

## SIAM GLOBAL HOUSE

## GLOBAL TB

THAILAND / COMMERCE

FSSIA ESG rating



BUY

UNCHANGED

TARGET PRICE	THB18.00
CLOSE	THB16.40
UP/DOWNSIDE	+9.8%
PRIOR TP	THB20.50
CHANGE IN TP	-12.2%
TP vs CONSENSUS	+2.4%

## กำไร 3Q23 ผ่านจุดต่ำสุด และทยอยฟื้นตัว

- กำไรสุทธิ 3Q23 ที่ 525 ลบ. (-25% q-q และ -32% y-y) น้อยกว่าที่เราคาด 11% และน้อยกว่าที่ตลาดคาด 9% จาก SSSG ที่ลดลง, ค่าใช้จ่ายที่สูงขึ้นกว่าที่คาด
- เราปรับกำไรสุทธิปี 2023-25 ลง สะท้อน SSS ฟื้นตัวช้า และ SG&A ที่สูง
- คงคำแนะนำซื้อ ด้วยราคาเป้าหมายปี 2024 ใหม่ที่ 18 บาท

กำไรสุทธิ 3Q23 น้อยกว่าที่เราและตลาดคาด จาก SSSG ที่ลดลง, ค่าใช้จ่ายที่สูง GLOBAL รายงานกำไรสุทธิ 3Q23 ที่ 525 ลบ. (-25% q-q และ -32% y-y) น้อยกว่าที่เราคาด 11% และน้อยกว่าที่ตลาดคาด 9% จาก SSSG ที่ลดลง 12.3% (vs 2Q23 ที่ -9.5%, 3Q22 ที่ +4.4%) และ SG&A to sales ที่ 19.1% เพิ่มขึ้นทั้ง q-q และ y-y (vs 2Q23 ที่ 16.7%, 3Q22 16.2%) แม้อัตรากำไรขั้นต้นปรับสูงขึ้นเป็น 25.9% (vs 2Q23 ที่ 25.4%, 3Q23 ที่ 25.8%) จากต้นทุนค่าขนส่งสินค้า House brand ที่ลดลง

## แนวโน้ม 4Q23 คาดฟื้นตัวได้ทั้ง q-q และ y-y

แนวโน้ม 4Q23 คาดเติบโตได้ทั้ง q-q และ y-y จากการเริ่มทยอยฟื้นตัวของกำลังซื้อภาคเกษตรทยอยฟื้นตัว สะท้อนจากดัชนีรายได้เกษตรกรที่ฟื้นตัวขึ้น 3.5% y-y ในเดือนกันยายน ซึ่งเราคาด SSSG จะติดลบน้อยลง โดย SSSG เดือนตุลาคม เราคาด -9% และคาดว่าจะทยอยฟื้นตัวขึ้น ซึ่งในเดือนพ.ย. เป็นช่วงเก็บเกี่ยวผลผลิต โดยเฉพาะข้าว ซึ่งดัชนีราคาข้าวเปลือกปรับเพิ่มขึ้น 31% YTD รวมทั้งใน 4Q23 คาดว่าจะไม่มีการตั้งสำรองสินค้าเคลื่อนไหวซ้ำเหมือนใน 4Q22 (มูลค่าหลังหักภาษี 137 ลบ.)

## เราปรับประมาณการกำไรปี 2023-25 ลง สะท้อน SSS ฟื้นตัวช้า และ SG&amp;A ที่สูง

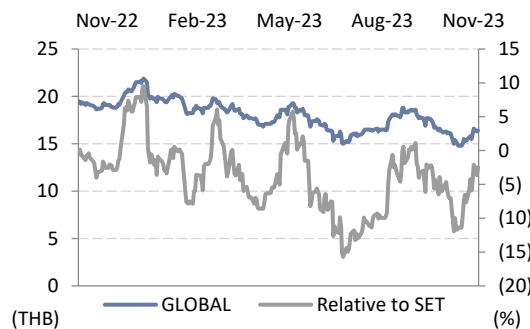
เราปรับลดประมาณการกำไรสุทธิ 2023-25 ลง 5.8%, 9.3% และ 12.2% ตามลำดับ จากแนวโน้ม SSSG ที่ฟื้นตัวช้ากว่าที่คาด เราปรับ SSSG ปี 2023 เป็น -9% (จากเดิม -8%) สะท้อน SSSG ใน 3Q23 ที่ลดลงมากกว่าที่คาด ขณะที่เราปรับอัตรากำไรขั้นต้นสะท้อนต้นทุนสินค้า House brand ที่ดีขึ้นจากค่าขนส่งที่ลดลง รวมถึงการปรับขึ้นราคาสินค้า House brand ขึ้น ทั้งนี้เราปรับ SG&A to sales ในปี 2023-25 ขึ้น 90-120bps สะท้อนค่าใช้จ่ายที่ยังอยู่ในระดับสูง

