

Siam Global House PCL

(GLOBAL.BK/GLOBAL TB)*

Neutral · Maintained

Price as of 25 Sep 2023	17.60
12M target price (Bt/shr)	17.20
Unchanged/Revised up(down)(%)	(9.5)
Upside/downside (%)	(2.3)

Key messages

เราคัดกำไรใน 2H66F ของ GLOBAL ซึ่งไม่สดใสเนื่องจากผลของปัจจัยฤดูกาลรวมทั้งอุปสงค์อ่อนแอตามรายได้ภาคเกษตรของไทย (farm income) ทั้งนี้ เรายังคงคำแนะนำ “ถือ” และขยับขึ้นราคาเป้าหมายใหม่ไปเป็นกลางปี 2567 อยู่ที่ 17.20 บาทอิงจาก PER ที่ 29.0X (-0.5 SD)

Trading data

Mkt cap (Btmn/US\$m)	87,532/2,188		
Outstanding shares (mn)	5,002		
Foreign ownership (mn)	200		
3M avg. daily trading (mn)	9		
52-week trading range (Bt)	15.0 – 22.8		
Performance (%)	3M	6M	12M
Absolute	7.4	-6.9	-12.5
Relative	4.9	-1.0	-6.3

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2021	0.22	0.21	0.14	0.15
2022	0.25	0.21	0.16	0.10
2023	0.18	0.14		

Share price chart



Source: SET

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ประมาณการกำไร 3Q66F : ยังเป็นไตรมาสที่อ่อนแอ

Event

เราคาดว่า GLOBAL จะรายงานกำไรสุทธิใน 3Q66F ลดลงอยู่ที่ 529 ล้านบาท (-32% YoY และ -25% QoQ) เนื่องจากยอดขายสาขาเดิม (SSS: same store sales) ลดลงตามอุปสงค์อ่อนตัว ทำให้กำไร 9M66F อยู่ที่ 2.1 พันล้านบาท (-29% YoY) คิดเป็น 64% จากประมาณการกำไรสุทธิสำหรับปี 2566 ของเรา

Impact

ยอดขายสาขาเดิมบีบตัว

เราคาดยอดขายสินค้าของ GLOBAL ใน 3Q66F ลดลงอยู่ที่ 7.6 พันล้านบาท (-7% YoY และ -10% QoQ) จาก SSS ต่ำลงต่อเนื่องท่ามกลางอุปสงค์อ่อนตัวเพราะปัจจัยฤดูกาล ขณะที่ คาด SSS หดตัว 10% YoY ใน 3Q66F (เทียบกับ +4.3% ใน 3Q65 และ -9.5% ใน 2Q66) ทำให้ยอดขายใน 9M66F อยู่ที่ 2.5 หมื่นล้านบาท (-7% YoY) นอกจากนี้ บริษัทมีแผนเปิดสาขาใหม่เพิ่มขึ้นอีก 2 แห่งในไตรมาสนี้ ทำให้จำนวนสาขารวมอยู่ที่ 81 สาขา ณ สิ้นงวด 3Q66 (เทียบกับ 77 สาขา ณ สิ้น 3Q65 และ 79 สาขา ณ สิ้น 2Q66).

การเน้นกลยุทธ์มีสัดส่วนสินค้า house brand มากขึ้นเพื่อช่วยดันอัตรากำไร (margin) ให้ดีขึ้น

แม้ว่า เราคัดอัตรากำไรขั้นต้น (gross profit margin) ของ GLOBAL ถูกกดดันจากราคาเหล็กอ่อนแอ (โดยราคาเหล็กเส้นและคาน้ำเหล็กลดลง 10% และ 2% ตามลำดับทั้ง YoY และ QoQ ใน 3Q66 ซึ่งตัวเลขทั้งสองยังคงสูงกว่าระดับที่เคย์ค่าที่สุดอยู่ราว 40%) เราคัดอัตรากำไรของ GLOBAL จะมีทิศทางดีขึ้นช่วยหนุนจากการเน้นกลยุทธ์ house brand มากขึ้น ทั้งนี้ เราคัด อัตรากำไรขั้นต้นใน 3Q66F ของ GLOBAL อยู่ที่ 25.5% (-30bps YoY แต่ +10bps QoQ) ทำให้ gross profit margin ใน 9M66F อยู่ที่ 25.3% (-80bps YoY)

