BUY (Unchanged)

Change in Numbers

TP: Bt 31.00 (From: Bt 24.00)

Upside : 20.4%

Central Retail Corporation Pcl (CRC TB)

Refocusing going well

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CRC's business refocusing since late last year is faring better than our earlier expectations. It is improving gross margin and putting an end to declining same-store sales. Together with our strong 36% y-y earnings growth estimate in 2Q26F, we reaffirm our BUY call on CRC.

Raising earnings; reaffirming BUY

We reaffirm our BUY call on CRC. ***First***, the refocusing of its three core businesses is going better than expected, and we lift our earnings estimates by 12-13% p.a. in 2026-28F. Together with rolling over to a 2027F base year, our DCF-based 12-month TP rises to Bt31 (from Bt24). ***Second***, core earnings started to turn around in 1Q26 with 13% y-y growth, and we expect another 36% y-y growth in 2Q26F, driven by 1.0% y-y same-store sales growth (SSSG), 2.5% y-y store expansion, and net margin rising to 2.3% from 1.7% in 2Q25 due to a better product mix, lower losses due to GO Wholesale's lower marketing spending, and falling interest expenses. ***Third***, we like CRC's business refocusing strategy, which has improved sales and profitability, and project its ROE to recover to 14.2% in 2028F from 11.1% in 2025. ***Lastly***, trading at a 16x 2027F PE multiple with a strong brand position and 19/10/9% EPS growth in 2026-28F, CRC looks inexpensive to us.

SSSG turned positive in 2Q26F

Since late last year, CRC has recalibrated its business proposition amid intense competition and rapidly changing consumer trends. Its SSSG improved from -4.0/-2.0% y-y in 2025/1Q26 to +1.0% y-y in 2Q26F. In its department-store business (fashion), CRC is focusing more on premium products for higher-income, less price-sensitive customers. It is also expanding dedicated areas for fast-growing women's categories, such as cosmetics and skincare, and renovating stores with spacious resting and café areas to encourage customers to stay longer. In the home improvement business, CRC is increasing the mix of house-brand products. CRC's food business continues to perform well, generating 4-5% SSSG since 2024. We estimate overall SSSG of 1-4% p.a. in 2026-28F.

Improving margins across business lines

We expect the business refocusing above to result in net margin expansion to 4.0% in 2028F from 3.2% in 2025. The new business directions, including an increasing mix of higher-margin fashion products, rising high-margin house brand products for home improvement, and falling GO Wholesale losses, are lifting CRC's gross margin across the business lines. CRC is also able to cut promotional and marketing expenses.

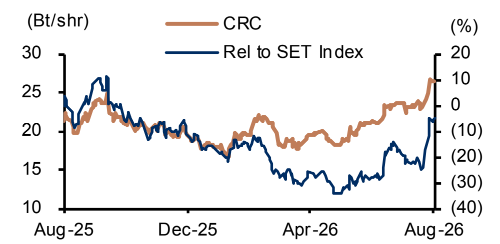
Fixing GO Wholesale

GO Wholesale was established in 2023. With 12 stores and Bt11bn in revenue, we estimate it incurred a loss of Bt1.5bn in 2025. We project the loss to decline in 1H26F. CRC is shifting from price competition to a better customer experience, cleaner stores, and more convenient shopping (e.g., wider payment options). It also scaled back its expansion plan to two stores this year from four last year. We expect its loss to decline to Bt0.8m in 2028F and reach breakeven by 2030F.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	228,377	235,310	247,148	257,363
Net profit	6,721	8,829	9,714	10,554
Consensus NP	—	8,139	8,880	9,594
Diff frm cons (%)	—	*8.5*	*9.4*	*10.0*
Norm profit	7,432	8,829	9,714	10,554
Prev. Norm profit	—	7,878	8,574	9,432
Chg frm prev (%)	—	*12.1*	*13.3*	*11.9*
Norm EPS (Bt)	1.23	1.46	1.61	1.75
Norm EPS grw (%)	(5.5)	18.8	10.0	8.6
Norm PE (x)	20.9	17.6	16.0	14.7
EV/EBITDA (x)	6.9	6.5	6.1	5.6
P/BV (x)	2.4	2.3	2.2	2.0
Div yield (%)	7.0	2.8	3.1	3.4
ROE (%)	11.1	13.4	14.0	14.2
Net D/E (%)	86.6	74.1	63.5	49.7

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 6-Aug-26 (Bt)	25.75
Market Cap (US$ m)	4,697.5
Listed Shares (m shares)	6,031.0
Free Float (%)	58.0
Avg. Daily Turnover (US$ m)	11.7
12M Price H/L (Bt)	26.75/16.70
Sector	Commerce
Major Shareholder	Harng Central Department Store Co.,Ltd. 35.06%

Sources: Bloomberg, Company data, ttb wealth estimates

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Reaffirming BUY

We reaffirm our BUY on CRC and raise our TP to Bt31 (from Bt24)

We reaffirm our BUY rating on shares of Central Retail Corporation Pcl (CRC TB). We raise our earnings estimates by 12-13% for 2026-28F. After rolling forward our valuation base year to 2027F, our DCF-based 12-month TP rises to Bt31 from Bt24.

