

# Home Product Center

(HMPRO.BK/HMPRO TB)\*

## Outperform • Maintained

Price as of 23 Jun 2023	13.90
12M target price (Bt/shr)	16.50
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	18.7

### Key messages

การฟื้นตัวของดัชนีที่เกี่ยวข้องน่าจะช่วยหนุนให้ผลประกอบการของ HMPRO ทயอดดีขึ้น เราจึงคงคำแนะนำ “ซื้อ” และประเมินราคาเป้าหมายสิ้นปี 2566 ที่ 16.50 บาท อิงจาก PER ที่ 31.0x

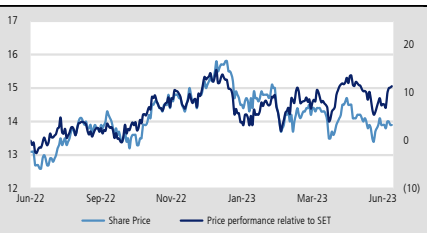
### Trading data

Mkt cap (Btbn/US\$m)	182/4,570		
Outstanding shares (mn)	13,151		
Foreign ownership (mn)	1,973		
3M avg. daily trading (mn)	21		
52-week trading range (Bt)	12.6 – 15.8		
Performance (%)	3M	6M	12M
Absolute	-2.8	-9.2	6.9
Relative	2.7	-2.5	11.4

### 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			

### Share price chart



Source: SET

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## On track

### Event

อัปเดตแนวโน้มของบริษัท และประมาณการ 2Q66

### Impact

#### โมเมนตัมยังคงฟื้นตัวอย่างต่อเนื่อง

อุปสงค์น่าจะดีขึ้นอย่างต่อเนื่อง จากที่ตัวชี้วัดทางค่านอุปสงค์ยังคงมีแสดงสัญญาณการฟื้นตัว ได้แก่ i) การฟื้นตัวของดัชนีความเชื่อมั่นผู้บริโภค (CCI) และ ii) จำนวนนักท่องเที่ยวต่างชาติเพิ่มขึ้น ซึ่งจากข้อมูลของมหาวิทยาลัยหอการค้าไทย ดัชนี CCI ในเดือนพฤษภาคม 2566 อยู่ที่ 55.7 เพิ่มขึ้น MoM ติดต่อกันเป็นเดือนที่สิบสองตั้งแต่เดือนพฤษภาคม 2565 (Figure 1) ในขณะที่เดียวกัน จำนวนนักท่องเที่ยวต่างชาติยังคงเร่งตัวขึ้นอย่างต่อเนื่องมาอยู่ที่ประมาณ 2 ล้านคนในเดือนเมษายน 2566 ทำให้จำนวนนักท่องเที่ยวรวมในช่วงสี่เดือนแรกของปีอยู่ที่ 8.7 ล้านคน คิดเป็นประมาณ 31% ของสมมติฐานเต็มปีของเราที่ 28 ล้านคน

#### ประมาณการ 2Q66F: กำไรจะเพิ่มขึ้นทั้ง YoY และ QoQ

เราคาดว่ากำไรสุทธิของ HMPRO ใน 2Q66F จะอยู่ที่ 1.7 พันล้านบาท (+10% YoY, +4% QoQ) จากยอดขายที่ฟื้นตัวขึ้นจากภาวะอุตสาหกรรมโดยรวมที่เอื้ออำนวย เราคาดว่ายอดขายจะอยู่ที่ 1.84 หมื่นล้านบาท (+13% YoY, +7% QoQ) เนื่องจาก i) คาดว่า same store sales (SSS) จะเพิ่มขึ้น 6% ใน 2Q66F และ ii) ขยายสาขาเพิ่มเป็น 123 ร้านเมื่อสิ้นงวด 2Q66F (จาก 114 ร้านเมื่อสิ้นงวด 2Q65 และ 120 ร้านเมื่อสิ้นงวด 1Q66) เราคาดว่าอัตรากำไรขั้นต้นจะขยายตัวในช่วง 10-30bps ตามที่บริษัทตั้งเป้าไว้มาอยู่ที่ 25.9% (+0.2ppts YoY, -0.2ppts QoQ) จากการคัดสรรสินค้า ซึ่งน่าจะมีน้ำหนักมากกว่าสัดส่วนยอดขายของ MegaHome ที่เพิ่มขึ้น (อัตรากำไรขั้นต้นของ MegaHome ต่ำกว่าของ HomePro ประมาณ 3-4ppts) เราคาดว่าค่าใช้จ่าย SG&A จะเพิ่มขึ้นเป็น 3.4 พันล้านบาท (+11% YoY, +7% QoQ) คิดเป็นสัดส่วน SG&A ต่อยอดขายที่ 18.6% สะท้อนถึงการขยายสาขาร้าน และต้นทุนสาธารณูปโภคที่สูงขึ้น

