

## VN Reset: Cutting Nguyen Kim Loss

- CRC is resetting Vietnam by divesting loss-making Nguyen Kim.
- THB5.9b impairment is one-off, while earnings drag is removed.
- Focus shifts to Vietnam malls with dividends expected  $\geq$  THB0.6/shr.

### CRC Signs NKT Sale, Refocuses on Food & Property

CRC disclosed that it has signed a Share Purchase Agreement with PICO Holdings Joint Stock Company to dispose CRC's indirect investment in NKT (the holding company of "Nguyen Kim" electronics retail in Vietnam). The transaction is valued at an enterprise value of \$36m ( $\approx$  THB1.1bn). CRC also guided for a one-time, non-cash impairment charge of  $\sim$  THB5.9b to be recognized in 4Q25. The deal closing is expected in 1H26. Management frames the transaction as a Vietnam portfolio optimization—freeing resources to accelerate expansion and improve returns in Vietnam "Food and Property".

### Turnaround Unlikely: Nguyen Kim Still Bleeding Post-COVID

In our view, this is a deliberate "Vietnam reset," and the numbers justify it. Nguyen Kim has remained structurally loss-making with THB440m loss in 2024 and THB220m loss in 9M25, reinforcing that the post-COVID slowdown and intense price competition in electronics retail have made a turnaround increasingly unlikely. In that context, keeping NKT would continue to dilute CRC's Vietnam ROIC and distract management from segments where CRC has clearer scale advantages and synergy potential.

### One-Off Pain, Long-Term Gain

The headline impairment will look painful versus the sale EV, but we would frame it as "cut loss to stop the bleeding." The key investment question is not the accounting loss—it's the forward earnings drag. Divesting NKT should 1) remove recurring losses, 2) reduce volatility from a low-margin, promotion-heavy category, and 3) improve credibility on capital allocation discipline. We view the move as strategically positive and structurally cleaner for Vietnam narrative.

### Earnings Neutral, Strategy Positive: Dividend Floor Holds

What matters next is how CRC redeploys management focus and capital into Vietnam malls/property to rebuild a higher-quality growth narrative—higher recurring income, stronger ecosystem synergies, and clearer visibility on returns. For 4Q25E, while the headline one-off looks negative, we expect the  $\sim$  THB5.9b NKT impairment to be broadly offset by the  $\sim$  THB6b gain (post-tax) from the Rinascente transaction, limiting net P&L noise at the group level. Importantly, CRC has indicated no material impact on dividend capacity, and we still expect next year's payout to be maintained at no lower than the base THB0.6/shr.

### 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. In our view, the current share price already discounts most of the negatives. While it may take up to two years to fully replace Italy's earnings contribution, we still see the core Thailand and Vietnam operations as fundamentally sound.

**ESG Rating : AA**

**CG Rating :** 

### HOLD

Target Price 12M (THB)	20.00
VS. BB Consensus TP (%)	-10.9%
Share Price (THB)	18.10
Upside/Downside	+10.5%

### Share Data

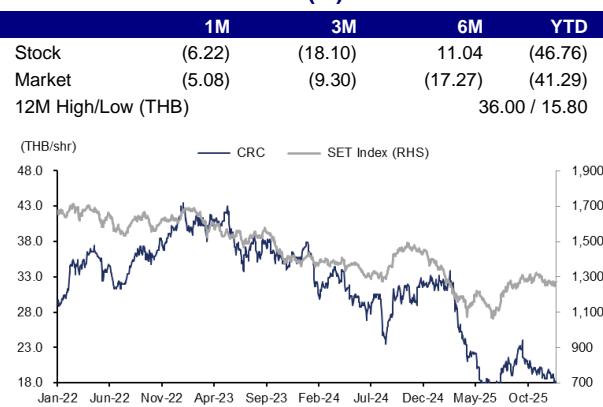
Market Cap (THB m)	109,161.10
Par (THB)	1.00
Free Float (%)	57.77
Issued shares (m shares)	6,031

### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	262,542	263,131	254,368	262,692
Net profit	8,136	8,130	7,465	8,260
Core net profit	8,793	8,130	7,465	8,260
vs Consensus (%)	-	(5.2)	(15.6)	(14.9)
Net profit growth (%)	1.5	(0.1)	(8.2)	10.6
Core net profit growth (%)	9.7	(7.5)	(8.2)	10.6
EPS (THB)	1.35	1.35	1.24	1.37
Core EPS (THB)	1.46	1.35	1.24	1.37
Chg in core EPS (%)	-	0.00	0.00	0.00
DPS (THB)	0.60	0.60	0.55	0.61
P/E (x)	25.20	13.43	14.62	13.22
P/BV (x)	3.69	2.97	1.49	1.41
ROE (%)	12.93	11.41	9.90	10.35
Dividend yield (%)	1.34	1.76	3.31	3.04

Source: Financial Statement and Globlex securities

### Share Price Performance (%)



### Major Shareholders (%) as of 8 Dec 2025

Central Department Store	35.06
Deutsche Bank AG Singapore PWM	4.61
Social Security Office	3.06

### 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

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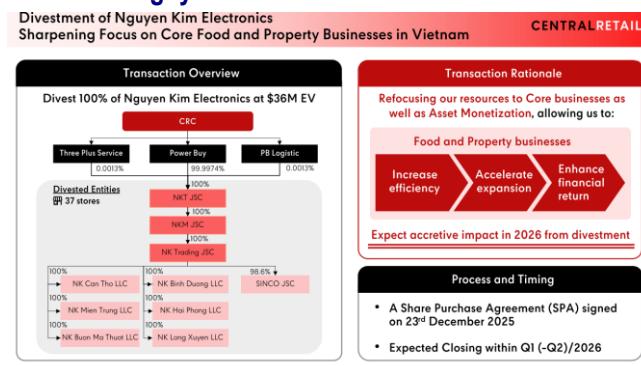
#### Assistant Analyst

Peerayu Sirivorawong

**Exhibit 1: Summary of 3Q25/9M25 operations**

	3Q24 (THB m)	2Q25 (THB m)	3Q25		2024 (THB m)	2025E (THB m)	chg. (y-y%)	
			(q-q%)	(y-y%)				
<b>Revenue</b>	<b>63,066</b>	<b>62,545</b>	<b>62,458</b>	<b>(0)</b>	<b>(1)</b>	<b>262,542</b>	<b>263,131</b>	<b>0</b>
<b>Operating costs</b>	<b>(59,151)</b>	<b>(59,890)</b>	<b>(59,511)</b>	<b>(1)</b>	<b>1</b>	<b>(246,741)</b>	<b>(247,628)</b>	<b>0</b>
EBITDA	8,405	7,163	7,621	6	(9)	33,900	33,602	(1)
EBITDA margin (%)	13.3	11.5	12.2	na	na	13	13	na
<b>EBIT</b>	<b>3,915</b>	<b>2,654</b>	<b>2,947</b>	<b>11</b>	<b>(25)</b>	<b>15,801</b>	<b>15,502</b>	<b>(2)</b>
Interest expense	(1,307)	(1,083)	(1,132)	5	(13)	(4,995)	(5,113)	2
Exceptionals	198	202	138			477	700	
Pretax profit	2,807	1,773	1,953	10	(30)	11,283	11,089	(2)
Tax	(560)	(537)	(561)	5	0	(2,646)	(2,440)	(8)
Tax rate (%)	20	30	29	na	na	23	22	na
Minority interests	(117)	(94)	(91)	na	na	(501)	(519)	-
<b>Net profit</b>	<b>2,129</b>	<b>1,143</b>	<b>1,301</b>	<b>14</b>	<b>(39)</b>	<b>8,136</b>	<b>8,130</b>	<b>(0)</b>
EPS (THB)	0.35	0.19	0.22	14	(39)	1.35	1.35	(0)

Sources: CRC; Globlex Research

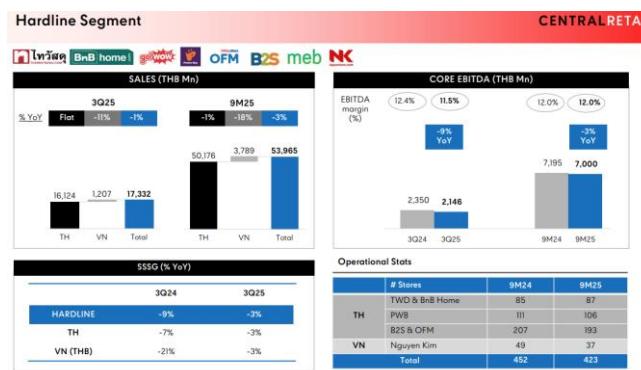
**Exhibit 2: Nguyen Kim divestment overview**


