

Home Product Center

Home Product Center
Public Company Limited

HMPRO

Bloomberg HMPRO.TB
Reuters HMPRO.BK



Targets better sales & margin in 2024

In 2024F, HMPRO targets sales growth of 7-8%, with SSS growth of 3% (stable YoY in 1Q24TD, with growth higher in 2H24F off a low base and government budget disbursement) and addition of 7-8 stores. It targets a widening in gross margin of 20-30bps YoY off more high-margin sales with stable SG&A/sales. We keep our sales and margin growth assumptions more conservative and our forecast is unchanged. HMPRO is now trading at a more appealing level of 21x 2024PE (below -2S.D. at 24x over 10-year PE). We maintain Outperform with an end-2024 TP via DCF (WACC at 7.1% and LT growth rate at 2.5%) of B13.5.

Better SSS in 2024. In 1Q24TD, SSS is flat YoY in the HomePro format (vs -8.5% YoY in 4Q23) and -3% YoY in the MegaHome format (flat YoY in 1Q24TD if we exclude the reduction of low-margin steel sales from a change in strategy in 2Q23, vs -7% YoY in 4Q23). This was backed by better electrical appliance sales from the: 1) E-Receipt stimulus from Jan 1-Feb 15 (boosting sales by Bt200-300mn YoY, +1-2% YoY SSS growth); 2) hot weather arriving sooner than expected, accompanied by high level of PM2.5 dust. Post E-Receipt expiration, sales fell for a week then normalized in the final week of Feb. In 2024F, it targets SSS growth of 3% from both HomePro and MegaHome formats, with stronger growth in 2H24F off 2H23's low base from fragile purchasing power, better government budget disbursement and no reduction in low-margin steel sales at MegaHome.

2024F store expansion to focus on hybrid model. It currently has two hybrid stores (Megahome and HomePro stores side by side), and has seen benefits in the form of: 1) lower investment for MegaHome (using underutilized land at an existing HomePro store in a good location); 2) lower operating costs via sharing parking space, cashier counters, outsourcing; 3) better space allocation for product overlaps, i.e., lower saleable area for headline products for HomePro and for soft-line products for MegaHome in a hybrid model; 4) low cannibalization with MegaHome sales growing from HomePro's customer base. In 2024F, it targets adding 7-8 new stores (+8% YoY saleable area): 2-3 new standalone HomePro stores, 3 new Megahome stores (adjacent to existing HomePro stores), and a new Megahome store adjacent to a new HomePro store.

Targets 2024F margin expansion. HMPRO plans to expand 2024F gross margin by 20-30bps via: 1) higher private brand sales to total sales at 21% for both HomePro and MegaHome formats in 2024 (vs 20.9% for HomePro and 19.7% for MegaHome in 2023) and 25% in the medium term; 2) a reduction in low-margin steel sales at MegaHome in 1H24; 3) more bargaining power with suppliers. It targets stable 2024F SG&A/sales, with sales ramping up from 11 stores opened in 2023 balancing higher store expansion expenses for the 7-8 new stores in 2024.

Key risks are changes in purchasing power, higher interest rate and new government policies. Key ESG risks are energy management, sustainable products with quality management (E), labor practices and data security (S).

Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	65,091	68,283	72,906	77,598	82,380
EBITDA	(Btmn)	11,261	11,974	12,907	13,860	14,852
Core profit	(Btmn)	6,217	6,442	6,897	7,518	8,230
Reported profit	(Btmn)	6,217	6,442	6,897	7,518	8,230
Core EPS	(Bt)	0.47	0.49	0.52	0.57	0.63
DPS	(Bt)	0.38	0.40	0.40	0.40	0.44
P/E, core	(x)	23.3	22.5	21.0	19.2	17.6
EPS growth, core	(%)	14.3	3.6	7.1	9.0	9.5
P/BV, core	(x)	6.0	5.7	5.3	4.9	4.5
ROE	(%)	26.4	25.9	26.1	26.6	26.6
Dividend yield	(%)	3.5	3.6	3.7	3.6	4.0
EV/EBITDA	(x)	14.2	13.6	12.6	11.6	10.7

