

Central Retail Corp (CRC TB)

Long-term Potential From Vietnam Retail

Highlights

- We visited GO! Da Nang and go! Dien Ban and came back with a more positive view on Central Retail's long-term strategy.
- The retail market in Da Nang appears more promising than in the past, with GO! standing out with the most competitive pricing compared with peers.
- Maintain BUY with a target price of Bt25.50.

Analysis

- **More positive on CRC.** We visited GO! Da Nang and go! Dien Ban and came back with a more positive view on Central Retail's (CRC) long-term strategy.
- **Promising market in Vietnam.** The retail market in Da Nang appears more promising than in the past. We observed that when customers enter malls, their intention is genuinely to shop, resembling Thai consumer behaviour in earlier years. CRC Vietnam is strategically focused on big-box formats, where the GO! hypermarket has established a leadership position with 43 stores and continued expansion in Tier 1-2 provinces, reinforcing its dominance in the hypermarket segment. Meanwhile, the go! small-format stores are expected to serve as another key growth engine, targeting expansion in Tier 3-4 provinces.
- **More competitive pricing versus peers.** From our observations, hypermarkets generally offer lower prices than convenience stores in Da Nang. GO! stands out with the most competitive pricing than peers in the same format. One of the reasons is that GO! has launched its "Unbeatable Prices" campaign, running from 26 Mar-30 Jun 26. Under this initiative, customers who purchase products at GO! and later find the exact same item being sold at a lower price at another supermarket or convenience store within a 3 km radius will be refunded the difference.
- **CRC remains a key penetrator in Vietnam.** Modern trade penetration is still ongoing and continuing to expand. Based on our observation, prices in wet markets are not significantly different from GO! but GO! has a clear advantage in food safety. We believe modern trade penetration will continue to rise from the current level.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	226,713.4	228,376.8	237,193.8	242,714.2	252,776.4
EBITDA	32,102.4	31,786.7	30,339.6	32,393.3	33,958.6
Operating profit	14,002.9	13,722.0	13,521.8	14,678.5	15,341.4
Net profit (rep./act.)	8,136.3	7,411.4	7,707.1	8,303.8	8,819.5
Net profit (adj.)	7,866.3	7,431.9	7,707.1	8,303.8	8,819.5
EPS	1.3	1.2	1.3	1.4	1.5
PE (x)	13.9	14.7	14.2	13.2	12.4
P/B (x)	1.6	1.7	1.7	1.6	1.4
EV/EBITDA (x)	4.9	3.8	3.9	3.5	3.2
Dividend yield (%)	3.0	7.2	6.1	2.8	3.0
Net margin (%)	3.6	3.2	3.2	3.4	3.5
Net debt/(cash) to equity(%)	190.8	147.8	139.3	122.1	104.8
Interest cover (x)	7.4	8.7	8.5	8.1	8.6
Consensus net profit	n.a	n.a	7,928.7	8,960.7	9,373.1
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	0.9

Source: Central Retail Corporation, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt18.10
Target Price	Bt25.50
Upside	40.88%

Analyst(s)

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Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	CRC TB
Shares issued (m):	6,031.0
Market cap (Bt\$m):	110,367.3
Market cap (US\$m):	3,366.3
3-mth avg daily t'over (US\$m):	11.0

Price Performance (%)

52-week high/low	Bt24.8/Bt15.7				
1mth	3mth	6mth	1yr	YTD	
(12.9)	0.6	(13.4)	(27.8)	1.7	

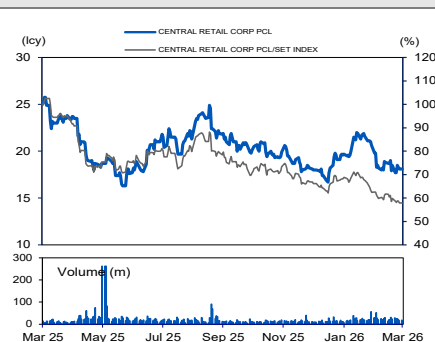
Major Shareholders

	%
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)	10.8
FY26 Net Debt/Share (Bt)	15.0

Price Chart



Source: Bloomberg

Company Description

Central Retail is the leading multi-format, multicategory retailing platform in Thailand. It is also growing internationally, securing leadership status in Italy and becoming one of the leaders in Vietnam.

