

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52498.6	(0.3)	(1.1)	2.5	9.2
S&P 500	7515.3	(0.8)	(0.3)	1.1	9.8
FTSE 100	10498.3	0.0	(1.4)	0.3	5.7
AS30	9003.0	(0.0)	(0.4)	(0.0)	(0.2)
CSI 300	4695.4	(1.8)	(3.0)	(1.7)	1.4
FSSTI	5470.3	0.0	4.0	8.8	17.7
HSCEI	8066.0	0.3	3.2	(3.7)	(9.5)
HSI	24213.7	0.2	2.5	(2.0)	(5.5)
JCI	6037.8	1.9	2.1	0.5	(30.2)
KLCI	1698.4	0.4	0.9	0.9	1.1
KOSPI	6806.9	(8.9)	(15.5)	(16.2)	61.5
Nikkei 225	67242.7	(1.9)	(3.6)	1.9	33.6
SET	1627.9	0.4	0.7	2.2	29.2
TWSE	45380.5	0.1	(2.5)	2.7	56.7
BDI	2960.0	0.5	5.8	8.5	57.7
CPO (RM/mt)	4450.0	0.0	(0.5)	(0.4)	13.1
Brent Crude (US\$/bbl)	83.3	9.6	15.7	(4.6)	36.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing on 2H Thai Strategy and Healthcare Sector presentation	Malaysia	13 Jul	15 Jul
Virtual Post-Results Meeting with ASL Marine Holdings Ltd (ASL SP)	Singapore	21 Jul	21 Jul

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
June. Customs Trade Balance (Export-Import)	Thailand	21-26 July

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Thailand

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Retail

Home Improvement Retail Earnings To Surge In 2Q26

Highlights

- We expect 2Q26 earnings for the home Improvement retail segment to rise 25% yoy, driven by improving SSSG, gross margin expansion and lower interest expenses.
- Upgrade DOHOME to BUY with a target price of Bt4.50 (from Bt3.60). We expect DOHOME to be the only retailer to deliver positive SSSG in 3Q26.
- Maintain MARKET WEIGHT on the retail sector and OVERWEIGHT on the home improvement retail segment. Our top pick is GLOBAL.

2Q26 Earnings Forecast

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy	qoq	2024	2025F	yoy
DOHOME	157	251	280	77.9%	11.5%	601	774	29%
GLOBAL	520	803	730	40.3%	-9.0%	1,964	2,415	23%
HMPRO	1,399	1,404	1,576	12.7%	12.3%	6,011	5,854	-3%
Total	2,076	2,457	2,586	24.6%	5.2%	8,576	9,042	5.4%

Source: Respective companies, UOB Kay Hian

Analysis

- **Earnings to surge.** We expect 2Q26 earnings for the home Improvement retail segment to reach Bt2.59b, up 25% yoy and 5% qoq, driven by: a) improving SSSG, b) gross margin expansion, and c) lower interest expenses. DOHOME is expected to deliver the strongest earnings growth at 78% yoy, supported by the low base in 2Q25. GLOBAL's earnings are forecast to rise 40% yoy, driven by stronger gross margins and lower interest expenses. HMPRO is expected to post the slowest earnings growth, reflecting a more modest gross margin expansion.
- **Impressive margin expansion.** We expect the home Improvement segment's 2Q26 gross margin to expand 171bp yoy to 25.8% (2Q25: 24.1%, 1Q26: 24.9%), driven by: a) higher selling prices while benefitting from lower-cost inventory, and b) a higher private-brand sales mix. For all three retailers, gross margin peaked in Apr 26 before easing in May-Jun 26, but remained above pre-Hormuz closure levels. Meanwhile, SG&A-to-sales is expected to increase 40bp yoy to 18.7% (2Q25: 18.3%, 1Q26: 17.7%), mainly due to higher depreciation from store expansion and higher diesel prices. Interest expenses are expected to decline yoy and qoq across all three retailers.
- **DOHOME to outperform on SSSG.** We expect DOHOME's 2Q26 SSSG to outperform peers at 2.5% yoy (peers: 0.2% yoy). Stronger sales momentum in its wholesale business, supported by the low base from the steel shortage in 2Q25, is expected to be the key driver of its SSSG outperformance.
- **Higher private-brand contribution at HMPRO and GLOBAL.** We expect HMPRO and GLOBAL to report a higher private-brand sales mix following product price increases, supporting a yoy gross margin expansion in 2Q26. In contrast, DOHOME is expected to report a lower private-brand contribution, as wholesale sales are likely to account for a larger share of revenue.

