



SET ESG Rating of AA

Outperform • Maintained

Price as of 11 Apr 2024	10.90
12M target price (Bt/shr)	13.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	19.3

Key messages

เราคาดกำไรของ HMPRO ใน 1Q67F เพิ่มขึ้นทั้ง YoY และ QoQ แต่ประมาณการกำไรเต็มปีของเราในปัจจุบันมี Upside จำกัด เราคงคำแนะนำ “ซื้อ” และราคาเป้าหมายปลายปี 2567 เดิมที่ 13.00 บาท อิงจาก PER ที่ 24.0x (ค่าเฉลี่ยในอดีตระหว่างหุ้นกลุ่มนี้ในประเทศและต่างประเทศ-2.0 S.D.)

Trading data

Mkt cap (Btbn/US\$bn)	144/3,617
Outstanding shares (mn)	13,151
Foreign ownership (mn)	2,040
3M avg. daily trading (mn)	21
52-week trading range (Bt)	10.3 – 14.7
Performance (%)	3M 6M 12M
Absolute	-7.6 -9.8 -23.1
Relative	-6.9 -6.7 -12.7

Quarterly EPS

	1Q	2Q	3Q	4Q
2021	0.10	0.11	0.07	0.14
2022	0.11	0.12	0.12	0.13
2023	0.12	0.12	0.12	0.13

Share price chart



Source: SET

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COMPANY UPDATE

Thailand

Home Product Center

(HMPRO.BK/HMPRO TB)*



ประมาณการ 1Q67F: คาดกำไรเพิ่มขึ้น YoY และ QoQ

Event

เราคาด HMPRO จะรายงานกำไรสุทธิใน 1Q67F ที่ 1.7 พันล้านบาท (+6% YoY และ +2% QoQ) หนุนจากยอดขายที่เพิ่มขึ้น YoY และ QoQ กำไรใน 1Q67 คิดเป็น 24% ของประมาณการกำไรเต็มปีของเรา

Impact

คาดว่า Same store sales จะคงอ่อนแอในไตรมาสที่หนึ่ง

มีสัญญาณบางอย่างชี้ว่ามีความเป็นไปได้ที่อุปสงค์จะเพิ่มขึ้นจาก i) ดัชนีความเชื่อมั่นของผู้บริโภค (CCI) อยู่ที่ 63.0 ในเดือนมี.ค. 67 พื้นตัวค่อนเนื่องจาก 40.2 ในเดือนพ.ค.65 และใกล้เคียงค่าเฉลี่ยในอดีตที่ 67.6 (Figures 1 – 2), ii) การเขาสู่ฤดูร้อนด้วยอุณหภูมิที่ 43°C – 44.5°C และคาดว่าอุณหภูมิจะสูงขึ้นกว่าค่าเฉลี่ยช่วงเดือนมี.ค.และพ.ค. 67 ราว 0.5 °C ถึง 1.9°C (Figures 3 – 4) และ iii) ผลบวกจากแคมเปญกระตุ้นการใช้จ่ายจากรัฐ (easy e-receipt) ช่วงวันที่ 1 ม.ค. ถึง 15 ก.พ.67 ปัจจัยดังกล่าวช่วยชดเชยบางส่วนกับ sentiment การใช้จ่ายที่ซบเซาและ ทำให้อยอดขายสาขาเดิม (SSS: same store sales) ใน 1Q67 ลดลงเป็นเลขหลักเดียว (เทียบกับ +5.8% ใน 1Q66 และ -8.5% ใน 4Q66) เมื่อรวมกับผลของการขยายสาขา (มี 128 สาขา ณ สิ้นงวด 1Q67 เทียบกับ 120 สาขา สิ้นงวด 1Q66) เราประเมินว่า HMPRO จะรายงานยอดขายรวมใน 1Q67F ที่ 1.8 หมื่นล้านบาท (+7% YoY และ +9% QoQ)

อัตรากำไรขั้นต้นจะชะลอลง YoY และ QoQ

เราคาด HMPRO จะมีอัตรากำไรขั้นต้นใน 1Q67F อยู่ที่ 26.0% (-10bps YoY และ -130bps QoQ) เทียบกับสมมติฐานปี 2567F ของเราในปัจจุบันอยู่ที่ 26.8% โดยที่อัตรากำไรขั้นต้นน่าจะอ่อนตัวจาก i) ปัจจัยฤดูกาล, ii) สัดส่วนของ product mix (อุปกรณ์เครื่องใช้ไฟฟ้า) และ iii) ส่วนผสมของยอดขาย (ยอดขายจาก Mega Home มากขึ้น) ทั้งนี้ อัตรากำไรขั้นต้นของร้านรูปแบบ Mega Home ต่ำกว่ารูปแบบ HomePro ราว 3-4% โดย ณ สิ้นงวด 1Q66 มีร้านรูปแบบ Mega Home อยู่ที่ 15 ร้าน และเพิ่มเป็น 21 ร้าน ณ สิ้นงวด 1Q67 สำหรับสัดส่วน SG&A ต่อยอดขายใน 1Q67 น่าจะลดลงอยู่ที่ 18.4% (เทียบกับ 18.5% ใน 1Q66 และ 20.8% ใน 4Q66) เนื่องจากค่าใช้จ่ายสาธารณูปโภคต่ำลง (ค่าไฟฟ้า (electricity tariff) ลดลง 20% YoY โดยค่าใช้จ่ายสาธารณูปโภคคิดเป็น 1-2% ของยอดขายรวม)

คงประมาณการกำไรปี 2567F ไว้เช่นเดิม

เรายังคงคาดว่ากำไรมีไม่หมดเต็มเชิงบวกใน 2H67F ด้วยแรงหนุนจาก sentiment และกำลังซื้อของผู้บริโภคที่ขึ้นจากการดำเนินกิจกรรมทางธุรกิจการมากขึ้นหลังจากการจัดตั้งรัฐบาลชุดใหม่สำเร็จ แต่อย่างไรก็ตาม เรามองว่าประมาณการกำไรปี 2567F ในปัจจุบันของเรายังคงมี upside จำกัด

Valuation & Action

เราคงคำแนะนำ “ซื้อ” HMPRO และคงราคาเป้าหมายสิ้นปี 2567 ที่ 13.00 บาทอิงจาก PER ที่ 24.0x (ค่าเฉลี่ยในอดีตระหว่างหุ้นกลุ่มนี้ในประเทศและต่างประเทศ-2.0 S.D.) หรือเท่ากับ PEG ที่ 2.4x บน EPS ปี 2567

