 Little Walk Rattanaibet



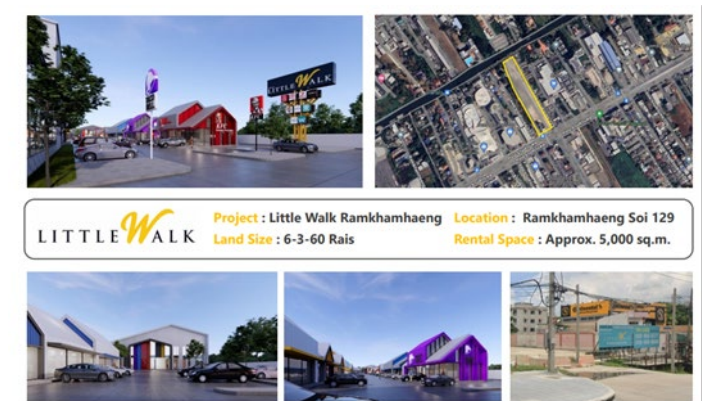
Source: ILM

Exhibit 16: New project for 2025: Little Walk Phran Nok



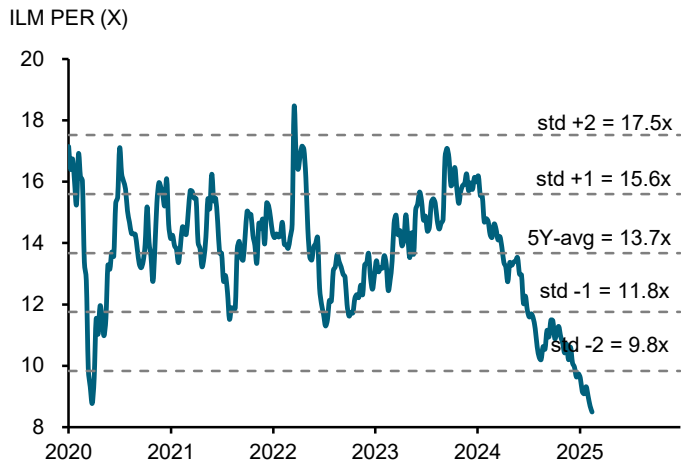
Source: ILM

Exhibit 17: New project for 2025: Little Walk Ramkhamhaeng



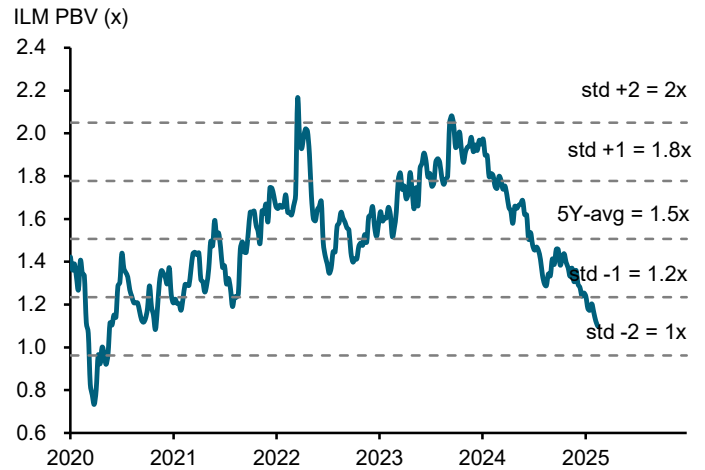
Source: ILM

Exhibit 18: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 19: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 20: Commerce peers as of 17 Feb 2025

