

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

1Q26: Results In Line; Earnings Skyrocket

#### Highlights

- Earnings came in at Bt678m, increasing 25% yoy, in line with our expectations.
- Management maintained a neutral tone, reaffirming its gross margin target of 51-52% in 2026.
- If the company can maintain its current market capitalisation level, we believe it has a high likelihood of being included in the SET50.
- Maintain BUY with a target price of Bt10.50.

#### 1Q26 Results

Bt m	1Q25	4Q25	1Q26	yoy (%)	qoq (%)
Sales and services	4,468	5,734	5,424	21.4	(5.4)
Gross profit	2,309	2,947	2,819	22.1	(4.4)
EBITDA	1,409	1,192	1,712	21.6	43.6
Core profit	542	850	678	25.1	(20.2)
Net profit	542	850	678	25.1	(20.2)
Percent	1Q25	4Q25	1Q26	yoy (ppts)	qoq (ppts)
Gross margin	51.7	51.4	52.0	0.29	0.6
SG&A to sales	34.1	31.2	34.4	0.36	3.2
EBITDA margin	31.5	20.8	31.6	0.04	10.8

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

#### Analysis

- Results in line.** MR. D.I.Y. Thailand (MRDIYT) reported a net profit of Bt678m, surging 25% yoy and falling 14% qoq, in line with both our and market expectations. Sales grew 21% yoy, driven by store expansion, while SSSG was marginally positive at +0.1%. Growth was supported by higher transaction volumes, although average ticket size slightly declined by 0.8% yoy.
- Store expansion remains on track,** with total stores reaching 1,192 as of end-1Q26, and 65 stores added since end-25. The company has already secured more than 90% of locations for its 2026 target of 210 new stores.
- Strong gross margin expansion.** EBITDA rose 22% yoy, supported by an improvement in gross margin of 29 bps to 52.0%, driven by economies of scale from a larger store network. SG&A-to-sales increased by 36 bps yoy to 34.4%, reflecting ongoing store expansion but remaining within expectations.
- KKV weaker than expected.** The share of loss from KKV was slightly worse than expected, declining both yoy and qoq. On a positive note, interest expenses decreased both yoy and qoq following the repayment of bank loans.

#### Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	16,147.0	20,077.9	23,294.0	26,630.8	29,269.6
EBITDA	4,772.3	6,473.8	7,193.3	8,169.7	9,060.6
Operating profit	2,644.3	3,857.6	4,452.2	5,100.5	5,664.5
Net profit (rep./act.)	1,781.6	2,631.4	3,103.7	3,609.3	4,045.2
Net profit (adj.)	1,781.6	2,631.4	3,103.7	3,609.3	4,045.2
EPS	0.3	0.4	0.5	0.6	0.7
PE (x)	27.8	20.2	17.2	14.8	13.2
P/B (x)	10.4	5.5	4.6	3.9	3.3
EV/EBITDA (x)	18.4	13.0	11.6	10.1	9.0
Dividend yield (%)	1.3	2.3	2.8	3.2	3.6
Net margin (%)	11.0	13.1	13.3	13.6	13.8
Net debt/(cash) to equity(%)	171.5	49.8	36.3	24.6	12.2
Interest cover (x)	12.7	17.3	19.4	22.0	24.4
ROE (%)	42.7	36.4	29.2	28.6	27.2
Consensus net profit	n.a	n.a	3,052.7	3,567.8	4,040.9
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

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

**BUY** (Maintained)

Share Price	Bt8.70
Target Price	Bt10.50
Upside	20.69%

**Analyst(s)**

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#### Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	MRDIYT TB
Shares issued (m):	6,017.1
Market cap (Bt\$m):	53,251.3
Market cap (US\$m):	1,626.3
3-mth avg daily t'over (US\$m):	1.2

#### Price Performance (%)

52-week high/low	Bt9.6/Bt7.6				
1mth	3mth	6mth	1yr	YTD	
0.0	0.0	2.9	n.a	1.7	

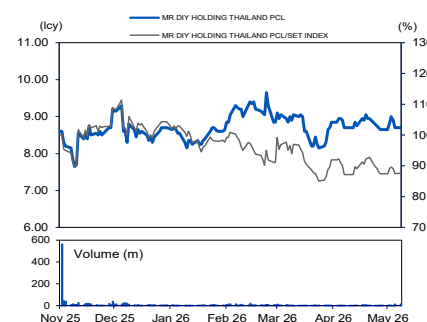
#### Major Shareholders

	%
MR. D.I.Y.	25.09
Jhompchon 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.

