Siam Global House (GLOBAL TB)

2Q26: Results Beat; Gross Margin Hits All-time High

BUY (Maintained)	
Share Price	Bt7.60
Target Price	Bt9.00
Upside	18.40%
Previous TP	Bt8.50

Highlights

- GLOBAL reported a strong net profit of Bt955m (+84% yoy, +19% qoq), beating our and market expectations by 30% and 38% respectively.
- Gross margin reached a record high of 31.6%, well above our expectation.
- Financing costs are expected to continue declining in 2H26, while gross margin is likely to keep expanding yoy, helping offset a soft SSSG.
- Maintain BUY with a higher target price of Bt9.00 (from Bt8.50).

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2Q26 Results

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy(%)	qoq(%)	2025	2026	yoy(%)
Sales and services	8,183	8,590	8,171	(0.1)	(4.9)	31,601	31,737	0.4
Gross profit	2,080	2,287	2,581	24.1	12.8	8,159	8,851	8.5
SG&A	(1,640)	(1,518)	(1,688)	3.0	11.2	(6,479)	(6,506)	0.4
EBIT	603	920	1,026	70.0	11.5	2,324	2,932	26.2
Interest expense	(60)	(38)	(30)	(49.6)	(20.8)	(236)	(131)	(44.5)
Equity income	46	50	105	127.4	109.9	154	248	61.0
Net profit	520	803	955	83.6	19.1	1,964	2,639	34.4
Percent	2Q25	1Q26	2Q26	(ppts)	(ppts)	2025	2026	(ppts)
Gross margin	25.4	26.6	31.6	6.2	5.0	25.8	27.9	2.1
SG&A to sales	(20.0)	(17.7)	(20.7)	(0.62)	(3.0)	(20.5)	(20.5)	0.0
Net profit margin	6.4	9.3	11.7	5.3	2.4	6.2	8.3	2.1

Source: Siam Global House, UOB Kay Hian

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	GLOBAL TB
Shares issued (m):	5,602.0
Market cap (Btm):	35,852.8
Market cap (US$m):	1,095.0
3-mth avg daily t'over (US$m):	3.0

Price Performance (%)

52-week high/low: Bt8.3/Bt4.2

1mth	3mth	6mth	1yr	YTD
4.1	(8.4)	3.7	(2.4)	4.5

Major Shareholders	%
Suriyanukul Family	34.53
SCG Distribution	32.94
NVDR	3.33

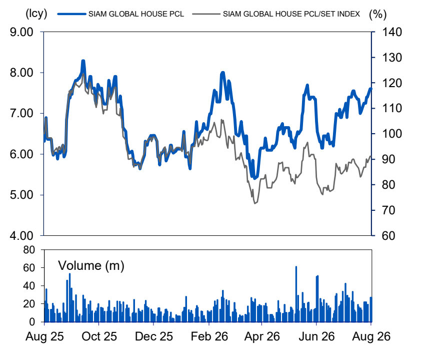
Balance Sheet Metrics

FY26 NAV/Share (Bt)	5.0
FY26 Net Debt/Share (Bt)	1.5

Analysis

- **Results beat.** Siam Global House (GLOBAL) reported a net profit of Bt955m (+84% yoy, +19% qoq), beating our and market expectations by 30% and 38% respectively. The earnings beat was mainly driven by a stronger-than-expected gross margin and equity income, as well as lower-than-expected interest expenses.
- **Gross margin reaches record high.** Gross margin reached a record high. 2Q26 results were driven by: a) sales remaining flat yoy, as continued negative SSSG offset new store expansion, b) gross margin reached a record high of 31.6% (+617bp yoy), well above our expectation of 28.2%, driven by price increases implemented since Mar 26, the use of low-cost inventory, and a higher contribution from house-brand products, and c) SG&A-to-sales increased 62bp yoy to 20.7%, which was slightly above expectations. However, these were offset by: a) a 49.6% yoy decline in interest expenses following short-term debt repayment; and b) higher equity income supported by the recovery of operations in Myanmar.

