

Market : mai

AGRO-mai : Agro & Food Industry



March 2017

HOTPOT**HOT POT PUBLIC COMPANY LIMITED**

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Factory : 11/1 Moo 3 Bueng Kham Phroi, Lam Lukka, Pathumthani 12150 Tel. 02-577-3667

website : <http://www.hotpot.co.th>**CEO :****Khun Sompon Roekwibunsi**

Chief Executive Officer

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Mobile : 081-945-4672

Email : rsompon@hotpot.co.th**CFO/RO :****Khun Paleerat Numnonda**

Chief Financial Officer/Investor Relations

Tel. : 02-943-8448 ext. 1114

Mobile : 095-208-0473

Email : npaleerat@hotpot.co.th**Company Background**

Executive group and major shareholders have operated restaurant business since 1992. The first Suki Shabu restaurant in A La Carte type was opened in Chachoengsao Province. The Company currently operates buffet restaurants consisting of international buffet restaurants under "Hot Pot" brand serving Suki Shabu and buffet Japanese style grill restaurants under "Daidomon" brand, and Casual Dining restaurants serving steak and fusion food in A La Carte type under "Signature" brand. Presently, approximately 140 stores are operated and situated in leading shopping centers throughout the country under the concept of serving delicious food with variety and providing good service at valued prices in order to achieve the Company's vision "To be one of the leaders in restaurant business and the top of mind of customers, employees and society".

Key Development of Company

- Feb. 2007 Constructed the factory located in Lam Lukka District, Pathumthani, as the Company's food production factory and central kitchen.
- Dec. 2012 Acquired Daidomon business.
- 2013 Started the strategy serving both boiling and grill style in the same table to provide customers more choices of eating styles.
- 2014 Renovated branch stores to be modernized, and implemented rebranding to reduce brand confusion and clarify brand identity. Additionally, Suki sauce has been placed in a modern trade, and the first store under "Signature" brand, the Company's new brand, has been operated.
- 2015 Arranged food festivals which were Pot Jung Guem (Korea spicy soup) and Asean Food, and implemented in-depth marketing research to study consumers' attitude toward "Hot Pot" brand, behavior and attitude affecting restaurant selection.
- 2016 Opened the first franchise store under "Hot Pot" brand at Loas, arranged food festival for Euro Football, served new soup named "Tum Yum Mun Goong Soup", and added new channel of Suki sauce distribution thru more than 600 outlets of Tesco Lotus Express.

Revenue Breakdown

(Unit : Million Baht)

Revenue Structure	Q4/2016	%	Q4/2015	%	2016	%	2015	%
1. Revenues from sales	505.70	99.39	501.88	97.27	2,054.34	99.31	2,132.71	98.48
(A) From branches	502.51	98.77	500.41	96.99	2,043.75	98.80	2,125.61	98.15
1) Hot Pot Inter Buffet	284.70	55.96	293.67	56.92	1,177.13	56.91	1,308.94	60.44
2) Hot Pot Inter Buffet with Grill	139.17	27.35	138.22	26.79	569.88	27.55	536.80	24.79
3) Hot Pot Prestige	0.00	0.00	1.43	0.28	0.00	0.00	9.81	0.45
4) Hot Pot Suki Shabu	3.82	0.75	5.25	1.02	18.85	0.91	24.28	1.12
5) Daidomon	48.23	9.48	46.26	8.97	183.12	8.85	199.38	9.21
6) Signature	26.58	5.23	15.58	3.02	94.25	4.56	46.41	2.14
7) Pot Jung	0.00	0.00	0.00	0.00	0.51	0.02	0.00	0.00
(B) From other sales	3.19	0.63	1.47	0.29	10.59	0.51	7.10	0.33
2. Other income	3.08	0.61	14.06	2.73	14.17	0.69	33.00	1.52
Total revenues	508.78	100	515.94	100	2,068.51	100	2,165.71	100

Stock Data

(03/03/2017)

	YTD	2016	2015
Paid-up (MB.)	101.50	101.50	101.50
Listed share (M.)	406	406	406
Par (B.)	0.25	0.25	0.25
Market Cap (MB.)	958	1,096	877
Price (B./share)	2.36	2.70	2.16
EPS (B.)	-0.37	-0.37	-0.23

Statistics (03/03/2017)

	P/E	P/BV	Div.Yield
HOTPOT (x)	N/A	7.77	N/A
AGRO – mai (x)	N/A	4.14	0.83
AGRO – SET (x)	22.01	2.51	2.42
mai (x)	92.64	3.11	1.50
SET (x)	17.27	1.92	3.04