Ex 1: 12-month DCF-based TP Calculation Using A Base Year Of 2027F

(Bt m)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	Terminal value
EBITDA	33,554	34,776	35,416	36,171	37,016	37,760	39,353	39,985	40,810	41,867	43,617	—
Free cash flow	13,197	16,884	18,668	19,293	19,998	20,595	22,426	22,992	23,691	24,618	26,068	330,137
PV of free cash flow	13,161	13,940	14,005	13,151	12,387	11,588	11,466	10,681	10,000	9,440	9,083	115,028

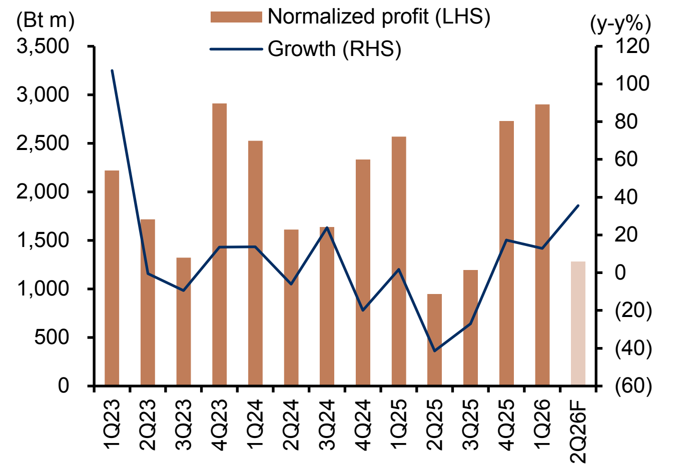
Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.1
WACC (%)	10.1
Terminal growth (%)	2.0
Enterprise value - add investments	243,929
Net debt	52,477
Minority interest	4,204
Equity value	187,248
# of shares (m)*	6,031
Target price/share (Bt)	**31**

Sources: Company data, ttb wealth estimates

Business refocusing going well

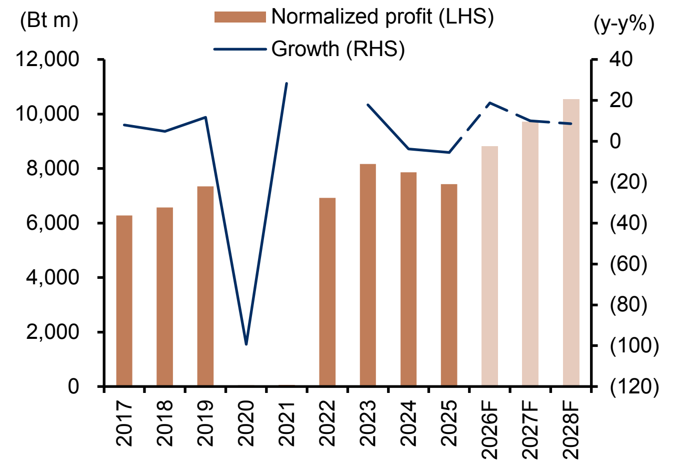
First, CRC's refocusing on its three core businesses is progressing better than we had expected. CRC's core earnings began to recover, rising by 13% y-y in 1Q26. We expect another 36% y-y growth in 2Q26F, driven by same-store sales growth (SSSG), store expansion, and net-margin improvement. On a yearly basis, we estimate EPS growth of 19/10/9% p.a. in 2026-28F.

Ex 2: Quarterly Earnings Outlook



Sources: Company data, ttb wealth estimates

Ex 3: Annual Earnings Outlook



Sources: Company data, ttb wealth estimates

Ex 4: Our Assumptions

(% growth)	2022	2023	2024	2025	2026F	2027F	2028F
Total sales (% growth)	**21.0**	**5.2**	**6.0**	**0.7**	**3.0**	**5.0**	**4.1**
Fashion	30.4	11.2	7.9	(0.2)	2.5	4.0	3.0
Thailand food (ex-GO)	7.2	4.6	2.1	2.8	4.0	6.1	5.1
Thailand GO			1,371.9	59.0	35.6	13.3	7.1
Vietnam food	28.0	0.3	6.7	6.3	5.8	5.5	4.5
Thailand hardline	9.9	8.9	1.3	(2.4)	2.3	4.0	4.0
Gross margin (%)	27.4	28.7	26.4	26.4	26.7	26.8	26.9
SG&A to sales (%)	29.3	30.2	27.9	28.3	28.4	28.4	28.4
Net margin (%)	3.0	3.3	3.3	3.2	3.7	3.8	4.0

Sources: Company data, ttb wealth estimates

Note: *GO Wholesale was launched in 2023
** Vietnam food performance is calculated in dong

Improving SSSG across the three core businesses

Improvements across three businesses

CRC has recalibrated its business proposition since late last year in response to intense competition and rapidly changing consumer trends. Its SSSG has improved from -4.0% y-y in 2025 and -2.0% y-y in 1Q26 to +1.0% y-y in 2Q26F. Improvements have been seen across its three core businesses.

