Dohome (DOHOME TB)

4Q25 Results Preview: Expect Another Weak Quarter

HOLD (Downgraded)	
Share Price	Bt3.50
Target Price	Bt3.80
Upside	8.57%
Previous TP	Bt5.00

Highlights

- We expect DOHOME to report 4Q25 earnings of Bt112m, down 30% yoy. The weak earnings reflect the soft SSSG and weaker-than-expected gross margin.
- While we are impressed by its effective cost control, we downgrade our recommendation due to its weak SSSG outlook and unlikely recovery in 1Q26.
- Downgrade to HOLD and lower target price to Bt3.80 (previously Bt5.00).

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Analysis

- **Weaker-than-expected 4Q25 earnings.** We expect DOHOME to report 4Q25 earnings of Bt112m, down 30% yoy but up 10% qoq, which is weaker than our previous expectation. The unexciting earnings are mainly due to negative SSSG and a weaker-than-expected gross margin.
- **SSSG remains under heavy pressure.** Same-store sales growth (SSSG) in 4Q25 is expected to remain weak at around -10% yoy. Key pressures include: a) border issues weighing on store traffic in the North-Eastern region, particularly the Ubon Ratchathani branch, the company's highest-contributing store, b) weak consumer spending and delays in government projects, which continue to pressure the wholesale segment, and c) a high base in 4Q25. Post-flood renovation demand at one Hat Yai branch spiked but was insufficient to offset these negative factors.
- **Gross margin weaker than expected.** We expect 4Q25 gross margin to come in at 16.5%, down 30bp yoy and 120bp qoq, mainly due to promotional campaigns in Dec 25 and lower house-brand gross margin. The lower volume sales resulted in lower supplier rebates in 4Q25.
- **Leaner SG&A expenses expected going forward.** On a positive note, we are positive on the company's effective cost-control measures, including improvements in in-store operational efficiency. As a result, SG&A expenses remained lower for two consecutive quarters in 3Q-4Q25. Given the uncertain economic environment, these profitability enhancement initiatives should provide long-term support for DOHOME's performance. Moreover, lower policy rates should help support earnings going forward.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	31,574.2	31,327.0	29,527.6	30,048.5	30,384.0
EBITDA	2,166.7	2,384.3	2,179.2	2,254.6	2,298.9
Operating profit	1,269.4	1,388.7	1,165.2	1,204.9	1,213.7
Net profit (rep./act.)	585.3	674.1	616.1	661.2	683.8
Net profit (adj.)	585.3	674.1	616.1	661.2	683.8
EPS	0.2	0.2	0.2	0.2	0.2
PE (x)	17.8	16.2	18.6	17.3	16.7
P/B (x)	0.9	0.8	0.8	0.8	0.8
EV/EBITDA (x)	22.1	20.0	21.3	20.5	20.0
Dividend yield (%)	0.2	0.2	0.1	0.1	0.1
Net margin (%)	1.8	2.2	2.1	2.2	2.2
Net debt/(cash) to equity(%)	143.7	134.4	117.7	111.4	104.5
Interest cover (x)	4.0	4.2	5.2	5.7	6.0
ROE (%)	4.9	5.4	5.1	5.7	6.2
Consensus net profit	n.a	n.a	680.3	794.3	933.8
UOBKH/Consensus (x)	n.a	n.a	0.9	0.8	0.7

Source: Dohome, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Consumer Discretionary
Bloomberg ticker	DOHOME TB
Shares issued (m)	3,383.3
Market cap (Btm)	12,450.5
Market cap (US$m)	384.9
3-mth avg daily t'over (US$m)	3.4

Price Performance (%)

52-week high/low				Bt10.02/Bt2.26
1mth	3mth	6mth	1yr	YTD
(9.4)	(8.0)	(31.2)	(62.9)	(56.4)

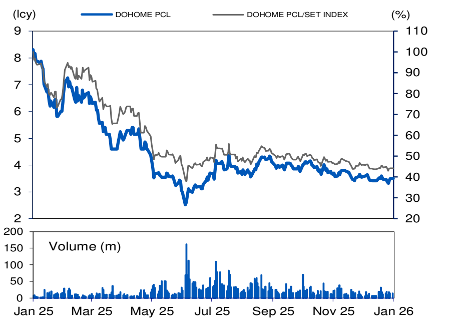
Major Shareholders

	%
Tangmitrphracha Family	31.00
Dohome Holding	28.17
Amplus Holdings	8.45

Balance Sheet Metrics

	%
FY26 NAV/Share (Bt)	4.30
FY26 Net Debt/Share (Bt)	1.52

Price Chart



Source: Bloomberg

Company Description

Dohome has a comprehensive retail and wholesale business involving construction materials and home decoration items.