Company	BBG	Rec	----- Share price -----			Market Cap	----- PE -----		---- ROE ----		---- PBV ---		- EV/ EBITDA -	
			Current	Target	Upside		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)		(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)
Consumer Staple														
CP All	CPALL TB	BUY	50.25	83.00	65	13,395	18.1	16.2	21.2	21.3	4.0	3.5	16.8	15.0
CP Axtra	CPAXT TB	BUY	26.50	34.00	28	8,200	25.2	21.5	3.7	4.3	0.9	0.9	9.2	8.3
Berli Jucker*	BJC TB	BUY	22.30	31.00	39	2,652	19.5	17.0	3.8	4.3	0.7	0.7	11.7	11.2
Consumer Staple average						24,248	20.9	18.2	9.6	10.0	1.9	1.7	12.5	11.5
Consumer Discretionary														
Com7	COM7 TB	BUY	21.20	30.00	42	1,482	16.0	14.8	36.1	33.2	5.3	4.6	11.1	9.8
Central Retail Corp	CRC TB	BUY	34.75	42.00	21	6,219	24.5	22.4	12.2	12.4	2.9	2.7	9.8	9.4
Home Improvement														
Index Living Mall	ILM TB	BUY	14.50	17.00	17	217	9.7	9.0	12.4	12.8	1.2	1.1	6.1	5.7
Home Product Center	HMPRO TB	BUY	8.55	13.20	54	3,337	17.3	16.2	24.8	25.3	4.2	4.0	10.0	9.4
Siam Global House	GLOBAL TB	HOLD	8.20	9.70	18	1,266	17.9	16.9	9.9	10.3	1.7	1.7	14.6	14.0
Dohome	DOHOME TB	BUY	6.30	10.50	67	604	30.4	21.9	5.3	7.0	1.6	1.5	15.2	13.3
Home Improvement avg.						5,424	18.8	16.0	13.1	13.9	2.2	2.1	11.5	10.6
Consumer Discretionary avg.						13,125	19.3	16.9	16.8	16.8	2.8	2.6	11.1	10.3
Total average						37,372	19.9	17.3	14.4	14.6	2.5	2.3	11.6	10.7

