Retail

June SSSG Returns To Normalised Levels

MARKET WEIGHT
(Maintained)

Highlights

- Jun 26 SSSG softened across all segments. The slowdown was mainly driven by the Thai Help Thai Plus copayment scheme and weaker demand for construction materials.
- Maintain MARKET WEIGHT. Our top picks are CPN, CRC and MOSHI.

Analyst(s)
Tanapon Cholkadidamrongkul
Tanapon.c@uobkh.co.th
662 090 3359

Analysis

- **Jun 26 SSSG softened across all segments.** The slowdown was mainly driven by the Thai Help Thai Plus copayment scheme and weaker demand for construction materials.
- **Modern grocery retail.** Convenience store and supermarket retailers, such as CPALL and CRC, are seeing stronger SSSG than hypermarket retailers.
  - **CPAXT and BJC.** Hypermarket operators were hit hardest, with SSSG declining significantly in June. We expect BJC to be relatively more resilient, supported by a better product mix. CPAXT is likely to be more heavily affected, with June SSSG expected to decline by high single-digit yoy.
  - **CPALL.** June SSSG was flat yoy. The copayment scheme also diverted spending away from convenience stores. SSSG was slightly negative at the beginning of June but gradually improved toward month-end as most consumers had already utilised their copayment quota.
  - **CRC food retail segment.** We expect overall food SSSG to be flat yoy. The key positive is that Food Thailand remains the strongest performer among peers, with SSSG expected to grow 4% yoy. Both Tops and GO Wholesale maintained positive momentum, with GO Wholesale outperforming due to its low base and benefits from the copayment scheme. Meanwhile, Food Vietnam softened in June.
- **Shopping malls remained the most resilient segment.** CPN reported tenant sales growth of 6-7% yoy in April-May, while traffic increased 2-3% yoy. We expect tenant sales to soften slightly in June due to the Thai Help Thai Plus programme and a higher base effect, but overall performance should remain stronger than that of the hypermarket segment.

Segmental Rating

Segment	Rating
Grocery retail	MARKET WEIGHT (Maintained)
Home improvement retail	OVERWEIGHT (Maintained))
Lifestyle retail	OVERWEIGHT (Maintained)

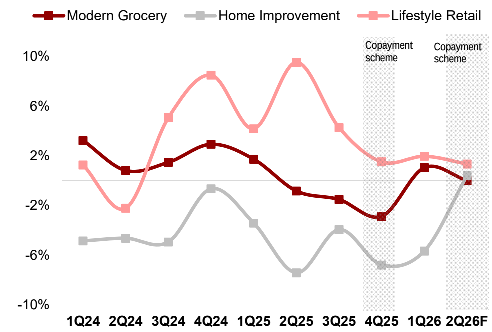
Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
Central Patana	CPN TB	BUY	62.00	73.50
Central Retail	CRC TB	BUY		
Moshi Moshi	MOSHI TB	BUY	34.25	47.00

Source: Bloomberg, UOB Kay Hian

Sector Same-store Sales Growth



Source: UOB Kay Hian

Peer Comparison

Company	Rec	Price 8 Jul 26 (Bt)	Target Price (Bt)	Upside Downside (%)	Market Cap (US$m)	------ Net Profit ------ 2026F (Btm)	2027F (Bt m)	--------- PE -------- 2026F (x)	2027F (x)	Net EPS Growth 2026F(%)	P/B 2026F (x)	Yield 2026F (%)	ROE 2026F (%)
BJC TB	HOLD	14.50	15.50	6.9	1,740	4,358	4,450	13.3	13.1	8.7	0.5	3.8	3.4
COM7 TB	BUY	27.75	30.00	8.1	1,984	4,172	4,293	15.9	15.4	3.2	4.7	4.1	30.8
CPALL TB	BUY	46.25	62.00	34.1	12,439	30,931	31,714	13.4	13.1	9.7	2.6	4.0	9.1
CPAXT TB	HOLD	14.70	14.50	(1.4)	4,589	9,762	10,425	15.7	14.7	4.3	0.5	4.9	3.2
CPN TB	BUY	65.75	73.50	11.8	8,835	19,022	20,129	15.5	14.7	1.0	2.5	3.7	15.4
CRC TB	BUY	22.20	25.50	14.9	4,009	7,707	8,304	17.4	16.1	4.0	2.1	5.0	11.0
DOHOME TB	HOLD	3.60	3.60	-	365	656	678	18.6	18.0	9.1	0.9	0.2	4.8
GLOBAL TB	BUY	6.90	7.40	7.2	1,116	2,175	2,268	17.1	16.4	10.7	1.4	2.9	8.2
HMPRO TB	BUY	6.35	8.00	26.0	2,500	5,854	6,119	14.3	13.6	(2.6)	3.1	5.8	22.0
MOSHI TB	BUY	37.50	47.00	25.3	371	785	869	15.8	14.2	17.2	4.0	3.8	26.9
MRDIYT TB	BUY	9.75	10.50	7.7	1,756	3,104	3,609	18.9	16.3	17.9	5.1	2.5	29.2
Average					39,704	88,526	92,858	15.1	14.4	5.9	2.4	4.1	12.7

