

CENTRAL RETAIL CORP

THAILAND / COMMERCE

CRC TB

BUY

UNCHANGED

TARGET PRICE	THB38.00
CLOSE	THB31.25
UP/DOWNSIDE	+21.6%
PRIOR TP	THB42.00
CHANGE IN TP	-9.5%
TP vs CONSENSUS	-3.6%

More challenges ahead

- In-line 4Q24 core profit; neutral view from analyst meeting.
- We revise our 2025-26 earnings forecast down by 2-3%, mainly to reflect the absence of the share of profit from Grab.
- Maintain BUY and revise our DCF-TP to THB38/shr.

We have a neutral view from the analyst meeting on 28 Feb

CRC has set a 2025 sales growth target of 6-10% y-y (close to our estimate). In 2024, the company opened 32 mid- to large-sized stores, but plans a slower expansion of 23 stores in 2025. We view this slowdown as neutral, given the significant expansion in recent years. The company targets a stable GP sales margin of 26.5%, despite a higher Go Wholesale contribution. CRC also plans to optimize the sales mix in Fashion, Food, and Hardline to support a higher GP sales margin. Meanwhile, the SG&A-to-revenue target is set at below 27.4%, with a focus on cost optimization in employee expenses and marketing campaigns.

4Q24 core profit in line with our estimates

CRC's 4Q24 net profit was THB2.2b (+2% q-q, -31% y-y). Excluding FX losses, asset disposals, and derivative adjustments of THB137m, as well as an accounting loss of THB657m from the Grab share swap by Porto Worldwide Limited (67% owned by CRC) – which exercised its contractual right to exchange shares in GrabTaxi Holdings (Thailand) Co., Ltd. for Grab Holdings Limited (listed on NASDAQ) – the core profit was THB2.97b (+82% q-q, +14% y-y), driven by higher sales and effective cost control.

We revise our 2025-26 forecast down by 2-3%, mainly from Grab

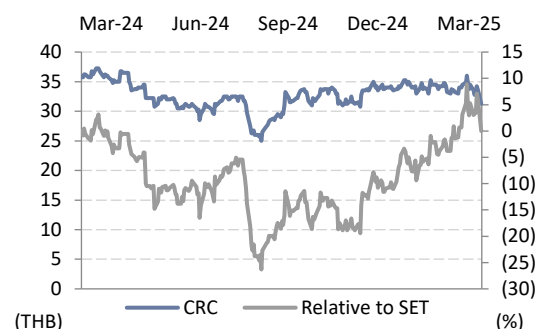
We revise down our core profit estimates for 2025-26 by 2-3%, given the absence of the THB300m annual share of profit from Grab. However, if CRC were to sell its Grab Holdings Limited stake, it could potentially receive around THB5b. If CRC uses this amount to reduce debt (at an interest cost of c3%), it could save cTHB150m in interest expenses. For 2025, we estimate a core profit of THB9.1b (+5% y-y) despite projected revenue growth of 6%, as we expect the GPM to decline by c20bps due to a higher mix of low-margin formats and more price-sensitive consumer behavior, leading to frequent purchases during promotional periods.

Maintain BUY and revise our DCF-TP down to THB38/shr

The investment appeal of CRC has weakened, given the 2025 core profit growth outlook of 5%, increasing challenges in discretionary and luxury goods in Europe, and a YTD stock price decline of c8%, which has partially priced in the impact of Grab and the slow growth outlook. QTD SSSG for total CRC is flat, Thailand is flat, Vietnam is +1-3% (local currency), and Italy is -1% (local currency).

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	262,542	278,747	290,136	301,996
Net profit	8,136	9,149	9,829	10,675
EPS (THB)	1.35	1.52	1.63	1.77
vs Consensus (%)	-	5.2	0.9	(3.6)
EBITDA	34,506	34,507	35,666	36,926
Recurring net profit	8,742	9,149	9,829	10,675
Core EPS (THB)	1.45	1.52	1.63	1.77
Chg. In EPS est. (%)	nm	(2.3)	(3.1)	nm
EPS growth (%)	11.1	4.7	7.4	8.6
Core P/E (x)	21.6	20.6	19.2	17.7
Dividend yield (%)	1.9	2.2	2.3	2.5
EV/EBITDA (x)	9.4	9.4	9.0	8.6
Price/book (x)	2.7	2.5	2.4	2.2
Net debt/Equity (%)	182.1	167.5	151.9	137.6
ROE (%)	12.9	12.8	12.7	12.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.3)	(9.4)	(12.0)
Relative to country (%)	3.9	10.9	1.3
Mkt cap (USD m)	5,517		
3m avg. daily turnover (USD m)	8.3		
Free float (%)	55		
Major shareholder	Chirathivat family (67%)		
12m high/low (THB)	37.75/24.20		
Issued shares (m)	6,031.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

CRC is a leading multi-format (physical/online) and multi-category (fashion/hardline/food) retailer. It has also expanded its business to Italy and Vietnam. In 2023, it had 1,969 stores, including 85 department stores, 114 specialty stores, 338 brand shops, 38 hypermarkets, 725 supermarkets & CVS's, four food wholesalers, 81 home DIYs, 171 electronics stores, 219 OFM & B2S, 72 malls, and 122 health & wellness stores.

According to Euromonitor, the projected market growth of the modern retail and wholesale industry in Thailand and Vietnam during 2023-27 equals 7.8% and 9.4% CAGR, respectively. In this regard, Vietnam has a higher growth potential than Thailand. Revenue from Vietnam accounts for 20-25% of sales.

