

Central Retail Corp. Pcl (CRC TB) - BUY, Price Bt19.10, TP Bt24.00**Results Comment**

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Strong 1Q26 beat

- CRC reported core profit of Bt2.8bn. Excluding special items, e.g., FX loss, normalized profit of Bt2.9bn increased by 12% y-y and 6% q-q. Earnings beat our expectations on the gross margin level.
- Merchandise sales increased by 1.5%.
- Fashion business (department stores) sales fell by 3% y-y on a 7% decline in same-store sales (SSS), due to the absence of tax incentives this year and weaker consumer spending. Online sales grew 20% y-y (9% of total sales) but were unable to offset weak SSS.
- Thailand food business (Tops and GO Wholesale) grew 11% on +6% SSS from successful store models that attracted more customers and new branch expansions.
- Vietnam food business (GO! Hypermarket and GO! Supermarket) grew 4% on a -1% SSSG, supported by strong online sales and new stores. The soft numbers were mainly due to the strengthened baht against the Vietnamese dong.
- Hardline business (e.g., Thai Watsadu) fell by 3% y-y on a -5% SSS due mainly to weak consumption.
- Gross margin rose to 24.1%, up 50bp. Despite the decline in sales from the high-margin fashion business, CRC began to show progress in attracting consumers to higher-margin products across all three business categories.
- SG&A-to-sales increased by 20bp to 26.4% but was more than offset by improved gross margin.
- We estimate 2Q26 QTD SSS turned positive, growing at a low-single-digit level. We see upside to our earnings forecasts and maintain our BUY rating on CRC.

Income Statement						Income Statement					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(Bt m)	q-q%	y-y%	3M as		
									% 2026F	2026F	2027F
Revenue	61,021	54,041	54,260	59,141	61,932	Revenue	5	1	26	237,856	250,583
Gross profit	15,534	14,164	14,478	16,116	16,081	Gross profit	(0)	4	26	62,231	65,671
SG&A	15,804	16,064	15,893	17,201	16,200	SG&A	(6)	3	24	67,185	70,412
Operating profit	4,258	2,221	2,612	4,248	4,371	Operating profit	3	3	32	13,454	14,219
EBITDA	8,792	6,729	7,286	8,538	8,204	EBITDA	(4)	(7)	26	31,023	32,246
Other income	4,569	4,121	4,085	5,426	4,542	Other income	(16)	(1)	24	18,833	19,571
Other expense	0	0	0	0	0	Other expense					
Interest expense	1,014	975	991	907	783	Interest expense	(14)	(23)	21	3,753	3,670
Profit before tax	3,285	1,246	1,679	3,434	3,640	Profit before tax	6	11	36	10,126	11,160
Income tax	691	423	476	731	803	Income tax	10	16	33	2,430	2,790
Equity & invest. income	143	103	80	158	165	Equity & invest. income	5	16	29	573	615
Minority interests	(138)	(94)	(91)	(51)	(102)	Minority interests	na	na	26	(390)	(411)
Extraordinary items	(230)	(96)	3	(440)	(111)	Extraordinary items	na	na	na	0	0
Net profit	2,368	736	1,195	2,370	2,789	Net profit	18	18	35	7,878	8,574
Normalized profit	2,599	832	1,192	2,810	2,900	Normalized profit	3	12	37	7,878	8,574
EPS (Bt)	0.39	0.12	0.20	0.39	0.46	EPS (Bt)	18	18	35	1.31	1.42
Normalized EPS (Bt)	0.43	0.14	0.20	0.47	0.48	Normalized EPS (Bt)	3	12	37	1.31	1.42
Balance Sheet						Financial Ratios					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(%)	1Q25	2Q25	3Q25	4Q25	1Q26
Cash & ST investment	9,119	9,917	9,411	9,797	14,169	Sales grow th	(2.8)	(8.0)	(7.0)	0.3	1.5
A/C receivable	5,315	4,463	4,921	3,837	3,312	Operating profit grow th	1.1	(33.4)	(20.8)	4.2	2.7
Inventory	46,706	45,461	46,643	43,455	42,571	EBITDA grow th	0.9	(14.6)	(6.4)	2.6	(6.7)
Other current assets	13,098	13,058	13,407	13,206	12,240	Norm profit grow th	3.0	(48.4)	(27.1)	20.7	11.6
Investment	5,980	1,307	1,388	1,423	2,121	Norm EPS grow th	3.0	(48.4)	(27.1)	20.7	11.6
Fixed assets	67,050	66,972	66,847	65,121	64,085	Gross margin	25.5	26.2	26.7	27.3	26.0
Other assets	145,244	146,988	143,491	110,010	111,415	Operating margin	7.0	4.1	4.8	7.2	7.1
Total assets	292,512	288,165	286,109	246,849	249,913	EBITDA margin	14.4	12.5	13.4	14.4	13.2
S-T debt	54,215	64,074	59,235	44,506	47,505	Norm net margin	4.3	1.5	2.2	4.8	4.7
A/C payable	39,033	35,675	37,928	37,261	33,953	D/E (x)	1.2	1.3	1.2	1.0	1.0
Other current liabilities	28,905	24,262	24,867	25,742	24,200	Net D/E (x)	1.1	1.2	1.1	0.9	0.8
L-T debt	35,383	28,911	28,781	25,384	25,348	Interest coverage (x)	8.7	6.9	7.4	9.4	10.5
Other liabilities	60,096	65,158	64,385	44,668	45,097	Interest rate	4.5	4.3	4.4	4.6	4.4
Minority interest	3,577	2,977	3,408	3,819	3,939	Effective tax rate	21.1	33.9	28.4	21.3	22.1
Shareholders' equity	71,303	67,108	67,505	65,469	69,871	ROA	3.6	1.1	1.7	4.2	4.7
Working capital	12,988	14,249	13,636	10,030	11,930	ROE	14.8	4.8	7.1	16.9	17.1
Total debt	89,598	92,986	88,016	69,890	72,853						
Net debt	80,479	83,069	78,605	60,093	58,684						

Sources: Company data, ttb wealth estimates

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