

Thailand Commerce

Resilient amid ongoing challenges

- Expect aggregate SSSG for 1Q25 to decline by an average of 0.4% y-y, with consumer staples being more resilient.
- Anticipate the sector's total net profit in 1Q25 to drop 9.9% q-q but rise 7.7% y-y, accounting for 24% of our full-year forecast.
- Limited impact from trade tensions; Overweight with CPALL as top pick.

Expect aggregate SSSG for 1Q25 to decline by an average of 0.4% y-y

Domestic purchasing power in 1Q25 remained relatively weak due to the lackluster economic recovery. This year's THB30,000 E-receipt program provided less support than the THB50,000 program in 1Q24. Additionally, February 2025 had one fewer trading day than the previous year, leading to an estimated 3.5% y-y drop in overall revenue. The earthquake on 28 March 2025 temporarily forced some branches to close in the afternoon, but the impact on overall performance was not significant. We estimate that the retail sector's SSSG in 1Q25 declined by an average of 0.4% y-y. Consumer staples were more resilient, with estimated SSSG at +3.2% y-y, while we expect the home improvement segment to post -2.8% y-y, except for DOHOME, which benefited from continued disbursement of government budgets from the previous quarter.

Total net profit in 1Q25 to drop 9.9% q-q but rise 7.7% y-y

We estimate the total net profit for the retail sector in 1Q25 to be at THB12.1b, -9.9% q-q due to seasonality but +7.7% y-y, accounting for 24% of our full-year forecast. The y-y growth would be driven by the consumer staples segment, with improved profits anticipated from both CPALL and CPAXT. This is supported by store expansion and a favorable product mix – CPALL saw a higher share of high-margin ready-to-eat products, while CPAXT benefited from strong revenue growth at branches located in tourist destinations. Meanwhile, the home improvement segment should see a 5.7% y-y drop in profit, mainly due to GLOBAL, which we expect to post the steepest SSSG decline in the group at -8.0% y-y. This comes despite 1Q typically being a high season for construction materials, supported by ongoing government budget disbursements. However, the sluggish property construction sector weighed heavily on GLOBAL's performance. In contrast, DOHOME benefited from public sector spending.

2025 remains a challenging year; consumer staples remain more resilient

A common theme among all retailers is strict cost and expense control, along with increased use of AI technology in inventory and other operations. 2025 remains a challenging year for the Thai economy, including the retail sector. We have revised down our profit forecasts for GLOBAL and DOHOME due to the continued weakness in residential construction, especially in 1H25, while 1Q is typically the peak season for building materials. Meanwhile, the consumer staples segment should remain resilient.

Limited impact from trade tensions; Overweight with CPALL as top pick

The retail sector remains relatively insulated from global trade tensions compared to other sectors. Most retail stocks are trading at very low valuations – between -1.5SD to -2SD below their 5-year average. We maintain our Overweight view on the sector, with CPALL as our top pick for its strong resilience to risks and highly attractive valuation.



Jitra Amornthum

Fundamental Investment Analyst on Securities; License no. 014530
 jitra.a@fssia.com, +66 2646 9966

Exhibit 1: Quarterly SSSG

SSSG	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25E
HMPRO	5.8	4.9	(3.6)	(8.5)	(2.0)	(7.3)	(5.8)	(0.5)	(3.0)
GLOBAL	(8.7)	(9.5)	(12.3)	(12.3)	(5.4)	(2.3)	(6.5)	(3.7)	(8.0)
DOHOME	(9.0)	(9.9)	(7.1)	(9.1)	(9.8)	(5.3)	(4.5)	1.5	2.5
Avg. Home improvement	(4.0)	(4.8)	(7.7)	(10.0)	(5.7)	(5.0)	(5.6)	(0.9)	(2.8)
CPALL	8.0	7.9	3.5	3.4	4.9	3.8	3.3	3.3	3.0
CPAXT	10.9	6.0	3.2	1.7	3.4	1.8	1.5	3.0	3.4
Avg. Consumer staple	9.5	7.0	3.4	2.6	4.2	2.8	2.4	3.2	3.2
Total average	1.4	(0.1)	(3.3)	(5.0)	(1.8)	(1.9)	(2.4)	0.7	(0.4)

