

PRESS RELEASE

CRG Announces “Transform from Operator to Innovator” Strategic Plan Roll Out

- The leading restaurant chain company aims at boosting market share in the food chain industry for further revenue growth
- Planning to add two new restaurant brands to its portfolio
- Expanding logistics capabilities through the launch of “CRG1312” food delivery application for customers to order food and get it delivered or make reservation at restaurants with just one click away



Thailand’s restaurant chain giant Central Restaurants Group (CRG) announced today that it will roll out the “Transform from Operator to Innovator” strategy to drive exponential growth in food chain revenue and increase its market share in the Bt140-billion food chain segment.

This year the company plans to add two new restaurant chains to its portfolio. “Aroi Dee” will capitalise on the popularity of street food, offering dishes from Bt59 while “Suki House” will differentiate itself from the traditional suki restaurants in Thailand with plans to grow to 10 branches in the initial phase. CRG is also looking to expand its footprint by expanding franchised restaurants into new key locations to attract more customers. It is also launching the “Multi-brand Delivery” service by developing its existing “1312” food delivery service into an Omni-Channel delivery platform with the introduction of a newly launched application for fully integrated services that will allow customers to order a meal, have it delivered, or make a reservation at any of the leading restaurants in CRG group

in a single click. CRG will also be unveiling the “Online Virtual Stores” to satisfy the needs of diners. The company will also be introducing a new delivery format to shake the Hub Model market amid growth in on-demand deliveries.



CRG President Nath Vongpanich commented that in 2019 the company is adopting an aggressive investment strategy in the burgeoning Bt410 billion restaurant industry. This year the company is to roll out the “Let’s Make The Jump” scheme building on the success of last year’s “Let’s Success Together” programme that resulted in revenue growth of nearly 10 per cent, which was above the industry average and the restaurant chain business average of 4-5 per cent. The robust growth was the result of new outlet openings, the launch of new products, and consistent development of services and sales boosting marketing activities.

In 2019, the company expects the restaurant industry in Thailand to grow no less than 3-5 per cent as a result of the rapid expansion of outlets by all restaurant chain operators and new restaurant openings by new operators especially in the food chain segment that accounts for a third in the multi-billion-baht restaurant industry. All big food chain operators are adopting an aggressive investment strategy to grow their customer base in all segments.

Most importantly, CRG is looking to continually develop innovations to drive exponential growth by adopting the “Transform from Operator to Innovator” strategy to highlight the fact that CRG is more than a franchise operator but is also a committed innovator utilizing innovations to create new product lines as a way of boosting sales and expanding consumption opportunities. The company is also developing new styles of restaurants to satisfy new-generation consumers’ lifestyle needs. These will include café-style small outlets and mobile units for greater mobility and easy access to new groups of customers in key high-potential locations.

CRG is also focusing its attention on development and creation of new brands of its own. At present, CRG boasts 11 brands in its portfolio, namely Mister Donut, KFC, Auntie Anne’s, Pepper Lunch, Chabuton, Cold Stone Creamery, The Terrace, Yoshinoya, Ootoya, Tenya and Katsuya. The company is also adjusting its food concepts to be more lifestyle-oriented to create an exciting dining experience to attract diverse groups of customers while maintaining the strengths including good

quality, tastes, variety and excellent service. CRG has plans afoot to form new partnerships with operators of small-sized restaurants, new investors and new-generation entrepreneurs for co-investment opportunities.

The company has revved up investments by adding two new brands into its portfolio: Aroi Dee and Suki House. Aroi Dee is a restaurant chain focused on Thai food cooked-to-order with recipes developed by CRG's experienced chefs. Its strengths include food hygiene, freshly cooked food, air conditioning and affordability. Aroi Dee's standout dishes include creamy omelette and steamed rice, stir-fried minced chicken with holy basil and crispy fried egg with prices starting from Bt59. Customers can dine in the restaurant, order a take-away or a delivery service.