Source: InnovestX Research

Tactical: OUTPERFORM (3-month)

Stock data	
Last close (Mar 5) (Bt)	11.00
Target price (Bt)	13.50
Mkt cap (Btmn)	144.66
Mkt cap (US\$m)	4,044
Beta	L
Mkt cap (%) SET	0.86
Sector % SET	10.16
Shares issued (mn)	13,151
Par value (Bt)	1.00
12-m high / low (Bt)	14.7 / 10.3
Avg. daily 6m (US\$m)	7.51
Foreign limit / actual (%)	30 / 13
Free float (%)	40.9
Dividend policy (%)	≥ 40

Share performance			
(%)	1M	3M	12M
Absolute	0.9	(8.3)	(20.9)
Relative to SET	3.7	(6.3)	(6.4)

Source: SET, InnovestX Research

2023 Sustainability/2022 ESG Score	
SET ESG Ratings	AA

ESG Bloomberg Rank in the sector	
ESG Score Rank	2/34
Environmental Score Rank	3/34
Social Score Rank	1/34
Governance Score Rank	6/34

ESG comment
HMPRO had the sector's best ESG score, with best environmental and social scores and above-average governance scores vs sector peers in 2022.

Source: Bloomberg Finance L.P

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Value proposition

Home Product Center (HMPRO) is Thailand's leading home improvement retailer. At end-2023, it had retail spaces in 128 stores (net saleable area at 1.05mn sq.m., +14% YoY), consisting of 89 stores in the HomePro format (3K-10K sq.m. per store), 5 stores in the HomePro S format (1.2K-2K sq.m. per store), 27 stores in the MegaHome format (15K-20K sq.m. per store) and 7 stores in the HomePro format in Malaysia. At end-2023, it had five community shopping malls, HomePro Village stores (in Hua Hin, Suvarnabhumi, Ratchapruerk, Phuket and Pathum Thani), managing both retail space and rental space, with net leasable area at 149K sq.m.

Of 2023 sales, 81% came from HomePro, 17% from MegaHome and 2% from HomePro in Malaysia. Within 2023 sales, 49% came from Bangkok (42% from stores and 7% from E-commerce) and vicinity and 51% from upcountry. Of 2023 saleable area, 40% was in stores in Bangkok and vicinity and 60% from upcountry stores.

Business outlook

Its 2024 strategies are to 1) increase sales via new stores, offering new sales channel (apart from stores, online, 3rd party Marketplace i.e., Shopee, Lazada and One Stock Home - website offering construction materials, tools and decoration items) with the launch of Marketplace in its online application in 2Q24, raising product SKUs offering up to 100K SKUs via its online application vs 60-70K SKUs in its current online application and 40K SKUs in stores; 2) improve customer experience with the offering of lifetime ecosystem with the offering of trade in purchase, home services, repair center, and waste management to reproduce new products (targeted sales from circularity products at 20% to sales in 2030); 3) improve the supply chain, with better inventory consolidation from stores and distribution centers and better management of its fulfillment center in terms of efficiency and delivery.

In 2024, HMRPO targets sales growth of 7-8% YoY, with SSS growth of 3% YoY (faster growth in 2H24F off a low base and better government budget disbursement) and addition of 7-8 stores, based on 2-3 new standalone HomePro stores, 3 new Megahome stores (adjacent to existing HomePro stores), and one new side-by-side HomePro and Megahome store. It targets widening gross margin by 20-30bps YoY from a more favorable product mix with higher high-margin private brands, a reduction in low-margin steel sales for MegaHome in 1H24, more bargaining power with suppliers, improved logistics cost efficiency amid fairly stable SG&A/sales as higher expenses from store expansion will balance the ramping up of sales from new stores opened in 2023.

With consumers starting to prefer the greater convenience offered by ordering online, online sales contributed 6.7% of total sales in 2023 (vs 6.2% in 2022 and 1% pre-COVID in 2019). It earlier invested in an online platform and automated distribution center and expects these to support online sales growth without any further major investment.