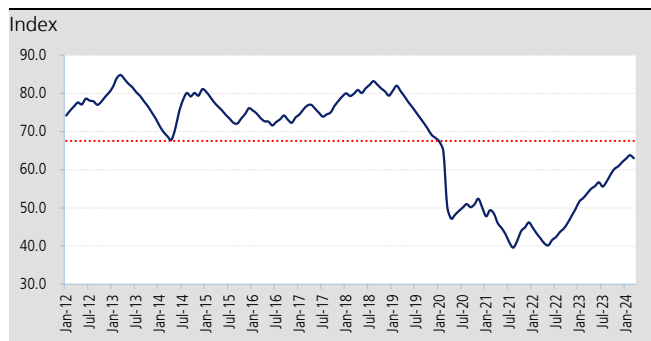
Risks

เศรษฐกิจชะลอลง ขยายสาขาได้น้อยกว่าที่วางแผนเอาไว้ ราคาพืชผลอ่อนแอ ภัยธรรมชาติ สินค้าค้างสต็อกเป็นจำนวนมาก

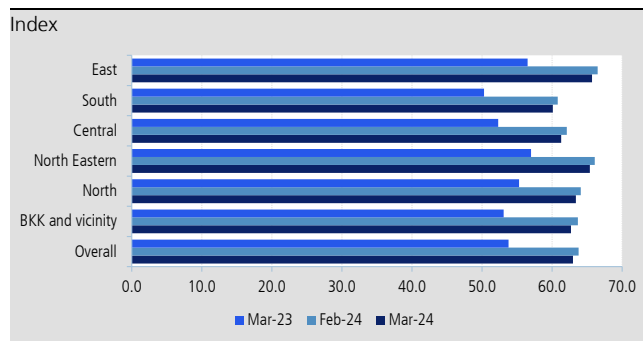
Key financials and valuations

Year end Dec 31	Dec-20A	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
Revenue (Btmn)	58,347	60,568	65,091	68,283	72,911	77,320
Gross profit (Btmn)	14,749	15,643	17,013	18,166	19,514	20,851
Net profit (Btmn)	5,155	5,441	6,217	6,442	7,078	7,872
Normalized profit (Btmn)	5,155	5,441	6,217	6,442	7,078	7,872
EPS (Bt)	0.39	0.41	0.47	0.49	0.54	0.60
Normalized EPS (Bt)	0.39	0.41	0.47	0.49	0.54	0.60
DPS (Bt)	0.30	0.32	0.38	0.40	0.44	0.49
EPS growth (%)	(16.5)	5.5	14.3	3.6	9.9	11.2
Normalized EPS growth (%)	(16.5)	5.5	14.3	3.6	9.9	11.2
P/E (X)	35.0	35.1	32.8	22.3	20.3	18.2
P/B (X)	8.4	8.3	8.4	5.6	5.3	5.0
EV/EBITDA (X)	19.4	19.4	19.0	12.9	11.5	10.7
Net debt to Equity (%)	46.8	38.5	40.8	44.5	41.9	32.0
Dividend yield (%)	2.2	2.2	2.5	3.7	4.0	4.5
Return on Equity (%)	24.1	24.5	26.4	25.9	26.9	28.1

Source: Company data, KGI Securities Research

Figure 1: CCI continues to recover


Source: UTCC, KGI Securities Research

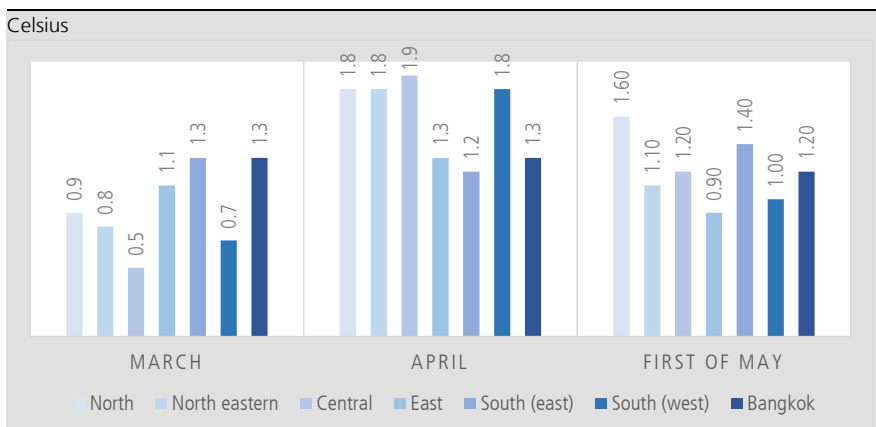
Figure 2: CCI by region


Source: UTCC, KGI Securities Research

Figure 3: Estimated temperatures during Thailand's summer in 2024

Regional	March		April		First half of May	
	Average	Normal level	Average	Normal level	Average	Normal level
North	36 – 38	36.1	38 – 40	37.2	36 – 38	35.4
North Eastern	35 – 37	35.2	37 – 39	36.2	35 – 37	34.9
Central	36 – 38	36.5	38 – 40	37.1	36 – 38	35.8
East	34 – 36	33.9	35 – 37	34.7	34 – 36	34.1
South (East)	33 – 35	32.7	34 – 36	33.8	34 – 36	33.6
South (West)	34 – 36	34.3	35 – 37	34.2	33 – 35	33.0
Bangkok	35 - 37	34.7	36 - 38	35.7	35 - 37	34.8

Source: Meteorological department, KGI Securities Research

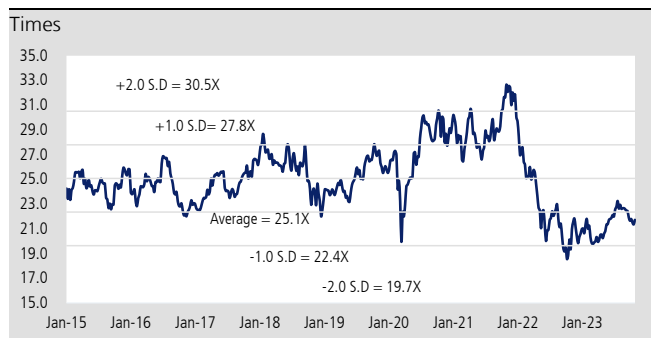
Figure 4: Average temperatures in 2024 compared to normal level


