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

2Q26: Results In Line; Strong Margin Expansion

Highlights

- MRDIYT reported 2Q26 net profit of Bt757m (+19% yoy, +12% qoq), in line with our and market expectations.
- Earnings growth is expected to remain positive throughout 2H26, driven by continued store expansion.
- Maintain BUY with a target price of Bt11.00, or 12-month forward PE of 20x.

2Q26 Results

Year to 31 Dec (S$m)	2Q26	1Q26	2Q25	qoq%	yoy%	2025	2026	yoy (%)
Sales and services	4,951	5,424	5,832	17.8	7.5	20,078	23,294	16.0
Gross profit	2,546	2,819	3,034	19.2	7.7	10,386	12,049	16.0
SG&A	(1,626)	(1,868)	(1,997)	22.8	6.9	(6,649)	(7,737)	16.4
EBIT	947	979	1,082	14.2	10.5	3,858	4,452	15.4
EBITDA	1,589	1,712	1,853	16.6	8.2	6,474	7,193	11.1
Equity income	(34)	(28)	(27)	n.a.	n.a.	(91)	(80)	n.a.
Net profit	634	678	757	19.4	11.6	2,631	3,104	17.9
Percent	2Q25	1Q26	2Q26	ppts	ppts	2025	2026	ppts
SSSG	5.0	1.3	(1.2)	(2.5)	(6.2)	51.7	51.7	0.0
Gross margin	51.4	52.0	52.0	0.60	0.1	33.1	33.2	0.1
SG&A to sales	32.8	34.4	34.2	1.39	(0.2)	13.1	13.3	0.2

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

Analysis

- **Results in line.** MR. D.I.Y. Thailand (MRDIYT) reported 2Q26 net profit of Bt757m, rising 19% yoy and 12% qoq, in line with our and consensus expectations, supported by revenue growth, higher gross margin, increased other income, and lower losses from KKV. 2Q26 SSSG was -1.2% yoy, mainly due to a high base in 2Q25, which benefitted from tax incentives for school supplies. The impact of the Thai Help Thai Plus copayment scheme was neutral for MRDIYT, with sales performing well in the first two weeks of Jun 26 before slowing thereafter. Gross margin in 2Q26 expanded by 60bps to 52.0%, reaching the upper end of the company's full-year target, with no impact from higher costs seen yet. SG&A-to-sales increased 139 bps to 34.2%, driven by store expansion and weaker SSSG. Losses from KKV are expected to decline to Bt28m.

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	3,084.5	3,620.4	4,139.4
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

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

Analyst(s)

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BUY (Maintained)

Share Price	Bt9.85
Target Price	Bt11.00
Upside	11.68%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	MRDIYT TB
Shares issued (m)	6,017.1
Market cap (Btm)	59,268.4
Market cap (US$m)	1,793.1
3-mth avg daily t'over (US$m)	3.0

Price Performance (%)

52-week high/low				Bt12.2/Bt7.6
1mth	3mth	6mth	1yr	YTD
(3.4)	10.7	8.8	n.a	13.2

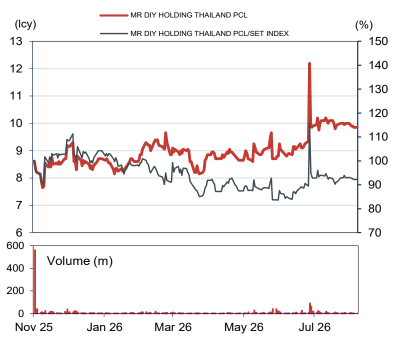
Major Shareholders (%)

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.

Essential

- **Store expansion to remain the key earnings driver.** Looking ahead, we expect 3Q26 earnings to continue growing yoy, although growth should moderate due to a high base in the previous year. SSSG in the first two weeks of July recovered to slightly positive yoy, with momentum improving from June. Store expansion remains on track, with the company having secured locations and construction plans for 95% of its 2026 target of 210 new stores. Overall, we expect earnings growth to remain positive throughout 2H26, driven by continued store expansion.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt11.00.** Our target price is based on a 12-month forward PE of 20x, in line with -1SD of the five-year average PE of home improvement peers. We continue to value MRDIYT on a PE basis, reflecting its high-growth, asset-light business model.

Earnings Revision/Risk

- **No earnings revision.**
- 1.0% Thai baht appreciation against the US dollar would reduce earnings by 0.8%.
- 1.0% increase in freight and logistics costs would reduce earnings by 0.07%.

Share Price Catalyst

- Store expansion; SSSG turning positive; strong earnings growth.

Environment, Social, Governance (ESG) Updates

CG Report: 5 | SET ESG Rating: AA

Environmental

- Ensures energy-efficient operations and waste reduction across retail formats.

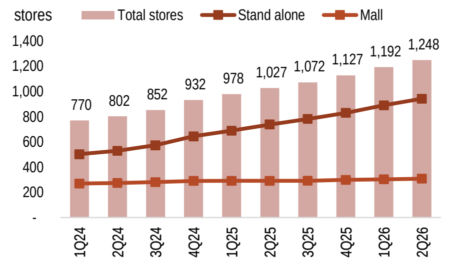
Social

- Prioritises diversity, inclusion, and fair labour practices across its regional workforce.

Governance

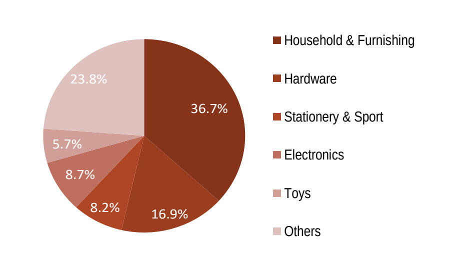
- Adheres to high governance standards under CRC's compliance framework.

Stores



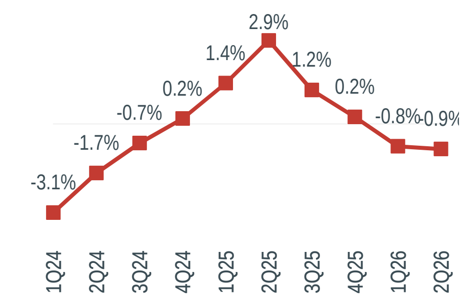
Source: UOB Kay Hian

Product Sales Mix



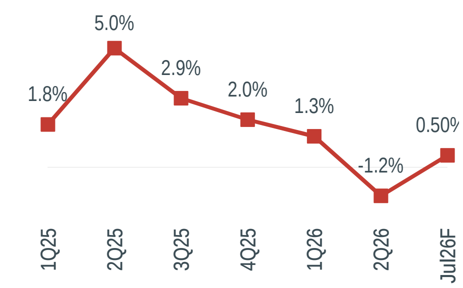
Source: UOB Kay Hian

Basket Sizes Change



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

Same-store Sales Growth



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

Sensitivity On Logistic Cost

Freight and logistic cost change	Gross profit	SG&A	Net prof
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 Metric

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