Bullish views	Bearish views
1. Resumption of domestic activities as the economy revives	1. Weak purchasing power from high interest rate and household debt
2. Rental income to improve as it raises rental rate for tenants as the economy revives	2. Rental income to grow slowly from fragile purchasing power
3. The return of government investment budget disbursement to boost sales in 2H24	3. Slow sales in 1H24 from delayed passage of FY2024 government investment budget

Key catalysts

Factor	Event	Impact	Comment
1Q24F earnings outlook	Better sales from new stores and better margin	Up YoY but stable QoQ	We expect 1Q24F earnings to grow YoY from better sales from store expansion (amid stable SSS YoY YTD) and wider margin from more high-margin sales and be stable QoQ.
2024F earnings outlook	Positive SSS growth, store expansion and wider margin	Earnings up YoY	We expect 2024F earnings to grow YoY on higher sales growth from store expansion, and better SSS growth, particularly in 2H24 off a low base and greater disbursement of the government budget, together with wider margin on more high-margin private brands.

Sensitivity Analysis

Factor	Earnings impact	TP impact
1% change in SSS	1-2%	Bt0.2-0.4/sh.

Our view on ESG

We view that HMPRO is above sector average under our coverage on providing concrete targets and progress on key environmental issues (i.e., energy management and sustainable products) and social issues (i.e., labor practices and data security) but it is lagging peers on providing on the sustainable product issue. On the governance issue, it is in the leading position compared to peers on the audit committee and board independence, but it is lagging position for the incentive structure for the executive compensation and board diversity. Key ESG risks are energy management, sustainable products with quality management, labor practices and data security.

ESG Disclosure Score

Bloomberg ESG Score	63.18 (2022)
Rank in Sector	2/34

CG Rating	DJSI	SETESG	SET ESG Ratings	
HMPRO	5	Yes	Yes	AA

Source: Thai IOD, The Down Jones Industrial Average, SET

Environmental Issue (E)

- In 2025, HMPRO targets eco products sales mix (i.e., organic products, recycled or biodegradable products, and health & safety products) at 50% of sales (vs 47% in 2022) and product sales mix that promote responsible plastic consumption at 100% of sales (vs 63% in 2022).
- In 2030, it targets GHG reduction per store at 50% from 2014 (vs 38% in 2022), partly installing Building Control Monitoring System for energy reduction at stores and opened charging stations.
- In 2030, it targets to switch to renewable energy at 100% for the stores such as installation of solar panels on the roofs in which the buildings are owned by the company (vs 27% or 65 stores in 2022), with achieving zero waste target at 100% (vs 84% in 2022).
- In 2050, it aims to achieve net zero emission (vs 2% in 2022), from the decarbonization (i.e., renewable energy, green logistics, zero waste management) and carbon removal (i.e., no deforestation, forest preservation).
- We view that HMPRO is in the leading position compared to peers for providing information on energy management and sustainable products.

Governance Issue (G)

- In 2022, HMPRO's board of directors consists of 11 directors, 10 non-executive directors (91% of the entire board), 4 independent directors (36% of the entire board), and 3 female members (27% of the entire board) on board. The combined ownership in the company from all the members on the Board of Directors was 3.1% of total shares at end-2022.
- In 2022, HMPRO had nomination & remuneration and audit committees. It implemented the anti-corruption and whistleblower protection policies.
- In 2022, CG rating was excellent and Anti-corruption progress indicator was certified.
- We view that it is in the leading position compared to peers on the audit committee and board independence, but it is lagging position for the incentive structure for the executive compensation and board diversity.

Social Issue (S)

- In 2025, it targets employee engagement at 88% (vs 87% in 2022), associates knowledge development at 96% (vs 92% in 2022) and zero accident rate per store (vs 0.16% in 2022). In 2022, HMPRO employed 50 elderly persons and 94 persons with disabilities, and it implemented the opportunities for associates to go back to work in their domiciles with 1,592 associates participated in the program at-end 2022.
- For the society and community, it targets the number of young technician entrepreneur teams at 1,800 teams in 2025 (vs 2,159 teams in 2022). It provided the bilateral scholarship for 283 programs in 2022.
- In 2025, it targets customer satisfaction based on customer experience survey at 85% (vs 85% in 2022),
- Regarding on privacy and data security, there is zero case of leaked data and zero complaints on personal data breach in 2022.
- We view that HMPRO is in the leading position compared to peers for providing information on labor practices and data security, but it is lagging peers on the information related to the product quality management.