Company profile

Established in 1947 by the Chirathivat family, CRC is a multi-category retailer. It operates multi-store formats in Thailand, Italy, and Vietnam. Also, it is an omni-channel pioneer in Thailand, which helps strengthen its retail store network in offering products and services to consumers.

www.centralretail.com

Principal activities (revenue, 2024)

Sales of goods - 89.3 %

Rental services - 3.0 %

Rendering services - 0.7 %

Other income - 7.0 %

Source: Central Retail Corp

Major shareholders

Chirathivat family - 67.3 %

Others - 32.7 %

Source: Central Retail Corp

Catalysts

Thailand's economic recovery, increased consumer confidence, government stimulus packages, and policy rate cuts.

Risks to our call

Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) the absence of the government's stimulus, and 4) a slower-than-expected economic recovery in Vietnam.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

	Actual	Current		
	2024	2025E	2026E	2027E
Revenue (THB m)	262,542	278,747	290,136	301,996
SSSG Fashion (%)	1.0	3.0	3.0	3.0
SSSG Hardline (%)	(7.0)	3.0	3.0	3.0
SSSG Food (%)	0.0	3.0	3.0	3.0
Gross margin (%)	26.5	26.3	26.4	26.4
SG&A to sales (%)	27.4	27.4	27.3	27.2
Net profit (THB m)	8,742	9,149	9,829	10,675
Core EPS	1.45	1.52	1.63	1.77

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 EPS would rise 1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 EPS would rise 2.1%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to revenue, we estimate 2025 EPS would fall 2.4%, and vice versa, all else being equal.

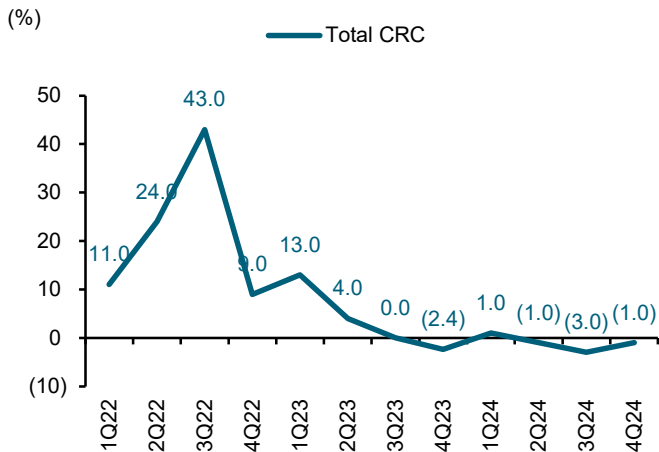
Source: FSSIA estimates

Exhibit 1: CRC – 4Q24 results summary

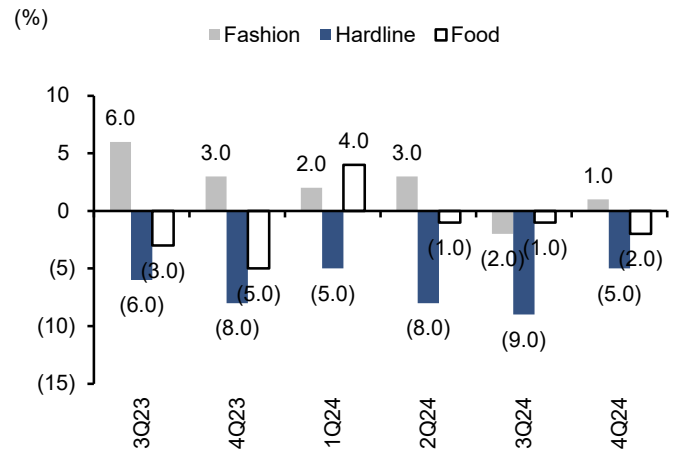
Profit & Loss Statement	4Q23	1Q24	2Q24	3Q24	4Q24	----- Change -----		2023	2024	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Retail sales	58,530	60,347	56,242	55,935	61,946	11	6	221,926	234,470	6
Rental and rendering services	2,573	2,416	2,476	2,404	2,434	1	(5)	9,512	9,730	2
Other income	4,711	4,440	4,194	4,381	5,083	16	8	16,952	18,342	8
Total revenue	65,814	67,203	62,912	62,720	69,462	11	6	248,391	262,542	6
Cost of retail sales	(42,340)	(44,849)	(41,284)	(41,227)	(44,991)	9	6	(162,590)	(172,352)	6
Cost of rental and services	(612)	(611)	(596)	(608)	(593)	(2)	(3)	(2,351)	(2,407)	2
Gross profit	22,862	21,743	21,032	20,886	23,878	14	4	83,449	87,784	5
Investment income	90	52	90	48	72	52	(20)	292	251	(14)
Operating costs	(18,337)	(17,530)	(17,695)	(17,588)	(18,990)	8	4	(70,023)	(71,983)	3
Operating profit	4,615	4,266	3,427	3,345	4,961	48	7	13,719	16,052	17
Interest expense	(1,278)	(1,140)	(1,303)	(1,307)	(1,245)	(5)	(3)	(4,642)	(4,995)	8
Profit before tax	3,336	3,125	2,124	2,038	3,716	82	11	9,082	11,068	22
Tax	(156)	(760)	(555)	(436)	(882)	102	465	(1,550)	(2,646)	71
Associates	86	306	164	151	252	67	195	990	215	(78)
Minority interests	(128)	(147)	(121)	(117)	(115)	(2)	(10)	(506)	(501)	(1)
Non-recurring items	527	(353)	47	494	(794)	(261)	(251)	148	(605)	(509)
Reported net profit	3,138	2,171	1,660	2,129	2,176	2	(31)	8,016	8,136	1
Normalized profit	2,611	2,524	1,613	1,635	2,970	82	14	7,868	8,742	11
EPS (THB)	0.52	0.36	0.28	0.35	0.36	2	(31)	1.33	1.35	1
Normalized EPS (THB)	0.43	0.42	0.27	0.27	0.49	82	14	1.30	1.45	11
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Retail sales margin	27.7	25.7	26.6	26.3	27.4	1.1	(0.3)	26.7	26.5	(0.2)
Rental and rendering services margin	76.2	74.7	75.9	74.7	75.6	0.9	(0.6)	75.3	75.3	(0.0)
Gross margin	34.7	32.4	33.4	33.3	34.4	1.1	(0.4)	33.6	33.4	(0.2)
EBIT margin	7.0	6.3	5.4	5.3	7.1	1.8	0.1	5.5	6.1	0.6
Recurring net margin	5.2	3.8	2.7	2.7	4.4	1.7	(0.8)	3.3	3.4	0.2
SG&A / revenue	27.9	26.1	28.1	28.0	27.3	(0.7)	(0.5)	28.2	27.4	(0.8)
Effective tax rate	4.7	24.3	26.1	21.4	23.7	2.3	19.1	17.1	23.9	6.8
Operational statistics	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
SSSG										
Total SSSG	(2.4)	1.0	(1.0)	(3.0)	(1.0)			3.0	(1.0)	
---Fashion	3.0	2.0	3.0	(2.0)	1.0			12.0	1.0	
---Hardline	(8.0)	(5.0)	(8.0)	(9.0)	(5.0)			(4.0)	(7.0)	
---Food	(5.0)	4.0	(1.0)	(1.0)	(2.0)			(0.2)	0.0	
SSSG by country										
---Thailand	(1.0)	0.0	(2.0)	(2.0)	1.0			5.0	(1.0)	
---Vietnam	(16.0)	2.0	(4.0)	(6.0)	(9.0)			(10.0)	(4.0)	
---Italy	9.0	9.0	6.0	(4.0)	(4.0)			18.0	1.0	