Peer Comparison

Company	Rec	Price 13 Jul 26 (Bt)	Target Price (Bt)	Upside Downside (%)	Market Cap (US\$m)	Net Profit 2026F (Btm)	2027F (Bt m)	2026F (x)	PE 2027F (x)	Net EPS Growth 2026F (%)	P/B 2026F (x)	Yield 2026F (%)	ROE 2026F (%)
DOHOME TB	BUY	3.84	4.50	17.2	389	774	783	16.8	16.6	28.7	0.9	0.2	5.6
GLOBAL TB	BUY	7.40	8.50	14.9	1,197	2,415	2,518	16.6	15.9	23.0	1.5	3.0	9.1
HMPRO TB	BUY	6.55	8.00	22.1	2,579	5,854	6,119	14.7	14.1	(2.6)	3.2	5.6	22.0
Average					4,165	9,042	9,420	15.4	14.8	7.7	2.5	4.4	16.8

Source: UOB Kay Hian

MARKET WEIGHT (Maintained)

Analyst(s)

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Segmental Rating

Segment	Rating
Grocery retail	MARKET WEIGHT (Maintained)
Home improvement retail	OVERWEIGHT (Maintained)
Lifestyle retail	OVERWEIGHT (Maintained)

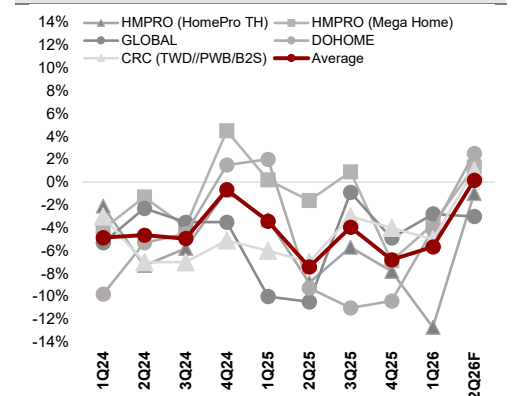
Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
Global House	GLOBAL TB	BUY	7.40	8.50

Source: Bloomberg, UOB Kay Hian

Sector Same-store Sales Growth



Source: UOB Kay Hian

Valuation/Recommendation

- **Maintain OVERWEIGHT on the home improvement retail segment and MARKET WEIGHT on the retail sector.** We maintain our OVERWEIGHT rating on the home Improvement retail segment. We expect earnings to continue growing yoy in 2H26, supported by gross margin expansion and lower interest expenses, which should more than offset weaker SSSG.
- **Upgrade DOHOME to BUY with a target price of Bt4.50 (from Bt3.60).** We upgrade DOHOME to BUY and raise our target price to Bt4.50 (from Bt3.60) to reflect our earnings upgrade. We expect DOHOME to be the only retailer to deliver positive SSSG in 3Q26, supported by continued strength in its wholesale business.
- **GLOBAL remains our top pick for the home improvement retail segment.** We raise GLOBAL's target price to Bt8.50 (from Bt7.40) to reflect our earnings revision. Although GLOBAL's earnings growth is expected to trail DOHOME's, we continue to prefer GLOBAL due to: a) its improving capital management, with net D/E declining to 0.26x, b) the highest inventory days among peers, allowing it to benefit longer from lower-cost inventory, and c) a higher private-brand contribution, supporting margin expansion.

