UOBKayHian

MR. D.I.Y. Thailand (MRDIYT TB)

2Q26 Results Preview: Growth Driven By Margin Expansion

BUY (Maintained)

Share Price	Bt10.00
Target Price	Bt11.00
Upside	10.00%
Previous TP	Bt10.50

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Highlights

- MRDIYT is expected to report a 2Q26 net profit of Bt750m, up 18% yoy and 11% qoq, driven by continued store rollout and margin expansion.
- Earnings growth is expected to remain positive throughout 2H26, driven by continued store expansion.
- Maintain BUY and raise target price to Bt11.00 (from Bt10.50). We roll forward our valuation to a 12-month forward PE of 20x.

2Q26 Results Preview

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)
Sales and services	4,951	5,424	5,892	19.0	8.6
Gross profit	2,546	2,819	3,066	20.4	8.8
SG&A	1,626	1,868	1,997	22.8	6.9
EBIT	947	979	1,068	12.8	9.1
Interest expense	96	73	77	(19.6)	5.0
Equity income	(34)	(28)	(28)	n.a.	n.a.
Net profit	634	678	750	18.3	10.6
Percent	2Q25	1Q26	2Q26F	ppts	ppts
Gross margin	51.4	52.0	52.0	0.60	0.1
SG&A to sales	32.8	34.4	33.9	1.05	(0.5)
Net profit margin	12.8	12.5	12.7	(0.08)	0.2

Source: MR. D.I.Y. Thailand, UOB Kay Hian

Analysis

- **Expect earnings growth.** MR. D.I.Y. Thailand (MRDIYT) is forecast to report a 2Q26 net profit of Bt750m, up 18% yoy and 11% qoq, driven by sales growth, gross margin expansion, a lower share of losses, and higher other income.
- **Sales to reach a record high, driven by store expansion.** 2Q26 sales are expected to come in at Bt5.89bn, up 19% yoy and 9% qoq, marking a record high, supported by a net addition of 56 stores (59 openings and three closures), bringing the total store count to 1,248 stores by end-2Q26. The company has already secured more than 90% of the locations required to achieve its 2026 target of 210 new stores. However, SSSG could turn negative on a high base. We expect 2Q26 SSSG to decline 1.5% yoy, marking the first negative reading in the past 10 quarters, mainly due to a high base effect. The Thai Help Thai Plus co-payment scheme is projected to have a broadly neutral impact on MRDIYT, as SSSG improved in early-Jun 26 before softening and turning negative towards the end of the month.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	16,147.0	20,077.9	23,711.4	27,438.9	29,359.7
EBITDA	4,772.3	6,473.8	7,170.9	8,147.3	8,829.6
Operating profit	2,644.3	3,857.6	4,429.8	5,078.0	5,433.5
Net profit (rep./act.)	1,781.6	2,631.4	3,120.2	3,613.4	3,890.2
Net profit (adj.)	1,781.6	2,631.4	3,120.2	3,613.4	3,890.2
EPS	0.3	0.4	0.5	0.6	0.6
PE (x)	31.4	22.9	19.3	16.6	15.5
P/B (x)	11.8	6.2	5.2	4.4	3.8
EV/EBITDA (x)	14.3	10.0	9.0	7.8	7.0
Dividend yield (%)	1.2	2.1	2.5	2.8	3.1
Net margin (%)	11.0	13.1	13.2	13.2	13.2
Net debt/(cash) to equity(%)	171.5	49.8	36.8	25.7	13.3
Interest cover (x)	12.7	17.3	22.6	25.2	26.7
ROE (%)	42.7	36.4	29.3	28.6	26.3
Consensus net profit	n.a	n.a	3,073.4	3,611.2	4,125.0
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

Source: MR. D.I.Y. Thailand, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	MRDIYT TB
Shares issued (m):	6,017.1
Market cap (Bt$m):	60,772.7
Market cap (US$m):	1,807.0
3-mth avg daily t'over (US$m):	2.8

Price Performance (%)

52-week high/low				Bt12.2/Bt7.6
1mth	3mth	6mth	1yr	YTD
10.4	15.4	22.4	n.a	16.1

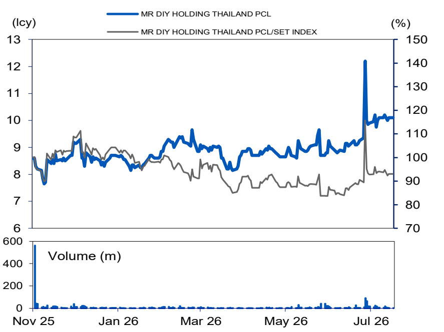
Major Shareholders

	%
MR. D.I.Y.	25.09
Jhomphong Tomongkhon	16.41
MDIH (Singapore) Pte. Ltd.	11.28

Balance Sheet Metrics

FY26 NAV/Share (Bt)	1.9
FY26 Net Debt/Share (Bt)	0.7

Price Chart



Source: Bloomberg

Company Description

Operates as a holding company which engages in the retail business of home decoration and lifestyle products under the MR. D.I.Y. brand in Thailand.

