

Home Product Center

Home Product Center
Public Company Limited

HMPRO

Bloomberg HMPRO.TB
Reuters HMPRO.BK



Undemanding valuation, lifted by better sentiment

HMPRO is now trading at the sector's lowest valuation at 17x 2024PE (vs 23x 2024PE average for the sector), below -2S.D. at 22x over 10-year PE, pricing in low market expectations for SSS growth (-7.3% YoY in 2Q24 and -6.5% YoY in 3Q24TD). With sentiment brightening after a new government is set up, the likelihood the FY2025 budget will be approved on time and new stimulus ahead, we believe the worst for SSS is behind us. 3Q24F will be its lowest, flat YoY, with SSS contraction in 3Q24TD balanced by store and margin expansion, then rising to the year's best in 4Q24F (up YoY and QoQ). We maintain Outperform with an end-2024 TP via DCF (WACC at 7.1% and LT growth rate at 2.5%) of B12.

SSS contraction outstripped by expansion in 2H24F. In the HomePro format, SSS shrank 7.3% YoY in 2Q24 and 6.5% YoY in 3Q24TD on: 1) weak sentiment and slow government budget disbursement; 2) road repairs (Ratchapruerk branch) and store cannibalization before relocation (Bang Bua Thong and Rattanathibet branches) that sliced 1% YoY off SSS. For the rest of 2024, we expect SSS to improve, down YoY at a slower pace off last year's normal base vs this year's road repairs (Ratchapruerk branch) at end-4Q24 and the closure of its Rattanathibet branch after the rental contract ended (relocated to Bang Bua Thong branch) at end-3Q24. The setup of a new government will also help boost SSS via improving sentiment, with the FY2025 (Oct 2024-Sep 2025) government budget likely to be approved on time plus new stimulus ahead. Newspapers report that the new government is considering stimulus such as a welfare card scheme (Bt145bn), and an urgent measure as a part of the digital wallet scheme (Bt450bn). HMPRO will benefit indirectly from better purchasing power overall, which we have not yet factored as sales upside in our forecast. **Expansion.** In 2024F, it continues to plan on targeted seven new stores (+8% YoY saleable area): 5 HomePro stores and two Megahome stores. Of these, three are hybrid stores (HomePro & MegaHome side by side). Store expansion will accelerate in 2H24F after adding two new stores (Lampun and Udonthani) in 2Q24 to three in 3Q24 (Nong Khai, Mae Sot and Rayong) with two stores (Phuket and Chiang Mai) in 4Q24.

Better EBIT margin in 2H24. **Gross margin** will be relatively stable YoY: greater margin contribution from both HomePro and MegaHome (higher private brand sales to total sales at 21% for both HomePro and MegaHome formats in 2024 vs 20.3% for HomePro and 20.9% for MegaHome in 1H24 and more bargaining power with suppliers) will offset the less favorable format sales mix, with more from the low-margin MegaHome format. **SG&A/sales** is expected to fall YoY, with lower utilities expense from lower electricity cost and the installation of solar panels, and off last year's high base on store expansion expenses (11 new stores in 2023 vs 7 in 2024) and more hybrid stores where operating costs are lower than standalone (i.e., sharing parking space, cashier counters, outsourcing).

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	68,930	72,992	77,542
EBITDA	(Btmn)	11,261	11,974	12,482	13,406	14,438
Core profit	(Btmn)	6,217	6,442	6,653	7,315	8,074
Reported profit	(Btmn)	6,217	6,442	6,653	7,315	8,074
Core EPS	(Bt)	0.47	0.49	0.51	0.56	0.61
DPS	(Bt)	0.38	0.40	0.39	0.39	0.43
P/E, core	(x)	18.0	17.4	16.8	15.3	13.8
EPS growth, core	(%)	14.3	3.6	3.3	10.0	10.4
P/BV, core	(x)	4.6	4.4	4.1	3.8	3.5
ROE	(%)	26.4	25.9	25.3	26.1	26.4
Dividend yield	(%)	4.5	4.7	4.6	4.6	5.1
EV/EBITDA	(x)	11.3	10.8	10.4	9.6	8.8

Source: InnovestX Research

Tactical: OUTPERFORM (3-month)