Source: Meteorological department, KGI Securities Research

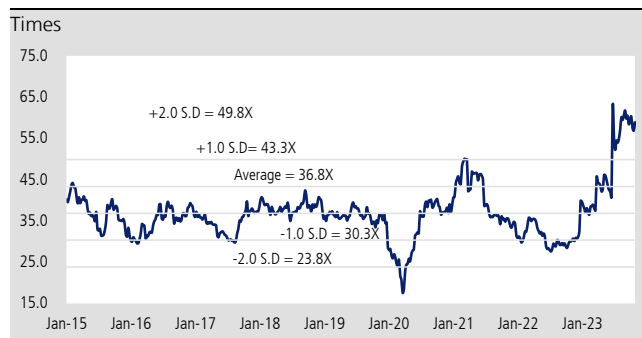
Figure 5: HMPRO's 1Q24F earnings preview

Btmn	1Q24F	1Q23	% YoY	4Q24	% QoQ
Revenue from sales	18,402	17,223	6.8	16,881	9.0
Cost of goods sold	13,612	12,731	6.9	12,266	11.0
Gross profit	4,790	4,492	6.6	4,614	3.8
SG&A	3,393	3,192	6.3	3,507	(3.2)
EBIT	2,280	2,137	6.7	2,223	2.6
Interest expense	(177)	(133)	32.7	(166)	6.8
Net profit	1,715	1,611	6.4	1,677	2.2
Core profit	1,715	1,611	6.4	1,677	2.2
Financial ratio	1Q24F	1Q23	ppts	4Q24	ppts
Gross margin	26.0	26.1	(0.1)	27.3	(1.3)
SG&A to sales	18.4	18.5	(0.1)	20.8	(2.3)
EBIT Margin	12.4	12.4	(0.0)	13.2	(0.8)
Net margin	9.3	9.4	(0.0)	9.9	(0.6)
SSSG	(3.0)	5.8	(8.8)	(8.5)	5.5
Store	128.0	120.0	8.0	128.0	0.0

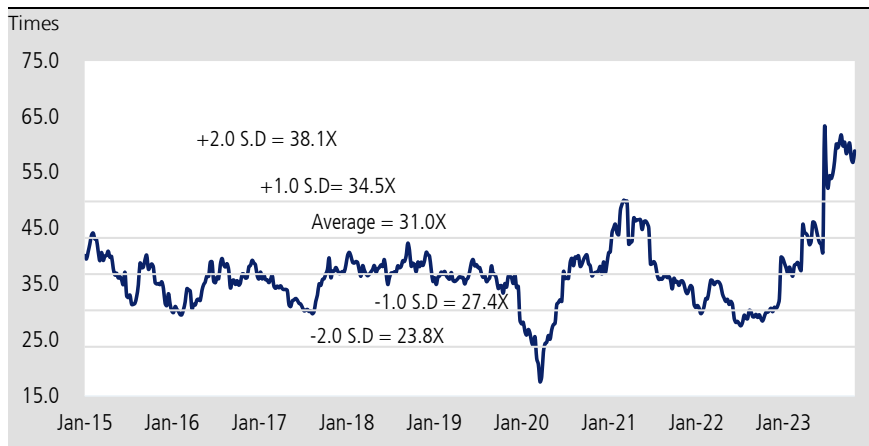
Source: KGI Securities Research

Figure 6: PER Band (regional)


Source: KGI Securities Research

Figure 7: PER Band (HMPRO+GLOBAL+DOHOME)


Source: KGI Securities Research

Figure 8: PER Band (average between region and Thailand)


Source: KGI Securities Research

Figure 9: Key assumptions

Key Assumption	unit	2017	2018	2019	2020	2021	2022	2023	2024F	2025F
New Stores	Stores	7.0	3.0	5.0	2.0	2.0	3.0	11.0	8.0	6.0
HMPRO Classic - Thailand	Stores	0.0	1.0	2.0	2.0	1.0	0.0	2.0	4.0	3.0
HMPRO S - Thailand	Stores	2.0	2.0	1.0	0.0	0.0	(1.0)	0.0	0.0	0.0
Mega Home - Thailand	Stores	1.0	0.0	2.0	0.0	0.0	4.0	9.0	4.0	3.0
HMPRO Classic - Malaysia	Stores	4.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Total stores, year end	Stores	102.0	105.0	110.0	112.0	114.0	117.0	128.0	136.0	142.0
HMPRO Classic - Thailand	Stores	81.0	82.0	84.0	86.0	87.0	87.0	89.0	93.0	96.0
HMPRO S - Thailand	Stores	3.0	5.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0
Mega Home - Thailand	Stores	12.0	12.0	14.0	14.0	14.0	18.0	27.0	31.0	34.0
HMPRO Classic - Malaysia	Stores	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
SSSG	%	(0.8)	1.1	0.8	(8.5)	3.4	5.0	(0.5)	3.0	2.5
Gross Margin	%	26.4	25.5	25.7	25.3	25.8	26.1	26.6	26.8	27.0
EBIT margin	%	10.7	11.8	12.7	11.4	11.6	12.4	12.5	12.8	13.2
SG&A to sales	%	23.0	19.3	18.9	18.8	18.7	19.2	19.6	19.6	19.4

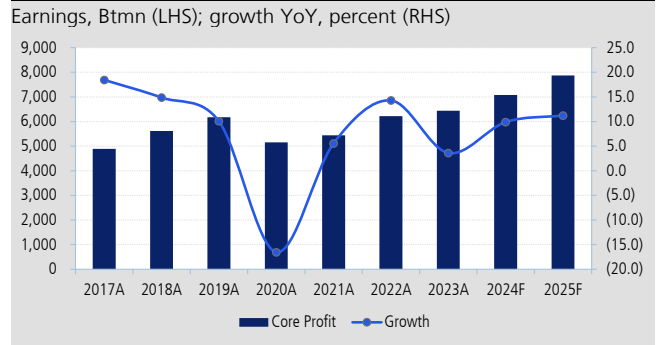
Source: Company data, KGI Securities Research

Figure 10: Company profile

Home Product Center Company Limited (HMPRO) was established on June 27, 1995, as a joint venture between Land and House PCL (LH.BK/LH TB)* and Quality House PCL (QH.BK/QH TB)*. It became a listed company on October 30, 2011. It operates a retail business in the home improvement segment by offering a wide range of services related to construction, extension, refurbishment, renovation, home makeover, and improvement of building house, and residential. It has three main store platforms: i) HomePro Classic, ii) HomePro S, and iii) Mega Home.

