

CENTRALRETAIL

CRC IR 001/2025

Re: Management Discussion and Analysis (MD&A) for the three-month
and 12-month period ended 31 December 2024

To: President

The Stock Exchange of Thailand

February 27, 2025

Central Retail Corporation Public Company Limited and subsidiaries (“the Company”) would like to clarify Management Discussion and Analysis regarding the Company's performance as reflected in the consolidated financial statements for the three-month and 12-month period ended December 31, 2024.

Please be informed accordingly.

Sincerely,

-Signature-

(Panet Mahankanurak)
Chief Financial Officer
Central Retail Corporation Public Company Limited

Business Overview and Performance Summary

In the fourth quarter of 2024, the Thai economy continued to expand by 3.20% compared to the same period of last year, bringing the full-year GDP growth to 2.50% from Office of the National Economic and Social Development Council (NESDB). This was mainly due to growth in the tourism sector which international tourist arrivals reached 9.5 million this quarter, marking a 17% increase year-over-year, fueled by the visa-free policy. Additionally, the high seasons boosted other services sector activities, while government stimulus measures such as the first phase of the 10,000 Baht economic stimulus program that further supported economic growth. In addition, public investment also showed steady expansion, and inflation rates continued to decline.

Vietnam's economy demonstrated robust growth in Q4 2024, with GDP increased by 7.55% compared to the same period in 2023, bringing the full-year GDP growth to 7.09%, according to estimates from the General Statistics Office. Key growth drivers included a sustained recovery in exports and tourism, accelerated public sector investment, and a notable rise in foreign direct investment (FDI). In the meantime, household consumption improved, though consumers remained cautious, prioritizing quality and value in their purchases.

Italy's economy remained stable in the fourth quarter of 2024 compared to the previous year, according to the Italian National Institute of Statistics (ISTAT) due to domestic and external factors while overall GDP expanded by 0.5% in 2024.

Looking ahead to 2025, global economic growth is expected to continue, driven by a resurgence in tourism and the service sector, increased investment in technology and innovation, and more accommodative monetary policies. However, risks remain, including geopolitical tensions and uncertainties surrounding U.S. trade and tax policies, which could impact global economic stability. Many countries are introducing government spending initiatives to support economic growth. In Thailand, for instance, upcoming stimulus measures include the second and third phases of the 10,000 Baht economic stimulus program and the Easy E-Receipt 2.0 initiative.

Business Situation in Q4 2024

In 2024, the Company aimed to drive business growth to establish leadership and excellence across all dimensions while advancing sustainability in every sector, including the Company, partners, customers, communities, and society, under the concept of "Leading Excellence and Advancing Sustainability." Going forward, the Company will continue to operate prudently while closely monitoring economic uncertainties. It will closely monitor key factors that may impact the economy, including global

geopolitical conflicts, trade protectionist policies, China's economic slowdown, climate change, and the challenges posed by rapid advancements in technology and innovation.

- **Thailand:** Thailand business market has continued its growth from the last year, especially with strong sales in tourist provinces and improved sales performance at fully revamped department stores compared to last year. The Company continued to expand into new stores in line with our objective. In this quarter, the Company expanded its Thaiwatsadu, GO Wholesale, Tops supermarket, Tops daily stores, as well as specialty stores, and introduced several Brandshop. Additionally, many business units underwent renovations, including Central and Robinson department stores, Robinson Lifestyle stores, Thaiwatsadu, Power Buy, Tops Supermarket, and others, which were upgraded. The Company also advanced its Omnichannel capabilities and optimized its mobile application to enhance consumer experiences. As a result, overall sales in Thailand grew by 10% this quarter compared to the same quarter last year (with sales increasing by 8% in FY2024). The fashion and food segments continued to experience growth, while the hardline business faced a slowdown in purchasing power. In Q4 2024, Omnichannel sales accounted for 26% of Thailand's total sales (Omnichannel sales accounted for 25% in FY2024).
- **Vietnam:** Sales in Vietnam in Q4 2024 slightly declined 5% from the previous year (sales declined by 1% in FY2024). Overall sales in Vietnam declined due to stagnant domestic purchasing power and depreciation of Vietnamese Dong. However, sales in the food business, measured in Vietnamese Dong, showed growth compared to the same period last year. The Company opened 2 stores of GO! shopping malls and hypermarkets, 3 stores of go! including expanding Brandshop such as Fitflop, Crocs, Dyson, and Under Armour, continued renovation and enhancing Omnichannel sales. In, Q4 2024 Omnichannel accounted for 12% of total sales in Vietnam (Omnichannel sales accounted for 11% in FY2024).
- **Italy:** Sales from the department store business in Italy declined by 2% in Q4 2024 compared to the same period last year (sales grew at 4% in FY2024), impacted by weakened demand of luxury product and slowdown of Chinese tourists. In Q4 2024, Omnichannel sales in Italy accounted for 5% of total sales in this segment (Omnichannel sales accounted for 4% in FY2024).