## คงคำแนะนำซื้อ ด้วยราคาเป้าหมายปี 2024 ใหม่ที่ 18 บาท

คงคำแนะนำซื้อ ด้วยราคาเป้าหมายปี 2024 ใหม่ที่ 18 บาท (จากเดิม TP2024 ที่ 20.5 บาท) สะท้อน SSSG ที่ฟื้นตัวช้ากว่าที่คาดและ SG&A ที่ยังอยู่ในระดับสูง ขณะที่ราคาหุ้นปรับลงมา 23.7% YTD ปัจจุบันซื้อขายที่ Forward P/E 2024 ที่ 27.2 เท่า อยู่ที่ระดับ 5Y-avg -0.2SD ขณะที่ผลประกอบการ 3Q23 เราเชื่อว่าจะเป็นจุดต่ำสุด และจะทยอยฟื้นตัวใน 4Q23 และเข้าสู่ช่วง High season ของการก่อสร้างใน 1H24

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	35,270	33,574	35,969	39,044
Net profit	3,487	2,753	3,021	3,326
EPS (THB)	0.73	0.55	0.60	0.66
vs Consensus (%)	-	(3.7)	(10.3)	(13.3)
EBITDA	4,941	4,240	4,638	5,087
Recurring net profit	3,487	2,753	3,021	3,326
Core EPS (THB)	0.73	0.55	0.60	0.66
Chg. In EPS est. (%)	-	(5.8)	(9.3)	(12.2)
EPS growth (%)	(0.1)	(24.2)	9.7	10.1
Core P/E (x)	22.6	29.8	27.2	24.7
Dividend yield (%)	1.8	1.3	1.5	1.6
EV/EBITDA (x)	18.7	22.3	20.4	18.7
Price/book (x)	3.6	3.5	3.2	3.0
Net debt/Equity (%)	59.3	49.9	46.9	45.1
ROE (%)	16.9	12.1	12.2	12.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.2	(1.2)	(15.4)
Relative to country (%)	3.4	7.5	(2.5)
Mkt cap (USD m)	2,307		
3m avg. daily turnover (USD m)	4.7		
Free float (%)	35		
Major shareholder	Suriyawanakul Family (34%)		
12m high/low (THB)	22.37/14.60		
Issued shares (m)	5,001.80		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

GLOBAL เป็นหนึ่งในผู้นำศูนย์จำหน่ายสินค้าวัสดุก่อสร้าง วัสดุ ตกแต่ง เครื่องมือ อุปกรณ์ ที่ใช้ในงานก่อสร้าง ต่อเติม ตกแต่ง บ้าน และสวน แบบครบวงจร ในรูปแบบ One Stop Shopping Home Center. กลุ่มลูกค้าเป้าหมายของ GLOBAL อยู่ในระดับกลางถึงล่าง ในพื้นที่ต่างจังหวัดโดยเฉพาะภาคตะวันออกเฉียงเหนือ โดยร้านค้า กว่า 80% ตั้งอยู่ในพื้นที่ภาคกลาง ภาคเหนือ และภาค ตะวันออกเฉียงเหนือ ซึ่งกำลังซื้อหลักจะขึ้นอยู่กับรายได้เกษตรกร นอกจากนี้ GLOBAL ยังมีกลุ่มลูกค้าที่เป็นผู้รับเหมาก่อสร้างและ งานโครงการ ซึ่งส่วนหนึ่งขึ้นอยู่กับงบประมาณและการลงทุนใน โครงสร้างพื้นฐานของรัฐ หากรัฐบาลมีงบลงทุนมากขึ้น รวมถึงรายได้ เกษตรกรเพิ่มสูงขึ้นจะเป็นปัจจัยหนุนให้กับ GLOBAL ปัจจัยสำคัญที่จะขับเคลื่อน GLOBAL ได้แก่ การขยายสาขาอย่างต่อเนื่อง, การเติบโตของยอดขายสาขาเดิม (SSSG) และการ ปรับปรุงอัตรากำไรขั้นต้น

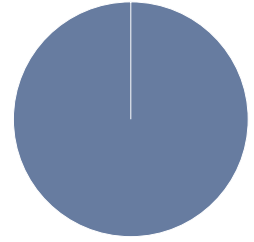
## Company profile

GLOBAL เป็นหนึ่งในผู้นำศูนย์จำหน่ายสินค้าวัสดุก่อสร้างที่เน้นกลุ่ม ลูกค้าในต่างจังหวัด โดยในเดือนพฤศจิกายน ปี 2012 Siam Cement (SCC TB) ได้เข้ามาเป็นผู้ถือหุ้น 30% ของบริษัท

[www.globalhouse.co.th](http://www.globalhouse.co.th)

## Principal activities (revenue, 2022)

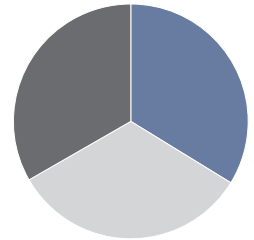
■ Sales - 100.0 %



Source: Siam Global House

## Major shareholders

■ Suriyawanakul Family - 33.8 %  
 ■ SCG Distribution Co., Ltd. - 32.9 %  
 ■ Others - 33.3 %



Source: Siam Global House

## Catalysts

ปัจจัยหนุนสำหรับ GLOBAL ได้แก่

1. ราคาเหล็กปรับสูงขึ้น (สัดส่วนรายได้จากเหล็กอยู่ราว 15% ของ รายได้รวม)
2. การเติบโตของภาคอสังหาริมทรัพย์
3. มาตรการของรัฐในการช่วยเหลือกลุ่มเกษตรกร
4. โครงการลงทุนโครงสร้างพื้นฐาน

## Risks to our call

ปัจจัยเสี่ยง 1) ความผันผวนของรายได้เกษตรกรและความผันผวนของราคา พืชผลทางการเกษตร ซึ่งจะเป็นความเสี่ยงต่อกำลังซื้อในภาคเกษตร 2) ผลกระทบของเอลนีโญ (ภาวะแล้ง) มากกว่าที่คาด

## Event calendar

Date	Event
Feb 2023	4Q23 results announcement

## Key assumptions

	2023E	2024E	2025E
	(%)	(%)	(%)
SSSG	(9.0)	2.0	3.0
New stores growth	6.5	11.0	9.9
GPM	25.6	25.8	26.0
SG&A to sales	16.8	16.6	16.5

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2023 net profit to rise by 1.1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2023 net profit to rise by 0.9%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A, we estimate 2023 net profit to fall by 0.9%, and vice versa, all else being equal.

