Central Retail Corporation (CRC TB)

3Q26: Results Beat; EBTDA Surges Across All Segments

Highlights

- 3Q26 core profit came in at Bt2.1b, up 66% yoy, beating our and consensus forecasts by 16% and 22%, respectively.
- Core EBITDA surged across all segments, with SSSG turning positive for the second consecutive quarter.
- Oct 26 SSSG gained stronger momentum at around +4% yoy.
- Maintain BUY with a higher target price of Bt36.00 (from Bt35.00).

3Q26 Results

Year to 31 Dec (Btm)	3Q25	3Q25	4Q25	2Q26	3Q26	yoy (%)	qoq (%)
Sales	54,260	54,260	59,141	55,501	56,785	4.7	2.3
Gross profit	14,478	14,478	16,116	15,333	15,464	6.8	0.9
SG&A - core	(15,896)	(15,896)	(17,201)	(16,492)	(16,522)	3.9	0.2
Other income - core	4,143	4,143	5,346	4,609	4,390	6.0	(4.8)
EBIT	2,615	2,615	4,968	3,073	3,229	23.5	5.1
Interest expense	(991)	(991)	(907)	(812)	(747)	(24.6)	(8.0)
Core profit from continuing operations	**1,192**	**1,192**	**2,729**	**2,114**	**2,151**	**80.5**	**1.7**
Core profit	**1,298**	**1,298**	**3,011**	**2,114**	**2,151**	**65.8**	**1.7**
Net profit	**1,301**	**1,301**	**2,630**	**2,044**	**2,097**	**61.3**	**2.6**
Core EBITDA - CRC	**6,708**	**6,708**	**8,479**	**7,595**	**7,583**	**13.0**	**(0.2)**
Core EBITDA - Food	1,648	1,648	2,194	1,717	2,084	26.5	21.4
Core EBITDA - Hardline	2,146	2,146	2,355	2,427	2,211	3.0	(8.9)
Core EBITDA - Fashion	2,914	2,914	3,930	3,451	3,288	12.8	(4.7)
Gross margin	26.7	26.7	27.3	27.6	27.2	0.55	(0.4)
SG&A to sales	27.2	27.2	26.7	27.4	27.0	(0.2)	(0.4)

Source: Central Retail Corporation, UOB Kay Hian

Analysis

- **Strong earnings beat, with SSSG turning positive and margins expanding across all segments.** Central Retail Corporation (CRC) reported 3Q26 net profit of Bt2.04b, while core profit, excluding extraordinary items, came in at Bt2.1b (+66% yoy, +2% qoq), beating our and consensus forecasts by 16% and 22%, respectively. The strong beat was driven by better-than-expected gross margin and lower-than-expected SG&A. Core EBITDA surged across all segments, with SSSG turning positive for the second consecutive quarter.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	226,713.4	228,376.8	235,926.4	245,676.0	258,045.6
EBITDA	32,102.4	31,786.7	32,125.6	34,367.9	36,059.4
Operating profit	14,002.9	13,722.0	15,421.5	16,965.1	17,893.8
Net profit (rep./act.)	8,136.3	7,411.9	10,259.6	11,377.1	12,110.2
Net profit (adj.)	8,869.6	8,122.9	10,482.3	11,377.1	12,110.2
EPS	1.5	1.4	1.7	1.9	2.0
PE (x)	21.2	23.2	18.0	16.6	15.6
P/B (x)	2.7	2.9	2.8	2.5	2.3
EV/EBITDA (x)	10.1	9.1	9.0	8.3	7.8
Dividend yield (%)	1.8	4.2	3.6	2.4	2.6
Net margin (%)	3.6	3.2	4.4	4.6	4.7
Net debt/(cash) to equity(%)	190.8	147.8	142.3	121.9	104.1
Interest cover (x)	7.4	8.7	10.7	11.4	11.9
Consensus net profit	n.a	n.a	9,158.0	9,944.4	10,832.2
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.1

Source: Central Retail Corporation, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt31.25
Target Price	Bt36.00
Upside	15.20%
Previous TP	Bt35.00

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	CRC TB
Shares issued (m)	6,031.0
Market cap (Btm)	182,437.8
Market cap (US$m)	5,488.0
3-mth avg daily t'over (US$m)	11.9

Price Performance (%)

52-week high/low				Bt30.8/Bt16.7
1mth	**3mth**	**6mth**	**1yr**	**YTD**
10.0	32.7	76.3	51.0	73.3