Stock data

Last close (Aug 22) (Bt)	8.50
Target price (Bt)	12.00
Mkt cap (Btmn)	111.79
Mkt cap (US\$m)	3,246

Beta	L
Mkt cap (%) SET	0.67
Sector % SET	9.51
Shares issued (mn)	13,151
Par value (Bt)	1.00
12-m high / low (Bt)	14.1 / 7.7
Avg. daily 6m (US\$m)	8.30
Foreign limit / actual (%)	30 / 12
Free float (%)	41.3
Dividend policy (%)	≥ 40

Share performance

(%)	1M	3M	12M
Absolute	(4.0)	(13.7)	(38.4)
Relative to SET	(6.8)	(12.0)	(28.9)

Source: SET, InnovestX Research

2023 Sustainability/2022 ESG Score

SET ESG Ratings	AA
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ESG Bloomberg Rank in the sector

ESG Score Rank	3/34
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 sqm, +14% YoY), consisting of 89 stores in the HomePro format (3K-10K sqm per store), five stores in the HomePro S format (1.2K-2K sqm per store), 27 stores in the MegaHome format (15K-20K sqm per store) and seven stores in the HomePro format in Malaysia. At end-2023, it had five community shopping malls, HomePro Village stores (in Hua Hin, Suvarnabhumi, Ratchapruet, 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% in upcountry stores.

Business outlook

Its 2024 strategies are to 1) increase sales via new stores, offering new sales channels (apart from stores, online, third-party Marketplace i.e., Shopee, Lazada and One Stock Home – a website offering construction materials, tools and decoration items), 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 the customer experience by offering a lifetime ecosystem with offers of trade-in purchases, home services, repair centers and waste management to recycle into new products (targets sales from circularity products at 20% of 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, HMPRO targets sales growth from SSS growth and the addition of seven stores (five HomePro and two new MegaHome). It targets widening gross margin at both HomePro and MegaHome formats by 20bps YoY from a more favorable product mix with higher high-margin private brands and more bargaining power with suppliers, but overall gross margin will be stable YoY off a faster rise in low-margin sales at MegaHome. It targets lower SG&A/sales on better cost control and off last year's high base on store expansion expenses.

In mid-2024, HMPRO announced a decision to withdraw its investment in online sales through marketplaces in Vietnam due to: 1) slow revenue growth from low income per capita; 2) high rental expense for investment in stores; 3) legal complexities in opening stores. It expects to complete the liquidation by the end of 2024 to early 2025. At that time, it will record a divestment expense of Bt21mn, but it will eliminate the Bt10mn annual expense losses from Vietnam, resulting in an insignificant net expense loss of less than Bt10mn (estimated at 0.1% of annual profit).

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 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. Government investment budget disbursement to boost sales in 4Q24	3. Slow setup of the new government that would delay budget approval and disbursement in 4Q24

Key catalysts

Factor	Event	Impact	Comment
3Q24F earnings outlook	SSS contraction balanced by store and margin expansion	Flat YoY but down QoQ	3Q24F will be the year's worst, flat YoY, with SSS contraction in 3Q24TD balanced by store and margin expansion, but down QoQ on seasonality.
4Q24F earnings outlook	Better sales and margin	Up YoY and QoQ	4Q24F will be this year's best, up YoY from better sales (store expansion amid slower SSS contraction YoY than 9M24, amid wider margin) and up QoQ on seasonality.

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	64.52 (2022)
Rank in Sector	3/34