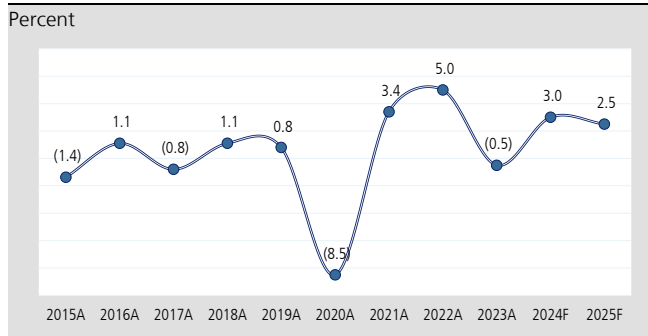
Source: Company data

Figure 11: Earnings



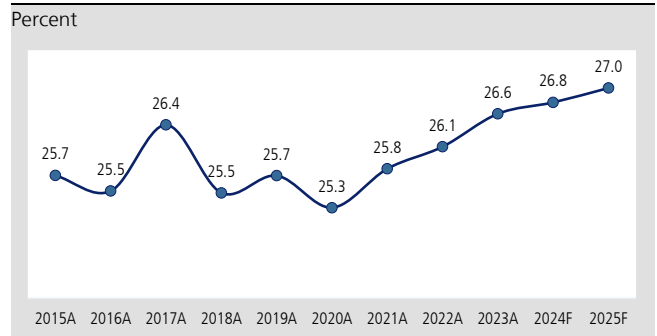
Source: Company data, KGI Securities Research

Figure 12: SSSG assumption



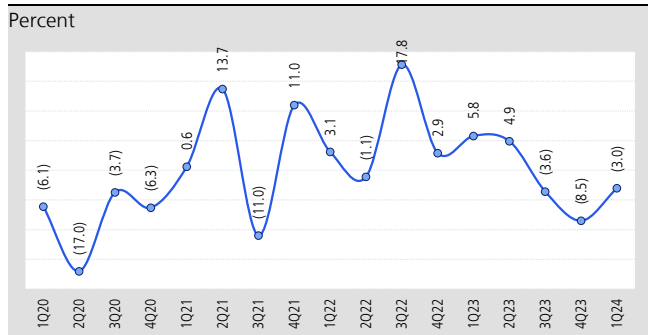
Source: Company data, KGI Securities Research

Figure 13: Gross margin assumption



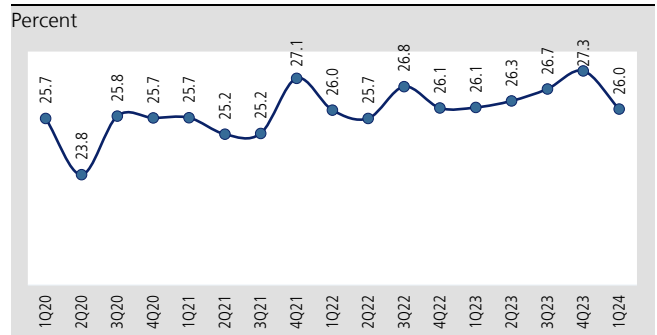
Source: Company data, KGI Securities Research

Figure 14: SSSG quarterly



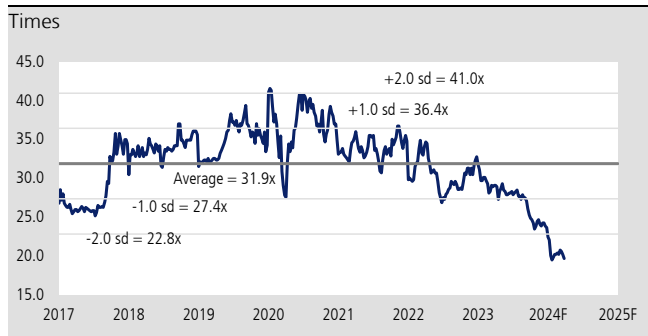
Source: Company data, KGI Securities Research

Figure 15: Gross margin quarterly



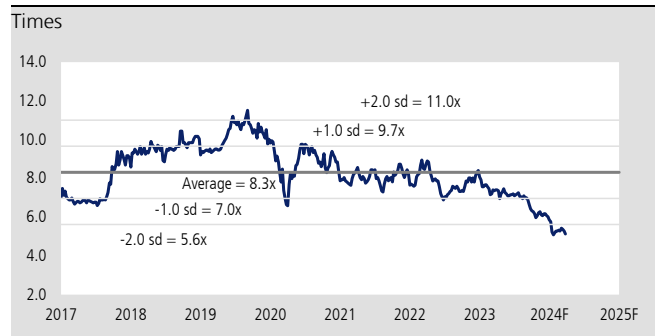
Source: Company data, KGI Securities Research