ปรับลดประมาณการกำไรสุทธิลง 16% ในปี 2566F-2567F

เราขยับขึ้นขึ้นมุมมองกำไรใน 2H66F ของ GLOBAL ยังไม่น่าฟื้นตัวตามอุปสงค์อ่อนตัวและมีความท้าทายด้านความสามารถในการทำกำไร จาก i) ปัจจัยฤดูกาล ii) รายได้ภาคเกษตรอ่อนแอจากภาวะแห้งแล้ง (มีความเป็นไปได้ที่รับผลเชิงลบ 100% จากภาวะเอลนีโญ (El Nino) Figure 4) iii) ราคาเหล็กอ่อนแอ และ iv) แนวโน้มมีรายจ่ายสูงขึ้นเช่น การขึ้นค่าแรงขั้นต่ำ ขณะที่ เราปรับสมมติฐานประกอบด้วย i) ปรับลด SSS ลง (จาก -3% เป็น -9% ในปี 2566) ii) ปรับเพิ่ม gross margin ขึ้นเล็กน้อยอยู่ที่ 40bps ใน 2566F-2567F (ผลดีจากการเน้นมีสัดส่วนสินค้า house brand) และ iii) ปรับเพิ่ม สัดส่วนค่าใช้จ่ายในการขายและบริหารต่อยอดขาย (SG&A ต่อยอดขาย) ขึ้นเล็กน้อยราว 1% ในปี 2566-2567F (สะท้อนรายจ่ายสูงขึ้น) โดยรวมแล้ว เราปรับลดประมาณการกำไรสุทธิลงราว 16% ในปี 2566F – 2567F ส่งผลให้ กำไรสุทธิของ GLOBAL ปี 2566F ลดลง 24% แต่กลับมาเติบโตเพิ่มขึ้น 16% ในปี 2567F

Valuation & action

เราขยับขึ้นราคาเป้าหมายใหม่ไปเป็นกลางปี 2567 อยู่ที่ 17.20 บาทจากเดิมที่ 19.00 บาท อิงจาก PER เดิมที่ 29.0X (-0.5 S.D.) ทั้งนี้ จากที่แนวโน้มกำไรยังไม่ฟื้นตัวใน 2H66F รวมทั้งราคาหุ้นปิดล่าสุดมี upside จำกัด เรายังคงคำแนะนำเพียง “ถือ”

Risks

เศรษฐกิจชะลอตัวลง ขยายสาขาได้น้อยกว่าที่วางแผนเอาไว้ ราคาพืชผลอ่อนแอ ภัยธรรมชาติ สินค้าคงสต็อกเป็นจำนวนมาก

Key financials and valuations

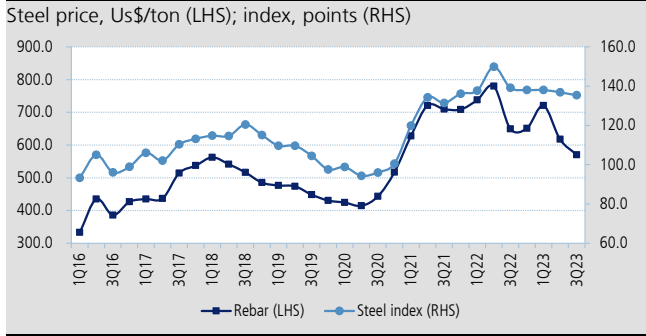
Year end	Dec 31	Dec-19A	Dec-20A	Dec-21A	Dec-22A	Dec-23F	Dec-24F
Revenue (Btmn)	28,081	26,803	33,498	35,270	34,065	38,019	
Gross profit (Btmn)	6,340	6,402	8,431	9,104	8,582	9,635	
Net profit (Btmn)	2,093	1,956	3,344	3,487	2,747	3,194	
Normalized profit (Btmn)	2,102	1,955	3,344	3,486	2,747	3,194	
EPS (Bt)	0.50	0.44	0.73	0.73	0.55	0.64	
Normalized EPS (Bt)	0.50	0.44	0.73	0.73	0.55	0.64	
DPS (Bt)	0.25	0.23	0.30	0.30	0.22	0.26	
EPS growth (%)	(0.5)	(10.8)	63.5	(0.1)	(24.4)	16.3	
Normalized EPS growth (%)	(0.0)	(11.2)	63.6	(0.1)	(24.3)	16.3	
P/E (X)	32.4	36.7	25.5	28.1	32.0	27.6	
P/B (X)	4.2	4.2	4.3	4.4	3.7	3.4	
EV/EBITDA (X)	21.7	22.1	17.7	19.1	19.3	17.3	
Net debt to Equity (%)	91.1	76.4	68.3	54.1	53.6	52.9	
Dividend yield (%)	1.6	1.4	1.6	1.5	1.3	1.5	
Return on Equity (%)	13.5	11.7	18.0	16.6	12.0	12.9	

