

Home Product Center

(HMPRO.BK/HMPROTB)*

Outperform • Maintained

Price as of 27 Sep 2023	12.70
12M target price (Bt/shr)	16.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	26.0

Key messages

เราคาดว่ากำไรสุทธิของHMPRO ใน3Q66 จะอยู่ที่1.5 พันล้านบาท (-0.3% YoY, -6% QoQ) จากอุปสงค์ที่อ่อนแอเราคาดว่ากำไรของHMPRO จะขึ้นไปถึงระดับสูงสุดในไตรมาสที่สี่เนื่องจากปัจจัยฤดูกาล เรายังคงคำแนะนำ "ซื้อ" HMPRO โดยประเมินราคาเป้าหมาย1H67 ที่16.00 บาทอิงจากPER ที่29.0x

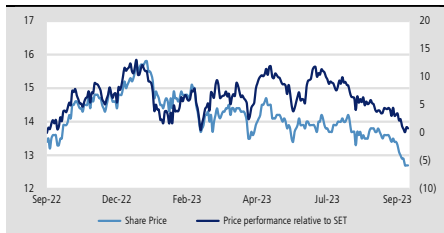
Trading data

Mkt cap (Btbn/US\$m)	1674,176		
Outstanding shares (mn)	13,151		
Foreign ownership (mn)	2,040		
3M avg. daily trading (mn)	21		
52-week trading range (Bt)	12.7 – 15.8		
Performance (%)	3M	6M	12M
Absolute	-7.3	-11.8	-7.3
Relative	-8.4	-5.2	-1.0

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		

Share price chart



Source: SET

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ประมาณการ 3Q66: อุปสงค์อ่อนแอ

Event

เราคาดว่ากำไรสุทธิของ HMPRO ใน 3Q66 จะอยู่ที่ 1.5 พันล้านบาท (-0.3% YoY, -6% QoQ) จากอุปสงค์ที่อ่อนแอ ซึ่งจะทำให้กำไรสุทธิในงวด 9M66 อยู่ที่ 4.8 พันล้านบาท (+4% YoY) คิดเป็น 67% ของประมาณการกำไรเต็มปีของเรา

Impact

อุปสงค์อ่อนแอ โดย same store sales หดตัว

ถึงแม้ว่า i) ดัชนีความเชื่อมั่นผู้บริโภคจะฟื้นตัวขึ้นหลังจากที่มีการตั้งรัฐบาลใหม่แล้ว (ดัชนี CCI ขยับขึ้นมาเป็น 56.9 ในเดือนสิงหาคม จาก 55.6 ในเดือนก่อนหน้า และมีแนวโน้มฟื้นตัวต่อเนื่องมาตั้งแต่เดือนพฤษภาคม 2565: Figure 1) และ ii) จำนวนนักท่องเที่ยวต่างชาติฟื้นตัวขึ้นอย่างต่อเนื่องเป็น 2.5 ล้านคนในเดือนกรกฎาคม ซึ่งคิดเป็น 75% ของระดับก่อน COVID ระบาด ดังแสดงใน Figure 4 แต่เราคาดว่า same store sales ของ HMPRO ใน 3Q66 อาจอ่อนแอที่ -5% (จาก +17.8% ใน 3Q65 และ 4.9% ใน 2Q66) ซึ่งจะทำให้ same store sales เฉลี่ยในงวด 9M66 อยู่ที่ ~-2% ซึ่งต่ำกว่าสมมติฐานปี 2566 ของเราที่ 4% และต่ำกว่าช่วงเป้าหมายของบริษัทที่ 3-5% เราคาดว่ายอดขายใน 3Q66 จะอยู่ที่ 1.65 หมื่นล้านบาท (+4% YoY, -7% QoQ) ซึ่งจะทำให้อัตราส่วนกำไรสุทธิในงวด 9M66 อยู่ที่ 5.15 หมื่นล้านบาท (+7% YoY) เราคาดว่า HMPRO จะเปิดสาขาใหม่ 1ร้านใน 3Q66 ทำให้จำนวนสาขาทั้งหมดเพิ่มขึ้นเป็น 123 ร้าน (116 ร้านในประเทศไทย และ 7 ร้านในประเทศมาเลเซีย)