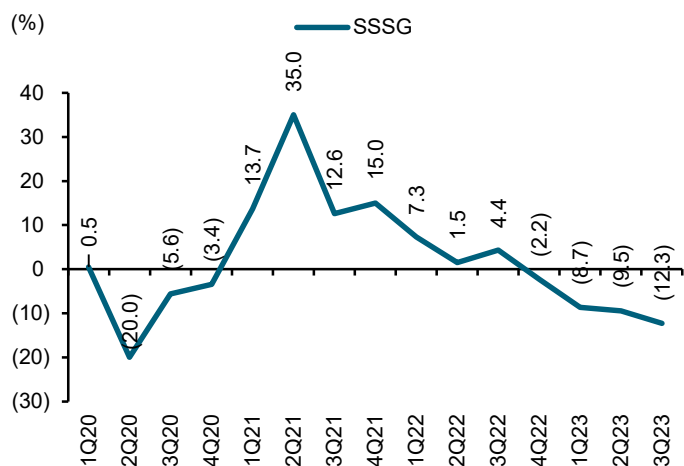
Source: FSSIA estimates

## Exhibit 1: 3Q23 results summary

Profit & Loss Statement	3Q22	4Q22	1Q23	2Q23	3Q23	-----Change-----		-----9M23-----		2023E	Change	
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	%23E	(THB m)	(y-y%)
<b>Retail sales</b>	<b>8,170</b>	<b>8,247</b>	<b>8,933</b>	<b>8,503</b>	<b>7,340</b>	<b>(14)</b>	<b>(10)</b>	<b>24,777</b>	<b>(8)</b>	<b>74</b>	<b>33,574</b>	<b>(5)</b>
Cost of retail sales	6,066	6,201	6,696	6,344	5,443	(14)	(10)	18,483	(7)	74	24,993	(4)
<b>Gross profit</b>	<b>2,104</b>	<b>2,045</b>	<b>2,238</b>	<b>2,159</b>	<b>1,898</b>	<b>(12)</b>	<b>(10)</b>	<b>6,294</b>	<b>(17)</b>	<b>73</b>	<b>8,582</b>	<b>(6)</b>
Operating costs	(1,320)	(1,530)	(1,280)	(1,423)	(1,399)	(2)	6	(4,101)	6	72	(5,674)	5
<b>Operating profit</b>	<b>785</b>	<b>515</b>	<b>958</b>	<b>736</b>	<b>499</b>	<b>(32)</b>	<b>(36)</b>	<b>2,194</b>	<b>(41)</b>	<b>75</b>	<b>2,908</b>	<b>(21)</b>
Other income/expenses	177	160	166	180	173	(4)	(2)	519	(5)	77	671	(5)
Interest expense	(47)	(54)	(64)	(65)	(71)	9	52	(201)	45	74	(271)	40
Profit before tax	915	620	1,060	851	601	(29)	(34)	2,512	(30)	76	3,308	(21)
Tax	(179)	(118)	(209)	(167)	(117)	(30)	(35)	(494)	(30)	76	(652)	(21)
Associates	43	29	35	22	44	101	2	101	10	88	114	(5)
Minority interests	(4)	(5)	(4)	(2)	(2)	34	(49)	(7)	(48)	41	(18)	(5)
Non-recurring items	0	0	0	0	0	n/a	n/a	0	n/a	n/a	0	n/a
Reported net profit	775	527	883	703	525	(25)	(32)	2,111	(29)	77	2,753	(21)
<b>Recurring net profit</b>	<b>775</b>	<b>527</b>	<b>883</b>	<b>703</b>	<b>525</b>	<b>(25)</b>	<b>(32)</b>	<b>2,111</b>	<b>(29)</b>	<b>77</b>	<b>2,753</b>	<b>(21)</b>
EPS (THB)	0.16	0.11	0.18	0.14	0.10	(25)	(35)	0.43	(31)	78	0.55	(24)
<b>Recurring EPS (THB)</b>	<b>0.16</b>	<b>0.11</b>	<b>0.18</b>	<b>0.14</b>	<b>0.10</b>	<b>(25)</b>	<b>(35)</b>	<b>0.43</b>	<b>(31)</b>	<b>78</b>	<b>0.55</b>	<b>(24)</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>	<b>(ppt)</b>
Retail sales margin	25.8	24.8	25.0	25.4	25.9	0.5	0.1	25.4	(0.7)		25.6	(0.3)
Operating margin	9.6	6.2	10.7	8.7	6.8	(1.9)	(2.8)	8.9	(4.9)		8.7	(1.8)
Recurring net margin	9.5	6.4	9.9	8.3	7.2	(1.1)	(2.3)	8.0	(3.0)		8.2	(1.7)
SG&A / Sales	16.2	18.6	14.3	16.7	19.1	2.3	2.9	16.6	2.2		16.9	1.6
<b>Operating stats</b>												
SSSG (%)	4.4	(2.2)	(8.7)	(9.5)	(12.3)	(2.8)	(16.7)				(9.0)	(11.5)