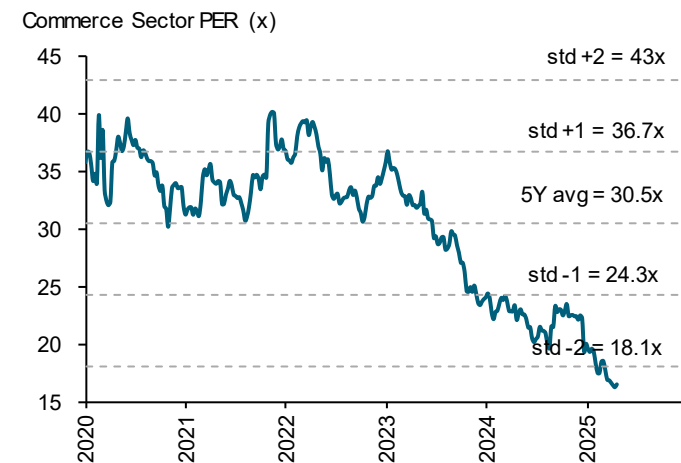
Sources: Company data, FSSIA estimates

Exhibit 2: 1Q25 earnings preview

Year to Dec 31	1Q24	2Q24	3Q24	4Q24	1Q25E	Change		2025E	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	25E
HMPRO	1,713	1,622	1,442	1,727	1,717	(0.6)	0.2	6,819	4.8	25.2
GLOBAL	725	765	364	523	560	7.0	(22.8)	2,282	(4.0)	24.5
DOHOME	244	193	77	160	253	57.9	3.4	845	25.4	29.9
Home improvement	2,682	2,579	1,883	2,411	2,529	4.9	(5.7)	9,947	4.1	25.4
CPALL	6,022	6,155	6,190	6,948	6,824	(1.8)	13.3	27,820	9.9	24.5
CPAXT	2,481	2,176	2,165	4,015	2,697	(32.8)	8.7	12,840	18.5	21.0
Consumer staple	8,503	8,331	8,355	10,963	9,521	(13.1)	12.0	40,660	12.5	23.4
Total average	11,185	10,910	10,237	13,373	12,051	(9.9)	7.7	50,606	10.7	23.8

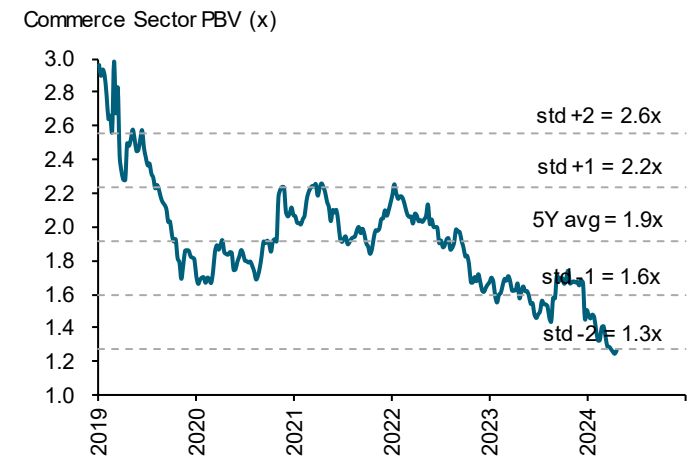
Sources: Company data, FSSIA estimates

Exhibit 3: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 4: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 5: Peer comparison as of 18 Apr 2025

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/ EBITDA	
			Current	Target	Upside		25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)		(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)
Consumer Staple														
CP All	CPALL TB	BUY	50.00	83.00	66	13,432	16.1	14.2	20.8	21.2	3.4	3.1	15.8	14.9
CP Axtra	CPAXT TB	BUY	25.50	34.00	33	7,952	20.7	18.6	4.3	4.7	0.9	0.9	8.5	7.4
Berli Jucker	BJC TB	BUY	23.90	31.00	30	2,865	18.2	17.2	4.4	4.6	0.8	0.8	11.4	11.0
Consumer Staple average						25,425	21.9	19.0	9.6	10.0	2.0	1.8	13.0	11.9
Consumer Discretionary														
Com7	COM7 TB	BUY	19.50	30.00	54	1,373	13.6	12.6	36.6	34.5	4.7	4.1	9.5	8.5
Central Retail Corp	CRC TB	BUY	23.90	38.00	59	4,311	15.8	14.7	12.8	12.7	1.9	1.8	8.1	7.8
Home improvement														
Index Living mall	ILM TB	BUY	14.00	17.00	21	211	8.7	8.2	12.8	13.1	1.1	1.1	5.6	5.3
Home Product Center	HMPRO TB	BUY	9.20	11.80	28	3,618	17.7	16.6	25.0	25.9	4.4	4.2	10.3	9.6
Siam Global House	GLOBAL TB	HOLD	7.15	7.80	9	1,155	16.9	15.3	9.0	9.4	1.5	1.4	13.6	12.3
Dohome	DOHOME TB	BUY	5.25	7.50	43	531	21.0	15.4	6.4	8.1	1.3	1.2	12.8	11.1
Home improvement avg.						5,516	16.1	13.9	13.3	14.1	2.1	2.0	10.6	9.6
Consumer Discretionary avg.						11,200	15.6	13.8	17.1	17.3	2.5	2.3	10.0	9.1
Total average						36,625	16.5	14.8	14.7	14.9	2.2	2.1	10.6	9.8

Sources: Bloomberg, FSSIA estimates

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 SETESG 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. SETESG Index 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&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 & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																			
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																			
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
CP All	CPALL TB	THB 50.00	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
CP Axtra	CPAXT TB	THB 25.50	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 Happitat project.
Berli Jucker	BJC TB	THB 23.90	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 19.50	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 23.90	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.
Index Living Mall	ILM TB	THB 14.00	BUY	Risks to our DCF-based TP include 1) a lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) a higher-than-expected SG&A.
Home Product Center	HMPRO TB	THB 9.20	BUY	Key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) slower-than-expected recovery in domestic consumption and tourist arrivals, and 3) operating losses from overseas units.
Siam Global House	GLOBAL TB	THB 7.15	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 5.25	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.

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 18-Apr-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.