Moshi Moshi (MOSHI TB)

Record-high Earnings, Record-low Valuation

Highlights

- The tone from our Asian Gems Conference was neutral, with near-term earnings facing pressure from external factors, while the long-term outlook remains promising.
- MOSHI increased its market share to 60.5% in 2025 and continued to aggressively expand new stores.
- Maintain BUY. Target price is Bt50.00. The share price is trading at 14.5x PE, close to its historical trough, which we view as a reasonable entry point.

Analysis

- **Neutral tone from Asian Gems Conference.** Moshi Moshi's (MOSHI) management was a key speaker at our Asian Gems Conference. Management struck a neutral tone, while maintaining a positive long-term outlook.
- **Management continues to focus on quality growth,** with key priorities on improving sales productivity, maintaining margins, developing new products, and increasing customer engagement. MOSHI targets 35 new stores per year, mainly in upcountry markets where there remains significant whitespace and limited competition. Some locations remain underserved as competitors lack sufficient scale to operate profitably and offer competitive pricing. At least five of the new stores will be standalone formats, mainly in provincial cities where MOSHI can become a key shopping destination.
- **Market share winner.** MOSHI increased its market share to 60.5% in 2025 and continued to aggressively expand new stores despite intensifying competition. The competitors' key challenge remains understanding local consumer behavior and achieving strong product-market fit. Management believes its local consumer insights, product development capabilities, and scale remain key advantages over smaller competitors.
- **Oversea expansion remains at the early stage,** with MOSHI assessing potential markets across Southeast Asia, eg Malaysia or Indonesia. The potential model would be a JV with local partners, leveraging their expertise in location selection, consumer understanding, and supply-chain management. Management expects to see more tangible progress over the medium term.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	3,111.3	3,664.4	4,307.0	4,715.7	5,138.4
EBITDA	1,059.9	1,308.2	1,502.7	1,644.7	1,801.9
Operating profit	705.3	897.0	1,046.7	1,141.8	1,250.5
Net profit (rep./act.)	520.7	670.2	789.6	865.7	952.7
Net profit (adj.)	520.7	670.2	789.6	865.7	952.7
EPS	1.6	2.0	2.4	2.6	2.9
PE (x)	26.0	20.2	17.1	15.6	14.2
P/B (x)	5.8	5.0	4.3	3.9	3.4
EV/EBITDA (x)	0.4	0.2	(0.1)	(0.1)	(0.2)
Dividend yield (%)	2.0	3.0	3.5	3.8	4.2
Net margin (%)	16.7	18.3	18.3	18.4	18.5
Net debt/(cash) to equity(%)	16.0	9.1	(5.5)	(6.7)	(9.7)
Interest cover (x)	14.0	15.4	17.7	19.4	21.2
ROE (%)	24.1	26.5	27.0	26.1	25.6
Consensus net profit	n.a	n.a	774.0	889.0	1,020.2
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

Source: UOB Kay Hian

Analyst(s)

Tanapon Cholkadidamrongkul
Tanapon.c@uobkh.co.th
662 090 3599

BUY (Maintained)

Share Price	Bt35.50
Target Price	Bt50.00
Upside	26.31%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	MOSHI TB
Shares issued (m)	330.0
Market cap (Btm)	11,797.5
Market cap (US$m)	355.3
3-mth avg daily t'over (US$m)	0.7

Price Performance (%)

52-week high/low				Bt42.8/Bt31.0
1mth	3mth	6mth	1yr	YTD
(12.3)	(3.4)	6.7	(12.3)	3.6

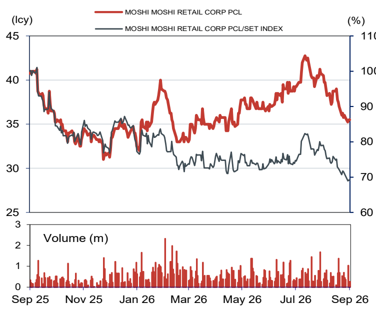
Major Shareholders (%)

Monthana Asavametha	12.35
Sa-nga Boonsongkor	9.62
Somchai Boonsongkorh	9.60

Balance Sheet Metrics

FY26 NAV/Share (Bt)	9.4
FY26 Net Debt/Share (Bt)	(0.5)

Price Chart



Source: Bloomberg

Company Description

The company operates a retail business that responds to the daily lifestyle products under the brand "Moshi Moshi".

