BUY (Unchanged)

Change in Numbers

TP: Bt18.50 (From: Bt 19.00)

Upside : 14.9%

24 OCTOBER 2024

Small Cap Research

Siam Global House Pcl (GLOBAL TB)

Down but not out

While we expect GLOBAL's 3Q24F results to come in weak, hit by soft consumption and flooding, we see recovery signs from 4Q24F. We maintain our BUY on GLOBAL with a lower Bt18.5 TP for its 16% three-year EPS CAGR, boosted by domestic and overseas growth.

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Thanachart Securities

Cutting our earnings and TP

We cut our earnings estimates for GLOBAL by 17/16/16% in 2024-26F and DCF-based TP (rolled over to a 2025F base year) to Bt18.50 (from Bt19.00) to reflect likely disappointing 3Q24F results due to low consumer spending and flooding. However, we maintain our BUY rating on GLOBAL. Besides a business recovery in 4Q24F, GLOBAL is a leading provincial home-improvement retailer with a 16% three-year EPS CAGR in 2025-27F, backed by domestic growth (seven new branches p.a.) and an 11% three-year equity income CAGR from its home-improvement JVs in Myanmar, Laos and Indonesia.

Weak 3Q24F

We project GLOBAL to report a 3Q24F net profit of Bt422m, down 20% y-y and 45% q-q. While 3Q is seasonally low due to the rainy season, we expect the y-y fall to be caused by -5.0% same-store sales growth (SSSG) (weak consumption, the flood hit, and a 14% y-y and 10% q-q steel price fall) and higher SG&A from resuming aggressive branch expansion. On a positive note, its gross margin looks set to expand by 34bp y-y to 26.2% driven by the rising gross margin of private-label products (24% of sales). JV income should also increase to Bt60m, from Bt44m in 3Q23, from better overseas businesses, mainly in Myanmar.

Signs of recovery

We see earnings recovery signs in 4Q24F. *First,* SSSG in the 1H of October improved to flat due to post-flood demand in some provinces, the Bt10,000 cash handout stimulus, and more spending on government projects. *Second,* steel prices have risen by 10% so far in October from the 3Q24 average. This helps ease the impact of steel prices on SSSG and gross margin. Lastly, we expect its Cambodia business to return to break-even in 4Q24F and make a profit from 1Q25F. The first Cambodia store has been contributing profits since 2019. When the second store opened in February this year, Cambodia as a whole contributed a slight loss of Bt2.6m (55% stake) in 1H24 vs. a Bt23/8m profit in 2022-23.

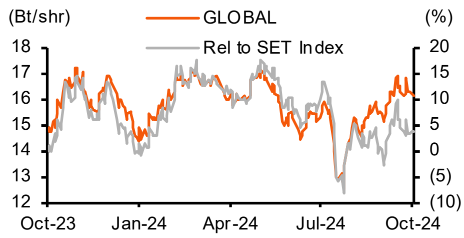
Overseas plan

Via its 50:50 JV, Global House International Co Ltd (GBI), GLOBAL indirectly holds 15% in PRO1 Global Home Center (12 stores) in Myanmar, 17% in Souvanny Home Center (seven stores) in Laos, and 11% in Depo Bangunan (13 stores) in Indonesia. With 11 new stores in the pipeline, we assume total overseas branches will increase from a current 32 to 45 in 2027F with equity income of Bt255/292/321m in 2025-27F or 8.8/8.7/8.4% of net profit. Note that overseas contribution jumped from 1.4% of 2019 profit to 4.9% of 2023 profit, with room for growth as the urbanization rate is still low.

COMPANY VALUATION

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Sales	32,301	32,723	35,208	37,603
Net profit	2,671	2,475	2,901	3,348
Consensus NP	—	2,762	3,191	3,564
Diff frm cons (%)	—	*(10.4)*	*(9.1)*	*(6.1)*
Norm profit	2,671	2,475	2,901	3,348
Prev. Norm profit	—	2,978	3,462	3,972
Chg frm prev (%)	—	*(16.9)*	*(16.2)*	*(15.7)*
Norm EPS (Bt)	0.5	0.5	0.6	0.6
Norm EPS grw (%)	(24.5)	(7.5)	16.9	15.3
Norm PE (x)	31.2	33.7	28.8	25.0
EV/EBITDA (x)	23.5	25.7	22.5	19.9
P/BV (x)	3.6	3.4	3.1	2.9
Div yield (%)	1.0	1.0	1.2	1.4
ROE (%)	11.9	10.3	11.2	11.9
Net D/E (%)	41.4	37.9	32.2	26.2

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 24-Oct-24 (Bt)	16.10
Market Cap (US$ m)	2,488.3
Listed Shares (m shares)	5,201.9
Free Float (%)	31.1
Avg Daily Turnover (US$ m)	3.7
12M Price H/L (Bt)	17.21/12.50
Sector	Commerce
Major Shareholder	SCG Distribution Co.,Ltd 32.94%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P9

Cutting our earnings and TP

We lower our TP by 3% to Bt18.5

We lower our earnings estimates for Siam Global House Pcl (GLOBAL) by 17/16/16/15% in 2024-27F and cut our DCF-based 12-month TP (base year rolled over to 2025F) by 3% to Bt18.5 from Bt19.0 previously to reflect the following assumption changes:

1) We cut this year's same-store sales growth (SSSG) to -3.2% from flat earlier as 3Q24F was hit by weak consumer spending, flooding, and falling steel prices. We now estimate SSSG of -5.0% for 3Q24F and flat for 4Q24F (-5.3% in 1Q24, -2.3% in 2Q24) and 2% each year in 2025-27F.

