# Central Pattana (CPN TB)

3Q26: Results In Line; Rental Business Drives Growth

## Highlights

- CPN reported 3Q26 core profit of Bt4.83b (+15% yoy, +4% qoq), in line with our and consensus expectations. Gross margin increased 60 bps yoy, while SG&A-to-revenue was broadly stable yoy.
- The 10-year Thai government bond yield has declined since early-Oct 26 to 2.05%, making high dividend yield stocks such as CPN more attractive.
- Maintain BUY with a SOTP-based target price of Bt80.00.

## 3Q26 Results

| Year to 31 Dec (Btm) | 3Q25 | 2Q26 | 3Q26 | yoy % | qoq % | 2025 | 2026F | yoy % |
|---|---|---|---|---|---|---|---|---|
| Sales and services | 11,915 | 12,634 | 12,918 | 8.4 | 2.3 | 50,034 | 53,104 | 6.1 |
| Gross profit | 6,972 | 7,492 | 7,631 | 9.4 | 1.9 | 28,999 | 31,376 | 8.2 |
| SG&A | 1,961 | 2,148 | 2,128 | 8.5 | (1.0) | 8,685 | 9,134 | 5.2 |
| EBIT | 5,011 | 5,343 | 5,503 | 9.8 | 3.0 | 20,314 | 22,242 | 9.5 |
| Interest expense | 889 | 1,017 | 1,048 | 18.0 | 3.1 | 3,705 | 3,922 | 5.9 |
| Equity income | 582 | 741 | 996 | 71.1 | 34.3 | 2,414 | 3,428 | 42.0 |
| **Core profit** | **4,186** | **4,652** | **4,831** | **15.4** | **3.8** | **16,721** | **19,632** | **17.4** |
| **Net profit** | **5,424** | **4,750** | **4,932** | **(9.1)** | **3.8** | **18,841** | **20,024** | **6.3** |
| **Percent** | **3Q25** | **2Q26** | **3Q26** | **yoy ppt** | **qoq ppt** | **2025** | **2026F** | **yoy ppt** |
| Gross margin | 58.5 | 59.3 | 59.1 | 0.6 | (0.2) | 58.0 | 59.1 | 1.1 |
| SG&A to revenue | 16.5 | 17.0 | 16.5 | 0.0 | (0.5) | 17.4 | 17.2 | (0.2) |
| EBIT margin | 42.1 | 42.3 | 42.6 | 0.5 | 0.3 | 40.6 | 41.9 | 1.3 |

*Source: Central Pattana, UOB Kay Hian*

## Analysis

- **Results in line.** Central Pattana (CPN) reported 3Q26 net profit of Bt4.93b (-9% yoy, +4% qoq) and core profit of Bt4.83b (+15% yoy, +4% qoq), in line with our and consensus expectations. The solid earnings growth was driven by strong operating performance in the rental business, with total revenue rising 8% yoy to Bt12.9b. Gross margin increased 60 bps yoy to 59.1%, while SG&A-to-revenue was broadly stable yoy. Interest expense increased 3% qoq, due to the start of operations at Central Northville, while equity income also increased both yoy and qoq, providing additional support to the core profit. For 9M26, core profit came in at around Bt14.3b, reaching an all-time high and accounting for approximately 73% of our full-year forecast.

## Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 50,184.2 | 50,034.1 | 53,104.2 | 57,344.6 | 59,500.3 |
| EBITDA | 28,039.5 | 29,517.4 | 32,689.8 | 35,465.5 | 37,172.6 |
| Operating profit | 18,831.8 | 20,313.6 | 22,242.3 | 24,244.4 | 25,227.9 |
| Net profit (rep./act.) | 16,729.0 | 18,841.3 | 20,023.8 | 21,825.4 | 22,807.0 |
| Net profit (adj.) | 15,594.0 | 16,721.3 | 19,631.8 | 21,433.4 | 22,415.0 |
| EPS | 3.5 | 3.7 | 4.4 | 4.8 | 5.0 |
| PE (x) | 17.8 | 16.6 | 14.1 | 12.9 | 12.4 |
| P/B (x) | 2.8 | 2.5 | 2.3 | 2.2 | 2.0 |
| EV/EBITDA (x) | 12.5 | 11.5 | 10.6 | 9.8 | 9.3 |
| Dividend yield (%) | 3.4 | 3.9 | 4.2 | 4.5 | 4.8 |
| Net margin (%) | 33.3 | 37.7 | 37.7 | 38.1 | 38.3 |
| Net debt/(cash) to equity(%) | 63.8 | 48.3 | 49.5 | 45.8 | 42.4 |
| Interest cover (x) | 7.5 | 8.0 | 8.3 | 8.8 | 9.0 |
| ROE (%) | 17.4 | 17.9 | 17.5 | 17.6 | 17.0 |
| Consensus net profit | n.a | n.a | 19,332.6 | 20,817.3 | 21,912.0 |
| UOBKH/Consensus (x) | n.a | n.a | 1.0 | 1.0 | 1.0 |

*Source: Central Pattana, Bloomberg, UOB Kay Hian*

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**BUY (Maintained)**

| | |
|---|---|
| Share Price | Bt65.75 |
| Target Price | Bt80.00 |
| Upside | 21.67% |

## Stock Data

| | |
|---|---|
| **Sector** | Real Estate |
| **Bloomberg ticker** | CPN TB |
| **Shares issued (m)** | 4,488.0 |
| **Market cap (Btm)** | 277,134.0 |
| **Market cap (US$m)** | 8,258.4 |
| **3-mth avg daily t'over (US$m)** | 15.6 |

## Price Performance (%)

| **52-week high/low** | | | | Bt70.0/Bt50.2 |
|---|---|---|---|---|
| **1mth** | **3mth** | **6mth** | **1yr** | **YTD** |
| (4.6) | (8.5) | (0.8) | 11.8 | 11.8 |

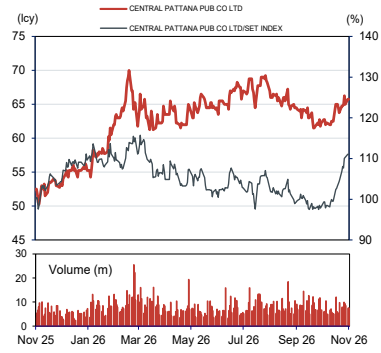
## Major Shareholders (%)

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

## Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (Bt) | 26.5 |
| FY26 Net Debt/Share (Bt) | 13.1 |

## 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.

- **Positive long-term outlook.** Continued mall expansion is expected to be a key earnings driver for CPN. Central Phuket New Luxury, The Central and Central Central are scheduled to open in 4Q26, 1Q27 and 2Q27, respectively, adding 140,000 sqm of NLA, equivalent to 8% of total mall NLA. We expect yoy earnings growth to accelerate further in 4Q26, supported by improving occupancy at Central Khonkaen Campus and Central Northville, the high tourism season, and condominium transfers at Escent Bangna, Phuket and Ubon, as well as Dusit Residence. The higher revenue contribution from the rental and services businesses is also expected to support gross margin expansion in 4Q26.

## Shopping Mall Pipeline

| Shopping mall | Expected | NLA (sq.m.) |
|---|---|---|
| Central Phuket - Luxury | 4Q26 | 10,000 |
| The Central | 1Q27 | 100,000 |
| CenTRal cENtrAL | | |
| - Shopping mall | 2Q27 | 30,000 |
| - Office (12 floors) | 4Q27 | n.a. |
| - 25hours Hotel | 1Q29 | - |
| Central GR9 | Mid 28 | 34,000 |
| Mega Bangna – Phase 2 | 3Q28 | n.a. |

*Source: Central Pattana, UOB Kay Hian*

## Valuation/Recommendation

- **Maintain BUY with a target price of Bt80.00.** We use 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 2027F PE of 13.5x and EV/EBITDA of 10x. We maintain an optimistic outlook on CPN, underpinned by its long-term strategic expansion and growing asset base.