4Q25 Results Preview

Year to 31 Dec (Btm)	4Q24	3Q25	4Q25F	yoy(%)	qoq(%)	2024	2025F	yoy (%)
Sales	7,623	6,753	7,097	(6.9)	5.1	30,991	29,212	(5.7)
Gross profit	1,278	1,194	1,171	(8.4)	(2.0)	5,308	5,096	(4.0)
SG&A	1,045	1,056	1,050	0.5	(0.5)	4,256	4,246	(0.2)
Interest expense	137	101	98	(28.6)	(3.0)	583	433	(25.8)
Net profit	160	102	112	(30.2)	9.5	674	616	(8.6)
Percent	**4Q24**	**3Q25**	**4Q25F**	**(ppts)**	**(ppts)**	**2024**	**2025F**	**(ppts)**
Gross margin	16.8	17.7	16.5	(0.3)	(1.2)	17.1	17.4	0.3
SG&A to sales	13.7	15.6	14.8	1.1	(0.8)	13.7	14.5	0.8
Net profit margin	2.1	1.5	1.6	(0.5)	0.1	2.2	2.1	(0.1)

Source: UOB Kay Hian

Valuation/Recommendation

- **Downgrade to HOLD with a lower target price of Bt3.80.** We revise down 2026 earnings by 17% and value the stock at a 2026F PE of 20x, representing -1SD to the retail sector's five-year average.
- While we are impressed by DOHOME's effective cost control, which has resulted in leaner operations and lower SG&A, and are positive on its lower interest expenses, we expect SSSG to remain negative and unlikely to recover in 1Q26. Hence, we downgrade the stock to HOLD.

Earnings Revision/Risk

- We revise down 2025-26 earnings by 8.5% and 17.2% respectively to reflect weaker-than-expected SSSG and gross margin. We revise our 2026 SSSG assumption to -5% yoy from +2% yoy, and lower SG&A assumptions to reflect its effective cost control.

Earnings Revision

	------------------------ 2025F	------------------------	------------------------	------------------------ 2026F	------------------------	
(Bt m)	New	Previous	Change	New	Previous	Change
Total revenue	29,212	29,684	-1.6%	29,729	31,205	-4.7%
Gross profit	5,096	5,195	-1.9%	5,173	5,430	-4.7%
Net profit	616	673	-8.5%	661	799	-17.2%

Source: UOB Kay Hian

Share Price Catalyst

- **Catalysts:** Low base in 2025, lower interest expenses, effective cost control.
- **Risks:** A delay in Budget disbursement, border tensions.

Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: -

Environmental

- Sets targets to reduce energy, water, waste and greenhouse gas emissions (7% by 2027).

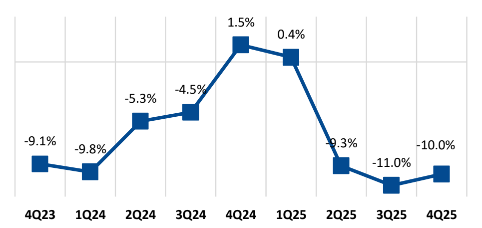
Social

- Undertakes workforce engagement, supports local employment, and avoids human rights violations via supply chain oversight.

Governance

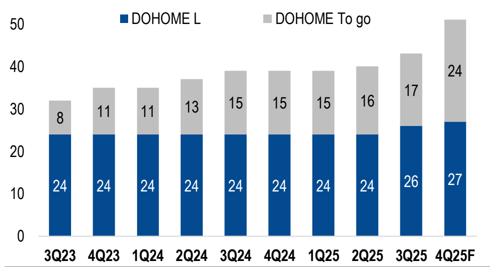
- Has a formal sustainability development policy that integrates ESG in operations and supply chain, with board oversight and transparent reporting commitments