Source: Company data, KGI Securities Research

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

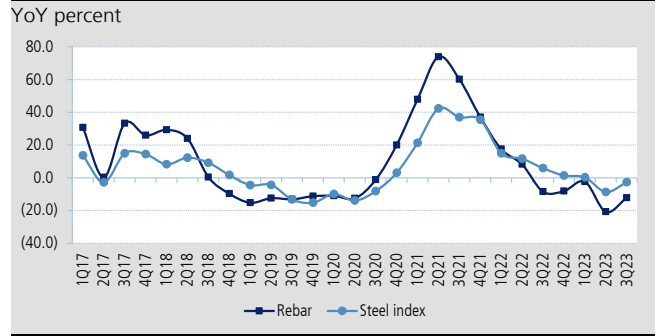
http://research.kgi.com; Bloomberg: KGIT <GO> Please see back page for disclaimer

Figure 1: Steel



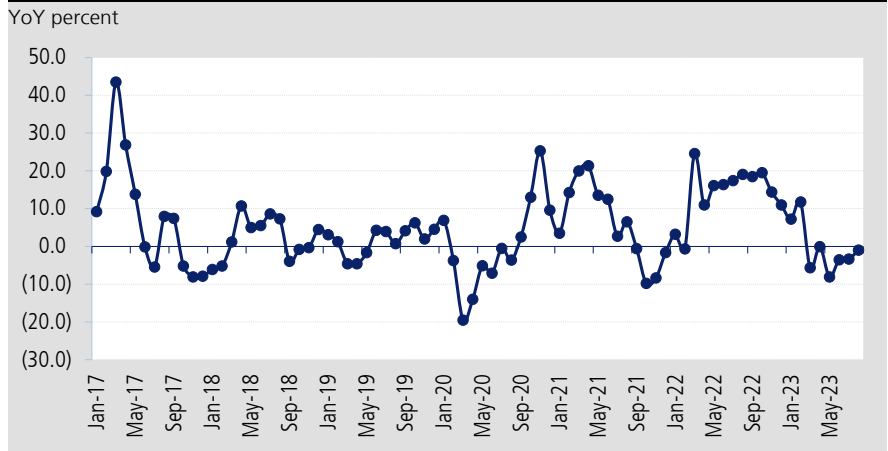
Source: OAE, Biznews, KGI Securities Research