Figure 16: PER Band



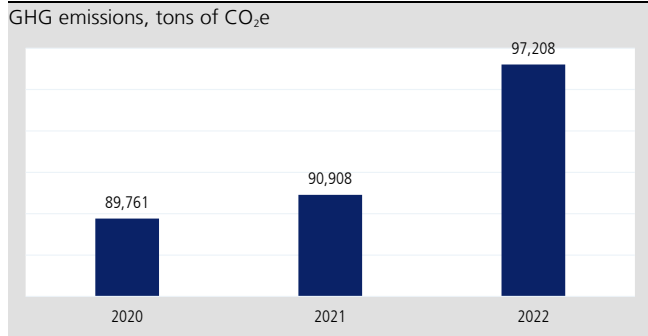
Source: KGI Securities Research

Figure 17: PBV Band



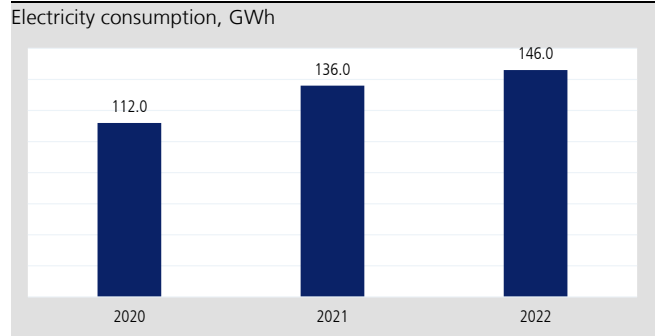
Source: KGI Securities Research

Figure 18: Total GHG emissions



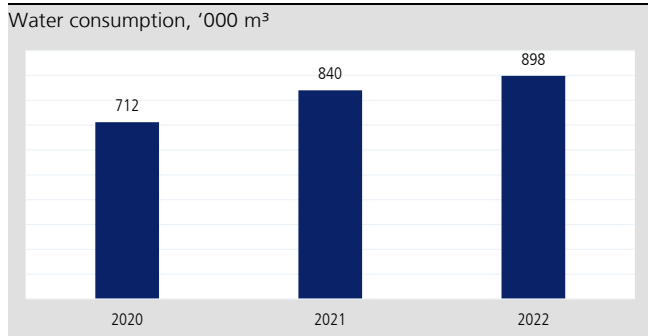
Source: Company data, SETSMART, KGI Securities Research

Figure 19: Total electricity consumption



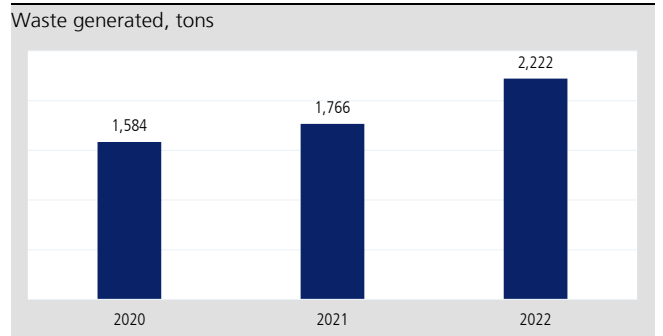
Source: Company data, SETSMART, KGI Securities Research

Figure 20: Total water consumption



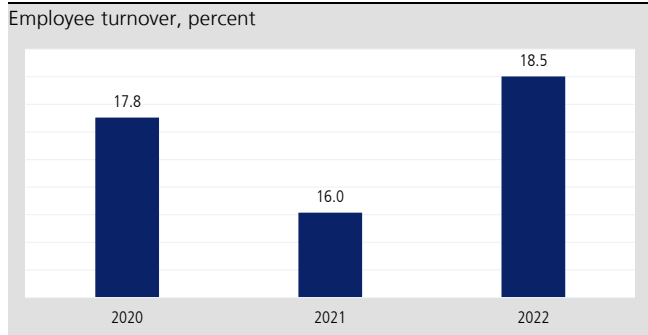
Source: Company data, SETSMART, KGI Securities Research

Figure 21: Total waste



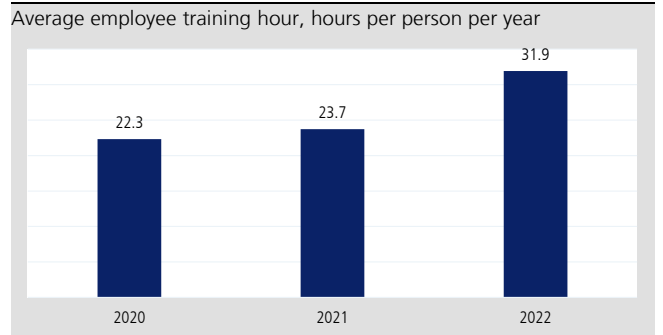
Source: Company data, SETSMART, KGI Securities Research

Figure 22: Employee turnover



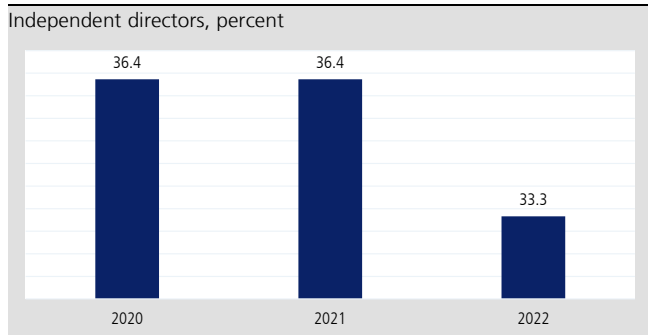
Source: Company data, SETSMART, KGI Securities Research

Figure 23: Average employee training hour



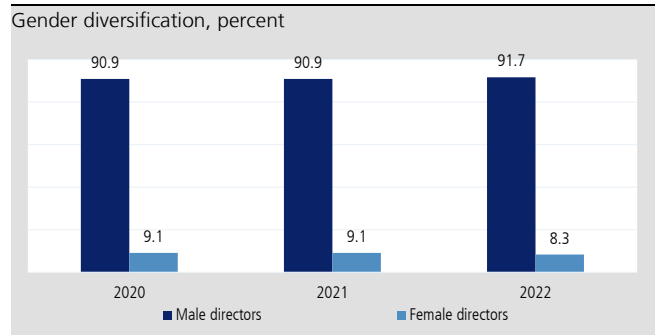
Source: Company data, SETSMART, KGI Securities Research