2) We raise our SG&A/sales assumptions from this year to reflect lower sales and rising expenses related to store expansion as its aggressive new round of expansion started last year.

3) We lift our gross margin assumptions due to the stronger-than-expected gross margin of private-brand products amid falling steel prices.

4) We boost our equity income forecasts on better-than-expected profit contributions from overseas home improvement stores. In 1H24, JV equity income jumped by 97% y-y to Bt112m, mainly due to stronger profit from Myanmar.

Ex 1: Key Assumption Changes

	2021	2022	2023	2024F	2025F	2026F	2027F
SSSG (%)							
New	18.2	2.4	(10.2)	(3.2)	2.0	2.0	2.0
Old				0.0	2.0	2.0	2.0
New stores - Thailand (unchanged)							
New stores	4	2	6	7	7	7	7
Total stores (YE)	75	77	83	90	97	104	111
Gross margin (%)							
New	25.2	25.8	25.6	26.1	26.4	26.8	27.2
Old				25.9	26.2	26.6	27.0
Change (bp)				*19*	*20*	*21*	*22*
SG&A/sales (%)							
New	14.4	15.2	17.1	19.0	18.7	18.4	18.1
Old				17.1	16.9	16.7	16.4
Change (bp)				*190*	*180*	*170*	*170*
Equity income (Bt m)							
New	81	120	130	232	255	292	321
Old				143	157	171	182
Change (%)				*61.8*	*61.8*	*70.2*	*76.6*
Normalized profit (Bt m)							
New	3,344	3,533	2,671	2,475	2,901	3,348	3,827
Old				2,978	3,462	3,972	4,493
Change (%)				*(16.9)*	*(16.2)*	*(15.7)*	*(14.8)*

Sources: Company data, Thanachart estimates

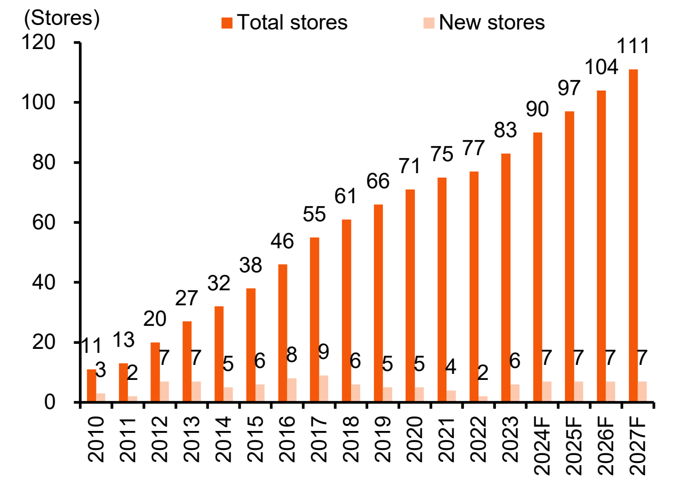
We maintain our BUY rating on GLOBAL.

First, we expect a business recovery in 4Q24F at home (improving same-store sales [SSS], rising steel prices) and overseas (Cambodia stores breaking even).

Second, we expect higher equity income from its home-improvement JVs in Myanmar, Laos, and Indonesia, with an estimated 11% equity income CAGR in 2025-27F.

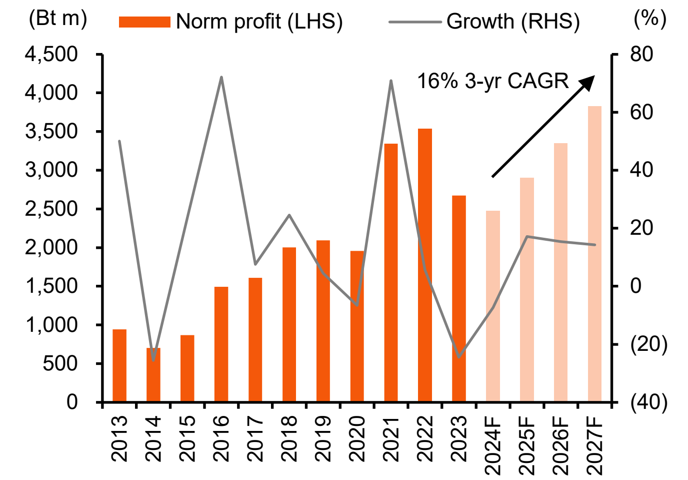
Third, after an 8% EPS fall this year, we project a 16% three-year EPS CAGR in 2025-27F.

