

# Siam Global House PCL

(GLOBAL.BK/GLOBAL TB)\*

**Neutral · Downgraded**

Price as of 11 Apr 2023	17.90
12M target price (Bt/shr)	19.00
Unchanged/Revised up(down)(%)	(22.1)
Upside/downside (%)	6.1

**Key messages**

เรามีมุมมองเชิงลบต่อกำไรสุทธิของ GLOBAL อย่างน้อยใน 1H66F จากราคาเหล็กที่อ่อนตัว (ส่งผลต่อยอดขาย และ อัตราการทำให้กำไร) ราคาควาสถานการณ์จะค่อยๆดีขึ้น ในช่วงครึ่งปีหลัง แต่อาจจะยังไม่มากพอที่จะทำให้กำไรมีการเติบโตได้ในปีนี้ เราปรับลดคำแนะนำลง เป็น เป็น "ถือ" จาก "ซื้อ" และประเมินราคาเป้าหมายสั้นปี 2566 ใหม่อยู่ที่ 19.00 บาท

**Trading data**

Mkt cap (Btmn/US\$mn)	85,471/2,137		
Outstanding shares (mn)	4,802		
Foreign ownership (mn)			
3M avg. daily trading (mn)	15		
52-week trading range (Bt)	16.9 – 23.2		
Performance (%)	3M	6M	12M
Absolute	-21.9	-6.8	-20.9
Relative	-17.3	-6.8	-15.6

**Quarterly EPS**

EPS	Q1	Q2	Q3	Q4
2020	0.14	0.12	0.10	0.09
2021	0.22	0.21	0.14	0.15
2022	0.25	0.21	0.16	0.10

**Share price chart**



Source: SET

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**ประมาณการ 1Q66F: แนวโน้มกำไรปีนี้ยังไม่สดใส**

**Event**

ประมาณการ 1Q66 ปรับลดประมาณการกำไรสุทธิ ราคาเป้าหมาย และคำแนะนำการลงทุน

**Impact**

**ประมาณการ 1Q66: คาดกำไรสุทธิลดลง YoY แต่เพิ่มขึ้น QoQ**

เราคาดกำไรสุทธิ 1Q66F ของ GLOBAL ที่ 906 ล้านบาท (-22% YoY แต่ +72% QoQ) กำไรลดลง YoY จากยอดขายของสาขาเดิม (same store sales: SSS) อ่อนแอจากราคาเหล็กที่อ่อนตัวและมีค่าใช้จ่ายดำเนินงานสูงขึ้น ในทางตรงกันข้ามกำไรเพิ่มขึ้น QoQ เป็นผลจากไม่มีค่าใช้จ่ายที่เกี่ยวข้องกับสินค้าล้าสมัย/เคลื่อนไหวราคา เราคาดรายได้ 1Q66F ที่ 9.2 พันล้านบาท (-4% YoY และ +12% QoQ) โดยที่ยอดขายของสาขาเดิม (SSS) อยู่ที่ -8.0% (เทียบกับ 7.4% ใน 1Q65 และ -2.2% in 4Q65) ทั้งนี้รายได้ที่ลดลงมาจากราคาเหล็กที่อ่อนตัว (ราคาเหล็กลดลงราว 8% YoY ใน 4Q65 และ 3% YoY ใน 1Q66) นอกจากนี้เราคาดอัตรากำไรขั้นต้นอยู่ที่ 24.8% (-1.3ppts YoY และ ทรงตัว QoQ) เนื่องจากราคาเหล็กอ่อนแอ ในด้าน SG&A ค่อยยอดขายคาดอยู่ที่ 14.3% (เทียบกับ 12.9% ใน 1Q65 และ 18.6% ใน 4Q65) จากค่าใช้จ่ายสาธารณูปโภคสูงขึ้น