Figure 2: Change in steel price



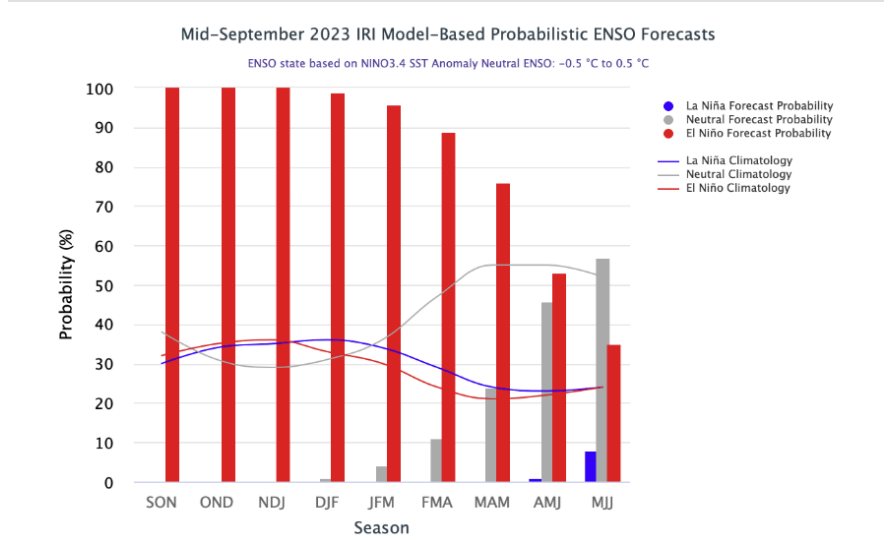
Source: OAE, Biznews, KGI Securities Research

Figure 3: Farm income



Source: OAE, KGI Securities Research

Figure 4: ENSO probability forecast



Source: IRI, KGI Securities Research

Figure 5: 3Q23F earnings preview

Btmn	3Q23F	3Q22	% YoY	2Q23	%QoQ	9M23F	9M22	%YoY
Revenue from sales	7,622	8,170	(6.7)	8,503	(10.4)	25,059	27,023	(7.3)
Cost of goods sold	5,678	6,066	(6.4)	6,344	(10.5)	18,719	19,965	(6.2)
Gross profit	1,943	2,104	(7.6)	2,159	(10.0)	6,340	7,059	(10.2)
SG&A expense	1,385	1,320	4.9	1,423	(2.7)	4,087	3,879	5.4
EBIT	739	1,004	(26.4)	938	(21.2)	2,836	3,819	(25.7)
Finance cost	(68)	(47)	44.7	(65)	3.3	(197)	(138)	42.3
Equity income	19	43	(55.3)	21	(10.4)	76	91	(16.4)
Net profit	529	775	(31.7)	703	(24.8)	2,115	2,960	(28.5)
Normalized profit	529	774	(31.7)	703	(24.7)	2,120	2,959	(28.4)
Percent	3Q23F	3Q22	ppts YoY	2Q23	ppts QoQ	9M23F	9M22	ppts YoY
Gross margin	25.5	25.8	(0.3)	25.4	0.1	25.3	26.1	(0.8)
SG&A to sales	18.2	16.2	2.0	16.7	1.4	16.3	14.4	2.0
EBIT margin	9.7	12.3	(2.6)	11.0	(1.3)	11.3	14.1	(2.8)
Net margin	6.9	9.5	(2.5)	8.3	(1.3)	8.4	11.0	(2.5)
SSSG	(10.0)	4.3	(14.3)	(9.5)	(0.5)			

Source: KGI Securities Research

Figure 6: earnings revision

Btmn	2023F			2024F		
	Revised	Previous	Chg YoY	Revised	Previous	Chg YoY
Sales	34,065	37,516	(9.2)	38,019	41,812	(9.1)
Gross profit	8,582	9,304	(7.8)	9,635	10,431	(7.6)
SG&A	5,595	5,796	(3.5)	6,163	6,380	(3.4)
EBIT	3,770	4,390	(14.1)	4,346	5,034	(13.7)
Net profit	2,747	3,293	(16.6)	3,194	3,795	(15.8)
Normalized profit	2,747	3,293	(16.6)	3,194	3,795	(15.8)
Key Financial ratio (%)	Revised	Previous	Chg YoY	Revised	Previous	Chg YoY
GPM	25.2	24.8	0.4	25.3	24.9	0.4
SG&A to sales	16.4	15.4	1.0	16.2	15.3	1.0
EBIT margin	11.1	11.7	(0.6)	11.4	12.0	(0.6)
Key Assumption	Revised	Previous	Chg YoY	Revised	Previous	Chg YoY
SSSG (%) (annualized)	(9.0)	(3.0)	(6.0)	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 7: 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	(9.0)	2.0
GPM	%	20.9	20.6	23.9	25.2	25.9	25.2	25.3