Essential

- **Qtd performance.** Qtd SSSG was 5-6% yoy, supported by effective marketing campaigns and continued strong stationery sales, which have remained strong since 2Q26. The successful selection of brand ambassadors, Pond-Phuwin and Billkin, has generated strong fan engagement and helped drive customer traffic and brand awareness. However, 3Q26 gross margin is likely to be pressured by a weaker baht and higher freight costs. We therefore expect 3Q26 net profit growth to moderate to 10-15% yoy, vs 21% yoy in 1H26.
- **Margin may lift in 4Q26.** Management guided that gross margin would recover in 4Q26, supported by a higher contribution from products directly imported from China, which carry better margins. The company's 2026 targets remain on track, including 10-15% revenue growth, yoy gross margin expansion, and the opening of 35 new stores. Overall, we believe earnings momentum should remain supported by healthy SSSG, continued product launches, and store expansion, although the pace of yoy earnings growth is likely to moderate in 3Q26 before improving in 4Q26.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt50.00.** Our target price based on mid-27F PE of 20x, equivalent to -1SD to the five-year peer average. The current share price is trading at 14.5x PE, close to its historical trough of around 14.0x in Dec 25, which we view as a reasonable entry point.

Earnings Revision/Risk

- **No earnings revision.** 1H26 earnings accounted for 45% of our full-year forecast (vs 1H25 at 43%).
- **Risks:** A weakening baht against the renminbi may impact gross margin.

Share Price Catalyst

- Aggressive store expansion, positive SSSG.

Environment, Social, Governance (ESG) Updates

CG Report: 5 SET ESG Rating: AA

Environmental

- MOSHI has strengthened environmental management with formal policies on energy, water, waste, and GHG. Wastewater treatment is fully covered and progress in eco-products and sustainable packaging is in early stage.

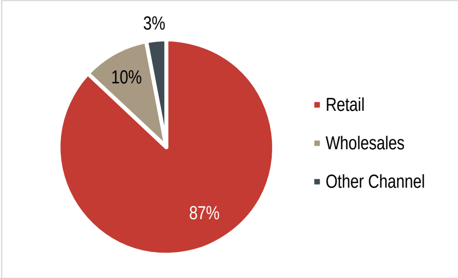
Social

- MOSHI shows solid workforce management with a growing employee base, high female representation, full health & safety coverage, and improving employee retention. Customer standards remain strong with zero data breaches and 100% complaint resolution.

Governance

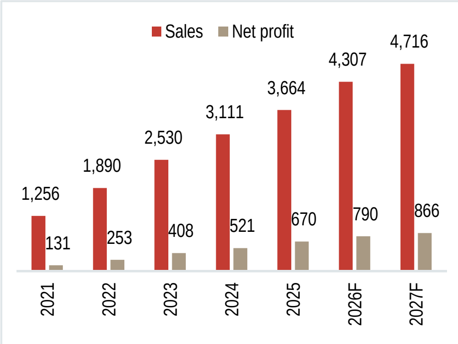
- MOSHI maintains a strong governance structure with independent oversight, improving board diversity, enhanced ESG integration, and solid policies covering anti-corruption, whistleblowing, and cybersecurity.

