

# CENTRAL RETAIL CORPORATION PLC

No. 131/2025  
8 August 2025

## CORPORATES

Company Rating:	AA-
Issue Ratings:	
Senior unsecured	AA-
Outlook:	Stable

Last Review Date: 06/08/24

Company Rating History:		
Date	Rating	Outlook/Alert
01/09/23	AA-	Stable

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## RATIONALE

TRIS Rating affirms the company rating on Central Retail Corporation PLC (CRC) and the ratings on CRC's senior unsecured debentures at "AA-", with a "stable" rating outlook. The ratings reflect the company's solid and proven track record in the retail industry, underpinned by its strong market presence and leading competitive position. The ratings also incorporate the company's key strengths including an extensive store network, a portfolio of widely recognized brands, well-established supporting infrastructure, and consistently sound operating performance. However, these strengths are partially offset by intense industry competition, as well as external challenges posed by a fragile economic environment and weak consumer spending.

## KEY RATING CONSIDERATIONS

### Extensive retail network and multi-format expertise

CRC's strong business profile is underpinned by its leading position in the Thai retail sector and a diversified operational footprint across geographies and retail formats. As of March 2025, the company operated a network of over 2,000 stores, spanning a wide range of retail segments, including food, fashion, and hardline categories. Its international presence in Vietnam and Italy further enhances regional diversification. CRC has a proven track record in managing multi-format retail operations, spanning department stores, supermarkets, home improvement retail stores, hypermarkets, and specialized retail stores, allowing it to adapt to evolving consumer behaviors. In addition to the core operations, the new business unit, GO Wholesale, is expected to serve as another key driver of future business growth.

In 2024, the company generated THB262.4 billion in total operating revenue. The omnichannel sales accounted for 20% of total sales in Thailand. Looking ahead, we expect CRC to maintain its strong market position, supported by its broad expertise, multi-platform operating model, omnichannel capabilities, and a portfolio of high-quality assets, reinforcing its competitive edge and long-term growth potential.

### Leading position in department store segment

CRC operates the largest network of department stores in the country, with 76 department stores and over 500 brand and lifestyle shops nationwide, along with nine additional department stores in Italy as of March 2025. In 2024, the fashion segment generated total sales of THB66.9 billion, reflecting the company's scale advantage.

CRC's competitive edge is anchored in its well-maintained department stores and malls, prime retail locations, and established department store brands such as Central and Robinson. The company continues to strengthen its core assets through the modernization and revitalization of its department stores to remain competitive in an evolving retail environment.

### 2025 performance is likely to be affected by subdued consumer spending and fragile economy, but growth expected to resume thereafter

In 2024, CRC reported THB234.5 billion in total sales, a 6% year-on-year (y-o-y) increase. The food business remained the company's primary revenue contributor (40% of total sales), followed by hardline (31%), and fashion (29%). By year-end, CRC's net leasable rental space reached 0.759 million square meters, generating THB9.7 billion in rental and service income in 2024.

In the first quarter of 2025, sales rose by 3% y-o-y to THB62.1 billion, while rental and service income totaled THB2.4 billion. Nonetheless, we expect macroeconomic headwinds, including sluggish consumer spending, fewer tourist arrivals, and geopolitical risks, as well as a huge impact from foreign exchange translation, to weigh on the company's same-store sales growth (SSSG) and total sales in 2025. Sales in the fashion and hardline businesses are projected to decline in 2025. Conversely, the food business, driven by demand for daily necessities, is likely to maintain its SSSG momentum and overall sales growth.

We expect a gradual recovery in SSSG across all business lines and a rebound in total sales over the following two years. Growth is also expected to be supported by ongoing store network expansion and renovations. In addition, a key catalyst in the food business, the GO Wholesale business, is expected to contribute incremental revenue through new branch expansions and improved performance at existing stores.

On the rental income side, we forecast a gradual increase in rental and service income, supported by an expected average occupancy rate near 90% and a gradual improvement in rental rate. The improvement is expected to be driven by new mall developments, an optimized tenant mix, and a shift toward family-focused formats. This should be translated to THB9.7-THB10.5 billion in annual rental and service income during the forecast period.