#### คาดว่ากำไรจะเร่งตัวขึ้น HoH ใน 2H66F

เราคาดว่ากำไรของ HMPRO จะเพิ่มขึ้นอย่างต่อเนื่อง HoH ใน 2H66F จากปัจจัยฤดูกาล และจำนวนนักท่องเที่ยวต่างชาติที่เพิ่มขึ้น ทั้งนี้ เนื่องจากกำไรในงวด 1H66F คิดเป็น 46% ของประมาณการกำไรเต็มปี ดังนั้น กำไรปีนี้จะน่าจะเป็นไปตามประมาณการกำไรปีของเรา ซึ่งคาดว่าจะโต 14% YoY

### Valuation & action

เราจึงคงคำแนะนำ “ซื้อ” และประเมินราคาเป้าหมายสิ้นปี 2566 ที่ 16.50 บาท อิงจาก PER ที่ 31.0x (ค่าเฉลี่ยในอดีตระหว่าง Siam Global House (GLOBAL.BK/GLOBAL TB)\* และ HMPRO)

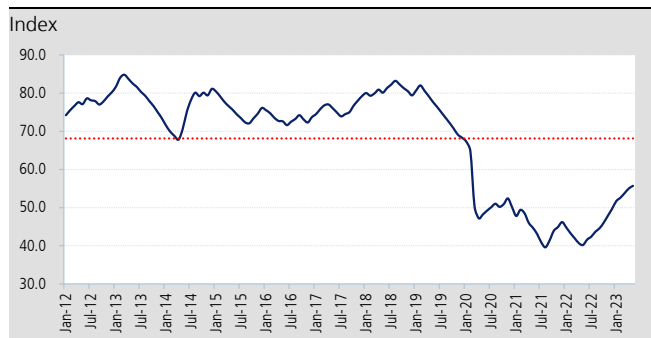
### Risks

เศรษฐกิจชะลอตัวลง, ขยายสาขาได้น้อยกว่าที่วางแผนเอาไว้, ราคาพืชผลอ่อนแอ, ภัยธรรมชาติ, สินค้าคงสต็อกเป็นจำนวนมาก

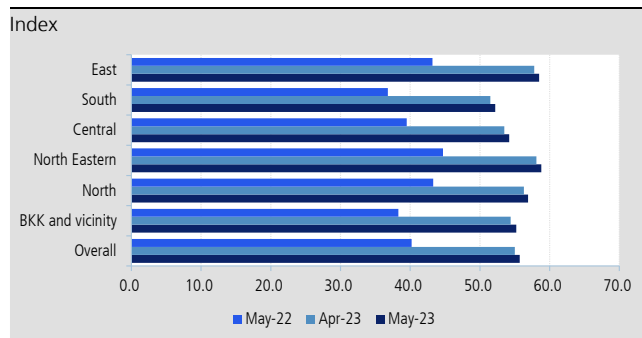
### Key financials and valuations

Year end Dec 31	Dec-19A	Dec-20A	Dec-21A	Dec-22A	Dec-23F	Dec-24F
Revenue (Btmn)	63,046	58,347	60,568	65,091	69,257	73,318
Gross profit (Btmn)	16,221	14,749	15,643	17,013	18,198	19,383
Net profit (Btmn)	6,177	5,155	5,441	6,217	7,079	7,723
Normalized profit (Btmn)	6,177	5,155	5,441	6,217	7,079	7,723
EPS (Bt)	0.47	0.39	0.41	0.47	0.54	0.59
Normalized EPS (Bt)	0.47	0.39	0.41	0.47	0.54	0.59
DPS (Bt)	0.38	0.30	0.32	0.38	0.43	0.47
EPS growth (%)	10.0	(16.5)	5.5	14.3	13.9	9.1
Normalized EPS growth (%)	10.0	(16.5)	5.5	14.3	13.9	9.1
P/E (X)	34.1	35.0	35.1	32.8	25.8	23.7
P/B (X)	10.0	8.4	8.3	8.4	7.0	6.6
EV/EBITDA (X)	20.2	19.4	19.4	19.0	14.7	13.6
Net debt to Equity (%)	49.7	46.8	38.5	40.8	44.7	40.0
Dividend yield (%)	2.4	2.2	2.2	2.5	3.1	3.4
Return on Equity (%)	30.1	24.1	24.5	26.4	28.2	28.7