The Company will continue to advance its sustainability initiatives alongside its business operations within the framework of ESG (Environmental, Social, and Governance) through the CRC CARE business philosophy, which encompasses various dimensions: Care for the Economy, Care for the Customer, Care for the Partner, Care for the People, Care for the Community, Care for Sustainability, and Care for Governance.

Significant Sustainability Developments in 2024

- **Environmental Dimension:** The Company remains committed to sustainability through its ReNEW strategy, which aims to reduce environmental impact across the value chain. Several initiatives focus on resource efficiency, renewable energy adoption, and the promotion of eco-friendly products and packaging, including:
 - **Reducing Greenhouse Gas Emissions:**

The Company has implemented measures to lower emissions, such as installing solar panels in department stores and distribution centers. These initiatives extend to Robinson Lifestyle Shopping malls, Central Department Stores, Robinson Department Stores, Tops Supermarket, GO Wholesale, Thaiwatsadu, GO! malls, go!, and Lanchi Mart in Vietnam.
 - **Navigate Environmental Responsibility:**

The Company is actively working to restore ecosystems through projects such as the Organic Farming Community Enterprise Project in Bua Yai Subdistrict, Na Noi District, Nan Province.
 - **Eco-Friendly Materials:**

The Company has launched packaging management initiatives to minimize waste at the source, particularly packaging waste. For example, Thaiwatsadu's distribution center has developed reusable net covers for goods and introduced extra roll cages to reduce the use of single-use stretch film and pallets.
 - **Waste Management Solutions:**

The Company continues to implement waste management and circular economy projects, including waste segregation initiatives in shopping malls and Tops Supermarket.
- **Social Dimension:** The Company upholds its CRC Care philosophy, ensuring inclusivity for all stakeholders to enhance well-being and reduce social inequality. This commitment extends to customers, business partners, employees, and communities through various key initiatives. The "Hi! Jai – Spreading Endless Happiness" Campaign supports a special collection of art toys and t-shirts, with proceeds donated to the Children's Heart Disease Foundation to fund pediatric heart surgeries. Tops Care Pharmacy – "Mind Care Service" provides mental health consultation services, promoting emotional well-being. The AI Skill Development Program for Employees enhances workforce capabilities in artificial intelligence. Additionally, the "Central Tham" Initiative supports learning centers, such as the Smile Melon Farm Learning Center in Ayutthaya and etc.

- **Governance Dimension:** The Company remains dedicated to continuously strengthening corporate governance. Key efforts include reviewing and updating corporate charters, policies, and the annual Corporate Governance and Code of Ethics Manual to ensure alignment with best practices. It also conducts risk management and GRC (Governance, Risk, and Compliance) training for employees at all levels to enhance awareness and accountability. The Company achieved an “Excellent” rating in the Corporate Governance Report (CGR) for the fourth consecutive year and ranks in the Top Quartile among listed companies with a market capitalization exceeding THB 10 billion demonstrating a strong commitment to sustainable business practices that prioritize social, environmental, and stakeholder considerations. On July 11, 2024, the Company was officially certified as a CAC Change Agent from the Thai Private Sector Collective Action Against Corruption (CAC). The Company initially committed to this initiative on March 20, 2023, and continues to expand its network of transparent businesses by encouraging its business partners to join the CAC, reinforcing its commitment to ethical business practices and integrity.

The Company earned a total of 70 awards from 38 global institutions and leading publications, both domestically and internationally. These awards recognize excellence across key areas such as Human Resources, Business Management & Governance, Sustainability, Leadership, and Investor Relations, which can be categorized into five key aspects:

1. **Human Resources: 27 Awards** – Notable awards include the Global Best Employer Brand Awards from the Employer Branding Institute and World HRD Congress, the HR Asia Best Companies to Work for in Asia 2024 award from HR Asia, the Excellence in Workplace Culture Award (Silver) from the HR Excellence Awards Thailand, and Best Places to Work in Vietnam 2024 in Large enterprise category from Anphabe, among others.
2. **Business & Governance: 19 Awards** – Notable awards include the Best Managed Company (Silver) from the FinanceAsia Awards and the Corporate Excellence Award from the Asia Pacific Enterprise Awards. CRC was also ranked 2nd among Southeast Asian companies in the retail sector by FORTUNE, the world-renowned financial and investment magazine, and secured the 42nd position overall in the FORTUNE Southeast Asian 500 list, among others. In addition, Central Retail Vietnam ranked first among the Top 10 Prestigious Retail Companies in Vietnam for the fourth consecutive year in 2024, as recognized by Vietnam Report, among others.
3. **Sustainability: 13 Awards** – Key accolades include the Best Community Programme Award from the Global CSR Awards and Top Sustainability Advocates in Asia from the Asia Corporate Excellence & Sustainability Awards. Additionally, the Company was selected for inclusion in the