ESG Disclosure Score

	2021	2022
ESG Disclosure Score	62.01	63.18
Environment	45.15	45.15
GHG Scope 1 ('000 metric tonnes)	0.02	0.20
GHG Scope 2 Location-Based ('000 metric tonnes)	64.49	71.26
GHG Scope 3 ('000 metric tonnes)	26.40	25.75
Electricity Used ('000 MWh)	178.36	198.38
Self Generated Renewable Electricity ('000 MWh)	42.36	52.38
Total Waste ('000 metric tonnes)	1.76	2.22
Waste Recycled ('000 metric tonnes)	1.53	1.89
Social	55.80	59.34
Pct Women in Management (%)	56.00	56.52
Pct Women in Workforce (%)	50.22	49.56
Lost Time Incident Rate (per 100 employees)	0.13	0.06
Number of Employees – CSR (persons)	10,601	11,359
Employee Turnover Pct (%)	17.33	20.37
Total Hours Spent for Employee Training (hours)	251,456	353,151
Governance	84.98	84.98
Size of the Board (persons)	11	12
Number of Non-Executive Directors on Board (persons)	9	10
Number of Board Meetings for the Year (times)	12	12
Board Meeting Attendance Pct (%)	98	99
Number of Female Executives (persons)	14	13
Number of Women on Board (persons)	1	1

Source: Bloomberg Finance L.P.

Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see [ESG Disclosure Score Model](#) in Bloomberg.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	63,046	58,347	60,568	65,091	68,283	72,906	77,598	82,380
Cost of goods sold	(Btmn)	(46,825)	(43,598)	(44,925)	(48,078)	(50,118)	(53,365)	(56,644)	(59,970)
Gross profit	(Btmn)	16,221	14,749	15,643	17,013	18,166	19,541	20,954	22,410
SG&A	(Btmn)	(11,927)	(10,957)	(11,326)	(12,519)	(13,401)	(14,353)	(15,301)	(16,166)
Other income	(Btmn)	4,378	3,419	3,365	4,315	4,566	4,896	5,296	5,725
Interest expense	(Btmn)	(405)	(459)	(416)	(445)	(567)	(668)	(666)	(696)
Pre-tax profit	(Btmn)	7,604	6,190	6,634	7,660	7,975	8,568	9,339	10,224
Corporate tax	(Btmn)	(1,427)	(1,035)	(1,194)	(1,441)	(1,533)	(1,671)	(1,821)	(1,994)
Equity a/c profits	(Btmn)	0	0	0	(2)	(1)	0	0	0
Minority interests	(Btmn)	0	0	0	0	0	0	0	0
Core profit	(Btmn)	6,177	5,155	5,441	6,217	6,442	6,897	7,518	8,230
Extra-ordinary items	(Btmn)	0	0	0	0	0	0	0	0
Net Profit	(Btmn)	6,177	5,155	5,441	6,217	6,442	6,897	7,518	8,230
EBITDA	(Btmn)	10,951	9,831	10,258	11,261	11,974	12,907	13,860	14,852
Core EPS (Bt)	(Btmn)	0.47	0.39	0.41	0.47	0.49	0.52	0.57	0.63
Net EPS (Bt)	(Bt)	0.47	0.39	0.41	0.47	0.49	0.52	0.57	0.63
DPS (Bt)	(Bt)	0.38	0.30	0.32	0.38	0.40	0.40	0.40	0.44