**มีความท้าทายสำหรับกำไรในปีนี้; ปรับลดกำไรลดลงเฉลี่ย 12% ในปี 2566F-2567F**

สืบเนื่องจากราคาเหล็กได้ทำจุดสูงสุดในปี 2Q65 เราคาด GLOBAL อาจต้องเผชิญกับแรงกดดันด้านยอดขายและอัตรากำไรขั้นต้นอีกอย่างน้อยใน 1H66 (ปกติครึ่งปีแรกจะเป็นช่วงที่ทำกำไรได้มากกว่าครึ่งปีหลัง – front-end loaded pattern) เราปรับลดสมมติฐานลงดังนี้ i) SSS เป็น -3% ใน 2566F (จากเดิมที่ 0%) ii) อัตรากำไรขั้นต้นอยู่ที่ 24.8% ปี 2566F (จากเดิมที่ 24.9%) และ 24.9% ในปี 2567F (จากเดิมที่ 25%) และ iii) SG&A ค่อยยอดขายอยู่ที่ 15.4% ปี 2566F (จากเดิมที่ 14.4%) และที่ 15.3% ในปี 2567F (จากเดิมที่ 14.2%) นอกจากนี้ เรายังปรับลดประมาณการกำไรสุทธิปี 2566F และปี 2567F ลงอีก 13% และ 10% ตามลำดับ กำไรสุทธิเต็มปีของ GLOBAL จะลดลงไป 9% YoY ในปี 2566F ก่อนที่จะเร่งตัวขึ้นเป็นบวกที่ 9% YoY ในปีหน้า (2567F)

**De-rate ค่า PER เพื่อสะท้อนแนวโน้มกำไรยังไม่สดใส**

จากที่เราคาดกำไร 1H66F ลดลง YoY (ซึ่งปกติเป็นช่วงที่มีกำไรดีที่สุดในปี) และกำไรเต็มปี 2566F จะลดลง เราจึง derate ค่า PER จาก 31.0x (ค่าเฉลี่ยในอดีตระหว่าง GLOBAL และ Home Product Center (HMPRO.BK/HMPRO TB)\* เป็น PER 29.0x (-0.5 S.D ค่าเฉลี่ยในอดีตระหว่าง GLOBAL และ Home Product Center (HMPRO.BK/HMPRO TB)

**Valuation & action**

เราปรับลดราคาเป้าหมายสั้นปี 2566 ลงที่ 19.00 บาท (จากเดิมที่ 24.40 บาท) อิงจาก PER ที่ 29.0x (-0.5 S.D.) และปรับลดคำแนะนำลงเป็น "ถือ" จาก "ซื้อ"

**Risks**

เศรษฐกิจชะลอตัวลง, ขยายสาขาได้น้อยกว่าที่วางแผนเอาไว้, ราคาพืชผลอ่อนแอ, ภัยธรรมชาติ, สินค้าคงสต็อกเป็นจำนวนมาก

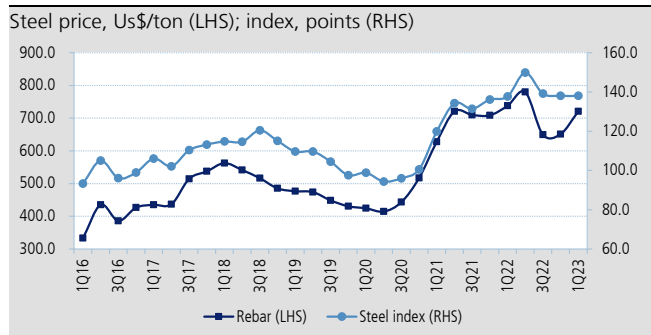
**Key financials and valuations**

Year end Dec 31	Dec-18A	Dec-19A	Dec-20A	Dec-21A	Dec-22A	Dec-23F	Dec-24F
Revenue (Btmn)	25,402	28,081	26,803	33,498	35,270	37,516	41,812
Gross profit (Btmn)	5,306	6,340	6,402	8,431	9,104	9,304	10,431
Net profit (Btmn)	2,003	2,093	1,956	3,344	3,487	3,293	3,795
Normalized profit (Btmn)	2,003	2,102	1,955	3,344	3,486	3,293	3,795
EPS (Bt)	0.50	0.50	0.44	0.73	0.73	0.66	0.72
Normalized EPS (Bt)	0.50	0.50	0.44	0.73	0.73	0.66	0.72
DPS (Bt)	0.26	0.25	0.23	0.30	0.30	0.27	0.29
EPS growth (%)	19.5	(0.5)	(10.8)	63.5	(0.1)	(9.3)	9.4
Normalized EPS growth (%)	19.5	(0.0)	(11.2)	63.6	(0.1)	(9.3)	9.4
P/E (X)	37.2	32.4	36.7	24.6	24.7	27.2	24.9
P/B (X)	5.0	4.2	4.2	4.2	3.9	3.7	3.4
EV/EBITDA (X)	24.6	21.7	22.1	17.2	17.0	17.8	16.5
Net debt to Equity (%)	82.4	91.1	76.4	68.3	54.1	57.4	51.8
Dividend yield (%)	1.4	1.6	1.4	1.7	1.7	1.5	1.6
Return on Equity (%)	14.2	13.5	11.7	18.0	16.6	14.2	14.7