Thailand Sustainability Investment (THIS & SET ESG) Ratings by the Stock Exchange of Thailand for the fourth consecutive and in 2024, the Company achieved an “AA” rating score. Moreover, the Company was recognized as a member of DJSI World for 2 consecutive years and DJSI Emerging Markets for 3 consecutive years. In 2024, CRC ranked in the Top 3 in the global retailing industry with a score of 84 in the S&P Global CSA. Central Retail Vietnam received Green Business Award from Ho Chi Minh City People’s Committee, Saigon Times CRS 2024 Awards from Saigon Times Magazines and 2024 AmCham ESC Impact Showcase for Environmental and Social Impact Awards from Amcham, among others.

4. Leadership: 7 Awards – Notable awards include the Best Luxury Retail CEO Award from the International Finance Awards, the Best CEO in Luxury Retail from the Global Business Outlook Awards, Asia’s Best CEO and Asia’s Best CFO Awards from the Asian Excellence Awards, as well as the Outstanding CEO and Outstanding CFO Awards from the IAA Awards for Listed Companies, and Outstanding Achievements in Work, Contributing to building and developing of Vietnam's Industry and Trade Sector from Ministry of Industry and Trade.
5. Investor Relations: 4 Awards – Notable recognitions include the Best Investor Relations (Silver) from the FinanceAsia Awards, Best Investor Relations Company from Asian Excellence Awards (Hong Kong) and the Outstanding Investor Relations Award from the SET Awards and from Investment Analysts Association.

Key Business Developments The Fourth Quarter of 2024

1. Expansion and Renovation Stores

In Q4 2024, the Company continued to expand and upgrade its stores across the three countries where it operates. The Company opened new stores, including one Thaiwatsadu’s stores at Phrae province, one GO Wholesale’s store in Charoen-Rat, Bangkok and 5 stores of Tops supermarket in Bangkok and Provincial area.

In Vietnam, the Company launched 2 GO! malls in Bac Lieu and Nihn Thuan and 3 go! stores in Loc Ninh, Lap Vo and Huong Tra. Furthermore, the Company expanded its presence by opening specialty stores and Brandshop in both Thailand and Vietnam, aligning with its growth objectives.

For Renovation & Rebranding: In Thailand, the Company has elevated Central Chidlom to "The Store of Bangkok," positioning it as a world-class luxury department store. Following full-scale renovation, the store officially reopened in December 2024. Additionally, Robinson department store in Bangrak has been rebranded as Central Department Store, with the transformation completed in January 2025.

The Company has also commenced renovations for Robinson Lifestyle stores in Saraburi, Ratchaburi, Kanchanaburi, and Samut Prakan, with completion expected in 2025. Moreover, several smaller stores, including Power Buy and Tops Supermarket, are currently undergoing upgrades.

For Vietnam, the Company is undergoing renovations 2 GO! mall locations at Thang Long and Dong Nai, with completion expected in 2025.

In Italy, the flagship Rinascente Milan store completed its renovation in November 2024. Plans are also underway to expand the Beauty Hall by 3,000 square meters, making it the largest Beauty Hall in Milan, with an expected opening in 2027.

In FY 2024, the Company opened its mid and large format in line with its growth objective. Notably, the Company opened 2 Central department stores, 7 Thaiwatsadu stores, 9 Tops Supermarket stores and 6 GO Wholesale stores in Thailand. For Vietnam, the Company opened 3 GO! malls and GO! hypermarket and 5 go! stores.

As of December 31, 2024, the Company has a total store network under retail and wholesale brands of 3,852 stores including 85 department stores, 86 Thaiwatsadu stores, 10 GO Wholesale stores, 694 Tops Supermarket stores, 41 GO! hypermarket stores and 14 go! stores, including specialty stores and Brandshop. The total net sales area reached 3,734,557 square meters, which increased by 5% from the same period last year. Additionally, the Company had a total of 75 shopping malls in Thailand and Vietnam with a total net leasable area of 762,487 square meters, an increase of 3% from the same period last year.

2) Omnichannel Development

The Company continuously develops the Next-Gen Omnichannel Platform to enhance an ultra-personalized shopping experience and ensures a seamless offline and online platforms connection, covering the entire Central Retail network in Thailand, Vietnam, and Italy. The core of its success is an in-depth analysis to cater customers with perfect shopping experiences. It also creates Inclusive Growth for partners, making this platform a 'Destination' for customers, partners, and everyone.

