

## Siam Global House (GLOBAL TB)

### 4Q25 Results Preview: High Contribution From House Brands

#### Highlights

- We expect GLOBAL's 4Q25 core profit to decline 10% yoy due to the negative SSSG and higher SG&A expenses incurred by its store expansions.
- GLOBAL is the only home improvement retailer for which we expect gross margin to improve yoy in 4Q25. Moreover, interest expenses will continue to trend downward in 2026.
- Maintain BUY with a lower target price of Bt8.00.

#### Analysis

- 4Q25 earnings expected to decline yoy.** We expect Siam Global House (GLOBAL) to report 4Q25 net profit of Bt441m, down 15% yoy but up 13% qoq. Excluding the inventory write-down, core profit is expected at Bt470m, down 10% yoy but up 19% qoq.
- Sales to remain flat yoy.** Sales are expected to be flat yoy, supported by contributions from new store openings. Same-store sales growth (SSSG) is expected at -5% yoy, pressured by a lower benefit from post-flood demand compared with 4Q24, border tensions weighing on purchasing sentiment, and flooding in the southern region. Nevertheless, new store openings should help keep total sales flat yoy in 4Q25.
- Higher house-brand contribution supports profitability.** We expect 4Q25 gross margin of 26.6%, up 70bp yoy (3Q25: 26.5%; 4Q24: 25.9%), driven by higher contribution from house-brand products. GLOBAL is the only home improvement retailer for which we expect gross margin to improve yoy. Meanwhile, SG&A is expected to increase in 4Q25 due to its store openings during 2025. Equity income in 4Q25 is expected to remain flat qoq, as operations in Myanmar remain weak due to lower product selling prices.
- Beneficiaries of policy rate cut.** Interest expenses have declined for five consecutive quarters, driven by policy rate cuts. We expect interest expenses to continue trending downward in 2026, which should help support earnings amid a still-weak macroeconomic environment.

#### Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	32,300.6	32,285.2	31,669.5	32,508.9	33,471.9
EBITDA	3,959.9	3,557.5	3,167.0	3,403.8	3,498.1
Operating profit	2,736.8	2,215.6	1,752.9	1,918.0	1,941.4
Net profit (rep./act.)	2,671.4	2,377.0	1,979.8	2,175.0	2,220.8
Net profit (adj.)	2,666.6	2,377.0	2,012.2	2,175.0	2,220.8
EPS	0.5	0.5	0.4	0.4	0.4
PE (x)	12.1	14.1	17.3	16.0	15.7
P/B (x)	1.4	1.4	1.4	1.3	1.2
EV/EBITDA (x)	17.4	18.9	21.0	19.5	18.8
Dividend yield (%)	4.0	2.7	2.3	2.5	2.6
Net margin (%)	8.3	7.4	6.2	6.7	6.6
Net debt/(cash) to equity(%)	46.3	36.8	31.6	30.2	26.2
Interest cover (x)	14.0	11.4	13.3	15.6	16.0
Consensus net profit	n.a	n.a	2,047.8	2,257.9	2,444.3
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

Source: Siam Global House, Bloomberg, UOB Kay Hian

Share Price	Bt6.45
Target Price	Bt8.00
Upside	24.03%
Previous TP	Bt9.50

#### Analyst(s)

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#### Stock Data

GICS Sector	Consumer Discretionary
Bloomberg ticker	GLOBAL TB
Shares issued (m)	5,401.9
Market cap (Btm)	34,842.4
Market cap (US\$)	1,110.2
3-mth avg daily t/over (US\$)	2.5

#### Price Performance (%)

52-week high/low	Bt12.2/Bt4.3			
1mth	3mth	6mth	1yr	YTD
1.6	(19.4)	12.2	(46.8)	1.6

#### Major Shareholders

%
Suriyanukul Family
SCG Distribution
NVDR

#### Balance Sheet Metrics

FY26 NAV/Share (Bt)	4.79
FY26 Net Debt/Share (Bt)	1.52

#### Price Chart



Source: Bloomberg

#### Company Description

The company operates its businesses under concept of modern trade from construction material to home improvement supplies. It is a one-stop shopping home center, which offers construction material, home decorative products, tools and equipment used in con