Figure 24: Proportion of independent directors



Source: Company data, SETSMART, KGI Securities Research

Figure 25: Gender diversification of directors



Source: Company data, SETSMART, KGI Securities Research

Quarterly Income Statement

Btmn	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23A	Dec-23A
Income Statement (Btmn)												
Revenue	15,052	16,154	13,170	16,191	15,761	16,319	15,897	17,115	17,223	17,789	16,390	16,881
Cost of good sold	11,179	12,089	9,852	11,806	11,664	12,123	11,637	12,654	12,731	13,109	12,011	12,266
Gross profit	3,873	4,066	3,319	4,385	4,097	4,195	4,260	4,461	4,492	4,680	4,379	4,614
Operating expense	2,686	2,859	2,560	3,220	2,870	3,026	3,130	3,493	3,192	3,466	3,237	3,507
Other income	452	492	357	817	503	582	609	884	553	661	666	774
Operating profit	1,800	1,845	1,189	2,216	1,985	1,981	1,993	2,129	2,137	2,138	2,043	2,196
Depreciation of fixed asset	800	796	809	802	773	779	780	823	819	868	872	873
Operating EBITDA	2,601	2,641	1,998	3,018	2,758	2,760	2,773	2,952	2,956	3,006	2,915	3,070
Non-Operating income	0	0	0	0	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0	0	0	0	0
Other non-op. income	0	0	0	0	0	0	0	0	0	0	0	0
Non-Operating expense	(107)	(102)	(108)	(99)	(94)	(99)	(123)	(130)	(133)	(130)	(138)	(166)
Interest expense	(107)	(102)	(108)	(99)	(94)	(99)	(123)	(130)	(133)	(130)	(138)	(166)
Other non-op. expense	0	0	0	0	0	0	0	0	0	0	0	0
Equity income	0	0	0	0	0	0	0	0	0	0	0	(1)
Pre-tax profit	1,694	1,743	1,081	2,117	1,891	1,882	1,870	2,000	2,004	2,009	1,904	2,058
Current taxation	(331)	(311)	(212)	(340)	(380)	(362)	(337)	(362)	(393)	(388)	(371)	(380)
Minorities	0	0	0	0	0	0	0	0	0	0	0	0
Extra items	0	0	0	0	0	0	0	0	0	0	0	0
Net profit	1,362	1,433	869	1,776	1,511	1,520	1,533	1,638	1,611	1,620	1,533	1,677
Normalized profit	1,362	1,433	869	1,776	1,511	1,520	1,533	1,638	1,611	1,620	1,533	1,677
EPS (Bt)	0.10	0.11	0.07	0.14	0.11	0.12	0.12	0.12	0.12	0.12	0.12	0.13
Normalized EPS (Bt)	0.10	0.11	0.07	0.14	0.11	0.12	0.12	0.12	0.12	0.12	0.12	0.13
Margin (%)												
Gross profit margin	25.7	25.2	25.2	27.1	26.0	25.7	26.8	26.1	26.1	26.3	26.7	27.3
Operating EBIT margin	12.0	11.4	9.0	13.7	12.6	12.1	12.5	12.4	12.4	12.0	12.5	13.0
Operating EBITDA margin	17.3	16.4	15.2	18.6	17.5	16.9	17.4	17.3	17.2	16.9	17.8	18.2
Net profit margin	9.1	8.9	6.6	11.0	9.6	9.3	9.6	9.6	9.4	9.1	9.4	9.9
Growth (%YoY)												
Revenue growth	3.5	16.9	(12.6)	8.6	4.7	1.0	20.7	5.7	9.3	9.0	3.1	(1.4)
Operating EBIT growth	8.0	45.0	(34.4)	16.8	10.3	7.4	67.6	(3.9)	7.7	8.0	2.5	3.2
Operating EBITDA growth	4.8	27.3	(22.8)	12.3	6.1	4.5	38.8	(2.2)	7.2	8.9	5.1	4.0
Net profit growth	7.6	52.0	(37.9)	15.0	10.9	6.1	76.4	(7.8)	6.6	6.6	(0.0)	2.4
Normalized profit growth	7.6	52.0	(37.9)	15.0	10.9	6.1	76.4	(7.8)	6.6	6.6	(0.0)	2.4

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Btmn)	2021	2022	2023	2024F	2025F
Total Assets	58,586	65,185	69,048	67,679	70,451
Current Assets	18,920	21,430	22,659	19,714	22,812
Cash&ST Investment	4,546	5,420	6,429	2,417	4,512
Inventories	12,572	13,630	13,965	14,879	15,735
Account Receivable	1,675	2,069	2,115	2,258	2,395
Other	127	311	150	160	170
Non-current Assets	39,666	43,755	46,389	47,965	47,639
LT Investment	3,675	4,329	4,412	4,416	4,421
Net Fixed Assets	27,584	29,469	31,179	32,018	30,991
Others	8,407	9,957	10,798	11,530	12,227
Total Liabilities	35,696	40,939	43,489	40,536	41,508
Current liabilities	20,511	24,485	23,579	24,719	25,789
Account Payable	13,973	15,812	15,225	16,221	17,154
ST borrowing	1,232	1,074	2,040	2,040	2,040
Others	5,306	7,599	6,315	6,458	6,595
Long-term liabilities	15,185	16,454	19,910	15,817	15,720
Long-term debts	8,943	9,056	11,743	7,723	7,703
Others	6,242	7,398	8,167	8,095	8,017
Shareholders' Equity	22,890	24,246	25,559	27,143	28,943
Common stock	13,151	13,151	13,151	13,151	13,151
Capital surplus	646	646	646	646	646
Retained earnings	7,806	9,158	10,471	12,055	13,855
Preferred stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2021	2022	2023	2024F	2025F
Growth (%YoY)					
Sales	3.8	7.5	4.9	6.8	6.0
OP	6.0	14.7	5.3	9.1	9.8
EBITDA	4.3	9.8	6.3	12.5	5.8
NP	5.5	14.3	3.6	9.9	11.2
Normalized profit	5.5	14.3	3.6	9.9	11.2
EPS	5.5	14.3	3.6	9.9	11.2
Normalized EPS	5.5	14.3	3.6	9.9	11.2
Profitability (%)					
Gross margin	25.8	26.1	26.6	26.8	27.0
Operating margin	11.6	12.4	12.5	12.7	13.2
EBITDA margin	16.9	17.3	17.5	18.5	18.4
Net margin	9.0	9.6	9.4	9.7	10.2
ROAA	9.5	10.0	9.6	10.4	11.4
ROAE	24.5	26.4	25.9	26.9	28.1
Stability					
Gross debt/equity (%)	155.9	168.8	170.2	149.3	143.4
Net debt/equity (%)	38.5	40.8	44.5	41.9	32.0
Interest coverage (x)	17.0	18.2	15.1	16.9	21.2
Interest&ST debt coverage (x)	4.3	5.3	3.3	3.6	4.1
Cash flow interest coverage (x)	16.3	19.2	14.3	19.4	23.7
Cash flow/interest&ST debt (x)	4.1	5.6	3.1	4.1	4.5
Current ratio (x)	0.9	0.9	1.0	0.8	0.9
Quick ratio (x)	0.3	0.3	0.4	0.2	0.3
Net debt (Btmn)	8,812	9,883	11,374	11,366	9,250
Per share data (Bt)					
EPS	0.4	0.5	0.5	0.5	0.6
Normalized EPS	0.4	0.5	0.5	0.5	0.6
CFPS	0.5	0.6	0.6	0.8	0.9
BVPS	1.7	1.8	1.9	2.1	2.2
Sales/share	4.7	5.1	5.3	5.7	6.0
EBITDA/share	0.8	0.9	0.9	1.0	1.1
DPS	0.3	0.4	0.4	0.4	0.5
Activity					
Asset turnover (x)	1.0	1.0	1.0	1.1	1.1
Days of receivables	10.1	11.6	11.3	11.3	11.3
Days of inventory	100.8	102.0	100.1	100.1	100.0
Days of payable	112.0	118.3	109.2	109.1	109.1
Cash cycle	(1.1)	(4.7)	2.3	2.3	2.3