คาดว่าอัตรากำไรขั้นต้นจะอยู่ที่ 26.5% ใน 3Q66

เราคาดว่าอัตรากำไรขั้นต้นของ HMPRO จะอยู่ที่ 26.5% (-30bps YoY, +20bps QoQ) ซึ่งจะทำให้อัตรากำไรขั้นต้นในงวด 9M66 อยู่ที่ 26.3% (+10bps YoY) ทั้งนี้ อัตรากำไรขั้นต้นที่ลดลง YoY เป็นเพราะการขยายสาขา Mega Home ซึ่งตามปกติแล้วอัตรากำไรขั้นต้นของร้าน Mega Home จะต่ำกว่าสาขา Homepro ประมาณ 3-4ppt โดยจำนวนสาขา Mega Home เพิ่มขึ้นเป็น 24 ร้าน ณ สิ้นงวด 3Q66 จากเพียง 16 ร้านเมื่อสิ้นงวด 3Q65 ในขณะที่เดียวกัน เราคาดว่าอัตรากำไรขั้นต้นจะเพิ่มขึ้น QoQ จากปัจจัยฤดูกาล (เครื่องใช้ไฟฟ้าซึ่งปกติจะมี margin ต่ำกว่าสินค้าอื่นมักจะมีสัดส่วนยอดขายสูงในไตรมาสที่สอง เพราะปัจจัยฤดูกาล) และคาดว่าจะลดลงมาอยู่ที่ 19.4% ใน 3Q66 (จาก 19.7% ใน 3Q65 และ 19.5% ใน 2Q66) เนื่องจากมีกำไรจากก่อนเปิดสาขาใหม่ลด และต้นทุนสาธารณูปโภคลดลง

คาดว่ากำไรจะทำสถิติสูงสุดในไตรมาสที่สี่

เราคาดว่ากำไรของ HMPRO จะขึ้นไปถึงระดับสูงสุดในไตรมาสที่สี่เนื่องจาก i) คาดว่ายอดขายจะเพิ่มขึ้นจากการขยายสาขา (บริษัทคาดว่าจะเปิดสาขาใหม่เพิ่มอีก 4 ร้านใน 4Q66) ii) คาดว่าอัตรากำไรขั้นต้นจะเพิ่มขึ้นจากปัจจัยฤดูกาล (rebase จาก supplier) และ iii) คาดว่าต้นทุนสาธารณูปโภคจะลดลงหลังจากที่มีกรลดค่า FT ลง แต่อย่างไรก็ตาม ยังมีปัจจัยที่ต่องติดตาม ซึ่งอาจจะกระทบกับอุปสงค์โดยรวม ได้แก่ i) นโยบายของรัฐบาล และ ii) กลุ่มอสังหาริมทรัพย์

Valuation & action

เรายังคงคำแนะนำ "ซื้อ" HMPRO โดยประเมินราคาเป้าหมาย 1H67 ที่ 16.00 บาท อิงจาก PER ที่ 29.0x (ค่าเฉลี่ยในอดีตระหว่าง Siam Global House (GLOBAL.BK/GLOBAL TB)* และ HMPRO-0.5 S.D.)

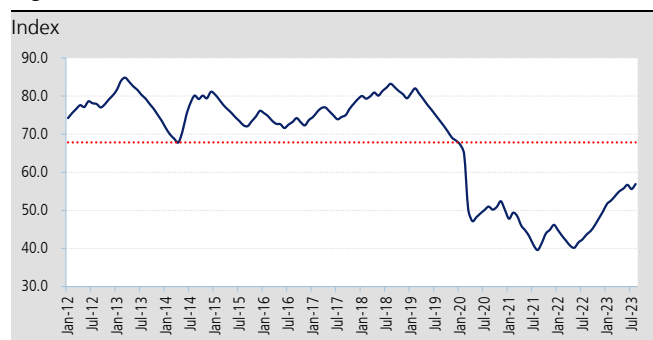
Risks

เศรษฐกิจชะลอตัวลง, ขยายสาขาได้น้อยกว่าที่วางแผนเอาไว้, ราคาพืชผลอ่อนแอ, ภัยธรรมชาติ, สิ้นค้าคงสต็อกเป็นจำนวนมาก