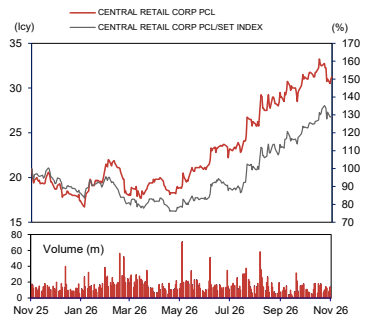
Major Shareholders (%)

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

Balance Sheet Metrics

FY26 NAV/Share (Bt)	11.1
FY26 Net Debt/Share (Bt)	16.0

Price Chart



Source: Bloomberg

Company Description

Central Retail Corporation is a leading retail and wholesale player in Thailand and Vietnam, operating a multi-format, multi-category, omnichannel platform through its subsidiaries and associated companies..

- **Food EBITDA surged 27% yoy**, supported by: a) SSSG of +3% yoy, with its Thailand food segment at +10% yoy and Vietnam food segment at +2% yoy, and b) EBITDA margin expansion following higher gross margin. Tops and Go Wholesale saw improvement in operations, while Vietnam SSSG softened. Tops benefitted from effective marketing campaigns, while GO Wholesale improved asset utilisation through initiatives such as reducing shrinkage and improving operational efficiency, which resulted in double-digit sales growth and margin expansion.
- **Hardline EBITDA increased 3% yoy**, despite SSSG of -1.0% yoy and gross margin expansion. The strong hardline EBITDA growth was mainly driven by: a) gross margin expansion at Thai Watsadu, supported by improved internal efficiency, continued assortment optimisation, and better operating expense control; b) improving SSSG at B2S and OfficeMate; and c) continued store roll-out at Auto1.
- **Fashion EBITDA increased 13% yoy**, supported by SSSG of +1% yoy, strong online sales growth, and gross margin expansion. The gross margin improvement was driven by: a) reduced promotional activity following the clearance of slow-moving inventory in 2025, and b) a new brand, which helped improve profitability.
- **Other key stats.** SG&A-to-sales decreased by 20bps yoy, reflecting well-managed expenses. Interest expenses declined 25% yoy, following debt repayment and lower interest rates. Other income increased 6% yoy. Equity income surged by 48% yoy partly driven by the acquisition of JD Sport.

Essential

- **4Q26 outlook remains firmly bullish.** Oct 26 SSSG gained stronger momentum at around +4% yoy, driven by: a) food (+6–7% yoy), which gained positive momentum from Tops and Go Wholesale, and b) hardline (+8–9% yoy), which benefitted from post-flood demand for home repairs. Fashion SSSG declined 3-4% yoy, following a high base in 3Q25, when the mourning period boosted demand for black apparel. In addition, the cessation of losses from Nguyen Kim, contributions from JD Sports, and lower interest expenses should support strong 4Q26 earnings. We remain confident that CRC is in a recovery phase in 2026, with stronger earnings growth expected in 2027.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt36.00 (from Bt35.00)**, based on a 2027F PE of 19x, slightly higher than peers' 17x. CRC deserves to trade at a premium valuation, given its clearer recovery trajectory and stronger growth outlook, with earnings growth expected at 41% in 2026 and 9% in 2027.

Earnings Revision/Risk

- **Revise up earnings.** We revise our 2026-27 core profit forecasts by 4% and 3% respectively to reflect the strong 3Q26 earnings.

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

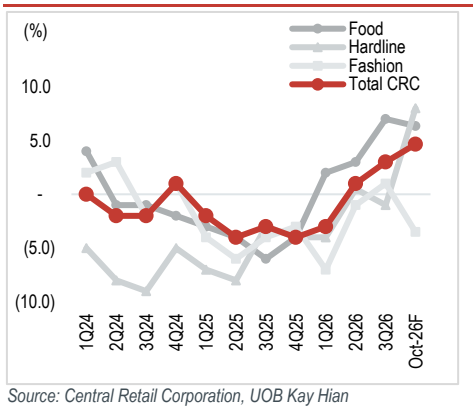
- Adheres to high governance standards under CRC's compliance framework.

