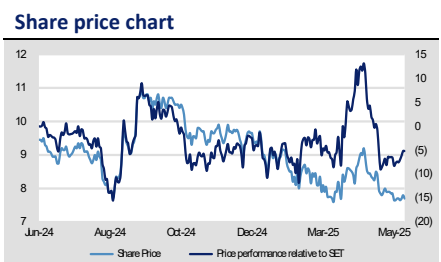


Neutral • Maintained	
Price as of 5 May 2025	7.60
12M target price (Bt/shr)	8.20
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	7.9

**Key messages**  
ภาวะเศรษฐกิจที่เปราะบางกดดันให้ same-store-sales ของ HMPRO ลดลงถึงสองหลักในเดือนเมษายน-พฤษภาคม ซึ่งอาจทำให้ผลประกอบการ 2Q68 อ่อนแอ เราคาดว่าผลประกอบการจะยังคงไม่น่าสนใจ 3Q68 เพราะปัจจัยฤดูกาล และ หวังว่าจะฟื้นตัวได้ใน 4Q68 เราแนะนำให้ติดตามภาวะเศรษฐกิจ และ อุปสงค์โดยรวม โดยยังคงคำแนะนำ “ถือ” และ ประเมินราคาเป้าหมายสิ้นปี 2568 ที่ 8.20 บาท

Trading data			
Mkt cap (Btbn/US\$bn)	101/2,532		
Outstanding shares (mn)	13,151		
Foreign ownership (mn)	2,040		
3M avg. daily trading (mn)	35		
52-week trading range (Bt)	7.6 – 10.9		
Performance (%)	3M	6M	12M
Absolute	-8.9	-18.5	-17.2
Relative	-4.6	1.2	-3.0

Quarterly EPS				
	1Q	2Q	3Q	4Q
2023	0.12	0.12	0.12	0.13
2024	0.13	0.12	0.11	0.13
2025	0.13			



Source: SET

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# Home Product Center

(HMPRO.BK/HMPRO TB)\*



## อุปสงค์อ่อนแอลง

### Event

อัปเดตแนวโน้มของบริษัท

### Impact

#### ภาวะการจับจ่ายใช้สอยยังคงอ่อนแอ

จากข้อมูลของมหาวิทยาลัยหอการค้าไทย (UTCC) ดัชนีความเชื่อมั่นผู้บริโภคของไทยในเดือนเมษายน 2568 อยู่ที่ 55.4 (Figure 1) ลดลงต่อเนื่องเป็นเดือนที่สามจากความกังวลเกี่ยวกับผลกระทบของนโยบายภาษีต่างตอบแทนของสหรัฐ ซึ่งเมื่อพิจารณาเป็นรายภาคพบว่าดัชนีความเชื่อมั่นผู้บริโภคลดลงทั้ง YoY และ MoM ในทุกภาค ถึงแม้ว่าดัชนีความเชื่อมั่นผู้บริโภคของประเทศไทยจะฟื้นตัวขึ้นจากช่วงที่แย่ที่สุดตอนที่ COVID-19 ระบาด แต่ดัชนีในระดับปัจจุบันก็ยังกลับไปไม่ถึงระดับก่อน COVID-19 ระบาด ทั้งนี้ ดัชนีความเชื่อมั่นผู้บริโภคที่ต่ำอาจเป็นตัวบ่งชี้ถึงภาวะการจับจ่ายใช้สอยที่อ่อนแอ

#### ผลประกอบการใน 2Q68 จะแย่งทั้ง YoY และ QoQ

ถึงแม้บริษัทจะคาดว่าอุปสงค์การซ่อมแซมอาคารหลังแผ่นดินไหว แต่ภาวะอุปสงค์โดยรวมที่ยังคงชะงัก เราคาดว่าผลประกอบการของ HMPRO จะยังไม่น่าสนใจในไตรมาสที่สามเพราะเป็นช่วง low season แต่ผลประกอบการอาจฟื้นตัวได้ QoQ ในไตรมาสที่สี่ซึ่งตามปกติจะเป็นช่วง high season และ มักจะเป็นไตรมาสที่กำไรของบริษัทสูงที่สุดในรอบปี อย่างไรก็ตาม เราคาดว่ากำไรจะเพิ่มขึ้น YoY ใน 4Q68 ยังดูท้าทาย เราคิดว่าบริษัทน่าจะทำได้ตามประมาณการปี 2568F ของเราที่ 6.5 พันล้านบาท (ทรงตัว YoY) แต่มองว่าไม่มี upside ดังนั้น เราจึงยังคงประมาณการกำไรเต็มปีเอาไว้เท่าเดิม

#### ผลประกอบการจะไม่น่าสนใจใน 3Q68 แต่หวังว่าจะดีขึ้นในไตรมาสที่สี่

เราคาดว่าผลประกอบการของ HMPRO จะยังไม่น่าสนใจในไตรมาสที่สามเพราะเป็นช่วง low season แต่ผลประกอบการอาจฟื้นตัวได้ QoQ ในไตรมาสที่สี่ซึ่งตามปกติจะเป็นช่วง high season และ มักจะเป็นไตรมาสที่กำไรของบริษัทสูงที่สุดในรอบปี อย่างไรก็ตาม เราคาดว่ากำไรจะเพิ่มขึ้น YoY ใน 4Q68 ยังดูท้าทาย เราคิดว่าบริษัทน่าจะทำได้ตามประมาณการปี 2568F ของเราที่ 6.5 พันล้านบาท (ทรงตัว YoY) แต่มองว่าไม่มี upside ดังนั้น เราจึงยังคงประมาณการกำไรเต็มปีเอาไว้เท่าเดิม

### Valuation & Action

เรายังคงคำแนะนำ “ถือ” โดยประเมินราคาเป้าหมายสิ้นปี 2568F ที่ 8.20 บาท อิงจาก PER ที่ 16.5x (ค่าเฉลี่ยในอดีตของหุ้นกลุ่มนี้ในตลาดโลก -0.5 S.D.)