## Earnings Revision/Risk

- **No earnings revision.** 9M26 core earnings accounted for 72% of our 2026 forecast, compared with 71% in 9M25.

## Share Price Catalyst

- New shopping mall launch, strong foot traffic, gross margin expansion.
- The 10-year Thai government bond yield has declined by 35 bps since early-October to 2.05%, making high dividend yield stocks such as CPN more attractive.

## Environment, Social, Governance (ESG) Updates

### CG Report: 5, SET ESG Rating: AAA

### 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

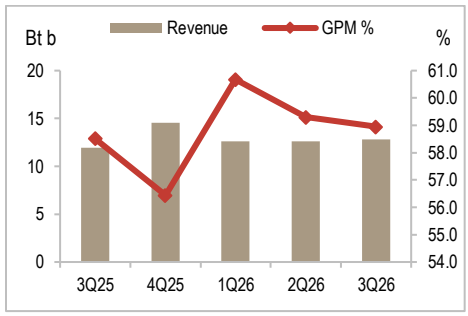
- CPN prioritises ethical, transparent, and auditable business conduct for sustainable growth through a Code of Conduct and CG Principles handbook.

## 2026 Management Target

| Revenue growth | 2026 | 9M26 | Status |
|---|---|---|---|
| Rental and services | +8-9% | +7.6% | On track |
| Hotel and Resi | Flat | +9.7% | On track |
| Cost of debt reduction | -10-20bp | n.a. | On track |

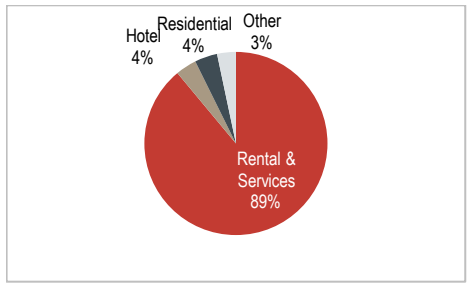
*Source: Central Pattana, UOB Kay Hian*

## Revenue and Gross Margin



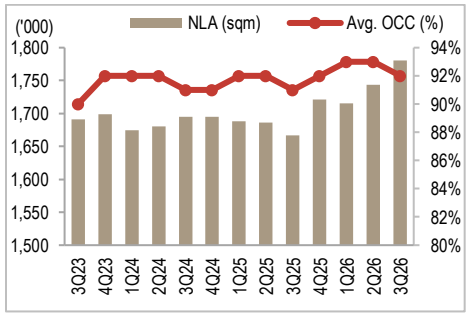

*Source: Central Pattana, UOB Kay Hian*

## 3Q26 Revenue Contributions



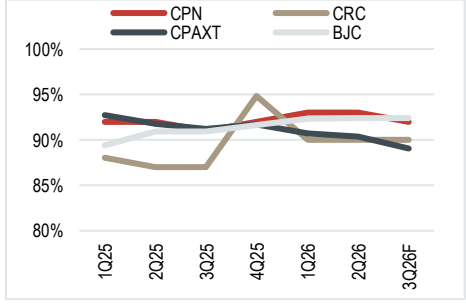

*Source: Central Pattana, UOB Kay Hian*

## Shopping Mall NLA and Occupancy




*Source: Central Pattana, UOB Kay Hian*

## Peers Occupancy Rate




*Source: Respective companies, UOB Kay Hian*

## Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| **Net turnover** | **50,034** | **53,104** | **57,345** | **59,500** |
| EBITDA | 29,517 | 32,690 | 35,466 | 37,173 |
| Deprec. & amort. | 9,204 | 10,448 | 11,221 | 11,945 |
| EBIT | 20,314 | 22,242 | 24,244 | 25,228 |
| Total other non-operating income | 4,545 | 2,875 | 2,828 | 2,898 |
| Associate contributions | 2,414 | 3,428 | 3,771 | 3,959 |
| Net interest income/(expense) | (3,705) | (3,922) | (4,054) | (4,116) |
| **Pre-tax profit** | **23,561** | **24,623** | **26,789** | **27,969** |
| Tax | (4,385) | (4,239) | (4,604) | (4,802) |
| Minorities | (335) | (360) | (360) | (360) |
| **Net profit** | **18,841** | **20,024** | **21,825** | **22,807** |
| Net profit (adj.) | 16,721 | 19,632 | 21,433 | 22,415 |