Balance Sheet (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	15,690	15,828	18,920	21,430	22,659	22,505	23,059	23,786
Total fixed assets	(Btmn)	36,359	40,262	39,666	43,755	46,389	47,820	49,068	50,242
Total assets	(Btmn)	52,049	56,091	58,586	65,185	69,048	70,325	72,128	74,028
Total loans	(Btmn)	13,385	17,753	18,223	21,145	24,414	22,820	21,167	18,831
Total current liabilities	(Btmn)	22,289	20,610	20,511	24,485	23,579	25,689	28,531	22,989
Total long-term liabilities	(Btmn)	8,622	13,916	15,185	16,454	19,910	17,441	14,195	18,669
Total liabilities	(Btmn)	30,911	34,526	35,696	40,939	43,489	43,130	42,726	41,658
Paid-up capital	(Btmn)	13,151	13,151	13,151	13,151	13,151	13,151	13,151	13,151
Total equity	(Btmn)	21,138	21,565	22,890	24,246	25,559	27,195	29,402	32,370
BVPS (Bt)	(Bt)	1.61	1.64	1.74	1.84	1.94	2.07	2.24	2.46

Cash Flow Statement (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	6,177	5,155	5,441	6,217	6,442	6,897	7,518	8,230
Depreciation and amortization	(Btmn)	2,942	3,182	3,208	3,156	3,431	3,672	3,855	3,932
Operating cash flow	(Btmn)	8,375	8,363	7,825	9,952	9,792	10,745	11,552	12,345
Investing cash flow	(Btmn)	(3,017)	(3,145)	(1,673)	(5,509)	(5,245)	(5,102)	(5,104)	(5,106)
Financing cash flow	(Btmn)	(8,729)	(4,797)	(4,915)	(3,568)	(3,536)	(6,854)	(6,964)	(7,598)
Net cash flow	(Btmn)	(3,370)	421	1,237	875	1,012	(1,211)	(515)	(359)

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	25.7	25.3	25.8	26.1	26.6	26.8	27.0	27.2
Operating margin	(%)	6.8	6.5	7.1	6.9	7.0	7.1	7.3	7.6
EBITDA margin	(%)	17.4	16.8	16.9	17.3	17.5	17.7	17.9	18.0
EBIT margin	(%)	13.8	12.4	12.7	13.5	13.7	13.8	14.1	14.5
Net profit margin	(%)	9.8	8.8	9.0	9.6	9.4	9.5	9.7	10.0
ROE	(%)	30.1	24.1	24.5	26.4	25.9	26.1	26.6	26.6
ROA	(%)	11.6	9.5	9.5	10.0	9.6	9.9	10.6	11.3
Net D/E	(x)	0.5	0.7	0.6	0.6	0.7	0.6	0.6	0.4
Interest coverage	(x)	27.0	21.4	24.7	25.3	21.1	19.3	20.8	21.3
Debt service coverage	(x)	1.6	1.7	2.1	1.7	1.8	1.7	1.5	5.4
Payout Ratio	(%)	80.9	76.5	77.4	80.4	81.7	77.0	70.0	70.0

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
SSS growth	(%)	0.8	(8.5)	3.4	5.1	(0.5)	1.3	3.0	3.0
No. of ending stores	(Stores)	113	115	114	117	128	135	141	147
- HomePro	(Stores)	84	86	87	87	89	92	95	98
- HomePro S	(Stores)	9	9	6	5	5	5	5	5
- Megahome	(Stores)	14	14	14	18	27	31	34	37
- HomePro Malaysia	(Stores)	6	6	7	7	7	7	7	7