Source: KGI Securities Research

Profit & Loss

Year to Dec 31 (Btmn)	2021	2022	2023	2024F	2025F
Revenue	60,568	65,091	68,283	72,911	77,320
Cost of good sold	44,925	48,078	50,118	53,397	56,468
Gross profit	15,643	17,013	18,166	19,514	20,851
Operating expense	11,326	12,519	13,401	14,295	14,968
Other income	2,119	2,578	2,654	2,836	3,008
Operating Profit	7,050	8,088	8,515	9,286	10,197
Depreciation of fixed asset	3,208	3,156	3,431	4,161	4,027
Operating EBITDA	10,258	11,244	11,946	13,447	14,224
Non-operating income	0	17	28	30	31
Interest income	0	17	28	30	31
Other non-op income	0	0	0	0	0
Non-operating expense	(416)	(445)	(567)	(553)	(482)
Interest expense	(416)	(445)	(567)	(553)	(482)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	0	(2)	(1)	(1)	(1)
Pretax profit	6,634	7,658	7,974	8,762	9,745
Current taxation	(1,194)	(1,441)	(1,533)	(1,684)	(1,873)
Minorities	0	0	0	0	0
Extra item	0	0	0	0	0
Net profit	5,441	6,217	6,442	7,078	7,872
Normalized profit	5,441	6,217	6,442	7,078	7,872
EPS (Bt)	0.41	0.47	0.49	0.54	0.60
Normalized EPS (Bt)	0.41	0.47	0.49	0.54	0.60

Source: KGI Securities Research

Cash Flow

Year to Dec 31 (Btmn)	2021	2022	2023	2024F	2025F
Operating cash flow	6,772	8,534	8,124	10,718	11,402
Net profit	5,441	6,217	6,442	7,078	7,872
Depreciation&Amortization	3,208	3,156	3,431	4,161	4,027
Change in working capital	(1,876)	(840)	(1,749)	(520)	(497)
Others					
Investment cash flow	(1,862)	(5,661)	(5,245)	(5,038)	(3,036)
Net CAPEX	(2,051)	(5,041)	(5,142)	(5,000)	(3,000)
Change in LT investment	205	(655)	(83)	(4)	(4)
Change in other assets	(16)	34	(21)	(34)	(32)
Free cash flow	4,910	2,873	2,879	5,680	8,366
Financing cash flow	(3,647)	(1,998)	(1,871)	(9,693)	(6,270)
Change in share capital	0	0	0	0	0
Net change in debt	468	2,863	3,258	(4,198)	(198)
Change in other liabs	(4,115)	(4,862)	(5,129)	(5,494)	(6,072)
Net cash flow	1,263	874	1,008	(4,012)	2,096

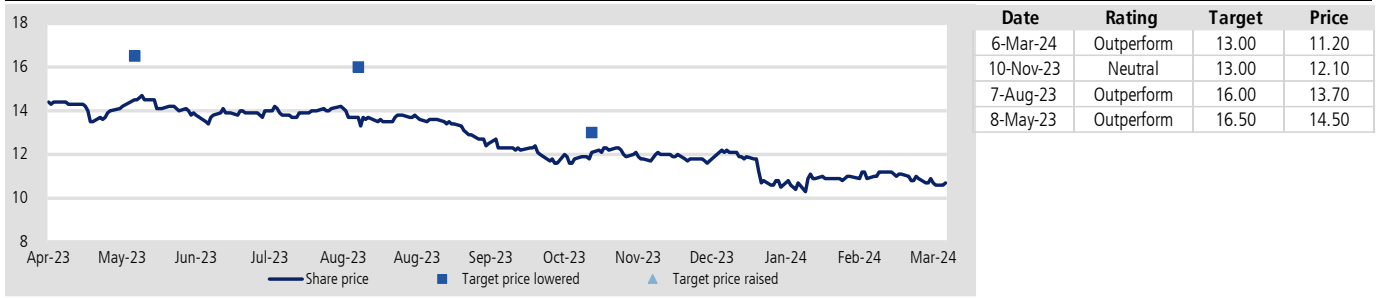
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1 -	COGS	+ Depreciation	+ Operating expense	=	Operating margin		
		Revenue	Revenue	Revenue				
2021		73.7%	5.2%	18.3%		2.8%		
2022		73.0%	4.7%	18.7%		3.5%		
2023		72.5%	4.9%	19.1%		3.5%		
2024F		72.3%	5.5%	19.1%		3.1%		
2025F		72.2%	5.1%	18.8%		4.0%		
Year	1/	Working capital	+ Net PPE	+ Other assets	=	Capital Turnover		
		Revenue	Revenue	Revenue				
2020		(0.1)	0.5	0.5		1.2		
2021		(0.0)	0.4	0.5		1.1		
2022		(0.0)	0.4	0.5		1.0		
2023		(0.0)	0.4	0.5		1.0		
2024F		(0.0)	0.4	0.5		1.1		
2025F		(0.0)	0.4	0.5		1.1		
Year	1/	Operating margin	x	Capital turnover	x	Cash tax rate	=	After-tax return on Inv. capital
2021		2.8%		1.1		18.0%		0.5%
2022		3.5%		1.0		18.8%		0.7%
2023		3.5%		1.0		19.2%		0.7%
2024F		3.1%		1.1		19.2%		0.7%
2025F		4.0%		1.1		19.2%		0.9%

Source: KGI Securities Research

Home Product Center – Recommendation & target price history



Source: KGI Securities Research

Company's ESG details

Environment

- Avoiding and mitigating environmental impacts by encouraging responsible consumption through the development of an ECO Product line which includes environmentally-friendly products, energy efficient products, water efficient products, products from sustainable forestry, products that reduce greenhouse gases and health & safety products. In 2022, the sales mix of ECO products was at 46.9%. The company set a target to increase the proportion of ECO products to 50% by the year 2025. The company elevates ECO products as ECO Choice in order to provide customers with alternatives. Moreover, the company encourages Responsible Plastic Consumption.