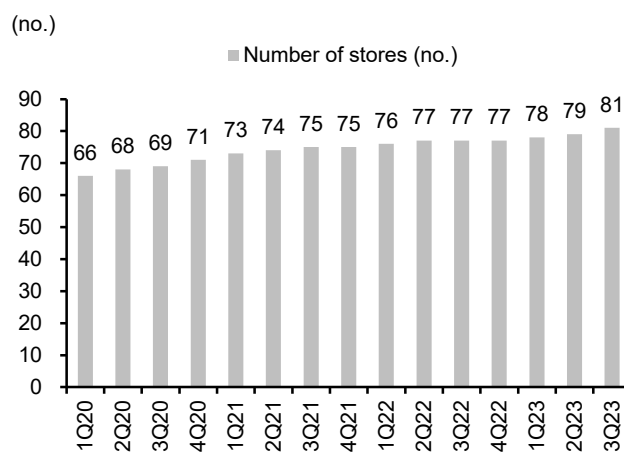
Sources: GLOBAL; FSSIA estimates

## Exhibit 2: Same-store sales growth



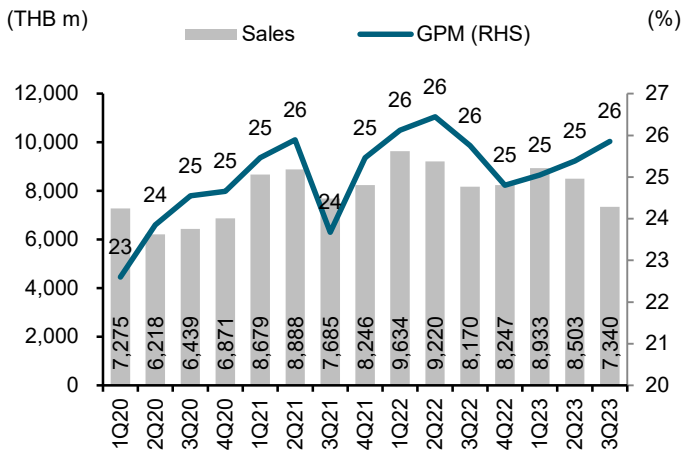
Source: GLOBAL

## Exhibit 3: Number of stores



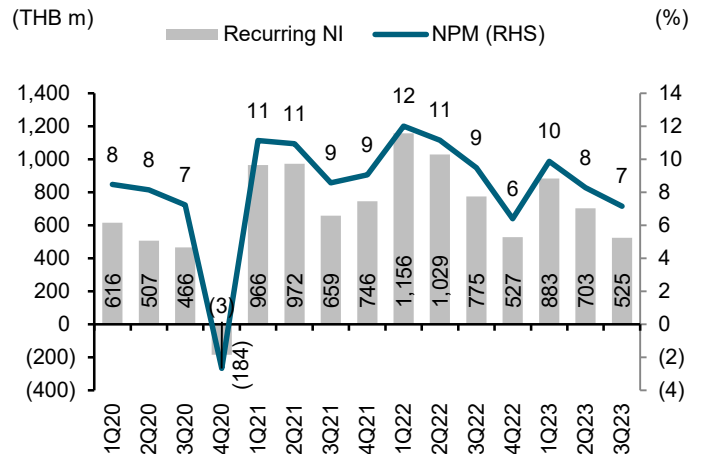
Source: GLOBAL

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



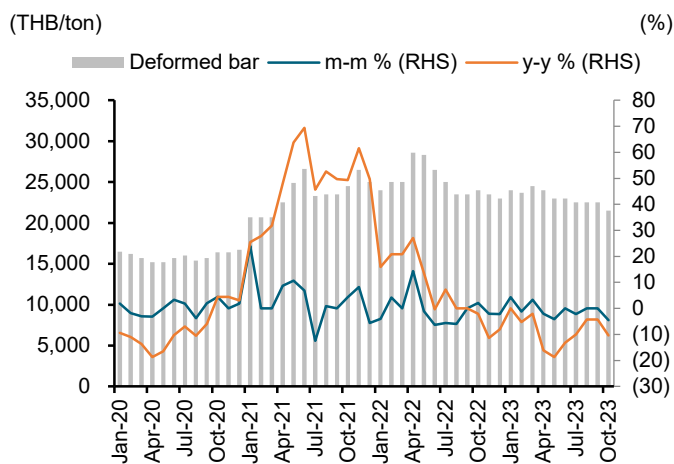
Source: GLOBAL

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



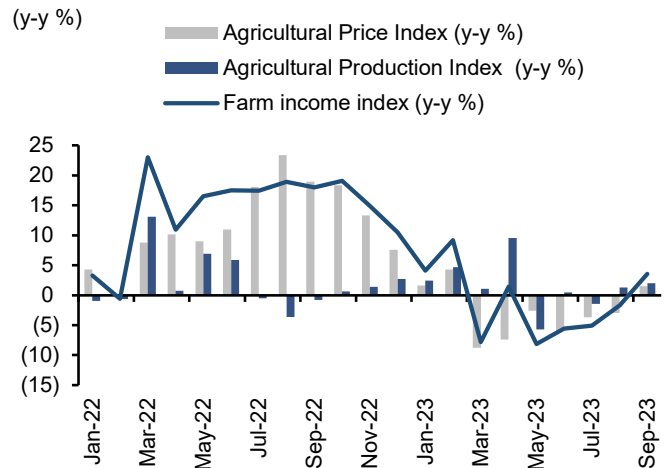
Source: GLOBAL

**Exhibit 6: Domestic steel price**



Source: Ministry of Commerce

**Exhibit 7: Higher farm income**



Source: Office of Agricultural Economics

## เราปรับลดประมาณการกำไรปกติปี 2023-25 ลง สะท้อนตลาด PC ที่อ่อนแอ

เราปรับลดประมาณการกำไรสุทธิ 2023-25 ลง 5.8%, 9.3% และ 12.2% ตามลำดับ จากแนวโน้ม SSSG ที่ฟื้นตัวช้ากว่าที่คาด เราปรับ SSSG ปี 2023 เป็น -9% (จากเดิม -8%) สะท้อน SSSG ใน 3Q23 ที่ลดลงมากกว่าที่คาด ขณะที่เราปรับอัตรากำไรขั้นต้นสะท้อนต้นทุนสินค้า House brand ที่ดีขึ้นจากค่าขนส่งที่ลดลง รวมถึงการปรับขึ้นราคาสินค้า House brand ขึ้น ทั้งนี้เราปรับ SG&A to sales ในปี 2023-25 ขึ้น 90-120bps สะท้อนค่าใช้จ่ายที่ยังอยู่ในระดับสูง

เราประเมินราคาเป้าหมายปี 2024 ใหม่ที่ 18 บาท (จากเดิม TP2024 ที่ 20.5 บาท) สะท้อน SSSG ที่ฟื้นตัวช้ากว่าที่คาดและ SG&A ที่ยังอยู่ในระดับสูง ขณะที่ราคาหุ้นปรับลงมา 23.7% YTD ปัจจุบันซื้อขายบน Forward P/E 2024 ที่ 27.2 เท่า อยู่ที่ระดับ 5Y-avg -0.2SD ขณะที่ผลประกอบการ 3Q23 เราเชื่อว่าจะเป็นจุดต่ำสุด และจะทยอยฟื้นตัวใน 4Q23 และเข้าสู่ช่วง High season ของการก่อสร้างใน 1H24

