

## CRC's Waiting on the Turn

- SSSG fell 4%, pressured by FX, with Vietnam the only bright spot.
- Hardline held, while Fashion and Food lagged.
- Recovery depends on FX and macro—maintain HOLD.

### Vietnam Shines, But the Group Still Stalls

CRC's 3Q25 performance likely remained soft, with group SSSG estimated at -4%, showing no clear recovery yet. The main drags came from currency translation—VND down 10% and EUR/THB -2%—and subdued domestic consumption. In local terms, Vietnam stood out as the only bright spot with +2% SSSG, while Thailand and Italy both slipped -2%, reflecting weak consumer sentiment and slower discretionary spending.

### Margin under Pressure: Baht Strength Meets VND Weakness

By category, Hardline proved the most resilient with SSSG at -2%, supported by steady demand for home improvement and appliances. Fashion shows -4% as discretionary spending softened in both Thailand and Italy, while Food posted the steepest decline at -5%, largely due to VND depreciation. Meanwhile, the Monetary Policy Committee's decision to keep the policy rate unchanged at 1.5% could strengthen the baht—an unfavorable trend for CRC's overseas earnings translation.

### Europe Out, Vietnam Up?

CRC's strategic pivot took shape this quarter with the decision to divest its Italy business (as noted in our earlier report). While the Rinascente unit will still contribute fully through 3Q25, the transaction—expected to close by Dec-25—will start impacting financials from 2026E onward. The key question is whether this exit will sharpen CRC's execution in Vietnam, where growth potential remains strongest. Reflecting this transition, we have revised down our 2026–2027E revenue and net profit forecasts to account for the loss of European earnings and the near-term adjustment period.

### Priced for Pain, Waiting for the Wind

We believe CRC's current share price already reflects most of the negatives—weak operations and the Italy divestment—leaving room for a potential turnaround once macro conditions improve. The recovery path, however, hinges on two key factors: economic momentum and currency stability. Tourist arrivals have yet to show meaningful revival, while the sharp VND depreciation in 2H25 continues to pressure earnings. We expect FX stability to return no sooner than 2H26, unless the VND strengthens sooner. Looking ahead, 4Q25E should remain CRC's strongest quarter seasonally, though outperforming last year's base may prove difficult amid a softer economic backdrop.

### Maintain with a HOLD with TP of THB20

We maintain our HOLD rating on CRC with a target price of THB 20, based on 15x 2026E P/E. We continue to project growth in CRC's core operations in Thailand and Vietnam, which remain the key drivers of long-term value.

ESG Rating : AA

CG Rating : ▲▲▲▲▲

## HOLD

<b>Target Price 12M (THB)</b>	<b>20.00</b>
VS. BB Consensus TP (%)	-9.5%
Share Price (THB)	21.60
Upside/Downside	-7.4%

### Share Data

Market Cap (THB m)	130,269.60
Par (THB)	1.00
Free Float (%)	57.77
Issued shares (m shares)	6,031

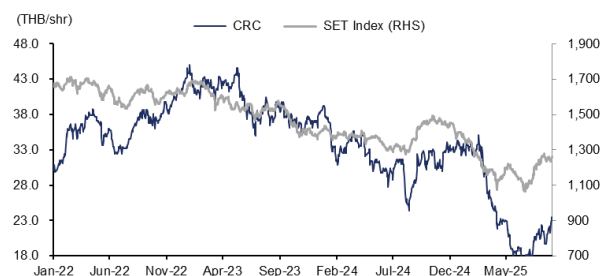
### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	262,542	267,621	258,474	266,926
Net profit	8,136	8,551	7,857	8,664
Core net profit	8,793	8,551	7,857	8,664
vs Consensus (%)	-	(0.3)	(11.2)	(10.7)
Net profit growth (%)	1.5	5.1	(8.1)	10.3
Core net profit growth (%)	9.7	(2.8)	(8.1)	10.3
EPS (THB)	1.35	1.42	1.30	1.44
Core EPS (THB)	1.46	1.42	1.30	1.44
Chg in core EPS (%)	-	0.00	0.00	0.00
DPS (THB)	0.60	0.63	0.58	0.64
P/E (x)	25.21	15.23	16.58	15.04
P/BV (x)	3.69	2.97	1.76	1.67
ROE (%)	12.93	11.97	10.35	10.76
Dividend yield (%)	1.34	1.76	2.92	2.68

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(9.24)	18.03	(13.25)	(36.47)
Market	(12.06)	1.55	(25.22)	(31.85)
12M High/Low (THB)	36.00 / 15.80			



### Major Shareholders (%) as of 2 Oct 2025

Central Department Store	35.06
Deutsche Bank AG Singapore PWM	4.61
Social Security Office	3.01

### Company Profile

Central Retail Corporation operates a diverse portfolio across three key categories: Food (40% of revenue), Fashion (28% of revenue), and Hardline (32% of revenue). The company's major brands include Central and Robinson in the department store sector, Tops and Go Wholesale in food retail, and Thai Watsadu in hardline products.