Department store improvements

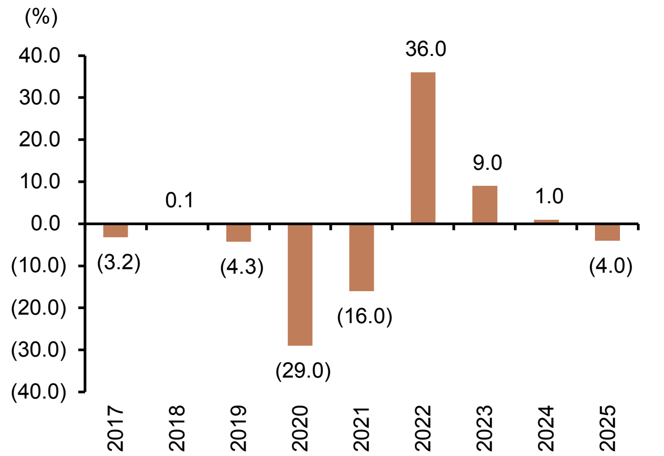
Department stores and fashion: The fashion business recorded -1.5% p.a.% SSSG in 2018-25 amid intense competition and rapidly changing consumer behavior. There has been fierce pricing competition, particularly from online platforms such as Shopee and Lazada, which can offer more competitive prices due to their lower physical-store costs. Rather than competing mainly through price cuts, CRC is repositioning its department-store business toward segments where physical stores offer a stronger advantage. It is increasing its exposure to higher-end products and targeting customers who are less price-sensitive and place greater value on product quality, shopping experience, and service. Products such as premium apparel, jewelry, cosmetics, and accessories also benefit from physical interaction, product trials, and personalized service, which remain difficult for online platforms to replicate and are particularly valued by Thai consumers. We believe the higher margins generated from this segment can partly support more competitive pricing for mass-market and trend-driven products. At the same time, CRC is becoming more proactive in identifying and creating consumer trends. Leveraging its position as a large retail platform with a broad range of products and brands, CRC plans to strengthen product curation and marketing to generate demand. It plans to expand the number of brands under its platform to 600 from around 300 last year, covering jewelry, accessories, cosmetics, and apparel.

CRC is also reorganizing selling areas into more clearly defined product zones. For example, it plans to separate facial-care products into dedicated cosmetics and skincare areas. The company plans to continuously adjust its brand mix to match target customer groups and increase the proportion of exclusive brands and SKUs that are not available on competing online platforms. Store renovations are another part of the strategy. CRC is adding more spacious resting areas, cafés, and lifestyle spaces to encourage customers to spend more time in its stores.

As for online competition, CRC has also acknowledged the weakness of its own online channel and has started selling more products through mainstream. Although margins through these channels are lower, CRC can still generate profits due to lower selling and operating expenses compared with sales through physical stores.

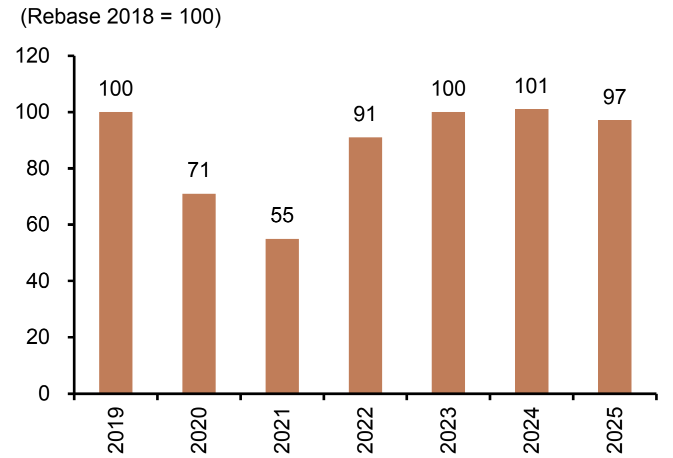
In all, we estimate CRC's fashion SSSG to grow by 1-3% in 2026-28F. With online sales and still some new malls opening, we project total sales growth of 3-5% in 2026-28F.

Ex 5: Falling SSSG Over The Year



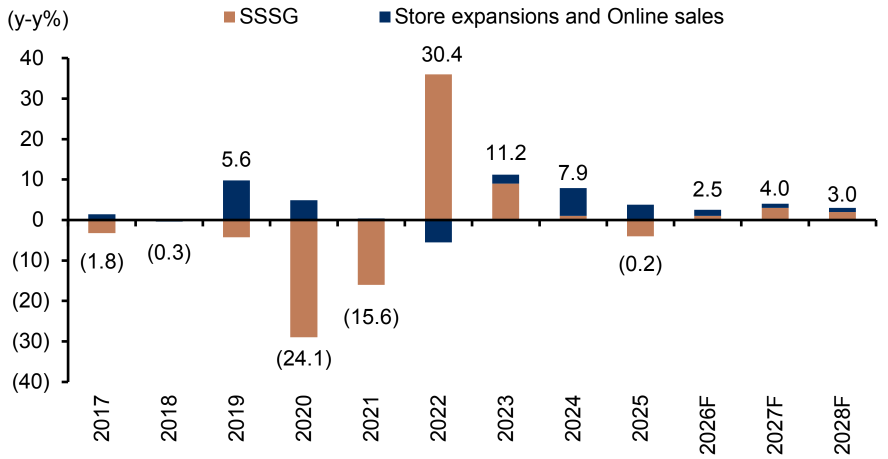
Sources: Company data, ttb wealth estimates

Ex 6: Fashion SSSG At A Low Base



Sources: Company data, ttb wealth estimates

Ex 7: We Expect Fashion Sales To Improve



Sources: Bloomberg, Company data, ttb wealth estimates

Adjusting GO Wholesale

Food: CRC's Tops business has performed well, supported by its focus on middle- to high-income consumers and a broad product range that balances everyday products with premium and differentiated offerings. This positioning has allowed Tops to maintain demand without relying heavily on pricing competition.

CRC's current focus is on reducing losses at GO Wholesale. GO Wholesale was established in 2023 and currently operates 12 stores with around Bt11bn in annual revenue. We estimate that GO Wholesale recorded a loss of around Bt1.5bn in 2025.

