

Central Retail Corp (CRC TB)

3Q25 Earnings To Drop yoy; Oct SSSG Improves

Highlights

- **Weak 3Q25 earnings due to lower profitability.** Meanwhile, the fashion and food segments drove an improvement in Oct 25 SSSG.
- **Earnings are expected to drop in 2026** following the absence of the Italy business if the divestment is completed.
- **Maintain HOLD with a target price of Bt23.00.**

Same-store Sales Growth (Bt)

SSSG by Segments	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F	Oct25F
Food	4%	-1%	-1%	-2%	-3%	-4%	-5%	1%
Hardline	-5%	-8%	-9%	-5%	-7%	-8%	-3%	-7%
Fashion	2%	3%	-2%	1%	-4%	-6%	-3%	1%
SSSG by Countries	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F	Oct25F
Thailand	0%	-2%	-2%	1%	-2%	-4%	-5%	-1%
Vietnam	2%	-4%	-6%	-9%	-7%	-13%	-8%	1%
Italy	9%	6%	-4%	-4%	-10%	-9%	-3%	-1%

Source: CRC, UOB Kay Hian

Analysis

- **More positive on the stronger SSSG.** We forecast Oct 25 same-store sales (SSSG) to improve to -1% yoy, up from -4% yoy in 3Q25. The key positives are: a) food retail SSSG, expected to rise about 1% yoy, mainly driven by the Vietnam business; and b) fashion retail SSSG, also expected to increase 1% yoy (vs an estimated -3% in 3Q25). The drag remains in the hardline segment, where sales likely dropped around 7% yoy (vs an estimated -3% yoy in 3Q25), due to a high base in 4Q24 when post-flooding demand boosted sales. Overall, the SSSG improvement should support yoy earnings growth in 4Q25.
- **Divestment to be voted on at the upcoming EGM.** In Sep 25, Harg Central Department Store (HCDS) proposed to acquire the Rinascente department store in Italy from Central Retail Corp (CRC). The transaction requires approval from at least three-fourths of non-conflicted shareholders, excluding HCDS (which holds a 35% stake), at the EGM on 6 Nov 25. We see a short-term negative impact if the transaction proceeds, as CRC would lose around Bt1b in annual earnings, and we still expect 2026 core earnings to decline yoy. However, the cash inflow would help reduce debt and could potentially fund a special dividend. Management also plans to refocus on Vietnam, a higher-growth market.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	248,391	262,542	267,722	259,932	272,048
EBITDA	31,148	33,900	32,464	33,768	40,228
Operating profit	13,426	15,801	13,760	13,833	19,049
Net profit (rep./act.)	8,303	8,377	13,563	7,732	11,730
Net profit (adj.)	8,303	8,377	13,563	7,732	11,730
EPS (Bt)	1.4	1.4	2.2	1.3	1.9
PE (x)	14.7	14.6	9.0	15.9	10.5
P/B (x)	1.8	1.8	1.6	1.5	1.4
EV/EBITDA (x)	8.0	7.3	7.7	7.4	6.2
Dividend yield (%)	2.7	3.0	4.9	2.8	4.2
Net margin (%)	3.3	3.2	5.1	3.0	4.3
Net debt/(cash) to equity (%)	185.8	190.8	155.8	159.0	141.3
Interest cover (x)	7.2	7.1	7.6	8.0	9.6
ROE (%)	12.9	12.3	18.4	9.7	13.9
Consensus net profit	-	-	10,301	8,544	9,639
UOBKH/Consensus (x)	-	-	1.32	0.90	1.22

Source: CRC, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt20.30
Target Price	Bt23.00
Upside	13.30%

Analyst(s)

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Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	CRC TB
Shares issued (m):	6,031.0
Market cap (Btm):	122,429.3
Market cap (US\$m):	3,782.3
3-mth avg daily t'over (US\$m):	11.6

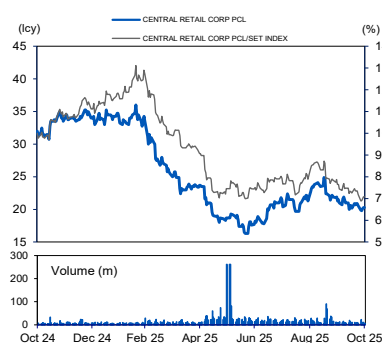
Price Performance (%)

52-week high/low				Bt36.00/Bt15.80
1mth	3mth	6mth	1yr	YTD
(6.9)	(6.9)	(13.2)	(35.0)	(40.3)

Major Shareholders

	%
HARG CENTRAL DEPARTMENT STORE	35.06
DEUTSCHE BANK AG SINGAPORE PWM	4.61
SOCIAL SECURITY OFFICE	3.01

Price Chart



Source: Bloomberg

Company Description

Central Retail Corporation runs retail and wholesale business operations (comprising multi-format, multi-category, omnichannel retail and wholesale platforms) through its shares in subsidiaries and associated companies.