	4Q23	1Q24	2Q24	3Q24	4Q24	----- Change -----		2023	2024	Change
Retail sales breakdown	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
---Fashion	18,260	16,265	15,649	15,448	19,499	26	7	62,578	66,861	7
---Hardline	18,686	19,487	18,596	17,423	18,292	5	(2)	74,193	73,798	(1)
---Food	21,584	24,595	21,996	23,064	24,156	5	12	85,155	93,811	10

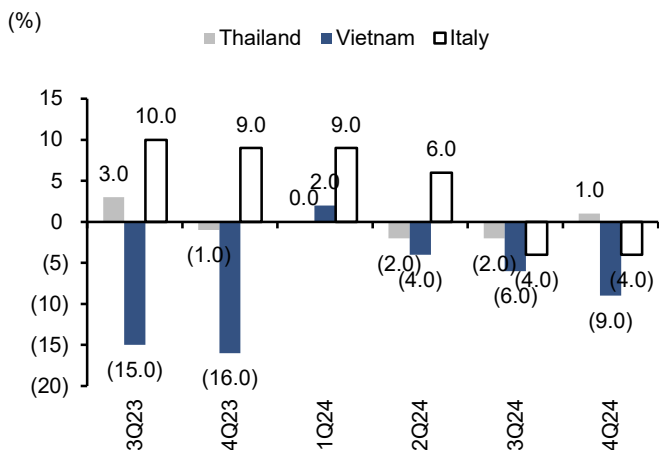
Sources: CRC; FSSIA estimates

Exhibit 2: Quarterly total SSSG

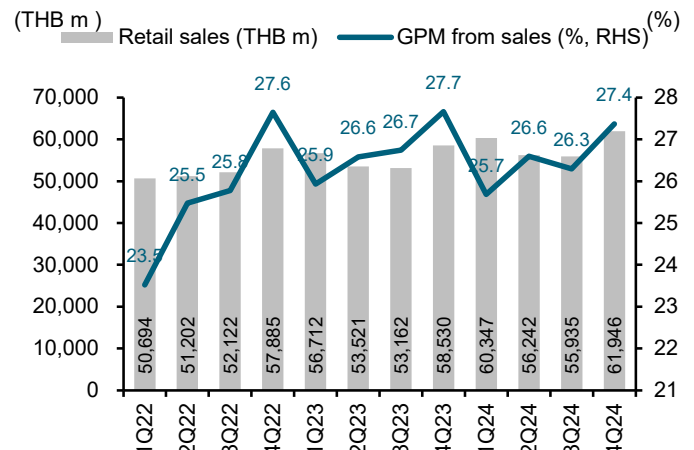
Sources: CRC; FSSIA estimates

Exhibit 3: SSSG by segment

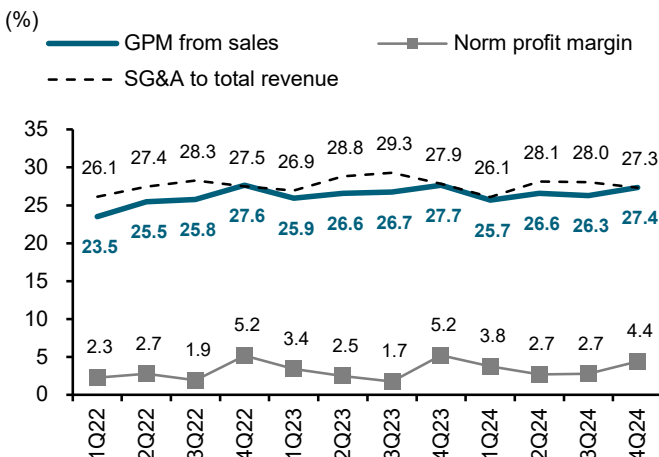
Sources: CRC; FSSIA estimates

Exhibit 4: SSSG by country

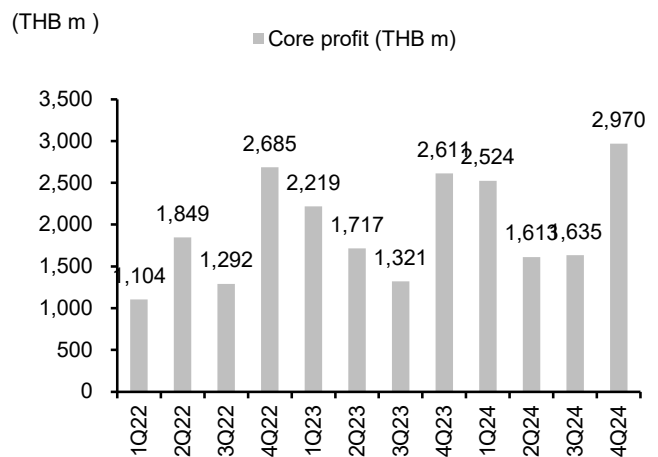
Sources: CRC; FSSIA estimates

Exhibit 5: Sales and GPM from sales

Sources: CRC; FSSIA estimates

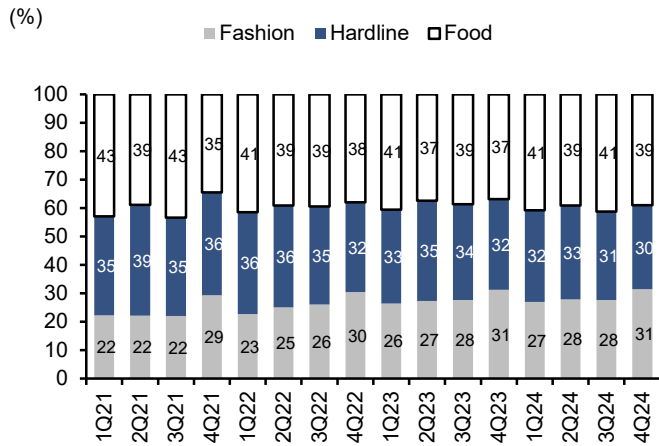
Exhibit 6: Profitability

Sources: CRC; FSSIA estimates

Exhibit 7: Core profit

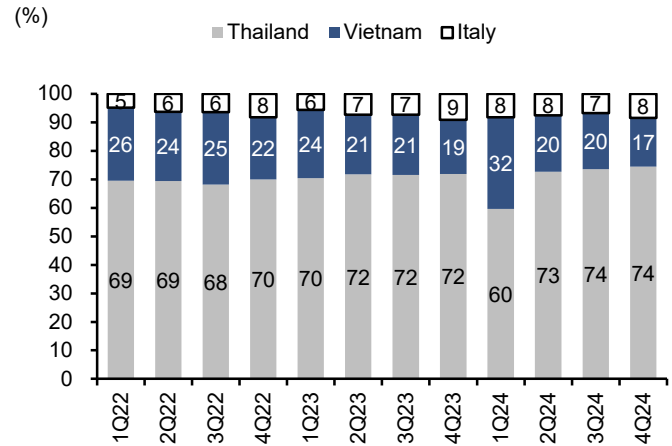