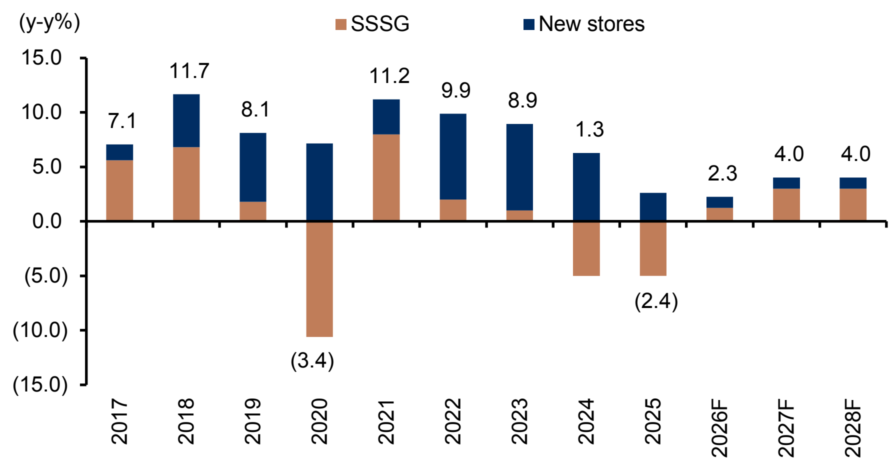
CRC is shifting GO Wholesale away from aggressive price competition toward a better customer experience, including cleaner stores, easier navigation, and more convenient shopping, such as wider payment options. It has also slowed store expansion to two new stores this year from four last year. We estimate GO Wholesale's loss to narrow to Bt0.8bn in 2028F and expect the business to reach breakeven by 2030F.

Thai Watsadu continues to do well

Hardline – Thai Watsadu: CRC is focusing on margin improvement at Thai Watsadu following its earlier expansion phase. Key measures include reducing overlapping expenses, such as IT costs, improving operating efficiency, and increasing the contribution from private-label products. We view private-label expansion as a low-hanging fruit. Other home-improvement operators have already benefited from this strategy. With Thai Watsadu now reaching a larger scale, CRC should be in a better position to secure more competitive sourcing terms from private-label manufacturers.

As for the growth outlook, we forecast drivers from both sales growth and Thai Watsadu store openings, given that the home improvement market is far from saturated.

Ex 8: CRC's Hardline Growth



Sources: Bloomberg, Company data, ttb wealth estimates

Margin improvement across the businesses

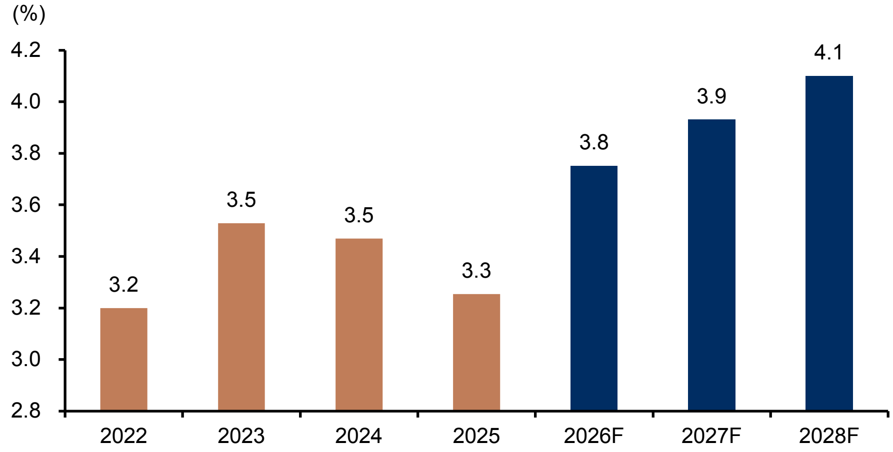
Gross margin also improving

CRC's gross margin narrowed to 26.4% in 2025 from 28.7% in 2023, driven by a weaker contribution from the high-margin fashion business and higher costs during its expansion phase. Margin recovery is now a key focus across the group.

The main driver should be the recovery of the fashion business, supported by a greater focus on higher-end customers, better product selection, a clearer market position, and more exclusive products. Further support should come from cost efficiencies and a higher private-label mix at Thai Watsadu, as well as narrowing losses at GO Wholesale.

Together with CRC's cost savings and lower interest expenses, we estimate its net margin to rise to 3.7/3.8/4.0% in 2026-28F from 3.2 % in 2025.

Ex 9: Net Margin Looks Set To Improve



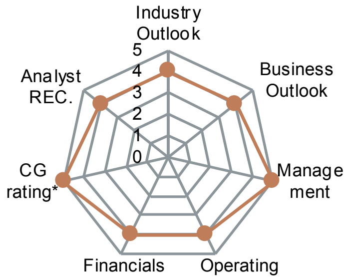
Sources: Bloomberg, Company data, ttb wealth estimates

COMPANY DESCRIPTION

Central Retail Corporation Pcl (CRC) is Thailand's leading retailer under the Central Group's Chirathivat family. It operates multi-retail businesses (fashion, hardline, food) in nine retail formats (department stores, specialty stores, brand shops, supermarkets, hypermarkets, convenience stores, food wholesale stores, retail plazas, and sales counters) in Thailand and Vietnam. As of the end of 3Q25, it operated a net selling area of 3.8m sqm and a net leasable area of 0.79m sqm.

Source: ttb wealth

COMPANY RATING



Rating Scale	
Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Retail market leader in Thailand with multiple retail formats.
- Accelerating its omnichannel platform in response to new consumption trends.
- Strong market position in each retail segment.

W — Weakness

- Low returns on some businesses with model adjustments needed.
- Highly capital-intensive business and high operating expenses.