CG Rating	DJSI	SETESG	SET ESG Ratings	
HMPRO	5	No	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	63.23	64.52
Environment	48.84	49.17
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)	1.77	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	68,930	72,992	77,542
Cost of goods sold	(Btmn)	(46,825)	(43,598)	(44,925)	(48,078)	(50,118)	(50,592)	(53,428)	(56,603)
Gross profit	(Btmn)	16,221	14,749	15,643	17,013	18,166	18,338	19,564	20,939
SG&A	(Btmn)	(11,927)	(10,957)	(11,326)	(12,519)	(13,401)	(13,392)	(14,114)	(14,877)
Other income	(Btmn)	4,378	3,419	3,365	4,315	4,566	4,770	5,146	5,564
Interest expense	(Btmn)	(405)	(459)	(416)	(445)	(567)	(649)	(643)	(659)
Pre-tax profit	(Btmn)	7,604	6,190	6,634	7,660	7,975	8,264	9,087	10,030
Corporate tax	(Btmn)	(1,427)	(1,035)	(1,194)	(1,441)	(1,533)	(1,612)	(1,772)	(1,956)
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	6,653	7,315	8,074
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	6,653	7,315	8,074
EBITDA	(Btmn)	10,951	9,831	10,258	11,261	11,974	12,482	13,406	14,438
Core EPS (Bt)	(Btmn)	0.47	0.39	0.41	0.47	0.49	0.51	0.56	0.61
Net EPS (Bt)	(Bt)	0.47	0.39	0.41	0.47	0.49	0.51	0.56	0.61
DPS (Bt)	(Bt)	0.38	0.30	0.32	0.38	0.40	0.39	0.39	0.43

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	21,190	21,395	21,871
Total fixed assets	(Btmn)	36,359	40,262	39,666	43,755	46,389	47,835	49,249	50,600
Total assets	(Btmn)	52,049	56,091	58,586	65,185	69,048	69,025	70,644	72,472
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	24,724	27,411	21,816
Total long-term liabilities	(Btmn)	8,622	13,916	15,185	16,454	19,910	17,351	14,090	18,558
Total liabilities	(Btmn)	30,911	34,526	35,696	40,939	43,489	42,074	41,501	40,375
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	26,951	29,143	32,097
BVPS (Bt)	(Bt)	1.61	1.64	1.74	1.84	1.94	2.05	2.22	2.44

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	6,653	7,315	8,074
Depreciation and amortization	(Btmn)	2,942	3,182	3,208	3,156	3,431	3,569	3,676	3,749
Operating cash flow	(Btmn)	8,375	8,363	7,825	9,952	9,792	10,247	11,146	11,997
Investing cash flow	(Btmn)	(3,017)	(3,145)	(1,673)	(5,509)	(5,245)	(5,014)	(5,090)	(5,101)
Financing cash flow	(Btmn)	(8,729)	(4,797)	(4,915)	(3,568)	(3,536)	(6,854)	(6,776)	(7,456)
Net cash flow	(Btmn)	(3,370)	421	1,237	875	1,012	(1,622)	(720)	(560)

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	26.6	26.8	27.0
Operating margin	(%)	6.8	6.5	7.1	6.9	7.0	7.2	7.5	7.8
EBITDA margin	(%)	17.4	16.8	16.9	17.3	17.5	18.1	18.4	18.6
EBIT margin	(%)	13.8	12.4	12.7	13.5	13.7	14.1	14.5	15.0
Net profit margin	(%)	9.8	8.8	9.0	9.6	9.4	9.7	10.0	10.4
ROE	(%)	30.1	24.1	24.5	26.4	25.9	25.3	26.1	26.4
ROA	(%)	11.6	9.5	9.5	10.0	9.6	9.6	10.5	11.3
Net D/E	(x)	0.5	0.7	0.6	0.6	0.7	0.7	0.6	0.5
Interest coverage	(x)	27.0	21.4	24.7	25.3	21.1	19.2	20.8	21.9
Debt service coverage	(x)	1.6	1.7	2.1	1.7	1.8	1.6	1.4	5.3
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)	(4.1)	3.0	3.0
No. of ending stores	(Stores)	113	115	114	117	128	134	140	146
- HomePro	(Stores)	84	86	87	87	89	93	96	99
- HomePro S	(Stores)	9	9	6	5	5	5	5	5
- Megahome	(Stores)	14	14	14	18	27	29	32	35
- HomePro Malaysia	(Stores)	6	6	7	7	7	7	7	7