Price Chart



Source: Bloomberg

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	32,285.2	31,601.1	31,736.7	33,000.9	33,962.8
EBITDA	3,557.5	3,077.1	3,754.2	3,751.0	3,879.5
Operating profit	2,215.6	1,680.6	2,345.3	2,277.1	2,343.4
Net profit (rep./act.)	2,377.0	1,964.0	2,638.8	2,646.6	2,732.3
Net profit (adj.)	2,377.0	1,978.1	2,638.8	2,646.6	2,732.3
EPS	0.5	0.4	0.5	0.5	0.5
PE (x)	16.6	20.8	15.6	15.5	15.6
P/B (x)	1.6	1.6	1.5	1.4	1.4
EV/EBITDA (x)	21.8	25.2	20.4	20.3	19.4
Dividend yield (%)	2.3	2.4	3.2	3.2	3.2
Net margin (%)	7.4	6.2	8.3	8.0	8.0
Net debt/(cash) to equity(%)	36.8	35.2	29.2	27.0	22.3
Interest cover (x)	11.4	13.0	28.7	28.8	30.0
Consensus net profit	n.a	n.a	2,162.1	2,322.4	2,469.8
UOBKH/Consensus (x)	n.a	n.a	1.2	1.1	1.1

Source: Siam Global House, Bloomberg, UOB Kay Hian

Company Description

The Company operates its businesses under concept of modern trade from construction material to home improvement supplies. It is a one-stop shopping home center, which offers construction material, home decorative products, tools and equipments.

- **Store rollout plan is achievable.** During 2Q26, GLOBAL expanded its domestic footprint by opening two branches in Phitsanulok (Wang Thong) and Ubon Ratchathani (Trakan Phuet Phon). The company remains on track to fulfil its FY26 guidance of five new domestic store openings, with two remaining locations slated for 2H26 – this is an outcome we consider highly realistic. In contrast, execution of the two-store expansion plan in Indonesia faces higher operational challenges.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt9.00 (from Bt8.50).** We roll over our target price to the 12-month forward EPS, pegged to a target PE of 20x, which is equivalent to -1SD of its five-year historical average among home improvement peers. We maintain a positive outlook on GLOBAL, backed by its strongest balance sheet in years, with net D/E decreasing to 0.25x (from 0.31x at end-25). Financing costs are expected to continue declining in 2H26, while gross margin is likely to keep expanding yoy, helping offset the weak SSSG (Jul 26's SSSG was close to Jun 26's at -5% yoy).

Earnings Revision/Risk

- **Revise up earnings.** We revise 2026-27 earnings up by 9% and 5% respectively to reflect the better-than-expected gross margin and equity income.

Earnings Revision

	2026F			2027F		
Year to 31 Dec (Btm)	New	Previous	Change	New	Previous	Change
Sales	31,737	31,892	-0.5%	33,001	33,161	-0.5%
Gross profit	8,851	8,611	2.8%	9,009	8,953	0.6%
Operating profit	2,932	2,770	5.9%	2,904	2,881	0.8%
Net profit	2,639	2,415	9.3%	2,647	2,517	5.1%

Source: Siam Global House, UOB Kay Hian

Share Price Catalyst

- a) Strong margin expansion, b) net D/E reaching 0.25x.

Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AA

Environmental

- Actively promotes energy efficiency across its supply chains, reducing carbon emissions and adopting waste management initiatives.

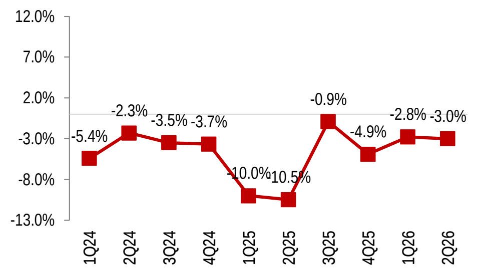
Social

- Emphasises employee well-being and community engagement, ensuring fair labour practices and supporting local development projects

Governance

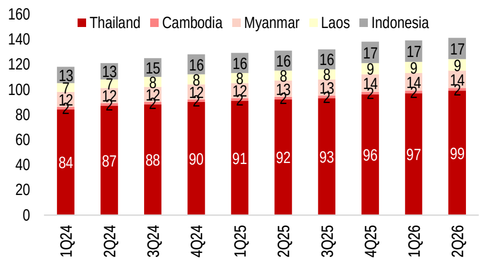
- Maintains strong corporate governance with transparent disclosure, an independent board structure, and strict compliance with regulatory standards.