Sources: \*Bloomberg; FSSIA estimates

## Financial Statements

Index Living Mall

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	8,889	9,309	9,764	10,321	10,850
Cost of goods sold	(4,877)	(5,026)	(5,277)	(5,571)	(5,860)
<b>Gross profit</b>	<b>4,011</b>	<b>4,283</b>	<b>4,487</b>	<b>4,751</b>	<b>4,990</b>
Other operating income	120	107	111	115	121
Operating costs	(3,136)	(3,312)	(3,455)	(3,657)	(3,851)
<b>Operating EBITDA</b>	<b>1,711</b>	<b>1,880</b>	<b>1,882</b>	<b>2,015</b>	<b>2,132</b>
Depreciation	(715)	(801)	(739)	(806)	(873)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>995</b>	<b>1,078</b>	<b>1,143</b>	<b>1,209</b>	<b>1,260</b>
Net financing costs	(214)	(216)	(214)	(227)	(231)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>781</b>	<b>862</b>	<b>929</b>	<b>982</b>	<b>1,028</b>
Tax	(122)	(140)	(177)	(172)	(165)
<b>Profit after tax</b>	<b>659</b>	<b>723</b>	<b>753</b>	<b>810</b>	<b>864</b>
Minority interests	0	3	3	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>659</b>	<b>726</b>	<b>755</b>	<b>810</b>	<b>864</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>659</b>	<b>726</b>	<b>755</b>	<b>810</b>	<b>864</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.31	1.44	1.50	1.60	1.71
Reported EPS	1.31	1.44	1.50	1.60	1.71
DPS	0.60	1.00	1.04	1.12	1.19
Diluted shares (used to calculate per share data)	505	505	505	505	505
<b>Growth</b>					
Revenue (%)	6.9	4.7	4.9	5.7	5.1
Operating EBITDA (%)	3.8	9.9	0.1	7.0	5.8
Operating EBIT (%)	28.3	8.3	6.0	5.7	4.2
Recurring EPS (%)	45.4	10.2	4.1	7.3	6.6
Reported EPS (%)	45.4	10.2	4.1	7.3	6.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	45.1	46.0	46.0	46.0	46.0
Gross margin exc. depreciation (%)	53.2	54.6	53.5	53.8	54.0
Operating EBITDA margin (%)	19.2	20.2	19.3	19.5	19.7
Operating EBIT margin (%)	11.2	11.6	11.7	11.7	11.6
Net margin (%)	7.4	7.8	7.7	7.9	8.0
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	5.3	5.3	5.4
Inventory days	142.3	144.0	143.4	145.5	151.3
Debtor days	9.3	12.1	14.1	13.6	13.7
Creditor days	141.2	140.7	132.1	127.4	128.3
Operating ROIC (%)	15.9	17.6	17.4	17.7	18.1
ROIC (%)	8.0	8.8	8.7	9.0	9.3
ROE (%)	12.0	12.5	12.4	12.8	13.1
ROA (%)	6.9	7.4	7.4	7.7	7.9
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Retail	6,230	6,827	6,927	7,279	7,572
Online	903	1,056	1,288	1,443	1,601
Project	773	518	588	530	546
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	810	864
Depreciation	715	801	739	806	873
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	311	15	47	123	117
<b>Cash flow from operations</b>	<b>1,686</b>	<b>1,543</b>	<b>1,541</b>	<b>1,739</b>	<b>1,854</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(491)	(588)	(985)	(919)	(952)
Net acquisitions & disposals	(40)	51	(323)	(90)	(58)
Other investments (net)	(2)	468	(1)	(1)	(1)
<b>Cash flow from investing</b>	<b>(533)</b>	<b>(69)</b>	<b>(1,309)</b>	<b>(1,010)</b>	<b>(1,011)</b>
Dividends paid	(303)	(429)	(525)	(564)	(601)
Equity finance	0	0	0	0	0
Debt finance	(674)	(664)	320	91	69
Other financing cash flows	(208)	(181)	(259)	(209)	(213)
<b>Cash flow from financing</b>	<b>(1,185)</b>	<b>(1,275)</b>	<b>(465)</b>	<b>(682)</b>	<b>(745)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(32)</b>	<b>199</b>	<b>(233)</b>	<b>48</b>	<b>97</b>
Free cash flow to firm (FCFF)	1,367.18	1,689.36	446.08	955.99	1,073.50
Free cash flow to equity (FCFE)	270.70	628.00	292.60	611.39	697.89
<b>Per share (THB)</b>					
FCFF per share	2.71	3.35	0.88	1.89	2.13
FCFE per share	0.54	1.24	0.58	1.21	1.38
Recurring cash flow per share	2.72	3.02	2.96	3.20	3.44
<b>Balance Sheet (THB m) Year Ending Dec</b>					
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)
<b>Tangible fixed assets (net)</b>	<b>4,688</b>	<b>4,474</b>	<b>4,721</b>	<b>4,834</b>	<b>4,914</b>
<b>Intangible fixed assets (net)</b>	<b>2,979</b>	<b>2,966</b>	<b>3,257</b>	<b>3,326</b>	<b>3,373</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	75	274	41	88	185
A/C receivable	522	703	712	751	790
Inventories	1,586	1,748	1,818	1,979	2,155
Other current assets	14	13	14	15	16
<b>Current assets</b>	<b>2,197</b>	<b>2,738</b>	<b>2,585</b>	<b>2,833</b>	<b>3,146</b>
Other assets	2,168	2,147	2,188	2,220	2,243
<b>Total assets</b>	<b>12,032</b>	<b>12,324</b>	<b>12,751</b>	<b>13,213</b>	<b>13,675</b>
Common equity	5,668	5,965	6,195	6,441	6,704
Minorities etc.	0	14	14	14	14
<b>Total shareholders' equity</b>	<b>5,668</b>	<b>5,979</b>	<b>6,208</b>	<b>6,455</b>	<b>6,718</b>
Long term debt	3,029	2,992	3,289	3,358	3,404
Other long-term liabilities	615	651	572	603	635
<b>Long-term liabilities</b>	<b>3,644</b>	<b>3,643</b>	<b>3,861</b>	<b>3,961</b>	<b>4,039</b>
A/C payable	1,590	1,666	1,620	1,707	1,798
Short term debt	1,072	915	938	960	983
Other current liabilities	57	122	123	130	137
<b>Current liabilities</b>	<b>2,719</b>	<b>2,703</b>	<b>2,681</b>	<b>2,797</b>	<b>2,918</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,032</b>	<b>12,324</b>	<b>12,751</b>	<b>13,213</b>	<b>13,675</b>
Net working capital	474	676	801	908	1,026
Invested capital	10,310	10,263	10,967	11,288	11,554
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	11.22	11.81	12.27	12.76	13.28
Tangible book value per share	5.32	5.94	5.82	6.17	6.60
<b>Financial strength</b>					
Net debt/equity (%)	71.0	60.8	67.4	65.5	62.5
Net debt/total assets (%)	33.5	29.5	32.8	32.0	30.7
Current ratio (x)	0.8	1.0	1.0	1.0	1.1
CF interest cover (x)	4.6	6.6	7.0	7.8	8.1
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>11.1</b>	<b>10.1</b>	<b>9.7</b>	<b>9.0</b>	<b>8.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>13.0</b>	<b>11.8</b>	<b>11.4</b>	<b>10.6</b>	<b>9.9</b>
Reported P/E (x)	11.1	10.1	9.7	9.0	8.5
Dividend yield (%)	4.1	6.9	7.2	7.7	8.2
Price/book (x)	1.3	1.2	1.2	1.1	1.1
Price/tangible book (x)	2.7	2.4	2.5	2.4	2.2
EV/EBITDA (x) **	6.6	5.8	6.1	5.7	5.4
EV/EBITDA @ target price (x) **	7.4	6.5	6.8	6.4	6.0
EV/invested capital (x)	1.1	1.1	1.1	1.0	1.0
* 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 21: 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 22: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG rating	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 23: ESG disclosure from the company's one report