## 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 | 75,899 | 77,629 | 79,437 |
| Cash/ST investment | 8,806 | 7,189 | 9,005 | 10,143 |
| Other current assets | 23,156 | 23,599 | 24,153 | 24,517 |
| **Total assets** | **302,623** | **316,980** | **331,620** | **344,248** |
| ST debt | 19,980 | 17,880 | 13,880 | 22,580 |
| Other current liabilities | 18,939 | 19,562 | 20,838 | 21,324 |
| 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 | 118,737 | 129,015 | 139,234 |
| Minority interest | 9,380 | 9,740 | 10,100 | 10,460 |
| **Total liabilities & equity** | **302,623** | **316,980** | **331,620** | **344,248** |

## Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| **Operating** | **37,194** | **31,012** | **34,128** | **35,234** |
| Pre-tax profit | 23,561 | 24,623 | 26,789 | 27,969 |
| Tax | (4,385) | (4,239) | (4,604) | (4,802) |
| Deprec. & amort. | 9,204 | 10,448 | 11,221 | 11,945 |
| Working capital changes | (1,564) | (183) | 169 | (5) |
| Non-cash items | 10,378 | 363 | 553 | 127 |
| Other operating cashflows | 0 | 0 | 0 | 0 |
| **Investing** | **(16,265)** | **(25,466)** | **(22,977)** | **(22,552)** |
| Capex (growth) | (12,289) | (24,388) | (21,762) | (21,262) |
| Investments | 1,837 | (1,371) | (1,508) | (1,584) |
| Others | (5,813) | 293 | 293 | 294 |
| **Financing** | **(17,416)** | **(7,163)** | **(9,336)** | **(11,543)** |
| Dividend payments | (9,531) | (10,771) | (11,548) | (12,587) |
| 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** | **(1,617)** | **1,815** | **1,139** |
| **Beginning cash & cash equivalent** | **5,292** | **8,806** | **7,189** | **9,005** |
| **Ending cash & cash equivalent** | **8,806** | **7,189** | **9,005** | **10,143** |

## Key Metric

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| **Profitability** | | | | |
| EBITDA margin | 59.0 | 61.6 | 61.8 | 62.5 |
| Pre-tax margin | 47.1 | 46.4 | 46.7 | 47.0 |
| Net margin | 37.7 | 37.7 | 38.1 | 38.3 |
| ROA | 6.2 | 6.5 | 6.7 | 6.8 |
| ROE | 17.9 | 17.5 | 17.6 | 17.0 |
| **Growth** | | | | |
| Turnover | (0.3) | 6.1 | 8.0 | 3.8 |
| EBITDA | 5.3 | 10.8 | 8.5 | 4.8 |
| Pre-tax profit | 14.1 | 4.5 | 8.8 | 4.4 |
| Net profit | 12.6 | 6.3 | 9.0 | 4.5 |
| Net profit (adj.) | 7.2 | 17.4 | 9.2 | 4.6 |
| EPS | 7.2 | 17.4 | 9.2 | 4.6 |
| **Leverage** | | | | |
| Debt to total capital | 51.9 | 51.3 | 49.0 | 46.2 |
| Debt to equity | 56.4 | 55.5 | 52.8 | 49.7 |
| Net debt/(cash) to equity | 48.3 | 49.5 | 45.8 | 42.4 |
| Interest cover | 8.0 | 8.3 | 8.8 | 9.0 |

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