2Q26 Sales Contribution



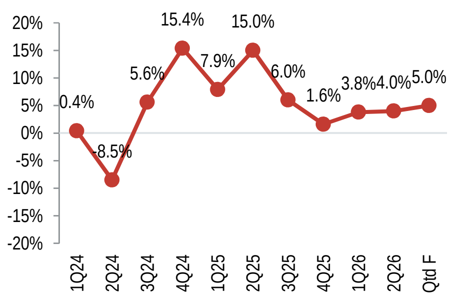
Source: Moshi Moshi, UOB Kay Hian

Sales And Net Profit



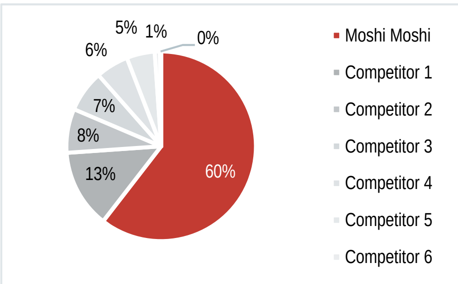
Source: Moshi Moshi, UOB Kay Hian

Same-store Sales Growth



Source: Moshi Moshi, UOB Kay Hian

Market Shares



Source: Moshi Moshi, UOB Kay Hian

Sensitivity

Factors	Change	Earnings impact
SSSG	+1.0%	+1.1%
CNYTHB	+1.0%	-0.6%
Gross margin	+10bps	0.40%
SG&A-to-sales	+10bps	-0.40%

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	3,664	4,307	4,716	5,138
EBITDA	1,308	1,503	1,645	1,802
Deprec. & amort.	411	456	503	551
EBIT	897	1,047	1,142	1,251
Total other non-operating income	25	25	25	25
Associate contributions	0	0	0	0
Net interest income/(expense)	(85)	(85)	(85)	(85)
Pre-tax profit	837	987	1,082	1,191
Tax	(167)	(197)	(216)	(238)
Minorities	0	0	0	0
Net profit	670	790	866	953
Net profit (adj.)	670	790	866	953

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	2,582	2,902	3,187	3,469
Other LT assets	226	258	276	295
Cash/ST investment	1,460	1,879	1,943	2,090
Other current assets	784	880	963	1,050
Total assets	5,051	5,919	6,369	6,903
ST debt	315	315	315	315
Other current liabilities	528	990	1,040	1,131
LT debt	1,392	1,392	1,392	1,392
Other LT liabilities	85	104	112	123
Shareholders' equity	2,730	3,118	3,509	3,942
Minority interest	0	0	0	0
Total liabilities & equity	5,051	5,919	6,369	6,903

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	1,142	1,611	1,335	1,509
Pre-tax profit	837	987	1,082	1,191
Tax	(167)	(197)	(216)	(238)
Deprec. & amort.	411	456	503	551
Working capital changes	6	347	(50)	(7)
Non-cash items	15	19	17	12
Other operating cashflows	40	0	0	0
Investing	(539)	(789)	(797)	(841)
Capex (growth)	(698)	(776)	(788)	(834)
Investments	(341)	0	0	0
Others	500	(13)	(10)	(8)
Financing	(629)	(403)	(474)	(520)
Dividend payments	(264)	(403)	(474)	(520)
Issue of shares	0	0	0	0
Proceeds from borrowings	182	0	0	0
Others/interest paid	(546)	0	0	0
Net cash inflow (outflow)	(26)	419	64	147
Beginning cash & cash equivalent	177	152	571	634
Ending cash & cash equivalent	152	571	634	782

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	35.7	34.9	34.9	35.1
Pre-tax margin	22.8	22.9	23.0	23.2
Net margin	18.3	18.3	18.4	18.5
ROA	14.2	14.4	14.1	14.4
ROE	26.5	27.0	26.1	25.6
Growth				
Turnover	17.8	17.5	9.5	9.0
EBITDA	23.4	14.9	9.4	9.6
Pre-tax profit	27.9	17.9	9.6	10.0
Net profit	28.7	17.8	9.6	10.0
Net profit (adj.)	28.7	17.8	9.6	10.0
EPS	28.7	17.8	9.6	10.0
Leverage				
Debt to total capital	62.5	54.8	48.7	43.3
Debt to equity	62.5	54.8	48.7	43.3
Net debt/(cash) to equity	9.1	(5.5)	(6.7)	(9.7)
Interest cover	15.4	17.7	19.4	21.2