Ex 2: Branch Expansion – Thailand



Sources: Company data, Thanachart estimates

Ex 3: A 16% Three-year EPS CAGR



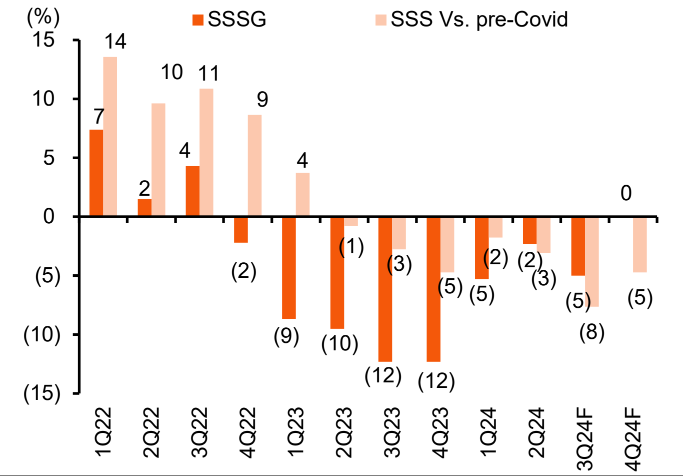
Sources: Company data, Thanachart estimates

Ex 4: 3Q24F Earnings Preview

Yr-end Dec (Bt m)	Income Statement					Change	
	3Q23	4Q23	1Q24	2Q24	3Q24F	*(q-q%)*	*(y-y%)*
Revenue	7,340	7,523	8,767	8,715	7,340	*(16)*	*0*
Gross profit	**1,898**	**1,966**	**2,190**	**2,320**	**1,923**	***(17)***	***1***
SG&A	1,399	1,423	1,464	1,574	1,580	*0*	*13*
Operating profit	499	543	726	746	343	*(54)*	*(31)*
EBITDA	**813**	**862**	**1,051**	**1,069**	**673**	***(37)***	***(17)***
Other income	173	190	213	206	180	*(13)*	*4*
Other expenses	0	0	0	0	0		
Interest expenses	71	81	86	70	71	*1*	*(0)*
Profit before tax	**601**	**651**	**852**	**882**	**452**	***(49)***	***(25)***
Income tax	117	126	179	179	90	*(49)*	*(23)*
Equity & invest. Income	44	35	51	61	60	*(2)*	*38*
Minority interest	(2)	1	2	0	0	*(53)*	*na*
Extraordinary items	(0)	(0)	(0)	(0)	0		
Net profit	**525**	**560**	**725**	**765**	**422**	***(45)***	***(20)***
Normalized profit	**525**	**560**	**726**	**765**	**422**	***(45)***	***(20)***

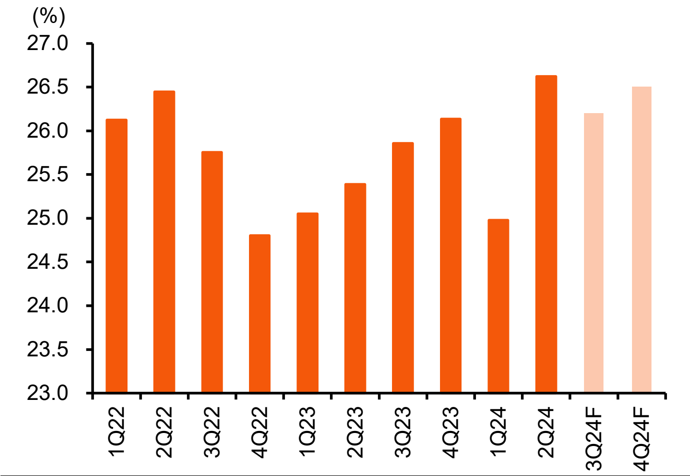
Sources: Company data, Thanachart estimates

Ex 5: Quarterly SSSG



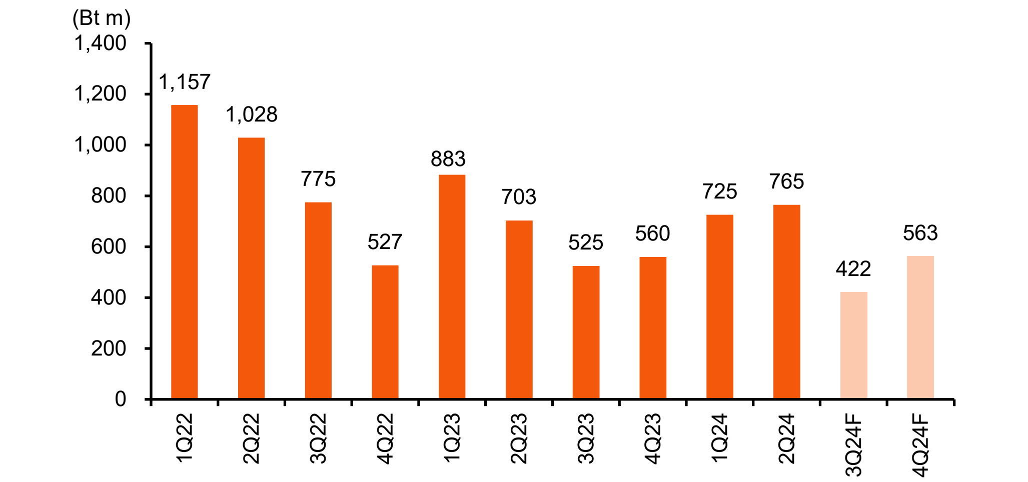
Sources: Company data, Thanachart estimates

