

Home Product Center (HMPRO TB)

3Q25: Results In Line; Earnings Drop As SSSG Contracts

Highlights

- 3Q25 earnings declined both yoy and qoq, pressured by negative SSS, lower gross margin, and higher SG&A.
- SSS is expected to remain weak in 4Q25 due to a high base. However, we expect SSSG to normalise in 2026 due to the low base in 2025.
- Maintain HOLD with a target price of Bt6.30.

3Q25 Results

Year to 31 Dec (Btm)	3Q24	2Q25	3Q25F	yoy (%)	qoq (%)
Sales and services	16,397	16,867	16,100	(1.8)	(4.5)
Gross profit	4,576	4,502	4,459	(2.6)	(1.0)
Operating EBIT	1,332	1,310	1,166	(12.4)	(11.0)
Net profit	1,442	1,399	1,304	(9.6)	(6.8)
Percent	3Q24	2Q25	3Q25F	yoy (ppts)	qoq (ppts)
Gross margin	27.9	26.7	27.7	(0.2)	1.0
SG&A to sales	19.8	18.9	20.5	0.7	1.5
EBIT margin	11.3	10.6	10.0	(1.2)	(0.6)
Net profit margin	8.8	8.3	8.1	(0.7)	(0.2)

Source: Home Product Center, UOB Kay Hian

Analysis

- Earnings dropped.** Home Product Center (HMPRO) reported a 3Q25 net profit of Bt1,304m, down 10% yoy and 7% qoq, in line with our and consensus forecasts.
- Top-line pressured by weak SSSG.** Revenue came in at Bt16.1b, down 2% yoy and 5% qoq, due to negative same-store sales growth (SSSG) at HomePro Thailand (-5.5% yoy), HomePro Malaysia (-5% yoy) and Mega Home (-0.7% yoy). The drop in SSSG was due to weak consumer sentiment, heavier rainfall, and the flood situation in 3Q25. The weak retail sales was partly offset by a 2% yoy increase in rental income.
- Margins under pressure.** Gross margin narrowed 20bp yoy to 27.7% in 3Q25 (vs 27.9% in 3Q24). Despite a more favourable product mix driven by a decline in sales of low-margin appliances, gross margin was pressured by lower supplier rebates amid softer sales. Additionally, SG&A-to-sales rose 30bp yoy to 19.5% due to the drop in revenue.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	70,165.5	69,806.4	68,664.2	71,409.4	73,755.2
EBITDA	9,289.9	9,463.2	9,207.3	9,683.7	10,102.7
Operating profit	5,858.5	5,920.6	5,373.8	5,659.4	5,887.6
Net profit (rep./act.)	6,439.8	6,502.8	5,838.5	6,160.4	6,433.3
Net profit (adj.)	6,439.8	6,502.8	5,838.5	6,160.4	6,433.3
EPS	0.5	0.5	0.4	0.5	0.5
PE	14.3	14.2	15.8	14.9	14.3
P/B	3.6	3.4	3.4	3.2	3.0
EV/EBITDA	11.9	11.6	11.9	11.2	10.7
Dividend yield	5.7	6.1	5.1	5.4	5.6
Net margin	9.2	9.3	8.5	8.6	8.7
Net debt/(cash) to equity	71.1	67.3	62.6	57.7	53.9
Interest cover	17.2	15.1	13.5	14.4	15.1
Consensus net profit	n.a	n.a	6,225.4	6,632.8	7,025.2
UOBKH/Consensus (x)	n.a	n.a	0.9	0.9	0.9

Source: HMPRO, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt6.70
Target Price	Bt6.30
Upside	-5.97%

Analyst(s)

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Stock Data

GICS Sector	Consumer Discretionary
Bloomberg ticker	n.a
Shares issued (m)	12,971.0
Market cap (Btm)	94,039.8
Market cap (US\$m)	2,884.0
3-mth avg daily t'over (US\$m)	13.0

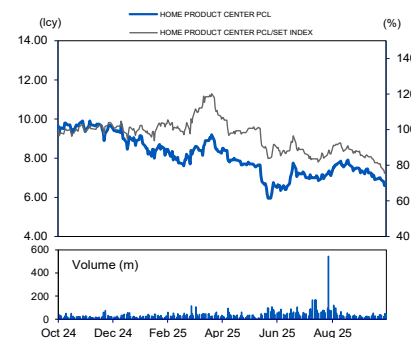
Price Performance (%)

52-week high/low				Bt11.10/Bt7.50
1mth	3mth	6mth	1yr	YTD
(4.0)	10.7	(18.5)	(31.0)	(22.9)

Major Shareholders

	%
Land and House	30.23
Quality House	19.87
Thai NVDR	5.21

Price Chart



Source: Bloomberg

Company Description

Thailand's largest home improvement centre with a nearly 40% market share of the modern trade segment.

- **2026 outlook expected to normalise.** We expect 4Q25 earnings to continue declining yoy, pressured by a high base for both HomePro and Mega Home, and softer post-flood repair demand vs last year. Hence, 4Q25 SSSG is likely to remain weaker than in 3Q25. However, we expect SSSG to normalise in 2026 due to the low base in 2025. The improvement in Mega Home's SSSG bodes well for construction material sales, which could offset the weak SSSG from Homepro. Overall, we expect HMPRO's overall performance to improve in 2026.

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt6.30.** Our target price is pegged to 2026F PE of 13x, equivalent to -2.0SD below its five-year average, reflecting the subdued earnings outlook. However, its current share price offers a dividend yield of 5.4%, which should help cushion the downside; hence, we maintain HOLD.