### Essentials

- **Neutral tone from analyst meeting.** Management maintained a neutral tone, reaffirming its gross margin target of 51-52% in 2026 and expressing confidence in sustaining margins through 1H26, supported by high inventory days. While consumer purchasing power remains a concern amid softer consumer confidence, reflected in weaker units per transaction in Mar 26, growth prospects remain intact. KKV's full-year loss is guided at Bt100m, with a more cautious expansion plan of 8-10 smaller stores.
- **Expect double-digit earnings growth in 2Q26.** Despite a 1.5% yoy decline in April SSSG due to a high base, we still expect double-digit yoy earnings growth in 2Q26, supported by strong margins, lower interest expenses, and continued store expansion.
- **High potential to be included in SET50.** Regarding potential inclusion in the SET50, MRDIYT has already met the free float and liquidity criteria. If the company can maintain its current market capitalisation level, we believe it has a high likelihood of being included in the SET50.

### Valuation/Recommendation

- **Maintain BUY and a target price of Bt10.50** based on 20x 2026F PE, in line with -1SD of the five-year home improvement peer average. We apply a PE multiple given its growth-stage, asset-light business model. Compared with regional peers, MRDIYT is currently trading at a discount to MR DIY Malaysia (22.5x PE). Moreover, the current share price is trading close to Thai home improvement retailers (HMPRO 13.0x, GLOBAL 15.7x, DOHOME 16.3x), despite offering stronger earnings growth. Hence, we recommend BUY.

### Earnings Revision/Risk

- **No earnings revision.** 1Q26 earnings accounts for 23% of our full year forecast, which is higher than the previous year.

### Share Price Catalyst

- a) Strong store expansion, b) gross margin expansion.

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

CG Report: -

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 toward more sustainable offerings.

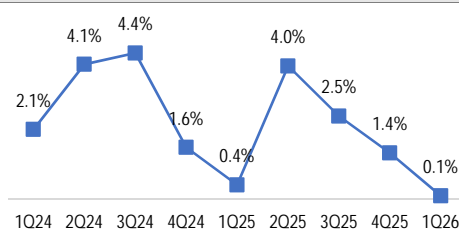
#### Social

- **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

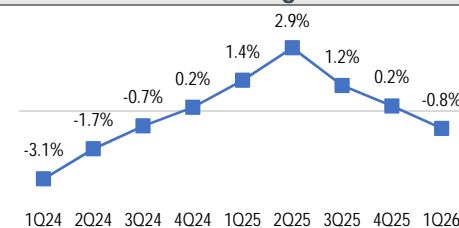
- **Well-structured government framework.** MRDIYT has a well-organised governance structure, with the Board of Directors responsible for overall direction and a dedicated committee overseeing sustainability, supported by a working team that handles execution.

### Same-store Sales Growth



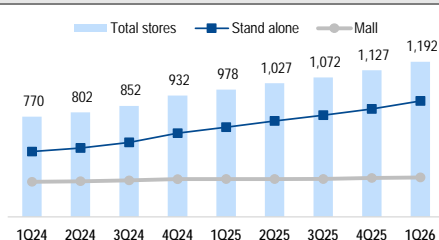
Source: MRDIYT, UOB Kay Hian

### MRDIYT Basket Size Change



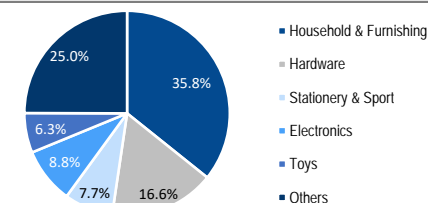
Source: MRDIYT, UOB Kay Hian

### Stores



Source: MRDIYT, UOB Kay Hian

### 1Q26 Sales Mix



Source: MRDIYT, UOB Kay Hian

### Sensitivity On Freight And Logistic Cost

Freight and logistic cost change	Gross profit	SG&A	Net profit
30%	-0.5%	0.2%	-2.0%
20%	-0.3%	0.2%	-1.3%
10%	-0.2%	0.1%	-0.7%
0%	0.0%	0.0%	0.0%
-10%	0.2%	-0.1%	0.7%
-20%	0.3%	-0.2%	1.3%
-30%	0.5%	-0.2%	2.0%