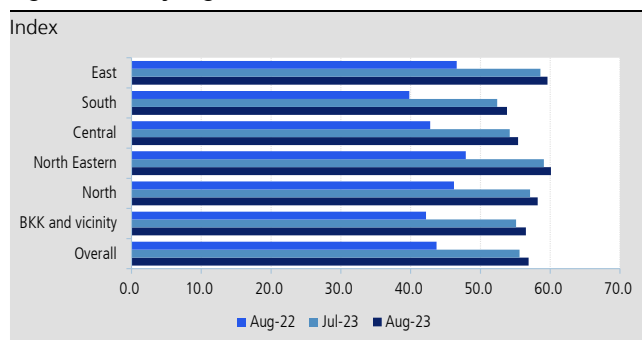
Key financials and valuations

Year end Dec 31	Dec-19A	Dec-20A	Dec-21A	Dec-22A	Dec-23F	Dec-24F
Revenue (Btbn)	63,046	58,347	60,568	65,091	69,257	73,318
Gross profit (Btbn)	16,221	14,749	15,643	17,013	18,198	19,383
Net profit (Btbn)	6,177	5,155	5,441	6,217	7,079	7,723
Normalized profit (Btbn)	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	23.6	21.6
P/B (X)	10.0	8.4	8.3	8.4	6.4	6.0
EV/EBITDA (X)	20.2	19.4	19.4	19.0	13.5	12.5
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	3.4	3.7
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


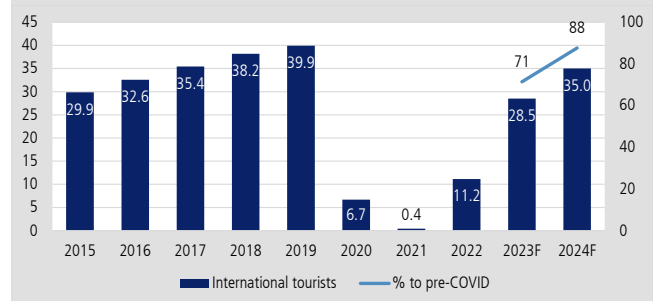
Source: UTCC, KGI Securities Research

Figure 2: CCI by region


Source: UTCC, KGI Securities Research

Figure 2: Yearly international tourist arrivals

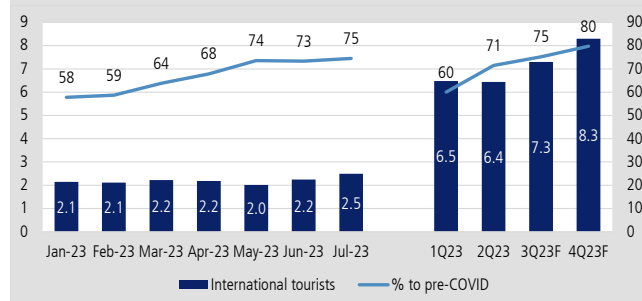
Number of international tourist arrivals, mn (LHS); percent to pre-COVID level (RHS)



Source: Ministry of Tourism & Sports; KGI Securities Research

Figure 3: Monthly international tourist arrivals

Number of international tourist arrivals, mn (LHS); percent to pre-COVID level (RHS)



Source: Ministry of Tourism & Sports; KGI Securities Research

Figure 5: HMPRO's 3Q23F earnings preview

Btmn	3Q23F	3Q22	% YoY	2Q23	% QoQ	9M23F	9M22	%YoY
Revenue from sales	16,534	15,897	4.0	17,789	(7.1)	51,546	47,976	7.4
Cost of goods sold	12,151	11,637	4.4	13,109	(7.3)	37,991	35,424	7.2
Gross profit	4,383	4,260	2.9	4,680	(6.3)	13,555	12,552	8.0
SG&A	3,208	3,130	2.5	3,466	(7.4)	9,866	9,026	9.3
EBIT	2,025	1,993	1.6	2,138	(5.3)	6,300	5,958	5.7
Interest expense	(130)	(123)	5.8	(130)	0.1	(393)	(315)	24.8
Net profit	1,528	1,533	(0.3)	1,620	(5.7)	4,760	4,564	4.3
Core profit	1,528	1,533	(0.3)	1,620	(5.7)	4,760	4,564	4.3
Financial ratio	3Q23F	3Q22	ppts	2Q23	ppts	9M23F	9M22	ppts
Gross margin	26.5	26.8	(0.3)	26.3	0.2	26.3	26.2	0.1
SG&A to sales	19.4	19.7	(0.3)	19.5	(0.1)	19.1	18.8	0.3
EBIT Margin	12.2	12.5	(0.3)	12.0	0.2	12.2	12.4	(0.2)
Net margin	9.2	9.6	(0.4)	9.1	0.1	9.2	9.5	(0.3)
SSSG	(5.0)	17.8	(22.8)	4.9	(9.9)			
Store	123.0	115.0		122.0				