Earnings Revision/Risk

- **No changes to our 2025-27 earnings projections.** 9M25 earnings accounted for 76% and 72% of our and consensus forecasts respectively.
- The share repurchase programme ended on 30 Sep 25, with a total of 180.2m shares bought back, representing 1.37% of paid-up shares, worth Bt1.36b. The company will be able to resell the repurchased shares three months after the end of the buyback programme, but no later than three years thereafter.

Share Price Catalyst

- Improvement in Mega Home's SSSG.
- Post-flood demand for home improvement.
- Effective cost control.

Environmental, Social, Governance (ESG)

CG Report: 5
SET ESG Rating: AA
Environmental

- **Net zero target.** HMPRO's main goal is to become a net zero greenhouse gas emissions company by 2050. As of 2023, the company had achieved 2.2% of its target.
- **Renewables and waste management.** By 2030, HMPRO is targeting 100% renewable energy usage (27.5% achieved in 2023) and zero waste (84% achieved in 2023).

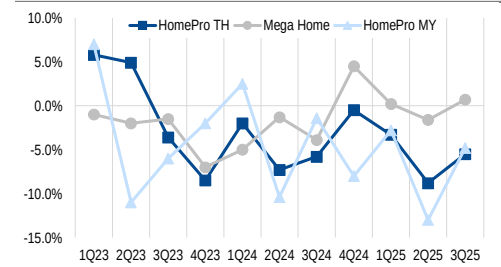
Social

- **Sustainability supply chain.** HMPRO implemented sustainable development across the entire supply chain by creating innovative eco-friendly products and hiring local talent through 2,650 teams, which surpassed its target of 1,800 teams by 2025.

Governance

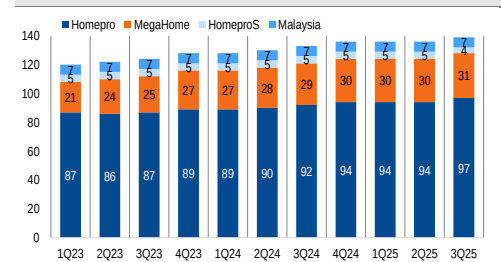
- **Good governance practice.** HMPRO is committed to extending good corporate governance through the company supply chain to fight against corruption.

Same-Store Sales



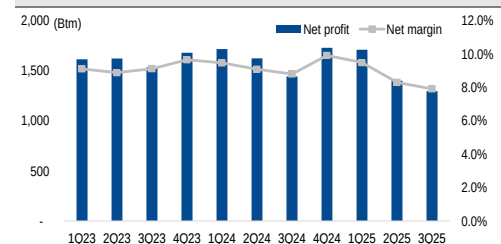
Source: HMPRO, UOB Kay Hian

Stores



Source: HMPRO, UOB Kay Hian

Net Profit



Source: HMPRO, UOB Kay Hian

PE Band



Source: HMPRO, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	69,806	68,664	71,409	73,755
EBITDA	9,463	9,207	9,684	10,103
Deprec. & amort.	3,543	3,834	4,024	4,215
EBIT	5,921	5,374	5,659	5,888
Total other non-operating income	2,770	2,581	2,688	2,798
Associate contributions	1	0	0	0
Net interest income/(expense)	(626)	(680)	(671)	(669)
Pre-tax profit	8,065	7,275	7,676	8,017
Tax	(1,562)	(1,437)	(1,516)	(1,583)
Minorities	0	0	0	0
Net profit	6,503	5,838	6,160	6,433
Net profit (adj.)	6,503	5,838	6,160	6,433

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	9,500	7,498	9,757	9,855
Pre-tax profit	8,066	7,275	7,676	8,017
Tax	(1,562)	(1,437)	(1,516)	(1,583)
Deprec. & amort.	3,543	3,834	4,024	4,215
Working capital changes	(594)	(2,122)	(500)	(871)
Non-cash items	48	(53)	72	78
Other operating cashflows	0	0	0	0
Investing	(4,113)	(1,502)	(4,453)	(4,506)
Capex (growth)	(4,289)	(1,360)	(4,492)	(4,537)
Investments	(1)	0	0	0
Others	177	(141)	40	32
Financing	(6,262)	(6,156)	(5,024)	(5,016)
Dividend payments	(5,260)	(5,156)	(4,774)	(5,016)
Issue of shares	0	0	0	0
Proceeds from borrowings	(1,002)	(1,000)	(250)	0
Others/interest paid	1	0	0	0
Net cash inflow (outflow)	(875)	(160)	281	334
Beginning cash & cash equivalent	6,429	5,554	5,394	5,674
Ending cash & cash equivalent	5,554	5,394	5,674	6,008

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	45,625	43,152	43,620	43,942
Other LT assets	1,390	1,489	1,501	1,536
Cash/ST investment	5,554	5,394	5,674	6,008
Other current assets	17,096	17,521	18,186	18,796
Total assets	69,665	67,555	68,981	70,283
ST debt	8,288	7,288	7,038	7,038
Other current liabilities	17,661	15,911	16,149	15,966
LT debt	15,301	15,301	15,301	15,301
Other LT liabilities	1,612	1,570	1,622	1,688
Shareholders' equity	26,802	27,485	28,871	30,289
Minority interest	0	0	0	0
Total liabilities & equity	69,665	67,555	68,981	70,283

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	13.6	13.4	13.6	13.7
Pre-tax margin	11.6	10.6	10.8	10.9
Net margin	9.3	8.5	8.6	8.7
Growth				
Net profit (adj.)	1.0	(10.2)	5.5	4.4
Leverage				
Debt to total capital	88.0	82.2	77.4	73.8
Debt to equity	88.0	82.2	77.4	73.8
Net debt/(cash) to equity	67.3	62.6	57.7	53.9
Interest cover	15.1	13.5	14.4	15.1

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