Sources: CRC; FSSIA estimates

Exhibit 8: Sales contribution by segment



Sources: CRC; FSSIA estimates

Exhibit 9: Sales contribution by country



Sources: CRC; FSSIA estimates

Exhibit 10: 2025 growth targets



Source: CRC

Exhibit 11: 2025 store expansion plan



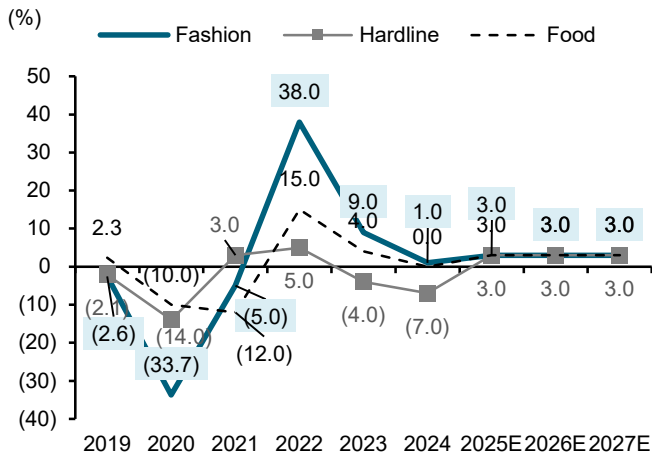
Source: CRC

Exhibit 12: Changes in key assumptions

	Current			Previous			Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue (THB m)	278,747	290,136	301,996	280,470	300,503	301,996	(0.6)	(3.5)	nm
SSSG Fashion (%)	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	nm
SSSG Hardline (%)	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	nm
SSSG Food (%)	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	nm
Gross margin (%)	26.3	26.4	26.4	26.3	26.2	26.4	0.0	0.2	nm
SG&A to sales (%)	27.4	27.3	27.2	27.3	27.1	27.2	0.1	0.2	nm
Net profit (THB m)	9,149	9,829	10,675	9,368	10,138	10,675	(2.3)	(3.1)	nm
Core EPS	1.52	1.63	1.77	1.55	1.68	1.77	(2.3)	(3.1)	nm

