

HOME PRODUCT CENTER  
THAILAND / COMMERCE

## HMPRO TB

BUY  
UNCHANGED

## 3Q23 results at first glance

TARGET PRICE	THB16.00
CLOSE	THB12.00
UP/DOWNSIDE	+33.3%
TP vs CONSENSUS	-3.4%

กำไร 3Q23 ออกมาใกล้เคียงกับทั้งเราและตลาดคาด

## Highlights

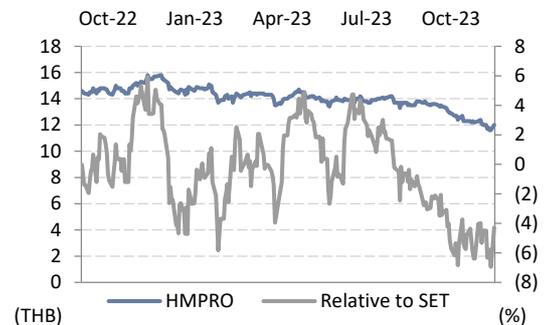
- HMPRO รายงานกำไรสุทธิ 3Q23 เท่ากับ 1.5 พันลบ. ลดลง 5.4% q-q จากช่วงหน้าฝนที่เป็น Low season ทรงตัว y-y ใกล้เคียงกับทั้งเราและตลาดคาด
- HMPRO รายงานรายได้จากการขาย เท่ากับ 16.4 พันลบ. ลดลง 7.9% q-q จากปัจจัยฤดูกาล เพิ่มขึ้น 3.2% y-y แม้ SSSG กลับมาเป็นลบ 3.6% (vs 2Q23 ที่ +5%, 3Q22 ที่ 18%) แต่ยอดขายเพิ่มขึ้น 3.2% y-y จากการขยายสาขาโดยเฉพาะสาขาของ MegaHome
- อัตรากำไรขั้นต้น 3Q23 ที่ 26.7% (vs 2Q23 ที่ 26.3%, 3Q22 ที่ 26.8%) ปรับดีขึ้น q-q เนื่องจากใน 2Q23 มีสัดส่วนการขายเครื่องใช้ไฟฟ้าสูงกว่า ซึ่งเป็นสินค้าที่มี margin น้อย ขณะที่ทรงตัว y-y
- SG&A to sales 3Q23 ที่ 19.7% เพิ่มขึ้นจาก 19.5% ใน 2Q23 จากยอดขายที่ soft ลงตาม seasonal ขณะที่ทรงตัว y-y

## Outlook

- HMPRO มีกำไรสุทธิ 9M23 เท่ากับ 4.8 พันลบ. (+4.4% y-y) คิดเป็น 73% ของประมาณการทั้งปี ซึ่งแนวโน้ม 4Q23 เราคาดเติบโตต่อได้ทั้ง q-q และ y-y จากที่จะเป็นช่วง High season และการจัด HomePro Expo ในช่วงต้นเดือน ธ.ค. ซึ่งจะช่วยกระตุ้นยอดขายในปลายปี รวมถึงมีแผนที่จะเปิด HomePro 1 สาขา และ MegaHome 3 สาขา
- ปัจจัยสนับสนุนในปี 2024 เราเชื่อว่าการบริโภคและกำลังซื้อจะทยอยฟื้นตัวหนุนจากภาคการท่องเที่ยวที่กลับมา ขณะที่แผนการเปิดสาขายังคงมีแผนเปิดต่อเนื้อจาว 6-8 สาขา โดยเป็นการเปิดในรูปแบบร้าน HomePro และ MegaHome สัดส่วนใกล้เคียงกัน
- เบื้องต้นเรายังคงประมาณการกำไรปี 2023 ที่ 6.5 พันลบ. (+5.6% y-y) และปี 2024 ที่ 7.3 พันลบ. (+11% y-y) คงคำแนะนำ ซื้อ เราคาดว่าเป้าหมายปี 2024 ที่ 16 บาท (DCF) implied P/E 2024 ที่ 29 เท่า