As of FY 2024 for, Omnichannel sales grew by 10% compared to the same period last year, accounting for 20% of the total sales of the Company (In Q4 2024, Omnichannel sales grew by 10%, accounting for 21% of total sales). In addition, the Company has continuously strengthened its Omnichannel platform across all segments and improved mobile application efficiency.

3) The Progress of Synergy Plan

The Company has implemented a synergy plan to cultivate benefits in terms of both revenues and efficient management of expenses. The projects have progressed as planned, as follows:

- Generating incremental sales through product cross listings to serve the needs of customers in each business on each platform which have been implemented in some business units.
- Long-term profit margin increase was carried out by increasing gross margins and managing expenses more efficiently in all departments of the Company. The cost of purchasing products has been managed, pool purchasing to achieve reasonable costs, which increases the gross profit margin. This has been implemented in some business units.

4) New Format and New Growth Pillar

The Company continuously develops new store models to fulfill lifestyle needs of customers; for example, Health and Wellness segment, to meet the trend of demand for people's health and pet, including Tops Vita, Tops Care, Pet 'N Me, including B2B food wholesale business under brand GO Wholesale, which is a membership-based food hub for customers, HORECA (hospitality, restaurant, catering) and food services in factories, hospitals, and other businesses, and food retailers. At the end of FY 2024, the Company operated 10 GO Wholesale stores, 157 Tops Vita stores, 35 Tops Care stores and 8 Pet 'N Me stores.

5) Partnership and Acquisition

The Company continues to accomplish new milestones under the concept of Inclusive Growth, attaining success together with partners to strengthen the Company's ecosystem and ensure its capacity to meet the needs of customers regardless of their lifestyles.

The Fourth Quarter of 2024 Performance

Central Retail Corporation Public Company Limited and its subsidiaries (“Company”) reported its Q4 2024 operating results, achieving a total revenue of THB 69,267 million, an increase of 5.1% compared to the same period of last year and net profit of THB 2,292 million, a decrease of 29.8% from the same period of last year, while its core net profit stood at THB 3,086 million, reflecting an increase of 1.5% from the same period of last year. The Company’s sales growth was from the recovery of economic activity and tourism, ongoing store expansions and renovations, an enhanced product portfolio catering to consumer demands, and the growth of new business segment. In addition, the Company has effectively managed its selling administrative expenses. However, the Company recognized one-time loss from share swap transaction from Porto Worldwide Limited (Joint Venture) that has swap its entire shares in GrabTaxi Holdings (Thailand) Co., Ltd. to ordinary shares of Grab Holdings Limited which listed on the NASDAQ at the market price. In addition, higher income tax expense compared to the previous year due to one-time tax benefits received by the Company’s Italian operations from the government in the previous year, as well as the recognition of deferred tax income in Vietnam.

Financial Summary for the Fourth Quarter of 2024

	Three-month period ended			Increase (decrease)	
	31 December 2023	30 September 2024	31 December 2024	from last year	
	THB millions	THB millions	THB millions	%	
Revenue from sales	58,530	55,935	61,946	5.8%	10.7%
Fashion segment	18,260	15,448	19,499	6.8%	26.2%
Hardline segment	18,686	17,423	18,292	(2.1%)	5.0%
Food segment	21,584	23,064	24,156	11.9%	4.7%
Revenue from rental services	2,089	1,951	1,993	(4.6%)	2.2%
Revenue from services	484	453	440	(9.1%)	(2.9%)
Investment Income	90	48	72	(19.7%)	51.7%
Other income	4,711	4,727	4,815	2.2%	1.9%
Total revenue	65,905	63,114	69,267	5.1%	9.7%
Cost of sales of goods	42,340	41,227	44,991	6.3%	9.1%
Gross profit from sales	16,190	14,708	16,955	4.7%	15.3%
Cost of rental and rendering of services	612	608	593	(3.2%)	(2.5%)
Gross profit from rental & services	1,961	1,797	1,841	(6.1%)	2.5%
Gross profit	18,150	16,505	18,796	3.6%	13.9%
Selling expenses	13,081	12,728	13,765	5.2%	8.1%
Administrative expenses	5,256	4,588	5,128	(2.4%)	11.8%
Profit from operating activities	4,615	3,963	4,790	3.8%	20.9%
Finance costs	1,278	1,307	1,245	(2.6%)	(4.8%)
Share of profit of Asso and JV	86	151	(405)	(573.6%)	(368.9%)
Profit before tax expense	3,422	2,807	3,140	(8.2%)	11.9%
Tax expense	156	560	848	443.3%	51.5%
Profit for the period	3,266	2,247	2,292	(29.8%)	2.0%
Profit to owners	3,138	2,129	2,176	(30.6%)	2.2%
Operation information*					
EBITDA	9,297	8,604	8,949	(3.7%)	4.0%
Core EBITDA	9,016	8,146	9,777	8.4%	20.0%
Core Profit	3,041	1,880	3,086	1.5%	64.1%
Core Profit to owners	2,911	1,763	2,971	2.0%	68.5%
Earnings per share (EPS)	0.52	0.35	0.36	(30.6%)	2.2%
Core Earnings per share (EPS)	0.48	0.29	0.49	2.0%	68.5%

Note: *Non-operating items for adjustments are gain/loss on foreign exchange, gain/loss on disposal of assets and investments and gain/loss on derivatives.