Source: SETSMART, SET

#### Analyst

Siriluck Pinthusoonthorn  
Siriluck@globlex.co.th,  
+662 672 5806

#### Assistant Analyst

Peerayu Sirivorawong

## Exhibit 1: SSSG

SSSG (%)	Expect SSSG	Excluding FX Impact
<b>Total CRC</b>	<b>-4%</b>	
<b>By Geography</b>		
Thailand (TH)	-2%	
Vietnam (VN)	-8%	+2%
Italy (IT)	-4%	-2%
<b>By Category</b>		
Fashion	-4%	
Food	-5%	
Hardline	-2%	

Sources: Globlex Research

## Exhibit 2: VND to THB (1 year period)



Sources: xe.com

## Exhibit 3: EUR to THB (1 year period)



Sources: xe.com

## Exhibit 4: Financial estimated after the divestment

2024A				LTM Jun 2025A		
	Current	Rinascente <sup>(1)</sup>	Proforma Post Transaction	Current	Rinascente <sup>(2)</sup>	Proforma Post Transaction
Unit: THB mn						
Total Revenue	262,804	18,434	244,371	264,305	18,020	246,285
EBITDA	34,377	4,484	29,913	33,830	4,505	29,325
Core EBITDA <sup>(3)</sup>	35,130	4,465	30,665	34,616	4,508	30,108
NPAT to Owner	8,136	1,003	7,239	7,786	1,035	6,857
Core NPAT to Owner <sup>(4)</sup>	8,870	1,004	7,971	8,546	1,037	7,615
Core EBITDA Margin	13.4%	24.2%	12.5%	12.6%	25.0%	12.2%
Core Net Profit Margin	3.4%	5.4%	3.2%	3.2%	5.6%	3.0%

Post transaction, CRC will focus on high-growth ASEAN countries leveraging strong omnichannel & synergistic ecosystem

(1) Pro-forma revenue from Rinascente for Core EBITDA and Core NPAT are adjusted for 10% non-recurring gain/loss from disposal of assets & investments and gain/loss on derivatives.  
(2) Reported revenue excluding from core operations of THB 3,364 mn of additional THB 1,188 mn may be added.  
(3) Reported revenue from CRC (Rinascente), CRC (Rinascente), and CRC (Rinascente).  
(4) Core NPAT is calculated as NPAT to Owner minus NPAT to Owner of Rinascente.

Sources: CRC

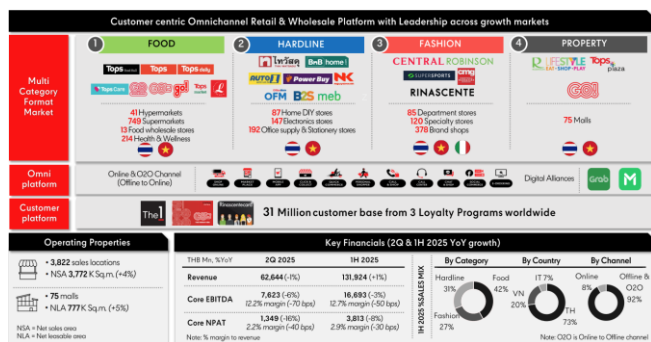
## Exhibit 5: Transaction Timeline

Transaction Timeline					
2 <sup>nd</sup> Oct 2025	Mid-Oct 2025	6 <sup>th</sup> Nov 2025 *	Within Dec 2025	[End of 2025] <sup>(2)</sup>	AGM 2026
Record date for Extraordinary Shareholder Meeting (EGM)	Shareholder packaging and if A report published	EGM (3/4 voting approval from attending and eligible shareholders) <sup>(3)</sup>	Expected closing	CRC Board of Directors' Approval of special dividend payment approx. THB 4.2 Bn (dividend #1)	AGM approval of additional dividend payment approx. THB 3.5 Bn (dividend #2) (together with annual dividend)

(1) \* Transaction is subject to National Party transaction.  
(2) Subject to Board of Directors approval for a special dividend upon closing.  
(3) Subject to Board of Directors approval for a special dividend upon closing.