In terms of profitability, we project EBITDA margin to remain strong at 12.5%-13.0% over the next three years. This solid margin reflects continued cost and expense control, improved asset utilization, artificial intelligence (AI) adoption, and information technology (IT) systems consolidation. Efficiency gains from economies of scale and shared operational resources should further support profitability.

#### **Gradual deleveraging expected**

As of March 2025, CRC's adjusted debt, including lease-related financial liabilities, totaled about THB135 billion. The company's adjusted debt to EBITDA ratio was 3.9 times, while its funds from operations (FFO) to adjusted net debt ratio was 20.4%, reflecting moderate financial leverage.

We expect a gradual improvement in the company's financial leverage, supported by disciplined capital spending and a profit improvement. Under our base-case scenario, the adjusted debt to EBITDA ratio is projected to be around 3.9 times in 2025, before declining gradually to about 3 times by 2027. The FFO to adjusted net debt ratio is forecast to improve to a range of 20%-26% over the same period. Planned capital expenditures are estimated at THB15.5-THB17.5 billion per annum during 2025-2027, primarily allocated for new store openings, store renovations, and facility maintenance.

#### **Adequate liquidity position**

We assess CRC's liquidity position as adequate over the next 12 months, supported by strong internal cash flow generation and access to credit facilities from multiple financial institutions.

As of March 2025, the company had cash and cash equivalents of THB9.6 billion, alongside about THB50 billion in undrawn uncommitted credit facilities from several banks. We project FFO of about THB26 billion in 2025. These funds should be sufficient to meet the company's capital expenditure and scheduled debt repayments.

Capital spending for 2025 is expected to be around THB17.5 billion. As of March 2025, the company had THB15.3 billion in long-term debt and lease obligations due within the next 12 months, along with about THB45.4 billion in short-term bank loans. With the good track records of repayment, CRC generally rolls over its short-term debts.

#### **Debt structure**

As of March 2025, CRC's consolidated debt, excluding lease liabilities, totaled THB89.6 billion. Of this, about THB8.1 billion was priority debt, including secured borrowings and total debt obligations of its subsidiaries. This resulted in a priority debt to a total debt ratio of about 9%.

#### **BASE-CASE ASSUMPTIONS**

- Total operating revenue to decline slightly in 2025 and then grow by 4%-7% per annum during 2026-2027.
- EBITDA margin at about 12.5%-13.0%.
- Total capital spending of around THB50 billion during the next three years.

#### **RATING OUTLOOK**

The "stable" outlook reflects our expectation that CRC will be able to maintain its leading position in the Thai retail market while achieving growth aligned with overall market trends. We expect its financial position and operating performance to remain in line with our forecasts.

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**RATING SENSITIVITIES**

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The ratings and/or outlook could be revised upward if the company's capital structure improves significantly, with the debt to EBITDA ratio below 2.5 times on sustained basis. Conversely, the ratings could be downgraded if CRC's operating performance deteriorates significantly, resulting in the adjusted debt to EBITDA ratio exceeding 5 times on an extended period. Any large debt-funded investment and/or acquisitions that materially weaken the company's balance sheet could also pressure the ratings.

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**COMPANY OVERVIEW**

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CRC, a leading retailer in Thailand, offers a diverse range of product categories and operates a multi-platform approach with various store formats, including department stores, specialty stores, supermarkets, and more. CRC's store brands, such as Central and Robinson department stores, Supersports sporting goods stores, Thai Watsadu and BnB Home home improvement specialty stores, B2S stationery and bookstores, Power Buy electrical appliance and electronics product stores, and Tops supermarkets, are widely accepted and highly regarded among customers.

The company was established by the Chirathivat family. The business was founded by Mr. Tiang Chirathivat in a small shop in Bangkok in 1947. Central Trading Store, a single-unit shophouse that sold a wide variety of local and international newspapers and magazines, was established in 1950. Central Department Store Wangburapha, its first department store, commenced operations in 1956. During 1995-2001, the company spun off Tops Supermarket, Supersports, Power Buy, and B2S. CRC expanded into the international market in Italy in 2011 and Vietnam in 2012. Specialty stores, Thai Watsadu and Baan & Beyond were opened in 2010 and 2013, respectively. In 2020, the company acquired COL PLC (COL), a leading provider of office supply solutions. In late 2023, the company launched the first GO Wholesale store, a wholesale venture aimed at serving the HORECA sector and food retailers.