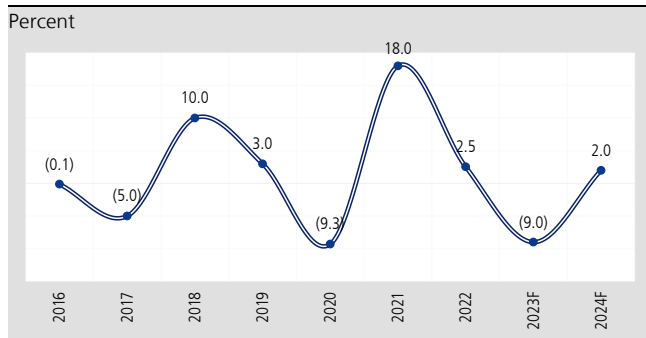
Source: Company data, KGI Securities Research

Figure 8: 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.

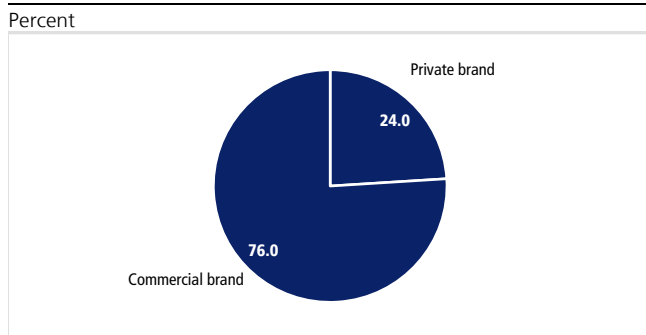
Source: Company data

Figure 10: SSSG assumption



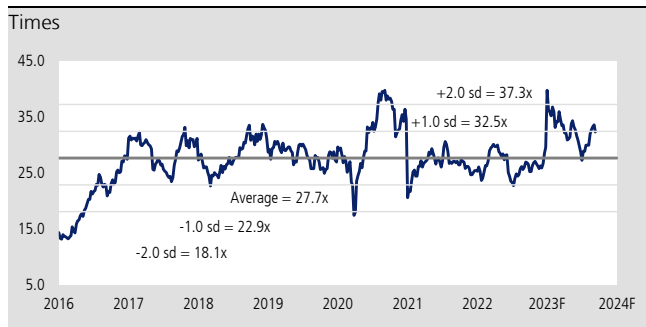
Source: Company data, KGI Securities Research