O — Opportunity

- Room to open more Thai Watsadu stores in the growing home-improvement sector.
- Strong growth opportunities in Vietnam due to its higher population, robust economic growth, and low modern-trade penetration.
- More M&As.

T — Threat

- Competition from new entrants.
- Weak Thai economy.
- Pandemic.

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	23.73	31.00	31%
Net profit 26F (Bt m)	8,139	8,829	8%
Net profit 27F (Bt m)	8,880	9,714	9%
Consensus REC	**BUY: 14**	**HOLD: 10**	**SELL: 2**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our DCF-based TP is 31% higher than the Bloomberg consensus number, which we attribute to us having higher EPS growth estimates over the longer term due to our expectation that CRC will be successful in its refocusing.

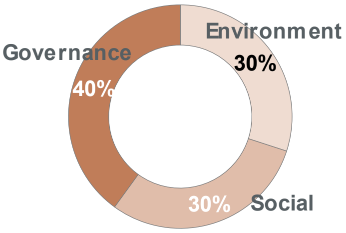
Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

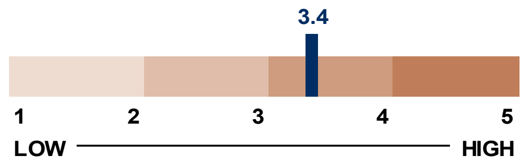
- There would be downside risk to our earnings forecasts if CRC fails to open new stores in line with our current expectations.
- Earnings growth could be hindered if online competition is more intense and CRC is unable to improve its shopping platform.
- A slower-than-expected economic recovery in Thailand would be the key downside risk to our call.

Source: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
CRC	YES	AAA	YES	3.38	0	66.22	5.0

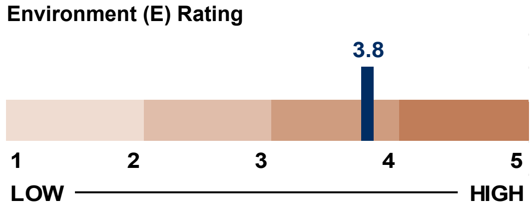
Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

ESG Summary

- CRC is a multi-category retailer with various store formats in the department store, food, and home improvement segments in Thailand and Vietnam. It operates a total selling space of 3.8m sqm. Our ESG score for CRC is decent at 3.38, above the 3.20 retail sector average. We assign the highest score to Social, followed by Environment and Governance.
- CRC is a key part of Central Group, one of the largest Thai conglomerates encompassing business areas of shopping malls, retail and wholesale modern trade, hotel, real estate, and food services. Given the group's size and growth mindset, business transactions occur regularly, including related company transactions. That said, from an ESG perspective, this group still offers the benefits of scale, business sustainability, and high-quality management, and we believe the family’s experience outweighs the risks associated with related transactions and governance.
- In the big picture, we do not see CRC as a strong ESG play. Its score of 3.38 is decent, but it isn’t a leader in ESG initiatives. The conglomerate structure, though it has not created a poor ESG track record, is likely to remain a concern, given the risk of related-party transactions in a company of this size.
- We assign CRC a good 3.8 Environmental score and a good 3.9 Social score. But we assign a moderate 2.7 Governance score to reflect its weak board structure and the recent business disposal of Rinascente department stores in Italy to its parent company.

Sector: Services | Commerce

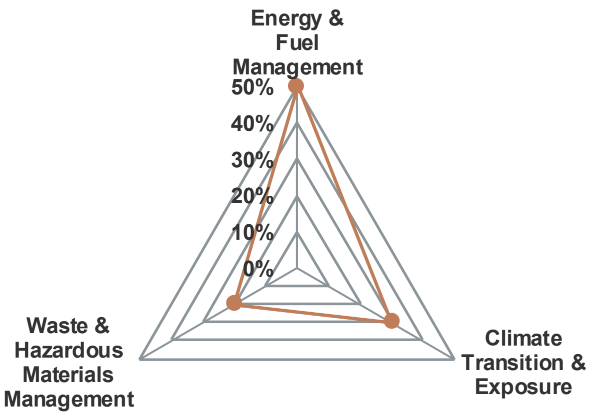
We assign a good E score of 3.8 to CRC, supported by clear short-term and long-term GHG emissions targets. CRC recognizes the urgency and importance of climate change and has assigned its environment committee and sustainable development team to determine action plans to integrate the climate strategy into the overall business strategy.



ENVIRONMENT

- **Climate Transition & Exposure**
- **Energy & Fuel Management**
- **Waste & Hazardous Materials Management**