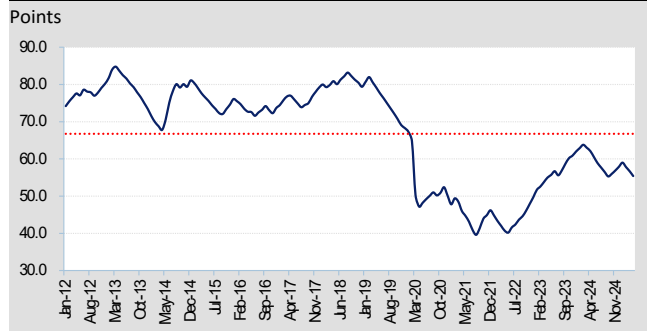
### Risks

เศรษฐกิจชะลอตัวลง, ขยายสาขาได้ต่ำกว่าเป้า, ราคาพืชผลอ่อนแอ, ภัยธรรมชาติ, สินค้าค้างสต็อกเป็นจำนวนมาก

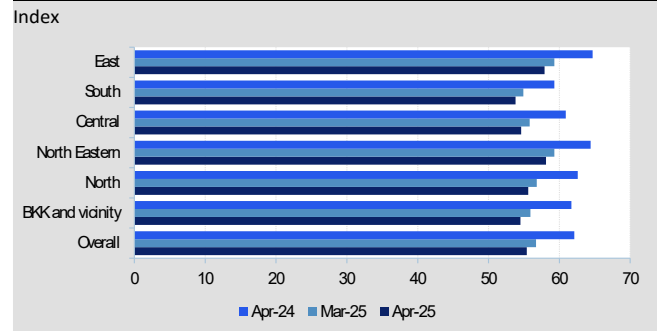
### Key financials and valuations

Year end Dec 31	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue (Btmn)	60,568	65,091	68,283	67,952	70,287	73,514
Gross profit (Btmn)	15,643	17,013	18,166	18,224	18,823	19,707
Net profit (Btmn)	5,441	6,217	6,442	6,504	6,540	6,921
Normalized profit (Btmn)	5,441	6,217	6,442	6,504	6,540	6,921
EPS (Bt)	0.41	0.47	0.49	0.49	0.50	0.53
Normalized EPS (Bt)	0.41	0.47	0.49	0.49	0.50	0.53
DPS (Bt)	0.32	0.38	0.40	0.43	0.43	0.46
EPS growth (%)	5.5	14.3	3.6	1.0	0.6	5.8
Normalized EPS growth (%)	5.5	14.3	3.6	1.0	0.6	5.8
P/E (x)	35.1	32.8	23.9	19.5	15.3	14.4
P/B (x)	8.3	8.4	6.0	4.7	3.6	3.5
EV/EBITDA (x)	19.4	19.0	13.8	11.2	8.8	8.5
Net debt to Equity (%)	38.5	40.8	44.5	41.3	43.1	40.3
Dividend yield (%)	2.2	2.5	3.4	4.5	5.7	6.0
Return on Equity (%)	24.5	26.4	25.9	24.8	24.0	24.5

Source: Company data, KGI Securities Research

**Figure 1: Consumer Confidence Index (CCI)**


Source: UTCC, KGI Securities Research

**Figure 2: CCI by region**


Source: UTCC, KGI Securities Research

**Figure 2: PER Band (local peers)**


Source: KGI Securities Research

**Figure 3: PER Band (global peers)**


Source: KGI Securities Research

**Figure 4: Key assumptions**

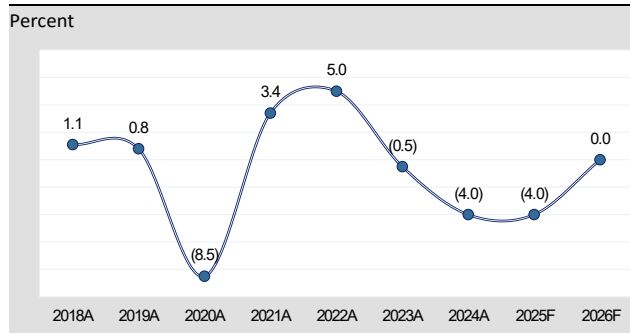
Key Assumption	unit	2017	2018	2019	2020	2021	2022	2023	2024	2025F	2026F
<b>New Stores</b>	<b>Stores</b>	<b>7.0</b>	<b>3.0</b>	<b>5.0</b>	<b>2.0</b>	<b>2.0</b>	<b>3.0</b>	<b>11.0</b>	<b>8.0</b>	<b>12.0</b>	<b>6.0</b>
HMPRO Classic - Thailand	Stores	0.0	1.0	2.0	2.0	1.0	0.0	2.0	5.0	7.0	3.0
HMPRO S - Thailand	Stores	2.0	2.0	1.0	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0
Mega Home - Thailand	Stores	1.0	0.0	2.0	0.0	0.0	4.0	9.0	3.0	5.0	3.0
HMPRO Classic - Malaysia	Stores	4.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0
<b>Total stores, year end</b>	<b>Stores</b>	<b>102.0</b>	<b>105.0</b>	<b>110.0</b>	<b>112.0</b>	<b>114.0</b>	<b>117.0</b>	<b>128.0</b>	<b>136.0</b>	<b>148.0</b>	<b>154.0</b>
HMPRO Classic - Thailand	Stores	81.0	82.0	84.0	86.0	87.0	87.0	89.0	94.0	101.0	104.0
HMPRO S - Thailand	Stores	3.0	5.0	6.0	6.0	6.0	5.0	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	30.0	35.0	38.0
HMPRO Classic - Malaysia	Stores	6.0	6.0	6.0	6.0	7.0	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)	(4.0)	(4.0)	0.0
Gross Margin	%	26.4	25.5	25.7	25.3	25.8	26.1	26.6	26.8	26.8	26.8
EBIT margin	%	10.7	11.8	12.7	11.4	11.6	12.4	12.5	12.9	12.6	12.6
SG&A to sales	%	23.0	19.3	18.9	18.8	18.7	19.2	19.6	19.6	19.6	19.6

Source: Company data, KGI Securities Research

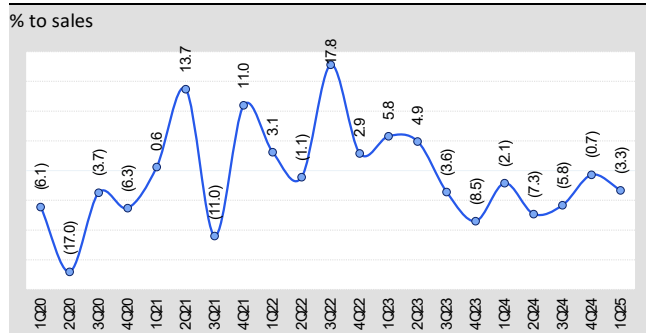
**Figure 5: Company profile**

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) MegaHome.