- **Gross margin could expand despite the Price Lock campaign.** EBITDA is expected to increase 15% yoy in 2Q26, supported by a 60bp yoy expansion in gross margin to 52.0% (2Q25: 51.4%; 1Q26: 52.0%), indicating that the Price Lock campaign is unlikely to pressure margins. Meanwhile, SG&A-to-sales is likely to increase 105bp yoy to 33.9%, mainly due to higher depreciation, rental, and utility expenses associated with ongoing store expansion, while remaining in line with expectations. The share of loss from KKV is projected to decline yoy and remain flat qoq at Bt28m, supported by improving store efficiency. Interest expenses are expected to drop yoy and qoq following the repayment of bank loans.

Valuation/Recommendation

- **Maintain BUY and raise target price to Bt11.00 (from Bt10.50).** We roll forward our valuation to a 12-month forward PE of 20x, in line with -1SD to the five-year average PE of regional home improvement peers. We continue to value MRDIYT on a PE basis, reflecting its high-growth, asset-light business model.

Earnings Revision/Risk

- **Fine-tune earnings.** We fine-tune our 2026-27 earnings forecasts by +0.5% and +0.1%, respectively.
- A 1% appreciation of the Thai baht against the US dollar would reduce earnings by 0.8%.
- A 1% increase in freight and logistics costs would reduce earnings by 0.07%.

Share Price Catalyst

- **Store expansion to remain the key earnings driver in 3Q26.** We expect SSSG in the first two weeks of Jul 26 to have turned slightly positive, with yoy momentum improving from Jun 26 (Jun 26 SSSG estimated at -2%). As a result, we project that 3Q26 SSSG will be flat yoy. Gross margin could decline yoy due to a high base in 3Q25, although this should be offset by a yoy drop in SG&A-to-sales, as 3Q25 included approximately Bt30m of IPO-related expenses. Overall, we expect earnings growth to remain positive throughout 2H26, driven by continued store expansion.

Environment, Social, Governance (ESG) Updates

CG Report: - / SET ESG Rating: -

Environmental

- MRDIYT shows progress in environmental management, driven by a 4.8% reduction in electricity intensity and the generation of 2,258 MWh of solar energy. The contribution of eco-friendly products at 4.9% of total sales also indicates a gradual shift toward more sustainable offerings.

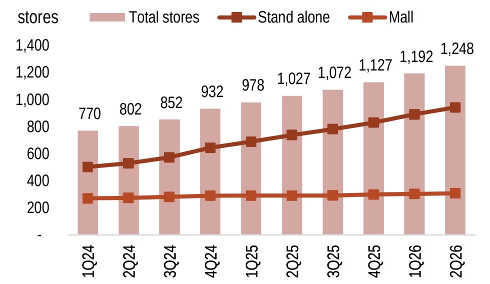
Social

- **Stands out strongly on the social pillar.** The company demonstrates strong social performance, supported by a large employment base of over 9,000 staff and significant investment in human capital through more than 270,000 training hours, reinforcing workforce capability and long-term productivity.

Governance

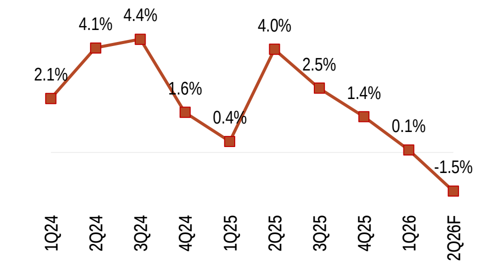
- **Well-structured government framework.** MRDIYT has a well-organised governance structure, with the Board of Directors responsible for the overall direction and a dedicated committee overseeing sustainability, supported by a working team that handles execution.