Earnings Revision

- **Revise up earnings.** We increase our 2026 earnings forecasts by 17% for DOHOME and 11% for GLOBAL to reflect the better-than-expected gross margin and lower interest expenses.

Sector Catalyst/Risk

- **Catalysts:** a) gross margin expansion, b) lower interest expenses, c) a ban on induction furnace (IF) steel would benefit DOHOME and GLOBAL.

Essential

- **DOHOME: Best earnings in the past 15 quarters.** We forecast 2Q26 net profit of Bt280m (+78% yoy, +12% qoq), marking the company's strongest quarterly earnings in the past 15 quarters. The earnings recovery is primarily driven by 2Q26 SSSG of 2.5% yoy, outperforming peers, supported by a 5% yoy growth in the wholesale segment, while the retail segment remains soft at -3% yoy. We expect gross margin to expand 150bp yoy to 19.5%, driven by: a) selling price adjustments combined with lower-cost inventory, and b) a significant recovery in steel margins, which peaked at 14-15% in Apr 26 before normalising to 10-11% in June. Meanwhile, cost discipline remains strong, with SG&A expenses expected to be flat yoy, further supporting operating margin expansion.

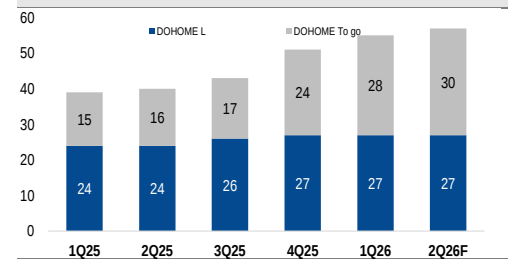
DOHOME: 2Q26 Earnings Forecast

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	7,283	8,098	7,538	3.5	(6.9)	29,110	29,584	1.6
Gross profit	1,311	1,425	1,451	10.7	1.9	5,056	5,295	4.7
SG&A	1,094	1,103	1,093	(0.1)	(0.9)	4,214	4,328	2.7
EBIT	294	386	419	42.6	8.6	1,140	1,268	11.2
Interest expense	109	82	82	(25.0)	0.0	431	379	(12.1)
Equity income	0	0	0	n.a.	n.a.	0	0	n.a.
Net profit	157	251	280	77.9	11.5	601	747	24.3
Percent	2Q25	1Q26	2Q26	(ppts)	(ppts)	2025	2026F	(ppts)
Gross margin	18.0	17.6	19.3	1.25	1.7	17.4	17.9	0.5
SG&A to sales	15.0	13.6	14.5	(0.52)	0.9	14.5	14.6	0.2
Net profit margin	2.2	3.1	3.7	1.6	0.6	2.1	2.5	0.5

Source: DOHOME, UOB Kay Hian

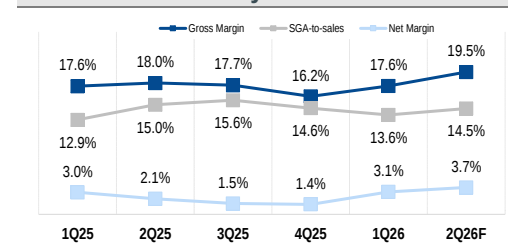
- **GLOBAL: Gross margin to reach record high.** We expect 2Q26 net profit of Bt730m (+40% yoy, -9% qoq), driven by higher gross margin, lower interest expenses, and stronger equity income yoy. We forecast 2Q26 SSSG at -3%