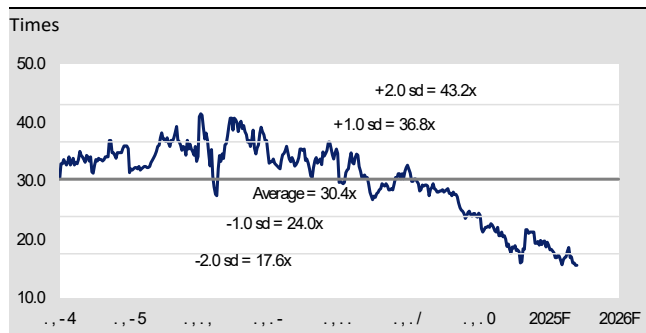
Source: Company data

**Figure 7: SSSG assumption**


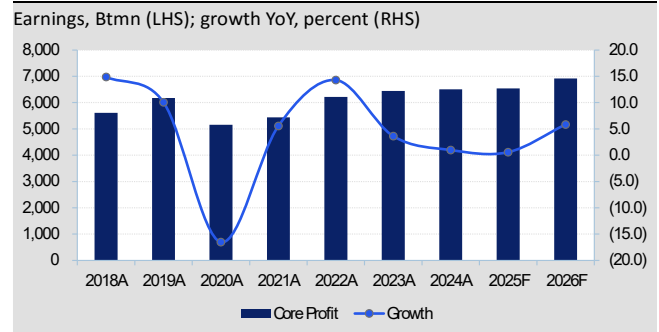
Source: Company data, KGI Securities Research

**Figure 9: Quarterly SSSG**


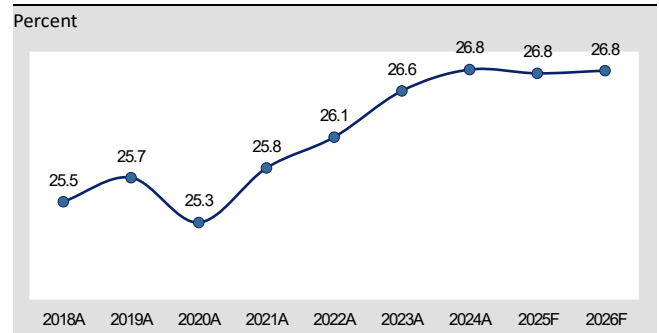
Source: Company data, KGI Securities Research

**Figure 11: PER Band**


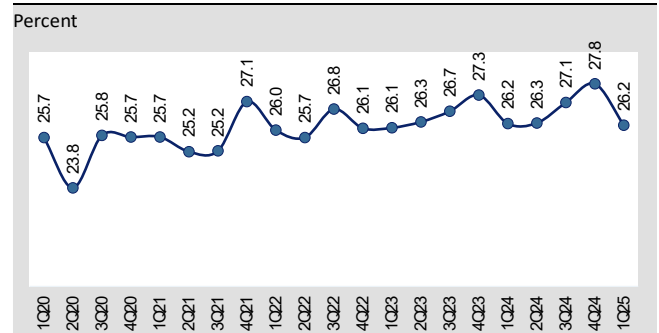
Source: KGI Securities Research

**Figure 6: Earnings**


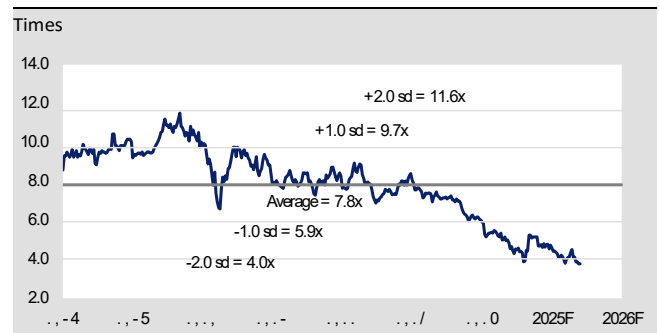
Source: Company data, KGI Securities Research

**Figure 8: Gross margin assumption**


Source: Company data, KGI Securities Research

**Figure 10: Quarterly gross margin**


Source: Company data, KGI Securities Research

**Figure 12: PBV Band**


Source: KGI Securities Research

## Quarterly Income Statement

Btmn	Mar-23A	Jun-23A	Sep-23A	Dec-23A	Mar-24A	Jun-24A	Sep-24A	Dec-24A	Mar-25A
<b>Income Statement (Btmn)</b>									
<b>Revenue</b>	<b>17,223</b>	<b>17,789</b>	<b>16,390</b>	<b>16,881</b>	<b>17,664</b>	<b>17,398</b>	<b>15,930</b>	<b>16,960</b>	<b>17,547</b>
Cost of good sold	12,731	13,109	12,011	12,266	13,029	12,829	11,620	12,251	12,953
<b>Gross profit</b>	<b>4,492</b>	<b>4,680</b>	<b>4,379</b>	<b>4,614</b>	<b>4,635</b>	<b>4,570</b>	<b>4,309</b>	<b>4,709</b>	<b>4,595</b>
Operating expense	3,192	3,466	3,237	3,507	3,273	3,339	3,203	3,525	3,192
Other income	551	661	666	776	673	679	574	844	636
<b>Operating profit</b>	<b>2,135</b>	<b>2,138</b>	<b>2,043</b>	<b>2,198</b>	<b>2,289</b>	<b>2,161</b>	<b>1,947</b>	<b>2,293</b>	<b>2,301</b>
Depreciation of fixed asset	819	868	872	873	864	865	885	928	881
<b>Operating EBITDA</b>	<b>2,953</b>	<b>3,006</b>	<b>2,915</b>	<b>3,072</b>	<b>3,154</b>	<b>3,027</b>	<b>2,832</b>	<b>3,221</b>	<b>3,182</b>
<b>Non-Operating income</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>	<b>0</b>
Interest income	0	0	0	0	0	0	0	0	0
Other non-op. income	0	0	0	0	0	0	0	0	0
<b>Non-Operating expense</b>	<b>(133)</b>	<b>(130)</b>	<b>(138)</b>	<b>(166)</b>	<b>(158)</b>	<b>(162)</b>	<b>(180)</b>	<b>(188)</b>	<b>(177)</b>
Interest expense	(133)	(130)	(138)	(166)	(158)	(162)	(180)	(188)	(177)
Other non-op. expense	0	0	0	0	0	0	0	0	0
Equity income	0	0	(1)	0	0	(0)	0	0	(0)
Pre-tax profit	2,004	2,009	1,904	2,058	2,139	2,022	1,773	2,131	2,130
Current taxation	(393)	(388)	(371)	(380)	(427)	(401)	(331)	(404)	(423)
Minorities	0	0	0	0	0	0	0	0	0
Extra items	0	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>1,611</b>	<b>1,620</b>	<b>1,533</b>	<b>1,677</b>	<b>1,713</b>	<b>1,622</b>	<b>1,442</b>	<b>1,727</b>	<b>1,707</b>
<b>Normalized profit</b>	<b>1,611</b>	<b>1,620</b>	<b>1,533</b>	<b>1,677</b>	<b>1,713</b>	<b>1,622</b>	<b>1,442</b>	<b>1,727</b>	<b>1,707</b>
EPS (Bt)	0.12	0.12	0.12	0.13	0.13	0.12	0.11	0.13	0.13
Normalized EPS (Bt)	0.12	0.12	0.12	0.13	0.13	0.12	0.11	0.13	0.13
<b>Margin (%)</b>									
Gross profit margin	26.1	26.3	26.7	27.3	26.2	26.3	27.1	27.8	26.2
Operating EBIT margin	12.4	12.0	12.5	13.0	13.0	12.4	12.2	13.5	13.1
Operating EBITDA margin	17.1	16.9	17.8	18.2	17.9	17.4	17.8	19.0	18.1
Net profit margin	9.4	9.1	9.4	9.9	9.7	9.3	9.1	10.2	9.7
<b>Growth (%YoY)</b>									
Revenue growth	9.3	9.0	3.1	(1.4)	2.6	(2.2)	(2.8)	0.5	(0.7)
Operating EBIT growth	7.5	8.0	2.5	3.3	7.2	1.1	(4.7)	4.3	0.5
Operating EBITDA growth	7.1	8.9	5.1	4.0	6.8	0.7	(2.8)	4.9	0.9
Net profit growth	6.6	6.6	(0.0)	2.4	6.3	0.1	(5.9)	3.0	(0.3)
Normalized profit growth	6.6	6.6	(0.0)	2.4	6.3	0.1	(5.9)	3.0	(0.3)
<b>SSSG</b>	<b>5.8%</b>	<b>4.9%</b>	<b>-3.6%</b>	<b>-8.5%</b>	<b>-2.1%</b>	<b>-7.3%</b>	<b>-5.8%</b>	<b>-0.7%</b>	<b>-3.3%</b>