3Q25 Results Preview

Year to 31 Dec (Btm)	3Q24	2Q25	3Q25	yoy (%)	qoq (%)
Sales and services	58,339	58,280	58,034	(0.5)	(0.4)
Gross profit	16,505	16,211	15,932	(3.5)	(1.7)
SG&A	17,316	17,821	17,294	(0.1)	(3.0)
Net profit	2,129	1,121	1,444	(32.2)	28.8
Percent	3Q24	2Q25	3Q25	yoy (ppts)	qoq (ppts)
Gross margin	28.3	27.8	27.5	(0.8)	(0.4)
SG&A to sales	29.7	30.6	29.8	0.1	(0.8)
Net profit margin	3.7	1.9	2.5	(1.2)	0.6

Source: UOB Kay Hian

- **3Q25 earnings to drop yoy.** We expect CRC to report 3Q25 earnings of Bt1.4b, down 32% yoy but up 29% qoq. The yoy decline is mainly due to slightly lower sales, a weaker gross margin, and a higher SG&A-to-sales ratio.
- **Slightly negative sales.** We estimate 3Q25 sales at Bt58.0b, down 0.5% yoy and 0.4% qoq. Key pressures include negative SSSG of -4%, with declines across all three segments. However, store expansion in the food business should partially support the top-line. We also expect rental income to increase 2% yoy.
- **Profitability to soften.** We expect 3Q25 gross margin to contract 84bp yoy to 27.5% (vs 28.3% in 3Q24 and 27.8% in 2Q25), mainly due to a higher contribution from the lower-margin food business. SG&A-to-sales is expected to rise 12bp yoy to 29.8% (vs 29.7% in 3Q24), reflecting higher expenses from new store openings.

Valuation/Recommendation

- **Maintain HOLD and target price of Bt23.00.** Based on 19x 2026F PE, or -1SD to its three-year average, we apply a valuation discount to reflect the slower growth outlook. We are more positive on the 4Q25 outlook, supported by a stronger SSSG. However, we still expect 2026 earnings to decline if the Rinascente divestment proceeds, and there is no change to our earnings forecast.

Earnings Revision/Risk

- **No earnings revision.** 9M25 earnings were around 58% of our full-year forecast. We expect the weak 3Q25 earnings to be offset by the strong 4Q25 earnings.

Share Price Catalyst

- Improved SSSG, strong growth in the Vietnam business.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AA

Environmental

- Ensures energy-efficient operations and waste reduction across retail formats.

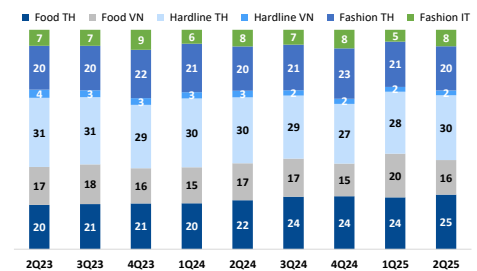
Social

- Prioritises diversity, inclusion, and fair labour practices across its regional workforce.

Governance

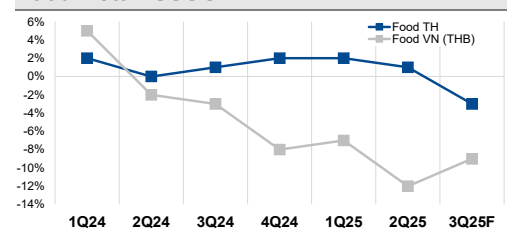
- Adheres to high governance standards under CRC's compliance framework.