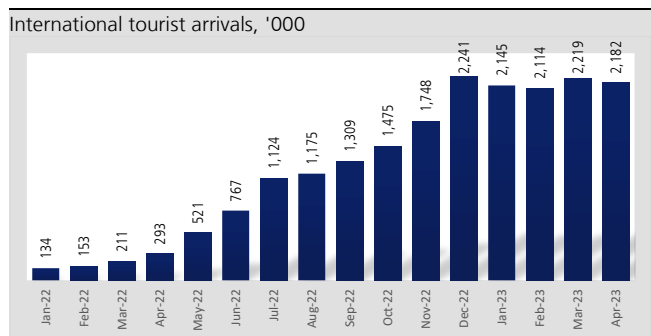
Source: Company data, KGI Securities Research

**Figure 1: CCI continues to recover**


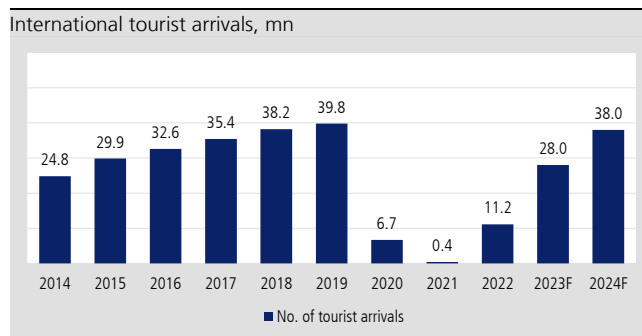
Source: UTCC, KGI Securities Research

**Figure 2: CCI by region**


Source: UTCC, KGI Securities Research

**Figure 3: Monthly international tourist arrivals (actual)**


Source: TAT, KGI Securities Research

**Figure 4: Yearly international tourist arrivals**


Source: TAT, KGI Securities Research

**Figure 5: HMPRO's 2Q23F earnings preview**

Btmn	2Q23F	2Q22	% YoY	1Q23	% QoQ	1H23F	1H22	%YoY
Revenue from sales	18,393	16,319	12.7	17,223	6.8	35,616	32,080	11.0
Cost of goods sold	13,634	12,123	12.5	12,731	7.1	26,365	23,787	10.8
Gross profit	4,759	4,195	13.4	4,492	5.9	9,251	8,292	11.6
SG&A	3,418	3,026	13.0	3,192	7.1	6,611	5,896	12.1
EBIT	2,207	1,981	11.4	2,137	3.3	4,344	3,966	9.5
Interest expense	(123)	(99)	24.6	(133)	(8.0)	(256)	(192)	33.3
<b>Net profit</b>	<b>1,676</b>	<b>1,520</b>	<b>10.3</b>	<b>1,611</b>	<b>4.0</b>	<b>3,287</b>	<b>3,031</b>	<b>8.4</b>
Core profit	1,676	1,520	10.3	1,611	4.0	3,287	3,031	8.4
Financial ratio	2Q23F	2Q22	ppts	1Q23	ppts	1H23F	1H22	%YoY
Gross margin	25.9	25.7	0.2	26.1	(0.2)	26.0	25.8	0.1
SG&A to sales	18.6	18.5	0.0	18.5	0.0	18.6	18.4	0.2
EBIT Margin	12.0	12.1	(0.1)	12.4	(0.4)	12.2	12.4	(0.2)
Net margin	9.1	9.3	(0.2)	9.4	(0.2)	9.2	9.4	(0.2)
SSSG	6.0	(1.1)	7.1	5.8	0.2			