SCALE WEIGHTING



Our Comments

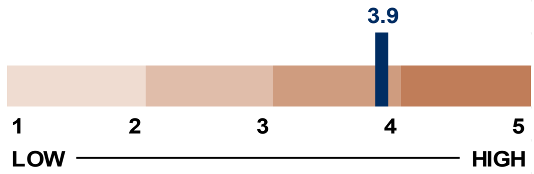
- We assign CRC a good 3.8 E score. In 2024, CRC achieved 13 sustainability awards in Thailand and overseas. It is a member of DJSI World and DJSI Emerging Markets and was ranked in the top 3 in the global retailing industry in the S&P Global CSA for 2024.
- CRC sets near- and long-term environmental goals. By 2030, it aims to cut GHG emissions by 30% from 0.7m (scope 1&2) tonnes of CO2 equivalent in 2024 and achieve net-zero GHG emissions by 2050. Other targets are a 50% renewable energy share, and 100% ESG training for management employees and 50% for key suppliers.
- Waste management is set as key priority. Targets by 2030 include the use of 100% friendly packaging, reduction of food losses and waste by 30% (from 5,170 tonnes of food waste in 2024). CRC plans to phase out single-use plastic packaging, increase the use of reusable packaging, and raise the use of recycled material and recyclable packaging.
- To ensure effective mitigation and transition plans to climate change, CRC is determined to disclose climate-related information in alignment with TCFD (The Task Force on Climate-related Financial Disclosures)'s, a globally recognized climate disclosure framework.
- Since 2022, CRC has conducted a physical risk assessment for 26 critical assets in Thailand. The physical risk assessment covers water stress, riverine flood, coastal flood, extreme heat, and cyclones/winds with response measures and adaptation plans.
- CRC also conducts a transition risk assessment for business operations in Thailand. It identifies potential impact, financial implication, and response measures to be Thailand's first green and sustainable retail with a low-carbon and climate-friendly business.
- In October last year, it issued Thailand's first green bonds in the retail and wholesale sector valued at Bt1bn. The proceeds will be used in renewable energy projects, i.e., solar energy installations on the rooftops of retail branches to increase the proportion of clean energy consumption and advance CRC's ReNEW environmental strategy.
- In 2024, Central Retail completed the installation of solar cell systems at 160 locations, the use of clean energy electric vehicles in logistics operations, and implementation of chiller Plant Manager System and Energy Management Information System to enhance air conditioning systems.

Sources: ttb wealth, Company data

Sector: Services | Commerce

We assign CRC a strong Social (S) score of 3.9, reflecting its holistic development of staff beyond skills, a safe and supportive workplace, and a focus on a work-life balance. It is committed to creating shared values with communities to strengthen the relationship between CRC and the community, leading to mutual economic and social growth.

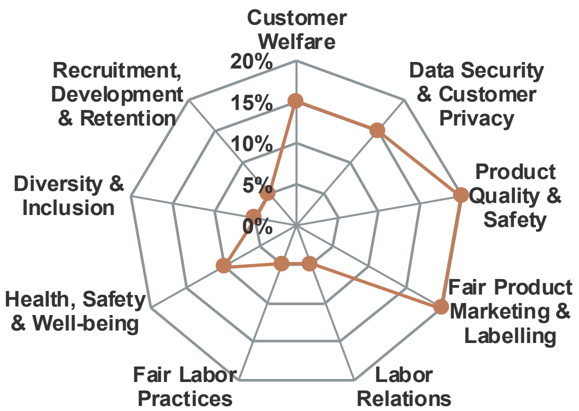
Social (S) Rating



SOCIAL

- **Customer Welfare**
- **Data Security & Customer Privacy**
- **Diversity & Inclusion**
- **Fair Labor Practices**
- **Fair Product Marketing & Labeling**
- **Health, Safety & Well-being**
- **Labor Relations**
- **Product Quality & Safety**
- **Recruitment, Development & Retention**

SCALE WEIGHTING

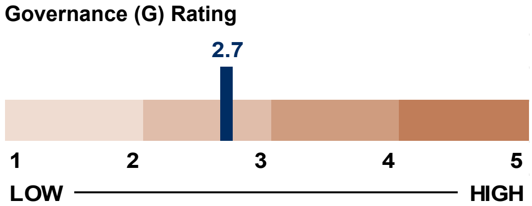


Our Comments

- We assign a good S score of 3.9 to CRC. CRC is dedicated to creating a workplace that prioritizes employee well-being. It has established a welfare committee to ensure that welfare programs are fair and aligned with the needs of its employees.
- Other benefits include working from home and flexible working hours, part-time working options, family benefits, facilities for employee care, sports and wellness programs, and life planning before retirement.
- In 2024, its employee engagement score was 82%, above its 77% target; the average employee training and development time was 29 hours/person/year with Bt3,307 training cost/employee. Its customer satisfaction score was 90%, meeting its target.
- CRC is dedicated to ensuring all customers the highest level of product safety through robust quality assurance policies and a comprehensive framework. CRC selects safe and high-quality products by conducting inspections for the whole supply chain in compliance with the Food Safety System Certification (FSSC 22000).
- Product sourcing from communities and local suppliers is a key strategy that not only creates economic opportunities for farmers and small-scale producers but also reduces environmental impact by minimizing long-distance transportation, lowering greenhouse gas emissions, and promoting efficient resource utilization.
- CRC's human rights policy aligns with the UN Guiding Principles on Business and Human Rights (UNGPs). It encompasses the entire supply chain and addresses issues such as forced labor, human trafficking, child labor, restrictions on the right to collective bargaining, unfair compensation, and discrimination and intimidation in all forms. At the board level, the Corporate Governance and Sustainability Committee is responsible for overseeing human rights risk assessment (HRRA) and human rights due diligence (HRDD).
- The employment initiatives have been promoting diversity, equity, and inclusion (DEI). The focus has been on creating equal job opportunities for vulnerable groups, with a particular emphasis on hiring people with disabilities (742 people) and senior citizens (273). These efforts not only reflect CRC's commitment to reducing labor market disparities but also highlight its dedication to fostering a workplace that embraces diversity and inclusion at all levels.