Sources: CRC

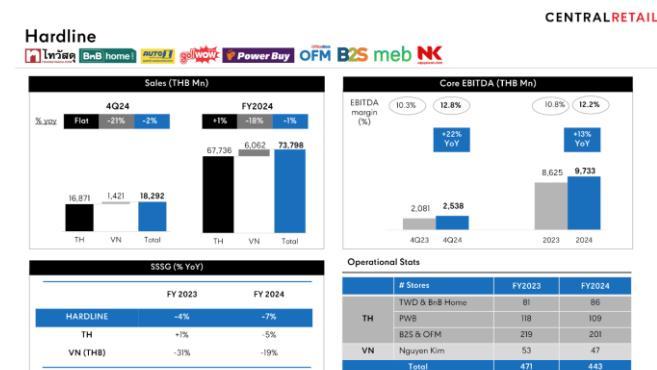
**Exhibit 3: Transaction rationale and impact**

Transaction Rationale and Impact	
<ul style="list-style-type: none"> <li>Strategic direction to focus and strengthen presence in Food &amp; Property</li> <li>Asset monetization to free up capital and efficiently utilize resource</li> </ul>	<ul style="list-style-type: none"> <li>GO! +10-12 stores and go! 23-25 stores in 2026-2028</li> <li>2X expansion acceleration with 2X CAPEX</li> </ul>
<ul style="list-style-type: none"> <li>Immediate improvement of CRC's profitability</li> </ul>	<ul style="list-style-type: none"> <li>Financial position remains strong</li> <li>No impact on leverage ratios</li> </ul>
<ul style="list-style-type: none"> <li>One-time non-cash impairment of approx. 5,900 MB to be recorded in Q4/2025</li> </ul>	<ul style="list-style-type: none"> <li>Giving 2026 a fresh start</li> </ul>

Sources: CRC

**Exhibit 4: 3Q25/9M25 Hardline overview**


Sources: CRC

**Exhibit 5: 2024 Hardline overview**


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	24,277	30,114	38,229
Account receivable	12,693	13,129	13,565	13,988	14,424
Inventories	46,413	47,462	47,587	45,973	47,478
Others	6,037	5,672	5,673	5,655	5,672
<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>296,236</b>	<b>298,442</b>	<b>305,897</b>
<b>Current liabilities</b>					
Account payable	41,831	41,544	41,653	40,241	41,557
ST borrowing	54,895	68,264	68,264	68,264	68,264
Others	21,779	21,176	21,224	20,517	21,188
<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>218,825</b>	<b>216,706</b>	<b>218,694</b>
Paid-up capital	6,031	6,031	6,031	6,031	6,031
Retained earnings	18,305	23,124	27,636	31,485	36,425
Others	42,724	39,821	39,821	39,821	39,821
Minority interest	3,201	3,404	3,923	4,399	4,926
<b>Shareholders' equity</b>	<b>70,260</b>	<b>72,381</b>	<b>77,411</b>	<b>81,736</b>	<b>87,203</b>
<b>Key ratios</b>					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
Sales	5.2	5.7	0.2	(3.3)	3.3
Operating profit	7.4	8.8	(0.9)	(3.9)	3.3
EBITDA	7.4	8.8	(0.9)	(3.9)	3.3
Net profit	11.7	1.5	(0.1)	(8.2)	10.6
Core net profit	11.7	9.7	(7.5)	(8.2)	10.6
EPS	11.7	1.5	(0.1)	(8.2)	10.6
Core EPS	11.7	9.7	(7.5)	(8.2)	10.6
<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	3.1	2.9	3.1
ROE	12.4	12.9	11.4	9.9	10.3
ROA	2.8	3.0	2.8	2.5	2.7
<b>Activity</b>					
Asset turnover (X)	0.9	0.9	0.9	0.8	1.7
Days receivables	18.7	18.3	18.8	20.1	20.0
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	29.2	30.4	30.4