Ex 6: Quarterly Gross Margin



Sources: Company data, Thanachart estimates

Ex 7: Quarterly Net Profit



Sources: Company data, Thanachart estimates

Overseas plan

Stronger overseas contributions

Apart from its direct investment in Cambodia (55% subsidiary) with two branches at present, GLOBAL is exposed to the home-improvement business in three countries abroad where the urbanization rate remains low with room for modern-trade home-improvement store expansion – 12 stores in Myanmar (15%), seven stores in Laos (17%) and 13 stores in Indonesia (11%) through its 50:50 JV, Global House International Co Ltd (GBI), with SCG Distribution Co Ltd.

Given 11 new stores in the pipeline, we assume the total number of overseas branches will increase from the current 32 to 45 in 2027F, with equity income of Bt255/292/321m in 2025-27F, or 8.8/8.7/8.4% of net profit. Note that the overseas contribution jumped from 1.4% of its 2019 profit to 4.9% of its 2023 profit.

GLOBAL has decided not to expand to the Philippines due to the high rental rate for stores there. To recap, in 4Q21, it established a company (55% owned) with a local partner, Filipino Business Alliance. There will be some write-off expenses, which the company does not expect to exceed Bt1m.

Ex 8: GLOBAL's Store Footprint

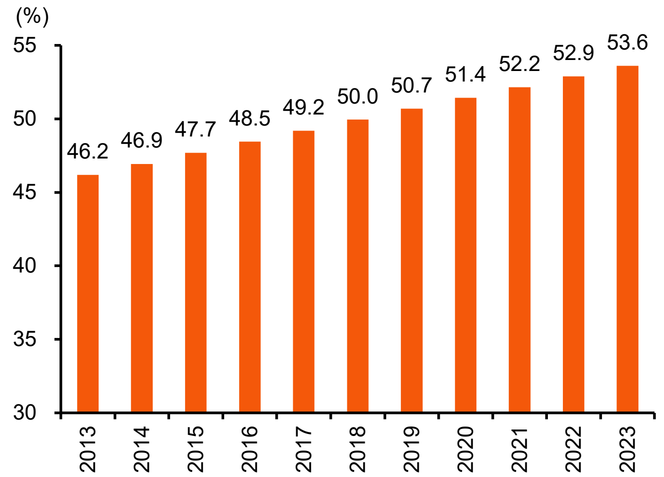
Source: Company data

Ex 9: Overseas Stores In The Pipeline

Country	# stores in the pipeline	Locations
Myanmar	3	Yangon No.3 Road, Taunggyi, Patein
Laos	4	Somsanuk, Luang Prabang, Vang Vieng, Oudomxai
Indonesia	4	Rungkut, Depok, Samarinda, Palembang

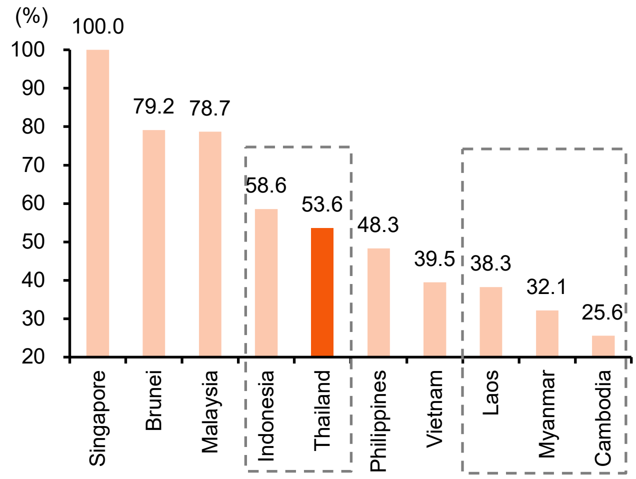
Sources: Company data, Thanachart

Ex 10: Thailand's Urbanization



Source: www.statista.com

Ex 11: Urbanization In Southeast Asia



Source: www.statista.com

Ex 12: 12-month DCF-based TP Calculation Using A Base Year Of 2025F

(Bt m)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	Terminal value
EBITDA	4,102	4,609	5,146	5,715	6,324	7,000	7,605	8,210	8,686	9,068	9,294	
Free cash flow	1,660	2,222	2,996	3,548	4,581	5,281	5,881	7,334	8,095	8,415	8,610	155,381
PV of free cash flow	1,655	1,934	2,434	2,688	3,239	3,483	3,510	4,065	4,168	4,025	3,825	69,033

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.8
WACC (%)	7.2
Terminal growth (%)	2.0
Enterprise value - add investments	106,059.5
Net debt (2024F)	9,540.0
Minority interest	305.7
Equity value	96,213.8
# of shares (m)	5,201.9
Equity value / share (Bt)	**18.50**