Same-store Sales Growth



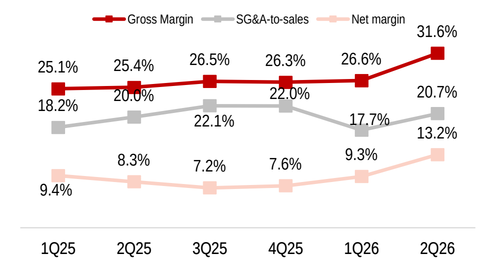
Source: GLOBAL, UOB Kay Hian

Stores



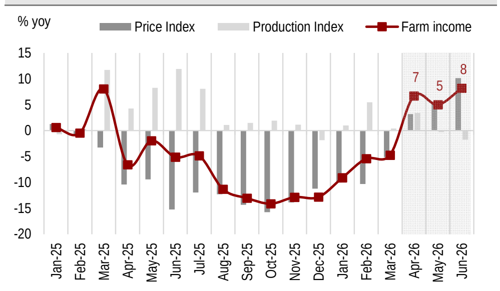
Source: GLOBAL, UOB Kay Hian

Profitability



Source: GLOBAL, UOB Kay Hian

Farm Income



Source: OAE, UOB Kay Hian

Peers' PE band

Peers	-2SD	-1SD	Mean	+1SD	+2SD
BJC	14.9	19.6	24.2	28.9	33.6
CPALL	7.5	17.3	27.2	37.1	47.0
CPAXT	12.1	23.6	35.1	46.6	58.1
CPN	7.8	13.6	19.3	25.1	30.8
CRC	10.3	16.5	22.8	29.1	35.3
DOHOME	-1.5	18.7	39.0	59.2	79.4
GLOBAL	14.6	21.8	29.0	36.1	43.3
HMPRO	11.0	17.7	24.4	31.0	37.7
Average	9.6	18.6	27.6	36.6	45.7
Modern Grocery	10.5	18.1	25.7	33.3	41.0
Home Improvement	8.0	19.4	30.8	42.1	53.5

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	31,601	31,737	33,001	33,963
EBITDA	3,077	3,754	3,751	3,879
Deprec. & amort.	1,397	1,409	1,474	1,536
EBIT	1,681	2,345	2,277	2,343
Total other non-operating income	799	743	789	812
Associate contributions	154	248	267	281
Net interest income/(expense)	(236)	(131)	(130)	(129)
Pre-tax profit	2,383	3,205	3,204	3,307
Tax	(442)	(592)	(582)	(600)
Minorities	23	25	25	25
Net profit	1,964	2,639	2,647	2,732
Net profit (adj.)	1,978	2,639	2,647	2,732

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	21,295	21,523	22,038	22,439
Other LT assets	3,015	3,354	3,658	3,969
Cash/ST investment	2,209	241	418	1,254
Other current assets	13,671	13,976	14,338	14,802
Total assets	40,190	39,094	40,452	42,464
ST debt	9,959	6,447	6,417	6,387
Other current liabilities	2,652	3,044	3,105	3,101
LT debt	1,235	1,735	1,715	1,695
Other LT liabilities	552	458	502	533
Shareholders' equity	25,540	27,184	28,511	30,571
Minority interest	252	227	202	177
Total liabilities & equity	40,190	39,094	40,452	42,464

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	6,508	4,109	3,794	3,776
Pre-tax profit	2,383	3,205	3,204	3,307
Tax	(442)	(592)	(582)	(600)
Deprec. & amort.	1,397	1,409	1,474	1,536
Working capital changes	(434)	73	(297)	(477)
Non-cash items	5	14	(5)	9
Other operating cashflows	3,598	0	0	0
Investing	(1,790)	(2,070)	(2,248)	(2,218)
Capex (growth)	(1,774)	(1,637)	(1,988)	(1,938)
Investments	(134)	(99)	(107)	(112)
Others	119	(334)	(153)	(168)
Financing	(4,342)	(4,008)	(1,369)	(722)
Dividend payments	(959)	(995)	(1,319)	(1,372)
Issue of shares	200	0	0	700
Proceeds from borrowings	399	(3,012)	(50)	(50)
Others/interest paid	(3,983)	0	0	0
Net cash inflow (outflow)	376	(1,968)	177	836
Beginning cash & cash equivalent	1,661	2,029	61	238
Ending cash & cash equivalent	2,037	61	238	1,074

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	9.7	11.8	11.4	11.4
Pre-tax margin	7.5	10.1	9.7	9.7
Net margin	6.2	8.3	8.0	8.0
Growth				
Turnover	(2.1)	0.4	4.0	2.9
EBITDA	(13.5)	22.0	(0.1)	3.4
Pre-tax profit	(17.9)	34.5	0.0	3.2
Net profit	(17.4)	34.4	0.3	3.2
Net profit (adj.)	(16.8)	33.4	0.3	3.2
EPS	(19.9)	33.4	0.3	(0.4)
Leverage				
Debt to total capital	43.4	29.8	28.3	26.3
Debt to equity	43.8	30.1	28.5	26.4
Net debt/(cash) to equity	35.2	29.2	27.0	22.3
Interest cover	13.0	28.7	28.8	30.0