Source: Company data, KGI Securities Research

**Figure 6: Key assumptions**

Key Assumption	unit	2017	2018	2019	2020	2021	2022	2023F	2024F
<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>10.0</b>	<b>6.0</b>
HMPRO Classic - Thailand	Stores	0.0	1.0	2.0	2.0	1.0	0.0	2.0	1.0
HMPRO S - Thailand	Stores	2.0	2.0	1.0	0.0	0.0	(1.0)	0.0	2.0
Mega Home - Thailand	Stores	1.0	0.0	2.0	0.0	0.0	4.0	8.0	3.0
HMPRO Classic - Malaysia	Stores	4.0	0.0	0.0	0.0	1.0	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>127.0</b>	<b>133.0</b>
HMPRO Classic - Thailand	Stores	81.0	82.0	84.0	86.0	87.0	87.0	89.0	90.0
HMPRO S - Thailand	Stores	3.0	5.0	6.0	6.0	6.0	5.0	5.0	7.0
Mega Home - Thailand	Stores	12.0	12.0	14.0	14.0	14.0	18.0	26.0	29.0
HMPRO Classic - Malaysia	Stores	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0
SSSG	%	(0.8)	1.1	0.8	(8.5)	3.4	5.0	4.0	3.0
Gross Margin	%	26.4	25.5	25.7	25.3	25.8	26.1	26.3	26.4
EBIT margin	%	10.7	11.8	12.7	11.4	11.6	12.4	13.2	13.5

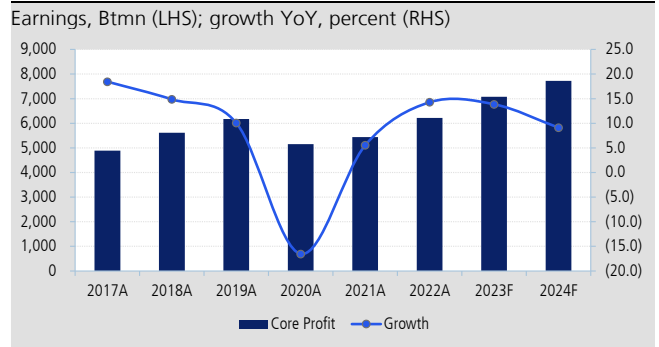
Source: Company data, KGI Securities Research

**Figure 7: 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.

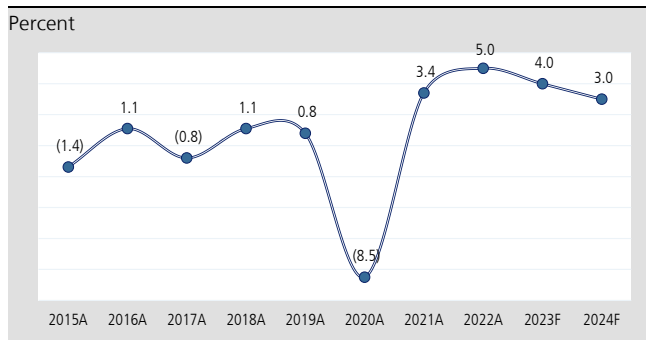
Source: Company data

**Figure 8: Earnings**



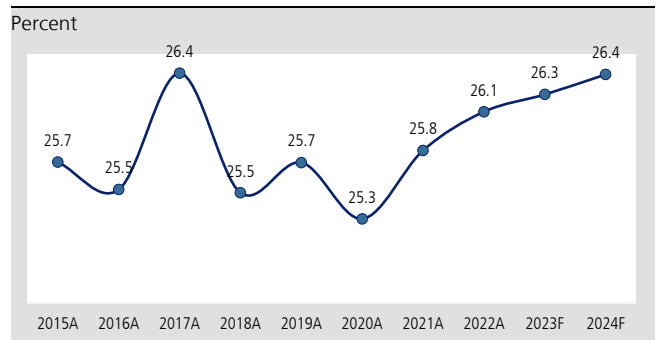
Source: Company data, KGI Securities Research

**Figure 9: SSSG assumption**



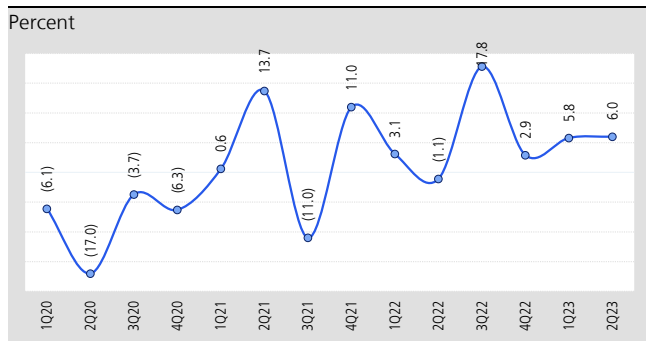
Source: Company data, KGI Securities Research

