Retail Sector – Overweight

Earnings Preview

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1Q26F growth stop falling

- **Retailers' 1Q26F profit growth stop falling**
- **Small demand improvements**
- **Companies focus on internal improvements**
- **Better 2Q26F so far, OVERWEIGHT**

Ex 1: Summary 1Q26F Normalized Profit

(Bt m)	Rec.	1Q25	2Q25	3Q25	4Q25	1Q26F	1Q25 (y-y%)	2Q25 (y-y%)	3Q25 (y-y%)	4Q25 (y-y%)	1Q26F (y-y%)	1Q26F (q-q%)
BJC	SELL	1,267	1,056	637	1,361	1,142	17	(14)	(9)	(17)	(10)	(16)
COM7	BUY	981	1,003	872	1,208	1,200	18	33	23	17	22	(1)
CPALL	BUY	7,560	7,006	6,488	7,238	8,132	26	14	5	2	8	12
CPAXT	HOLD	2,643	2,286	1,864	2,563	2,600	7	5	(5)	(35)	(2)	1
CPN	BUY	3,847	3,902	4,186	4,786	4,680	1	(3)	12	19	22	(2)
CRC	BUY	2,464	1,349	1,192	2,729	2,300	(2)	(16)	(27)	17	(7)	(16)
DOHOME	SELL	245	157	102	97	254	0	(18)	67	(40)	3	162
GLOBAL	HOLD	623	520	395	441	604	(14)	(32)	9	(16)	(3)	37
HMPRO *	BUY	1,707	1,399	1,304	1,602	1,404	(0)	(14)	(10)	(7)	(18)	(12)
MOSHI	BUY	156	134	137	243	188	24	65	27	18	21	(22)
MRDIYT	BUY	542	634	605	850	664	50	47	79	31	22	(22)
Total		**22,036**	**19,446**	**17,781**	**23,117**	**23,168**	11	2	3	(1)	5	0
Consumer staples (BJC CPALL CPAXT)		**11,471**	**10,348**	**8,989**	**11,162**	**11,873**	**20**	**8**	**2**	**(12)**	**4**	**6**
Traditional Home improvement (HMPRO, DOHOME, GLOBAL)		**2,575**	**2,075**	**1,800**	**2,139**	**2,262**	**(4)**	**(20)**	**(4)**	**(11)**	**(12)**	**6**
Traditional consumer discretionary exc. Home improvement (CPN, CRC)		**6,311**	**5,251**	**5,378**	**7,515**	**6,980**	**(0)**	**(7)**	**(0)**	**19**	**11**	**(7)**
Self-driven growth (COM7, MOSHI, MRDIYT)		**1,679**	**1,771**	**1,614**	**2,300**	**2,052**	**27**	**40**	**40**	**22**	**22**	**(11)**

Sources: Company data, ttb wealth estimates
Note: * Actual numbers

- We expect retail companies under our coverage to see normalized profit growth of 5% y-y in 1Q26F. Not strong growth, but a stop to the decline in growth since 1Q25, when a continuously weak economy and discouraging consumer confidence negatively impacted demand. While the economy has not yet shown strong recovery signs, a more stable government is starting to provide some confidence boost. At the same time, companies are focusing more on internal improvements, e.g., better product mix and cost savings, to support margins.
- More necessity consumer staples companies are seeing some improvement. Big-ticket home improvement players still face soft demand, but a focus on cost savings and more efficient store openings has helped. Lower necessity consumer discretionary companies also show improvement. Companies with clear internal growth strategies continue to grow strongly. The -1% q-q is mainly seasonal after festive demand in 4Q; we do not focus on the quarterly movement. So far, companies expect better demand in 2Q26F, with war impacts not yet showing clear negatives on both demand and cost sides.

- **<u>Traditional consumer staples:</u>** CPALL sees stronger growth, CPAXT likely flat, while BJC still declines.
- CPALL: We expect CPALL's normalized earnings to grow 8% y-y, driven by SSS growth, continued store expansion, and higher gross margin from a better product mix. Selling expenses should remain well controlled given resilient demand. This reflects both the resilience of its product offering and its strong store model. Part of the growth is also supported by higher contribution from its 59%-owned CPAXT.
- CPAXT: We expect earnings to be relatively flat y-y after last year's continuous decline. Previously, margins were pressured as weak demand led to a trade-down toward lower-margin products. The company has been improving product mix and cutting expenses. We expect slight sales growth and a stable net margin in 1Q26F.
- BJC: We expect profit to decline 10% y-y. While the packaging business grew, the core consumer segment continues to fall, likely due to intense competition.

- **<u>Traditional consumer discretionary:</u>** CPN's mall model continues to deliver, while CRC declines less.
- CPN: We expect 22% y-y profit growth. While there is support from new rental income and project transfers from Dusit Central Park, which began late last year, the core mall rental business should still deliver high single-digit growth, supported by rising traffic due to its successful mall concept.
- CRC: We expect earnings to decline 7% y-y, a smaller drop than last year. The highest-margin fashion segment remains weak, while construction-related sales should be stable and the food segment continues to grow well.

- **<u>Home improvement:</u>** Although overall earnings are expected to decline 12%, GLOBAL and DOHOME show improving trends.
- HMPRO (already reported): Earnings declined 18% y-y, mainly due to the absence of last year's tax stimulus package.
- GLOBAL: We expect profit to decline only 3% y-y, a smaller drop than last year, supported by slight sales growth as less negative SSS growth is more than offset by store expansion.
- DOHOME: We expect profit to grow 4% y-y, reversing from last year's sharp decline. Expansion into smaller-format stores helps improve sales and cost efficiency.

- **<u>Self-driven growth companies:</u>** These are names with strong internal drivers that more than offset soft consumption.
- COM7: We expect 22% y-y earnings growth. Despite soft consumption, its core IT retail should gain market share and grow at a high single-digit rate. The high-margin IT financing business continues to expand and support margins.
- MRDIY: We expect 22% y-y profit growth. While SSS is likely flat, aggressive store expansion—supported by its successful small-box format—continues to drive market share gains from traditional small store competitors.
- MOSHI: We expect earnings to grow 21% y-y. While SSS growth is likely flattish, rapid store expansion is the key driver, with its lifestyle products continuing to penetrate everyday spending among younger consumers.

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