

Central Retail Corp. Pcl (CRC TB) - HOLD

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News Update**To divest a loss-making Nguyen Kim electronics in Vietnam**

- **A slight positive deal given no more loss contribution.**
- **Bt5.9bn impairment loss in 4Q25F.**
- **No loss contribution from 2026F around 3% p.a.**
- **Insignificant Bt730m net proceeds vs its yearly capex.**
- We see this deal as a slight positive to CRC as NK has been making loss, so there will be no more earnings drag from when the transaction closing in 1Q-2Q26. NK made Bt440m loss in 2024 with lower Bt220m loss in 9M25 as it closed eight non-performing stores this year to 37 branches as of 3Q25.
- This is not a related-party transaction as it will sell to 3rd party, PICO Holdings Joint Stock company, an electronics retailer in Vietnam for USD36m (Bt1,137m).
- P&L impact:
 - It will book Bt5.9bn impairment loss in 4Q25F, almost offsetting the Bt6.0bn gain on divestment of Rinascente department store business in Italy that is also booked in 4Q25F (Nov).
 - An earnings accretion from 2026F onwards by 3% p.a. and falling thereafter when CRC's earnings base is growing.
- Net proceeds will be Bt730m, insignificant in our view comparing to CRC's three-year capex of Bt50-55bn, implying small benefit to use proceeds to fund other investments.

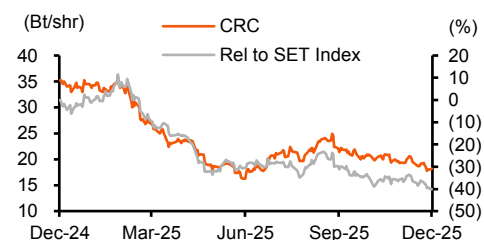
Key Valuations

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	244,200	251,600	243,772	260,277
Net profit	8,136	13,810	7,428	7,950
Norm net profit	8,742	7,810	7,428	7,950
Norm EPS (Bt)	1.4	1.3	1.2	1.3
Norm EPS gr (%)	7.0	(10.7)	(4.9)	7.0
Norm PE (x)	12.6	14.1	14.8	13.8
EV/EBITDA (x)	5.6	5.3	5.5	5.2
P/BV (x)	1.6	1.5	1.4	1.4
Div. yield (%)	3.3	9.9	2.7	2.9
ROE (%)	12.9	10.8	9.8	10.1
Net D/E (%)	110.4	81.0	78.7	64.9

Source: Thanachart estimates

Stock Data

Closing price (Bt)	18.20
Target price (Bt)	23.00
Market cap (US\$ m)	3,527
Avg daily turnover (US\$ m)	10.7
12M H/L price (Bt)	36.00/16.30

Price Performance

Source: Bloomberg

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