

Central Pattana (CPN TB)

Earnings Momentum To Continue; New Assets To Drive 2H26 Growth

Highlights

- Slightly positive tone from the analyst meeting.
- Foot traffic improved in July, which should support healthy performance in 3Q26. Moreover, we believe CPN's performance is likely to exceed management's targets.
- The transfer of assets into CPNREIT has been postponed to mid-27.
- Maintain BUY with a target price of Bt80.00, based on SOTP methodology.

Analysis

- Takeaways from analyst meeting.** We attended Central Pattana's (CPN) analyst meeting and came away with a more positive view on CPN's outlook.
 - Foot traffic improved in Jul 26.** July traffic accelerated to +3-4% yoy (vs +1-3% yoy in 2Q26), driven by strong growth in tourist-zone shopping malls and long holidays in late-July. This should support positive tenant sales momentum in 3Q26.
 - Performance is likely to beat management's target.** Management maintains its rental revenue growth target of 8-9% yoy, with 1H26 performance remaining on track. For the hotel and residential businesses, the target remains flat yoy, although there is potential upside given their strong 1H26 performance.
 - Asset transfers to CPNREIT have been postponed to mid-27,** with further progress expected by late-26. While there will be no asset divestment in the near term, we have no concerns over CPN's liquidity given its strong balance sheet, with net debt-to-equity at just 0.4x.

Essential

- Promising outlook for 2H26,** Earnings should be supported by the ramp-up of newly opened assets and continued growth from existing malls. Key catalysts include the ongoing ramp-up of Central Park and Central Krabi, as well as the upcoming openings of Central Northville and new hotel projects. We are confident that management's target of 5-8% yoy growth in rental and service income in 2026 is achievable, while occupancy should remain at healthy levels. We also expect operating leverage from mature assets to partly offset the initial margin dilution from new projects. Overall, strong 2Q26 rental performance, healthy occupancy and an expanding asset base should support continued earnings growth in 2H26.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	50,184.2	50,034.1	52,816.8	55,837.0	57,878.0
EBITDA	28,039.5	29,517.4	32,477.0	34,723.7	36,376.5
Operating profit	18,831.8	20,313.6	22,029.5	23,502.6	24,431.8
Net profit (rep./act.)	16,729.0	18,841.3	19,593.6	21,060.0	22,001.2
Net profit (adj.)	15,594.0	16,721.3	19,201.6	20,668.0	21,609.2
EPS	3.5	3.7	4.3	4.6	4.8
PE (x)	19.4	18.1	15.8	14.7	14.0
P/B (x)	3.0	2.8	2.6	2.4	2.2
EV/EBITDA (x)	13.4	12.4	11.4	10.8	10.3
Dividend yield (%)	3.1	3.6	3.7	4.0	4.2
Net margin (%)	33.3	37.7	37.1	37.7	38.0
Net debt/(cash) to equity(%)	63.8	48.3	50.0	47.2	44.0
Interest cover (x)	7.5	8.0	8.3	8.6	8.8
ROE (%)	17.4	17.9	17.2	17.1	16.5
Consensus net profit	n.a	n.a	19,343.9	20,977.1	22,198.8
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Central Pattana, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt67.75
Target Price	Bt80.00
Upside	18.52%

Stock Data

Sector	Real Estate
Bloomberg ticker	CPN TB
Shares issued (m)	4,488.0
Market cap (Btm)	304,062.0
Market cap (US\$m)	9,077.0
3-mth avg daily t'over (US\$m)	13.7

Price Performance (%)

52-week high/low					Bt70.0/Bt50.2
1mth	3mth	6mth	1yr	YTD	
0.7	8.8	17.3	30.9	22.6	

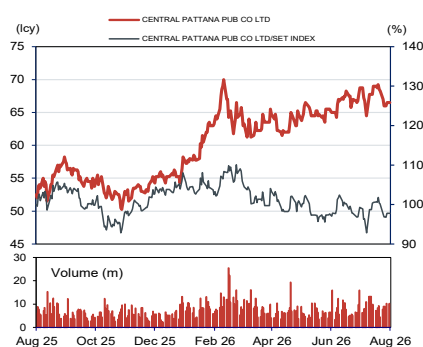
Major Shareholders (%)

Central Holding	26.21
Thai NVDR Company Limited	7.97
Social Security Office	2.71

Balance Sheet Metrics

FY26 NAV/Share (Bt)	26.4
FY26 Net Debt/Share (Bt)	13.2

Price Chart



Source: Bloomberg

Company Description

CPN is a real estate developer and operator of retail properties, primarily shopping malls, under the "Central" brand across Thailand. Its portfolio also includes office buildings, hotels, and mixed-use developments integrated with its retail assets.

