Central Plaza Hotel (CENTEL TB)

Slight Earnings Growth Expected In 2Q26

BUY (Maintained)

Share Price	Bt38.25
Target Price	Bt45.00
Upside	+17.6%

Highlights

- CENTEL is expected to report a slight net profit of Bt114m (+3.3% yoy, -89.4% qoq) for 2Q26.
- The strongest contributor continues to be hotels in the Maldives, followed by robust performance of its hotels in Bangkok.
- The outlook for 3Q26 is encouraging, with a traffic boost from a large event and strong bookings in several regions. CENTEL remain as our top pick; maintain BUY with a target price of Bt45.00.

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Analysis

2Q26 Earnings Preview

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)	1H25	1H26F	yoy (%)
Hotel revenue	2,341	3,523	2,473	5.6	(29.8)	5,606	5,995	7.0
Food revenue	3,258	3,193	3,311	1.6	3.7	6,416	6,505	1.4
Total revenue	5,599	6,716	5,784	3.3	(13.9)	12,022	12,500	4.0
Gross profit	2,240	3,388	2,329	4.0	(31.2)	5,272	5,717	8.4
SG&A	2,073	2,842	2,101	1.3	(26.1)	4,250	4,943	16.3
Core profit	110	1,077	114	3.3	(89.4)	858	1,191	38.7
Net profit	110	2,143	114	3.3	(94.7)	858	2,257	162.9
(%)	2Q25	1Q26	2Q26F	yoy (ppt)	qoq (ppt)	1H25	1H26F	yoy (ppt)
Gross margin	40.0	50.4	40.3	0.3	(10.2)	43.9	45.7	1.9
SG&A to sales	37.0	42.3	36.3	(0.7)	(6.0)	35.4	39.5	4.2
EBITDA margin	22.1	24.0	21.9	(0.2)	(2.1)	26.6	23.0	(3.6)
Net profit margin	2.0	31.9	2.0	0.0	(29.9)	7.1	18.1	10.9

Source: CENTEL, UOB Kay Hian

- **Slight earnings growth expected in 2Q26.** We expect Central Plaza Hotel (CENTEL) to report a net profit of Bt114m (+3.3% yoy, -89.4% qoq) for 2Q26. Top-line should come in at Bt5.8b (+3.3% yoy, -13.9% qoq), supported by resilient performance from both hotel and food businesses. The earnings growth is mainly driven by the continued strong performance of its hotels in the Maldives, which saw a robust 69% yoy growth in RevPar. The strong RevPar at the Maldives is contributed by a yoy uplift in occupancy rate from the wholesale market. Moreover, the two new hotels at the Maldives have been ramping up well in terms of room rate and occupancy rate. Meanwhile, the RevPar of hotels in Thailand still saw a 3% yoy growth despite the impact of the US-Iran war. We expect the share of profit to decline yoy, primarily due to the disposal of assets in Osaka and weaker hotel performance in Dubai amid the ongoing war. As a result, we expect margins to remain flat yoy.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	23,949.5	25,050.9	29,627.8	31,758.6	35,982.7
EBITDA	6,100.4	6,726.8	7,387.5	7,935.7	9,131.9
Operating profit	2,809.7	3,146.5	3,431.2	3,794.5	4,831.6
Net profit (rep./act.)	1,753.0	1,992.9	2,001.8	2,252.8	3,004.6
Net profit (adj.)	1,753.0	1,992.9	2,001.8	2,252.8	3,004.6
EPS (Bt)	1.3	1.5	1.5	1.7	2.2
PE (x)	29.5	25.9	25.8	22.9	17.2
P/B (x)	2.5	2.3	2.2	2.1	1.9
EV/EBITDA (x)	13.1	11.8	10.8	10.0	8.7
Dividend yield (%)	1.5	1.8	1.8	2.0	2.6
Net margin (%)	7.3	8.0	6.8	7.1	8.3
Net debt/(cash) to equity (%)	137.7	128.7	117.0	112.8	102.5
Interest cover (x)	8.0	7.4	6.9	7.1	7.6
ROE (%)	8.7	9.2	8.7	9.3	11.6
Consensus net profit (Btm)	-	-	2,266	2,330	2,531
UOBKH/Consensus (x)	-	-	0.88	0.97	1.19

Source: CENTEL, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	CENTEL TB
Shares issued (m):	1,350.0
Market cap (Btm):	51,637.5
Market cap (US$m):	1,535.7
3-mth avg daily t'over (US$m):	5.6

Price Performance (%)