Source: Company data, KGI Securities Research

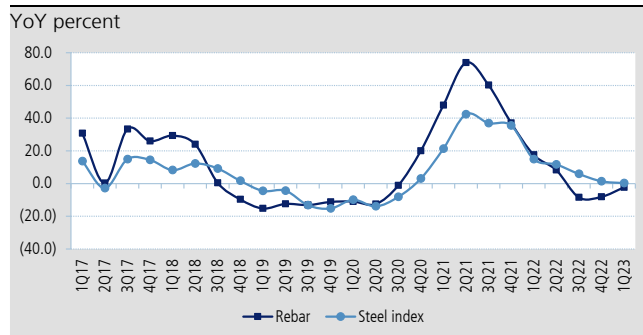
\*The Company may be issuer of Derivative Warrants on these securities.

**Figure 1: Steel**



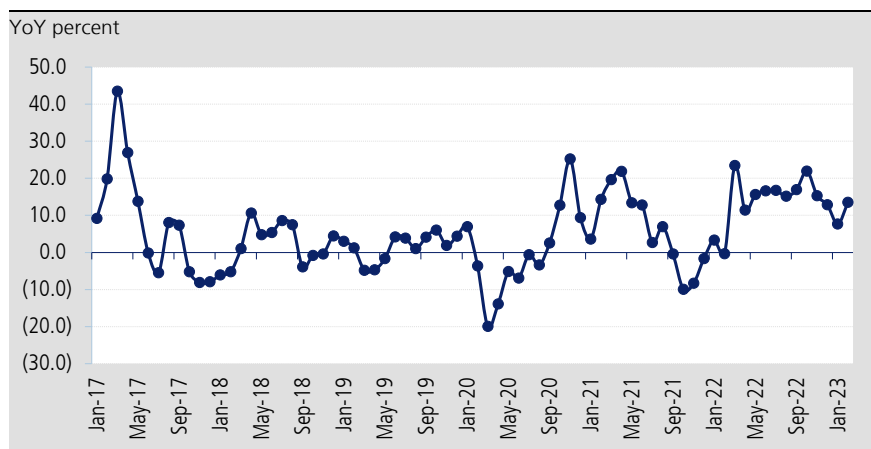
Source: OAE, Biznews, KGI Securities Research

**Figure 2: Change in steel price**



Source: OAE, Biznews, KGI Securities Research

**Figure 3: Farm income rose 14% YoY in February 2023; implying growth of 11% YoY for 2M23F vs. 14% YoY in 2022**



Source: OAE, KGI Securities Research

**Figure 4: 1Q23F earnings preview**

Btmn	1Q23F	1Q22	% YoY	4Q22	%QoQ
Revenue from sales	9,223	9,634	(4.3)	8,247	11.8
Cost of goods sold	6,932	7,117	(2.6)	6,201	11.8
Gross profit	2,291	2,517	(9.0)	2,045	12.0
SG&A expense	1,316	1,244	5.8	1,530	(14.0)
EBIT	1,196	1,484	(19.4)	704	69.8
Finance cost	(48)	(45)	6.9	(54)	(11.5)
<b>Net profit</b>	<b>906</b>	<b>1,157</b>	<b>(21.6)</b>	<b>527</b>	<b>71.9</b>
Normalized profit	906	1,156	(21.6)	527	72.0
Percent	1Q23F	1Q22	ppts YoY	4Q22	ppts QoQ
Gross margin	24.8	26.1	(1.3)	24.8	0.0
SG&A to sales	14.3	12.9	1.4	18.6	(4.3)
EBIT margin	13.0	15.4	(2.4)	8.5	4.4
Net margin	9.8	12.0	(2.2)	6.4	3.4
SSSG	(8.0)	7.4	(15.4)	(2.2)	(5.8)