Figure 12: House brand portion



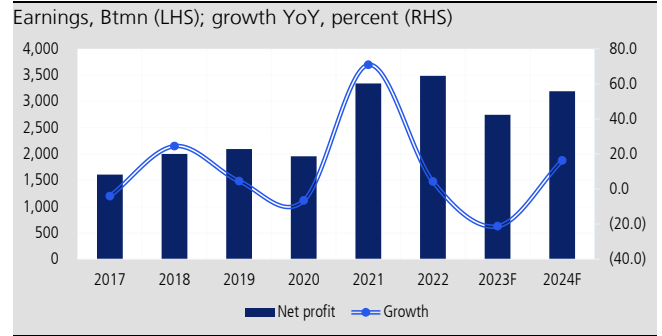
Source: KGI Securities Research

Figure 14: PER Band



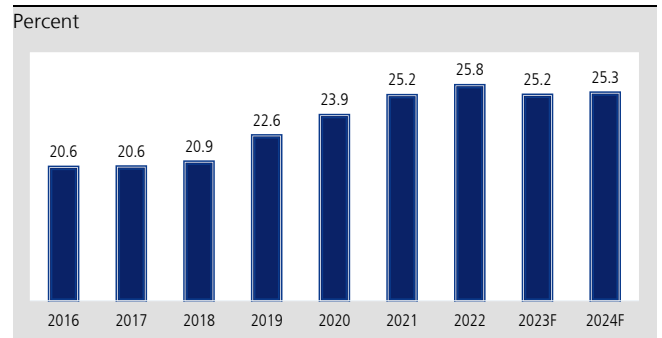
Source: KGI Securities Research

Figure 9: Earnings



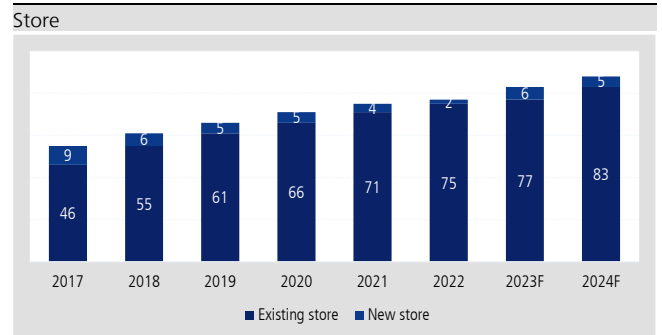
Source: Company data, KGI Securities Research

Figure 11: Gross margin assumption



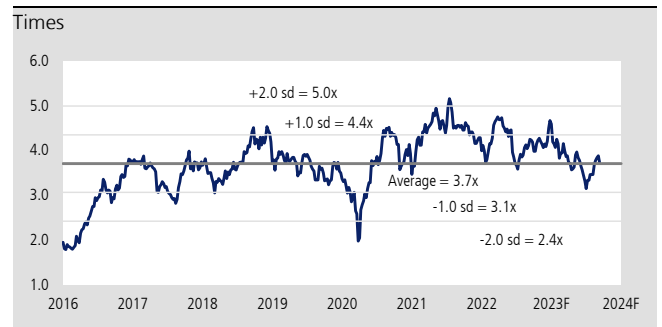
Source: Biznews, KGI Securities Research

Figure 13: Store



Source: KGI Securities Research

Figure 15: PBV Band



Source: KGI Securities Research

Quarterly Income Statement

	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A
Income Statement (Btmn)										
Revenue	8,679	8,888	7,685	8,246	9,634	9,220	8,170	8,247	8,933	8,503
Cost of good sold	6,468	6,587	5,866	6,146	7,117	6,781	6,066	6,201	6,696	6,344
Gross profit	2,210	2,301	1,819	2,100	2,517	2,438	2,104	2,045	2,238	2,159
Operating expense	1,121	1,250	1,192	1,243	1,244	1,316	1,320	1,530	1,280	1,423
Other income	147	180	213	78	171	200	177	160	170	180
Operating profit	1,236	1,231	840	935	1,444	1,322	961	675	1,129	916
Depreciation of fixed asset	305	318	323	318	312	312	328	351	288	303
Operating EBITDA	1,541	1,549	1,164	1,253	1,756	1,634	1,290	1,026	1,416	1,219
Non-Operating income	0	0	0	(0)	0	0	0	0	(5)	0
Interest income	0	0	0	0	0	0	0	0	0	0
Other non-op. income	0	0	0	(0)	0	0	0	0	(5)	0
Non-Operating expense	(48)	(46)	(42)	(45)	(45)	(47)	(47)	(54)	(64)	(65)
Interest expense	(48)	(46)	(42)	(45)	(45)	(47)	(47)	(54)	(64)	(65)
Other non-op. expense	0	0	0	0	0	0	0	0	0	0
Equity income	10	20	17	33	39	9	43	29	35	21
Pre-tax profit	1,198	1,206	816	923	1,439	1,284	958	650	1,096	872
Current taxation	(226)	(232)	(153)	(173)	(275)	(253)	(179)	(118)	(209)	(167)
Minorities	6	2	4	3	7	3	4	5	4	2
Extra items	0	0	0	0	0	0	0	0	0	0
Net profit	966	972	659	746	1,157	1,028	775	527	883	703
Normalized profit	966	972	659	747	1,156	1,028	774	527	887	703
EPS (Bt)	0.22	0.21	0.14	0.15	0.25	0.21	0.16	0.10	0.18	0.14
Normalized EPS (Bt)	0.22	0.21	0.14	0.16	0.25	0.22	0.17	0.11	0.19	0.15
Margin (%)										
Gross profit margin	25.5	25.9	23.7	25.5	26.1	26.4	25.8	24.8	25.0	25.4
Operating EBIT margin	14.2	13.9	10.9	11.3	15.0	14.3	11.8	8.2	12.6	10.8
Operating EBITDA margin	17.8	17.4	15.1	15.2	18.2	17.7	15.8	12.4	15.9	14.3
Net profit margin	11.1	10.9	8.6	9.1	12.0	11.2	9.5	6.4	9.9	8.3
Growth (%YoY)										
Revenue growth	19.3	42.9	19.3	20.0	11.0	3.7	6.3	0.0	(7.3)	(7.8)
Operating EBIT growth	45.0	82.5	36.5	83.6	16.9	7.4	14.4	(27.8)	(21.8)	(30.7)
Operating EBITDA growth	36.8	60.6	27.4	54.3	14.0	5.5	10.8	(18.1)	(19.3)	(25.4)
Net profit growth	56.8	91.8	44.7	97.7	19.8	5.8	17.5	(29.4)	(23.7)	(31.6)
Normalized profit growth	56.8	92.0	43.6	99.8	19.7	5.8	17.5	(29.4)	(23.3)	(31.6)
SSSG	13.7%	35.0%	12.5%	15.0%	7.4%	1.5%	4.3%	-2.2%	-8.6%	-9.5%

