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

3Q26: Results In Line; Earnings Momentum To Improve In 4Q26

Highlights

- MRDIYT reported a 3Q26 net profit of Bt648m (+7% yoy, -14% qoq), in line with our and consensus estimates.
- 4Q26 earnings momentum should improve, supported by continued positive SSSG and gross margin recovery.
- Maintain BUY with a target price of Bt10.00, based on 2027F PE of 17x.

3Q26 Results

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26F	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	4,924	5,832	5,920	20.2	1.5	20,078	24,012	19.6
Gross profit	2,583	3,034	2,983	15.5	(1.7)	10,386	12,373	19.1
SG&A	1,710	1,997	2,075	21.3	3.9	6,649	8,098	21.8
EBIT	908	1,082	951	4.8	(12.1)	3,858	4,414	14.4
Interest expense	99	78	81	(18.7)	2.8	374	319	(14.7)
Equity income	(24)	(27)	(39)	n.a.	n.a.	(91)	(112)	n.a.
Net profit	**605**	**757**	**648**	**7.1**	**(14.4)**	**2,631**	**3,094**	**17.6**
(%)	**3Q25**	**2Q26**	**3Q26F**	**ppt**	**ppt**	**2025**	**2026F**	**ppt**
Gross margin	52.5	52.0	50.4	(2.07)	(1.7)	51.7	51.5	(0.2)
SG&A to sales	34.7	34.2	35.0	0.31	0.8	33.1	33.7	0.6
SSSG	2.9	(1.2)	0.7			1.3	0.5	
Stores	1,072	1,248	1,300			1,127	1,327	

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

Analysis

- **Results in line.** MR. D.I.Y Thailand (MRDIYT) reported a 3Q26 net profit of Bt648m (+7% yoy, -14% qoq), in line with our and consensus estimates.
- **3Q26 performance:** a) sales grew 20% yoy, driven by a net addition of 52 stores, bringing the total to 1,300 stores at end-3Q26, alongside SSSG of 0.7% yoy; b) gross margin declined 207bp yoy to 50.4%, due to more aggressive clearance sales of slow-moving products and delayed selling price adjustments amid rising costs; c) SG&A-to-sales increased 31bp yoy to 35.0%, mainly from higher depreciation expenses following the addition of new stores; d) interest expenses dropped yoy; and e) share of losses from KKV increased due to one-off expenses related to the early closure of stores before the end of their lease agreements.

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	Bt8.75
Target Price	Bt10.00
Upside	14.29%

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

- **Recovery expected in 4Q26.** We expect yoy 4Q26 net profit growth momentum to improve from 3Q26, supported by: a) continued positive SSSG (+5% yoy in Oct 26, driven by post-flood demand recovery); b) store openings remaining on track; and c) gross margin recovering to the 51-52% range, driven by normalised clearance sales, gradual price increases following the price-lock campaign, and a better product mix from festive products. Over the long term, we reiterate our view that MRDIYT's growth will be driven primarily by new store openings, with management targeting 210 new stores per year, while SSSG growth is expected to remain modest.
- **2027 store network expansion plan.** MRDIYT plans to open 210 new stores in 2027, bringing its nationwide store network to more than 1,500 locations by end-27. Over 40% of the required sites have already been secured, providing good visibility on the expansion pipeline. The company will continue to prioritise standalone stores, targeting both underserved districts where it has no existing presence and existing markets with sufficient demand to support further expansion. Management will focus on asset-light store formats, while targeting a payback period of within three years. Our 2027 earnings forecast of Bt3.53b (+14% yoy) assumes 200 new store openings, flat SSSG and a gross margin of 51.5%, broadly in line with the company's expansion strategy.

Valuation/Recommendation

- **Maintain BUY with a target price to Bt10.00.** Our target price is based on a 2027F PE of 17x, in line with -1SD to the five-year average PE of home improvement peers. The share price has declined over the past four months, largely reflecting uninspiring 3Q26 earnings performance. However, at the current share price, MRDIYT is trading at 15x 2027F PE, which we believe offers a more attractive entry point, with improving earnings growth expected in 2027 driven by continued store network expansion and operational improvements.

Earnings Revision/Risk

- **No earnings revision.** 9M26 earnings accounted for 67% of our 2026 forecast (vs 68% in 9M25).

Share Price Catalyst

- Aggressive store rollout, SSSG turns positive.

Environment, Social, Governance (ESG) Updates

CG Report: 5 / 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 towards more sustainable offerings.

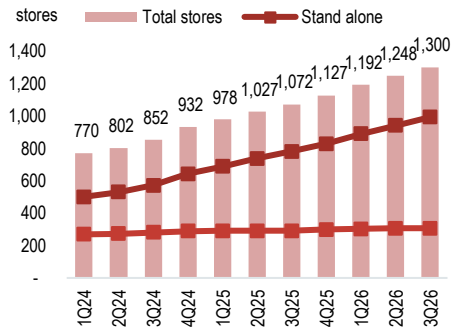
Social

- **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

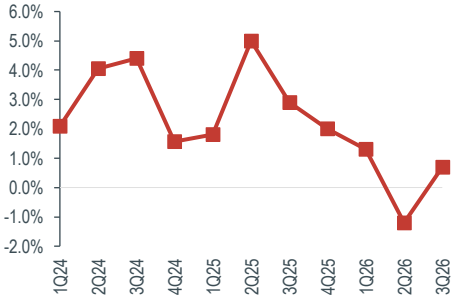
- **Well-structured government framework.** MRDIYT has a well-organised governance structure, with the Board of Directors responsible for overall direction and a dedicated committee overseeing sustainability, supported by a working team that handles execution.

Stores



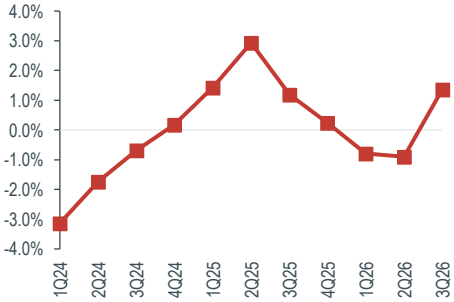
Source: MR. D.I.Y. Thailand, UOB Kay Hian

Same-store Sales Growth



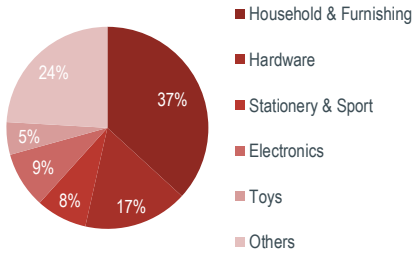
Source: MR. D.I.Y. Thailand, UOB Kay Hian

Basket size (Bt/bill)



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

Product Sales Mix



Source: MR. D.I.Y. Thailand, 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

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