Source: KGI Securities Research

**Figure 5: Earnings revisions**

Btmn	2023F			2024F		
	Revised	Previous	Chg YoY	Revised	Previous	Chg YoY
Sales	37,516	39,040	(3.9)	41,812	42,538	(1.7)
Gross profit	9,304	9,724	(4.3)	10,431	10,650	(2.1)
SG&A	5,796	5,638	2.8	6,380	6,060	5.3
EBIT	4,390	4,960	(11.5)	5,034	5,543	(9.2)
Net profit	3,293	3,773	(12.7)	3,795	4,232	(10.3)
Normalized profit	3,293	3,773	(12.7)	3,795	4,232	(10.3)
Key Financial ratio (%)	Revised	Previous	Chg YoY	Revised	Previous	Chg YoY
GPM	24.8	24.9	(0.1)	24.9	25.0	(0.1)
SG&A to sales	15.4	14.4	1.0	15.3	14.2	1.0
EBIT margin	11.7	12.7	(1.0)	12.0	13.0	(1.0)
Key Assumption	Revised	Previous	Chg YoY	Revised	Previous	Chg YoY
SSSG (%)	(3.0)	0.0	(3.0)	2.0	2.0	0.0
New store	6.0	6.0	0.0	5.0	5.0	0.0

Source: KGI Securities Research

**Figure 6: Assumptions**

Key assumption	unit	2018	2019	2020	2021	2022	2023F	2024F
New store	store	6	5	5	4	2	6	5
Total store, year end	store	61	66	71	75	77	83	88
SSSG	%	10.0	3.0	(9.3)	18.0	2.5	(3.0)	2.0
GPM	%	20.9	20.6	23.9	25.2	25.9	24.8	24.9

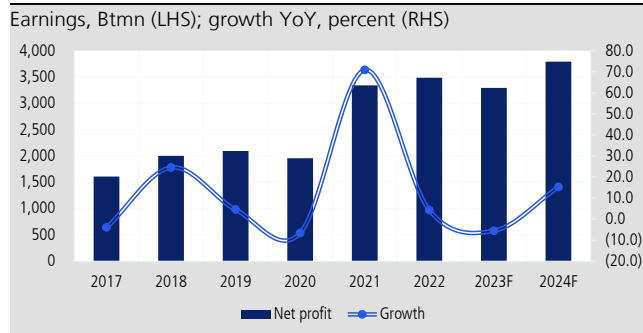
Source: Company data, KGI Securities Research

**Figure 7: Company profile**

Siam Global House PCL (GLOBAL) is the result of the merger between Siam Global House Company Limited and Siam Global House Khon Kaen Company Limited. GLOBAL operates a retail business that sells construction material and light decorative products used in construction, home improvement, and household and gardening decoration under the trade name "Global House". At the end of 2018, it had 61 stores in Thailand covering four regions (19 in Central, 25 in Northeastern, 14 in Northern, and 3 in Southern) as well as one store in Cambodia.

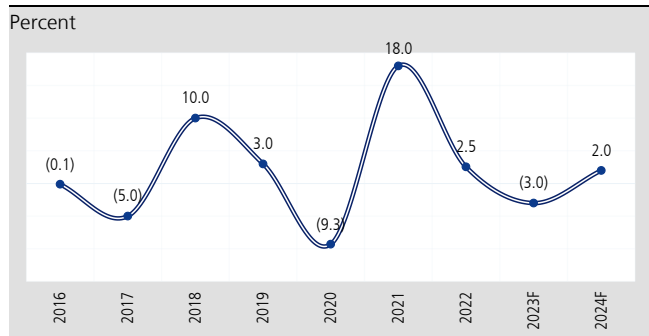
Source: Company data

**Figure 8: Earnings**



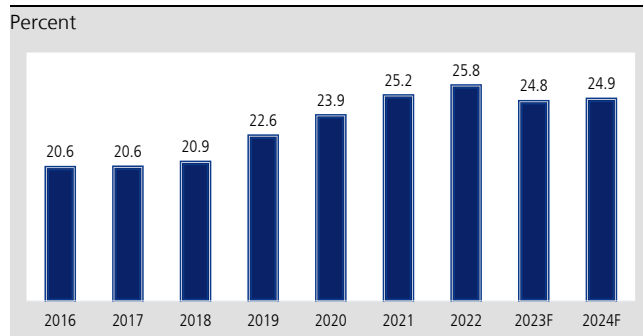
Source: Company data, KGI Securities Research

**Figure 9: SSSG assumption**



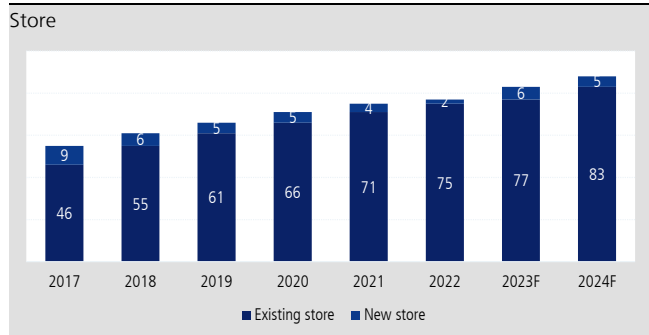
Source: Company data, KGI Securities Research