Stores



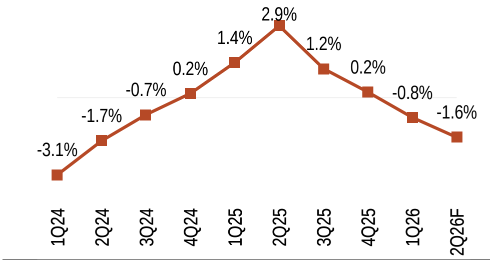
Source: MRDIYT, UOB Kay Hian

Same-store Sales Growth



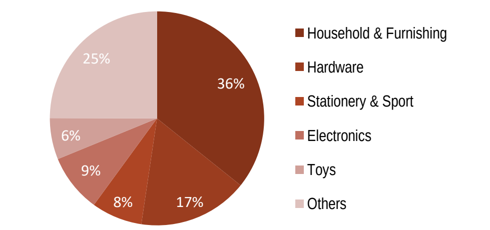
Source: MRDIYT, UOB Kay Hian

Basket Size Change



Source: MRDIYT, UOB Kay Hian

Product Sales Mix



Source: MRDIYT, UOB Kay Hian

Sensitivity On Freight And Logistic Costs

Freight and logistic cost change	Gross profit	SG&A	Net profit
30%	-0.5%	0.2%	-2.0%
20%	-0.3%	0.2%	-1.3%
10%	-0.2%	0.1%	-0.7%
0%	0.0%	0.0%	0.0%
-10%	0.2%	-0.1%	0.7%
-20%	0.3%	-0.2%	1.3%
-30%	0.5%	-0.2%	2.0%

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	20,078	23,711	27,439	29,360
EBITDA	6,474	7,171	8,147	8,830
Deprec. & amort.	2,616	2,741	3,069	3,396
EBIT	3,858	4,430	5,078	5,433
Total other non-operating income	0	0	0	0
Associate contributions	(91)	(100)	(95)	(90)
Net interest income/(expense)	(374)	(317)	(324)	(330)
Pre-tax profit	3,393	4,013	4,659	5,013
Tax	(761)	(892)	(1,046)	(1,123)
Minorities	0	0	0	0
Net profit	2,631	3,120	3,613	3,890
Net profit (adj.)	2,631	3,120	3,613	3,890

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	9,353	10,205	10,791	11,158
Other LT assets	1,518	1,208	1,319	1,360
Cash/ST investment	1,771	2,343	3,086	4,499
Other current assets	5,751	6,773	7,837	8,386
Total assets	18,393	20,529	23,034	25,402
ST debt	1,931	1,931	1,931	1,931
Other current liabilities	1,784	1,992	2,305	2,466
LT debt	4,674	4,674	4,674	4,674
Other LT liabilities	304	358	415	444
Shareholders' equity	9,700	11,573	13,708	15,886
Minority interest	0	0	0	0
Total liabilities & equity	18,393	20,529	23,034	25,402

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	5,389	5,048	5,931	6,899
Pre-tax profit	3,393	4,013	4,659	5,013
Tax	(761)	(892)	(1,046)	(1,123)
Deprec. & amort.	2,616	2,741	3,069	3,396
Working capital changes	(300)	(792)	(812)	(418)
Non-cash items	146	(22)	60	31
Other operating cashflows	295	0	0	0
Investing	(2,040)	(3,228)	(3,710)	(3,775)
Capex (growth)	(3,506)	(3,594)	(3,655)	(3,763)
Investments	(132)	40	38	36
Others	1,598	325	(93)	(48)
Financing	(2,363)	(1,247)	(1,478)	(1,712)
Dividend payments	(1,247)	(1,247)	(1,478)	(1,712)
Issue of shares	3,555	0	0	0
Proceeds from borrowings	(2,339)	0	0	0
Others/interest paid	(2,332)	0	0	0
Net cash inflow (outflow)	986	573	743	1,412
Beginning cash & cash equivalent	784	1,771	2,343	3,086
Ending cash & cash equivalent	1,771	2,343	3,086	4,499

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	32.2	30.2	29.7	30.1
Pre-tax margin	16.9	16.9	17.0	17.1
Net margin	13.1	13.2	13.2	13.2
ROA	15.6	16.0	16.6	16.1
ROE	36.4	29.3	28.6	26.3
Growth				
Turnover	24.3	18.1	15.7	7.0
EBITDA	35.6	10.8	13.6	8.4
Pre-tax profit	47.9	18.3	16.1	7.6
Net profit	47.7	18.6	15.8	7.7
Net profit (adj.)	47.7	18.6	15.8	7.7
EPS	37.4	18.6	15.8	7.7
Leverage				
Debt to total capital	68.1	57.1	48.2	41.6
Debt to equity	68.1	57.1	48.2	41.6
Net debt/(cash) to equity	49.8	36.8	25.7	13.3
Interest cover	17.3	22.6	25.2	26.7

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