### Exhibit 8: Key assumption for GLOBAL

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Revenues (THB m)	33,574	35,969	39,044	33,516	36,501	40,019	0.2	(1.5)	(2.4)
SSSG (%)	(9.0)	2.0	3.0	(8.0)	3.0	4.0	(1.0)	(1.0)	(1.0)
Gross margin (%)	25.6	25.8	26.0	25.2	25.6	25.9	0.4	0.2	0.1
No. of new stores	7	8	9	5	9	9	2.0	(1.0)	0.0
SG&A expenses to sales (%)	16.9	16.9	17.0	16.0	15.9	15.8	0.9	1.0	1.2
Net profit (THB m)	2,753	3,021	3,326	2,921	3,331	3,788	(5.8)	(9.3)	(12.2)

Source: FSSIA estimates

### Exhibit 9: DCF-based valuation

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.3	
Terminal growth	2.0	
NPV		25
Add: terminal value		78
Sum of PV		102
Add: investment		0
Less: debt		12
Less: minorities		0
Residual ordinary equity		90
No. of shares (m)		5,002
<b>Residual ordinary equity (THB/share)</b>		<b>18.0</b>

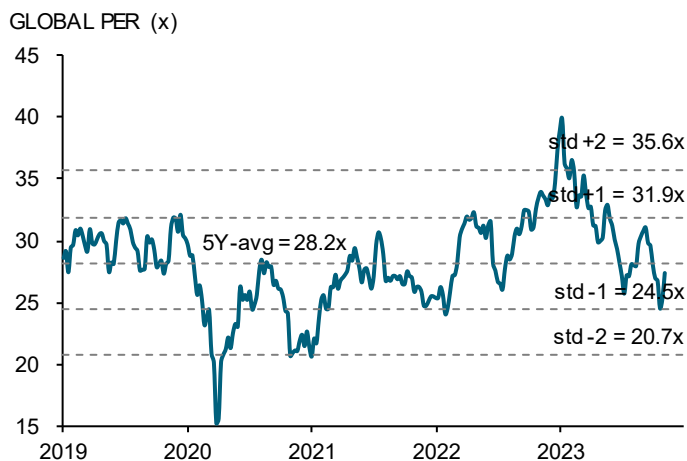
Source: FSSIA estimates

### Exhibit 10: Sensitivity to 2024 target price

WACC	Terminal Growth				
	1.0%	1.5%	2.0%	2.5%	3.0%
6.3%	19.5	21.2	23.4	26.1	29.7
6.8%	17.3	18.7	20.4	22.5	25.1
7.3%	15.5	16.7	<b>18.0</b>	19.6	21.6
7.8%	14.0	14.9	16.0	17.3	18.9
8.3%	12.7	13.5	14.4	15.4	16.6