Investment: (Bt m)	
Land @ Muang Thong Thani	2,000

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 13: Valuation Comparison With Regional Peers

			EPS growth		PE		P/BV		EV/EBITDA		Div. yield	
Name	BBG code	Country	24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
Marks & Spencer	MKS LN	Britain	39.9	(0.4)	15.2	15.2	2.2	1.1	7.4	5.0	1.2	4.0
J Sainsbury PLC	SBRY LN	Britain	(3.2)	5.6	11.7	11.1	0.8	0.8	5.1	5.0	5.2	5.5
Tesco	TSCO LN	Britain	12.7	11.7	13.5	12.1	1.9	1.9	7.2	7.0	3.6	4.1
Carrefour SA	CA FP	France	12.6	17.2	8.2	7.0	0.9	0.9	5.6	5.1	6.2	6.4
Casino Guichard	CO FP	France	128.1	(141.4)	1.2	na	0.1	0.2	5.3	5.2	0.0	0.0
L'Oreal SA	OR FP	France	1.7	9.0	29.3	26.9	6.1	5.5	19.3	18.3	1.9	2.0
Alimentation Couche	ATD/B CN	Canada	(2.0)	5.6	na	na	na	na	11.2	10.3	na	na
Aeon	8267 JP	Japan	39.9	15.1	84.2	73.1	3.2	3.0	9.7	9.5	1.0	1.0
Kao Corporation	4452 JP	Japan	132.6	12.3	29.1	25.9	3.1	2.9	13.2	12.2	2.3	2.3
Lion Corporation	4912 JP	Japan	11.0	0.2	23.9	23.8	1.6	1.5	9.5	9.1	1.6	1.7
Shiseido Co. Ltd	4911 JP	Japan	9.7	190.6	67.0	23.1	2.1	2.0	13.6	10.0	1.8	1.9
Lawson	2651 JP	Japan	112.2	na	na	na	na	na	na	na	na	na
Seven & I Holdings	3382 JP	Japan	(15.7)	6.1	24.9	23.5	1.6	1.6	9.0	8.6	1.7	1.8
Lotte Corp	004990 KS	South Korea	na	na	na	10.9	0.4	0.4	8.6	8.7	6.3	7.3
Shinsegae	004170 KS	South Korea	(2.4)	11.8	5.1	4.6	0.3	0.3	6.7	6.3	2.8	2.9
Amore Pacific Group	002790 KS	South Korea	41.0	45.5	12.3	8.5	0.6	0.6	6.6	5.0	1.8	1.7
Best Buy Co Inc	BBY US	USA	2.0	9.3	14.9	13.6	6.1	6.1	7.5	7.1	4.0	4.2
Wal-Mart Stores	WMT US	USA	13.3	11.0	34.0	30.6	7.5	6.7	16.9	15.5	1.0	1.1
Home Depot Inc	HD US	USA	(0.5)	4.6	26.6	25.5	na	na	18.1	17.3	2.3	2.4
Levi Strauss & Co.	LEVI US	USA	12.8	14.0	14.5	12.7	3.4	3.0	9.1	8.5	2.8	3.1
Yonghui Superstores	601933 CH	China	118.4	150.0	na	na	5.7	5.4	16.7	16.3	0.0	0.5
Sa International	178 HK	Hong Kong	na	(44.8)	7.7	14.0	1.8	1.7	5.2	5.5	7.2	6.6
Dairy Farm Intl Hldgs	DFI SP	Hong Kong	31.0	12.2	15.9	14.2	2.9	2.7	8.1	7.4	3.9	5.1
President Chain Store	2912 TT	Taiwan	8.5	8.3	25.3	23.3	6.9	6.6	8.9	8.7	3.4	3.7
7-Eleven Malaysia	SEM MK	Malaysia	71.2	(1.8)	16.9	17.2	5.2	4.7	9.0	8.3	1.5	3.0
Berli Jucker *	BJC TB	Thailand	8.0	7.0	18.7	17.4	0.8	0.8	10.8	10.4	3.7	4.0
COM7 *	COM7 TB	Thailand	9.5	21.9	19.7	16.2	6.8	5.7	14.4	12.1	3.0	3.6
CP All *	CPALL TB	Thailand	33.3	17.5	24.6	20.9	4.6	4.1	9.7	8.8	2.0	2.4
CP Axtra *	CPAXT TB	Thailand	24.7	18.0	32.6	27.7	1.2	1.1	13.0	12.0	2.1	2.5
Central Pattana *	CPN TB	Thailand	13.9	8.0	18.4	17.0	2.9	2.6	13.1	12.3	3.0	3.1
Central Retail Corp. *	CRC TB	Thailand	7.2	11.3	21.5	19.3	2.6	2.4	7.9	7.5	1.9	2.1
Dohome *	DOHOME TB	Thailand	25.3	26.5	48.2	38.1	2.5	2.3	23.4	21.9	0.1	0.1
Siam Global House *	GLOBAL TB	Thailand	(7.5)	16.9	33.7	28.8	3.4	3.1	25.7	22.5	1.0	1.2
Home Product*	HMPRO TB	Thailand	1.6	10.7	19.6	17.7	4.9	4.6	11.0	10.2	4.1	4.5
MC Group *	MC TB	Thailand	11.9	20.1	14.0	11.6	2.7	2.6	5.2	6.4	7.1	8.4
Moshi Moshi Retail*	MOSHI TB	Thailand	23.7	30.7	31.4	24.0	6.9	5.9	15.7	12.7	1.6	2.1
Average			**27.2**	**15.9**	**23.9**	**20.5**	**3.1**	**2.9**	**11.1**	**10.2**	**2.7**	**3.1**