52-week high/low: Bt40.50/Bt25.50

1mth	3mth	6mth	1yr	YTD
2.7	23.4	11.7	41.7	11.7

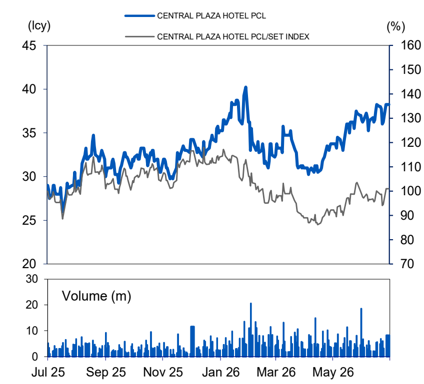
Major Shareholders

	%
Chirathivat Family	64.0
Local Investors	26.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	17.42
FY26 Net Debt/ Share (Bt)	20.38

Price Chart



Source: Bloomberg

Company Description

CENTEL is a leading hotel operator both in Thailand and overseas, as well as in the quick service restaurant industry in Thailand. CENTEL is part of the Central Group.

Statistics Preview

Hotel Stats	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)
RevPar - Bangkok	2,931	3,306	3,110	6.1	(5.9)
RevPar - Upcountry	2,750	5,112	2,795	1.6	(45.3)
RevPar - Maldives (RHS)	3,694	12,851	6,245	69.1	(51.4)
RevPar - Japan	7,793	4,859	6,225	(20.1)	28.1
RevPar - Average	3,410	5,456	3,861	13.2	(29.2)
Number of key rooms	5,246	4,997	4,997	(4.7)	0.0
Food Stats	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)
SSSG (%)	-2.0%	1.0%	0.0%	2.0 ppt	-1.0 ppt
Number of outlets	1,412	1,440	1,455	3.0	1.0

Source: CENTEL, UOB Kay Hian

- **Strong outlook for 3Q26.** Bangkok will be hosting a large global event called Gastech in Sep 26. Around 50,000 participants from 150 countries will be travelling to Thailand to attend this event. Hence, the hotels are expected to benefit from strong demand from event participants, who may extend their stays beyond the event schedule. Based on the latest bookings, in 3Q26, hotels in Bangkok are expected to show robust high single-digit yoy growth in RevPar. We could see RevPar of upcountry hotels improve from short-haul substitution demand, as growth in Chinese arrivals remains robust. Based on current bookings, CENTEL's Thailand portfolio is expected to show a robust high-teens RevPar in 3Q26. Moreover, the strong RevPar growth in the Maldives should sustain, with an expected low-teens growth yoy. Centara Dubai's occupancy continues to improve in, which should allow it to return to net profit breakeven once again.
- **Chinese arrivals remain as a key factor and continue to recover strongly.** After declining 33.4% yoy in 2025, Chinese tourist arrivals have continued to rebound in early-26. Ytd, Chinese arrivals are up 14% yoy, reflecting continued strong recovery momentum. With long-haul travel demand remaining soft, we believe Chinese tourists, as a key short-haul market, will be an important driver for hotel operators' performance, especially for upcountry hotels in 3Q26.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt45.00.** Our valuation is based on the 2026 EV/EBITDA multiple of 12x, 1 SD above its three-year historical mean trading level. CENTEL remains as our top pick in the sector due to: a) the traffic boost from the large event in Sep 26, b) the continued recovery in Chinese tourists, which will support the growth of upcountry hotels in 3Q26, and c) the strong bookings in 3Q26, which will support CENTEL's earnings outlook.

Environment, Social, Governance (ESG) Updates

Environmental

- Pledged to achieve net zero emissions by 2050.
- Targeting 20% reduction in greenhouse gas emissions by 2029.
- To eliminate single-use plastics by 2025.

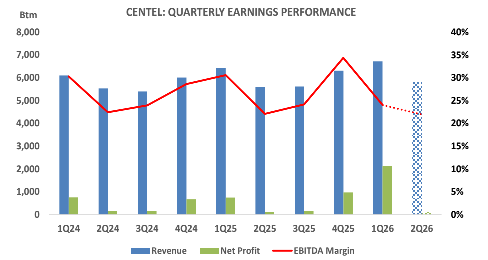
Social

- Conducts human rights assessment of the company, covering the hotel and food businesses.

Governance

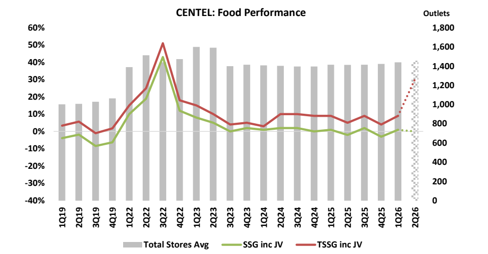
- Risk and governance management committee meets every three months.
- Strictly adheres to requirements and regulations, conducting business with transparency and accountability.