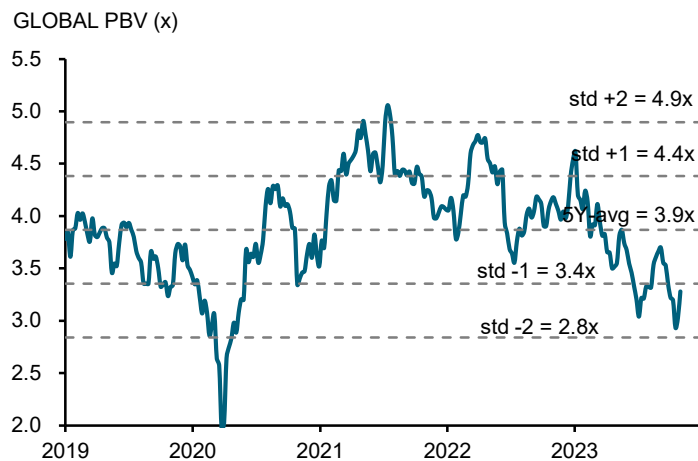
Source: FSSIA estimates

Exhibit 11: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Commerce peers as of 7 November 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	55.75	77.00	38	14,086	30.5	25.8	15.6	17.0	5.0	4.6	21.5	19.1
CP Aextra	CPAXT TB	BUY	27.75	38.00	37	8,258	32.9	26.4	3.1	3.8	1.0	1.0	10.5	9.7
Berli Jucker*	BJC TB	n/a	28.75	n/a	n/a	3,241	20.1	17.4	4.6	5.3	0.9	0.9	13.2	12.7
<b>Consumer Staple average</b>						<b>25,586</b>	<b>27.8</b>	<b>23.2</b>	<b>7.8</b>	<b>8.7</b>	<b>2.3</b>	<b>2.2</b>	<b>15.1</b>	<b>13.8</b>
<b>Consumer Discretionary</b>														
Com7	COM7 TB	BUY	26.25	38.70	47	1,761	18.3	15.6	44.8	45.6	7.7	6.7	13.2	11.2
Central Retail Corp*	CRC TB	n/a	37.25	n/a	n/a	6,319	27.3	22.2	12.8	14.1	3.3	3.0	11.2	10.2
<b>Home Improvement</b>														
Index Living Mall	ILM TB	BUY	22.70	26.70	18	322	16.5	14.9	12.0	12.7	1.9	1.8	7.9	7.1
Home Product Center	HMPRO TB	BUY	11.90	16.00	34	4,402	23.8	21.5	26.4	27.7	6.1	5.8	14.0	12.9
Siam Global House	GLOBAL TB	BUY	16.40	18.00	10	2,307	29.8	27.2	12.1	12.2	3.5	3.2	22.3	20.4
Dohome	DOHOME TB	BUY	11.20	13.00	16	973	58.2	31.1	4.9	8.5	2.8	2.6	25.4	18.7
<b>Home Improvement avg.</b>						<b>8,005</b>	<b>32.1</b>	<b>23.7</b>	<b>13.8</b>	<b>15.3</b>	<b>3.6</b>	<b>3.3</b>	<b>17.4</b>	<b>14.8</b>
<b>Consumer Discretionary avg.</b>						<b>16,085</b>	<b>29.0</b>	<b>22.1</b>	<b>18.8</b>	<b>20.2</b>	<b>4.2</b>	<b>3.8</b>	<b>15.6</b>	<b>13.4</b>
<b>Total average</b>						<b>41,671</b>	<b>28.6</b>	<b>22.5</b>	<b>15.1</b>	<b>16.3</b>	<b>3.6</b>	<b>3.3</b>	<b>15.5</b>	<b>13.5</b>