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	69,389	75,128	81,242	87,726
Net profit	6,219	6,564	7,268	7,860
EPS (THB)	0.47	0.50	0.55	0.60
vs Consensus (%)	-	(2.2)	(2.8)	(2.8)
EBITDA	11,244	11,971	13,148	14,284
Recurring net profit	6,219	6,564	7,268	7,860
Core EPS (THB)	0.47	0.50	0.55	0.60
EPS growth (%)	14.3	5.6	10.7	8.1
Core P/E (x)	25.4	24.0	21.7	20.1
Dividend yield (%)	3.2	3.3	3.7	4.0
EV/EBITDA (x)	14.9	14.1	13.0	12.0
Price/book (x)	6.5	6.2	5.9	5.5
Net debt/Equity (%)	40.8	44.0	46.8	49.8
ROE (%)	26.4	26.4	27.7	28.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.0)	(14.9)	(17.2)
Relative to country (%)	1.2	(5.1)	(4.6)
Mkt cap (USD m)	4,397		
3m avg. daily turnover (USD m)	8.9		
Free float (%)	42		
Major shareholder	Land & Houses (30%)		
12m high/low (THB)	15.90/11.40		
Issued shares (m)	13,151.12		

Sources: Bloomberg consensus; FSSIA estimates



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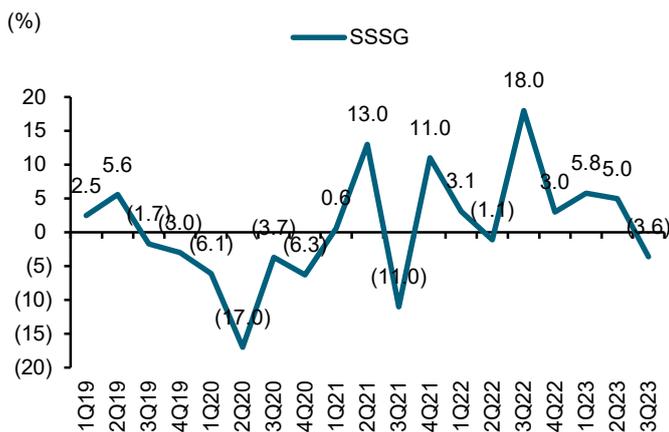
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## Exhibit 1: 3Q23 results summary