FY ending Dec 31		FY 2022	FY ending Dec 31		FY 2022
Environmental			Governance		
Climate change policy		Yes	Board size / Independent directors (ID) / Female		11 / 5 / 4
Climate change opportunities discussed		--	No. of board meetings for the year / % attendance		5 / 94.55%
GHG scope 2 location-based policy		Yes	Company conducts board evaluations		Yes
Biodiversity policy		--	Number of non-executive directors on board		5
Energy efficiency policy		Yes	Director share ownership guidelines		No
Electricity used		Yes	Board age limit		No
Fuel used - crude oil/diesel		1.5	Age of the youngest / oldest director		--
Waste reduction policy		Yes	Number of executives / female		13 / 5
Water policy		Yes	Executive share ownership guidelines		No
Water consumption		28520	Size of audit committee / ID		3 / 3
Social			Audit committee meetings		4
Human rights policy		Yes	Audit committee meeting attendance (%)		100
Policy against child labor		Yes	Size of compensation committee		3 / 3
Quality assurance and recall policy		--	Number of compensation committee meetings		3
Consumer data protection policy		--	Compensation committee meeting attendance (%)		88.88
Equal opportunity policy		Yes	Size of nomination committee / ID		3 / 3
Gender pay gap breakout		--	Number of nomination committee meetings		3
Pct women in workforce		45.2	Nomination committee meeting attendance (%)		88.88
Business ethics policy		Yes	Board compensation (THB m)		5.9
Anti-bribery ethics policy		Yes	Auditor fee (THB m)		3.6
Health and safety policy		Yes	(KPMG Phoomchai Audit Company Limited)		
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			

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.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>SETESG inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETESG Index</b> is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainabilitycs	The Sustainabilitycs' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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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. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

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

Source: FSSIA's compilation

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#### Thada Jiracharoenying FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Index Living Mall	ILM TB	THB 14.50	BUY	Risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) higher-than-expected SG&A.
Home Product Center	HMPRO TB	THB 8.55	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 8.20	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.
Dohome	DOHOME TB	THB 6.30	BUY	Key risks to our DCF-based TP are 1) lower steel price and heavy clearance stock 2) lower farm income, which would affect purchasing power in the agricultural sector, 3) government disbursement, 4) a lower private brand mix and margin, and 5) higher expenses than expected.
CP All	CPALL TB	THB 50.25	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
CP Axtra	CPAXT TB	THB 26.50	BUY	Key downside risks to our DCF-based TP include 1) a lower-than-expected SSSG; 2) a lower-than-expected GPM; 3) higher-than-expected SG&A expenses; 4) an operating loss from its overseas units; 5) lower-than-expected synergy value; and 6) lower-than-expected losses in Happitap project.
Berli Jucker	BJC TB	THB 22.30	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 21.20	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 34.75	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) an absence of the government's stimulus, and 4) a slower-than-expected economic recovery in Vietnam.

Source: FSSIA estimates

#### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 17-Feb-2025 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.