

**Siam Wellness Group (SPA TB) - BUY, Price Bt3.06, TP Bt4.50****Results Comment**

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**Decent 1Q26 profit, in-line**

- SPA reported Bt56m net profit in 1Q26, up 9% y-y but broadly flat q-q, in-line with our estimate. The y-y growth was driven by higher spa service revenue from both same-store sales growth and new branch expansion, while the stable q-q performance reflected marginally stronger service revenue offset by higher costs related to ongoing branch expansion.
- Total revenue increased by 27% y-y to Bt483m in 1Q26, driven by 10% same-store-sales growth (SSSG) and a 13% revenue contribution from branch expansion. It rose 2% q-q, supported by branch expansion to 92 domestic branches as of 1Q26, from 87 branches in 4Q25 and 78 branches in 1Q25.
- Gross profit grew 20% y-y and 7% q-q to Bt132m in 1Q26, in-line with stronger revenue. However, gross margin declined 27 to .3% in 1Q26, from 28.9% in 1Q25 likely from lower utilization at newer branches, though it improved from 26.2% in 4Q25 from higher revenue per store.
- SG&A expense rose 20% y-y and 14% q-q to Bt57m, likely due to higher marketing costs to support revenue growth. SG&A-to-sales ratio increased to 11.7% in 1Q26 from 10.5% in 4Q25, but it declined from 12.4% in 1Q25 as organically stronger tourist arrivals reduced the marketing intensity required.
- EBITDA grew 17% y-y and 1% q-q to Bt108m in 1Q26, slightly below the gross profit growth rate, given the higher SG&A.
- We maintain our BUY rating on SPA and foresee some upside to our 2026F earnings forecast as tourism recovery looks to be slightly stronger than we'd earlier expected, particularly the Chinese tourists which are the key customer group for SPA.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	381	362	407	473	483	Revenue	2	27	28	1,720	1,991
<b>Gross profit</b>	<b>110</b>	<b>90</b>	<b>107</b>	<b>124</b>	<b>132</b>	<b>Gross profit</b>	<b>7</b>	<b>20</b>	<b>26</b>	<b>500</b>	<b>580</b>
SG&A	47	43	48	50	57	SG&A	14	20	28	203	221
Operating profit	63	47	59	74	75	Operating profit	2	20	25	297	359
<b>EBITDA</b>	<b>92</b>	<b>77</b>	<b>91</b>	<b>106</b>	<b>108</b>	<b>EBITDA</b>	<b>1</b>	<b>17</b>	<b>18</b>	<b>591</b>	<b>674</b>
Other income	8	5	7	4	4	Other income	(17)	(54)	13	28	32
Other expense						Other expense			na		
Interest expense	7	8	9	10	10	Interest expense	(1)	36	23	44	47
<b>Profit before tax</b>	<b>63</b>	<b>44</b>	<b>57</b>	<b>68</b>	<b>69</b>	<b>Profit before tax</b>	<b>1</b>	<b>9</b>	<b>24</b>	<b>281</b>	<b>344</b>
Income tax	12	8	11	13	13	Income tax	3	8	23	56	69
Equity & invest. income						Equity & invest. income			na	(1)	(2)
Minority interests	(0)		(0)	(0)	(0)	Minority interests	na	na	na	(0)	(0)
Extraordinary items						Extraordinary items			na		
<b>Net profit</b>	<b>51</b>	<b>36</b>	<b>46</b>	<b>56</b>	<b>56</b>	<b>Net profit</b>	<b>0</b>	<b>9</b>	<b>25</b>	<b>224</b>	<b>274</b>
<b>Normalized profit</b>	<b>51</b>	<b>36</b>	<b>46</b>	<b>56</b>	<b>56</b>	<b>Normalized profit</b>	<b>0</b>	<b>9</b>	<b>25</b>	<b>224</b>	<b>274</b>
EPS (Bt)	0.04	0.03	0.04	0.04	0.04	EPS (Bt)	0	9	25	0.17	0.21
Normalized EPS (Bt)	0.04	0.03	0.04	0.04	0.04	Normalized EPS (Bt)	0	9	25	0.17	0.21

  

Balance Sheet						Financial Ratios					
(consolidated)						(% )					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26		1Q25	2Q25	3Q25	4Q25	1Q26
Cash & ST investment	183	123	101	156	221	Sales growth	(3.3)	(5.3)	(4.0)	10.3	26.8
A/C receivable	26	21	22	32	30	Operating profit growth	(34.5)	(37.3)	(38.5)	(22.5)	20.1
Inventory	49	48	44	50	55	EBITDA growth	(26.0)	(24.7)	(26.7)	(12.9)	17.4
Other current assets	40	42	54	27	23	Norm profit growth	(30.9)	(41.9)	(46.8)	(39.4)	9.1
Investment						Norm EPS growth	(53.9)	(41.9)	(46.8)	(39.4)	9.1
Fixed assets	1,202	1,223	1,262	1,348	1,346	Gross margin	28.9	24.8	26.3	26.2	27.3
Other assets	663	676	971	993	1,038	Operating margin	16.4	12.9	14.6	15.7	15.6
<b>Total assets</b>	<b>2,162</b>	<b>2,132</b>	<b>2,456</b>	<b>2,606</b>	<b>2,713</b>	EBITDA margin	24.1	21.4	22.4	22.5	22.3
S-T debt		14	30	30	30	Norm net margin	13.4	9.9	11.3	11.8	11.6
A/C payable	126	102	118	142	144	D/E (x)	0.1	0.2	0.3	0.2	0.2
Other current liabilities	215	218	222	221	245	Net D/E (x)	(0.1)	0.1	0.2	0.1	0.1
L-T debt	100	195	274	266	259	Interest coverage (x)	12.5	10.1	10.3	10.6	10.8
Other liabilities	472	447	609	664	697	Interest rate	29.4	20.0	13.9	13.4	13.7
Minority interest	0	0	0	0	0	Effective tax rate	19.2	19.1	19.4	18.6	19.0
<b>Shareholders' equity</b>	<b>1,250</b>	<b>1,157</b>	<b>1,203</b>	<b>1,283</b>	<b>1,338</b>	ROA	9.5	6.7	8.0	8.8	8.4
Working capital	(51)	(33)	(51)	(61)	(59)	ROE	16.7	11.9	15.6	17.9	17.0
Total debt	100	209	304	296	289						
<b>Net debt</b>	<b>(83)</b>	<b>86</b>	<b>203</b>	<b>141</b>	<b>68</b>						

Sources: Company data, ttb wealth estimates

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