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>	<b>248,391</b>	<b>262,542</b>	<b>263,131</b>	<b>254,368</b>	<b>262,692</b>
Cost of goods sold	(196,892)	(208,511)	(209,057)	(201,969)	(208,577)
<b>Gross profit</b>	<b>51,499</b>	<b>54,032</b>	<b>54,073</b>	<b>52,400</b>	<b>54,115</b>
Operating expenses	(20,351)	(20,131)	(20,472)	(20,095)	(20,753)
<b>Operating profit</b>	<b>31,148</b>	<b>33,900</b>	<b>33,602</b>	<b>32,305</b>	<b>33,362</b>
<b>EBIT</b>	<b>13,426</b>	<b>15,801</b>	<b>15,502</b>	<b>14,205</b>	<b>15,262</b>
Depreciation	(17,722)	(18,100)	(18,100)	(18,100)	(18,100)
<b>EBITDA</b>	<b>31,148</b>	<b>33,900</b>	<b>33,602</b>	<b>32,305</b>	<b>33,362</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>11,089</b>	<b>9,926</b>	<b>10,983</b>
Extraordinary items					
Current taxation	(1,550)	(2,440)	(1,985)	(2,197)	
Minorities	(506)	(501)	(519)	(476)	(527)
<b>Net Profit</b>	<b>8,016</b>	<b>8,136</b>	<b>8,130</b>	<b>7,465</b>	<b>8,260</b>
<b>Core net profit</b>	<b>8,016</b>	<b>8,793</b>	<b>8,130</b>	<b>7,465</b>	<b>8,260</b>
<b>EPS (THB)</b>	<b>1.33</b>	<b>1.35</b>	<b>1.35</b>	<b>1.24</b>	<b>1.37</b>
<b>Core EPS (THB)</b>	<b>1.33</b>	<b>1.46</b>	<b>1.35</b>	<b>1.24</b>	<b>1.37</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>18,695</b>	<b>18,493</b>	<b>19,806</b>
Net profit	8,016	8,136	8,130	7,465	8,260
Depre.& amortization	17,722	18,100	18,100	18,100	18,100
Change in working capital	(942)	(2,422)	(406)	(910)	31
Others	(5,002)	(7,447)	(7,129)	(6,161)	(6,584)
<b>Investment cash flow</b>	<b>(17,261)</b>	<b>(18,047)</b>	<b>(1,095)</b>	<b>(9,517)</b>	<b>(8,898)</b>
Net CAPEX	(26,174)	(27,796)	(27,796)	(27,796)	(27,796)
Change in LT investment	7,423	(629)	18,119	9,453	11,435
Change in other assets	1,490	10,377	8,582	8,826	7,463
<b>Free cash flow</b>	<b>2,534</b>	<b>(1,681)</b>	<b>17,600</b>	<b>8,976</b>	<b>10,908</b>
<b>Financing cash flow</b>	<b>(2,879)</b>	<b>(3,416)</b>	<b>(3,100)</b>	<b>(3,139)</b>	<b>(2,793)</b>
Change in share capital	0	0	0	0	0
Net change in debt	438	203	519	476	527
Dividend paid	(3,317)	(3,619)	(3,619)	(3,616)	(3,320)
Others	0	0	0	0	0
<b>Net cash flow</b>	<b>(345)</b>	<b>(5,097)</b>	<b>14,500</b>	<b>5,837</b>	<b>8,115</b>
Per share (THB)					
EPS	1.33	1.35	1.35	1.24	1.37
Core EPS	1.33	1.46	1.35	1.24	1.37
CFPS	4.35	4.43	4.44	4.32	4.46
BVPS	11.12	11.44	12.19	12.82	13.64
Sales/share	41.19	43.53	43.63	42.18	43.56
EBITDA/share	5.16	5.62	5.57	5.36	5.53
DPS	0.55	0.60	0.60	0.55	0.61
Valuation					
P/E (x)	30.8	25.2	13.4	14.6	13.2
P/BV (x)	4.49	3.69	2.97	1.49	1.41
Dividend yield (%)	1.04	1.34	1.76	3.31	3.04
Dividend payout ratio (%)	41.38	44.47	44.47	44.47	44.47

## GENERAL DISCLAIMER

### Analyst Certification

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

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

**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.