### 4Q25 Results Preview

Year to 31 Dec (Btm)	4Q24	3Q25	4Q25F	yoY (%)	qoq (%)	2024	2025F	yoY (%)
Sales and services	7,621	7,416	7,697	1.0	3.8	32,285	31,669	(1.9)
Gross profit	1,970	1,965	2,047	3.9	4.2	8,339	8,198	(1.7)
Operating EBIT	584	473	552	(5.6)	16.5	2,795	2,384	(14.7)
Core profit	521	395	470	(9.8)	19.2	2,377	2,012	(15.4)
Net profit	522	392	441	(15.5)	12.4	2,377	1,980	(16.7)
Percent	4Q24	3Q25	4Q25F	(ppts)	(ppts)	2024	2025F	(ppts)
Gross margin	25.9	26.5	26.6	0.7	0.1	25.8	25.9	0.1
SG&A to sales	20.0	22.1	21.4	1.4	(0.7)	19.0	20.4	1.4
Net profit margin	6.8	5.3	5.7	(1.1)	0.4	7.4	6.3	(1.1)

Source: UOB Kay Hian

- Outstanding 1Q26 outlook.** We expect GLOBAL's growth momentum to outperform that of home improvement retail peers, driven by the low base in 1Q25. Moreover, the absence of the Shop for Nation tax rebate scheme in 1Q26 should have a limited impact on GLOBAL. We remain positive on the company's gross margin expansion, supported by its ability to increase the contribution of house-brand products amid sluggish domestic consumption.

### Valuation/Recommendation

- Maintain BUY with a lower target price of Bt8.00 (from Bt9.00) based on 20x 2026F PE, which is -1SD to peers' five-year average**
- Our peer group includes Thai retail companies under our coverage. We apply -1SD to their five-year average PE multiple as GLOBAL's long-term earnings growth is comparable to that of its peers.

### Earnings Revision/Risk

- We revise down 2025-26 earnings forecasts by 5% and 8% respectively to reflect the weaker-than-expected 4Q25 earnings and the sluggish consumption.

### 4Q25 Results Preview

Bt m	2025F			2026F		
	New	Previous	Change	New	Previous	Change
Sales	31,669	31,821	-0.5%	32,509	32,989	-1.5%
Gross profit	8,198	8,114	1.0%	8,550	8,478	0.8%
Net profit	1,980	2,088	-5.2%	2,175	2,375	-8.4%

Source: Siam Global House, Bloomberg, UOB Kay Hian

### Share Price Catalyst

- Catalysts:** Higher house-brand mix, expansion in gross margin, lower interest expenses, low base in 1Q25.
- Risks:** The absence of the Shop for Nation scheme, increase in SG&A expenses.

### Environment, Social, Governance (ESG) Updates

CG Report: 5SET ESG Rating: AA

#### Environmental

- Actively promotes energy efficiency across its supply chains, reducing carbon emissions and adopting waste management initiatives.

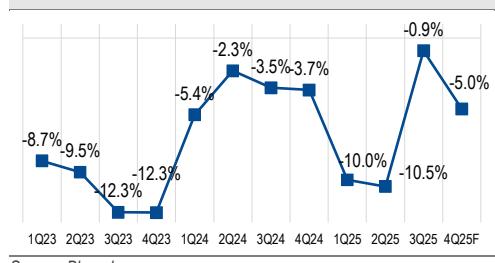
#### Social

- Emphasises employee well-being and community engagement, ensuring fair labour practices and supporting local development projects.

#### Governance

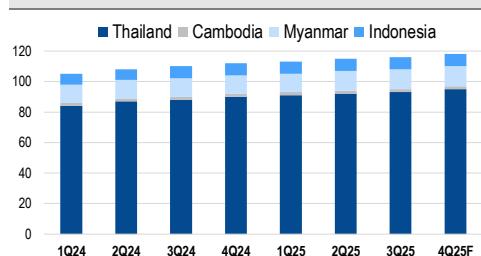
- Maintains strong corporate governance with transparent disclosure, an independent board structure, and strict compliance with regulatory standards.

### Same-store Sales Growth



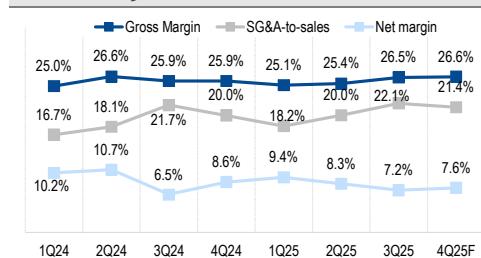
Source: Bloomberg

### Stores



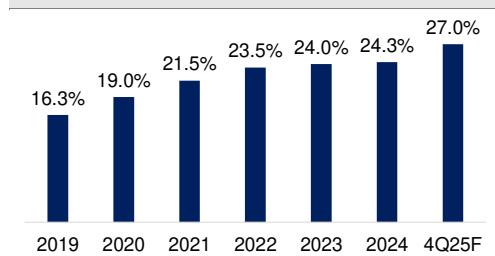
Source: GLOBAL, UOB Kay Hian

### Profitability



Source: GLOBAL, UOB Kay Hian

### House Brand Contribution



Source: GLOBAL, 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
<b>Average</b>	<b>10.3</b>	<b>19.7</b>	<b>29.1</b>	<b>38.4</b>	<b>47.8</b>