**Figure 10: Gross margin assumption**



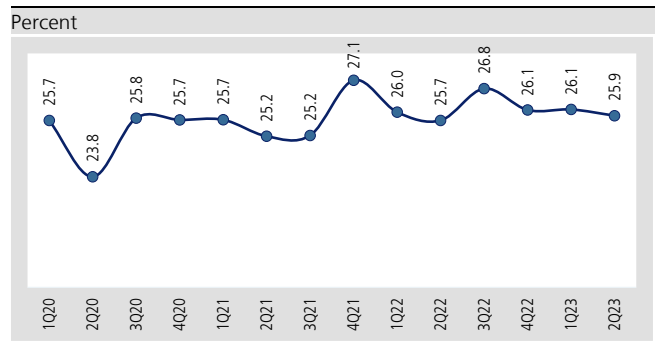
Source: Company data, KGI Securities Research

**Figure 11: SSSG quarterly**



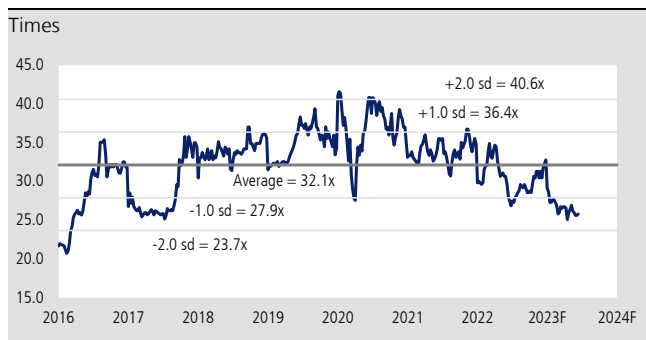
Source: Company data, KGI Securities Research

**Figure 12: Gross margin quarterly**



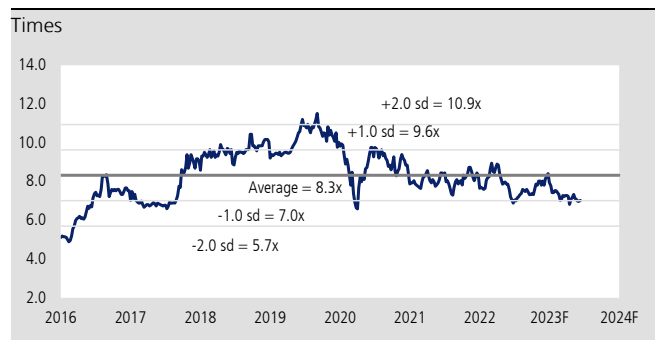
Source: Company data, KGI Securities Research

