

MC GROUP Pcl (MC TB) - BUY, Price Bt10.50, TP Bt11.50**Results Comment**

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Flat 4QFY25, a slight miss

- MC reported flat 4QFY25 (Apr-Jun) net profit of Bt135m, down 1% y-y and 29% q-q, 5% below our estimates on falling gross margin.
- Sales grew by 4% y-y to Bt907m. Offline sales fell 6% y-y (-6.5% SSSG) to Bt726m while online sales rose by 76% y-y to Bt181m (20% of sales vs 12% in 4QFY24).
- Gross margin fell 200bp y-y to 62.5% due to sales promotion in weak economy.
- FY25 net profit improved by 7% y-y to Bt760m (99% of our forecast) on a 2% sales growth.
- 2HFY25 DPS is Bt0.41/share, XD on Nov 4th, payment date is Nov 25th, 2025. FY25 total DPS was Bt0.96 paying from a 100% payout.
- FY26 targets: 7-10 new branches, 5% sales growth, maintain gross margin and net margin, online sales mix of 25% (17% in FY25).
- AugMTD total sales growth was a high single digit positive vs 1-2% sales decline in July, due to store enhancement at four branches (Westgate, Mega Bangna, Future Park, Fashion Island) and online sales growth to 27-28% of sales. Plan to do store enhancement for 100 existing branches, 75 by September and another 25 by October this year.
- MC is in net cash, maintain BUY for its high dividend yield.

Income Statement (consolidated)						Income Statement 12M as					
Yr-end Jun (Bt m)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Revenue	876	842	1,336	1,067	907	Revenue	(15)	4	98	4,152	4,435
Gross profit	565	550	867	670	567	Gross profit	(15)	0	98	2,655	2,870
SG&A	400	430	500	445	385	SG&A	(13)	(4)	98	1,760	1,866
Operating profit	165	120	367	226	182	Operating profit	(19)	11	96	895	1,004
EBITDA	268	223	469	329	284	EBITDA	(14)	6	99	1,305	1,404
Other income	24	38	17	20	(4)	Other income	na	na	99	70	77
Other expense	0	0	0	0	0	Other expense			na	0	
Interest expense	10	10	9	10	10	Interest expense	(7)	1	95	39	46
Profit before tax	180	148	375	235	168	Profit before tax	(28)	(6)	97	927	1,035
Income tax	44	16	71	47	33	Income tax	(28)	(24)	87	166	207
Equity & invest. income	0	0	0	0	0	Equity & invest. income	(34)	(85)	na	0	0
Minority interests	(0)	(0)	(0)	(0)	(0)	Minority interests	na	na	na	(0)	0
Extraordinary items	1	0	0	0	0	Extraordinary items	na	na	na	0	0
Net profit	136	133	305	188	135	Net profit	(29)	(1)	99	760	828
Normalized profit	135	133	305	188	135	Normalized profit	(29)	(0)	99	760	828
EPS (Bt)	0.17	0.17	0.38	0.24	0.17	EPS (Bt)	(29)	(1)	99	0.96	1.05
Normalized EPS (Bt)	0.17	0.17	0.38	0.24	0.17	Normalized EPS (Bt)	(29)	(0)	99	0.96	1.05

Balance Sheet (consolidated)						Financial Ratios					
Yr-end Dec (Bt m)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	(%)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Cash & ST investment	1,734	1,868	1,896	1,733	1,984	Sales growth	4.6	(4.5)	2.6	7.3	3.6
A/C receivable	200	213	332	254	207	Operating profit growth	13.1	(26.2)	5.8	10.3	10.5
Inventory	1,257	1,395	1,278	1,185	1,109	EBITDA growth	17.2	(15.5)	3.4	7.8	6.1
Other current assets	9	7	8	8	6	Norm profit growth	14.6	(3.6)	7.8	14.4	(0.5)
Investment	0	0	0	0	0	Norm EPS growth	14.6	(3.6)	7.8	14.4	(0.5)
Fixed assets	688	680	667	651	633	Gross margin	64.5	65.3	64.9	62.8	62.5
Other assets	1,681	1,652	1,591	1,601	1,560	Operating margin	18.8	14.3	27.5	21.2	20.1
Total assets	5,569	5,814	5,772	5,431	5,500	EBITDA margin	30.6	26.5	35.1	30.8	31.3
S-T debt	0	0	0	0	0	Norm net margin	15.5	15.7	22.8	17.7	14.9
A/C payable	306	308	442	421	354	D/E (x)	-	-	-	-	-
Other current liabilities	505	649	557	454	483	Net D/E (x)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
L-T debt	0	0	0	0	0	Interest coverage (x)	28	23	52	32	29
Other liabilities	1,017	981	915	950	945	Interest rate	na	na	na	na	na
Minority interest	1	1	1	1	1	Effective tax rate	24.6	10.6	18.8	19.8	19.9
Shareholders' equity	3,740	3,875	3,858	3,605	3,717	ROA	9.8	9.3	21.0	13.5	9.9
Working capital	1,151	1,299	1,168	1,017	962	ROE	14.7	13.9	31.5	20.2	14.7
Total debt	0	0	0	0	0						
Net debt	(1,734)	(1,868)	(1,896)	(1,733)	(1,984)						

Sources: Company data, Thanachart estimates

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