Source: UOB Kay Hian

### Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F	Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	32,285	31,669	32,509	33,472	Fixed assets	20,918	21,305	21,621	21,866
EBITDA	3,557	3,167	3,404	3,498	Other LT assets	2,968	3,013	3,334	3,591
Deprec. & amort.	1,342	1,414	1,486	1,557	Cash/ST investment	1,721	2,207	2,209	2,949
EBIT	2,216	1,753	1,918	1,941	Other current assets	13,897	13,309	14,182	14,359
Total other non-operating income	730	788	808	832	<b>Total assets</b>	<b>39,503</b>	<b>39,834</b>	<b>41,346</b>	<b>42,765</b>
Associate contributions	271	138	159	167	ST debt	9,108	8,708	8,708	8,708
Net interest income/(expense)	(312)	(238)	(218)	(218)	Other current liabilities	3,307	2,937	3,213	3,280
<b>Pre-tax profit</b>	<b>2,905</b>	<b>2,408</b>	<b>2,666</b>	<b>2,722</b>	LT debt	1,686	1,686	1,686	1,686
Tax	(538)	(446)	(502)	(511)	Other LT liabilities	445	326	392	403
Minorities	10	18	10	10	Shareholders' equity	24,663	25,900	27,080	28,431
<b>Net profit</b>	<b>2,377</b>	<b>1,980</b>	<b>2,175</b>	<b>2,221</b>	Minority interest	295	277	267	257
Net profit (adj.)	2,377	2,012	2,175	2,221	<b>Total liabilities &amp; equity</b>	<b>39,503</b>	<b>39,834</b>	<b>41,346</b>	<b>42,765</b>

### Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
<b>Operating</b>	<b>4,423</b>	<b>3,594</b>	<b>3,054</b>	<b>3,657</b>
Pre-tax profit	2,905	2,408	2,666	2,722
Tax	(538)	(446)	(502)	(511)
Deprec. & amort.	1,342	1,414	1,486	1,557
Working capital changes	989	165	(583)	(109)
Non-cash items	(59)	53	(13)	(1)
Other operating cashflows	(215)	0	0	0
<b>Investing</b>	<b>(1,371)</b>	<b>(1,966)</b>	<b>(2,057)</b>	<b>(2,048)</b>
Capex (growth)	(1,773)	(1,802)	(1,802)	(1,802)
Investments	(93)	(55)	(63)	(67)
Others	496	(109)	(192)	(179)
<b>Financing</b>	<b>(2,437)</b>	<b>(1,142)</b>	<b>(995)</b>	<b>(870)</b>
Dividend payments	(1,223)	(942)	(995)	(870)
Issue of shares	200	200	0	0
Proceeds from borrowings	(1,237)	(400)	0	0
Others/interest paid	(177)	0	0	0
<b>Net cash inflow (outflow)</b>	<b>615</b>	<b>486</b>	<b>2</b>	<b>740</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>1,053</b>	<b>1,661</b>	<b>2,147</b>	<b>2,149</b>
<b>Ending cash &amp; cash equivalent</b>	<b>1,668</b>	<b>2,147</b>	<b>2,149</b>	<b>2,889</b>

### Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
<b>Profitability</b>				
EBITDA margin	11.0	10.0	10.5	10.4
Pre-tax margin	9.0	7.6	8.2	8.1
Net margin	7.4	6.2	6.7	6.6
<b>Growth</b>				
Turnover	0.0	(1.9)	2.6	3.0
EBITDA	(10.2)	(11.0)	7.5	2.8
Pre-tax profit	(11.9)	(17.1)	10.7	2.1
Net profit	(11.0)	(16.7)	9.9	2.1
Net profit (adj.)	(10.9)	(15.4)	8.1	2.1
EPS	(14.3)	(18.5)	8.1	2.1
<b>Leverage</b>				
Debt to total capital	43.2	39.7	38.0	36.2
Debt to equity	43.8	40.1	38.4	36.6
Net debt/(cash) to equity	36.8	31.6	30.2	26.2
Interest cover	11.4	13.3	15.6	16.0

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