Key Operating Statistics

Percent	3Q25	3Q25	4Q25	2Q26	3Q26
SSSG – Total	**(4.0)**	**(4.0)**	**(4.0)**	**1.0**	**3.0**
SSSG – Food	(6.0)	(6.0)	(4.0)	3.0	7.0
SSSG – Hardline	(3.0)	(3.0)	(4.0)	0.5	(1.0)
SSSG – Fashion	(4.0)	(4.0)	(3.0)	(1.0)	1.0

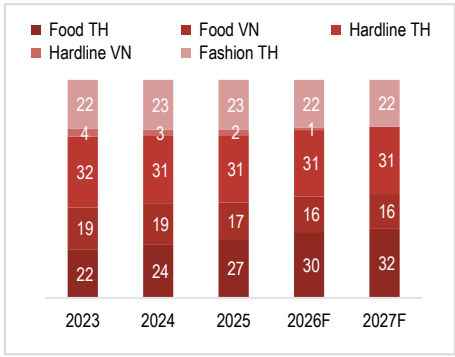
Source: Central Retail Corporation, UOB Kay Hian

SSSG Turning Positive In 2Q26



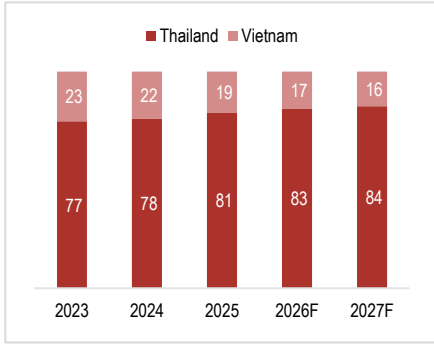
Source: Central Retail Corporation, UOB Kay Hian

Sales Breakdown By Segment



Source: Central Retail Corporation, UOB Kay Hian

Sales Breakdown By Country



Source: Central Retail Corporation, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**228,377**	**235,926**	**245,676**	**258,046**
EBITDA	31,787	32,126	34,368	36,059
Deprec. & amort.	18,065	16,704	17,403	18,166
EBIT	13,722	15,422	16,965	17,894
Total other non-operating income	11	248	11	11
Associate contributions	483	578	636	668
Net interest income/(expense)	(3,638)	(3,007)	(3,019)	(3,037)
Pre-tax profit	**10,578**	**13,241**	**14,593**	**15,536**
Tax	(3,482)	(2,661)	(2,861)	(3,048)
Minorities	(374)	(320)	(355)	(378)
Net profit	**7,412**	**10,260**	**11,377**	**12,110**
Net profit (adj.)	8,123	10,482	11,377	12,110

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	158,804	155,149	157,614	160,892
Other LT assets	17,750	19,689	20,480	21,100
Cash/ST investment	10,004	18,359	22,282	26,514
Other current assets	60,290	67,447	68,285	70,580
Total assets	**246,848**	**260,645**	**268,661**	**279,086**
ST debt	49,761	55,461	52,961	49,936
Other current liabilities	57,748	58,797	60,447	64,350
LT debt	56,978	59,078	60,078	61,578
Other LT liabilities	13,073	14,138	14,793	15,258
Shareholders' equity	65,469	67,578	74,434	81,638
Minority interest	3,819	5,593	5,948	6,326
Total liabilities & equity	**246,848**	**260,645**	**268,662**	**279,086**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**32,216**	**21,175**	**29,947**	**32,262**
Pre-tax profit	10,578	13,241	14,593	15,536
Tax	(3,482)	(2,661)	(2,861)	(3,048)
Deprec. & amort.	18,065	16,704	17,403	18,166
Working capital changes	(128)	(3,774)	(1,080)	1,404
Non-cash items	921	(2,335)	1,892	205
Other operating cashflows	6,263	0	0	0
Investing	**1,669**	**(13,924)**	**(20,004)**	**(21,598)**
Capex (growth)	14,677	(13,049)	(19,868)	(21,443)
Investments	4,078	(231)	(254)	(267)
Others	(17,086)	(644)	118	113
Financing	**(32,834)**	**1,104**	**(6,021)**	**(6,431)**
Dividend payments	(8,225)	(6,696)	(4,521)	(4,906)
Issue of shares	(615)	0	0	0
Proceeds from borrowings	(34,845)	7,800	(1,500)	(1,525)
Others/interest paid	10,851	0	0	0
Net cash inflow (outflow)	**1,051**	**8,355**	**3,922**	**4,233**
Beginning cash & cash equivalent	**9,275**	**9,797**	**18,152**	**22,074**
Ending cash & cash equivalent	**10,326**	**17,690**	**21,048**	**24,695**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	13.9	13.6	14.0	14.0
Pre-tax margin	4.6	5.6	5.9	6.0
Net margin	3.2	4.4	4.6	4.7
Growth				
Net profit (adj.)	(8.4)	29.0	8.5	6.4
Leverage				
Debt to total capital	154.0	156.5	140.6	126.8
Debt to equity	163.0	169.5	151.9	136.6
Net debt/(cash) to equity	147.8	142.3	121.9	104.1
Interest cover	8.7	10.7	11.4	11.9

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