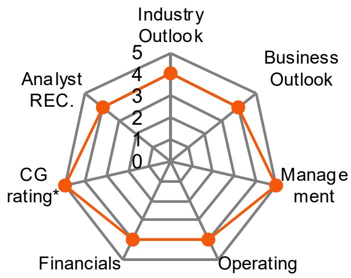
Sources: Bloomberg, Thanachart estimates
Note: * Thanachart estimates using normalized EPS growth,
Based on 24 October 2024 closing price

COMPANY DESCRIPTION

Siam Global House Pcl (GLOBAL) is one of the leaders among modern-trade operators in the home-improvement segment under the brand “Global House”. As of 2Q24, GLOBAL had 87 stores upcountry in Thailand and two in Cambodia (55% stake). It has also invested abroad in the home-improvement business in Myanmar (15% indirect holding), Laos (17% indirect holding), and Indonesia (11% indirect holding).

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; * CG Rating

THANACHART’S SWOT ANALYSIS

S — Strength

- GLOBAL is a pure provincial play and we expect it to benefit fully from the growing upcountry economy and urbanization.
- GLOBAL’s executives have many years of experience in the home-improvement segment.
- After Siam Cement’s (SCC TB, Bt207.00, BUY) investment in GLOBAL in November 2012, we believe the company is a much stronger player, both operationally and financially.

W — Weakness

- No stores located in Bangkok.

O — Opportunity

- A change in the lifestyle of consumers to shop at modern-trade stores rather than at traditional ones
- We see a faster and less risky growth path after SCC’s stake purchase in GLOBAL.
- Expanding opportunities in the CLMV and Southeast Asian markets.

T — Threat

- Lower spending power in the provinces.
- Intensifying competition from new rivals such as Thai Watsadu (Central group), HMPRO’s Mega Home, and other home-improvement operators.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	16.78	18.50	10%
Net profit 24F (Bt m)	2,762	2,475	-10%
Net profit 25F (Bt m)	3,191	2,901	-9%
Consensus REC	**BUY: 8**	**HOLD: 10**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2024-25F net profit estimates are 9-10% below the Bloomberg consensus numbers, which we attribute to us factoring in likely disappointing 3Q24F results.
- Our TP is higher than the Street’s. We think this is because we assume more store openings over the long term, as it started to expand aggressively last year.

Sources: Bloomberg consensus, Thanachart estimates

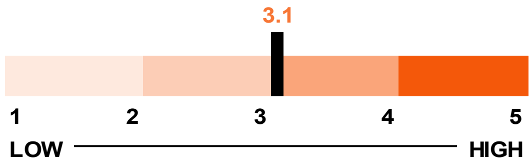
RISKS TO OUR INVESTMENT CASE

- If the number of new stores opened is lower than our assumption, this would negatively impact our earnings forecasts, representing the key downside risk to our call.
- If competition is more robust than our current expectations, GLOBAL’s SSS growth and margins would be subject to downside risk.
- Adverse fluctuations in steel prices.

Source: Thanachart

GLOBAL is a modern-trade retailer in the home-improvement segment. It has 83 "Global House" stores upcountry in Thailand and one 55%-owned store in Cambodia. It has investments abroad in the home-improvement business in Myanmar (15% holding), Laos (17%), and Indonesia (11%). Its business doesn't release much greenhouse gas, but it still has long-term ESG targets. Our ESG score is 3.1.

Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
GLOBAL	YES	YES	-	-	59.32	41.8	56.00	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)
Note: Please see third party on "terms of use" in the following back page.

Factors	Our Comments

ENVIRONMENT

- **Environmental Policies & Guidelines**
- **Energy Management**
- **Carbon Management**
- **Water Management**
- **Waste Management**

▪ GLOBAL targets to reduce greenhouse gas (GHG) emissions (scope 1 and 2) by 10% from the 2022 base year by 2030.
▪ In 2022, it installed solar rooftops at all branches in Thailand (77 stores in 2022), which generated 79,315,763 kWh of electricity. By 2027, it aims to increase its proportion of alternative energy consumption to 60% from 54% in 2022.
▪ By 2027, it targets to increase water recycling volume to 300,000 cubic meters per year from 250,560 cubic meters in 2022.
▪ GLOBAL established its "Love The Earth" shopping project by reducing plastic bag usage as part of its garbage and waste disposal campaign.