Quarterly Performance



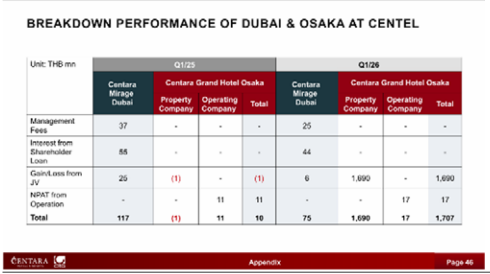
Source: CENTEL, UOB Kay Hian

Food Performance



Source: CENTEL, UOB Kay Hian

Hotel Share Profit Breakdown



BREAKDOWN PERFORMANCE OF DUBAI & OSAKA AT CENTEL

Unit: THB mn	Q1/25				Q1/26			
	Centara Mirage Dubai	Centara Grand Hotel Osaka			Centara Mirage Dubai	Centara Grand Hotel Osaka		
		Property Company	Operating Company	Total		Property Company	Operating Company	Total
Management Fees	37	-	-	-	25	-	-	-
Interest from Shareholder Loan	55	-	-	-	44	-	-	-
Gain/Loss from JV	25	(1)	-	(1)	6	1,690	-	1,690
NPAT from Operation	-	-	11	11	-	-	17	17
Total	117	(1)	11	10	75	1,690	17	1,707

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Source: CENTEL

Monthly Chinese Arrivals

Source: Ministry of Tourism and Sports, UOB Kay Hian

Large Event In 3Q26 In Bangkok

Source: Gastech

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	25,051	29,628	31,759	35,983
EBITDA	6,727	7,387	7,936	9,132
Deprec. & amort.	3,580	3,956	4,141	4,300
EBIT	3,146	3,431	3,795	4,832
Total other non-operating income	0	0	0	0
Associate contributions	243	200	210	221
Net interest income/(expense)	(909)	(1,075)	(1,124)	(1,195)
Pre-tax profit	2,481	2,557	2,881	3,857
Tax	(517)	(471)	(534)	(727)
Minorities	29	(83)	(94)	(125)
Net profit	1,993	2,002	2,253	3,005
Net profit (adj.)	1,993	2,002	2,253	3,005

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	49,382	48,709	50,783	52,883
Other LT assets	7,354	7,788	7,991	8,303
Cash/ST investment	2,964	1,406	2,121	4,390
Other current assets	3,029	3,776	4,112	4,749
Total assets	62,728	61,679	65,006	70,324
ST debt	6,090	5,117	5,117	5,617
Other current liabilities	4,707	4,779	5,148	5,963
LT debt	25,708	23,800	25,041	26,283
Other LT liabilities	3,608	3,979	4,260	4,914
Shareholders' equity	22,408	23,518	24,861	26,842
Minority interest	207	486	580	705
Total liabilities & equity	62,728	61,679	65,006	70,324

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	5,372	5,576	6,521	7,608
Pre-tax profit	2,481	2,557	2,881	3,857
Tax	(517)	(471)	(534)	(727)
Deprec. & amort.	3,580	3,956	4,141	4,300
Working capital changes	(211)	(490)	89	282
Non-cash items	40	(185)	(56)	(104)
Other operating cashflows	242	410	210	221
Investing	(5,394)	(3,346)	(6,137)	(6,058)
Capex (growth)	(4,357)	(3,284)	(6,214)	(6,400)
Investment	6,243	6,323	6,407	6,495
Others	(7,280)	(6,386)	(6,330)	(6,153)
Financing	309	(3,787)	331	719
Dividend payments	(797)	(906)	(910)	(1,024)
Proceeds from borrowings	607	(2,882)	1,241	1,743
Others/interest paid	498	0	0	0
Net cash inflow (outflow)	287	(1,557)	715	2,269
Beginning cash & cash equivalent	2,677	2,964	1,406	2,121
Ending cash & cash equivalent	2,964	1,406	2,121	4,390

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	26.9	24.9	25.0	25.4
Pre-tax margin	9.9	8.6	9.1	10.7
Net margin	8.0	6.8	7.1	8.3
ROA	3.2	3.2	3.6	4.4
ROE	9.2	8.7	9.3	11.6
Growth				
Turnover	4.6	18.3	7.2	13.3
EBITDA	10.3	9.8	7.4	15.1
Pre-tax profit	13.6	3.0	12.7	33.9
Net profit	13.7	0.4	12.5	33.4
Net profit (adj.)	13.7	0.4	12.5	33.4
EPS	13.7	0.4	12.5	33.4
Leverage				
Debt to total capital	58.4	54.6	54.2	53.7
Debt to equity	141.9	123.0	121.3	118.8
Net debt/(cash) to equity	128.7	117.0	112.8	102.5
Interest cover (x)	7.4	6.9	7.1	7.6