Sources: \*Bloomberg; FSSIA estimates

## Financial Statements

Siam Global House

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	33,498	35,270	33,574	35,969	39,044
Cost of goods sold	(25,067)	(26,166)	(24,993)	(26,694)	(28,890)
<b>Gross profit</b>	<b>8,431</b>	<b>9,104</b>	<b>8,582</b>	<b>9,274</b>	<b>10,155</b>
Other operating income	0	0	0	0	-
Operating costs	(4,806)	(5,410)	(5,674)	(6,079)	(6,638)
<b>Operating EBITDA</b>	<b>4,889</b>	<b>4,941</b>	<b>4,240</b>	<b>4,638</b>	<b>5,087</b>
Depreciation	(1,264)	(1,246)	(1,332)	(1,442)	(1,570)
Goodwill amortisation	0	0	0	0	-
<b>Operating EBIT</b>	<b>3,625</b>	<b>3,695</b>	<b>2,908</b>	<b>3,195</b>	<b>3,517</b>
Net financing costs	(182)	(193)	(271)	(264)	(272)
Associates	81	120	114	120	126
Recurring non-operating income	699	828	786	839	907
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>4,142</b>	<b>4,330</b>	<b>3,422</b>	<b>3,770</b>	<b>4,152</b>
Tax	(783)	(824)	(652)	(730)	(805)
<b>Profit after tax</b>	<b>3,359</b>	<b>3,506</b>	<b>2,771</b>	<b>3,040</b>	<b>3,347</b>
Minority interests	(15)	(19)	(18)	(19)	(21)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>3,344</b>	<b>3,487</b>	<b>2,753</b>	<b>3,021</b>	<b>3,326</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>3,344</b>	<b>3,487</b>	<b>2,753</b>	<b>3,021</b>	<b>3,326</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.73	0.73	0.55	0.60	0.66
Reported EPS	0.73	0.73	0.55	0.60	0.66
DPS	0.23	0.30	0.22	0.24	0.27
Diluted shares (used to calculate per share data)	4,602	4,802	5,002	5,002	5,002
<b>Growth</b>					
Revenue (%)	25.0	5.3	(4.8)	7.1	8.6
Operating EBITDA (%)	46.7	1.1	(14.2)	9.4	9.7
Operating EBIT (%)	67.1	1.9	(21.3)	9.9	10.1
Recurring EPS (%)	63.5	(0.1)	(24.2)	9.7	10.1
Reported EPS (%)	63.5	(0.1)	(24.2)	9.7	10.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	25.2	25.8	25.6	25.8	26.0
Gross margin exc. depreciation (%)	28.9	29.3	29.5	29.8	30.0
Operating EBITDA margin (%)	14.6	14.0	12.6	12.9	13.0
Operating EBIT margin (%)	10.8	10.5	8.7	8.9	9.0
Net margin (%)	10.0	9.9	8.2	8.4	8.5
Effective tax rate (%)	19.3	19.6	19.7	20.0	20.0
Dividend payout on recurring profit (%)	31.7	41.1	40.0	40.0	40.0
Interest cover (X)	23.8	23.5	13.6	15.3	16.3
Inventory days	233.6	233.9	235.9	220.1	215.8
Debtor days	7.3	6.8	11.4	15.4	15.3
Creditor days	42.4	35.5	35.4	34.5	35.4
Operating ROIC (%)	11.9	11.7	9.0	9.6	10.0
ROIC (%)	12.9	12.7	10.1	10.6	11.0
ROE (%)	18.3	16.9	12.1	12.2	12.5
ROA (%)	9.4	9.4	7.7	8.0	8.2
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
2021	2022	2023E	2024E	2025E	
Sales	33,498	35,270	33,574	35,969	39,044
Others	0	0	0	0	0

Sources: Siam Global House; FSSIA estimates

## Financial Statements

Siam Global House

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	3,344	3,487	2,753	3,021	3,326
Depreciation	1,264	1,246	1,332	1,442	1,570
Associates & minorities	27	9	0	0	0
Other non-cash items	15	19	18	19	21
Change in working capital	(2,272)	258	54	(659)	(866)
<b>Cash flow from operations</b>	<b>2,379</b>	<b>5,019</b>	<b>4,157</b>	<b>3,824</b>	<b>4,051</b>
Capex - maintenance	(1,215)	(1,618)	(2,016)	(2,340)	(2,690)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(850)	(549)	(239)	(501)	(560)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(2,066)</b>	<b>(2,167)</b>	<b>(2,255)</b>	<b>(2,841)</b>	<b>(3,251)</b>
Dividends paid	(1,061)	(1,432)	(1,101)	(1,208)	(1,330)
Equity finance	297	172	304	61	61
Debt finance	921	(2,138)	(990)	228	536
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>157</b>	<b>(3,399)</b>	<b>(1,787)</b>	<b>(920)</b>	<b>(734)</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>470</b>	<b>(547)</b>	<b>115</b>	<b>63</b>	<b>66</b>
Free cash flow to firm (FCFF)	493.54	3,044.84	2,172.14	1,247.09	1,071.90
Free cash flow to equity (FCFE)	1,233.74	713.58	911.61	1,210.54	1,335.62

### Per share (THB)

FCFF per share	0.10	0.61	0.43	0.25	0.21
FCFE per share	0.25	0.14	0.18	0.24	0.27
Recurring cash flow per share	1.01	0.99	0.82	0.90	0.98

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	23,807	25,311	27,327	29,667	32,358
Less: Accumulated depreciation	(6,708)	(7,840)	(9,172)	(10,614)	(12,184)
<b>Tangible fixed assets (net)</b>	<b>17,099</b>	<b>17,471</b>	<b>18,155</b>	<b>19,053</b>	<b>20,174</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	1,507	1,824	2,157	2,507	2,874
Cash & equivalents	1,694	1,147	1,262	1,325	1,392
A/C receivable	674	631	1,463	1,567	1,701
Inventories	16,186	15,747	14,835	15,626	16,674
Other current assets	78	42	40	43	46
<b>Current assets</b>	<b>18,631</b>	<b>17,568</b>	<b>17,600</b>	<b>18,561</b>	<b>19,813</b>
Other assets	2,037	2,285	2,175	2,330	2,529
<b>Total assets</b>	<b>39,275</b>	<b>39,148</b>	<b>40,087</b>	<b>42,451</b>	<b>45,390</b>
Common equity	19,561	21,788	23,743	25,617	27,673
Minorities etc.	275	304	322	341	362
<b>Total shareholders' equity</b>	<b>19,836</b>	<b>22,091</b>	<b>24,065</b>	<b>25,958</b>	<b>28,035</b>
Long term debt	3,268	3,252	2,927	3,117	3,451
Other long-term liabilities	160	176	160	164	169
<b>Long-term liabilities</b>	<b>3,427</b>	<b>3,428</b>	<b>3,087</b>	<b>3,281</b>	<b>3,621</b>
A/C payable	2,543	2,311	2,275	2,504	2,789
Short term debt	13,128	11,006	10,341	10,379	10,580
Other current liabilities	340	313	319	331	365
<b>Current liabilities</b>	<b>16,011</b>	<b>13,629</b>	<b>12,935</b>	<b>13,213</b>	<b>13,734</b>
<b>Total liabilities and shareholders' equity</b>	<b>39,275</b>	<b>39,148</b>	<b>40,087</b>	<b>42,451</b>	<b>45,390</b>
Net working capital	14,055	13,797	13,743	14,402	15,267
Invested capital	34,698	35,377	36,230	38,292	40,844