Financial statement

Profit and Loss Statement

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Total revenue	(Btmn)	15,897	17,115	17,223	17,789	16,390	16,881	17,664	17,398
Cost of goods sold	(Btmn)	(11,637)	(12,654)	(12,731)	(13,109)	(12,011)	(12,266)	(13,029)	(12,829)
Gross profit	(Btmn)	4,260	4,461	4,492	4,680	4,379	4,614	4,635	4,570
SG&A	(Btmn)	(3,130)	(3,493)	(3,192)	(3,466)	(3,237)	(3,507)	(3,273)	(3,339)
Other income	(Btmn)	1,050	1,362	1,031	1,125	1,101	1,309	1,132	1,160
Interest expense	(Btmn)	(123)	(130)	(133)	(130)	(138)	(166)	(158)	(162)
Pre-tax profit	(Btmn)	1,871	2,016	2,004	2,008	1,905	2,057	2,139	2,022
Corporate tax	(Btmn)	(337)	(362)	(393)	(388)	(371)	(380)	(427)	(401)
Equity a/c profits	(Btmn)	(1)	(1)	(1)	(0)	(1)	1	0	(0)
Minority interests	(Btmn)	0	0	0	0	0	0	0	0
Core profit	(Btmn)	1,533	1,653	1,611	1,620	1,533	1,677	1,713	1,622
Extra-ordinary items	(Btmn)	0	0	0	0	0	0	0	0
Net Profit	(Btmn)	1,533	1,653	1,611	1,620	1,533	1,677	1,713	1,622
EBITDA	(Btmn)	2,774	2,969	2,957	3,006	2,916	3,096	3,162	3,049
Core EPS (Bt)	(Btmn)	0.12	0.13	0.12	0.12	0.12	0.13	0.13	0.12
Net EPS (Bt)	(Bt)	0.12	0.13	0.12	0.12	0.12	0.13	0.13	0.12

Balance Sheet (Btmn)

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Total current assets	(Btmn)	20,591	21,430	20,279	17,999	16,870	22,659	21,745	20,098
Total fixed assets	(Btmn)	41,827	43,755	44,595	45,151	46,292	46,389	46,104	46,351
Total assets	(Btmn)	62,419	65,185	64,874	63,150	63,161	69,048	67,849	66,449
Total loans	(Btmn)	13,088	21,145	19,321	19,301	21,663	24,414	20,586	21,690
Total current liabilities	(Btmn)	23,855	24,485	22,346	21,790	20,303	23,579	20,639	20,409
Total long-term liabilities	(Btmn)	15,967	16,454	16,672	16,646	18,977	19,910	19,937	20,034
Total liabilities	(Btmn)	39,822	40,939	39,018	38,437	39,280	43,489	40,576	40,443
Paid-up capital	(Btmn)	13,151	13,151	13,151	13,151	13,151	13,151	13,151	13,151
Total equity	(Btmn)	22,596	24,246	25,856	24,714	23,882	25,559	27,273	26,006
BVPS (Bt)	(Bt)	1.72	1.84	1.97	1.88	1.82	1.94	2.07	1.98

Cash Flow Statement (Btmn)

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Core Profit	(Btmn)	1,533	1,653	1,611	1,620	1,533	1,677	1,713	1,622
Depreciation and amortization	(Btmn)	780	823	819	868	872	873	864	865
Operating cash flow	(Btmn)	2,439	3,244	2,800	2,045	1,581	3,365	3,681	1,338
Investing cash flow	(Btmn)	(1,511)	(2,249)	(1,949)	(894)	(1,184)	(1,218)	(924)	(656)
Financing cash flow	(Btmn)	(2,239)	1,573	(2,326)	(3,090)	(890)	2,770	(4,204)	(2,110)
Net cash flow	(Btmn)	(1,311)	2,569	(1,474)	(1,938)	(493)	4,916	(1,446)	(1,428)