Financial statement

Profit and Loss Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total revenue	(Btmn)	15,761	16,319	15,897	17,115	17,223	17,789	16,390	16,881
Cost of goods sold	(Btmn)	(11,664)	(12,123)	(11,637)	(12,654)	(12,731)	(13,109)	(12,011)	(12,266)
Gross profit	(Btmn)	4,097	4,195	4,260	4,461	4,492	4,680	4,379	4,614
SG&A	(Btmn)	(2,870)	(3,026)	(3,130)	(3,493)	(3,192)	(3,466)	(3,237)	(3,507)
Other income	(Btmn)	914	991	1,050	1,362	1,031	1,125	1,101	1,309
Interest expense	(Btmn)	(94)	(99)	(123)	(130)	(133)	(130)	(138)	(166)
Pre-tax profit	(Btmn)	1,891	1,882	1,871	2,016	2,004	2,009	1,905	2,056
Corporate tax	(Btmn)	(380)	(362)	(337)	(362)	(393)	(388)	(371)	(380)
Equity a/c profits	(Btmn)	0	0	(1)	(1)	(1)	(0)	(1)	1
Minority interests	(Btmn)	0	0	0	0	0	0	0	0
Core profit	(Btmn)	1,511	1,520	1,533	1,653	1,611	1,620	1,533	1,677
Extra-ordinary items	(Btmn)	0	0	0	0	0	0	0	0
Net Profit	(Btmn)	1,511	1,520	1,533	1,653	1,611	1,620	1,533	1,677
EBITDA	(Btmn)	2,758	2,760	2,774	2,969	2,957	3,007	2,916	3,095
Core EPS (Bt)	(Btmn)	0.11	0.12	0.12	0.13	0.12	0.12	0.12	0.13
Net EPS (Bt)	(Bt)	0.11	0.12	0.12	0.13	0.12	0.12	0.12	0.13

Balance Sheet (Btmn)

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total current assets	(Btmn)	19,046	18,344	20,591	21,430	20,279	17,999	16,870	22,659
Total fixed assets	(Btmn)	39,552	40,527	41,827	43,755	44,595	45,151	46,292	46,389
Total assets	(Btmn)	58,597	58,871	62,419	65,185	64,874	63,150	63,161	69,048
Total loans	(Btmn)	17,686	18,821	13,088	21,145	19,321	19,301	21,663	24,414
Total current liabilities	(Btmn)	21,892	22,962	23,855	24,485	22,346	21,790	20,303	23,579
Total long-term liabilities	(Btmn)	12,301	12,612	15,967	16,454	16,672	16,646	18,977	19,910
Total liabilities	(Btmn)	34,193	35,575	39,822	40,939	39,018	38,437	39,280	43,489
Paid-up capital	(Btmn)	13,151	13,151	13,151	13,151	13,151	13,151	13,151	13,151
Total equity	(Btmn)	24,404	23,296	22,596	24,246	25,856	24,714	23,882	25,559
BVPS (Bt)	(Bt)	1.86	1.77	1.72	1.84	1.97	1.88	1.82	1.94

Cash Flow Statement (Btmn)

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Core Profit	(Btmn)	1,511	1,520	1,533	1,653	1,611	1,620	1,533	1,677
Depreciation and amortization	(Btmn)	773	779	780	823	819	868	872	873
Operating cash flow	(Btmn)	1,818	2,451	2,439	3,244	2,800	2,045	1,581	3,365
Investing cash flow	(Btmn)	(661)	(1,088)	(1,511)	(2,249)	(1,949)	(894)	(1,184)	(1,218)
Financing cash flow	(Btmn)	(1,020)	(1,882)	(2,239)	1,573	(2,326)	(3,090)	(890)	2,770
Net cash flow	(Btmn)	136	(519)	(1,311)	2,569	(1,474)	(1,938)	(493)	4,916

Key Financial Ratios

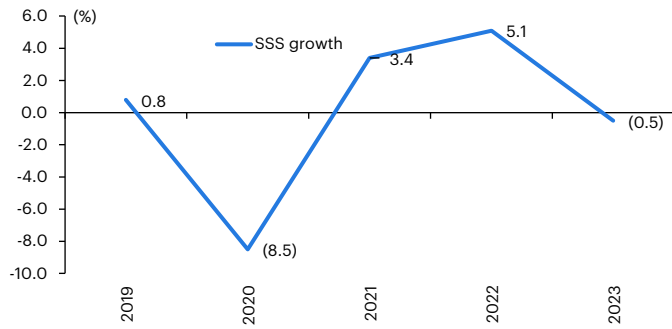
FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Gross margin	(%)	26.0	25.7	26.8	26.1	26.1	26.3	26.7	27.3
Operating margin	(%)	7.8	7.2	7.1	5.7	7.5	6.8	7.0	6.6
EBITDA margin	(%)	17.5	16.9	17.4	17.3	17.2	16.9	17.8	18.3
EBIT margin	(%)	13.6	13.2	13.7	13.6	13.5	13.2	13.7	14.3
Net profit margin	(%)	9.6	9.3	9.6	9.7	9.4	9.1	9.4	9.9
ROE	(%)	25.6	25.5	26.7	28.2	25.7	25.6	25.2	27.1
ROA	(%)	10.3	10.4	10.1	10.4	9.9	10.1	9.7	10.1
Net D/E	(x)	0.5	0.6	0.3	0.6	0.6	0.7	0.8	0.7
Interest coverage	(x)	29.4	28.0	22.6	22.9	22.2	23.2	21.1	18.7
Debt service coverage	(x)	1.5	1.4	1.4	1.8	2.5	2.5	2.4	1.8

