Siam Global House (GLOBAL TB)

3Q26: Earnings Beat Our And Consensus Estimates

Highlights

- GLOBAL reported 3Q26 net profit of Bt551m, spiking 40% yoy and 10% above our and consensus estimates due to a higher-than-expected margin.
- House brand sales accelerated, reflecting consumers' increasing preference for lower-priced products amid a sluggish economic recovery.
- Maintain BUY with a target price of Bt9.00, based on 2027F PE of 17x.

3Q26 Results

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales	7,416	8,171	7,236	(2.4)	(11.4)	31,601	31,581	(0.1)
Gross profit	1,965	2,581	2,072	5.4	(19.7)	8,159	9,064	11.1
Other income	181	190	201	10.6	5.6	799	758	(5.1)
SG&A	(1,637)	(1,688)	(1,647)	0.6	(2.4)	(6,479)	(6,537)	0.9
EBIT	473	1,026	576	21.7	(43.8)	2,324	3,079	32.5
Interest expense	(59)	(30)	(33)	(45.2)	8.4	(236)	(135)	(42.8)
Equity income	29	105	63	116.8	(39.9)	154	277	80.0
Net profit	392	955	551	40.5	(42.3)	1,964	2,828	44.0
Percent	**3Q25**	**2Q26**	**3Q26**	**(ppts)**	**(ppts)**	**2025**	**2026F**	**(ppts)**
Gross margin	26.5	31.6	28.6	2.14	(3.0)	25.8	28.7	2.9
SG&A to sales	22.1	20.7	22.8	0.69	2.1	20.5	20.7	0.2
Net profit margin	5.3	11.7	7.6	2.3	(4.1)	6.2	9.0	2.7

Source: Siam Global House, Bloomberg, UOB Kay Hian

Analysis

- **Results beat.** Siam Global Houses (GLOBAL) reported 3Q26 net profit of Bt551m (+40% yoy, -42% qoq), 10% above our and consensus estimates, due to a higher-than-expected gross profit margin. House brand sales accelerated despite a decline in overall sales, reflecting consumers' increasing preference for lower-priced house brand products amid a limited economic recovery. This drove a stronger-than-expected improvement in gross profit margin.
- **3Q26 operating highlights.** a) Revenue declined 2% yoy, with SSSG of -6.94% yoy; b) gross profit margin increased by 214bps yoy to 28.6% (vs our estimate of 27.8%), driven by a higher house brand sales contribution of 29.0% (3Q25: 27.0%; 2Q26: 27.5%); c) other income increased 11% yoy, supported by Bt19m in insurance claim proceeds; d) SG&A-to-sales increased by 69 bps yoy to 22.8%, mainly due to higher depreciation expenses following store expansion; e) interest expenses remained flat qoq; and f) share of profit from investments increased by 117% yoy, supported by improved operations in Myanmar.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	32,285.2	31,601.1	31,581.2	32,358.6	32,987.4
EBITDA	3,557.5	3,077.1	3,935.4	3,900.8	4,010.1
Operating profit	2,215.6	1,680.6	2,526.5	2,426.9	2,474.1
Net profit (rep./act.)	2,377.0	1,964.0	2,827.8	2,856.9	2,924.9
Net profit (adj.)	2,377.0	1,978.1	2,819.8	2,856.9	2,924.9
EPS	0.5	0.4	0.5	0.5	0.5
PE (x)	15.6	19.5	13.7	13.5	13.7
P/B (x)	1.5	1.5	1.4	1.3	1.3
EV/EBITDA (x)	20.7	23.9	18.3	18.4	17.6
Dividend yield (%)	2.4	2.6	3.7	3.7	3.6
Net margin (%)	7.4	6.2	9.0	8.8	8.9
Net debt/(cash) to equity(%)	36.8	35.2	28.2	25.0	19.9
Interest cover (x)	11.4	13.0	29.2	29.1	30.1
Consensus net profit	n.a	n.a	2,668.5	2,675.8	2,817.1
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.0

Source: Siam Global House, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt7.15
Target Price	Bt9.00
Upside	25.9%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	GLOBAL TB
Shares issued (m)	5,602.0
Market cap (Btm)	39,494.0
Market cap (US$m)	1,172.2
3-mth avg daily t'over (US$m)	3.5