YE Dec 31	3Q22	4Q22	1Q23	2Q23	3Q23	Change		9M23			2023E	Change
	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	%23E	(THB m)	(y-y%)				
<b>Total revenue</b>	<b>16,941</b>	<b>18,468</b>	<b>18,252</b>	<b>18,903</b>	<b>17,491</b>	<b>(7.5)</b>	<b>3.2</b>	<b>54,645</b>	<b>7.3</b>	<b>73</b>	<b>75,128</b>	<b>8.3</b>
Retail sales	15,897	17,115	17,223	17,789	16,390	(7.9)	3.1	51,403	7.1	73	70,656	8.6
Rental and service income	441	464	477	464	434	(6.3)	(1.5)	1,375	9.4	74	1,868	8.5
Other income	604	889	551	650	666	2.5	10.2	1,868	10.6	72	2,604	1.0
<b>Gross profit</b>	<b>5,119</b>	<b>5,626</b>	<b>5,328</b>	<b>5,593</b>	<b>5,280</b>	<b>(5.6)</b>	<b>3.1</b>	<b>16,201</b>	<b>8.1</b>	<b>73</b>	<b>22,215</b>	<b>7.8</b>
Operating costs	(3,130)	(3,493)	(3,192)	(3,466)	(3,237)	(6.6)	3.4	(9,895)	9.6	73	(13,648)	9.0
<b>Operating profit</b>	<b>1,989</b>	<b>2,134</b>	<b>2,135</b>	<b>2,127</b>	<b>2,043</b>	<b>(4.0)</b>	<b>2.8</b>	<b>6,306</b>	<b>5.9</b>	<b>74</b>	<b>8,568</b>	<b>5.9</b>
Other income (expense)	5	8	2	11	(1)	(106.1)	(113.7)	12	43.1	39	31	85.5
Interest expense	(123)	(130)	(133)	(130)	(138)	6.6	12.7	(402)	27.5	78	(514)	15.5
Profit before tax	1,871	2,016	2,004	2,008	1,904	(5.2)	1.8	5,916	4.8	73	8,085	5.6
Tax	(337)	(362)	(393)	(388)	(371)	(4.5)	10.3	(1,152)	6.8	76	(1,521)	5.6
Reported net profit	1,534	1,654	1,611	1,620	1,533	(5.4)	(0.1)	4,764	4.4	73	6,564	5.6
<b>Recurring net profit</b>	<b>1,534</b>	<b>1,654</b>	<b>1,611</b>	<b>1,620</b>	<b>1,533</b>	<b>(5.4)</b>	<b>(0.1)</b>	<b>4,764</b>	<b>4.4</b>	<b>73</b>	<b>6,564</b>	<b>5.6</b>
EPS (THB)	0.12	0.13	0.12	0.12	0.12	(5.4)	(0.1)	0.36	4.4	73	0.50	5.6
<b>Recurring EPS (THB)</b>	<b>0.12</b>	<b>0.13</b>	<b>0.12</b>	<b>0.12</b>	<b>0.12</b>	<b>(5.4)</b>	<b>(0.1)</b>	<b>0.36</b>	<b>4.4</b>	<b>73</b>	<b>0.50</b>	<b>5.6</b>
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>	
Retail sales margin	26.8	26.1	26.1	26.3	26.7	0.4	(0.1)	26.4	0.2		26.2	0.5
Operating margin	12.5	12.5	12.4	12.0	12.5	0.5	(0.0)	12.3	(0.1)		12.1	(0.2)
Recurring net margin	9.1	9.0	8.8	8.6	8.8	0.2	(0.3)	8.7	(0.2)		8.7	0.2
SG&A / sales	19.7	20.4	18.5	19.5	19.7	0.3	0.1	19.2	0.4		19.3	(0.0)
<b>Operating statistics</b>												
SSSG (%)	18.0	3.0	5.8	5.0	(3.6)						5	
<b>Number of stores (no.)</b>	<b>115</b>	<b>117</b>	<b>120</b>	<b>122</b>	<b>124</b>						<b>127</b>	
Home Pro	86	87	87	86	87						88	
Home Pro S	6	5	5	5	5						5	
Mega Home	16	18	21	24	25						27	
Home Pro Malaysia	7	7	7	7	7						7	