2Q26 Results Recap

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy %	qoq %	2025	2026	yoy %
Sales and services	11,661	12,590	12,634	8.3	0.3	50,034	52,817	5.6
Gross profit	6,778	7,640	7,492	10.5	(1.9)	28,999	31,114	7.3
SG&A	1,994	2,181	2,148	7.7	(1.5)	8,685	9,084	4.6
EBIT	4,784	5,459	5,343	11.7	(2.1)	20,314	22,030	8.4
EBITDA	7,034	7,834	7,755	10.3	(1.0)	29,517	32,477	10.0
Other income	486	762	471	(3.1)	(38.2)	2,975	2,054	(30.9)
Interest expense	880	1,004	1,017	15.5	1.2	3,705	3,922	5.9
Equity income	507	794	741	46.1	(6.6)	2,414	3,283	36.0
Net profit	4,305	4,971	4,750	10.3	(4.4)	18,841	19,594	4.0
Core profit	3,902	4,873	4,652	19.2	(4.5)	14,087	16,307	15.8
Percent	2Q25	1Q26	2Q26	yoy ppt	qoq ppt	2025	2026	yoy ppt
Gross margin	58.1	60.7	59.3	1.2	(1.4)	58.0	58.9	1.0
SG&A to sales	17.1	17.3	17.0	(0.1)	(0.3)	17.4	17.2	(0.2)
EBIT margin	41.0	43.4	42.3	1.3	(1.1)	40.6	41.7	1.1
Net margin	36.9	39.5	37.6	0.7	(1.9)	37.7	37.1	(0.6)

Source: Central Pattana, UOB Kay Hian

- Results recap.** CPN reported 2Q26 net profit of Bt4.75b (+10% yoy, -4% qoq) and core profit of Bt4.65b (+19% yoy, -5% qoq). The solid earnings growth was driven by strong operating performance across all business segments, with total revenue rising 8% yoy to Bt13.1b. Gross margin remained healthy at around 59.3%, while SG&A-to-revenue was broadly stable yoy. Interest expense declined yoy, supported by lower borrowing costs, while equity income also increased yoy, providing additional support to core profit. On a 1H26 basis, core profit reached around Bt9.6b, accounting for approximately 50% of our full-year forecast.

Valuation/Recommendation

- Maintain BUY with a target price of Bt80.00.** We use a SOTP methodology, valuing CPN's core business at Bt79.8/share based on DCF, with a WACC of 7.0% and terminal growth of 1.5%. The residential business is valued at Bt0.2/share based on 5x 2026F PE. Our target price implies a 2026F PE of 18x and EV/EBITDA of 11x. We maintain an optimistic outlook on CPN, underpinned by its long-term strategic expansion and growing asset base.

Earnings Revision/Risk

- No earnings revision.**

Share Price Catalyst

- New shopping mall launch, strong foot traffic, gross margin expansion.

Environment, Social, Governance (ESG) Updates

Environmental

- CPN is committed to reducing energy consumption and promoting renewable energy. The company also practices effective waste management by recycling, segregating waste, and minimising single-use plastics.

Social

- CPN prioritises community engagement and green spaces. It provides educational programmes, health campaigns, and support for underprivileged groups. CPN also creates parks and gardens to provide recreational areas for visitors.

Governance

- CPN prioritises ethical, transparent, and auditable business conduct for sustainable growth through a Code of Conduct and CG Principles handbook.

2026 Management Target

Revenue growth	2026	1H26	Status
Rental and services	+8-9%	+6.7%	On track
Hotel and Resi	Flat	+9.7%	Potential beat
Cost of debt reduction	-10-20bp	n.a.	On track

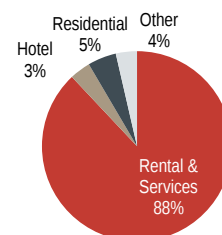
Source: Central Pattana, UOB Kay Hian

Shopping Mall Pipeline

Shopping Mall	Expected	NLA (sq.m.)
Central Northville	Jul 26	40,000
Central Phuket - Luxury	4Q26	10,000
The Central	1Q27	100,000
CentRAL cENTRAL		
- Retail	2Q27	100,000
- Office	4Q27	n.a.
- Hotel	1Q29	n.a.
Central GR9	Mid 28	34,000
Mega Bangna – Phase 2	3Q28	n.a.