DOHOME Stores



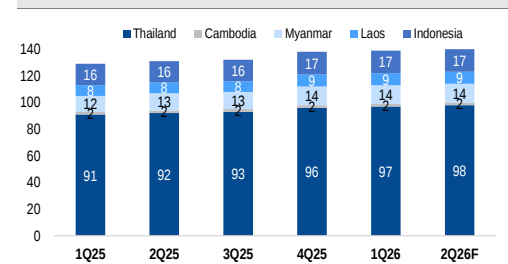
Source: DOHOME, UOB Kay Hian

DOHOME Profitability



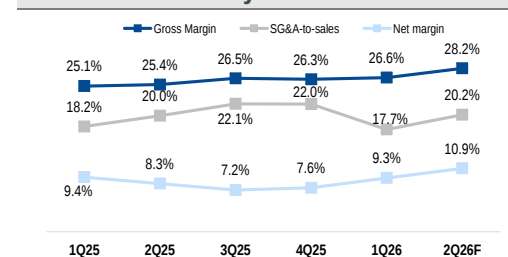
Source: DOHOME UOB Kay Hian

GLOBAL Stores



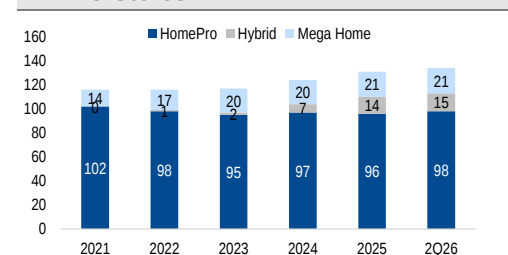
Source: GLOBAL, UOB Kay Hian

GLOBAL Profitability



Source: GLOBAL, UOB Kay Hian

HMPRO Stores



Source: HMPRO, UOB Kay Hian

yoy. SSSG was positive in Apr 26 due to front-loaded demand amid rising prices but softened in May-Jun 26 as purchasing volumes weakened and steel prices declined. We expect record-high gross margin in 2Q26, supported by higher selling prices and low-cost inventory. Despite steel prices having eased, most product prices remain above pre-Hormuz closure levels, supporting margin expansion both yoy and qoq. We expect the SG&A-to-sales to remain stable yoy, while interest expenses should decline on debt repayment and lower rates. Equity income is also expected to improve yoy, driven by stronger operations in Myanmar and Laos.

GLOBAL: 2Q26 Earnings Forecast

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	8,183	8,590	8,142	(0.5)	(5.2)	31,601	31,892	0.9
Gross profit	2,080	2,287	2,298	10.5	0.5	8,159	8,611	5.5
SG&A	1,640	1,518	1,645	0.3	8.3	6,479	6,490	0.2
EBIT	603	920	816	35.2	(11.3)	2,324	2,770	19.2
Interest expense	60	38	34	(42.7)	(10.0)	236	174	(26.1)
Equity income	46	50	60	30.0	20.0	154	185	20.0
Net profit	520	803	730	40.3	(9.0)	1,964	2,415	23.0
Percent	2Q25	1Q26	2Q26F	(ppts)	(ppts)	2025	2026F	(ppts)
Gross margin	25.4	26.6	28.2	2.8	1.6	25.8	27.0	1.2
SG&A to sales	20.0	17.7	20.2	0.16	2.5	20.5	20.4	(0.2)
Net profit margin	6.4	9.3	9.0	2.6	(0.4)	6.2	7.6	1.4

Source: GLOBAL, UOB Kay Hian

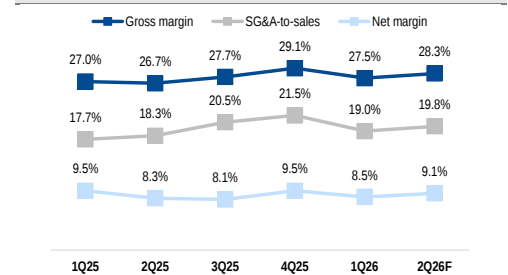
- HMPRO: Sales and margin to improve.** We expect 2Q26 net profit of Bt1.27b, up 13% yoy and 12% qoq, supported by improved SSSG, store expansion, and a higher gross margin. 2Q26 SSSG is expected to improve (HomePro: -0.8% yoy; Mega Home: +1.2% yoy), driven by front-loaded purchases in Apr 26, increases in selling prices, and stronger demand for cooling appliances. However, SSSG moderated in May-Jun 26 as earlier purchases pulled forward demand. Gross margin is expected to improve due to: a) higher selling prices while benefitting from lower-cost inventory, and b) a higher private-brand mix at both HomePro (21.75% vs 20.7% in 2Q25) and Mega Home (23.0% vs 20.9%). Meanwhile, SG&A-to-sales is expected to increase both yoy and qoq due to higher store operating and staff costs, while interest expense should decline slightly qoq. For its second share buyback programme, the company has repurchased 62.6m shares, equivalent to 0.5% of total shares outstanding and 15.9% of the maximum buyback target. We forecast an interim DPS of Bt0.16/share for Sep 26, implying a 2.4% dividend yield.