Price Performance (%)

52-week high/low				Bt8.0/Bt5.4
1mth	**3mth**	**6mth**	**1yr**	**YTD**
12.8	(4.7)	6.0	(0.5)	15.1

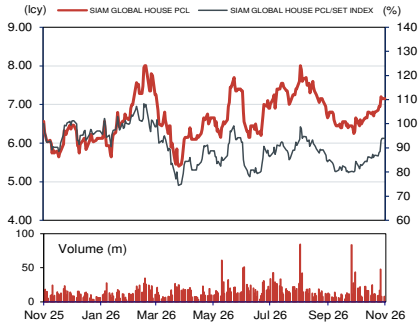
Major Shareholders (%)

Suriyanukul Family	34.53
SCG Distribution	32.94
NVDR	3.33

Balance Sheet Metrics

FY26 NAV/Share (Bt)	5.1
FY26 Net Debt/Share (Bt)	1.4

Price Chart



Source: Bloomberg

Company Description

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

Valuation/Recommendation

- **Maintain BUY with a target price of Bt9.00.** Our target price is based on 2027F PE of 17x, equivalent to -1SD of peers' average. We believe the share price has overreacted to the qoq earnings decline and is currently trading at 13.5x PE, based on our forecast of double-digit yoy earnings growth in 2H26. We view the current valuation as an attractive entry point.
- **GLOBAL remains our top pick in the home improvement retail segment.** We maintain our view that 4Q26 net profit will deliver double-digit yoy growth, supported by a low base in the previous year and further gross expansion from a higher house brand sales contribution.

Peers PE Band

Peers	-2SD	-1SD	Mean	+1SD	+2SD
DOHOME	-4.0	15.6	35.2	54.8	74.4
GLOBAL	9.0	17.9	26.8	35.7	44.5
HMPRO	11.0	17.7	24.4	31.0	37.7
Average	**5.3**	**17.1**	**28.8**	**40.5**	**52.2**

Source: Bloomberg, UOB Kay Hian

Earnings Revision/Risk

- **Revise up earnings.** We revise up our 2026-27F earnings forecasts by 7.2% and 7.9% respectively to reflect the better-than-expected gross margin and equity income.

Earnings Revision

Year to 31 Dec (Btm)	2026F			2027F		
	New	Previous	Change	New	Previous	Change
Revenue	31,581	31,737	-0.5%	32,359	33,001	-1.9%
Gross profit	9,064	8,851	2.4%	9,028	9,009	0.2%
Operating profit	3,079	2,932	5.0%	3,042	2,904	4.7%
Net profit	**2,828**	**2,639**	**7.2%**	**2,857**	**2,647**	**7.9%**

Source: Siam Global House, Bloomberg, UOB Kay Hian

Share Price Catalyst

- Strong margin expansion, lower finance costs.

Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AA

Environmental

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

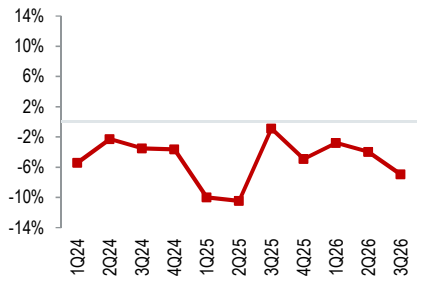
Social

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

Governance

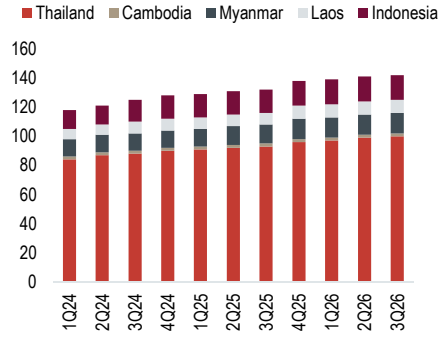
- Maintains strong corporate governance with transparent disclosure, an independent board structure, and strict compliance with regulatory standards.