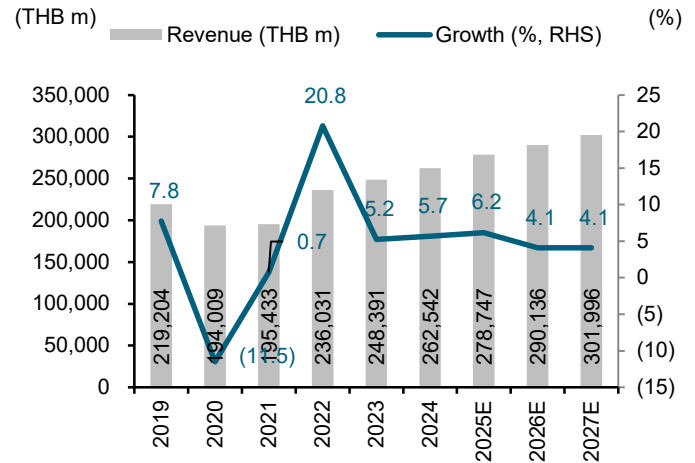
Source: FSSIA estimates

Exhibit 13: SSSG by segment



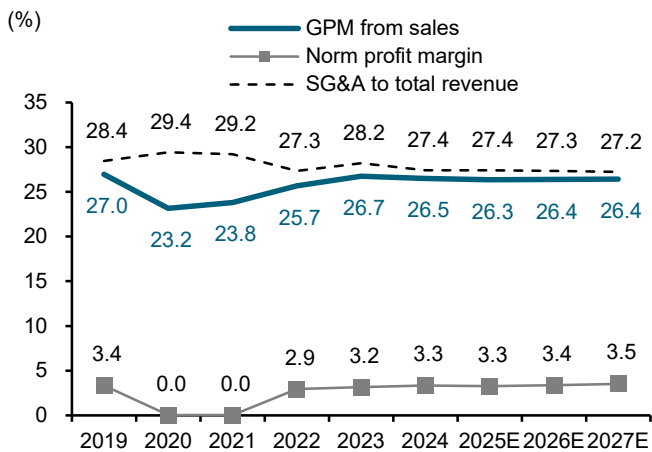
Sources: CRC; FSSIA estimates

Exhibit 14: Yearly revenue and % growth



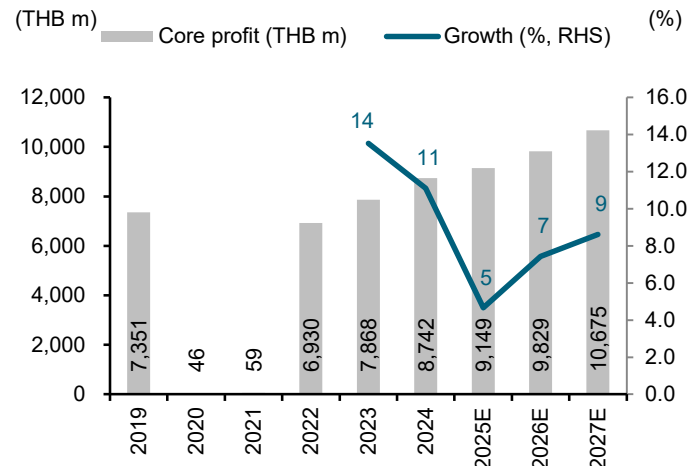
Sources: CRC; FSSIA estimates

Exhibit 15: Profitability



Sources: CRC; FSSIA estimates

Exhibit 16: Yearly core profit and % growth



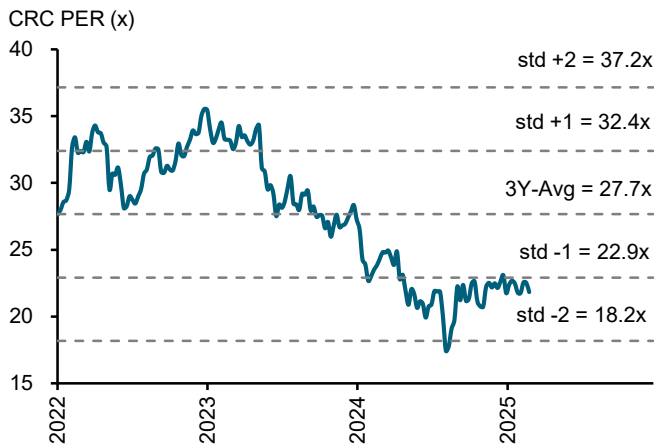
Sources: CRC; FSSIA estimates

Exhibit 17: DCF-derived TP

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	8.2%	
Terminal growth	2.0%	
NPV		139
Add: terminal value		225
Sum of PV		364
Add: investment		0
Less: debt		131
Less: minorities		4
Residual ordinary equity		229
No. of shares (m)		6,031
Residual ordinary equity (THB/share)		38.0