Source: UOB Kay Hian

- **Home Improvement retail.** SSSG turned negative in June but remained solid for the full quarter.
  - **HMPRO and GLOBAL.** SSSG turned negative for the second consecutive month as demand for construction materials continued to soften after being front-loaded in March-April, leading to weaker sales momentum.
  - **DOHOME.** DOHOME was the only home improvement retailer to deliver positive SSSG in Jun 26. The wholesale segment continued to outperform with strong SSSG, while the retail segment also showed sequential improvement. We expect 2Q26 net profit of Bt280m (+78% yoy, +12% qoq), marking the company's strongest quarterly earnings in the past 15 quarters.
- **Lifestyle retail.** MOSHI is expected to outperform MRDIYT in 2Q26.
  - **MOSHI.** June SSSG is estimated at around +5% yoy. Sales softened during the first half of June, partly due to the copayment scheme, before recovering in the second half of the month, driven by the popularity of the Toy Story collection and the "Friend of Moshi Moshi" campaign.
  - **MRDIYT.** SSSG was softer in June due to the high base last year. However, we still expect positive earnings growth in 2Q26 supported by the store expansion.

Valuation/Recommendation

- **Maintain MARKET WEIGHT.** We prefer home improvement retail and lifestyle retail over modern grocery due to the stronger earnings momentum.
- **Top picks are CPN, CRC and MOSHI.** CPN is the most resilient stock among all retailers. We also continue to like MOSHI for its superior earnings growth.

Sector Catalyst/Risk

- **Catalysts:** a) attractive valuation, b) strong recovery in 4Q26.

Grocery Retail Same-store Sales Growth

Modern Grocery	1Q25	2Q25	3Q25	4Q25	1Q26	Apr26F	May26F	Jun26F	2Q26F
CPALL (7-Eleven)	3.0%	-0.8%	-0.7%	-1.5%	1.9%	1.5%	1.5%	0.0%	1.0%
CPAXT (Makro)	1.0%	-1.2%	0.3%	0.0%	0.6%	1.0%	-0.5%	-1.0%	-1.0%
CPAXT (Lotus's)	0.5%	0.0%	-0.5%	-7.6%	0.0%	0.0%	-2.0%	-7.0%	-3.5%
BJC (Big C)	2.1%	-3.2%	-3.8%	-3.3%	-3.3%	-3.3%	-1.5%	-2.8%	-2.5%
CRC (Tops & Go TH)	2.0%	1.0%	-3.0%	-2.0%	6.0%	7.8%	6.0%	4.2%	6.0%
Average	1.7%	-0.8%	-1.5%	-2.9%	1.0%	1.4%	0.7%	-1.3%	0.0%

