

Moshi Moshi Retail Corp Pcl (MOSHI TB) - BUY**Earnings Preview**

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4Q24F preview

- **Strong 4Q24F net profit, +32% y-y.**
 - **Excluding JV loss, core profit would grow 40% y-y.**
 - **Drivers: sales growth and widening gross margin (ex JV).**
 - **YTD SSSG on track at a 3-4% positive.**
- Strong 4Q24F net profit of Bt194m, increasing by 32% y-y and 79% q-q.
 - Excluding JV loss expected at Bt12m in 4Q24F, a larger loss than Bt4m in 3Q24 from lower exhibition revenues (Hello Kitty Exhibition, Sanrio Characters: FUNtastic exhibition), 4Q24F core profit would be Bt206m (in line with our earlier forecast), up 40% y-y and 84% q-q.
 - Drivers will be 1) a 31% sales growth y-y, 30% from a 15% SSSG and 33 new branches opened in 2024 to reach 164, 0.6% sales growth from JV exhibitions, 2) excluding JV cost, core gross margin is expected to expand by 34bp y-y and 80bp q-q to 54.6% from rising gross margin of wholesale stores and higher imported sales mix to 60%, 3) falling SG&A/sales on larger sales base. Note that, taking into account JV cost, we estimate blended gross margin to decline by 109bp y-y but rise by 38bp q-q to 53.2%.
 - 2025 guidance: 15-20% sales growth, 40 new branches, +50 to 60bp to core gross margin.
 - YTD SSSG was 3 to 4% positive during the first two weeks of January. KKV so far opened six branches and didn't impact MOSHI sales that much due to low product overlap and KKV's higher product price. MOSHI has five stores located in the same malls as KKV's and SSSG of those stores remains positive.

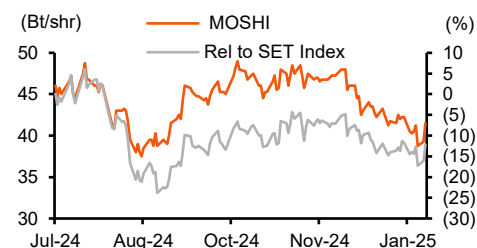
Key Valuations

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Revenue	2,530	3,094	3,713	4,570
Net profit	402	514	670	883
Norm net profit	402	514	670	883
Norm EPS (Bt)	1.2	1.6	2.0	2.7
Norm EPS gr (%)	28.3	28.0	30.4	31.8
Norm PE (x)	34.1	26.7	20.4	15.5
EV/EBITDA (x)	16.4	13.3	10.7	8.5
P/BV (x)	6.9	6.0	5.2	4.4
Div. yield (%)	1.4	1.9	2.4	3.2
ROE (%)	22.4	24.2	27.2	30.5
Net D/E (%)	(4.8)	(4.1)	(8.0)	(15.5)

Source: Thanachart estimates

Stock Data

Closing price (Bt)	41.50
Target price (Bt)	63.00
Market cap (US\$ m)	402
Avg daily turnover (US\$ m)	1.3
12M H/L price (Bt)	59.50/37.50

Price Performance

Source: Bloomberg

Ex 1: 4Q24F Preview

Yr-end Dec (Bt m)	Income Statement					Change	
	4Q23	1Q24	2Q24	3Q24	4Q24F	(q-q%)	(y-y%)
Revenue	789	692	637	736	1,031	40	31
Gross profit	429	379	338	389	549	41	28
SG&A	230	217	229	242	292	21	27
Operating profit	198	163	109	147	257	75	29
EBITDA	278	244	193	236	353	49	27
Other income	4	4	4	4	4	12	10
Other expenses	(5)	(6)	(6)	(7)	(7)	na	na
Interest expenses	16	17	18	19	20	1	19
Profit before tax	191	155	102	138	248	80	30
Income tax	44	30	21	30	55	81	24
Equity & invest. Income	0	0	0	0	0		
Minority interest	0	0	0	0	0		
Extraordinary items	0	0	0	0	0		
Net profit	147	125	81	108	194	79	32
Normalized profit	147	125	81	108	194	79	32

Sources: Company data, Thanachart estimates

Ex 2: MOSHI's Total Stores

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24F
Retail shops	97	103	106	110	114	124	132	140	147	152
Wholesale shops	3	3	3	3	3	3	3	3	3	3
Garlic	0	0	0	0	1	3	3	3	3	3
OK Station	0	0	0	1	1	1	1	1	1	1
Standalone	0	0	0	0	0	0	1	3	4	5
Total	100	106	109	114	119	131	140	150	158	164
New stores (q-q)		6	3	5	5	12	9	10	8	6
SSSG (%)		27.1	43.6	19.9	11.5	4.0	0.4	(8.5)	5.7	15.0

Sources: Company data, Thanachart estimates

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