Key Financial Ratios

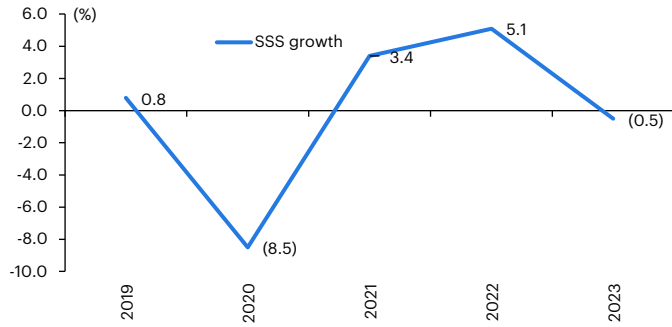
FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Gross margin	(%)	26.8	26.1	26.1	26.3	26.7	27.3	26.2	26.3
Operating margin	(%)	7.1	5.7	7.5	6.8	7.0	6.6	7.7	7.1
EBITDA margin	(%)	17.4	17.3	17.2	16.9	17.8	18.3	17.9	17.5
EBIT margin	(%)	13.7	13.6	13.5	13.2	13.7	14.3	14.1	13.7
Net profit margin	(%)	9.6	9.7	9.4	9.1	9.4	9.9	9.7	9.3
ROE	(%)	26.7	28.2	25.7	25.6	25.2	27.1	25.9	24.4
ROA	(%)	10.1	10.4	9.9	10.1	9.7	10.2	10.0	9.7
Net D/E	(x)	0.3	0.6	0.6	0.7	0.8	0.7	0.6	0.7
Interest coverage	(x)	22.6	22.9	22.2	23.1	21.1	18.7	20.0	18.9
Debt service coverage	(x)	1.4	1.8	2.5	2.5	2.4	1.8	4.4	3.1

Main Assumptions

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
SSS growth	(%)	17.8	2.9	5.8	4.9	(3.6)	(8.5)	(2.0)	(7.3)
No. of ending stores	(Stores)	115	117	120	122	124	128	128	130
- HomePro	(Stores)	86	87	87	86	87	89	89	90
- HomePro S	(Stores)	6	5	5	5	5	5	5	5
- Megahome	(Stores)	16	18	21	24	25	27	27	28
- HomePro Malaysia	(Stores)	7	7	7	7	7	7	7	7

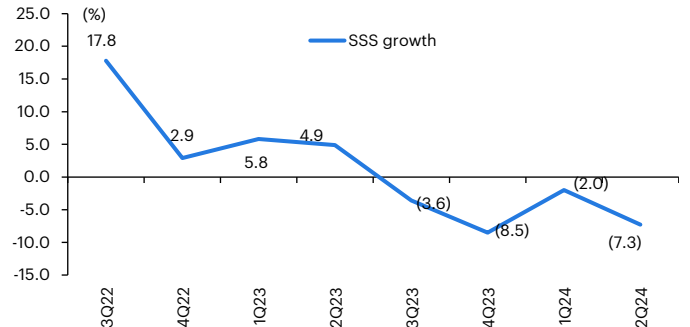
Appendix

Figure 1: HMPRO’s yearly SSS growth



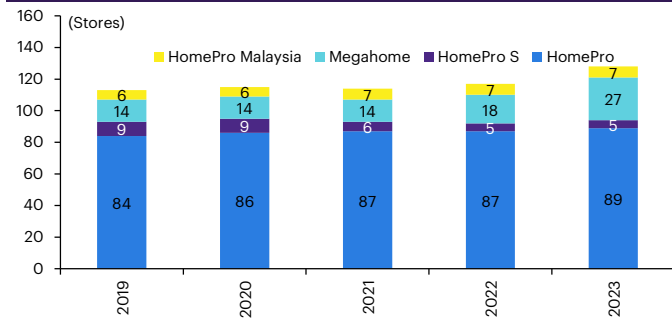
Source: Company data and InnovestX Research

Figure 2: HMPRO’s quarterly SSS growth



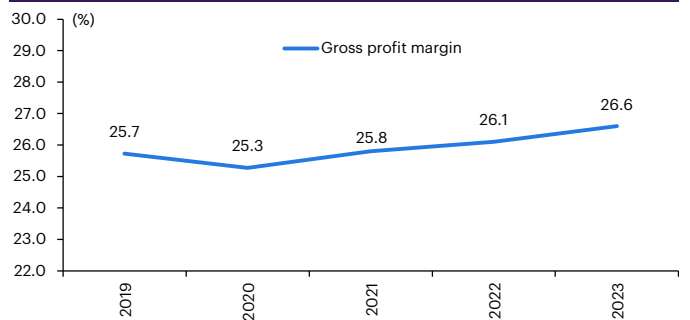
Source: Company data and InnovestX Research