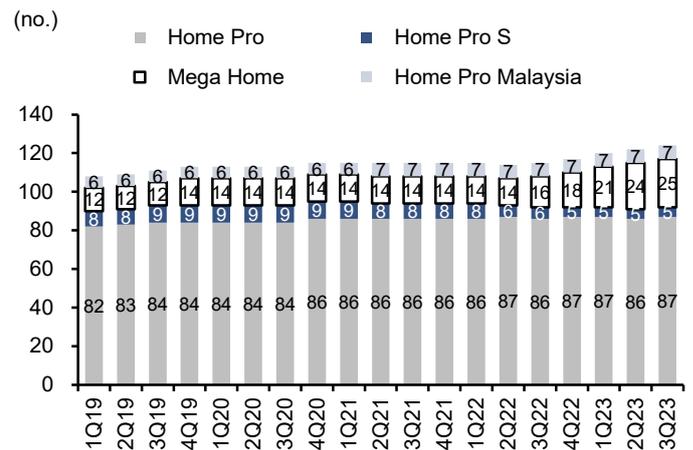
Sources: HMPRO; FSSIA estimates

## Exhibit 2: Same-store sales growth



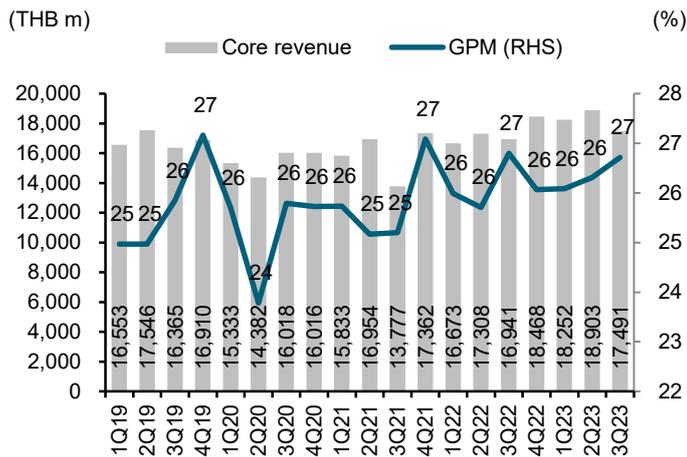
Source: HMPRO

## Exhibit 3: Number of stores



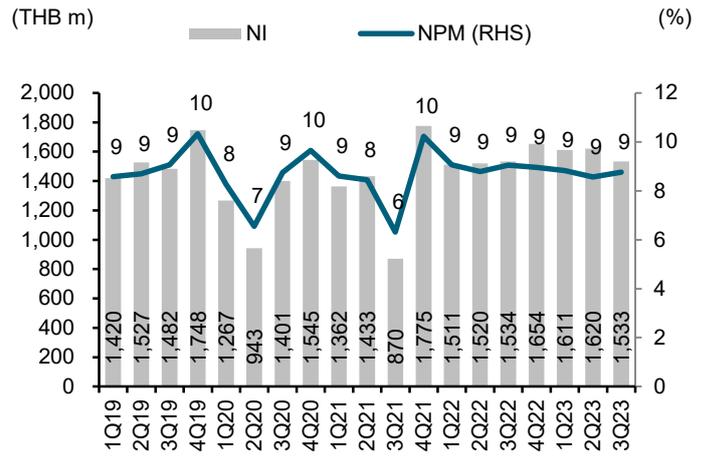
Source: HMPRO

**Exhibit 4: Quarterly revenue and gross margin**



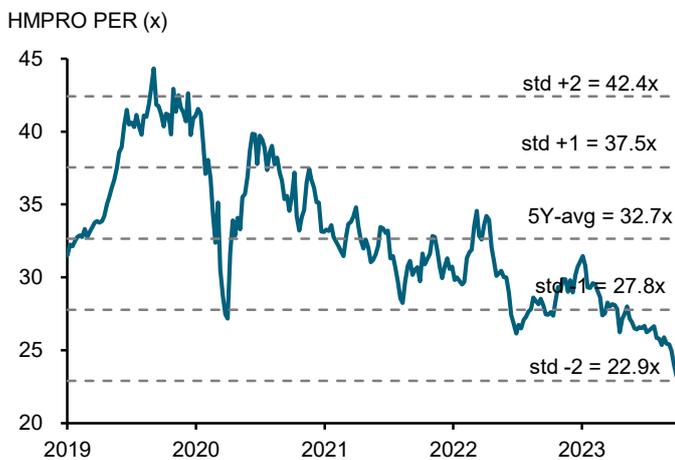
Source: HMPRO

**Exhibit 5: Quarterly net profit and net margin**



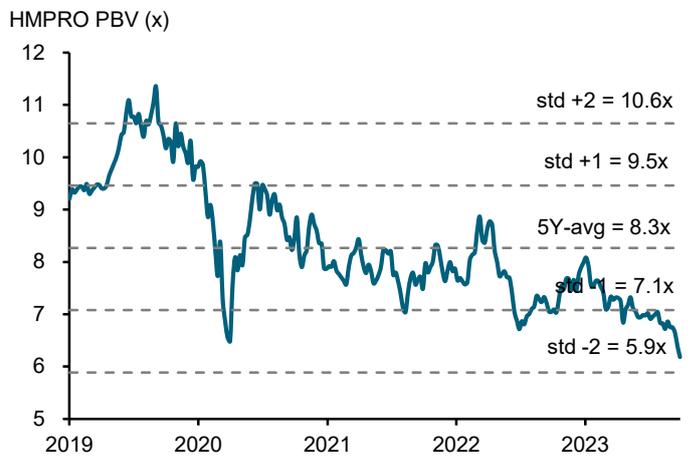
Source: HMPRO

**Exhibit 6: Rolling one-year forward P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 7: Rolling one-year forward P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 8: Commerce peers as of 30 October 2023**