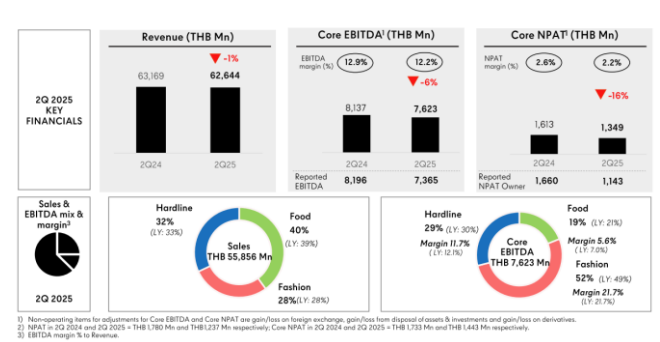
Sources: CRC

## Exhibit 6: CRC Overview



Sources: CRC

## Exhibit 7: 2Q25 Financial Highlights



Sources: CRC

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	14,814	9,777	24,968	31,005	39,375
Account receivable	12,693	13,129	13,573	14,002	14,445
Inventories	46,413	47,462	48,399	46,715	48,243
Others	6,037	5,672	5,682	5,664	5,681
<b>Non-current assets</b>					
Net fixed assets	57,497	67,193	57,318	54,896	52,279
Others	149,645	147,816	147,816	147,816	147,816
<b>Total Assets</b>	<b>287,097</b>	<b>291,049</b>	<b>297,755</b>	<b>300,098</b>	<b>307,838</b>
<b>Current liabilities</b>					
Account payable	41,831	41,544	42,364	40,890	42,227
ST borrowing	54,895	68,264	68,264	68,264	68,264
Others	21,779	21,176	21,586	20,848	21,530
<b>Long-term liabilities</b>					
Long-term debts	77,669	66,300	66,300	66,300	66,300
Others	20,662	21,384	21,384	21,384	21,384
<b>Total liabilities</b>	<b>216,837</b>	<b>218,668</b>	<b>219,898</b>	<b>217,686</b>	<b>219,705</b>
Paid-up capital	6,031	6,031	6,031	6,031	6,031
Retained earnings	18,305	23,124	28,055	32,108	37,276
Others	42,724	39,821	39,821	39,821	39,821
Minority interest	3,201	3,404	3,949	4,451	5,004
<b>Shareholders' equity</b>	<b>70,260</b>	<b>72,381</b>	<b>77,857</b>	<b>82,411</b>	<b>88,133</b>

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>	<b>248,391</b>	<b>262,542</b>	<b>267,621</b>	<b>258,474</b>	<b>266,926</b>
Cost of goods sold	(196,892)	(208,511)	(212,625)	(205,228)	(211,939)
<b>Gross profit</b>	<b>51,499</b>	<b>54,032</b>	<b>54,996</b>	<b>53,246</b>	<b>54,987</b>
Operating expenses	(20,351)	(20,131)	(20,821)	(20,419)	(21,087)
<b>Operating profit</b>	<b>31,148</b>	<b>33,900</b>	<b>34,175</b>	<b>32,826</b>	<b>33,900</b>
<b>EBIT</b>	<b>13,426</b>	<b>15,801</b>	<b>16,076</b>	<b>14,727</b>	<b>15,800</b>
Depreciation	(17,722)	(18,100)	(18,100)	(18,100)	(18,100)
<b>EBITDA</b>	<b>31,148</b>	<b>33,900</b>	<b>34,175</b>	<b>32,826</b>	<b>33,900</b>
<b>Non-operating income</b>	<b>298</b>	<b>262</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other incomes	0	0	0	0	0
Other non-op income	298	262	0	0	0
<b>Non-operating expense</b>	<b>(4,642)</b>	<b>(4,995)</b>	<b>(5,113)</b>	<b>(4,979)</b>	<b>(4,979)</b>
Interest expense	(4,642)	(4,995)	(5,113)	(4,979)	(4,979)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>990</b>	<b>215</b>	<b>700</b>	<b>700</b>	<b>700</b>
<b>Pre-tax Profit</b>	<b>10,072</b>	<b>11,283</b>	<b>11,662</b>	<b>10,448</b>	<b>11,521</b>
Extraordinary items					
Current taxation	(1,550)	(2,646)	(2,566)	(2,090)	(2,304)
Minorities	(506)	(501)	(546)	(501)	(553)
<b>Net Profit</b>	<b>8,016</b>	<b>8,136</b>	<b>8,551</b>	<b>7,857</b>	<b>8,664</b>
<b>Core net profit</b>	<b>8,016</b>	<b>8,793</b>	<b>8,551</b>	<b>7,857</b>	<b>8,664</b>
<b>EPS (THB)</b>	<b>1.33</b>	<b>1.35</b>	<b>1.42</b>	<b>1.30</b>	<b>1.44</b>
<b>Core EPS (THB)</b>	<b>1.33</b>	<b>1.46</b>	<b>1.42</b>	<b>1.30</b>	<b>1.44</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>	<b>19,795</b>	<b>16,366</b>	<b>19,107</b>	<b>18,648</b>	<b>19,995</b>
Net profit	8,016	8,136	8,551	7,857	8,664
Depre. & amortization	17,722	18,100	18,100	18,100	18,100
Change in working capital	(942)	(2,422)	(162)	(938)	31
Others	(5,002)	(7,447)	(7,381)	(6,370)	(6,799)
<b>Investment cash flow</b>	<b>(17,260)</b>	<b>(18,046)</b>	<b>(843)</b>	<b>(9,308)</b>	<b>(8,683)</b>
Net CAPEX	(26,174)	(27,796)	(27,796)	(27,796)	(27,796)
Change in LT investment	7,424	(627)	18,810	9,842	11,865
Change in other assets	1,490	10,377	8,143	8,646	7,248
<b>Free cash flow</b>	<b>2,534</b>	<b>(1,680)</b>	<b>18,264</b>	<b>9,340</b>	<b>11,312</b>
<b>Financing cash flow</b>	<b>(2,879)</b>	<b>(3,417)</b>	<b>(3,074)</b>	<b>(3,303)</b>	<b>(2,942)</b>
Change in share capital	0	0	0	0	0
Net change in debt	438	203	546	501	553
Dividend paid	(3,318)	(3,620)	(3,620)	(3,804)	(3,495)
Others	0	0	0	0	0
<b>Net cash flow</b>	<b>(345)</b>	<b>(5,097)</b>	<b>15,190</b>	<b>6,037</b>	<b>8,370</b>