The Analysis of Operating Results for the Fourth Quarter of 2024

1. Revenue from sales of goods totaled THB 61,946 million, an increase of 5.8% compared to the same period last year (increased by 10.7% from the last quarter). Revenue from sales of goods can be classified based on the Company's business segments as follows:
 - I. Revenue from sales of the fashion segment was THB 19,499 million, increased by 6.8% from the same period last year (increased by 26.2% from the last quarter). In Thailand, the growth in fashion segment was primarily driven by increased tourist arrivals and the strong performance in the distribution of leading fashion and lifestyle brands. The Company has expanded its brand portfolio to cater to evolving consumer demand and has launched multiple Brandshop as well as Running Specialty stores under the REV RUNNR brand. Additionally, ongoing store enhancements, such as the full-scale renovation and reopening of Central Chidlom, have further contributed to sales growth. Omnichannel sales increased by 16% compared to the previous year.
 - II. Revenue from sales of the hardline segment was THB 18,292 million, decreased by 2.1% from the same period last year (increased by 5.0% from the last quarter). In the hardline segment, demand for electronic appliances declined in Thailand, while intense competition in Vietnam also affected overall sales. However, the construction materials and home improvement sector continued to see strong growth. During the quarter, Thaiwatsadu opened a new store in Phrae province. Additionally, sales in stores located in tourist destinations have increased, aligning with the rising number of international visitors. Omnichannel sales increased by 3% compared to the previous year.
 - III. Revenue from sales of the food segment was THB 24,156 million, increased by 11.9% from the same period last year (increased by 4.7% from the last quarter). In Thailand, sales in the food segment grew, supported by the expansion of GO Wholesale, which added one new store in Charoen-Rat, Bangkok during the quarter. The Company also launched five new Tops Supermarket stores in both Bangkok and provincial areas, further benefiting from higher tourist footfall. In Vietnam, sales declined slightly due to renovations at two GO! Mall locations in Thang Long and Dong Nai. In Q4 2024, two new GO! malls and Hypermarkets were launched, namely Bac Lieu and Ninh Tuan. Omnichannel sales increased by 16% compared to the previous year.
2. Revenue from rental services was THB 1,993 million, a decrease of 4.6 % from the same period last year (increased by 2.2% from the previous quarter) mainly from ongoing store renovations.
3. Revenue from rendering of services was THB 440 million, a decrease of 9.1% from the same period last year (decreased by 2.9% from the last quarter). The decline was primarily due to store renovations, which resulted in a reduced number of service users.

4. Gross profit was recorded at THB 18,796 million, an increase of 3.6% from the same period last year (increased by 13.9% from last quarter). Key components are as follows:
 - Gross profit from sales was THB 16,955 million, an increase of 4.7% from the same period last year (increased by 15.3% from last quarter). Gross profit from sales increased across all segments, representing a gross profit margin of 27.4%, lower than 27.7% of the same period last year due to a change in sales mix, a shift toward more cautious consumer spending on value-oriented products, and frequent purchases in promotion period. Additionally, all business units have improved procurement efficiency and managed their inventory through well-planned promotional activities.
 - Gross profit from rental and rendering of services was THB 1,841 million, a decrease of 6.1% from the same period last year (increased by 2.5% from last quarter), representing a gross profit margin of 75.6%, which declined from 76.2% of the same period last year driven by the impact of store renovations in rental space.
5. Other income was THB 4,815 million, an increase of 2.2% from the same period last year (increased by 1.9% from last quarter). This was due to the increase in promotional campaigns and PR advertisement, income sharing and commission as well as logistic and distribution income.
6. Selling expenses were THB 13,765 million, an increase of 5.2% from the same period last year (increased by 8.1% from last quarter). This was due to the increase in total sales and the expansion of new stores, resulting in higher expenses related to sales staff, rental and service expenses, marketing and promotional expenses including utilities expenses. The administrative expenses were 19.9% of total revenue, which slightly increased from 19.8% compared to same period last year.
7. Administrative expenses were THB 5,128 million, a decrease of 2.4% from the same period last year (increased by 11.8% from last quarter). This was due to a decrease in sales staff and lower provision of doubtful accounts, while an increase was attributed to loss on foreign exchange and derivatives. The administrative expenses were 7.4% of total revenue, which decreased from 8.0% compared to the same period last year.
8. Finance costs, including interest expenses from loans and lease agreements, were THB 1,245 million, decreased by 2.6% from the same period last year due to a decrease in interest rates.
9. Share of profits of associates and joint ventures using the equity method were THB (405) million, decreased by 573.6% from the same period last year. In this quarter, the Company received THB 252 million from shares profits of associates and joint ventures, while recognizing one-time loss of THB 657 million from share swap transaction from Porto Worldwide Limited (Joint Venture) that