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
<b>Consumer Staple</b>														
CP All	CPALL TB	BUY	56.00	77.00	38	14,017	30.7	25.9	15.6	17.0	5.1	4.6	21.6	19.2
CP Extra	CPAXT TB	BUY	28.50	38.00	33	8,402	33.8	27.1	3.1	3.8	1.0	1.0	10.7	9.9
Berli Jucker*	BJC TB	n/a	27.50	n/a	n/a	3,116	19.5	16.9	4.6	5.3	0.9	0.9	13.1	12.5
<b>Consumer Staple average</b>						<b>25,535</b>	<b>28.0</b>	<b>23.3</b>	<b>7.8</b>	<b>8.7</b>	<b>2.3</b>	<b>2.2</b>	<b>15.1</b>	<b>13.9</b>
<b>Consumer Discretionary</b>														
Com7	COM7 TB	BUY	27.25	38.70	42	1,811	18.9	16.2	44.8	45.6	8.0	6.9	13.6	11.6
Central Retail Corp*	CRC TB	n/a	38.25	n/a	n/a	6,154	26.8	21.8	12.9	14.2	3.3	2.9	11.1	10.1
<b>Home Improvement</b>														
Index Living Mall	ILM TB	BUY	22.60	26.70	18	318	16.4	14.8	12.0	12.7	1.9	1.8	7.9	7.1
Home Product Center	HMPRO TB	BUY	12.00	16.00	33	4,397	24.0	21.7	26.4	27.7	6.2	5.9	14.1	13.0
Siam Global House	GLOBAL TB	BUY	15.70	20.50	31	2,188	26.9	23.6	12.8	13.4	3.3	3.0	20.5	18.3
Dohome	DOHOME TB	BUY	11.30	13.00	15	973	58.7	31.4	4.9	8.5	2.8	2.6	25.6	18.8
<b>Home Improvement avg.</b>						<b>7,876</b>	<b>31.5</b>	<b>22.9</b>	<b>14.0</b>	<b>15.6</b>	<b>3.6</b>	<b>3.3</b>	<b>17.0</b>	<b>14.3</b>
<b>Consumer Discretionary avg.</b>						<b>15,841</b>	<b>28.6</b>	<b>21.6</b>	<b>19.0</b>	<b>20.4</b>	<b>4.2</b>	<b>3.9</b>	<b>15.5</b>	<b>13.1</b>
<b>Total average</b>						<b>41,375</b>	<b>28.4</b>	<b>22.2</b>	<b>15.2</b>	<b>16.5</b>	<b>3.6</b>	<b>3.3</b>	<b>15.4</b>	<b>13.4</b>