Per share (THB)					
EPS	1.33	1.35	1.42	1.30	1.44
Core EPS	1.33	1.46	1.42	1.30	1.44
CFPS	4.35	4.43	4.51	4.39	4.53
BVPS	11.12	11.44	12.25	12.93	13.78
Sales/share	41.19	43.52	44.36	42.86	44.26
EBITDA/share	5.16	5.62	5.66	5.44	5.62
DPS	0.55	0.60	0.63	0.58	0.64

Valuation					
P/E (x)	30.9	25.2	15.2	16.6	15.0
P/BV (x)	4.49	3.69	2.97	1.76	1.67
Dividend yield (%)	1.04	1.34	1.76	2.92	2.68
Dividend payout ratio (%)	41.39	44.49	44.49	44.49	44.49

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
Sales	5.2	5.7	1.9	(3.4)	3.3
Operating profit	7.4	8.8	0.8	(3.9)	3.3
EBITDA	7.4	8.8	0.8	(3.9)	3.3
Net profit	11.7	1.5	5.1	(8.1)	10.3
Core net profit	11.7	9.7	(2.8)	(8.1)	10.3
EPS	11.7	1.5	5.1	(8.1)	10.3
Core EPS	11.7	9.7	(2.7)	(8.1)	10.3
<b>Profitability (%)</b>					
Gross margin	20.7	20.6	20.6	20.6	20.6
Operation margin	12.5	12.9	12.8	12.7	12.7
EBITDA margin	12.5	12.9	12.8	12.7	12.7
Net margin	3.2	3.1	3.2	3.0	3.2
ROE	12.4	12.9	12.0	10.3	10.8
ROA	2.8	3.0	2.9	2.6	2.9
<b>Stability</b>					
Interest bearing debt/equity (x)	1.9	1.9	1.7	1.6	1.5
Net debt/equity (x)	1.7	1.7	1.4	1.3	1.1
Interest coverage (x)	2.9	3.2	3.1	3.0	3.2
Interest & ST debt coverage (x)	0.2	0.2	0.2	0.2	0.2
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.1
Current ratio (x)	0.7	0.6	0.7	0.7	0.8
Quick ratio (x)	0.2	0.2	0.3	0.3	0.4
Net debt (THB m)	117,751	124,787	109,596	103,559	95,189
<b>Activity</b>					
Asset turnover (X)	0.9	0.9	0.9	0.9	1.7
Days receivables	18.7	18.3	18.5	19.8	19.8
Days inventory	86.0	83.1	83.1	83.1	83.1
Days payable	77.5	72.7	72.7	72.7	72.7
Cash cycle days	27.1	28.6	28.9	30.1	30.1



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### Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, Globlex Securities Public Company Limited

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / current price.

- BUY:** Expected return of 10% or more over the next 12 months.  
**HOLD:** Expected return between -10% and 10% over the next 12 months.  
**REDUCE:** Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.  
**Neutral:** The industry is expected to perform in line with the relevant primary market index over the next 12 months.  
**Underweight:** The industry is expected to underperform the relevant primary market index over the next 12 months.

### Country (Strategy) Recommendations

**Overweight:** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral:** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight:** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.