Main Assumptions

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
SSS growth	(%)	3.1	(1.1)	17.8	2.9	5.8	4.9	(3.6)	(8.5)
No. of ending stores	(Stores)	114	114	115	117	120	122	124	128
- HomePro	(Stores)	87	87	86	87	87	86	87	89
- HomePro S	(Stores)	6	6	6	5	5	5	5	5
- Megahome	(Stores)	14	14	16	18	21	24	25	27
- HomePro Malaysia	(Stores)	7	7	7	7	7	7	7	7

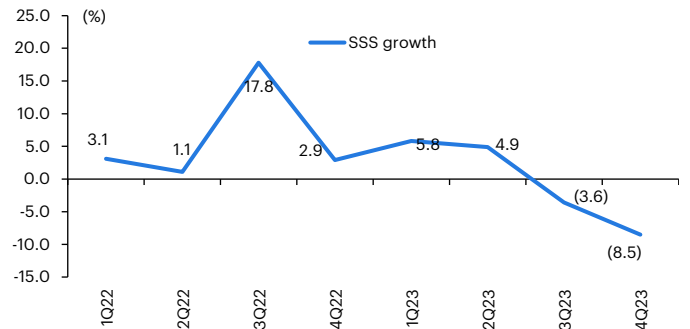
Appendix

Figure 1: HMPRO's yearly SSS growth



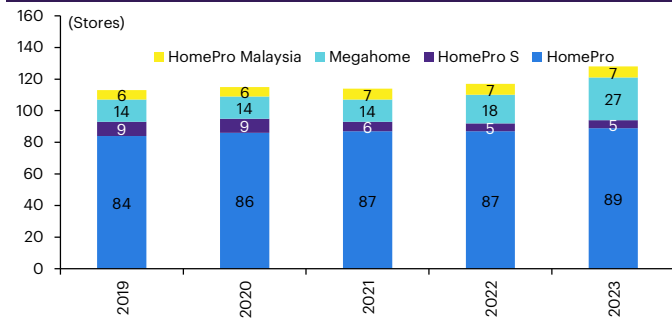
Source: Company data and InnovestX Research

Figure 2: HMPRO's quarterly SSS growth



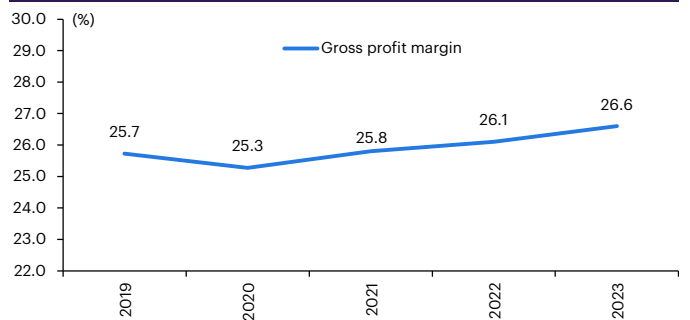
Source: Company data and InnovestX Research

Figure 3: HMPRO's stores breakdown by format at end period



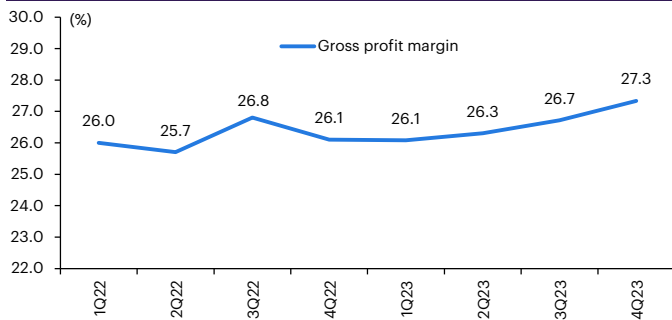
Source: Company data and InnovestX Research