Source: Company data, KGI Securities Research

Figure 6: Key assumptions

Key Assumption	unit	2017	2018	2019	2020	2021	2022	2023F	2024F
New Stores	Stores	7.0	3.0	5.0	2.0	2.0	3.0	10.0	6.0
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
Total stores, year end	Stores	102.0	105.0	110.0	112.0	114.0	117.0	127.0	133.0
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

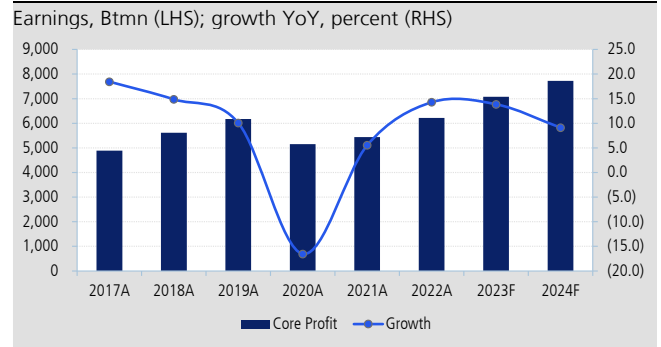
Source: Company data, KGI Securities Research

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.

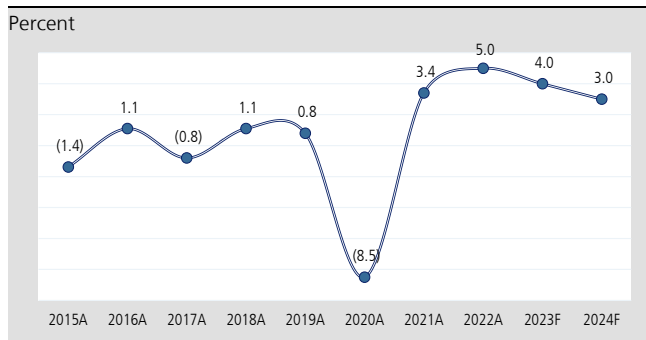
Source: Company data

Figure 8: Earnings



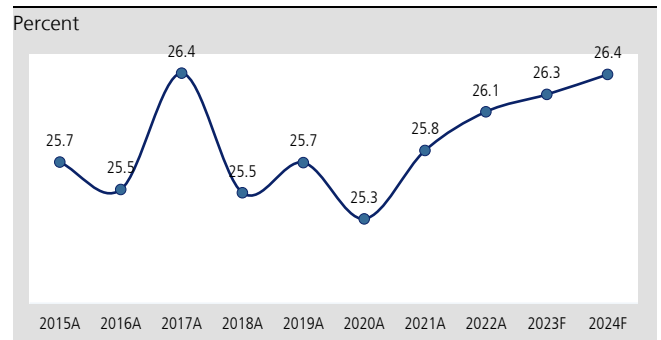
Source: Company data, KGI Securities Research

Figure 9: SSSG assumption



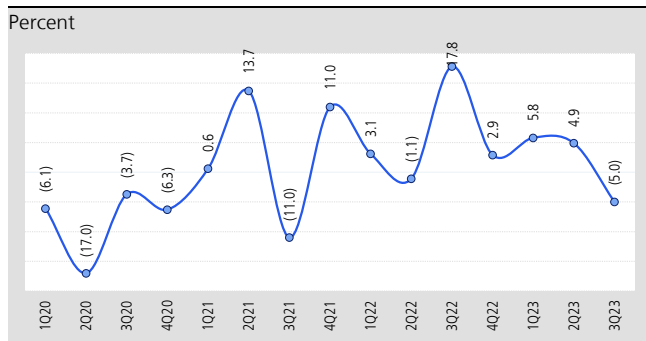
Source: Company data, KGI Securities Research

Figure 10: Gross margin assumption



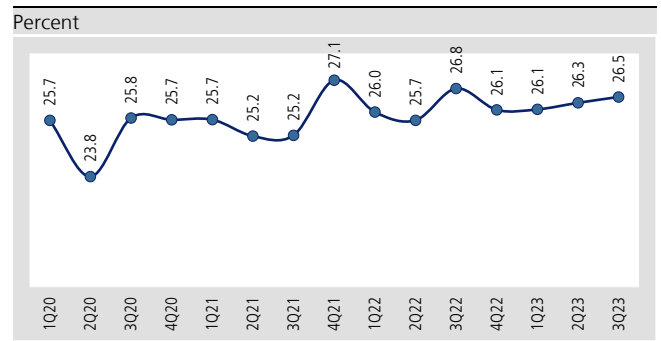
Source: Company data, KGI Securities Research