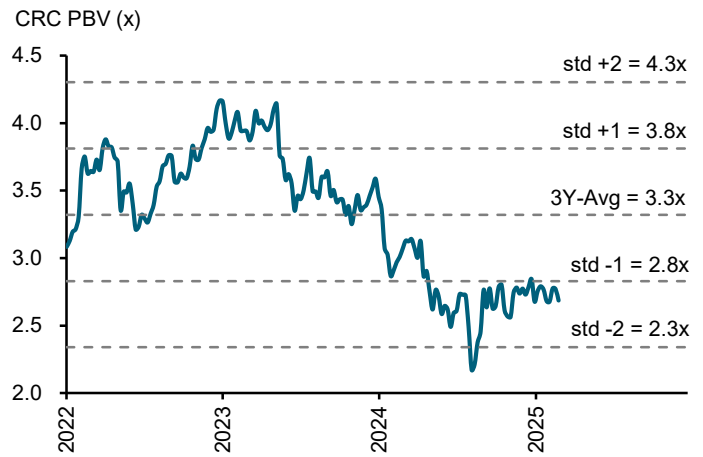
Sources: FSSIA estimates

Exhibit 18: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 19: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 20: Commerce peers as of 3 Mar 2025

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		- EV/ EBITDA -	
			Current	Target	Upside		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)		(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)
Consumer Staple														
CP All	CPALL TB	BUY	52.50	83.00	58	13,805	18.6	17.0	21.3	20.8	4.0	3.6	17.7	16.1
CP Aextra	CPAXT TB	BUY	27.75	34.00	23	8,470	26.7	22.5	3.7	4.3	1.0	1.0	10.1	9.0
Berli Jucker	BJC TB	BUY	21.60	31.00	44	2,534	18.8	16.5	3.8	4.4	0.7	0.7	11.2	11.0
Consumer Staple average						25,425	21.9	19.0	9.6	10.0	2.0	1.8	13.0	11.9
Consumer Discretionary														
Com7	COM7 TB	BUY	21.90	30.00	37	1,510	15.9	15.3	39.4	36.6	6.0	5.2	11.9	10.5
Central Retail Corp	CRC TB	BUY	31.25	38.00	22	5,517	21.6	20.6	12.9	12.8	2.7	2.5	9.4	9.4
Home Improvement														
Index Living Mall	ILM TB	BUY	14.00	17.00	21	207	9.4	8.7	12.4	12.8	1.1	1.1	6.0	5.6
Home Product Center	HMPRO TB	BUY	8.10	13.20	63	3,118	16.4	15.4	24.8	25.4	4.0	3.8	9.6	9.0
Siam Global House	GLOBAL TB	HOLD	7.35	9.70	32	1,162	16.1	15.1	9.9	10.3	1.6	1.5	13.4	12.8
Dohome	DOHOME TB	BUY	6.75	9.50	41	638	32.3	24.6	5.4	6.9	1.7	1.6	16.0	14.3
Home Improvement avg.						5,125	18.5	16.0	13.1	13.9	2.1	2.0	11.3	10.5
Consumer Discretionary avg.						12,152	18.6	16.6	17.5	17.5	2.9	2.6	11.0	10.3
Total average						37,577	19.5	17.3	14.8	14.9	2.5	2.3	11.7	10.9

Source: FSSIA estimates

Financial Statements

Central Retail Corp

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	248,391	262,542	278,747	290,136	301,996
Cost of goods sold	(164,941)	(174,758)	(186,134)	(193,790)	(201,721)
Gross profit	83,449	87,784	92,613	96,346	100,276
Other operating income	0	0	0	0	0
Operating costs	(70,171)	(71,378)	(76,453)	(79,286)	(82,225)
Operating EBITDA	31,000	34,506	34,507	35,666	36,926
Depreciation	(17,722)	(18,100)	(18,347)	(18,606)	(18,876)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	13,278	16,406	16,160	17,060	18,050
Net financing costs	(4,349)	(4,743)	(4,492)	(4,525)	(4,437)
Associates	990	215	500	510	520
Recurring non-operating income	995	226	500	510	520
Non-recurring items	148	(605)	0	0	0
Profit before tax	10,072	11,283	12,168	13,045	14,133
Tax	(1,550)	(2,646)	(2,509)	(2,695)	(2,927)
Profit after tax	8,523	8,637	9,660	10,350	11,207
Minority interests	(506)	(501)	(511)	(521)	(531)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	8,016	8,136	9,149	9,829	10,675
Non-recurring items & goodwill (net)	(148)	605	0	0	0
Recurring net profit	7,868	8,742	9,149	9,829	10,675
Per share (THB)					
Recurring EPS *	1.30	1.45	1.52	1.63	1.77
Reported EPS	1.33	1.35	1.52	1.63	1.77
DPS	0.55	0.60	0.67	0.72	0.79
Diluted shares (used to calculate per share data)	6,031	6,031	6,031	6,031	6,031
Growth					
Revenue (%)	5.2	5.7	6.2	4.1	4.1
Operating EBITDA (%)	7.8	11.3	0.0	3.4	3.5
Operating EBIT (%)	14.5	23.6	(1.5)	5.6	5.8
Recurring EPS (%)	13.5	11.1	4.7	7.4	8.6
Reported EPS (%)	11.7	1.5	12.4	7.4	8.6
Operating performance					
Gross margin inc. depreciation (%)	33.6	33.4	33.2	33.2	33.2
Gross margin exc. depreciation (%)	40.7	40.3	39.8	39.6	39.5
Operating EBITDA margin (%)	12.5	13.1	12.4	12.3	12.2
Operating EBIT margin (%)	5.3	6.2	5.8	5.9	6.0
Net margin (%)	3.2	3.3	3.3	3.4	3.5
Effective tax rate (%)	17.1	23.9	21.5	21.5	21.5
Dividend payout on recurring profit (%)	42.2	41.4	44.5	44.5	44.5
Interest cover (X)	3.3	3.5	3.7	3.9	4.2
Inventory days	111.7	109.4	106.1	105.9	104.5
Debtor days	8.1	7.4	6.9	7.0	7.0
Creditor days	101.2	97.1	93.9	95.7	96.6
Operating ROIC (%)	20.3	19.2	18.2	19.7	21.3
ROIC (%)	5.8	5.9	5.9	6.1	6.3
ROE (%)	12.2	12.9	12.8	12.7	12.8
ROA (%)	4.3	4.4	4.4	4.5	4.7