has swap its entire shares in GrabTaxi Holdings (Thailand) Co., Ltd. to ordinary shares of Grab Holdings Limited which listed on the NASDAQ at the market price.

10. Tax expense (income) was THB 848 million, an increase of 443.3% from the same period last year. This is due to one-time tax benefits received by the Company's Italian operations from the government in the previous year, as well as the recognition of deferred tax income in Vietnam.

Financial Summary for The Year Ended Of 2024

	For Year Ended		
	31 December 2023	31 December 2024	Increase (decrease)
	THB millions	THB millions	%
Revenue from sales	221,926	234,470	5.7%
Fashion segment	62,579	66,861	6.8%
Hardline segment	74,192	73,798	(0.5%)
Food segment	85,155	93,811	10.2%
Revenue from rental services	7,785	7,889	1.3%
Revenue from services	1,727	1,841	6.6%
Investment Income	298	262	(12.0%)
Other income	16,952	18,342	8.2%
Total revenue	248,688	262,804	5.7%
Cost of sales of goods	162,590	172,352	6.0%
Gross profit from sales	59,336	62,118	4.7%
Cost of rental and rendering of services	2,351	2,407	2.4%
Gross profit from rental&services	7,161	7,323	2.3%
Gross profit	66,497	69,441	4.4%
Selling expenses	49,673	51,852	4.4%
Administrative expenses	20,351	20,131	(1.1%)
Profit from operating activities	13,724	16,063	17.0%
Finance costs	4,642	4,995	7.6%
Share of profit of Asso and JV	990	215	(78.3%)
Profit before tax expense (income)	10,072	11,283	12.0%
Tax expense (income)	1,550	2,646	70.8%
Profit for the year	8,523	8,637	1.3%
Profit to owners	8,016	8,136	1.5%
Operation information*			
EBITDA	32,436	34,377	6.0%
Core EBITDA	32,626	35,130	7.7%
Core Profit	8,674	9,370	8.0%
Core Profit to owner	8,168	8,870	8.6%
Earnings per share	1.33	1.35	1.5%
Core Earnings per share	1.35	1.47	8.6%
Financial position (unit:MB)	31 December 2023	31 December 2024	
Total assets	287,097	291,049	1.4%
Total liabilities	216,837	218,668	0.8%
Total equity	70,260	72,381	3.0%

Note: *Non-operating items for adjustments are gain/loss on foreign exchange, gain/loss on disposal of assets and investments and gain/loss on derivatives.

The Analysis of Operating Results for the Year of 2024

1. Revenue from sales of goods accounted for THB 234,470 million, an increase of 5.7% compared to the same period last year. Revenue from sales of goods can be classified based on the Company's business segments as follows:
 - I. Revenue from sales of the fashion segment was THB 66,861 million, an increase of 6.8% from the same period last year, In Thailand, the fashion and lifestyle distribution segment experienced a surge in sales, driven by the addition of leading fashion and lifestyle brands to cater to evolving consumer demands. This growth was further fueled by the government's Easy E-Receipt program in the first quarter, a rise in tourist footfall, and the inauguration of two new stores of Central Department Stores. Additionally, the expansion of Brandshop and Running Specialty stores under the REV RUNNR brand contributed to the growth. Additionally, ongoing store enhancements, such as the fully renovated and reopening of Central Chidlom, have further contributed to sales growth. Similarly, Italy experienced a boost in sales attributed to an increase of both domestic customers and tourists. Omnichannel sales increased by 11% from the same period last year.
 - II. Revenue from sales of the hardline segment was THB 73,798 million, which was decreased by 0.5% from the same period last year. Sales in Thailand witnessed an upward trajectory owing to the establishment of new stores, ongoing existing 's store enhancements, an increase in number of tourists, and the government's Easy E-Receipt program in the first quarter. Conversely, Vietnam saw a decline in sales, reflective of more cautious in consumer spending trend and intense competition. Omnichannel sales increased by 8% compared to the same period last year.
 - III. Revenue from sales of the food segment was THB 93,811 million, an increase of 10.2% from the same period last year. Thailand witnessed a surge in sales, primarily fueled by the positive reception to GO Wholesale, the inauguration of new stores of Tops Supermarket and the government's Easy E-Receipt program in the first quarter. Meanwhile, in Vietnam, sales rose from new stores, including GO! mall, GO! hypermarket and go! stores. Omnichannel sales increased by 17% compared to the same period last year.
2. **Revenue from rental services** was THB 7,889 million, grew by 1.3% from the same period last year, driven by the increasing number of service users which resulted in increased revenue collection from tenants and the expansion of leasable areas in Thailand and Vietnam.