CRC was listed on the Stock Exchange of Thailand (SET) in 2020. As of May 2025, the major shareholder of CRC was Harnng Central Department Store Ltd., with a shareholding of 35.06%.

As of 2024, CRC had more than 1,888 stores and 33 malls in Thailand. Moreover, the company operates 135 stores and 42 malls in Vietnam, and nine department stores in Italy. In 2024, the company recorded total operating revenue of THB262.4 billion, of which sales contributed nearly 90% of total operating revenue. Sales were distributed among three major segments: food, fashion, and hardline. Around 73% of the total sales were derived from Thailand, 20% from Vietnam, and 7% from Italy. Sales from omni-channel platforms made up about 20% of total sales in Thailand in 2024.

## KEY OPERATING PERFORMANCE

Table 1: Sales Breakdown

Business	2022		2023		2024		Jan-Mar 2025	
	Mil. THB	%	Mil. THB	%	Mil. THB	%	Mil. THB	%
Fashion	55,496	26.2	62,578	28.2	66,861	28.5	16,178	26.1
Hardline	72,852	34.4	74,192	33.4	73,798	31.5	18,887	30.4
Food	83,556	39.4	85,155	38.4	93,811	40.0	27,031	43.5
<b>Total sales</b>	<b>211,904</b>	<b>100.0</b>	<b>221,926</b>	<b>100.0</b>	<b>234,470</b>	<b>100.0</b>	<b>62,097</b>	<b>100.0</b>

Source: CRC

Table 2: Same-store Sales Growth (y-o-y)

Unit: %

Business	2021	2022	2023	2024	Q1/25
Fashion	(6.0)	38.0	12.0	1.0	(2.0)
Hardline	3.0	5.0	(4.0)	(7.0)	(7.0)
Food	(12.0)	15.0	(0.2)	0.0	(3.0)

Source: CRC

## FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS\*

Unit: Mil. THB

	Jan-Mar 2025	-----Year Ended 31 December -----			
		2024	2023	2022	2021
Total operating revenues	69,239	262,404	248,391	235,425	195,433
Earnings before interest and taxes (EBIT)	4,378	16,194	14,942	12,274	3,022
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	8,951	34,445	32,699	28,952	20,110
Funds from operations (FFO)	7,048	27,014	26,138	23,670	15,809
Adjusted interest expense	1,116	5,018	4,667	3,492	3,149
Capital expenditures	3,032	21,324	17,703	15,593	8,482
Total assets	292,512	291,049	287,097	275,984	263,228
Adjusted debt	135,055	134,679	127,219	123,923	119,919
Adjusted equity	74,880	72,381	70,260	64,885	59,081
<b>Adjusted Ratios</b>					
EBITDA margin (%)	12.9	13.1	13.2	12.3	10.3
Pretax return on permanent capital (%)	7.6 **	7.6	7.2	6.1	1.6
EBITDA interest coverage (times)	8.0	6.9	7.0	8.3	6.4
Debt to EBITDA (times)	3.9 **	3.9	3.9	4.3	6.0
FFO to debt (%)	20.4 **	20.1	20.5	19.1	13.2
Debt to capitalization (%)	64.3	65.0	64.4	65.6	67.0

\* Consolidated financial statements

\*\* Annualized with trailing 12 months

## RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

## Central Retail Corporation PLC (CRC)

<b>Company Rating:</b>	AA-
<b>Issue Ratings:</b>	
CRC26NA: THB5,700 million senior unsecured debentures due 2026	AA-
CRC28NA: THB1,000 million senior unsecured debentures due 2028	AA-
CRC30NA: THB300 million senior unsecured debentures due 2030	AA-
<b>Rating Outlook:</b>	Stable

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