**Figure 13: PER Band**



Source: KGI Securities Research

**Figure 14: PBV Band**



Source: 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
<b>Income Statement (Btmn)</b>									
<b>Revenue</b>	<b>15,052</b>	<b>16,154</b>	<b>13,170</b>	<b>16,191</b>	<b>15,761</b>	<b>16,319</b>	<b>15,897</b>	<b>17,115</b>	<b>17,223</b>
Cost of good sold	11,179	12,089	9,852	11,806	11,664	12,123	11,637	12,654	12,731
<b>Gross profit</b>	<b>3,873</b>	<b>4,066</b>	<b>3,319</b>	<b>4,385</b>	<b>4,097</b>	<b>4,195</b>	<b>4,260</b>	<b>4,461</b>	<b>4,492</b>
Operating expense	2,686	2,859	2,560	3,220	2,870	3,026	3,130	3,493	3,192
Other income	452	492	357	817	503	582	609	899	553
<b>Operating profit</b>	<b>1,800</b>	<b>1,845</b>	<b>1,189</b>	<b>2,216</b>	<b>1,985</b>	<b>1,981</b>	<b>1,993</b>	<b>2,144</b>	<b>2,137</b>
Depreciation of fixed asset	800	796	809	802	773	779	780	823	819
<b>Operating EBITDA</b>	<b>2,601</b>	<b>2,641</b>	<b>1,998</b>	<b>3,018</b>	<b>2,758</b>	<b>2,760</b>	<b>2,773</b>	<b>2,967</b>	<b>2,956</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>(107)</b>	<b>(102)</b>	<b>(108)</b>	<b>(99)</b>	<b>(94)</b>	<b>(99)</b>	<b>(123)</b>	<b>(130)</b>	<b>(133)</b>
Interest expense	(107)	(102)	(108)	(99)	(94)	(99)	(123)	(130)	(133)
Other non-op. expense	0	0	0	0	0	0	0	0	0
Equity income	0	0	0	0	0	0	0	0	0
Pre-tax profit	1,694	1,743	1,081	2,117	1,891	1,882	1,870	2,015	2,004
Current taxation	(331)	(311)	(212)	(340)	(380)	(362)	(337)	(362)	(393)
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>1,362</b>	<b>1,433</b>	<b>869</b>	<b>1,776</b>	<b>1,511</b>	<b>1,520</b>	<b>1,533</b>	<b>1,653</b>	<b>1,611</b>
<b>Normalized profit</b>	<b>1,362</b>	<b>1,433</b>	<b>869</b>	<b>1,776</b>	<b>1,511</b>	<b>1,520</b>	<b>1,533</b>	<b>1,653</b>	<b>1,611</b>
EPS (Bt)	0.10	0.11	0.07	0.14	0.11	0.12	0.12	0.13	0.12
Normalized EPS (Bt)	0.10	0.11	0.07	0.14	0.11	0.12	0.12	0.13	0.12
<b>Margin (%)</b>									
Gross profit margin	25.7	25.2	25.2	27.1	26.0	25.7	26.8	26.1	26.1
Operating EBIT margin	12.0	11.4	9.0	13.7	12.6	12.1	12.5	12.5	12.4
Operating EBITDA margin	17.3	16.4	15.2	18.6	17.5	16.9	17.4	17.3	17.2
Net profit margin	9.1	8.9	6.6	11.0	9.6	9.3	9.6	9.7	9.4
<b>Growth (%YoY)</b>									
Revenue growth	3.5	16.9	(12.6)	8.6	4.7	1.0	20.7	5.7	9.3
Operating EBIT growth	8.0	45.0	(34.4)	16.8	10.3	7.4	67.6	(3.2)	7.7
Operating EBITDA growth	4.8	27.3	(22.8)	12.3	6.1	4.5	38.8	(1.7)	7.2
Net profit growth	7.6	52.0	(37.9)	15.0	10.9	6.1	76.4	(7.0)	6.6
Normalized profit growth	7.6	52.0	(37.9)	15.0	10.9	6.1	76.4	(7.0)	6.6

Source: Company data, KGI Securities Research

**Balance Sheet**

As of 31 Dec (Btmn)	2020	2021	2022	2023F	2024F
<b>Total Assets</b>	<b>56,091</b>	<b>58,586</b>	<b>65,185</b>	<b>65,817</b>	<b>68,566</b>
<b>Current Assets</b>	<b>15,828</b>	<b>18,920</b>	<b>21,430</b>	<b>18,505</b>	<b>19,928</b>
Cash&ST Investment	3,283	4,546	5,420	1,498	1,957
Inventories	10,345	12,572	13,630	14,475	15,291
Account Receivable	1,769	1,675	2,069	2,201	2,330
Other	432	127	311	331	350
<b>Non-current Assets</b>	<b>40,262</b>	<b>39,666</b>	<b>43,755</b>	<b>47,312</b>	<b>48,638</b>
LT Investment	3,880	3,675	4,329	4,334	4,338
Net Fixed Assets	28,741	27,584	29,469	32,384	33,085
Others	7,641	8,407	9,957	10,594	11,215
<b>Total Liabilities</b>	<b>34,526</b>	<b>35,696</b>	<b>40,939</b>	<b>39,799</b>	<b>40,747</b>
<b>Current liabilities</b>	<b>20,610</b>	<b>20,511</b>	<b>24,485</b>	<b>20,481</b>	<b>21,566</b>
Account Payable	13,050	13,973	15,812	16,792	17,738
ST borrowing	1,249	1,232	1,074	1,074	1,074
Others	6,311	5,306	7,599	2,614	2,754
<b>Long-term liabilities</b>	<b>13,916</b>	<b>15,185</b>	<b>16,454</b>	<b>19,318</b>	<b>19,181</b>
Long-term debts	8,056	8,943	9,056	12,010	11,964
Others	5,860	6,242	7,398	7,309	7,217
<b>Shareholders' Equity</b>	<b>21,565</b>	<b>22,890</b>	<b>24,246</b>	<b>26,017</b>	<b>27,819</b>
Common stock	13,151	13,151	13,151	13,151	13,151
Capital surplus	646	646	646	646	646
Retained earnings	6,508	7,806	9,158	10,929	12,731
Preferred stock	0	0	0	0	0