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Sales of goods	221,926	234,470	249,311	259,763	270,579
Rental services	7,785	7,889	8,100	8,272	8,532
Rendering services	1,727	1,841	1,957	2,040	2,124
Other income	16,952	18,342	19,379	20,061	20,761

Sources: Central Retail Corp; FSSIA estimates

Financial Statements

Central Retail Corp

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	7,868	8,742	9,149	9,829	10,675
Depreciation	17,722	18,100	18,347	18,606	18,876
Associates & minorities	(68)	(298)	0	0	0
Other non-cash items	539	850	541	577	566
Change in working capital	274	(1,681)	1,532	1,475	1,580
Cash flow from operations	26,337	25,712	29,568	30,487	31,698
Capex - maintenance	(26,174)	(27,796)	(18,000)	(18,540)	(19,096)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(372)	1,264	(7,123)	(5,192)	(5,400)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(26,546)	(26,532)	(25,123)	(23,732)	(24,497)
Dividends paid	(3,317)	(3,619)	(4,069)	(4,371)	(4,748)
Equity finance	237	(2,600)	302	302	302
Debt finance	2,486	2,002	(400)	(2,399)	(2,460)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(594)	(4,217)	(4,167)	(6,469)	(6,906)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(803)	(5,036)	278	287	295
Free cash flow to firm (FCFF)	4,432.31	4,175.30	9,215.93	11,570.63	11,940.72
Free cash flow to equity (FCFE)	2,276.66	1,182.62	4,045.38	4,356.11	4,741.14

Per share (THB)

FCFF per share	0.73	0.69	1.53	1.92	1.98
FCFE per share	0.38	0.20	0.67	0.72	0.79
Recurring cash flow per share	4.32	4.54	4.65	4.81	4.99

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	128,631	140,550	158,550	177,090	196,186
Less: Accumulated depreciation	(71,134)	(73,357)	(91,704)	(110,310)	(129,186)
Tangible fixed assets (net)	57,497	67,193	66,846	66,780	67,000
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	26,190	27,233	27,801	28,387	28,990
Cash & equivalents	14,814	9,777	10,056	10,342	10,637
A/C receivable	18,238	18,262	18,579	18,802	19,034
Inventories	46,413	47,462	50,042	51,569	53,127
Other current assets	492	538	572	595	619
Current assets	79,956	76,041	79,248	81,308	83,418
Other assets	123,455	120,583	128,025	133,256	138,703
Total assets	287,097	291,049	301,921	309,731	318,111
Common equity	67,060	68,977	74,359	80,118	86,347
Minorities etc.	3,201	3,404	3,914	4,435	4,967
Total shareholders' equity	70,260	72,381	78,273	84,553	91,314
Long term debt	84,662	73,296	67,211	69,841	70,825
Other long-term liabilities	13,669	14,389	15,277	15,901	16,551
Long-term liabilities	98,331	87,685	82,488	85,742	87,376
A/C payable	41,831	41,544	44,758	47,130	49,612
Short term debt	54,895	68,264	73,948	68,919	65,475
Other current liabilities	21,779	21,176	22,453	23,386	24,334
Current liabilities	118,505	130,984	141,160	139,436	139,421
Total liabilities and shareholders' equity	287,097	291,049	301,921	309,731	318,111
Net working capital	1,532	3,543	1,981	450	(1,165)
Invested capital	208,673	218,552	224,654	228,873	233,528

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	11.12	11.44	12.33	13.28	14.32
Tangible book value per share	11.12	11.44	12.33	13.28	14.32

Financial strength

Net debt/equity (%)	177.5	182.1	167.5	151.9	137.6
Net debt/total assets (%)	43.5	45.3	43.4	41.5	39.5
Current ratio (x)	0.7	0.6	0.6	0.6	0.6
CF interest cover (x)	1.5	1.2	1.9	2.0	2.1