GO! Da Nang



Source: UOB Kay Hian

GO! Da Nang Atmosphere



Source: UOB Kay Hian

go! Dien Ban



Source: UOB Kay Hian

Essential

- **SSSG turns positive for 22 days in Mar 26.** Same-store sales growth (SSSG) increased by around 1-2% yoy for the first 22 days of Mar 26, driven by two key factors: a) Consumers were stockpiling staples amid concerns over rising prices and product shortages. We also expect some stockpiling of construction materials to boost the hardline SSSG; and b) A low base in Mar 25. These factors supported a turnaround in SSSG for both the food and hardline segments. Combining Jan-Feb 26 performances, qtd SSSG was around -2% yoy, suggesting that 1Q26 earnings are likely to remain pressured.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt25.50.** Our target price is pegged to 2026F PE of 20x which is equivalent to -1SD to the retail sector's five-year average. CRC has shifted from portfolio restructuring in 2025 to re-investment in 2026 and is expected to enter expansion mode in 2027. A dividend of Bt1.11 per share will be paid, implying an attractive yield of 5.9%, with the XD date on 21 Apr 26.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- **Catalyst:** Stronger food segment than peers, recovery of the hardline segment, expanded margins in the fashion segment.
- **Risks:** Product shortages, oil and utilities price increases, Vietnam dong depreciation.

Con Wet Market



Source: UOB Kay Hian

Central Retail Vietnam Store Count



Source: Central Retail

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AA

Environmental

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

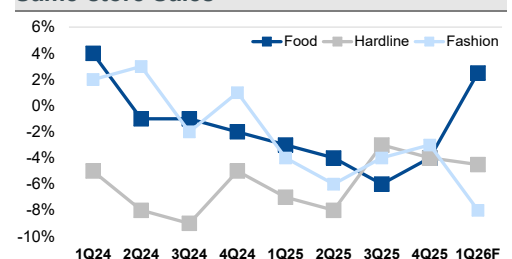
Social

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

Governance

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

Same-store Sales



Source: Central Retail, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	228,377	237,194	242,714	252,776
EBITDA	31,787	30,340	32,393	33,959
Deprec. & amort.	18,065	16,818	17,715	18,617
EBIT	13,722	13,522	14,679	15,341
Total other non-operating income	22	22	22	22
Associate contributions	483	583	642	674
Net interest income/(expense)	(3,650)	(3,578)	(3,980)	(3,967)
Pre-tax profit	10,577	10,549	11,362	12,070
Tax	(3,482)	(2,342)	(2,519)	(2,678)
Minorities	(374)	(500)	(539)	(572)
Net profit	7,411	7,707	8,304	8,820
Net profit (adj.)	7,432	7,707	8,304	8,820

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	32,216	26,001	26,082	28,455
Pre-tax profit	10,577	10,549	11,362	12,070
Tax	(3,482)	(2,342)	(2,519)	(2,678)
Deprec. & amort.	18,065	16,818	17,715	18,617
Working capital changes	(128)	3,300	(2,343)	255
Non-cash items	921	(2,323)	1,867	192
Other operating cashflows	6,264	0	0	0
Investing	1,669	(13,124)	(18,224)	(18,732)
Capex (growth)	14,677	(12,244)	(18,094)	(18,577)
Investments	4,078	(233)	(257)	(269)
Others	(17,086)	(647)	127	114
Financing	(32,834)	63,304	(3,083)	(3,322)
Dividend payments	(8,225)	(6,696)	(3,083)	(3,322)
Issue of shares	(615)	0	0	0
Proceeds from borrowings	(34,845)	70,000	0	0
Others/interest paid	10,851	0	0	0
Net cash inflow (outflow)	1,051	76,181	4,775	6,401
Beginning cash & cash equivalent	9,275	9,797	85,978	90,753
Ending cash & cash equivalent	10,326	85,978	90,753	97,154

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	158,804	154,231	154,610	154,570
Other LT assets	17,750	19,771	20,301	20,788
Cash/ST investment	10,004	86,185	90,960	97,361
Other current assets	60,290	66,608	67,058	68,577
Total assets	246,848	326,794	332,928	341,295
ST debt	49,761	67,761	67,761	67,761
Other current liabilities	57,748	65,043	65,017	66,982
LT debt	56,978	108,978	108,978	108,978
Other LT liabilities	13,073	14,214	14,614	14,946
Shareholders' equity	65,469	65,025	70,246	75,744
Minority interest	3,819	5,773	6,312	6,884
Total liabilities & equity	246,848	326,794	332,928	341,295

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	13.9	12.8	13.4	13.4
Pre-tax margin	4.6	4.4	4.7	4.8
Net margin	3.2	3.2	3.4	3.5
Growth				
Net profit (adj.)	(5.5)	3.7	7.7	6.2
Leverage				
Debt to total capital	154.0	249.6	230.9	213.9
Debt to equity	163.0	271.8	251.6	233.3
Net debt/(cash) to equity	147.8	139.3	122.1	104.8
Interest cover	8.7	8.5	8.1	8.6

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