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec	2020	2021	2022	2023F	2024F
<b>Growth (%YoY)</b>					
Sales	(7.5)	3.8	7.5	6.4	5.9
OP	(17.0)	6.0	14.9	13.1	8.3
EBITDA	(10.2)	4.3	9.8	17.6	7.4
NP	(16.5)	5.5	14.3	13.9	9.1
Normalized profit	(16.5)	5.5	14.3	13.9	9.1
EPS	(16.5)	5.5	14.3	13.9	9.1
Normalized EPS	(16.5)	5.5	14.3	13.9	9.1
<b>Profitability (%)</b>					
Gross margin	25.3	25.8	26.1	26.3	26.4
Operating margin	11.4	11.6	12.4	13.2	13.5
EBITDA margin	16.8	16.9	17.3	19.1	19.4
Net margin	8.8	9.0	9.6	10.2	10.5
ROAA	9.5	9.5	10.0	10.8	11.5
ROAE	24.1	24.5	26.4	28.2	28.7
<b>Stability</b>					
Gross debt/equity (%)	160.1	155.9	168.8	153.0	146.5
Net debt/equity (%)	46.8	38.5	40.8	44.7	40.0
Interest coverage (x)	14.5	17.0	18.2	20.8	24.4
Interest&ST debt coverage (x)	3.9	4.3	5.3	6.0	6.7
Cash flow interest coverage (x)	9.4	16.3	19.2	24.4	28.7
Cash flow/interest&ST debt (x)	2.5	4.1	5.6	7.1	7.9
Current ratio (x)	0.8	0.9	0.9	0.9	0.9
Quick ratio (x)	0.3	0.3	0.3	0.2	0.2
Net debt (Btmn)	10,097	8,812	9,883	11,632	11,127
<b>Per share data (Bt)</b>					
EPS	0.4	0.4	0.5	0.5	0.6
Normalized EPS	0.4	0.4	0.5	0.5	0.6
CFPS	0.3	0.5	0.6	0.8	0.9
BVPS	1.6	1.7	1.8	2.0	2.1
Sales/share	4.6	4.7	5.1	5.4	5.8
EBITDA/share	0.7	0.8	0.9	1.0	1.1
DPS	0.3	0.3	0.4	0.4	0.5
<b>Activity</b>					
Asset turnover (x)	1.0	1.0	1.0	1.1	1.1
Days of receivables	11.1	10.1	11.6	11.6	11.6
Days of inventory	85.5	100.8	102.0	101.6	101.6
Days of payable	107.9	112.0	118.3	117.9	117.8
Cash cycle	(11.3)	(1.1)	(4.7)	(4.7)	(4.7)

Source: KGI Securities Research

**Profit & Loss**

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
<b>Revenue</b>	<b>58,347</b>	<b>60,568</b>	<b>65,091</b>	<b>69,257</b>	<b>73,318</b>
Cost of good sold	43,598	44,925	48,078	51,058	53,935
<b>Gross profit</b>	<b>14,749</b>	<b>15,643</b>	<b>17,013</b>	<b>18,198</b>	<b>19,383</b>
Operating expense	10,957	11,326	12,519	13,157	13,867
Other income	1,883	2,119	2,593	2,770	2,933
<b>Operating Profit</b>	<b>6,649</b>	<b>7,050</b>	<b>8,103</b>	<b>9,160</b>	<b>9,920</b>
Depreciation of fixed asset	3,182	3,208	3,156	4,084	4,299
<b>Operating EBITDA</b>	<b>9,831</b>	<b>10,258</b>	<b>11,259</b>	<b>13,245</b>	<b>14,219</b>
<b>Non-operating income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest income	0	0	0	0	0
Other non-op income	0	0	0	0	0
<b>Non-operating expense</b>	<b>(459)</b>	<b>(416)</b>	<b>(445)</b>	<b>(441)</b>	<b>(407)</b>
Interest expense	(459)	(416)	(445)	(441)	(407)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pretax profit</b>	<b>6,190</b>	<b>6,634</b>	<b>7,658</b>	<b>8,719</b>	<b>9,513</b>
Current taxation	(1,035)	(1,194)	(1,441)	(1,641)	(1,790)
Minorities	0	0	0	0	0
Extra item	0	0	0	0	0
<b>Net profit</b>	<b>5,155</b>	<b>5,441</b>	<b>6,217</b>	<b>7,079</b>	<b>7,723</b>
<b>Normalized profit</b>	<b>5,155</b>	<b>5,441</b>	<b>6,217</b>	<b>7,079</b>	<b>7,723</b>
EPS (Bt)	0.39	0.41	0.47	0.54	0.59
Normalized EPS (Bt)	0.39	0.41	0.47	0.54	0.59