Figure 11: SSSG quarterly



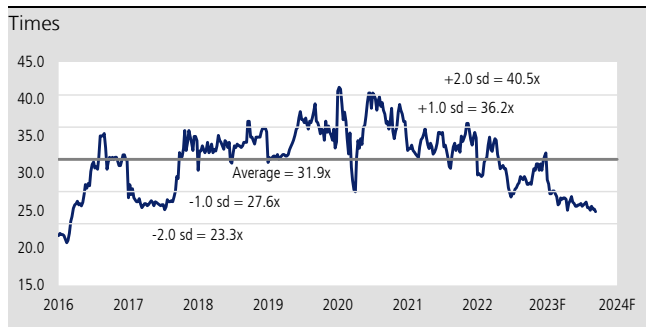
Source: Company data, KGI Securities Research

Figure 12: Gross margin quarterly



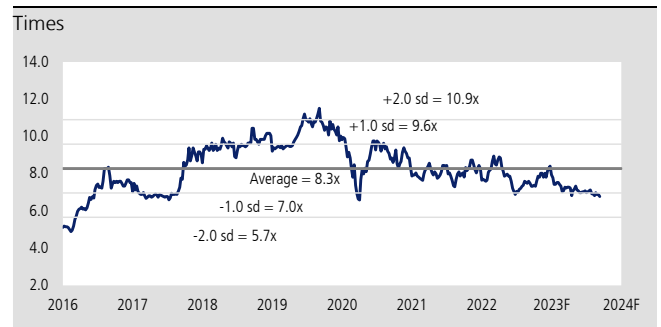
Source: Company data, KGI Securities Research

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	Jun-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
Cost of good sold	11,179	12,089	9,852	11,806	11,664	12,123	11,637	12,654	12,731	13,109
Gross profit	3,873	4,066	3,319	4,385	4,097	4,195	4,260	4,461	4,492	4,680
Operating expense	2,686	2,859	2,560	3,220	2,870	3,026	3,130	3,493	3,192	3,466
Other income	452	492	357	817	503	582	609	899	553	661
Operating profit	1,800	1,845	1,189	2,216	1,985	1,981	1,993	2,144	2,137	2,138
Depreciation of fixed asset	800	796	809	802	773	779	780	823	819	868
Operating EBITDA	2,601	2,641	1,998	3,018	2,758	2,760	2,773	2,967	2,956	3,006
Non-Operating income	0	0	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0	0	0
Other non-op. income	0	0	0	0	0	0	0	0	0	0
Non-Operating expense	(107)	(102)	(108)	(99)	(94)	(99)	(123)	(130)	(133)	(130)
Interest expense	(107)	(102)	(108)	(99)	(94)	(99)	(123)	(130)	(133)	(130)
Other non-op. expense	0	0	0	0	0	0	0	0	0	0
Equity income	0	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	2,009
Current taxation	(331)	(311)	(212)	(340)	(380)	(362)	(337)	(362)	(393)	(388)
Minorities	0	0	0	0	0	0	0	0	0	0
Extra items	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	1,653	1,611	1,620
Normalized profit	1,362	1,433	869	1,776	1,511	1,520	1,533	1,653	1,611	1,620
EPS (Bt)	0.10	0.11	0.07	0.14	0.11	0.12	0.12	0.13	0.12	0.12
Normalized EPS (Bt)	0.10	0.11	0.07	0.14	0.11	0.12	0.12	0.13	0.12	0.12
Margin (%)										
Gross profit margin	25.7	25.2	25.2	27.1	26.0	25.7	26.8	26.1	26.1	26.3
Operating EBIT margin	12.0	11.4	9.0	13.7	12.6	12.1	12.5	12.5	12.4	12.0
Operating EBITDA margin	17.3	16.4	15.2	18.6	17.5	16.9	17.4	17.3	17.2	16.9
Net profit margin	9.1	8.9	6.6	11.0	9.6	9.3	9.6	9.7	9.4	9.1
Growth (%YoY)										
Revenue growth	3.5	16.9	(12.6)	8.6	4.7	1.0	20.7	5.7	9.3	9.0
Operating EBIT growth	8.0	45.0	(34.4)	16.8	10.3	7.4	67.6	(3.2)	7.7	8.0
Operating EBITDA growth	4.8	27.3	(22.8)	12.3	6.1	4.5	38.8	(1.7)	7.2	8.9
Net profit growth	7.6	52.0	(37.9)	15.0	10.9	6.1	76.4	(7.0)	6.6	6.6
Normalized profit growth	7.6	52.0	(37.9)	15.0	10.9	6.1	76.4	(7.0)	6.6	6.6
SSSG	0.6%	13.7%	-11.0%	11.0%	3.1%	-1.1%	17.8%	2.9%	5.8%	4.9%