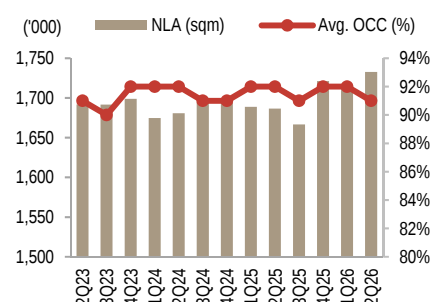
Source: Central Pattana, UOB Kay Hian

2Q26 Revenue Contributions



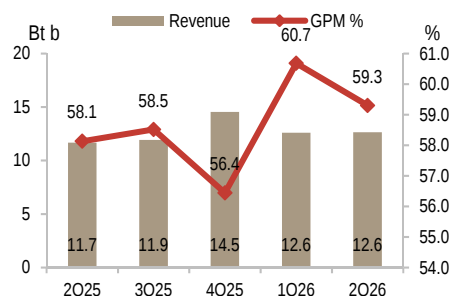
Source: Central Pattana, UOB Kay Hian

Shopping Mall NLA and Occupancy.



Source: Central Pattana, UOB Kay Hian

Impressive Gross Margin Expansion



Source: Central Pattana, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	50,034	52,817	55,837	57,878
EBITDA	29,517	32,477	34,724	36,377
Deprec. & amort.	9,204	10,448	11,221	11,945
EBIT	20,314	22,030	23,503	24,432
Total other non-operating income	4,545	2,706	2,788	2,871
Associate contributions	2,414	3,283	3,611	3,792
Net interest income/(expense)	(3,705)	(3,922)	(4,054)	(4,116)
Pre-tax profit	23,561	24,096	25,847	26,979
Tax	(4,385)	(4,163)	(4,447)	(4,637)
Minorities	(335)	(340)	(340)	(340)
Net profit	18,841	19,594	21,060	22,001
Net profit (adj.)	16,721	19,202	20,668	21,609

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	37,194	30,482	33,013	34,385
Pre-tax profit	23,561	24,096	25,847	26,979
Tax	(4,385)	(4,163)	(4,447)	(4,637)
Deprec. & amort.	9,204	10,448	11,221	11,945
Working capital changes	(1,564)	(207)	68	(15)
Non-cash items	10,378	308	324	113
Other operating cashflows	0	0	0	0
Investing	(16,265)	(25,408)	(22,913)	(22,485)
Capex (growth)	(12,289)	(24,388)	(21,762)	(21,262)
Investments	1,837	(1,313)	(1,444)	(1,517)
Others	(5,813)	293	293	294
Financing	(17,416)	(7,163)	(9,088)	(11,102)
Dividend payments	(9,531)	(10,771)	(11,300)	(12,146)
Issue of shares	0	(396)	0	0
Proceeds from borrowings	(7,590)	4,005	2,212	1,044
Others/interest paid	(296)	0	0	0
Net cash inflow (outflow)	3,514	(2,088)	1,012	798
Beginning cash & cash equivalent	5,292	8,806	6,718	7,730
Ending cash & cash equivalent	8,806	6,718	7,730	8,528

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	196,352	210,292	220,833	230,150
Other LT assets	74,309	75,841	77,508	79,248
Cash/ST investment	8,806	6,718	7,730	8,528
Other current assets	23,156	23,573	24,014	24,368
Total assets	302,623	316,424	330,085	342,294
ST debt	19,980	17,880	13,880	22,580
Other current liabilities	18,939	19,457	20,290	20,742
LT debt	41,940	48,044	54,257	46,601
Other LT liabilities	102,504	103,016	103,531	104,049
Shareholders' equity	109,881	118,307	128,067	137,923
Minority interest	9,380	9,720	10,060	10,400
Total liabilities & equity	302,623	316,424	330,085	342,294

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	59.0	61.5	62.2	62.8
Pre-tax margin	47.1	45.6	46.3	46.6
Net margin	37.7	37.1	37.7	38.0
ROA	6.2	6.3	6.5	6.5
ROE	17.9	17.2	17.1	16.5
Growth				
Turnover	(0.3)	5.6	5.7	3.7
EBITDA	5.3	10.0	6.9	4.8
Pre-tax profit	14.1	2.3	7.3	4.4
Net profit	12.6	4.0	7.5	4.5
Net profit (adj.)	7.2	14.8	7.6	4.6
EPS	7.2	14.8	7.6	4.6
Leverage				
Debt to total capital	51.9	51.5	49.3	46.6
Debt to equity	56.4	55.7	53.2	50.2
Net debt/(cash) to equity	48.3	50.0	47.2	44.0
Interest cover	8.0	8.3	8.6	8.8

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