Sales Contribution (%)



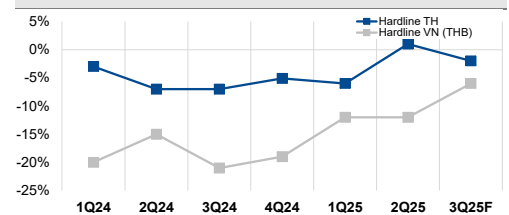
Source: CRC, UOB Kay Hian

Food Retail SSSG



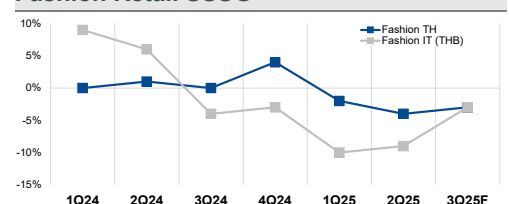
Source: CRC, UOB Kay Hian

Hardline Retail SSSG



Source: CRC, UOB Kay Hian

Fashion Retail SSSG



Source: CRC, UOB Kay Hian

PE Band



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	262,542	267,722	259,932	272,048
EBITDA	33,900	32,464	33,768	40,228
Deprec. & amort.	18,100	18,704	19,935	21,179
EBIT	15,801	13,760	13,833	19,049
Total other non-operating income	251	6,264	277	291
Associate contributions	215	226	237	249
Net interest income/(expense)	(4,743)	(4,293)	(4,237)	(4,182)
Pre-tax profit	11,524	15,957	10,110	15,407
Tax	(2,646)	(1,893)	(1,919)	(2,973)
Minorities	(501)	(500)	(459)	(704)
Net profit	8,377	13,563	7,732	11,730
Net profit (adj.)	8,377	13,563	7,732	11,730

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	191,546	194,136	200,368	205,977
Other LT assets	23,462	24,110	23,675	24,449
Cash/ST investment	10,011	17,709	11,555	13,022
Other current assets	66,030	68,705	66,670	69,350
Total assets	291,049	304,659	302,268	312,797
ST debt	68,289	68,289	68,289	68,289
Other current liabilities	62,695	66,950	64,525	66,855
LT debt	73,296	71,939	70,622	69,345
Other LT liabilities	14,389	14,921	14,341	15,030
Shareholders' equity	68,977	78,631	80,101	88,185
Minority interest	3,404	3,930	4,389	5,093
Total liabilities & equity	291,049	304,659	302,268	312,797

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	29,472	34,083	27,459	32,971
Pre-tax profit	11,524	15,957	10,110	15,407
Tax	(2,646)	(1,893)	(1,919)	(2,973)
Deprec. & amort.	18,100	18,704	19,935	21,179
Associates	(215)	(226)	(237)	(249)
Working capital changes	(2,071)	1,676	(421)	(381)
Non-cash items	101	(97)	32	31
Other operating cashflows	4,680	(38)	(40)	(42)
Investing	(20,561)	(21,410)	(26,312)	(26,873)
Capex (growth)	(25,645)	(21,294)	(26,167)	(26,787)
Investments	8,289	8,380	8,475	8,574
Others	(3,205)	(8,496)	(8,619)	(8,659)
Financing	(13,766)	(4,976)	(7,301)	(4,631)
Dividend payments	(3,317)	(3,619)	(5,985)	(3,355)
Proceeds from borrowings	2,027	(1,357)	(1,316)	(1,277)
Loan repayment	0	0	0	0
Others/interest paid	(12,476)	0	0	0
Net cash inflow (outflow)	(4,855)	7,698	(6,154)	1,467
Beginning cash & cash equivalent	14,371	9,275	16,972	10,819
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	9,517	16,972	10,819	12,286

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	12.9	12.1	13.0	14.8
Pre-tax margin	4.4	6.0	3.9	5.7
Net margin	3.2	5.1	3.0	4.3
ROA	2.9	4.6	2.5	3.8
ROE	12.3	18.4	9.7	13.9
Growth				
Turnover	5.7	2.0	(2.9)	4.7
EBITDA	8.8	(4.2)	4.0	19.1
Pre-tax profit	11.2	38.5	(36.6)	52.4
Net profit	0.9	61.9	(43.0)	51.7
Net profit (adj.)	0.9	61.9	(43.0)	51.7
EPS	0.9	61.9	(43.0)	51.7
Leverage				
Debt to total capital	66.2	62.9	62.2	59.6
Debt to equity	205.3	178.3	173.4	156.1
Net debt/(cash) to equity	190.8	155.8	159.0	141.3
Interest cover (x)	7.1	7.6	8.0	9.6

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