**Figure 10: Gross margin assumption**



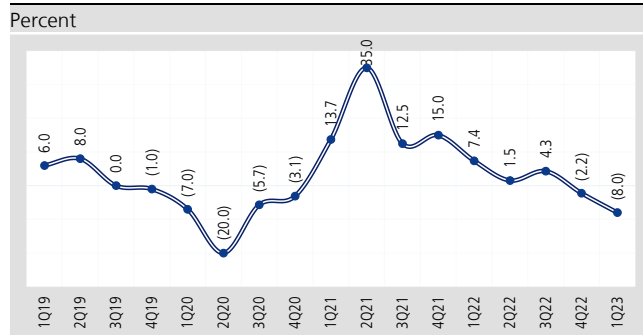
Source: Biznews, KGI Securities Research

**Figure 11: Store**



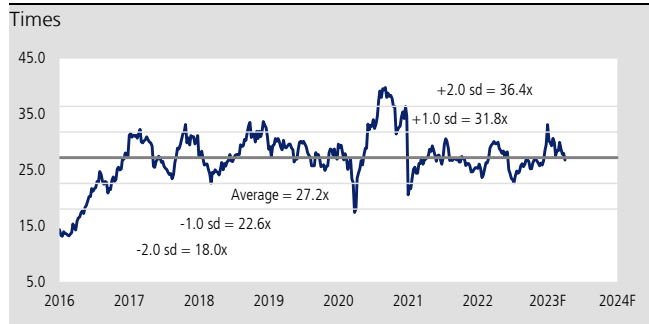
Source: KGI Securities Research

**Figure 12: SSS quarterly**



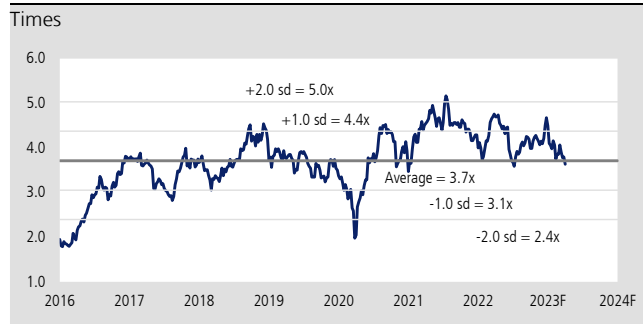
Source: KGI Securities Research

**Figure 13: PER Band**



Source: KGI Securities Research

**Figure 14: PBV Band**



Source: KGI Securities Research

**Quarterly Income Statement**

	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A
<b>Income Statement (Btmn)</b>												
<b>Revenue</b>	<b>7,275</b>	<b>6,218</b>	<b>6,439</b>	<b>6,871</b>	<b>8,679</b>	<b>8,888</b>	<b>7,685</b>	<b>8,246</b>	<b>9,634</b>	<b>9,220</b>	<b>8,170</b>	<b>8,247</b>
Cost of good sold	5,522	4,651	4,858	5,370	6,468	6,587	5,866	6,146	7,117	6,781	6,066	6,201
<b>Gross profit</b>	<b>1,753</b>	<b>1,568</b>	<b>1,581</b>	<b>1,501</b>	<b>2,210</b>	<b>2,301</b>	<b>1,819</b>	<b>2,100</b>	<b>2,517</b>	<b>2,438</b>	<b>2,104</b>	<b>2,045</b>
Operating expense	1,032	980	1,076	1,145	1,121	1,250	1,192	1,243	1,244	1,316	1,320	1,530
Other income	131	87	111	154	147	180	213	78	171	200	177	160
<b>Operating profit</b>	<b>852</b>	<b>675</b>	<b>616</b>	<b>509</b>	<b>1,236</b>	<b>1,231</b>	<b>840</b>	<b>935</b>	<b>1,444</b>	<b>1,322</b>	<b>961</b>	<b>675</b>
Depreciation of fixed asset	274	290	297	303	305	318	323	318	312	312	328	351
<b>Operating EBITDA</b>	<b>1,126</b>	<b>965</b>	<b>913</b>	<b>812</b>	<b>1,541</b>	<b>1,549</b>	<b>1,164</b>	<b>1,253</b>	<b>1,756</b>	<b>1,634</b>	<b>1,290</b>	<b>1,026</b>
<b>Non-Operating income</b>	<b>0</b>	<b>1</b>	<b>(4)</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest income	0	0	0	0	0	0	0	0	0	0	0	0
Other non-op. income	0	1	(4)	4	0	0	0	(0)	0	0	0	0