SOCIAL

- **Human Rights**
- **Staff Management**
- **Health & Safety**
- **Product Safety & Quality**
- **Social Responsibility**

▪ GLOBAL does not discriminate in its recruitment regarding age, gender, nationality, disabilities, religion, social status, or sexual orientation. Its recruitment focuses on abilities and the required qualifications.
▪ GLOBAL strictly complies with labor laws, e.g., no forced or child labor. Regarding layoffs, the company follows regulations and laws on compensation payments and advance notice.
▪ GLOBAL believes it treats all employees fairly and properly in compensation and welfare without discrimination. It provides a safe and healthy workplace, enhances employees' quality of life, and cares for their physical and mental health.

GOVERNANCE & SUSTAINABILITY

- **Board**
- **Ethics & Transparency**
- **Business Sustainability**
- **Risk Management**
- **Innovation**

▪ The board of directors (BOD) comprises ten members, four of whom are independent directors. None are women, and two directors are from the Suriyawanakul family, which is a major shareholder in the company.
▪ GLOBAL has a written anti-corruption policy with clear guidelines for business operations for all staff. Any type of bribery is prohibited, even in non-direct forms.
▪ The audit and risk management committee is responsible for reviewing the appropriateness and efficiency of risk management to ensure that internal controls and risk management are of adequate efficiency and the results reported to the BOD.
▪ Whistleblowing channels are provided for employees to make anonymous disclosures. Investigations are completed within seven days from the date of the complaint.

Sources: Company data, Thanachart

We expect store expansion to be a key sales driver

INCOME STATEMENT

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Sales	35,270	32,301	32,723	35,208	37,603
Cost of sales	26,166	24,040	24,196	25,899	27,518
Gross profit	**9,104**	**8,261**	**8,528**	**9,309**	**10,085**
% gross margin	25.8%	25.6%	26.1%	26.4%	26.8%
Selling & administration expenses	5,352	5,524	6,218	6,585	6,920
Operating profit	**3,753**	**2,737**	**2,309**	**2,724**	**3,165**
% operating margin	10.6%	8.5%	7.1%	7.7%	8.4%
Depreciation & amortization	1,246	1,223	1,313	1,378	1,444
EBITDA	**4,999**	**3,960**	**3,622**	**4,102**	**4,609**
% EBITDA margin	14.2%	12.3%	11.1%	11.7%	12.3%
Non-operating income	709	713	809	870	929
Non-operating expenses	0	0	0	0	0
Interest expense	(193)	(282)	(302)	(259)	(235)
Pre-tax profit	**4,269**	**3,168**	**2,816**	**3,335**	**3,860**
Income tax	836	620	574	680	787
After-tax profit	**3,433**	**2,548**	**2,241**	**2,655**	**3,072**
% net margin	9.7%	7.9%	6.8%	7.5%	8.2%
Shares in affiliates' Earnings	120	130	232	255	292
Minority interests	(19)	(7)	2	(9)	(16)
Extraordinary items	(46)	0	0	0	0
NET PROFIT	**3,487**	**2,671**	**2,475**	**2,901**	**3,348**
Normalized profit	**3,533**	**2,671**	**2,475**	**2,901**	**3,348**
EPS (Bt)	0.7	0.5	0.5	0.6	0.6
Normalized EPS (Bt)	0.7	0.5	0.5	0.6	0.6

BALANCE SHEET

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
ASSETS:					
Current assets:	17,568	16,064	16,273	17,045	17,698
Cash & cash equivalent	1,189	1,149	1,456	1,534	1,589
Account receivables	631	757	897	965	1,030
Inventories	15,747	14,159	13,921	14,546	15,078
Others	0	0	0	0	0
Investments & loans	2,144	2,187	2,187	2,187	2,187
Net fixed assets	17,471	18,804	19,991	20,863	21,669
Other assets	1,965	2,002	2,011	2,071	2,130
Total assets	**39,148**	**39,058**	**40,462**	**42,166**	**43,684**
LIABILITIES:					
Current liabilities:	13,629	13,120	12,284	11,907	11,287
Account payables	2,311	3,043	2,652	2,838	3,016
Bank overdraft & ST loans	9,475	7,626	7,697	7,229	6,550
Current LT debt	1,512	2,195	1,649	1,549	1,404
Others current liabilities	331	256	286	291	317
Total LT debt	**2,120**	**1,075**	**1,649**	**1,549**	**1,404**
Others LT liabilities	1,307	1,315	1,360	1,373	1,386
Total liabilities	**17,057**	**15,511**	**15,294**	**14,829**	**14,076**
Minority interest	304	308	306	314	331
Preferreds shares	0	0	0	0	0
Paid-up capital	4,802	5,002	5,002	5,202	5,202
Share premium	4,739	4,739	4,739	4,739	4,739
Warrants	0	0	0	0	0
Surplus	(43)	(40)	(40)	(40)	(40)
Retained earnings	**12,290**	**13,538**	**15,162**	**17,122**	**19,376**
Shareholders' equity	21,788	23,239	24,863	27,023	29,277
Liabilities & equity	**39,148**	**39,058**	**40,462**	**42,166**	**43,684**