Aroi Dee currently has 3 branches – Silom Soi 32, Sai Mai PTT gas station and Thai Watsadu Bangna – with plans to increase the number of outlets to 10 this year through the sale of its franchise rights. The company is hoping that Aroi Dee will serve as another great option for customers who prefer a tasty clean meal that's good value for money.



Suki House sets out to differentiate itself from other rivals in the suki segment. The brand aims to offer a fun, relaxed atmosphere and break from the traditional suki dining image, with the first branch set for opening in April. The company is confident that Suki House's first outlet will be able to stimulate the suki market and excite customers who love this kind of food. In addition, the company has plans to launch 2-3 new brands through mergers and acquisitions (M&A) or new partnerships with small operators to boost the existing strengths of each partner by creating new styles of eateries.

In terms of its expansion into overseas markets, CRG is building a hub for its foray into the Asean market with plans to expand Thai restaurant chains in the Asean bloc targeting mid-level and mass market consumers. The company is also hoping to expand by selling the franchise rights of some of its high potential restaurant brands and by M&A in Asean countries to lay a solid foundation for its overseas food chain expansion.

CRG expects growth in revenue and profit to reach more than 12 per cent in 2019 from nearly 10 per cent last year. The company anticipates its market share in the Bt140-billion food chain segment to rise to 9 per cent.

“This year CRG is adopting the most aggressive investment strategy in years in the restaurant industry as the economy slows a bit despite the prospect of steady growth. This will have some impact on the purchasing power of consumers. Our big rivals in the food chain segment are focusing even more attention on the mass market sector too. But CRG is confident that all of its brands will be the driving force for its revenue growth especially the strong brands like KFC, Ootoya, Mister Donut and the Japanese restaurant chains like Pepper Lunch, Yoshinoya, Katsuya and Tenya, all posting 29 per cent growth in revenue reaching Bt1 billion.”

Piyapong Chitchumnong, CRG’s Senior Vice President for Marketing, commented that the company is looking to expand its multi-brand delivery service after the launch of the “1312: one order and enjoy the tasty food from multiple restaurants” delivery service. The new delivery service allows customers to order a meal, have it delivered from any restaurant in the company’s portfolio of 11 brands and pay for the delivery service in a single click. This sales strategy is superior to that of its rivals in the domestic market. This year the company is launching an Omni-Channel platform that makes it possible for customers to order food from any restaurant from CRG or make a reservation at any of these restaurants via an on-demand delivery app that is being launched in April this year.



Meanwhile, the company is developing the new-format “Online Virtual Stores” platform as a repository of well-known street food-style restaurant brands to increase variety and uniqueness in the food market. Customers can conveniently order food via the new application. The company is also launching a new Hub Model platform to enhance the efficiency of its delivery capabilities that highlight CRG’s key strengths over its big rivals that are in a big marketing push in the on-demand food delivery segment.



“The rollout of the 1312 delivery service late last year has helped boost sales by 20 percent (via this delivery channel).The on-demand food delivery segment is poised to grow 10-15 per cent this year in line with the current consumer trends. CRG maintains its strengths by establishing partnerships with key food aggregators like Grab Food, Line Man and Food Panda. The company is also planning to increase the number of its partners to enter the on-demand food delivery market and expand its customer base further in every segment.”

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About CRG

Central Restaurants Group Co., Ltd. (CRG) is a leader in Thailand’s food chain industry. Established in 1978, CRG sets the vision to operate a business that answers Thai consumers’ daily needs with quality food and excellent services. We are determined to continually offer quality products along with the modernization of restaurant ambience to match consumer behavior. Above all, CRG’s focal point are customer-oriented strategies that highlight the building and maintenance of positive relationship with customers. The membership system has been carried out through Customer Relationship Management (CRM) for a long period of time.

CRG is now recognized by franchisors as a franchisee with profound expertise and 40 years of experience in managing and operating chain restaurant businesses. Its multi-brand portfolio contains 11 brands, covering nearly all categories in the industry. CRG now operates nearly 1,000 outlets across the country.

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