Social

- Creating better living standards for communities and overall society through the development of products and services that are as convenient as possible; which meet the demands of customers via seamless connection between offline and online channels (Omni Channel). The company supports local economic growth by hiring locals in the areas the new stores are opened. The company also created the "Young Entrepreneur" program to train local technicians to cope with growing demand for home service. The company pays close attention to the perspectives of human right as well as health and safety of associates. With the "Happy Hometown" project, the company offers the opportunity to those who wish to relocate their careers to their hometowns while maintaining living wages for the associates and their families to enhance happiness at work and engagement between associates and the company.

Governance

- HMPRO maintains annual "Excellent" CG scoring From Thai Institute of Directors Association (IOD).
- The company operates under good corporate governance, adhering to business ethics with the essence of transparency. The company prioritizes anti-corruption which expands the coverage throughout the supply chain. HMRPO encourages suppliers as well as business partners to join forces against corruption by participating in the Collective Action Against Corruption of Thailand (CAC). Seminars regarding anti-corruption are available to suppliers and business partners. Moreover, the company fairly assesses suppliers in various dimensions including manufacturing capability, professionalism, compliance to laws and regulations as well as ESG-related subjects.
- From the performance of 2022, the company received the highest evaluation score in the retail industry and was a member of the Dow Jones Sustainability Indices (DJSI) for emerging markets for the sixth consecutive year. The company has also received awards that are recognized by other global entities including MSCI Global Sustainability Index, FTSE4Good Index, Bloomberg Gender Equality Index (GEI) and Low Risk ESG Risk Rating by Sustainalytics. Moreover, the company obtained domestic awards such as the Excellent Corporate Governance Report from ESG 100 for the eighth consecutive year, chosen to be part of Thailand Sustainability Investment for the eighth consecutive year, been commended in Sustainability Awards and the renewal of certification of the alliance in the Collective Action Against Corruption of Thailand (CAC Certification).

Climate Management (Being the subset of Environment)

- The company conducts Carbon Footprint for Organization (CFO) to calculate and evaluate the amount and sources of greenhouse gasses. At the same time, the company set a strategic action plan to increase the efficiency of environmental management. The strategies are separated into two sections, which are the reduction of carbon dioxide and other greenhouse gasses emissions (Decarbonization) and Carbon Removal. Moreover, the company promotes campaigns to encourage responsible consumption than the standards sets; which leads to sustainable environmental management in order to achieve Net Zero by the year 2050.

Source: Company data, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B.GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERAWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

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.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GFPT	GFPT	SAK	SAKSIAM LEASING
ADVANC	ADVANCED INFO SERVICE	GGC	GLOBAL GREEN CHEMICALS	SAPPE	SAPPE
AEONTS	AEON THANA SINSAP (THAILAND)	GLOBAL	SIAM GLOBAL HOUSE	SAT	SOMBOON ADVANCE TECHNOLOGY
AMA	AMA MARINE	GPSC	GLOBAL POWER SYNERGY	SCB	SCB X
AMATA	AMATA CORPORATION	GULF	GULF ENERGY DEVELOPMENT	SCC	THE SIAM CEMENT
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	SCCC	SIAM CITY CEMENT
AOT	AIRPORTS OF THAILAND	HENG	HENG LEASING AND CAPITAL	SCGP	SCG PACKAGING
AP	AP (THAILAND)	HMPRO	HOME PRODUCT CENTER	SEAFCO	SEAFCO
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	INTUCH	INTOUCH HOLDINGS	SFT	SHRINKFLEX (THAILAND)
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IRPC	IRPC	SHR	S HOTELS AND RESORTS
BANPU	BANPU	ITC	i-Tail Corporation	SICT	SILICON CRAFT TECHNOLOGY
BBGI	BBGI	IVL	INDORAMA VENTURES	SMPC	SAHAMITR PRESSURE CONTAINER
BBL	BANGKOK BANK	KBANK	KASIKORNBANK	SNC	SNC FORMER
BCH	BANGKOK CHAIN HOSPITAL	KCE	KCE ELECTRONICS	SNNP	SRINANAPORN MARKETING
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SPALI	SUPALAI
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BEC	BEC WORLD	KTC	KRUNGTHAI CARD	STGT	SRI TRANG GLOVES (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	LH	LAND AND HOUSES	SUN	SUNSWEET
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	M	MK RESTAURANT GROUP	TACC	T.A.C. CONSUMER
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	MBK	MBK	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	MEGA	MEGA LIFESCENCES	THCOM	THAICOM
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TIDLOR	NGERN TID LOR
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	TKN	TAOKAENOI FOOD & MARKETING
COM7	COM7	ORI	ORIGIN PROPERTY	TOP	THAI OIL
CPALL	CP ALL	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	UBE	UBON BIO ETHANOL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	VGI	VGI
CPN	CENTRAL PATTANA	PTT	PTT	WHA	WHA CORPORATION
DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION	WHAUP	WHA UTILITIES AND POWER
DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL	ZEN	ZEN CORPORATION GROUP
EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES		
ERW	THE ERWAN GROUP	RATCH	RATCH GROUP		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	JMART	JAYMART GROUP HOLDINGS	SINGER	SINGER THAILAND
BTG	BETAGRO	NTSC	Nutrition SC	TNP	THANAPIRIYA
EKH	EKACHAI MEDICAL CARE	PQS	Premier Quality Starch	XO	EXOTIC FOOD
HUMAN	HUMANICA	PYLON	PYLON		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP
JMT	JMT NETWORK SERVICES	SMD	SAINTMED		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PJW	PANJAWATTANA PLASTIC	TGE	THACHANG GREEN ENERGY
CHG	CHULARAT HOSPITAL	PLT	Pilatus Marine	TPCH	TPC POWER HOLDING
LPH	LADPRAO GENERAL HOSPITAL	PTG	PTG ENERGY	TU	THAI UNION GROUP
MENA	MENA TRANSPORT	SFLEX	STARFLEX		
NETBAY	NETBAY	SISB	SISB		

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	KASIKORNBANK	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
CENTEL	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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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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