Source: Company data, KGI Securities Research

### Balance Sheet

As of 31 Dec (Btmn)	2022	2023	2024	2025F	2026F
<b>Total Assets</b>	<b>65,185</b>	<b>69,048</b>	<b>69,665</b>	<b>69,932</b>	<b>69,662</b>
<b>Current Assets</b>	<b>21,430</b>	<b>22,659</b>	<b>22,650</b>	<b>21,365</b>	<b>20,475</b>
Cash&ST Investment	5,420	6,429	5,554	3,673	1,977
Inventories	13,630	13,965	14,900	15,420	16,122
Account Receivable	2,069	2,115	2,008	2,077	2,172
Other	311	150	188	195	204
<b>Non-current Assets</b>	<b>43,755</b>	<b>46,389</b>	<b>47,015</b>	<b>48,567</b>	<b>49,187</b>
LT Investment	4,329	4,412	4,232	4,235	4,238
Net Fixed Assets	29,469	31,179	31,941	33,118	33,220
Others	9,957	10,798	10,842	11,215	11,730
<b>Total Liabilities</b>	<b>40,939</b>	<b>43,489</b>	<b>42,862</b>	<b>42,258</b>	<b>40,892</b>
<b>Current liabilities</b>	<b>24,485</b>	<b>23,579</b>	<b>25,949</b>	<b>26,564</b>	<b>27,397</b>
Account Payable	15,812	15,225	15,459	15,998	16,727
ST borrowing	1,074	2,040	3,013	3,013	3,013
Others	7,599	6,315	7,477	7,553	7,658
<b>Long-term liabilities</b>	<b>16,454</b>	<b>19,910</b>	<b>16,913</b>	<b>15,694</b>	<b>13,495</b>
Long-term debts	9,056	11,743	8,597	7,571	5,546
Others	7,398	8,167	8,316	8,122	7,949
<b>Shareholders' Equity</b>	<b>24,246</b>	<b>25,559</b>	<b>26,802</b>	<b>27,674</b>	<b>28,770</b>
Common stock	13,151	13,151	13,151	13,151	13,151
Capital surplus	646	646	646	646	646
Retained earnings	9,158	10,471	11,714	12,586	13,682
Preferred stock	0	0	0	0	0

Source: KGI Securities Research

### Key Ratios

Year to 31 Dec	2022	2023	2024	2025F	2026F
<b>Growth (%YoY)</b>					
Sales	7.5	4.9	(0.5)	3.4	4.6
OP	14.7	5.3	2.1	1.5	4.7
EBITDA	9.8	6.3	2.7	3.1	3.8
NP	14.3	3.6	1.0	0.6	5.8
Normalized profit	14.3	3.6	1.0	0.6	5.8
EPS	14.3	3.6	1.0	0.6	5.8
Normalized EPS	14.3	3.6	1.0	0.6	5.8
<b>Profitability (%)</b>					
Gross margin	26.1	26.6	26.8	26.8	26.8
Operating margin	12.4	12.5	12.8	12.6	12.6
EBITDA margin	17.3	17.5	18.1	18.0	17.9
Net margin	9.6	9.4	9.6	9.3	9.4
ROAA	10.0	9.6	9.4	9.4	9.9
ROAE	26.4	25.9	24.8	24.0	24.5
<b>Stability</b>					
Gross debt/equity (%)	168.8	170.2	159.9	152.7	142.1
Net debt/equity (%)	40.8	44.5	41.3	43.1	40.3
Interest coverage (x)	18.2	15.1	12.7	13.1	15.1
Interest&ST debt coverage (x)	5.3	3.3	2.4	2.4	2.6
Cash flow interest coverage (x)	19.2	14.3	13.8	14.9	17.0
Cash flow/interest&ST debt (x)	5.6	3.1	2.6	2.7	2.9
Current ratio (x)	0.9	1.0	0.9	0.8	0.7
Quick ratio (x)	0.3	0.4	0.3	0.2	0.2
Net debt (Btmn)	9,883	11,374	11,082	11,936	11,607
<b>Per share data (Bt)</b>					
EPS	0.5	0.5	0.5	0.5	0.5
Normalized EPS	0.5	0.5	0.5	0.5	0.5
OPPS	0.6	0.6	0.7	0.8	0.8
BVPS	1.8	1.9	2.0	2.1	2.2
Sales/share	5.1	5.3	5.3	5.5	5.7
EBITDA/share	0.9	0.9	0.9	1.0	1.0
DPS	0.4	0.4	0.4	0.4	0.5
<b>Activity</b>					
Asset turnover (x)	1.0	1.0	1.0	1.0	1.1
Days of receivables	11.6	11.3	10.8	10.8	10.8
Days of inventory	102.0	100.1	107.6	107.6	107.7
Days of payable	118.3	109.2	111.6	111.7	111.7
Cash cycle	(4.7)	2.3	6.7	6.7	6.7