Same-store Sales Growth



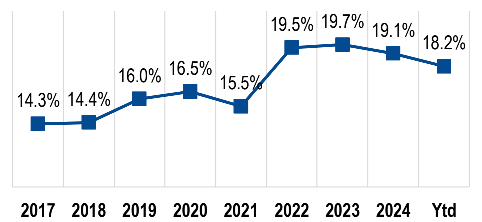
Source: DOHOME, UOB Kay Hian

Stores



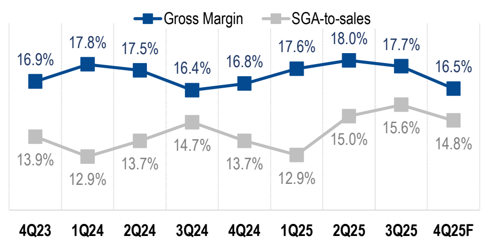
Source: DOHOME, UOB Kay Hian

House Brand Contribution



Source: DOHOME, UOB Kay Hian

Profitability



Source: DOHOME, UOB Kay Hian

Peers' PE Band

Peers	-2SD	-1SD	Mean	+1SD	+2SD
BJC	14.8	19.5	24.3	29.1	33.9
CPALL	7.8	17.6	27.4	37.3	47.1
CPAXT	13.9	24.8	35.8	46.7	57.6
CRC	10.3	16.5	22.8	29.1	35.3
DOHOME	-1.5	18.7	39.0	59.2	79.4
GLOBAL	14.5	21.7	28.9	36.1	43.3
HMPRO	12.5	18.9	25.3	31.6	38.0
Average	**10.3**	**19.7**	**29.1**	**38.4**	**47.8**

Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	**31,327**	**29,528**	**30,048**	**30,384**
EBITDA	2,384	2,179	2,255	2,299
Deprec. & amort.	996	1,014	1,050	1,085
EBIT	1,389	1,165	1,205	1,214
Total other non-operating income	0	0	0	0
Associate contributions	0	0	0	0
Net interest income/(expense)	(566)	(415)	(398)	(380)
Pre-tax profit	**819**	**749**	**806**	**833**
Tax	(145)	(133)	(145)	(149)
Minorities	0	0	0	0
Net profit	**674**	**616**	**661**	**684**
Net profit (adj.)	674	616	661	684

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	19,074	19,215	19,321	19,393
Other LT assets	50	47	271	424
Cash/ST investment	124	615	761	1,045
Other current assets	14,318	13,380	13,610	13,808
Total assets	**33,566**	**33,257**	**33,963**	**34,670**
ST debt	12,083	12,251	12,251	12,251
Other current liabilities	3,249	2,973	3,029	3,065
LT debt	5,283	4,352	4,352	4,352
Other LT liabilities	125	102	108	112
Shareholders' equity	12,826	13,579	14,222	14,890
Minority interest	0	0	0	0
Total liabilities & equity	**33,566**	**33,257**	**33,963**	**34,670**

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	**1,401**	**2,292**	**1,537**	**1,607**
Pre-tax profit	819	749	806	833
Tax	(145)	(133)	(145)	(149)
Deprec. & amort.	996	1,014	1,050	1,085
Working capital changes	(81)	592	(181)	(134)
Non-cash items	(148)	69	7	(28)
Other operating cashflows	(39)	0	0	0
Investing	**(1,083)**	**(1,175)**	**(1,374)**	**(1,307)**
Capex (growth)	(1,175)	(1,155)	(1,156)	(1,158)
Investments	0	0	0	0
Others	93	(20)	(218)	(150)
Financing	**(491)**	**(626)**	**(18)**	**(16)**
Dividend payments	(1,223)	(17)	(18)	(16)
Issue of shares	140	154	0	0
Proceeds from borrowings	(428)	(762)	0	0
Others/interest paid	1,019	0	0	0
Net cash inflow (outflow)	**(172)**	**491**	**146**	**284**
Beginning cash & cash equivalent	**296**	**124**	**615**	**761**
Ending cash & cash equivalent	**124**	**615**	**761**	**1,045**

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	7.6	7.4	7.5	7.6
Pre-tax margin	2.6	2.5	2.7	2.7
Net margin	2.2	2.1	2.2	2.2
Growth				
Net profit (adj.)	15.2	(8.6)	7.3	3.4
Leverage				
Debt to total capital	135.4	122.3	116.7	111.5
Debt to equity	135.4	122.3	116.7	111.5
Net debt/(cash) to equity	134.4	117.7	111.4	104.5
Interest cover	4.2	5.2	5.7	6.0