Sources: \*Bloomberg; FSSIA estimates

## Financial Statements

### Home Product Center

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	63,926	69,389	75,128	81,242	87,726
Cost of goods sold	(45,534)	(48,783)	(52,912)	(57,189)	(61,710)
<b>Gross profit</b>	<b>18,392</b>	<b>20,607</b>	<b>22,215</b>	<b>24,053</b>	<b>26,016</b>
Other operating income	-	-	-	-	-
Operating costs	(11,326)	(12,519)	(13,648)	(14,646)	(15,844)
<b>Operating EBITDA</b>	<b>10,274</b>	<b>11,244</b>	<b>11,971</b>	<b>13,148</b>	<b>14,284</b>
Depreciation	(3,208)	(3,156)	(3,404)	(3,741)	(4,113)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>7,066</b>	<b>8,088</b>	<b>8,568</b>	<b>9,407</b>	<b>10,172</b>
Net financing costs	(408)	(428)	(482)	(455)	(491)
Associates	0	0	0	0	0
Recurring non-operating income	(23)	0	0	0	0
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>6,634</b>	<b>7,660</b>	<b>8,085</b>	<b>8,952</b>	<b>9,681</b>
Tax	(1,194)	(1,441)	(1,521)	(1,684)	(1,821)
<b>Profit after tax</b>	<b>5,441</b>	<b>6,219</b>	<b>6,564</b>	<b>7,268</b>	<b>7,860</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>5,441</b>	<b>6,219</b>	<b>6,564</b>	<b>7,268</b>	<b>7,860</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>5,441</b>	<b>6,219</b>	<b>6,564</b>	<b>7,268</b>	<b>7,860</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.41	0.47	0.50	0.55	0.60
Reported EPS	0.41	0.47	0.50	0.55	0.60
DPS	0.32	0.38	0.40	0.44	0.48
Diluted shares (used to calculate per share data)	13,151	13,151	13,151	13,151	13,151
<b>Growth</b>					
Revenue (%)	3.5	8.5	8.3	8.1	8.0
Operating EBITDA (%)	4.6	9.4	6.5	9.8	8.6
Operating EBIT (%)	6.4	14.5	5.9	9.8	8.1
Recurring EPS (%)	5.5	14.3	5.6	10.7	8.1
Reported EPS (%)	5.5	14.3	5.6	10.7	8.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	28.8	29.7	29.6	29.6	29.7
Gross margin exc. depreciation (%)	33.8	34.2	34.1	34.2	34.3
Operating EBITDA margin (%)	16.1	16.2	15.9	16.2	16.3
Operating EBIT margin (%)	11.1	11.7	11.4	11.6	11.6
Net margin (%)	8.5	9.0	8.7	8.9	9.0
Effective tax rate (%)	18.0	18.8	18.8	18.8	18.8
Dividend payout on recurring profit (%)	77.4	80.4	80.4	80.4	80.4
Interest cover (X)	17.3	18.9	17.8	20.7	20.7
Inventory days	98.8	104.8	105.0	105.8	106.6
Debtor days	9.8	9.8	10.5	10.5	10.5
Creditor days	116.5	119.1	121.6	122.0	122.4
Operating ROIC (%)	22.3	24.7	24.6	25.1	25.2
ROIC (%)	15.3	16.5	16.1	16.4	16.5
ROE (%)	24.5	26.4	26.4	27.7	28.3
ROA (%)	10.1	10.6	10.2	10.3	10.4
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
	2021	2022	2023E	2024E	2025E
Sales	60,568	65,091	70,656	76,588	82,879
Rental and service	1,223	1,721	1,868	2,024	2,191
Others	2,135	2,578	2,604	2,630	2,656

Sources: Home Product Center; FSSIA estimates

## Financial Statements

### Home Product Center

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	5,441	6,219	6,564	7,268	7,860
Depreciation	3,208	3,156	3,404	3,741	4,113
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(1,211)	387	(44)	(58)	(69)
<b>Cash flow from operations</b>	<b>7,438</b>	<b>9,763</b>	<b>9,924</b>	<b>10,951</b>	<b>11,904</b>
Capex - maintenance	0	0	0	0	0
Capex - new investment	(2,051)	(5,041)	(5,545)	(6,099)	(6,709)
Net acquisitions & disposals	192	118	110	216	176
Other investments (net)	(86)	(914)	(570)	(607)	(644)
<b>Cash flow from investing</b>	<b>(1,944)</b>	<b>(5,837)</b>	<b>(6,004)</b>	<b>(6,490)</b>	<b>(7,177)</b>
Dividends paid	(4,208)	(4,997)	(5,275)	(5,840)	(6,316)
Equity finance	0	0	0	0	0
Debt finance	(22)	1,946	3,095	778	2,245
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(4,230)</b>	<b>(3,052)</b>	<b>(2,180)</b>	<b>(5,062)</b>	<b>(4,071)</b>
Non-recurring cash flows	0	0	0	0	0
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>1,263</b>	<b>874</b>	<b>1,739</b>	<b>(601)</b>	<b>656</b>
Free cash flow to firm (FCFF)	5,909.04	4,370.42	4,432.97	4,950.18	5,252.13
Free cash flow to equity (FCFE)	5,471.66	5,871.79	7,013.93	5,239.38	6,971.59

Per share (THB)	2021	2022	2023E	2024E	2025E
FCFF per share	0.45	0.33	0.34	0.38	0.40
FCFE per share	0.42	0.45	0.53	0.40	0.53
Recurring cash flow per share	0.66	0.71	0.76	0.84	0.91