Source: UOB Kay Hian

### Peers PE Band

Peers	-2SD	-1SD	Mean	+1SD	+2SD
BJC	14.8	19.5	24.3	29.1	33.9
CPALL	7.5	17.3	27.2	37.1	47.0
CPAXT	12.1	23.6	35.1	46.6	58.1
CPN	7.8	13.6	19.3	25.1	30.8
CRC	10.3	16.5	22.8	29.1	35.3
DOHOME	-1.5	18.7	39.0	59.2	79.4
GLOBAL	14.6	21.8	29.0	36.1	43.3
HMPRO	11.9	18.4	24.9	31.4	37.9
Average	9.7	18.7	27.7	36.7	45.7

Source: Bloomberg

### Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	20,078	23,294	26,631	29,270
EBITDA	6,474	7,193	8,170	9,061
Deprec. & amort.	2,616	2,741	3,069	3,396
EBIT	3,858	4,452	5,100	5,664
Total other non-operating income	0	0	0	0
Associate contributions	(91)	(80)	(80)	(84)
Net interest income/(expense)	(374)	(371)	(371)	(371)
Pre-tax profit	3,393	4,002	4,650	5,210
Tax	(761)	(898)	(1,041)	(1,165)
Minorities	0	0	0	0
Net profit	2,631	3,104	3,609	4,045
Net profit (adj.)	2,631	3,104	3,609	4,045

### Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	5,389	5,115	6,006	6,909
Pre-tax profit	3,393	4,002	4,650	5,210
Tax	(761)	(898)	(1,041)	(1,165)
Deprec. & amort.	2,616	2,741	3,069	3,396
Working capital changes	(300)	(701)	(727)	(575)
Non-cash items	146	(29)	54	43
Other operating cashflows	295	0	0	0
Investing	(2,040)	(3,226)	(3,706)	(3,795)
Capex (growth)	(3,506)	(3,594)	(3,655)	(3,763)
Investments	(132)	32	32	34
Others	1,598	335	(83)	(66)
Financing	(2,363)	(1,247)	(1,470)	(1,710)
Dividend payments	(1,247)	(1,247)	(1,470)	(1,710)
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	643	829	1,404
Beginning cash & cash equivalent	784	1,771	2,413	3,243
Ending cash & cash equivalent	1,771	2,413	3,243	4,647

### 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	1,200	1,301	1,373
Cash/ST investment	1,771	2,413	3,243	4,647
Other current assets	5,751	6,653	7,607	8,360
<b>Total assets</b>	<b>18,393</b>	<b>20,471</b>	<b>22,941</b>	<b>25,538</b>
ST debt	1,931	1,931	1,931	1,931
Other current liabilities	1,784	1,957	2,237	2,459
LT debt	4,674	4,674	4,674	4,674
Other LT liabilities	304	352	403	443
Shareholders' equity	9,700	11,556	13,695	16,031
Minority interest	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>18,393</b>	<b>20,471</b>	<b>22,941</b>	<b>25,538</b>

### Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
<b>Profitability</b>				
EBITDA margin	32.2	30.9	30.7	31.0
Pre-tax margin	16.9	17.2	17.5	17.8
Net margin	13.1	13.3	13.6	13.8
ROA	15.6	16.0	16.6	16.7
ROE	36.4	29.2	28.6	27.2
<b>Growth</b>				
Turnover	24.3	16.0	14.3	9.9
EBITDA	35.6	11.1	13.6	10.9
Pre-tax profit	47.9	18.0	16.2	12.0
Net profit	47.7	18.0	16.3	12.1
Net profit (adj.)	47.7	18.0	16.3	12.1
EPS	37.4	18.0	16.3	12.1
<b>Leverage</b>				
Debt to total capital	68.1	57.2	48.2	41.2
Debt to equity	68.1	57.2	48.2	41.2
Net debt/(cash) to equity	49.8	36.3	24.6	12.2
Interest cover	17.3	19.4	22.0	24.4

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