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	24.0	21.6	20.6	19.2	17.7
Recurring P/E @ target price (x) *	29.1	26.2	25.1	23.3	21.5
Reported P/E (x)	23.5	23.2	20.6	19.2	17.7
Dividend yield (%)	1.8	1.9	2.2	2.3	2.5
Price/book (x)	2.8	2.7	2.5	2.4	2.2
Price/tangible book (x)	2.8	2.7	2.5	2.4	2.2
EV/EBITDA (x) **	10.2	9.4	9.4	9.0	8.6
EV/EBITDA @ target price (x) **	11.5	10.6	10.6	10.2	9.7
EV/invested capital (x)	1.5	1.5	1.4	1.4	1.4

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Central Retail Corp; FSSIA estimates

Central Retail Corporation PCL (CRC TB)

FSSIA ESG rating



64.49 /100

Exhibit 21: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 22: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
COM7	61.78	--	Y	Y	5.00	5.00	Certified	Low	47.75	--	--	52.68	21.00	4.40	43.59
CPALL	78.53	Y	Y	Y	5.00	5.00	Certified	Medium	47.38	A	34.00	59.95	82.00	3.74	--
CPAXT	59.46	--	--	--	5.00	5.00	Certified	Low	52.81	--	--	74.64	63.00	3.77	--
BJC	71.33	Y	Y	Y	4.00	4.00	--	Medium	55.09	A	--	65.19	89.00	2.16	--
CRC	64.49	--	Y	Y	5.00	5.00	Certified	Medium	--	BBB	--	60.98	73.00	2.90	47.27

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 23: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.77	2.38	2.17	2.90
BESG environmental pillar score	1.58	1.37	1.29	1.76
BESG social pillar score	0.78	2.04	2.18	3.41
BESG governance pillar score	3.20	3.99	3.16	3.68
ESG disclosure score	37.16	43.07	43.18	49.23
Environmental disclosure score	16.25	15.37	15.71	35.25
Social disclosure score	25.82	32.62	32.62	31.23
Governance disclosure score	69.30	81.10	81.10	81.10
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	No	Yes	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	No	No	No
GHG scope 1	47	7	40	34
GHG scope 2 location-based	469	518	385	472
GHG Scope 3	71	112	37	82
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	1,046	—	—	1,122
Renewable energy use	—	—	—	79
Electricity used	946	1,081	1,250	1,033
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 24: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	0	0	0	0
Total waste	6	72	68	49,573
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	Yes
Water policy	No	No	No	No
Water consumption	6,869	6,731	6,623	12,501
Social				
Human rights policy	No	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	No	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	63	62	62
Pct disabled in workforce	1	1	1	0
Business ethics policy	No	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	—
Total recordable incident rate - employees	—	—	—	—
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	Yes
Number of employees – CSR	58,425	58,610	53,143	61,334
Employee turnover pct	50	48	31	—
Total hours spent by firm - employee training	391,448	527,020	739,473	920,010
Social supply chain management	No	No	No	No
Governance				
Board size	15	15	14	15
No. of independent directors (ID)	5	5	4	5
No. of women on board	4	4	3	3
No. of non-executive directors on board	14	13	12	14
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	13	11	10	9
Board meeting attendance pct	89	96	100	99
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	52	53	54	55
Age of the oldest director	79	80	79	80
No. of executives / company managers	6	7	7	5
No. of female executives	0	1	1	0
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	10	13	13	12
Audit meeting attendance %	97	100	100	100
Size of compensation committee	4	3	3	4
No. of ID on compensation committee	2	2	1	2
No. of compensation committee meetings	—	5	4	4
Compensation meeting attendance %	—	100	100	100
Size of nomination committee	4	3	3	4
No. of nomination committee meetings	—	5	4	4
Nomination meeting attendance %	—	100	100	100
Sustainability governance				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainabilitys	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																		
AA	7.143-8.570																				
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BB	2.857-4.285																				
B	1.429-2.856																				
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thada Jiracharoenyng FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Central Retail Corp	CRC TB	THB 31.25	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) the absence of the government's stimulus, and 4) a slower-than-expected economic recovery in Vietnam.
Com7	COM7 TB	THB 21.90	BUY	Risks to our P/E-based TP include 1) lower/higher domestic consumption and purchasing power, 2) store cannibalization/expansion, and 3) lower/higher-than-expected gross margin.
CP All	CPALL TB	THB 52.50	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
CP Axtra	CPAXT TB	THB 27.75	BUY	Key downside risks to our DCF-based TP include 1) a lower-than-expected SSSG; 2) a lower-than-expected GPM; 3) higher-than-expected SG&A expenses; 4) an operating loss from its overseas units; 5) lower-than-expected synergy value; and 6) lower-than-expected losses in Happitat project.
Berli Jucker	BJC TB	THB 21.60	BUY	Key downside risks to our DCF-based TP could come from 1) competition with Lotus which could impact its sales and gross margin; and 2) a higher in raw material prices.
Index Living Mall	ILM TB	THB 14.00	BUY	Risks to our DCF-based TP include 1) a lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) a higher-than-expected SG&A.
Home Product Center	HMPRO TB	THB 8.10	BUY	Key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) slower-than-expected recovery in domestic consumption and tourist arrivals, and 3) operating losses from overseas units.
Siam Global House	GLOBAL TB	THB 7.35	HOLD	Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the El Nino.
Dohome	DOHOME TB	THB 6.75	BUY	Key risks to our DCF-based TP are 1) lower steel price and heavy clearance stock 2) lower farm income, which would affect purchasing power in the agricultural sector, 3) government disbursement, 4) a lower private brand mix and margin, and 5) higher expenses than expected.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 03-Mar-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a 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.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). 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 (N). 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 (U). 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.