3. Revenue from rendering of **services** was THB 1,841 million, an increase of 6.6% from the same period last year as there were more visitors to food courts.
4. **Gross profit** was recorded at THB 69,441 million, an increase of 4.4% from the same period last year. Key components are as follows:
 - **Gross profit from sales** was THB 62,118 million, an increase of 4.7% from the same period last year. Gross profit from sales increased in all segments according to higher sales, representing a gross profit margin of 26.5%, decreased from 26.7% of the same period last year due to a change in sales mix, and a growing consumer trend toward value-oriented products. To effectively manage gross profit, all business units have improved procurement efficiency and controlled inventory through well-planned promotional activities.
 - Gross profit from rental and rendering of service was THB 7,323 million, an increase of 2.3% from the same period last year, representing a gross profit margin of 75.3%, remaining relatively stable compared to the same period last year.
5. Other income was THB 18,342 million, an increase of 8.2% from the same period last year due to an increase in promotional campaigns and PR advertisements, gains on disposal of right-of-use assets due to land acquisition, and higher income sharing and commission.
6. **Selling expenses** were THB 51,852 million, an increase of 4.4% from the same period last year. This was due to an increase in total sales and the expansion of new stores and new formats, resulting in higher expenses related to sales staff, depreciation, rental, and service expenses while utilities expense decreased. The administrative expenses were 19.7% of total revenue, decreasing from 20.0% compared to the same period last year.
7. Administrative expenses were THB 20,131 million, decreased by 1.1% from the same period last year. This was due to a decrease in loss on foreign exchange and derivatives as well as personnel expenses while there was an increase in provision of losses for obsolete and shrinkage, and management fees. The administrative expenses were 7.7% of total revenue, decreasing from 8.2% compared to the same period last year.
8. Finance costs, including interest expenses from loans and lease agreements, were THB 4,995 million, increased by 7.6% from the same period last year due to an increase in interest rates and loans.
9. **Share of profits of associates and joint ventures using the equity method** was THB 215 million, decreased by 78.3% from the same period last year. The Company received THB 872 million from shares of profit of associates and joint ventures, while recognizing one-time loss of THB 657 million

from share swap transaction from Porto Worldwide Limited (Joint Venture) that has swap its entire shares in GrabTaxi Holdings (Thailand) Co., Ltd. to ordinary shares of Grab Holdings Limited which listed on the NASDAQ at the market price.

10. Tax expense (income) was THB 2,646 million, an increase of 70.8% from the same period last year. This is due to one-time tax benefits received by the Company's Italian operations from the government in the previous year, as well as the recognition of deferred tax income in Vietnam.

Financial Position

1. Total assets as of 31 December 2024 and 31 December 2023 were THB 291,049 million and THB 287,097 million, respectively, which increased by THB 3,952 million or 1.4%. This was substantially due to an increase in property, plant and equipment of THB 9,696 million, Investment properties of 1,254 million, inventory of THB 1,050 million and other non-current asset of THB 883 million while the decrease of cash and cash equivalents of 5,097 million and Right-of-use asset 2,181 million and goodwill 1,312 million.
2. Total liabilities as of 31 December 2024 and 31 December 2023 were THB 218,668 million and THB 216,837 million, respectively, which increased by THB 1,832 million or 0.8%. This was substantially due to an increase in bank overdrafts and loans of 5,603 million, other non-current liabilities of THB 543 million, while a decrease of lease liabilities of THB 3,576 million and other current payable of THB 708 million.
3. Total equity as of 31 December 2024 and 31 December 2023 were THB 72,381 million and THB 70,260 million, respectively, which was an increase of THB 2,120 million or 3.0%. This was substantially due to an increase in retained earnings of THB 8,136 million from net profit for the period and dividend payment of THB 3,317 million while a decrease in other components of equity of THB 2,902 million, mainly due to financial statement translation reserves.