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	52,164	55,912	61,457	67,556	74,265
Less: Accumulated depreciation	(24,580)	(26,444)	(29,848)	(33,589)	(37,702)
<b>Tangible fixed assets (net)</b>	<b>27,584</b>	<b>29,469</b>	<b>31,609</b>	<b>33,967</b>	<b>36,563</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	4,546	5,420	7,159	6,559	7,214
A/C receivable	1,675	2,069	2,240	2,422	2,616
Inventories	12,572	13,630	14,856	16,136	17,496
Other current assets	127	311	336	364	393
<b>Current assets</b>	<b>18,920</b>	<b>21,430</b>	<b>24,592</b>	<b>25,480</b>	<b>27,718</b>
Other assets	12,082	14,286	15,468	16,726	18,061
<b>Total assets</b>	<b>58,586</b>	<b>65,185</b>	<b>71,669</b>	<b>76,174</b>	<b>82,343</b>
Common equity	22,890	24,246	25,535	26,963	28,507
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>22,890</b>	<b>24,246</b>	<b>25,535</b>	<b>26,963</b>	<b>28,507</b>
Long term debt	8,943	9,056	10,887	11,348	12,676
Other long-term liabilities	6,242	7,398	8,010	8,662	9,353
<b>Long-term liabilities</b>	<b>15,185</b>	<b>16,454</b>	<b>18,897</b>	<b>20,009</b>	<b>22,029</b>
A/C payable	13,973	15,812	17,165	18,568	20,053
Short term debt	4,414	6,248	7,511	7,829	8,745
Other current liabilities	2,123	2,425	2,560	2,804	3,009
<b>Current liabilities</b>	<b>20,510</b>	<b>24,485</b>	<b>27,237</b>	<b>29,201</b>	<b>31,807</b>
<b>Total liabilities and shareholders' equity</b>	<b>58,586</b>	<b>65,184</b>	<b>71,669</b>	<b>76,173</b>	<b>82,342</b>
Net working capital	(1,722)	(2,227)	(2,292)	(2,450)	(2,557)
Invested capital	37,945	41,528	44,785	48,243	52,067

\* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)	2021	2022	2023E	2024E	2025E
Book value per share	1.74	1.84	1.94	2.05	2.17
Tangible book value per share	1.74	1.84	1.94	2.05	2.17
<b>Financial strength</b>					
Net debt/equity (%)	38.5	40.8	44.0	46.8	49.8
Net debt/total assets (%)	15.0	15.2	15.7	16.6	17.3
Current ratio (x)	0.9	0.9	0.9	0.9	0.9
CF interest cover (x)	19.4	26.5	27.0	25.9	28.9

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>29.0</b>	<b>25.4</b>	<b>24.0</b>	<b>21.7</b>	<b>20.1</b>
<b>Recurring P/E @ target price (x) *</b>	<b>38.7</b>	<b>33.8</b>	<b>32.1</b>	<b>29.0</b>	<b>26.8</b>
Reported P/E (x)	29.0	25.4	24.0	21.7	20.1
Dividend yield (%)	2.7	3.2	3.3	3.7	4.0
Price/book (x)	6.9	6.5	6.2	5.9	5.5
Price/tangible book (x)	6.9	6.5	6.2	5.9	5.5
EV/EBITDA (x) **	16.2	14.9	14.1	13.0	12.0
EV/EBITDA @ target price (x) **	21.3	19.6	18.5	17.0	15.7
EV/invested capital (x)	4.4	4.0	3.8	3.5	3.3

\* 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 9: 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 10: ESG – peer comparison**

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

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
**Exhibit 11: ESG score by Bloomberg**