Source: KGI Securities Research

**Cash Flow**

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
<b>Operating cash flow</b>	<b>4,290</b>	<b>6,772</b>	<b>8,534</b>	<b>10,782</b>	<b>11,650</b>
Net profit	5,155	5,441	6,217	7,079	7,723
Depreciation&Amortization	3,182	3,208	3,156	4,084	4,299
Change in working capital	(4,046)	(1,876)	(840)	(381)	(373)
Others					
<b>Investment cash flow</b>	<b>(3,754)</b>	<b>(1,862)</b>	<b>(5,661)</b>	<b>(7,035)</b>	<b>(5,034)</b>
Net CAPEX	(2,286)	(2,051)	(5,041)	(7,000)	(5,000)
Change in LT investment	(1,455)	205	(655)	(4)	(4)
Change in other assets	(13)	(16)	34	(30)	(30)
Free cash flow	536	4,910	2,873	3,747	6,616
<b>Financing cash flow</b>	<b>(114)</b>	<b>(3,647)</b>	<b>(1,998)</b>	<b>(7,670)</b>	<b>(6,157)</b>
Change in share capital	0	0	0	0	0
Net change in debt	4,614	468	2,863	(2,363)	(235)
Change in other liabs	(4,728)	(4,115)	(4,862)	(5,307)	(5,922)
<b>Net cash flow</b>	<b>423</b>	<b>1,263</b>	<b>874</b>	<b>(3,923)</b>	<b>459</b>

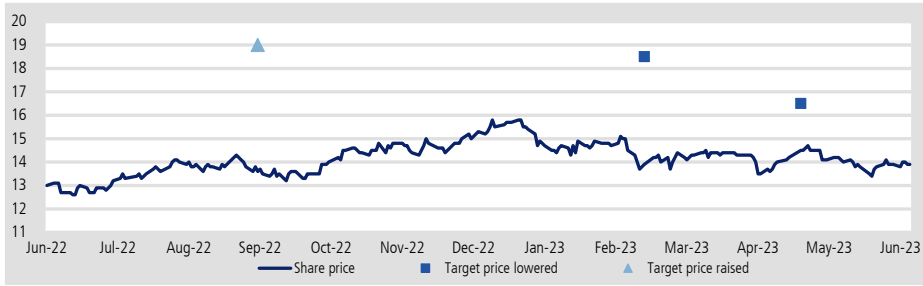
Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating expense}}{\text{Revenue}}$	= $\frac{\text{Operating margin}}{\text{Revenue}}$
2020	73.7%	5.3%	18.3%	2.6%
2021	73.7%	5.2%	18.3%	2.8%
2022	73.0%	4.7%	18.7%	3.5%
2023F	72.7%	5.7%	18.4%	3.2%
2024F	72.5%	5.7%	18.3%	3.5%
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	(0.1)	0.5	0.5	1.2
2021	(0.0)	0.4	0.5	1.1
2022	(0.0)	0.4	0.5	1.0
2023F	(0.0)	0.5	0.5	1.1
2024F	(0.0)	0.4	0.5	1.1
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	2.6%	1.2	16.7%	0.5%
2021	2.8%	1.1	18.0%	0.5%
2022	3.5%	1.0	18.8%	0.7%
2023F	3.2%	1.1	18.8%	0.7%
2024F	3.5%	1.1	18.8%	0.7%

Source: KGI Securities Research


Home Product Center – Recommendation & target price history




Date	Rating	Target	Price
8-May-23	Outperform	16.50	14.50
3-Mar-23	Outperform	18.50	13.90
21-Sep-22	Outperform	19.00	13.60

Source: KGI Securities Research


# Corporate Governance Report of Thai Listed Companies

 **Companies with Excellent CG Scoring**

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

 **Companies with Very Good CG Scoring**

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

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

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