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



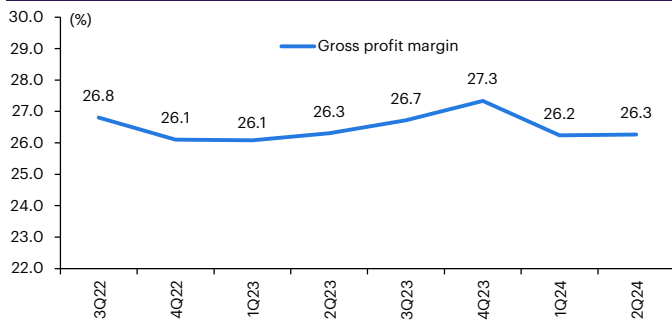
Source: Company data and InnovestX Research

Figure 4: HMPRO’s yearly gross margin



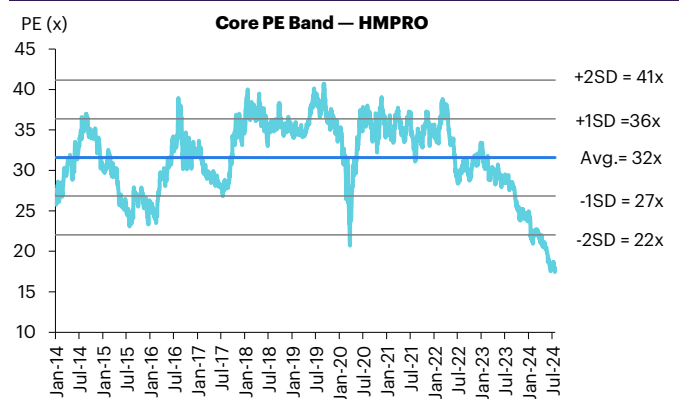
Source: Company data and InnovestX Research

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 Aug 22, 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	Neutral	21.50	24.0	14.8	17.8	19.0	16.9	(2)	(6)	12	0.7	0.7	0.7	4	4	4	3.7	3.2	3.6	11.9	11.2	10.6
CPALL	Outperform	59.00	77.0	32.7	29.7	22.8	19.7	41	31	16	4.8	4.2	3.8	17	20	20	1.7	2.2	2.6	11.2	10.1	9.2
CPAXT	Outperform	30.25	39.0	30.5	36.5	31.1	26.1	11	17	19	1.1	1.1	1.1	3	3	4	1.9	1.6	1.9	12.8	11.7	10.7
CRC	Neutral	28.25	31.0	11.6	21.3	20.9	18.7	14	2	12	2.5	2.4	2.2	12	11	12	1.9	1.9	2.1	9.1	8.7	8.2
GLOBAL	Outperform	14.30	18.5	30.6	27.8	27.8	24.1	(27)	(0)	15	3.2	3.0	2.7	12	11	12	1.3	1.3	1.4	18.3	18.4	16.4
HMPRO	Outperform	8.50	12.0	45.8	17.4	16.8	15.3	4	3	10	4.4	4.1	3.8	26	25	26	4.7	4.6	4.6	10.8	10.4	9.6
Average					25.1	23.1	20.1	7	8	14	2.8	2.6	2.4	12	12	13	2.5	2.5	2.7	12.4	11.7	10.8

Source: InnovestX Research

Disclaimer

Fri, Aug 23, 2024

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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, ITEL, 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, PTTGC, 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, BSRC, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, 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, AAI, ADVANC, AE, 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, BLA, BPP, BRR, BSBM, BTC, 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, FTSMART, FTE, GBC, GCAP, GCF, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, 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, PPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RSP, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCN, SEAOL, SE-ED, 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, TASC, 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, PEER, 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, APO, 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, BKGI, BKIH, BLC, BLESS, BLISS, BM, BOL, BPS, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CFARM, CGD, CH, CHAO, 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, FM, 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, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRCP, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, LTS, MAGURO, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NCP, NDR, NEO, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, PORT, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, QTGC, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJNA, 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, SPREME, SPVI, SQ, SR, SRS, SSC, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, STX, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THUMI, TIGER, TITLE, TK, TKT, 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, TVI, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQU, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WELL, 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.