Sources: Company data, Thanachart estimates

GLOBAL has continued to open new stores

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Earnings before tax	4,269	3,168	2,816	3,335	3,860
Tax paid	(856)	(697)	(545)	(675)	(762)
Depreciation & amortization	1,246	1,223	1,313	1,378	1,444
Chg In working capital	249	2,196	(294)	(507)	(421)
Chg In other CA & CL / minorities	88	111	233	254	292
Cash flow from operations	**4,997**	**6,001**	**3,523**	**3,786**	**4,413**
Capex	(1,618)	(2,556)	(2,500)	(2,250)	(2,250)
Right of use	51	53	3	3	3
ST loans & investments	(0)	(0)	0	0	0
LT loans & investments	(537)	(43)	0	0	0
Adj for asset revaluation	(89)	3	0	0	0
Chg In other assets & liabilities	(72)	(64)	34	(50)	(48)
Cash flow from investments	**(2,266)**	**(2,607)**	**(2,463)**	**(2,298)**	**(2,296)**
Debt financing	(2,142)	(2,211)	100	(669)	(969)
Capital increase	200	200	0	200	0
Dividends paid	(1,173)	(1,223)	(852)	(941)	(1,094)
Warrants & other surplus	(199)	(200)	0	0	0
Cash flow from financing	**(3,313)**	**(3,434)**	**(752)**	**(1,410)**	**(2,063)**
Free cash flow	**3,378**	**3,445**	**1,023**	**1,536**	**2,163**

Trading near its four-year average PE of 31x

VALUATION

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Normalized PE (x)	23.5	31.2	33.7	28.8	25.0
Normalized PE - at target price (x)	27.0	35.8	38.8	33.1	28.7
PE (x)	23.8	31.2	33.7	28.8	25.0
PE - at target price (x)	27.4	35.8	38.8	33.1	28.7
EV/EBITDA (x)	19.0	23.5	25.7	22.5	19.9
EV/EBITDA - at target price (x)	21.5	26.6	29.1	25.6	22.6
P/BV (x)	3.8	3.6	3.4	3.1	2.9
P/BV - at target price (x)	4.4	4.1	3.9	3.6	3.3
P/CFO (x)	16.6	13.9	23.7	22.1	19.0
Price/sales (x)	2.4	2.6	2.6	2.4	2.2
Dividend yield (%)	1.4	1.0	1.0	1.2	1.4
FCF Yield (%)	4.1	4.1	1.2	1.8	2.6
(Bt)					
Normalized EPS	0.7	0.5	0.5	0.6	0.6
EPS	0.7	0.5	0.5	0.6	0.6
DPS	0.2	0.2	0.2	0.2	0.2
BV/share	4.2	4.5	4.8	5.2	5.6
CFO/share	1.0	1.2	0.7	0.7	0.8
FCF/share	0.7	0.7	0.2	0.3	0.4

Sources: Company data, Thanachart estimates

We estimate double-digit EPS growth to resume from next year

FINANCIAL RATIOS

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Growth Rate					
Sales (%)	5.3	(8.4)	1.3	7.6	6.8
Net profit (%)	4.3	(23.4)	(7.3)	17.2	15.4
EPS (%)	4.0	(23.5)	(7.5)	16.9	15.3
Normalized profit (%)	5.7	(24.4)	(7.3)	17.2	15.4
Normalized EPS (%)	5.4	(24.5)	(7.5)	16.9	15.3
Dividend payout ratio (%)	33.6	31.4	35.0	35.0	35.0
Operating performance					
Gross margin (%)	25.8	25.6	26.1	26.4	26.8
Operating margin (%)	10.6	8.5	7.1	7.7	8.4
EBITDA margin (%)	14.2	12.3	11.1	11.7	12.3
Net margin (%)	9.7	7.9	6.8	7.5	8.2
D/E (incl. minor) (x)	0.6	0.5	0.4	0.4	0.3
Net D/E (incl. minor) (x)	0.5	0.4	0.4	0.3	0.3
Interest coverage - EBIT (x)	19.5	9.7	7.6	10.5	13.5
Interest coverage - EBITDA (x)	25.9	14.0	12.0	15.8	19.7
ROA - using norm profit (%)	9.0	6.8	6.2	7.0	7.8
ROE - using norm profit (%)	17.1	11.9	10.3	11.2	11.9
DuPont					
ROE - using after tax profit (%)	16.6	11.3	9.3	10.2	10.9
- asset turnover (x)	0.9	0.8	0.8	0.9	0.9
- operating margin (%)	12.6	10.7	9.5	10.2	10.9
- leverage (x)	1.9	1.7	1.7	1.6	1.5
- interest burden (%)	95.7	91.8	90.3	92.8	94.3
- tax burden (%)	80.4	80.4	79.6	79.6	79.6
WACC (%)	6.8	6.8	6.8	7.2	7.2
ROIC (%)	9.1	6.5	5.6	6.3	7.0
NOPAT (Bt m)	3,018	2,201	1,838	2,168	2,520
invested capital (Bt m)	33,706	32,987	34,403	35,815	37,046

Sources: Company data, Thanachart estimates

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