Sources: ttb wealth, Company data

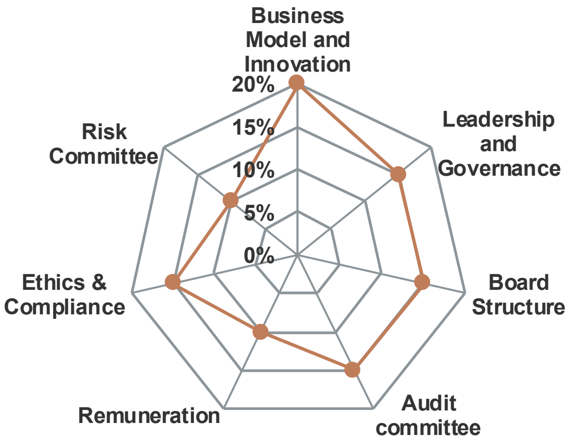
We assign CRC a moderate G score of 2.7, as governance is the weakest pillar of the company's ESG profile. The below-average score reflects a non-ideal board structure and the recent asset disposal to its parent company, which has raised concerns over governance issues.



GOVERNANCE & SUSTAINABILITY

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- We assign a moderate G score of 2.7 to CRC, below its E and S scores, as its board structure is not ideal, in our view, and a recent connected transaction within the founding family has raised concerns over the governance aspect.
- The board of directors (BOD) comprises 17 members, seven of whom are independent directors, below the ideal ratio of two-thirds. The board chair is independent, but nine directors are from the Chirathivat founding family.
- On the positive side, CRC has established all key committees, including audit, nomination and remuneration, risk policy, corporate governance, and sustainability committees.
- We assign CRC a good score for its business model and innovation. CRC responds well to technological change and evolving customer demand by integrating technology to enhance operational efficiency and capitalize on emerging opportunities.
- It has adopted its CRC Retailligence strategy to become a leading retailer that leverages extensive data ecosystems and prioritizes customer needs. A subsidiary, Central Retail Digital, is driving digital transformation to become a leading global retail technology company and create Thailand's best omnichannel platform. Project highlights are Tops Chefbot (virtual shopping assistant) and AI Chatbot, offering a 24/7 customer service.
- Its G score is weighed down by our 2/5 score for leadership & governance and ethics. This is to reflect the sale of its La Rinascente department store business in Italy to its parent company, Harng Central Department Store Co., Ltd, "HCDS," which owns a 35.06% stake in CRC at a low valuation. The upcoming sale of the loss-making Nguyen Kim electronics stores in 1Q-2Q26 to a third party also reflects the poor decision to operate this business in Vietnam.

Sources: ttb wealth, Company data

Expecting core profit growth to resume at 6/9/10% in 2026-28F

Well-controlled debt with net gearing at not over 1x

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	226,713	228,377	235,310	247,148	257,363
Cost of sales	166,811	168,171	172,525	180,912	188,133
Gross profit	**59,902**	**60,206**	**62,785**	**66,236**	**69,231**
% gross margin	26.4%	26.4%	26.7%	26.8%	26.9%
Selling & administration expenses	63,296	64,707	66,900	70,067	72,963
Operating profit	**14,079**	**13,353**	**14,315**	**15,526**	**16,425**
% operating margin	6.2%	5.8%	6.1%	6.3%	6.4%
Depreciation & amortization	18,100	18,065	17,569	18,027	18,350
EBITDA	**32,178**	**31,418**	**31,884**	**33,554**	**34,776**
% EBITDA margin	14.2%	13.8%	13.5%	13.6%	13.5%
Non-operating income	17,733	18,113	18,584	19,545	20,346
Non-operating expenses	0	0	0	0	0
Interest expense	(4,556)	(3,887)	(3,261)	(3,388)	(3,199)
Pre-tax profit	**9,783**	**9,725**	**11,208**	**12,327**	**13,415**
Income tax	2,289	2,402	2,567	2,823	3,072
After-tax profit	**7,495**	**7,323**	**8,642**	**9,504**	**10,343**
% net margin	3.3%	3.2%	3.7%	3.8%	4.0%
Shares in affiliates' Earnings	872	483	573	615	633
Minority interests	(501)	(374)	(386)	(405)	(422)
Extraordinary items	(733)	(711)	0	0	0
NET PROFIT	**7,133**	**6,721**	**8,829**	**9,714**	**10,554**
Normalized profit	**7,866**	**7,432**	**8,829**	**9,714**	**10,554**
EPS (Bt)	1.18	1.11	1.46	1.61	1.75
Normalized EPS (Bt)	1.30	1.23	1.46	1.61	1.75

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	76,041	70,294	77,725	80,566	80,392
Cash & cash equivalent	9,777	9,895	15,650	15,650	15,650
Account receivables	5,134	3,837	3,760	3,746	3,689
Inventories	47,462	43,455	44,904	47,087	46,389
Others	13,667	13,107	13,411	14,083	14,664
Investments & loans	5,829	1,423	1,423	1,423	1,423
Net fixed assets	67,193	65,121	64,252	63,425	62,275
Other assets	141,987	110,010	111,744	112,027	112,399
Total assets	**291,049**	**246,849**	**255,145**	**257,442**	**256,489**
LIABILITIES:					
Current liabilities:	130,984	107,510	111,134	109,763	105,268
Account payables	41,544	37,261	40,177	42,130	43,812
Bank overdraft & ST loans	45,421	22,374	27,251	25,635	22,605
Current LT debt	16,220	22,132	19,039	17,911	15,794
Others current liabilities	27,798	25,742	24,666	24,087	23,058
Total LT debt	**28,060**	**25,384**	**21,837**	**20,542**	**18,114**
Others LT liabilities	59,624	44,668	51,338	50,816	50,878
Total liabilities	**218,668**	**177,561**	**184,308**	**181,122**	**174,260**
Minority interest	3,404	3,819	4,204	4,609	5,031
Preferreds shares	0	0	0	0	0
Paid-up capital	6,031	6,031	6,031	6,031	6,031
Share premium	66,761	66,761	66,761	66,761	66,761
Warrants	0	0	0	0	0
Surplus	(27,572)	(31,695)	(31,695)	(31,695)	(31,695)
Retained earnings	**23,756**	**24,371**	**25,534**	**30,613**	**36,100**
Shareholders' equity	68,977	65,469	66,632	71,711	77,198
Liabilities & equity	**291,049**	**246,849**	**255,145**	**257,442**	**256,489**