Same-store Sales Growth



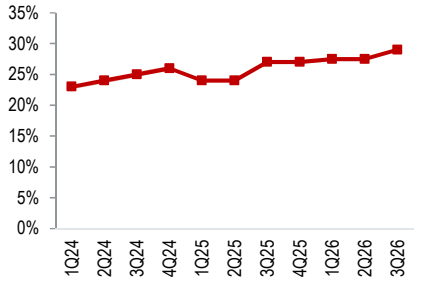
Source: Siam Global House, UOB Kay Hian

Stores



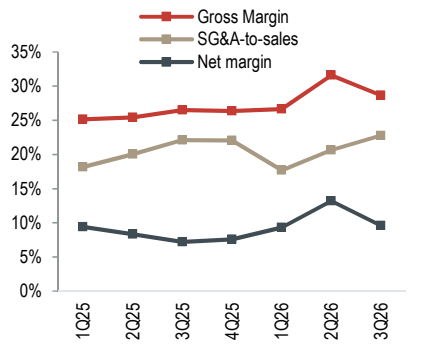
Source: Siam Global House, UOB Kay Hian

House Brand Contribution



Source: Siam Global House, UOB Kay Hian

Profitability



Source: Siam Global House, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**31,601**	**31,581**	**32,359**	**32,987**
EBITDA	3,077	3,935	3,901	4,010
Deprec. & amort.	1,397	1,409	1,474	1,536
EBIT	1,681	2,526	2,427	2,474
Total other non-operating income	799	758	825	841
Associate contributions	154	277	332	349
Net interest income/(expense)	(236)	(135)	(134)	(133)
Pre-tax profit	**2,383**	**3,434**	**3,450**	**3,531**
Tax	(442)	(631)	(618)	(631)
Minorities	23	25	25	25
Net profit	**1,964**	**2,828**	**2,857**	**2,925**
Net profit (adj.)	1,978	2,820	2,857	2,925

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	21,295	21,523	22,038	22,439
Other LT assets	3,015	3,362	3,676	4,000
Cash/ST investment	2,209	474	914	1,933
Other current assets	13,671	13,907	14,059	14,376
Total assets	**40,190**	**39,266**	**40,687**	**42,748**
ST debt	9,959	6,447	6,417	6,387
Other current liabilities	2,652	3,029	3,045	3,012
LT debt	1,235	1,735	1,715	1,695
Other LT liabilities	552	456	493	518
Shareholders' equity	25,540	27,373	28,816	30,959
Minority interest	252	227	202	177
Total liabilities & equity	**40,190**	**39,266**	**40,687**	**42,748**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**6,508**	**4,352**	**4,170**	**4,086**
Pre-tax profit	2,383	3,434	3,450	3,531
Tax	(442)	(631)	(618)	(631)
Deprec. & amort.	1,397	1,409	1,474	1,536
Working capital changes	(434)	127	(129)	(357)
Non-cash items	5	13	(7)	7
Other operating cashflows	3,598	0	0	0
Investing	**(1,790)**	**(2,080)**	**(2,266)**	**(2,236)**
Capex (growth)	(1,774)	(1,637)	(1,988)	(1,938)
Investments	(134)	(111)	(133)	(140)
Others	119	(332)	(145)	(159)
Financing	**(4,342)**	**(4,008)**	**(1,464)**	**(831)**
Dividend payments	(959)	(995)	(1,414)	(1,481)
Issue of shares	200	0	0	700
Proceeds from borrowings	399	(3,012)	(50)	(50)
Others/interest paid	(3,983)	0	0	0
Net cash inflow (outflow)	**376**	**(1,735)**	**440**	**1,019**
Beginning cash & cash equivalent	**1,661**	**2,029**	**294**	**734**
Ending cash & cash equivalent	**2,037**	**294**	**734**	**1,753**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	9.7	12.5	12.0	12.2
Pre-tax margin	7.5	10.9	10.7	10.7
Net margin	6.2	9.0	8.8	8.9
Growth				
Turnover	(2.1)	(0.1)	2.5	1.9
EBITDA	(13.5)	27.9	(0.9)	2.8
Pre-tax profit	(17.9)	44.1	0.5	2.3
Net profit	(17.4)	44.0	1.0	2.4
Net profit (adj.)	(16.8)	42.6	1.3	2.4
EPS	(19.9)	42.6	1.3	(1.3)
Leverage				
Debt to total capital	43.4	29.6	28.0	26.0
Debt to equity	43.8	29.9	28.2	26.1
Net debt/(cash) to equity	35.2	28.2	25.0	19.9
Interest cover	13.0	29.2	29.1	30.1

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