Source: KGI Securities Research

### Profit & Loss

Year to Dec 31 (Btmn)	2022	2023	2024	2025F	2026F
<b>Revenue</b>	<b>65,091</b>	<b>68,283</b>	<b>67,952</b>	<b>70,287</b>	<b>73,514</b>
Cost of good sold	48,078	50,118	49,728	51,464	53,807
<b>Gross profit</b>	<b>17,013</b>	<b>18,166</b>	<b>18,224</b>	<b>18,823</b>	<b>19,707</b>
Operating expense	12,519	13,401	13,340	13,804	14,411
Other income	2,578	2,654	2,769	2,741	2,867
<b>Operating Profit</b>	<b>8,088</b>	<b>8,515</b>	<b>8,691</b>	<b>8,823</b>	<b>9,234</b>
Depreciation of fixed asset	3,156	3,431	3,543	3,823	3,898
<b>Operating EBITDA</b>	<b>11,244</b>	<b>11,946</b>	<b>12,233</b>	<b>12,646</b>	<b>13,132</b>
<b>Non-operating income</b>	<b>17</b>	<b>28</b>	<b>62</b>	<b>29</b>	<b>30</b>
Interest income	17	28	62	29	30
Other non-op income	0	0	0	0	0
<b>Non-operating expense</b>	<b>(445)</b>	<b>(567)</b>	<b>(688)</b>	<b>(677)</b>	<b>(613)</b>
Interest expense	(445)	(567)	(688)	(677)	(613)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>(2)</b>	<b>(1)</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Pretax profit</b>	<b>7,658</b>	<b>7,974</b>	<b>8,066</b>	<b>8,175</b>	<b>8,651</b>
Current taxation	(1,441)	(1,533)	(1,562)	(1,635)	(1,730)
Minorities	0	0	0	0	0
Extra item	0	0	0	0	0
<b>Net profit</b>	<b>6,217</b>	<b>6,442</b>	<b>6,504</b>	<b>6,540</b>	<b>6,921</b>
<b>Normalized profit</b>	<b>6,217</b>	<b>6,442</b>	<b>6,504</b>	<b>6,540</b>	<b>6,921</b>
EPS (Bt)	0.47	0.49	0.49	0.50	0.53
Normalized EPS (Bt)	0.47	0.49	0.49	0.50	0.53

Source: KGI Securities Research

### Cash Flow

Year to Dec 31 (Btmn)	2022	2023	2024	2025F	2026F
<b>Operating cash flow</b>	<b>8,534</b>	<b>8,124</b>	<b>9,464</b>	<b>10,081</b>	<b>10,429</b>
Net profit	6,217	6,442	6,504	6,540	6,921
Depreciation&Amortization	3,156	3,431	3,543	3,823	3,898
Change in working capital	(840)	(1,749)	(582)	(282)	(391)
Others					
<b>Investment cash flow</b>	<b>(5,661)</b>	<b>(5,245)</b>	<b>(4,077)</b>	<b>(5,018)</b>	<b>(4,024)</b>
Net CAPEX	(5,041)	(5,142)	(4,304)	(5,000)	(4,000)
Change in LT investment	(655)	(83)	179	(2)	(3)
Change in other assets	34	(21)	48	(15)	(21)
Free cash flow	2,873	2,879	5,387	5,063	6,404
<b>Financing cash flow</b>	<b>(1,998)</b>	<b>(1,871)</b>	<b>(6,262)</b>	<b>(6,943)</b>	<b>(8,101)</b>
Change in share capital	0	0	0	0	0
Net change in debt	2,863	3,258	(1,002)	(1,275)	(2,275)
Change in other liabs	(4,862)	(5,129)	(5,260)	(5,668)	(5,825)
<b>Net cash flow</b>	<b>874</b>	<b>1,008</b>	<b>(875)</b>	<b>(1,880)</b>	<b>(1,696)</b>

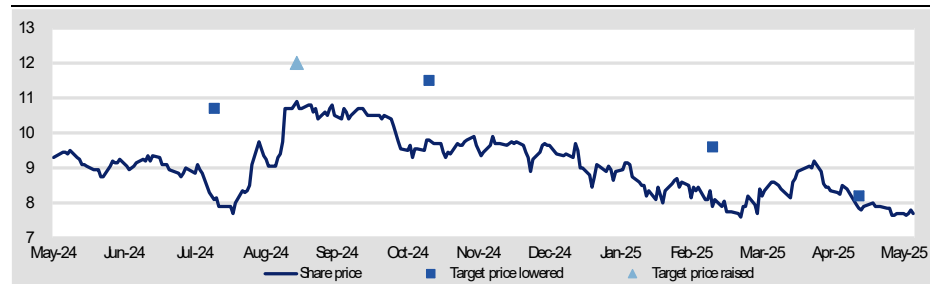
Source: KGI Securities Research

### Rates of Return on Invested Capital

Year	1- COGS Revenue	+ Depreciation Revenue	+ Operating expense Revenue	= Operating margin
2022	73.0%	4.7%	18.7%	3.5%
2023	72.5%	4.9%	19.1%	3.5%
2024	72.4%	5.1%	19.1%	3.4%
2025F	72.5%	5.3%	19.1%	3.1%
2026F	72.5%	5.2%	19.1%	3.3%
Year	1/ Working capital Revenue	+ Net FFE Revenue	+ Other assets Revenue	= Capital Turnover
2022	(0.0)	0.4	0.5	1.0
2023	(0.0)	0.4	0.5	1.0
2024	(0.0)	0.5	0.5	1.0
2025F	(0.0)	0.5	0.5	1.0
2026F	(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
2022	3.5%	1.0	18.8%	0.7%
2023	3.5%	1.0	19.2%	0.7%
2024	3.4%	1.0	19.4%	0.7%
2025F	3.1%	1.0	20.0%	0.6%
2026F	3.3%	1.1	20.0%	0.7%

Source: KGI Securities Research

## Home Product Center – Recommendation &amp; target price history



Date	Rating	Target	Price
7-May-25	Neutral	8.20	7.85
6-Mar-25	Outperform	9.60	7.90
6-Nov-24	Outperform	11.50	9.80
11-Sep-24	Outperform	12.00	10.90
7-Aug-24	Outperform	10.70	8.10