Sources: Company data, ttb wealth estimates

Sufficient cash flow to support capex

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	9,783	9,725	11,208	12,327	13,415
Tax paid	(2,210)	(1,143)	(3,145)	(2,403)	(3,164)
Depreciation & amortization	18,100	18,065	17,569	18,027	18,350
Chg In w orking capital	(926)	1,022	1,544	(216)	2,436
Chg In other CA & CL / minorities	(142)	(2,474)	(319)	(1,057)	(884)
Cash flow from operations	**24,604**	**25,195**	**26,857**	**26,679**	**30,152**
Capex	(27,796)	(15,993)	(16,700)	(17,200)	(17,200)
Right of use	2,181	15,190	760	800	0
ST loans & investments	(59)	7	91	0	0
LT loans & investments	485	4,406	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(4,814)	1,563	4,176	(1,604)	(310)
Cash flow from investments	**(30,003)**	**5,173**	**(11,674)**	**(18,004)**	**(17,510)**
Debt financing	5,578	(20,021)	(1,763)	(4,039)	(7,575)
Capital increase	0	0	0	0	0
Dividends paid	(3,317)	(7,840)	(7,665)	(4,636)	(5,067)
Warrants & other surplus	(1,899)	(2,389)	0	0	0
Cash flow from financing	**362**	**(30,250)**	**(9,428)**	**(8,675)**	**(12,642)**
Free cash flow	**(5,399)**	**30,368**	**15,183**	**8,675**	**12,642**

2026F PE has come down

Large FCF yield

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	19.7	20.9	17.6	16.0	14.7
Normalized PE - at target price (x)	23.8	25.2	21.2	19.2	17.7
PE (x)	21.8	23.1	17.6	16.0	14.7
PE - at target price (x)	26.2	27.8	21.2	19.2	17.7
EV/EBITDA (x)	7.3	6.9	6.5	6.1	5.6
EV/EBITDA - at target price (x)	8.3	7.9	7.5	7.0	6.6
P/BV (x)	2.3	2.4	2.3	2.2	2.0
P/BV - at target price (x)	2.7	2.9	2.8	2.6	2.4
P/CFO (x)	6.3	6.2	5.8	5.8	5.2
Price/sales (x)	0.7	0.7	0.7	0.6	0.6
Dividend yield (%)	2.3	7.0	2.8	3.1	3.4
FCF Yield (%)	(3.5)	19.6	9.8	5.6	8.1
(Bt)					
Normalized EPS	1.30	1.23	1.46	1.61	1.75
EPS	1.18	1.11	1.46	1.61	1.75
DPS	0.60	1.81	0.73	0.81	0.88
BV/share	11.44	10.86	11.05	11.89	12.80
CFO/share	4.08	4.18	4.45	4.42	5.00
FCF/share	(0.90)	5.04	2.52	1.44	2.10

Sources: Company data, ttb wealth estimates

Margins should improve from more prudent product selection and cost savings

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	(2.0)	0.7	3.0	5.0	4.1
Net profit (%)	(11.0)	(5.8)	31.4	10.0	8.6
EPS (%)	(11.0)	(5.8)	31.4	10.0	8.6
Normalized profit (%)	(3.7)	(5.5)	18.8	10.0	8.6
Normalized EPS (%)	(3.7)	(5.5)	18.8	10.0	8.6
Dividend payout ratio (%)	50.7	162.4	50.0	50.0	50.0
Operating performance					
Gross margin (%)	26.4	26.4	26.7	26.8	26.9
Operating margin (%)	6.2	5.8	6.1	6.3	6.4
EBITDA margin (%)	14.2	13.8	13.5	13.6	13.5
Net margin (%)	3.3	3.2	3.7	3.8	4.0
D/E (incl. minor) (x)	1.2	1.0	1.0	0.8	0.7
Net D/E (incl. minor) (x)	1.1	0.9	0.7	0.6	0.5
Interest coverage - EBIT (x)	3.1	3.4	4.4	4.6	5.1
Interest coverage - EBITDA (x)	7.1	8.1	9.8	9.9	10.9
ROA - using norm profit (%)	2.7	2.8	3.5	3.8	4.1
ROE - using norm profit (%)	11.6	11.1	13.4	14.0	14.2
DuPont					
ROE - using after tax profit (%)	11.0	10.9	13.1	13.7	13.9
- asset turnover (x)	0.8	0.8	0.9	1.0	1.0
- operating margin (%)	6.3	6.0	6.1	6.4	6.5
- leverage (x)	4.3	4.0	3.8	3.7	3.5
- interest burden (%)	68.2	71.4	77.5	78.4	80.7
- tax burden (%)	76.6	75.3	77.1	77.1	77.1
WACC (%)	10.1	10.1	10.1	10.1	10.1
ROIC (%)	7.9	6.8	8.8	10.1	10.5
NOPAT (Bt m)	10,785	10,055	11,037	11,971	12,664
invested capital (Bt m)	148,902	125,463	119,109	120,148	118,061

Sources: Company data, ttb wealth estimates

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