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

### Per share (THB)

Book value per share	4.25	4.54	4.75	5.12	5.53
Tangible book value per share	4.25	4.54	4.75	5.12	5.53

### Financial strength

Net debt/equity (%)	74.1	59.3	49.9	46.9	45.1
Net debt/total assets (%)	37.4	33.5	29.9	28.7	27.8
Current ratio (x)	1.2	1.3	1.4	1.4	1.4
CF interest cover (x)	7.8	4.7	4.4	5.6	5.9

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>22.6</b>	<b>22.6</b>	<b>29.8</b>	<b>27.2</b>	<b>24.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>24.8</b>	<b>24.8</b>	<b>32.7</b>	<b>29.8</b>	<b>27.1</b>
Reported P/E (x)	22.6	22.6	29.8	27.2	24.7
Dividend yield (%)	1.4	1.8	1.3	1.5	1.6
Price/book (x)	3.9	3.6	3.5	3.2	3.0
Price/tangible book (x)	3.9	3.6	3.5	3.2	3.0
EV/EBITDA (x) **	18.5	18.7	22.3	20.4	18.7
EV/EBITDA @ target price (x) **	20.0	20.2	24.1	22.1	20.3
EV/invested capital (x)	2.6	2.6	2.6	2.5	2.3

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

Sources: Siam Global House; FSSIA estimates



# Siam Global House PCL (GLOBAL TB)

**FSSIA ESG rating**

**59.18 /100**
**Exhibit 14: 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.
★★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>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 15: 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 16: ESG score by Bloomberg**

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>2.92</b>	<b>2.83</b>	<b>3.28</b>	<b>3.24</b>
BESG environmental pillar score	1.16	0.86	0.85	0.96
BESG social pillar score	4.31	4.24	4.82	4.85
BESG governance pillar score	3.70	3.93	4.93	4.56
<b>ESG disclosure score</b>	<b>38.07</b>	<b>41.93</b>	<b>44.61</b>	<b>52.38</b>
Environmental disclosure score	7.58	13.17	15.98	36.70
Social disclosure score	25.39	31.38	30.35	32.95
Governance disclosure score	81.10	81.10	87.36	87.36
<b>Environmental</b>				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	No	No	Yes
GHG scope 1	—	—	—	15
GHG scope 2 location-based	—	—	—	34
GHG Scope 3	—	—	—	10
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	—
Electricity used	68	133	151	149
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

## Exhibit 17: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	No	Yes	Yes	Yes
Hazardous waste	—	—	—	—
Total waste	—	—	—	—
Waste recycled	—	—	—	2
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	Yes
Water policy	No	No	Yes	Yes
Water consumption	—	296	297	343
<b>Social</b>				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	—	43	43
Pct disabled in workforce	1	1	1	1
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	2	1	1	1
Total recordable incident rate - employees	—	—	—	1
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	9,398	9,286	9,872	10,063
Employee turnover pct	—	—	—	—
Total hours spent by firm - employee training	76,726	69,157	83,511	81,309
Social supply chain management	No	No	No	Yes
<b>Governance</b>				
<b>Board size</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of women on board	1	1	0	0
No. of non-executive directors on board	7	7	7	8
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	4	4	6	6
Board meeting attendance pct	100	98	100	98
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	49	53	33	34
Age of the oldest director	74	75	76	77
<b>No. of executives / company managers</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>11</b>
No. of female executives	3	1	3	3
Executive share ownership guidelines	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3
Audit committee meetings	3	5	5	4
Audit meeting attendance %	100	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	2	2	2	2
Compensation meeting attendance %	100	100	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	2	2	2	2
Nomination meeting attendance %	100	100	100	100
<b>Sustainability governance</b>				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <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+									
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<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 rowspan="3"><b>Leader:</b></td> <td rowspan="3">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> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></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><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</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

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Siam Global House	GLOBAL TB	THB 16.40	BUY	The key downside risks to our DCF-based TP are volatile farm incomes and farm prices which could negatively impact purchasing power, especially in the provinces and a larger-than-expected impact on farm income from the El Nino effect.
Index Living Mall	ILM TB	THB 22.70	BUY	Downside 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 11.90	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.
Dohome PCL	DOHOME TB	THB 11.20	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; 3) higher-than-expected SG&A; and 4) a worse-than-expected effect from El Nino.
CP All	CPALL TB	THB 55.75	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 27.75	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) a lower-than-expected GPM improvement; and 3) operational losses from its overseas business.
Com7	COM7 TB	THB 26.25	BUY	Downside risks to our P/E-based TP include 1) lower consumption and domestic purchasing power, 2) store cannibalization, and 3) product shortages.

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 07-Nov-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.