Source: KGI Securities Research

## Company's ESG details

### Environment

- In 2023, the company installed solar roof tops on 90 stores, which generated electricity of up to 73,642,243 kilowatt hours per year, reducing carbon dioxide emissions by 38,503 tons of carbon dioxide equivalent per year. Moreover, it can be calculated as 27.0% of the Environmental Return on Investment (EROI).
- The company in cooperation with the Electricity Generating Authority of Thailand (EGAT) and Thailand Textile Institute (THTI) have developed more than 44 types of private brand curtains, including but not limited to BLACKOUT curtains and DIM-OUT curtains. The curtains are labeled as "Number 5 Curtains" or so called "Energy Saving Curtains" under the brand "Home Living Style (HLS)." The curtains have the property of preventing heat from sunlight to reduce the temperature within households and to reduce the consumption of electricity.
- The company collaborates with its partner, Siam Kraft Industry Company Limited, under the SCG Packaging group to promote circular economy. The company has collected and recycled wastepaper and LLDPE stretch film from the operating processes. A total of 1,456 tons has been sent to partners who have expertise in developing products and packaging from recycled materials, to be put through the manufacturing processes into products or packaging from recycled materials including complete recycling (Close-loop Recycle) and putting them for sale in the Company's branches.
- As for the delivery of products from branches to customers' residents by the Home Service, the company plans to deploy electric-powered freight vehicles for transportation instead of using gasoline as fuel. Starting from 2023, 10 electric trucks have been used and are able to reduce the amount of greenhouse gases by 49 tons of carbon dioxide equivalent.
- The company has a plan to deploy electric-powered freight vehicles (EV Trucks ) in place of gasoline based transport vehicles at the Distribution Center commuting to branches of HomePro and Mega Home. This consists of 2 types of transport vehicles: 6-wheelers and 18-wheelers, which will be trialed in 2023. Currently, there are 3 electric-powered transport vehicles (EV Trucks), and the number will be increased to 14 by 2024. It is expected that this will reduce gasoline consumption by 214,216 liters per year and CO2 emissions can be reduced by 42%.

### Social

- The company supports associates in having the opportunity to transfer back to work in their hometowns under the "Happy Near Home" project, aimed at enhancing job satisfaction. In 2023, 67 associates enrolled in this program.
- The company offers an opportunity for former associates who voluntarily resigned to rejoin the company through the "Homecoming" program, under specific conditions set by the company. In 2023, the company welcomed back a total of 340 associates through this program.
- In 2023, the company undertook development initiatives to enhance associates' interpersonal skills (Soft Skill) and professional skills (Hard Skill) across various groups and levels, including associates at the headquarters and store managers. In total, 34,366 individuals (counting repeats) participated in these development programs.
- The Successor Development Program is a program designed by the company to develop future leaders who are prepared to take over key positions. In 2023, this program developed a total of 5 individuals through a variety of learning methods, including participation in knowledge sharing and experience exchange sessions with the organization's top executives.
- The company offers Flexible Working Hours by setting different work schedule such as 08:00 – 17:00 shift, 09:00 – 18:00 shift, and 09:30 – 18:30 shift. Flexible Home Product Center Public Company Limited 149 working hours allow each associate to manage their working time to be suitable to their lifestyle and necessity.

### Governance

- Rated a governance level of "Excellence: 5 stars" from the Thai Institute of Directors Association (IOD)

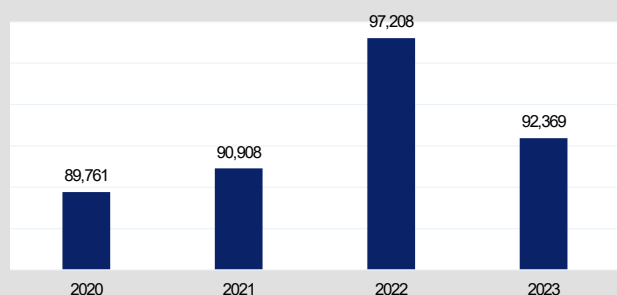
### Climate Management (Subset of Environment)

- The company targets to reduce greenhouse gas emission to zero by the year 2050 by shifting towards renewable energy. We are switching our transport trucks to EV and improving our operational efficiency to reduce the impact on the environment and reduce greenhouse gas emissions, which is the main cause of climate change.