<b>Non-Operating expense</b>	<b>(71)</b>	<b>(62)</b>	<b>(60)</b>	<b>(53)</b>	<b>(48)</b>	<b>(46)</b>	<b>(42)</b>	<b>(45)</b>	<b>(45)</b>	<b>(47)</b>	<b>(47)</b>	<b>(54)</b>
Interest expense	(71)	(62)	(60)	(53)	(48)	(46)	(42)	(45)	(45)	(47)	(47)	(54)
Other non-op. expense	0	0	0	0	0	0	0	0	0	0	0	0
Equity income	7	5	7	4	10	20	17	33	39	9	43	29
Pre-tax profit	788	618	559	464	1,198	1,206	816	923	1,439	1,284	958	650
Current taxation	(167)	(105)	(99)	(84)	(226)	(232)	(153)	(173)	(275)	(253)	(179)	(118)
Minorities	5	6	5	3	6	2	4	3	7	3	4	5
Extra items	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>616</b>	<b>507</b>	<b>456</b>	<b>378</b>	<b>966</b>	<b>972</b>	<b>659</b>	<b>746</b>	<b>1,157</b>	<b>1,028</b>	<b>775</b>	<b>527</b>
<b>Normalized profit</b>	<b>616</b>	<b>506</b>	<b>459</b>	<b>374</b>	<b>966</b>	<b>972</b>	<b>659</b>	<b>747</b>	<b>1,156</b>	<b>1,028</b>	<b>774</b>	<b>527</b>
EPS (Bt)	0.14	0.12	0.10	0.09	0.22	0.21	0.14	0.15	0.25	0.21	0.16	0.10
Normalized EPS (Bt)	0.15	0.12	0.10	0.08	0.22	0.21	0.14	0.16	0.25	0.22	0.17	0.11
<b>Margin (%)</b>												
Gross profit margin	24.1	25.2	24.5	21.8	25.5	25.9	23.7	25.5	26.1	26.4	25.8	24.8
Operating EBIT margin	11.7	10.8	9.6	7.4	14.2	13.9	10.9	11.3	15.0	14.3	11.8	8.2
Operating EBITDA margin	15.5	15.5	14.2	11.8	17.8	17.4	15.1	15.2	18.2	17.7	15.8	12.4
Net profit margin	8.5	8.2	7.1	5.5	11.1	10.9	8.6	9.1	12.0	11.2	9.5	6.4
<b>Growth (%YoY)</b>												
Revenue growth	(2.5)	(15.7)	(1.1)	2.1	19.3	42.9	19.3	20.0	11.0	3.7	6.3	0.0
Operating EBIT growth	17.4	(4.5)	0.3	(37.0)	45.0	82.5	36.5	83.6	16.9	7.4	14.4	(27.8)
Operating EBITDA growth	19.1	3.9	7.4	(23.4)	36.8	60.6	27.4	54.3	14.0	5.5	10.8	(18.1)
Net profit growth	13.7	(2.5)	4.0	(36.3)	56.8	91.8	44.7	97.7	19.8	5.8	17.5	(29.4)
Normalized profit growth	13.7	(4.4)	4.9	(37.0)	56.8	92.0	43.6	99.8	19.7	5.8	17.5	(29.4)
SSSG	-7.0%	-20.0%	-5.7%	-3.1%	13.7%	35.0%	12.5%	15.0%	7.4%	1.5%	4.3%	-2.2%