HMPRO: 2Q26 Earnings Forecast

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	16,867	16,514	17,358	2.9	5.1	67,888	65,709	(3.2)
Gross profit	4,502	4,543	4,904	8.9	7.9	18,736	18,237	(2.7)
SG&A	3,192	3,262	3,437	7.7	5.4	13,318	13,023	(2.2)
EBIT	1,900	1,916	2,110	11.1	10.2	8,100	7,896	(2.5)
Interest expense	178	171	168	(5.6)	(1.6)	711	704	(1.0)
Equity income	(0)	0	0	n.a.	n.a.	(1)	0	n.a.
Net profit	1,399	1,404	1,576	12.7	12.3	6,011	5,854	(2.6)
Percent	2Q25	1Q26	2Q26F	(ppts)	(ppts)	2025	2026F	(ppts)
Gross margin	26.7	27.5	28.3	1.6	0.7	27.6	27.8	0.2
SG&A to sales	18.9	19.8	19.8	0.9	0.0	19.6	19.8	0.2
Net profit margin	8.3	8.5	9.1	0.8	0.6	8.9	8.9	0.1

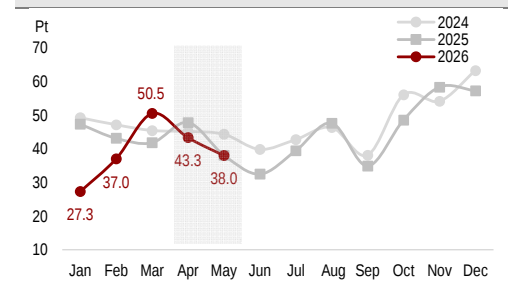
Source: HMPRO, UOB Kay Hian

HMPRO Profitability



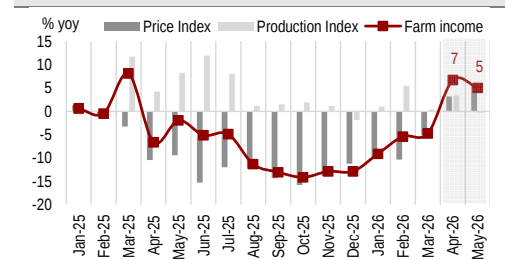
Source: HMPRO, UOB Kay Hian

Retail Sentiment Index



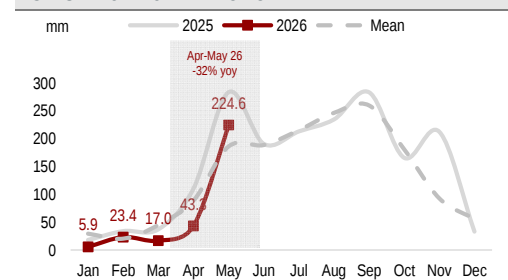
Source: Thai Retailers Association, UOB Kay Hian

Farm Income Turned Positive



Source: Office of Agricultural Economics, UOB Kay Hian

Lower Rainfall in 2026.



Source: Thai Meteorological Department, UOB Kay Hian

Earnings Impact of a 1% THB Appreciation

Stocks	Currency	Earnings impact
DOHOME	RMB	-0.70%
GLOBAL	RMB	-0.40%
HMPRO	RMB	-0.20%

Source: UOB Kay Hian

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