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>2.33</b>	<b>2.48</b>	<b>3.72</b>	<b>3.82</b>	<b>3.88</b>	<b>3.90</b>	<b>4.43</b>	<b>5.36</b>
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
<b>ESG disclosure score</b>	<b>49.20</b>	<b>49.20</b>	<b>53.02</b>	<b>53.90</b>	<b>58.58</b>	<b>59.11</b>	<b>60.32</b>	<b>62.59</b>
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
<b>Environmental</b>								
Emissions reduction initiatives	Yes							
Climate change policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	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							
Energy efficiency policy	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 12: 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							
Waste reduction policy	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							
Water policy	Yes							
Water consumption	931	872	858	895	934	712	840	898
<b>Social</b>								
Human rights policy	Yes							
Policy against child labor	Yes							
Quality assurance and recall policy	No							
Consumer data protection policy	Yes							
Equal opportunity policy	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							
Anti-bribery ethics policy	Yes							
Health and safety policy	Yes							
Lost time incident rate - employees	0	0	0	0	0	0	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	—	—
Training policy	Yes							
Fair remuneration policy	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
<b>Governance</b>								
<b>Board size</b>	<b>12</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>
<b>No. of independent directors (ID)</b>	<b>4</b>							
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							
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							
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
<b>No. of executives / company managers</b>	<b>17</b>	<b>16</b>	<b>17</b>	<b>19</b>	<b>18</b>	<b>21</b>	<b>25</b>	<b>24</b>
No. of female executives	8	9	10	11	13	14	14	13
Executive share ownership guidelines	No							
<b>Size of audit committee</b>	<b>3</b>							
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
<b>Size of compensation committee</b>	<b>3</b>							
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
<b>Size of nomination committee</b>	<b>3</b>							
No. of nomination committee meetings	3	2	2	2	2	2	2	4
Nomination meeting attendance %	100	100	100	100	100	100	100	100
<b>Sustainability governance</b>								
Verification type	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 <b>THSI 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>SETTHSI Index</b> 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.																												
<b>CG Score</b> 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%).																												
<b>AGM level</b> 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.																												
<b>Thai CAC</b> 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.																												
<b>Morningstar Sustainalytics</b>	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. <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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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+																										
<b>ESG Book</b>	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.																												
<b>MSCI</b>	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 border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<b>Moody's ESG solutions</b>	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.																													
<b>Refinitiv ESG rating</b>	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>																													
<b>S&amp;P Global</b>	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.																													
<b>Bloomberg</b>	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.																												

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

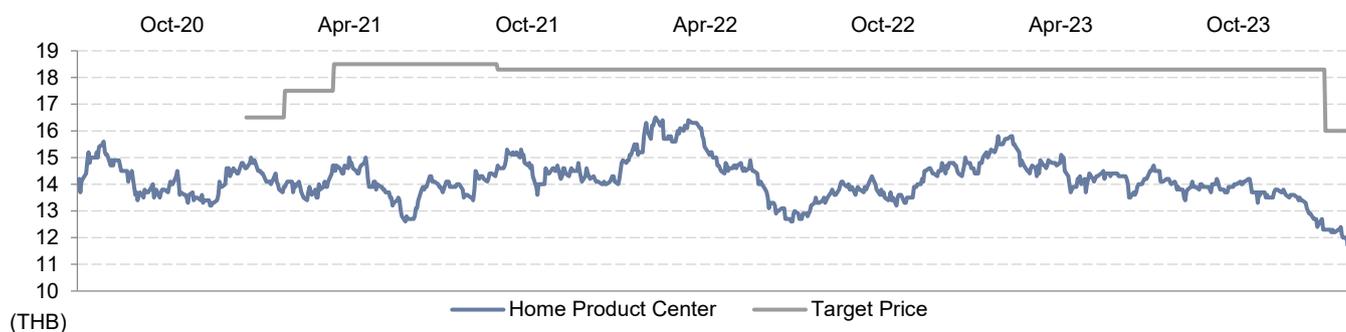
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#### History of change in investment rating and/or target price

#### Home Product Center (HMPRO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
25-Mar-2021	BUY	16.50	08-Jun-2021	BUY	18.50	04-Oct-2023	BUY	16.00
27-Apr-2021	BUY	17.50	26-Oct-2021	BUY	18.30			

Jitra Amornthum 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 12.00	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) the slow recovery of tourist numbers; and 3) operating losses from its overseas business.

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 30-Oct-2023 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.