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Btmn)	2020	2021	2022	2023F	2024F
Total Assets	56,091	58,586	65,185	65,817	68,566
Current Assets	15,828	18,920	21,430	18,505	19,928
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
Non-current Assets	40,262	39,666	43,755	47,312	48,638
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
Total Liabilities	34,526	35,696	40,939	39,799	40,747
Current liabilities	20,610	20,511	24,485	20,481	21,566
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
Long-term liabilities	13,916	15,185	16,454	19,318	19,181
Long-term debts	8,056	8,943	9,056	12,010	11,964
Others	5,860	6,242	7,398	7,309	7,217
Shareholders' Equity	21,565	22,890	24,246	26,017	27,819
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
Growth (%YoY)					
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
Profitability (%)					
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
Stability					
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
Per share data (Bt)					
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
Activity					
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
Revenue	58,347	60,568	65,091	69,257	73,318
Cost of good sold	43,598	44,925	48,078	51,058	53,935
Gross profit	14,749	15,643	17,013	18,198	19,383
Operating expense	10,957	11,326	12,519	13,157	13,867
Other income	1,883	2,119	2,593	2,770	2,933
Operating Profit	6,649	7,050	8,103	9,160	9,920
Depreciation of fixed asset	3,182	3,208	3,156	4,084	4,299
Operating EBITDA	9,831	10,258	11,259	13,245	14,219
Non-operating income	0	0	0	0	0
Interest income	0	0	0	0	0
Other non-op income	0	0	0	0	0
Non-operating expense	(459)	(416)	(445)	(441)	(407)
Interest expense	(459)	(416)	(445)	(441)	(407)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	0	0	0	0	0
Pretax profit	6,190	6,634	7,658	8,719	9,513
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
Net profit	5,155	5,441	6,217	7,079	7,723
Normalized profit	5,155	5,441	6,217	7,079	7,723
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
Operating cash flow	4,290	6,772	8,534	10,782	11,650
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					
Investment cash flow	(3,754)	(1,862)	(5,661)	(7,035)	(5,034)
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
Financing cash flow	(114)	(3,647)	(1,998)	(7,670)	(6,157)
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)
Net cash flow	423	1,263	874	(3,923)	459

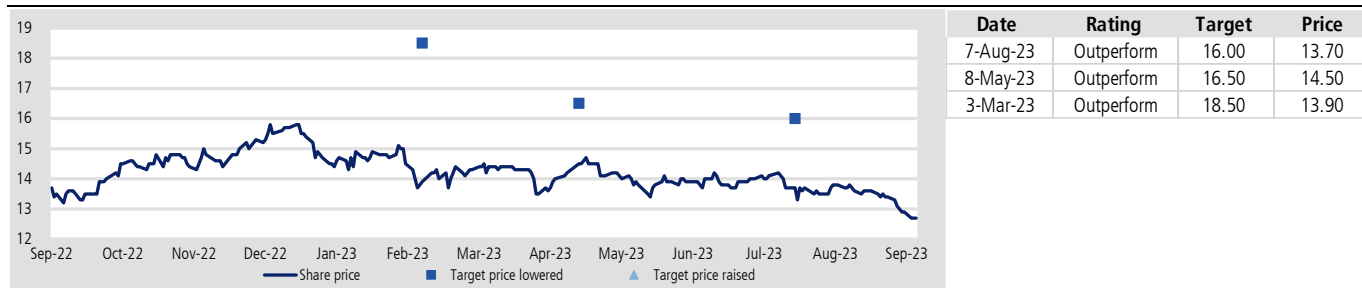
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1-	COGS Revenue	+	Depreciation Revenue	+	Operating expense Revenue	=	Operating margin
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/	Working capital Revenue	+	Net PPE Revenue	+	Other assets Revenue	=	Capital Turnover
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/	Operating margin	x	Capital turnover	x	Cash tax rate	=	After-tax return on Inv. capital
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