Source: Company data, KGI Securities Research

### Total GHG emissions

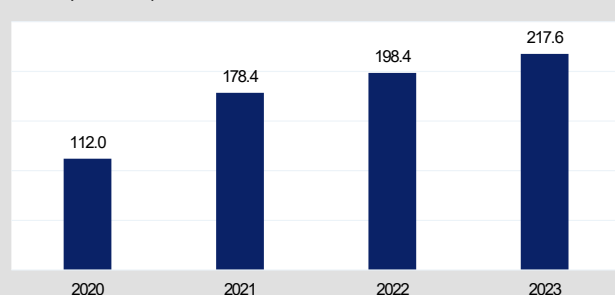
GHG emissions, tons of CO<sub>2</sub>e



Source: Company data, SETSMART, KGI Securities Research

### Total electricity consumption

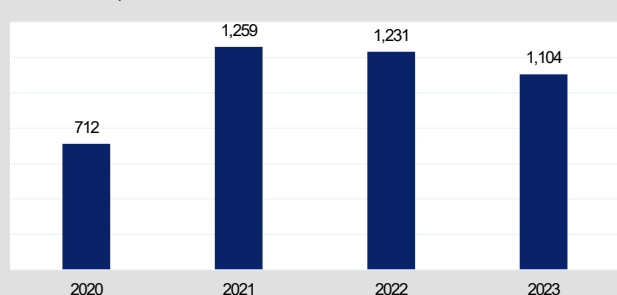
Electricity consumption, GWh



Source: Company data, SETSMART, KGI Securities Research

### Total water consumption

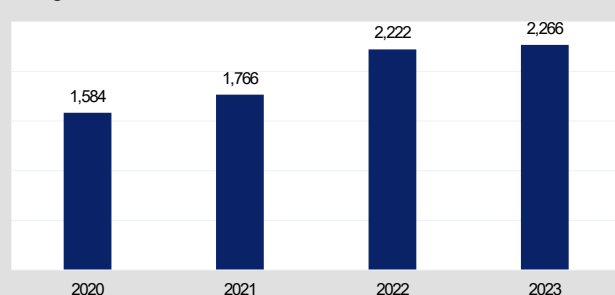
Water consumption, '000 m<sup>3</sup>



Source: Company data, SETSMART, KGI Securities Research

### Total waste

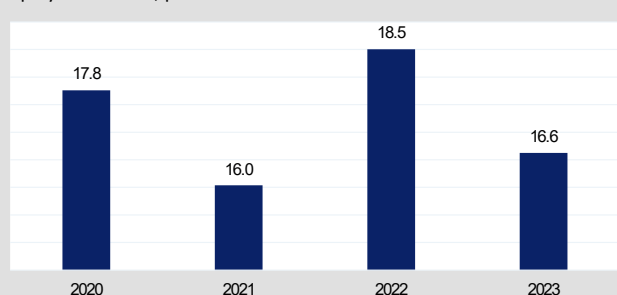
Waste generated, tons



Source: Company data, SETSMART, KGI Securities Research

### Employee turnover

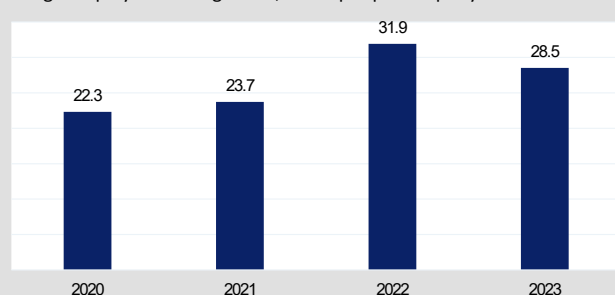
Employee turnover, percent



Source: Company data, SETSMART, KGI Securities Research

### Average employee training hours

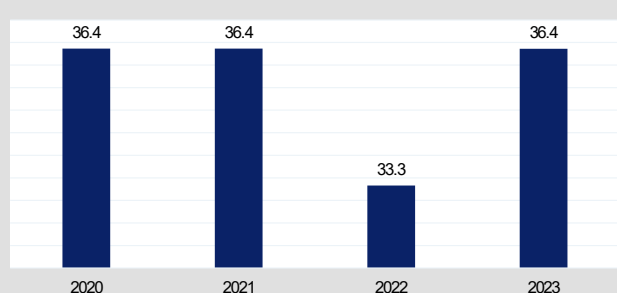
Average employee training hours, hours per person per year



Source: Company data, SETSMART, KGI Securities Research

### Proportion of independent directors

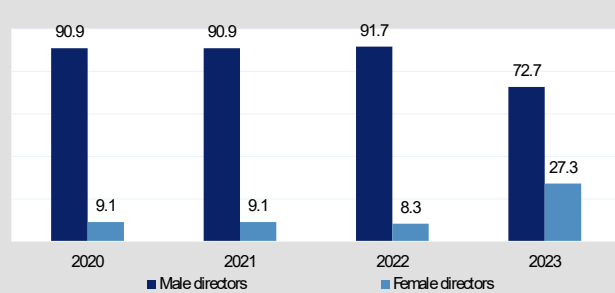
Independent directors, percent



Source: Company data, SETSMART, KGI Securities Research

### Gender diversification of directors

Gender diversification, percent



Source: Company data, SETSMART, KGI Securities Research



## SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AA	KCE	KCE ELECTRONICS	A
AMATA	AMATA CORPORATION	AAA	KKP	KIATNAKIN PHATRA BANK	AA
AOT	AIRPORTS OF THAILAND	A	KTB	KRUNG THAI BANK	AAA
AP	AP (THAILAND)	AA	KTC	KRUNGTHAI CARD	AAA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	AA	LH	LAND AND HOUSES	AA
BANPU	BANPU	AAA	MAJOR	MAJOR CINEPLEX GROUP	AA
BBGI	BBGI	AA	MINT	MINOR INTERNATIONAL	AA
BBL	BANGKOK BANK	AAA	MTC	MUANGTHAI CAPITAL	AAA
BCH	BANGKOK CHAIN HOSPITAL	AA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BCPG	BCPG	AAA	ORI	ORIGIN PROPERTY	AAA
BDM S	BANGKOK DUSIT MEDICAL SERVICES	A	OSP	OSOTSPA	AA
BEM	BANGKOK EXPRESSWAY AND METRO	AAA	PLANB	PLAN B MEDIA	AA
BGRIM	B. GRIMM POWER	AAA	PSH	PRUKSA HOLDING	AA
BPP	BANPU POWER	AAA	PTT	PTT	AAA
BTG	BETAGRO	AAA	PTTEP	PTT EXPLORATION AND PRODUCTION	AA**
BTS	BTS GROUP HOLDINGS	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
CBG	CARABAO GROUP	AA	RATCH	RATCH GROUP	AAA
CENTEL	CENTRAL PLAZA HOTEL	AAA	RBF	R&B FOOD SUPPLY	A
CK	CH. KARNCHANG	AA	SAK	SAKSAM LEASING	A
CKP	CK POWER	AAA	SAPPE	SAPPE	A
COM7	COM7	AA	SAWAD	SRSAWAD CORPORATION	AA
CPALL	CP ALL	AAA	SCB	SCB X	AA
CPAXT	CP AXTRA	AA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	AA
CPN	CENTRAL PATTANA	AAA	SM PC	SAHAMITR PRESSURE CONTAINER	AA
CRC	CENTRAL RETAIL CORPORATION	AA	SPALI	SUPALAI	A
DELTA	DELTA ELECTRONICS (THAILAND)	A	STECON	STECON GROUP	AA
EGCO	ELECTRICITY GENERATING	AA	SUN	SUNSWEET	BBB
GLOBAL	SIAM GLOBAL HOUSE	AA	SYNEX	SYNNEX (THAILAND)	AA
GPSC	GLOBAL POWER SYNERGY	AAA	TCAP	THANACHART CAPITAL	AA
GULF	GULF ENERGY DEVELOPMENT	AAA	TFG	THAIFOODS GROUP	AA
HANA	HANA MICROELECTRONICS	AA	TISCO	TISCO FINANCIAL GROUP	AAA
HIM PRO	HOME PRODUCT CENTER	AA	TOP	THAI OIL	AAA
IVL	INDORAMA VENTURES	AAA	TTB	TMBTHANACHART BANK	AAA
JM ART	JAYMART GROUP HOLDINGS	A	TU	THAI UNION GROUP	A
JMT	JMT NETWORK SERVICES	BBB	WHA	WHA CORPORATION	AAA
KBANK	KASIKORN BANK	AAA			

\*\* SET ESG Ratings users are advised to review additional information regarding the company's environmental, social, or governance factors.