Source: Company data, KGI Securities Research

**Balance Sheet**

As of 31 Dec (Btmn)	2020	2021	2022	2023F	2024F
<b>Total Assets</b>	<b>36,020</b>	<b>39,275</b>	<b>39,148</b>	<b>43,584</b>	<b>47,119</b>
<b>Current Assets</b>	<b>16,184</b>	<b>18,631</b>	<b>17,568</b>	<b>20,850</b>	<b>23,107</b>
Cash&ST Investment	1,224	1,772	1,147	811	815
Inventories	14,287	16,186	15,747	19,323	21,494
Account Receivable	666	674	631	672	748
Other	7	0	42	45	50
<b>Non-current Assets</b>	<b>19,837</b>	<b>20,643</b>	<b>21,580</b>	<b>22,734</b>	<b>24,012</b>
LT Investment	838	1,607	2,144	2,144	2,144
Net Fixed Assets	17,148	17,099	17,471	18,532	19,632
Others	1,850	1,937	1,965	2,058	2,236
<b>Total Liabilities</b>	<b>18,806</b>	<b>19,439</b>	<b>17,057</b>	<b>19,223</b>	<b>19,768</b>
<b>Current liabilities</b>	<b>15,261</b>	<b>16,011</b>	<b>13,629</b>	<b>12,802</b>	<b>13,345</b>
Account Payable	2,988	2,543	2,311	2,783	3,095
ST borrowing	11,193	12,066	9,475	9,668	9,861
Others	1,080	1,402	1,843	351	389
<b>Long-term liabilities</b>	<b>3,545</b>	<b>3,427</b>	<b>3,428</b>	<b>6,420</b>	<b>6,423</b>
Long-term debts	2,303	2,139	2,120	5,120	5,120
Others	1,242	1,289	1,307	1,300	1,303
<b>Shareholders' Equity</b>	<b>17,214</b>	<b>19,836</b>	<b>22,091</b>	<b>24,362</b>	<b>27,351</b>
Common stock	4,402	4,602	4,802	5,002	5,271
Capital surplus	4,739	4,739	4,739	4,739	4,739
Retained earnings	7,361	9,690	11,805	13,876	16,596
Preferred stock					

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec	2020	2021	2022	2023F	2024F
<b>Growth (%YoY)</b>					
Sales	(4.6)	25.0	5.3	6.4	11.5
OP	(7.1)	60.0	3.8	(3.3)	14.8
EBITDA	0.6	45.5	3.3	1.0	12.5
NP	(6.6)	70.9	4.3	(5.6)	15.2
Normalized profit	(7.0)	71.0	4.3	(5.5)	15.2
EPS	(10.8)	63.5	(0.1)	(9.3)	9.4
Normalized EPS	(11.2)	63.6	(0.1)	(9.3)	9.4
<b>Profitability (%)</b>					
Gross margin	23.9	25.2	25.8	24.8	24.9
Operating margin	9.9	12.7	12.5	11.4	11.7
EBITDA margin	14.3	16.7	16.4	15.5	15.7
Net margin	7.3	10.0	9.9	8.8	9.1
ROAA	5.4	8.9	8.9	8.0	8.4
ROAE	11.7	18.0	16.6	14.2	14.7
<b>Stability</b>					
Gross debt/equity (%)	109.3	98.0	77.2	78.9	72.3
Net debt/equity (%)	76.4	68.3	54.1	57.4	51.8
Interest coverage (x)	10.9	24.0	23.5	22.8	25.8
Interest&ST debt coverage	0.2	0.4	0.5	0.4	0.5
Cash flow interest coverage	14.7	12.9	25.4	7.9	16.8
Cash flow/interest&ST debt	0.3	0.2	0.5	0.2	0.3
Current ratio (x)	1.1	1.2	1.3	1.6	1.7
Quick ratio (x)	0.1	0.2	0.1	0.1	0.1
Net debt (Btmn)	13,155	13,555	11,960	13,978	14,166
<b>Per share data (Bt)</b>					
EPS	0.4	0.7	0.7	0.7	0.7
Normalized EPS	0.4	0.7	0.7	0.7	0.7
CFPS	0.8	0.5	1.0	0.3	0.6
BVPS	3.9	4.3	4.6	4.9	5.2
Sales/share	6.1	7.3	7.3	7.5	7.9
EBITDA/share	0.9	1.2	1.2	1.2	1.2
DPS	0.2	0.3	0.3	0.3	0.3
<b>Activity</b>					
Asset turnover (x)	0.7	0.9	0.9	0.9	0.9
Days of receivables	9	7	7	7	7
Days of inventory	256	236	220	250	250
Days of payable	53	37	32	36	36
Cash cycle	211	206	194	221	221