Capital Structure

As of 31 December 2024, the Company's capital structure comprised of total liabilities of THB 218,668 million, which included interest-bearing debts of THB 89,727 million (excluding lease liabilities). This includes bank overdrafts and short-term borrowings of THB 45,421 million, current portion of long-term borrowings of THB 16,220 million, short-term borrowings from related parties of THB 25 million, long-term borrowings of THB 21,065 million and debentures of THB 6,995 million. Total shareholders' equity totaled THB 72,381 million. The net interest-bearing debt to equity ratio was at 1.1 times which decreased

compared to last quarter at 1.2 times. This is due to the interest-bearing debts declined QoQ and the Bank of Thailand's policy interest rate cut from 2.50% to 2.25% per annum in October 2024, which consequently led to the reduction of the Company's overall interest rate. (However, the net current interest-bearing debt to equity remains below the Company's set threshold of 2.0 times).

Currently, the Company secures both short-term and long-term funding through bank loans and debenture issuance. In 2024, TRIS Rating maintained the Company's corporate credit rating at "AA-" with a "Stable" outlook. This reflects the Company's improving profitability, driven by strong operational performance and effective cost management.

Statement of Cash Flows

For the year ended 31 December 2024, the Company reported the cash flows as follows:

1. Cash flows from (used in) operating activities were THB 29,472 million, increased by THB 1,989 million from the same period last year. This was substantially due to an increase in profit after adjusted to cash of THB 2,003 million, the changes in operating assets and liabilities being a cause of the cash increased by THB 257 million and taxes paid increased by THB 271 million.
2. Cash flows from (used in) investing activities were THB (20,561) million, increased by THB 4,800 million from the same period last year. This was substantially due to an increase in net acquisition of property, plant and equipment of THB 3,672 million and net acquisition of investment properties of THB 372 million in accordance with expansion plan. In addition, an increase in net acquisition of subsidiaries of THB 409 million while the decrease in dividend received of THB 660 million and acquisition of other intangible assets decreased by THB 576 million.
3. Cash flows from (used in) financing activities were THB (13,766) million, increased by THB 1,556 million from the same period last year. This was substantially due to an increase from net cash proceed from debenture issuance of 6,993 million and received cash from MEB's IPO of THB 1,765 million last year. Meanwhile, this year, net borrowing from financial institutions increased by THB 9,695 million, net repayment of lease liabilities rose by THB 1,729 million, dividend payment increased by THB 454 million and interest paid grew by THB 315 million.

Factors Affecting Future Operations and Growth

The retail industry faces numerous challenges this year due to various uncertainties, including the global economic slowdown caused by geopolitical conflicts across regions, trade protectionist policy, inflation, climate change impacting global contexts, shifting consumer behavior, technological advancements, and new environmental regulations. The Company remains committed to resilience by maintaining adaptability, flexibility, and caution in its operations. It continues to diversify its portfolio with a multi-format, multi-category, and multi-market approach across Thailand, Vietnam, and Italy, with strong emphasis on sustainability. Additionally, the Company closely monitors quarterly performance and manages risks in response to economic conditions and evolving consumer behaviors.

The Company is dedicated to building a strong financial foundation based on the 3C management principles: Cost, Capex, and Cash Flow.

- Cost management, the Company aims to improve cost efficiency through various initiatives, such as reducing personnel expenses in redundant roles, installing solar panels, and using electric (EV) trucks to save energy and promote environmental sustainability. Additionally, advertising has also shifted to online and social commerce channels to reduce marketing expenses, while obsolete inventory is being managed more effectively.
- In terms of Capex, the focus is on maximizing investment benefits in strategic business areas and accelerating the expansion of proven formats.
- For Cash Flow, the Company is enhancing its working capital management to improve speed, flexibility, and cash flow, all of which contribute to sustainable business growth in the future.

Business outlook

The Company is set to move forward to the next era with ‘**CRC OMNI-Intelligence**’ vision consists of five important strategies (5R) as follows:

- 1) Revolutionise Core Strengths; Elevating the strength of core business in Multi-Format, Multi-Category and Multi-Market, with a focus on businesses with high growth as well as raising the level of synergy and M&A to add long-term value to the business.
- 2) Reinforce Financial Resilience; Strengthening financial status with the most efficient cost management to gain better returns and financial flexibility based on 3C (cash, cost, capex) management principle.
- 3) Reinvent Beyond Retail; Expanding business beyond retail which includes becoming an important part of various communities in each category to build network and long-term values for Central

Retail's business while also driven to scale up continuously like expanding the ecosystem from B2C to B2B excellence.

- 4) Reimagine Human Capital; Developing employees' potential by combining the intelligence of AI and HI together to expand work capability, improve customer data analysis and exponential enhancement of the omnichannel platform.
- 5) Rally Green Impact; Improving green transition by joining forces with all stakeholders including the government sector, private sector, customers, and business partners to work together in solving climate change issues before they become a climate crisis through reducing energy use and minimizing inequality to pass on a better world to future generations.