Source: [www.setsustainability.com](http://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	CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA
ADVANC	ADVANCED INFO SERVICE	CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING
AEONTS	AEON THANA SINSAP (THAILAND)	CRC	CENTRAL RETAIL CORPORATION	PTT	PTT
AMA	AMA MARINE	DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION
AMATA	AMATA CORPORATION	DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL
AOT	AIRPORTS OF THAILAND	EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES
AP	AP (THAILAND)	ERW	THE ERWAN GROUP	RATCH	RATCH GROUP
BAFS	BANGKOK AVIATION FUEL SERVICES PCL	GFPT	GFPT	RBF	R&B FOOD SUPPLY
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GLOBAL	SIAM GLOBAL HOUSE	SAK	SAKSAM LEASING
BANPU	BANPU	GPSC	GLOBAL POWER SYNERGY	SAPPE	SAPPE
BBGI	BBGI	GULF	GULF ENERGY DEVELOPMENT	SCB	SCB X
BBL	BANGKOK BANK	HANA	HANA MICROELECTRONICS	SCGP	SCG PACKAGING
BCH	BANGKOK CHAIN HOSPITAL	HIMPRO	HOME PRODUCT CENTER	SHR	S HOTELS AND RESORTS
BCP	BANGCHAK CORPORATION	IRPC	IRPC	SMPC	SAHAMITR PRESSURE CONTAINER
BCPG	BCPG	ITC	I-TAIL CORPORATION	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	IVL	INDORAMA VENTURES	SPRC	STAR PETROLEUM REFINING
BEC	BEC WORLD	KBANK	KASIKORN BANK	SUN	SUNSWEEP
BEM	BANGKOK EXPRESSWAY AND METRO	KCE	KCE ELECTRONICS	SVI	SVI
BGRIM	B.GRIMM POWER	KKP	KIATNAKIN PHATRA BANK	SYNEX	SYNNEX (THAILAND)
BH	BUMRUNGRAD HOSPITAL	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
BPP	BANPU POWER	KTC	KRUNGTHAI CARD	TFG	THAIFOODS GROUP
BTS	BTS GROUP HOLDINGS	LH	LAND AND HOUSES	TIDLOR	NGERN TID LOR
CBG	CARABAO GROUP	LPN	L.P.N. DEVELOPMENT	TISCO	TISCO FINANCIAL GROUP
CENTEL	CENTRAL PLAZA HOTEL	MAJOR	MAJOR CINEPLEX GROUP	TKN	TAOKAENOI FOOD & MARKETING
CK	CH. KARACHANG	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CKP	CK POWER	MTG	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
COM7	COM7	OR	PTT OIL AND RETAIL BUSINESS	TTB	TMBTHANACHART BANK
CPALL	CP ALL	ORI	ORIGIN PROPERTY	WHA	WHA CORPORATION
CPAXT	CP AXTRA	OSP	OSOTSPA		



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	EKH	EKA CHAI MEDICAL CARE	JMART	JAYMART GROUP HOLDINGS
BTG	BETAGRO	HUMAN	HUMANICA	TNP	THANAPIRIYA



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
JMT	JMT NETWORK SERVICES	SAWAD	SIRSAWAD CORPORATION	SPA	SIAM WELLNESS GROUP

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PTG	PTG ENERGY	TU	THAI UNION GROUP
CHG	CHULARAT HOSPITAL	SAV	SAMART AVIATION SOLUTIONS		
PLT	PILATUS MARINE	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

### Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	DOHOME	DOHOME	PTG	PTG ENERGY
AMA	AMA MARINE	EGCO	ELECTRICITY GENERATING	PTT	PTT
AMATA	AMATA CORPORATION	ERW	THE ERWAN GROUP	PTTEP	PTT EXPLORATION AND PRODUCTION
AP	AP (THAILAND)	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
BAFS	BANGKOK AVIATION FUEL SERVICES PCL	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCH GROUP
BANPU	BANPU	GULF	GULF ENERGY DEVELOPMENT	RBF	R&B FOOD SUPPLY
BBGI	BBGI	HANA	HANA MICROELECTRONICS	SAK	SAKSAM LEASING
BBL	BANGKOK BANK	HIMPRO	HOME PRODUCT CENTER	SAPPE	SAPPE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCB	SCB X
BCP	BANGCHAK CORPORATION	IVL	INDORAMA VENTURES	SCGP	SCG PACKAGING
BCPG	BCPG	KBANK	KASIKORN BANK	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KCE	KCE ELECTRONICS	SPALI	SUPALAI
BGRIM	B. GRIMM POWER	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BPP	BANPU POWER	KTB	KRUNG THAI BANK	SVI	SM
BTG	BETAGRO	KTC	KRUNGTHAI CARD	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	LH	LAND AND HOUSES	TFG	THAIFOODS GROUP
CBG	CARBABO GROUP	LPN	L.P.N. DEVELOPMENT	TIDLOR	NGERN TID LOR
CENTEL	CENTRAL PLAZA HOTEL	MAJOR	MAJOR ONE FLEX GROUP	TISCO	TISCO FINANCIAL GROUP
COM7	COM7	MINT	MINOR INTERNATIONAL	TKN	TACKAENOI FOOD & MARKETING
CPALL	CP ALL	MTG	MUANGTHAI CAPITAL	TNP	THANAPHRYA
CPAXT	CP AXITRA	OR	PTT OIL AND RETAIL BUSINESS	TOP	THAI OIL
CPF	CHAROEN FOKH AND FOODS	ORI	ORIGIN PROPERTY	TRUE	TRUE CORPORATION
CPN	CENTRAL PATTANA	OSP	OSOTSPA	TTB	THAMTHANACHART BANK
CRC	CENTRAL RETAIL CORPORATION	PLANB	PLAN B MEDIA	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PSH	PRUKSA HOLDING	WHA	WHA CORPORATION

### Declared

Stock	Company name	Stock	Company name	Stock	Company name
CHG	CHULARAT HOSPITAL	ITC	I-TAIL CORPORATION	SAWAD	SRSAWAD CORPORATION
HUMAN	HUMANICA	JMART	JAYMART GROUP HOLDINGS	SHR	S HOTELS AND RESORTS

### Non-participation

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASA AVIATION	BSRC	BANGCHAK SRIRACHA	SISB	SISB
AEONTS	AEON THANA SINSAP (THAILAND)	CK	CH. KARNCHANG	SPA	SIAM WELLNESS GROUP
AOT	AIRPORTS OF THAILAND	CKP	CK POWER	STECON	STECON GROUP
AU	AFTERYOU	EKH	EKA-CHAI MEDICAL CARE	SUN	SUNSMET
BDMS	BANGKOK DUST MEDICAL SERVICES	JMT	JMT NETWORK SERVICES	SYNEX	SYNEX (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	PLT	PILATUS MARINE		
BH	BUMRUNGRAD HOSPITAL	SAV	SAMART AVIATION SOLUTIONS		

Source: www.cgthailand.org

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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.  <i>Excess return = 12M target price/current price-</i>
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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