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Btmn)	2020	2021	2022	2023F	2024F
Total Assets	36,020	39,275	39,148	42,721	45,383
Current Assets	16,184	18,631	17,568	20,130	21,528
Cash&ST Investment	1,224	1,772	1,147	2,025	1,361
Inventories	14,287	16,186	15,747	17,454	19,441
Account Receivable	666	674	631	610	681
Other	7	0	42	41	45
Non-current Assets	19,837	20,643	21,580	22,591	23,855
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	1,915	2,079
Total Liabilities	18,806	19,439	17,057	18,906	19,494
Current liabilities	15,261	16,011	13,629	12,503	13,090
Account Payable	2,988	2,543	2,311	2,513	2,800
ST borrowing	11,193	12,066	9,475	9,668	9,935
Others	1,080	1,402	1,843	321	356
Long-term liabilities	3,545	3,427	3,428	6,403	6,404
Long-term debts	2,303	2,139	2,120	5,120	5,120
Others	1,242	1,289	1,307	1,283	1,284
Shareholders' Equity	17,214	19,836	22,091	23,816	25,889
Common stock	4,402	4,602	4,802	5,002	5,002
Capital surplus	4,739	4,739	4,739	4,739	4,739
Retained earnings	7,361	9,690	11,805	13,330	15,403
Preferred stock					