Source: KGI Securities Research

**Profit & Loss**

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
<b>Revenue</b>	<b>26,803</b>	<b>33,498</b>	<b>35,270</b>	<b>37,516</b>	<b>41,812</b>
Cost of good sold	20,401	25,067	26,166	28,212	31,381
<b>Gross profit</b>	<b>6,402</b>	<b>8,431</b>	<b>9,104</b>	<b>9,304</b>	<b>10,431</b>
Operating expense	4,233	4,806	5,410	5,796	6,380
Other income	483	617	708	750	836
<b>Operating Profit</b>	<b>2,652</b>	<b>4,242</b>	<b>4,403</b>	<b>4,258</b>	<b>4,887</b>
Depreciation of fixed asset	1,164	1,264	1,246	1,439	1,525
<b>Operating EBITDA</b>	<b>3,816</b>	<b>5,506</b>	<b>5,649</b>	<b>5,698</b>	<b>6,412</b>
<b>Non-operating income</b>	<b>1</b>	<b>(0)</b>	<b>1</b>	<b>0</b>	<b>0</b>
Interest income	0	0	0	0	0
Other non-op income	1	(0)	1	0	0
<b>Non-operating expense</b>	<b>(246)</b>	<b>(180)</b>	<b>(193)</b>	<b>(192)</b>	<b>(195)</b>
Interest expense	(246)	(180)	(193)	(192)	(195)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>23</b>	<b>81</b>	<b>120</b>	<b>131</b>	<b>146</b>
<b>Pretax profit</b>	<b>2,430</b>	<b>4,142</b>	<b>4,330</b>	<b>4,197</b>	<b>4,839</b>
Current taxation	(455)	(783)	(824)	(886)	(1,023)
Minorities	20	15	19	18	21
Extra item	0	0	0	0	0
<b>Net profit</b>	<b>1,956</b>	<b>3,344</b>	<b>3,487</b>	<b>3,293</b>	<b>3,795</b>
<b>Normalized profit</b>	<b>1,955</b>	<b>3,344</b>	<b>3,486</b>	<b>3,293</b>	<b>3,795</b>
EPS (Bt)	0.44	0.73	0.73	0.66	0.72
Normalized EPS (Bt)	0.44	0.73	0.73	0.66	0.72

Source: KGI Securities Research

**Cash Flow**

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
<b>Operating cash flow</b>	<b>3,622</b>	<b>2,322</b>	<b>4,899</b>	<b>1,524</b>	<b>3,262</b>
Net profit	1,956	3,344	3,487	3,293	3,795
Depreciation&Amortization	1,164	1,264	1,246	1,439	1,525
Change in working capital	503	(2,286)	166	(3,209)	(2,058)
Others					
<b>Investment cash flow</b>	<b>(2,226)</b>	<b>(2,051)</b>	<b>(2,075)</b>	<b>(2,500)</b>	<b>(2,625)</b>
Net CAPEX	(2,207)	(1,215)	(1,618)	(2,500)	(2,625)
Change in LT investment	(23)	(769)	(537)	0	0
Change in other assets	4	(67)	80	0	0
Free cash flow	1,396	270	2,824	(976)	637
<b>Financing cash flow</b>	<b>(1,471)</b>	<b>199</b>	<b>(3,370)</b>	<b>640</b>	<b>(633)</b>
Change in share capital	200	200	200	200	269
Net change in debt	(598)	921	(2,138)	1,662	174
Change in other liabs	(1,073)	(921)	(1,432)	(1,223)	(1,075)
<b>Net cash flow</b>	<b>(75)</b>	<b>470</b>	<b>(547)</b>	<b>(337)</b>	<b>5</b>

Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1 - $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating expense}}{\text{Revenue}}$	=	Operating margin		
2020	76.1%	4.3%	15.8%		3.8%		
2021	74.8%	3.8%	14.3%		7.0%		
2022	74.2%	3.5%	15.3%		6.9%		
2023F	75.2%	3.8%	15.4%		5.5%		
2024F	75.1%	3.6%	15.3%		6.0%		
Year	1/ $\frac{\text{Working capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other assets}}{\text{Revenue}}$	=	Capital Turnover		
2020	0.0	0.6	0.7		0.7		
2021	(0.1)	0.5	0.7		0.9		
2022	0.0	0.5	0.6		0.9		
2023F	(0.1)	0.5	0.7		0.9		
2024F	(0.0)	0.5	0.7		0.9		
Year	1/ Operating margin	x	Capital turnover	x	Cash tax rate	=	After-tax return on Inv. capital
2020	3.8%		0.7		18.7%		0.5%
2021	7.0%		0.9		18.9%		1.2%
2022	6.9%		0.9		19.0%		1.2%
2023F	5.5%		0.9		21.1%		1.1%
2024F	6.0%		0.9		21.1%		1.2%

Source: KGI Securities Research

**Siam Global House – Recommendation & target price history**


Source: KGI Securities Research

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORNBANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENTEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAICOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.



## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TACP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRIAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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**KGI's Ratings**

<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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