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	GLOBAL	SIAM GLOBAL HOUSE	RATCH	RATCH GROUP
ADVANC	ADVANCED INFO SERVICE	GPSC	GLOBAL POWER SYNERGY	RBF	R&B FOOD SUPPLY
AMA	AMA MARINE	GULF	GULF ENERGY DEVELOPMENT	SAT	SOMBOON ADVANCE TECHNOLOGY
AMATA	AMATA CORPORATION	HANA	HANA MICROELECTRONICS	SCB	SCB X
ANAN	ANANDA DEVELOPMENT	HENG	HENG LEASING AND CAPITAL	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	SCCC	SIAM CITY CEMENT
AP	AP (THAILAND)	INTUCH	INTOUCH HOLDINGS	SCGP	SCG PACKAGING
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	IRPC	IRPC	SEAFECO	SEAFECO
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IVL	INDORAMA VENTURES	SHR	S HOTELS AND RESORTS
BANPU	BANPU	KBANK	KASIKORNBANK	SICT	SILICON CRAFT TECHNOLOGY
BBL	BANGKOK BANK	KCE	KCE ELECTRONICS	SMPD	SAHAMITR PRESSURE CONTAINER
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SNC	SNC FORMER
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BEM	BANGKOK EXPRESSWAY AND METRO	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BGRIM	B. GRIMM POWER	LPN	L.P.N. DEVELOPMENT	STGT	SRI TRANG GLOVES (THAILAND)
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	SUN	SUNSWEEET
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TACC	T.A.C. CONSUMER
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TCAP	THANACHART CAPITAL
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	THCOM	THAICOM
COM7	COM7	ORI	ORIGIN PROPERTY	TISCO	TISCO FINANCIAL GROUP
CPALL	CP ALL	OSP	OSOTSPA	TKN	TAOKAENOI FOOD & MARKETING
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PTG	PTG ENERGY	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PTT	PTT	VGI	VGI
DOHOM	DOHOME	PTTEP	PTT EXPLORATION AND PRODUCTION	WHA	WHA CORPORATION
EGCO	ELECTRICITY GENERATING	PTTGC	PTT GLOBAL CHEMICAL	WHAUP	WHA UTILITIES AND POWER
GFPT	GFPT	PYLON	PYLON	ZEN	ZEN CORPORATION GROUP
GGC	GLOBAL GREEN CHEMICALS	QH	QUALITY HOUSES		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AEONTS	AEON THANA SINSAP (THAILAND)	JMT	JMT NETWORK SERVICES	SFT	SHRINKFLEX (THAILAND)
BCH	BANGKOK CHAIN HOSPITAL	LH	LAND AND HOUSES	SINGER	SINGER THAILAND
BEC	BEC WORLD	M	MK RESTAURANT GROUP	SMD	SAINTMED
BH	BUMRUNGRAD HOSPITAL	MEGA	MEGA LIFESCIENCES	SNNP	SRINANAPORN MARKETING
CBG	CARABAO GROUP	NETBAY	NETBAY	SPA	SIAM WELLNESS GROUP
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TFG	THAIFOODS GROUP
ERW	THE ERAWAN GROUP	SAK	SAKSAM LEASING	TIDLOR	NGERN TID LOR
ESSO	ESSO (THAILAND)	SAPPE	SAPPE	TNP	THANAPIRIYA
HUMAN	HUMANICA	SAWAD	SRI SAWAD CORPORATION	UBE	UBON BIO ETHANOL
IIG	I&I GROUP	SFLEX	STARFLEX	XO	EXOTIC FOOD



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING
EKH	EKACHAI MEDICAL CARE	MENA	MENA TRANSPORT		
JMART	JAYMART GROUP HOLDINGS	SISB	SISB		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BBGI	BBGI	NTSC	Nutrition SC	TGE	THACHANG GREEN ENERGY
BTG	BETAGRO	PLT	Pilatus Marine		
ITC	i-Tail Corporation	PQS	Premier Quality Starch		

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	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
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
BPCG	BPCG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

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

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KGI's Ratings

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

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