Recent Research

- None

CG Report Score**THSI List****Shareholder Structure** (27/12/2016)

Shareholder	No. of share (M.)	%
Group of Mr. Sompon Roekwibunsi	119.40*	29.41*
Group of Mr. Apichai Taechaubol	99.47*	24.50*
Mr. Thaveechat Churangkul	69.73	17.17
Minor Shareholders	117.40	28.92

*After adjustment of Big Lot transactions on 30/12/2015 and 11/1/2016

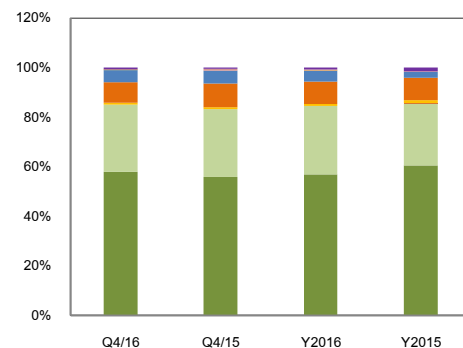
Financial Ratios

	2016	2015	2014
ROE (%)	-78.91	-31.68	-14.39
ROA (%)	-14.30	-9.19	-5.22
D/E (X)	4.64	2.25	1.84
GP Margin (%)	51.31	53.15	54.03
EBIT Margin (%)	-5.24	-3.83	-2.26
NP Margin (%)	-7.17	-4.39	-2.35

Capital Structure

(MB)

	2016	2015	2014
Current Liabilities	452.64	482.04	533.44
Non-Current Liabilities	119.50	86.63	104.00
Shareholders' Equity	123.34	252.35	347.34

Operating Revenue

■ Hot Pot Inter Buffet
■ Hot Pot Prestige
■ Daidomon
■ Pot Jung
■ Other income
■ Hot Pot Inter Buffet with Grill
■ Hot Pot Suki Shabu
■ Signature
■ Other sales

Business Plan

- Speed up to create stronger brand by improving brands to be more premium, creating distinction and identity of each brand, inventing and developing new food menus which have identity and meet customers' needs, as well as improving and developing service quality to be standardized.
- Create brand awareness by advertising via various media with effectiveness, continuous arranging marketing activities and promotion to satisfy target group of customers.
- Improve internal operational management to be more efficient as well as cost and expense management.
- Hurry to manage stores with net loss operating results properly by either rebranding or adjusting service types or implementing marketing strategies or selling franchise or ceasing operation.
- Expand business by more careful considering selection of opening new stores by focusing on only potential locations which are around the heart of the city, developing new brands and acquiring new brands from local and foreign brand owners, and adding new channels of Suki sauce distribution.

Investment Highlight

The Company's interesting highlights are as follows:

- Branch outlets are located in shopping centers throughout the country.
- A center kitchen, which its quality is investigated and certified, produces semi-finished products and sauce with quality and taste control to ensure its standard for all branch stores.

Risk Factors

Main risk factors and risk protection are as follows:

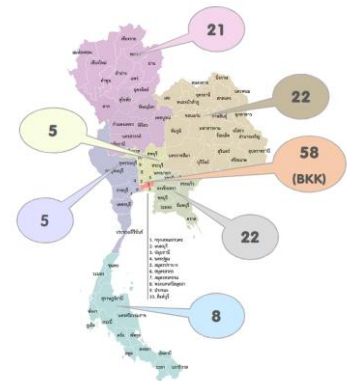
- Slowdown purchasing power and reluctant spending of consumers The Company continues to arrange marketing activities and promotion including price discount promotion, in order to simulate consumers spending. Discount promotion really boosted the number of customers using the Company's service, nevertheless the Company's net revenues from sale declined. Consequently, the Company has adjusted price discount strategy to be more appropriate for each branch store. At the same time, the Company also focuses on efficient cost and expense management. The Company also plans to boost other revenues from selling other products for example selling sauce, extra charge for shrimp paste in Tum Yum Mun Goong Soup, selling gift voucher etc. Furthermore, the Company will provide more privilege for member customers whose numbers currently are more than 300,000 head counts, deriving from the Company's promotion for free applying membership online in Q3/2016.
- Ongoing intense trend of completion situation due to an increase number of restaurants from both store expansion and new brands launching of existing entrepreneurs as well as market entry of newcomers. As a result, the Company gives priority to create stronger brand, together with brand recognition thru variety of activities including continual improvement and development of food menus, arrangement of food festival, advertisement via online media, and various marketing activities.

Company Structure

No subsidiaries/affiliates

Branch stores by Geographic

(31/12/2016)



Divided by region according to the Office of the National Economic and Social Development Board

Company Product



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