Source: Respective companies, UOB Kay Hian

Home Improvement Retail Same-store Sales Growth

Home Improvement	1Q25	2Q25	3Q25	4Q25	1Q26	Apr26F	May26F	Jun26F	2Q26F
HMPRO (HomePro TH)	-3.3%	-8.8%	-5.7%	-7.8%	-12.7%	2.5%	-2.0%	-3.5%	-1.0%
HMPRO (Mega Home)	0.2%	-1.6%	0.9%	-6.9%	-3.7%	5.0%	-0.5%	-0.5%	1.3%
GLOBAL	-10.0%	-10.5%	-0.9%	-4.9%	-2.8%	3.0%	-3.5%	-5.0%	-1.8%
DOHOME	2.0%	-9.3%	-11.0%	-10.4%	-4.1%	4.5%	1.0%	2.0%	2.5%
CRC (TWD//PWB/B2S)	-6.0%	-7.0%	-3.0%	-4.0%	-5.0%	5.5%	1.0%	-3.5%	1.0%
Average	-3.4%	-7.4%	-3.9%	-6.8%	-5.7%	4.1%	-0.8%	-2.1%	0.4%

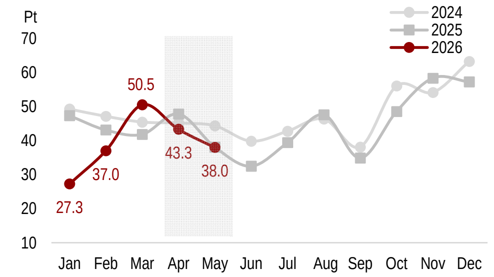
Source: Respective companies, UOB Kay Hian

Lifestyle Retail Same-store Sales Growth

Lifestyle Retail	1Q25	2Q25	3Q25	4Q25	1Q26	Apr26F	May26F	Jun26F	2Q26F
MRDIYT	0.4%	4.0%	2.5%	1.4%	0.1%	-1.5%	0.0%	-2.0%	-1.2%
MOSHI	7.9%	15.0%	6.0%	1.6%	3.8%	0.0%	6.5%	5.0%	3.8%
Average	4.2%	9.5%	4.2%	1.5%	2.0%	-0.8%	3.3%	1.5%	1.3%

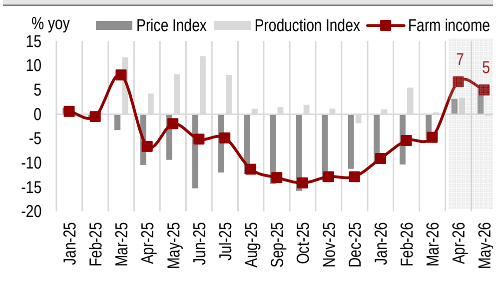
Source: Respective companies, UOB Kay Hian

Retail Sentiment Index



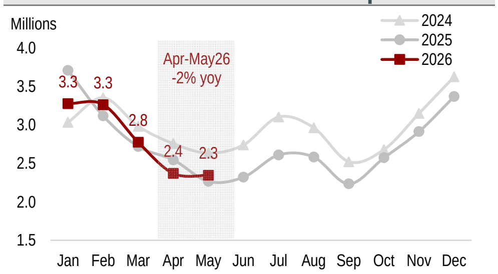
Source: Thai Retailers Association, UOB Kay Hian

Farm Income Turned Positive



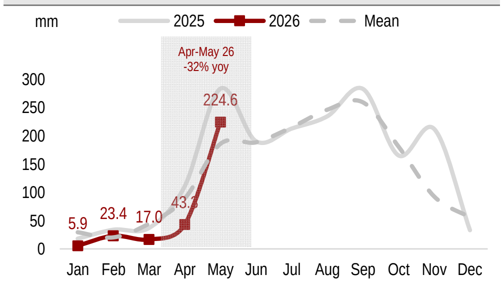
Source: Office of Agricultural Economics, UOB Kay Hian

International Tourist Arrivals Improved



Source: Ministry of Tourism and Sports, UOB Kay Hian

Lower Rainfall in 2026



Source: Thai Meteorological Department, UOB Kay Hian

Earnings Impact of a 1% THB Appreciation

Stocks	Currency	Earnings impact
CRC	VND	0.30%
BJC	VND	0.20%
CPAXT	MYR	0.20%
CPALL	MYR	0.05%
CPN	MYR	0.02%
MRDIYT	USD	0.80%
DOHOME	RMB	0.70%
GLOBAL	RMB	0.40%
HMPRO	RMB	0.20%

Source: UOB Kay Hian