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2020	2021	2022	2023F	2024F
Growth (%YoY)					
Sales	(4.6)	25.0	5.3	(3.4)	11.6
OP	(7.1)	60.0	3.8	(16.7)	15.4
EBITDA	0.6	45.5	3.3	(9.7)	12.7
NP	(6.6)	70.9	4.3	(21.2)	16.3
Normalized profit	(7.0)	71.0	4.3	(21.2)	16.3
EPS	(10.8)	63.5	(0.1)	(24.4)	16.3
Normalized EPS	(11.2)	63.6	(0.1)	(24.3)	16.3
Profitability (%)					
Gross margin	23.9	25.2	25.8	25.2	25.3
Operating margin	9.9	12.7	12.5	10.8	11.1
EBITDA margin	14.3	16.7	16.4	15.3	15.4
Net margin	7.3	10.0	9.9	8.1	8.4
ROAA	5.4	8.9	8.9	6.7	7.3
ROAE	11.7	18.0	16.6	12.0	12.9
Stability					
Gross debt/equity (%)	109.3	98.0	77.2	79.4	75.3
Net debt/equity (%)	76.4	68.3	54.1	53.6	52.9
Interest coverage (x)	10.9	24.0	23.5	14.2	16.0
Interest&ST debt coverage	0.2	0.4	0.5	0.4	0.4
Cash flow interest coverag	14.7	12.9	25.4	10.3	10.5
Cash flow/interest&ST deb	0.3	0.2	0.5	0.3	0.3
Current ratio (x)	1.1	1.2	1.3	1.6	1.6
Quick ratio (x)	0.1	0.2	0.1	0.2	0.2
Net debt (Btmn)	13,155	13,555	11,960	12,763	13,694
Per share data (Bt)					
EPS	0.4	0.7	0.7	0.5	0.6
Normalized EPS	0.4	0.7	0.7	0.5	0.6
CFPS	0.8	0.5	1.0	0.5	0.6
BVPS	3.9	4.3	4.6	4.8	5.2
Sales/share	6.1	7.3	7.3	6.8	7.6
EBITDA/share	0.9	1.2	1.2	1.0	1.2
DPS	0.2	0.3	0.3	0.2	0.3
Activity					
Asset turnover (x)	0.7	0.9	0.9	0.8	0.8
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
Revenue	26,803	33,498	35,270	34,065	38,019
Cost of good sold	20,401	25,067	26,166	25,483	28,384
Gross profit	6,402	8,431	9,104	8,582	9,635
Operating expense	4,233	4,806	5,410	5,595	6,163
Other income	483	617	708	681	760
Operating Profit	2,652	4,242	4,403	3,668	4,232
Depreciation of fixed asset	1,164	1,264	1,246	1,439	1,525
Operating EBITDA	3,816	5,506	5,649	5,107	5,757
Non-operating income	1	(0)	1	0	0
Interest income	0	0	0	0	0
Other non-op income	1	(0)	1	0	0
Non-operating expense	(246)	(180)	(193)	(266)	(271)
Interest expense	(246)	(180)	(193)	(266)	(271)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	23	81	120	102	114
Pretax profit	2,430	4,142	4,330	3,504	4,075
Current taxation	(455)	(783)	(824)	(741)	(863)
Minorities	20	15	19	15	17
Extra item	0	0	0	0	0
Net profit	1,956	3,344	3,487	2,747	3,194
Normalized profit	1,955	3,344	3,486	2,747	3,194
EPS (Bt)	0.44	0.73	0.73	0.55	0.64
Normalized EPS (Bt)	0.44	0.73	0.73	0.55	0.64

Source: KGI Securities Research

Cash Flow

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
Operating cash flow	3,622	2,322	4,899	2,738	2,834
Net profit	1,956	3,344	3,487	2,747	3,194
Depreciation&Amortization	1,164	1,264	1,246	1,439	1,525
Change in working capital	503	(2,286)	166	(1,449)	(1,885)
Others					
Investment cash flow	(2,226)	(2,051)	(2,075)	(2,500)	(2,625)
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	238	209
Financing cash flow	(1,471)	199	(3,370)	640	(873)
Change in share capital	200	200	200	200	0
Net change in debt	(598)	921	(2,138)	1,662	248
Change in other liabs	(1,073)	(921)	(1,432)	(1,223)	(1,121)
Net cash flow	(75)	470	(547)	878	(664)

Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating expense}}{\text{Revenue}}$	= $\frac{\text{Operating margin}}{\text{Revenue}}$
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	74.8%	4.2%	16.4%	4.5%
2024F	74.7%	4.0%	16.2%	5.1%
Year	1/ $\frac{\text{Working capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other assets}}{\text{Revenue}}$	= $\frac{\text{Capital Turnover}}{\text{Revenue}}$
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	(0.0)	0.5	0.7	0.8
2024F	(0.0)	0.5	0.7	0.9
Year	1/ $\frac{\text{Operating margin}}{\text{Revenue}}$	x $\frac{\text{Capital turnover}}{\text{Revenue}}$	x $\frac{\text{Cash tax rate}}{\text{Revenue}}$	= $\frac{\text{After-tax return on Inv. capital}}{\text{Revenue}}$
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	4.5%	0.8	21.2%	0.8%
2024F	5.1%	0.9	21.2%	0.9%

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	SRISAWAD 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 ERAWAN 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	TCAP	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 ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD 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	SEAFCO	SEAFCO
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

Rating	Definition
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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