Figure 4: HMPRO's yearly gross margin



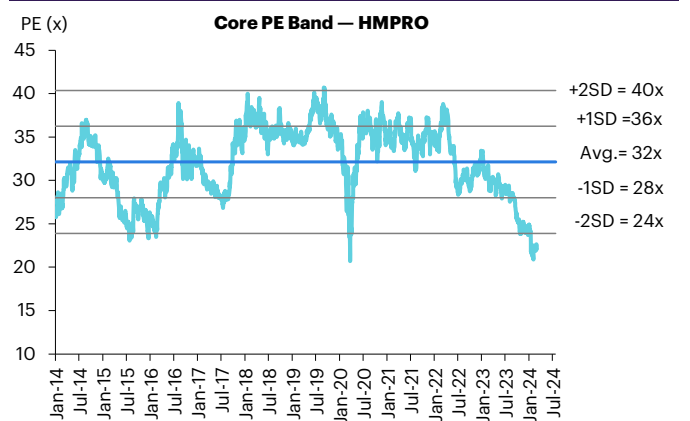
Source: Company data and InnovestX Research

Figure 5: HMPRO's quarterly gross margin



Source: Company data and InnovestX Research

Figure 6: HMPRO's historical PE band



Source: InnovestX Research

Figure 7: Valuation summary (price as of Mar 5, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
BJC	Outperform	24.10	29.0	23.6	20.0	18.4	17.1	(2)	8	8	0.8	0.8	0.7	4	4	4	3.3	3.3	3.5	12.4	11.6	10.8
CPALL	Outperform	56.75	75.0	34.3	28.6	24.4	20.7	41	17	18	4.6	4.1	3.7	6	7	8	1.8	2.1	2.5	10.9	10.2	9.3
CPAXT	Outperform	33.00	39.0	19.7	39.8	34.0	28.6	11	17	19	1.2	1.2	1.1	3	3	4	1.7	1.5	1.8	13.7	12.4	11.4
CRC	Outperform	35.75	44.0	24.8	27.0	23.6	20.4	14	14	16	3.1	2.8	2.6	12	12	13	1.5	1.7	2.0	10.5	9.7	9.0
GLOBAL	Outperform	16.90	18.5	10.7	32.8	29.2	25.1	(27)	12	16	3.8	3.5	3.2	12	12	13	1.1	1.2	1.4	21.2	19.2	17.0
HMPRO	Outperform	11.00	13.5	26.4	22.5	21.0	19.2	4	7	9	5.7	5.3	4.9	26	26	27	3.6	3.7	3.6	13.6	12.6	11.6
Average					28.4	25.1	21.9	7	13	14	3.2	2.9	2.7	10	11	12	2.2	2.2	2.5	13.7	12.6	11.5

Source: InnovestX Research

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CG Rating 2023 Companies with CG Rating

Companies with Excellent CG Scoring

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCTION, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBIK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITTEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHFG, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI¹, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTGCC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP², SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMP, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

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2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESSO, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCHK, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIJK, WIN, WP, XO

Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC³, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

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To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

¹OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

²SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

³TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

Anti-corruption Progress Indicator

Certified (ได้คุ้มครอง)

2S, 7UP, AAI, ADVANC, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITTEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGCC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SEAOL, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMIT, SMK, SMP, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนา)

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, OTO, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APEX, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BLC, BLESS, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CREDIT, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTICI, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRCP, IT, ITD, ITNS, ITTHI, JAK, JCK, JCHK, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KOSH, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MUD, MVP, NAM, NAT, NC, NCH, NCL, NDR, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACE, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, POMPUI, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJINA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SRS, SSC, SSS, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQU, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WFX, WGE, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 1, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.