Central Plaza Hotel (CENTEL TB)

Expect Robust 3Q26 Earnings, Supported By Strong RevPar Growth

Highlights

- We expect CENTEL to report a robust net profit of Bt220m (+37.1% yoy, +32.1% qoq) for 3Q26, with strong yoy RevPar growth being the key driver.
- Food business performance is resilient despite the pressure, and we expect gross margins to improve yoy in 3Q26 from several cost saving measures.
- Earnings outlook remains brilliant as the hotel bookings are strong and interest expense should continue to decline in 4Q26. CENTEL remains our top pick. Maintain BUY with a target price of Bt58.00 (previously Bt50.00).

3Q26 Earnings Preview

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26F	yoy (%)	qoq (%)	9M25	9M26F	yoy (%)
Hotel revenue	2,415	2,464	2,575	6.6	4.5	8,021	8,562	6.7
Food revenue	3,207	3,314	3,336	4.0	0.7	9,623	9,843	2.3
Total revenue	5,622	5,779	5,911	5.1	2.3	17,644	18,405	4.3
Gross profit	2,407	2,420	2,545	5.7	5.2	7,679	8,352	8.8
SG&A	2,081	2,127	2,176	4.6	2.3	6,331	7,145	12.8
Core profit	160	166	220	37.1	32.1	1,019	1,463	43.6
Net profit	160	166	220	37.1	32.1	1,019	2,529	148.3
(%)	3Q25	2Q26	3Q26F	yoy (ppt)	qoq (ppt)	9M25	9M26F	yoy (ppt)
Gross margin	42.8	41.9	43.1	0.2	1.2	43.5	45.4	1.9
SG&A to sales	37.0	36.8	36.8	(0.2)	0.0	35.9	38.8	2.9
EBITDA margin	24.2	22.6	24.1	(0.0)	1.5	25.8	23.6	(2.2)
Net profit margin	2.9	2.9	3.7	0.9	0.8	5.8	13.7	8.0

Source: CENTEL, UOB Kay Hian

Analysis

- **Robust earnings growth expected in 3Q26.** We expect Central Plaza Hotel (CENTEL) to report a net profit of Bt220m (+37.1% yoy, +32.1% qoq) for 3Q26. Top-line should be at Bt5.9b (+5.1% yoy, +2.3% qoq), supported by strong performance from both the hotel and food businesses. The earnings growth is expected to be mainly driven by continuously strong performance at the Maldives, which should show a robust 37% yoy growth in RevPar. Another strong contributor is the upcountry hotels which should show a robust 16% yoy growth in RevPar, with Pattaya, Samui, and Phuket as the main contributors. As a result, the portfolio RevPar should show very strong growth yoy at 11%. Meanwhile, the food business should also show decent performance, and we expect food gross margins to expand yoy, attributable to strict cost control measures and new high-margin product launches. As a result, we expect EBITDA margins to remain flat yoy.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	23,950	25,051	28,056	30,542	34,712
EBITDA	6,100	6,727	7,423	7,956	8,725
Operating profit	2,810	3,146	3,467	3,814	4,425
Net profit (rep./act.)	1,753	1,993	3,668	2,523	3,010
Net profit (adj.)	1,753	1,993	2,246	2,523	3,010
EPS (Bt)	1.3	1.5	1.7	1.9	2.2
PE (x)	36.6	32.2	28.6	25.4	21.3
P/B (x)	3.1	2.9	2.5	2.5	2.3
EV/EBITDA (x)	14.9	13.5	12.2	11.4	10.4
Dividend yield (%)	1.2	1.4	2.6	1.8	2.1
Net margin (%)	7.3	8.0	13.1	8.3	8.7
Net debt/(cash) to equity (%)	137.7	128.7	103.0	103.3	95.0
Interest cover (x)	8.0	7.4	11.1	10.0	11.2
ROE (%)	8.7	9.2	15.4	9.9	11.2
Consensus net profit (Btm)	-	-	2,780	2,521	2,743
UOBKH/Consensus (x)	-	-	0.81	1.00	1.10

Source: Central Plaza Hotel, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt46.50
Target Price	Bt58.00
Upside	+24.7%
Previous TP	Bt50.00

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	CENTEL TB
Shares issued (m)	1,350.0
Market cap (Btm)	64,125.0
Market cap (US$m)	1,898.9
3-mth avg daily t'over (US$m)	3.8

Price Performance (%)

52-week high/low				Bt47.50/Bt29.50
1mth	3mth	6mth	1yr	YTD
8.6	24.2	53.2	48.4	38.7

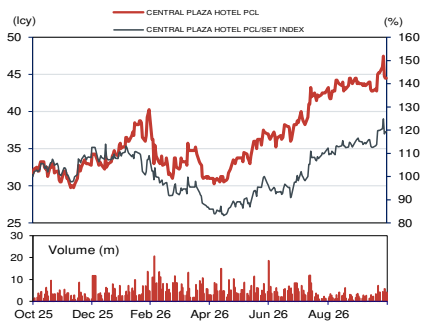
Major Shareholders (%)

Chirathivat Family	64.0
Local Investors	26.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	18.66
FY26 Net Debt/ Share (Bt)	19.22

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.

- **Lower interest expenses from refinancing.** CENTEL's interest expenses declined by 4.0% qoq and 12.4% yoy in 2Q26, despite a higher outstanding loan balance, reflecting a lower cost of debt following refinancing. For 6M26, its cost of debt stood at 2.9%, down significantly from the 2025 average of 3.4%. By end-Sep 26, CENTEL aims to refinance an additional Bt2.5b loan, reducing its borrowing cost from around 3.0% to 2.0% and generating annual interest savings of approximately Bt16m. Management confirmed that no prepayment fees would be incurred. There were new tranches of bonds issued in Sep 26, amounting to Bt2.6b, which are expected to provide an additional savings of Bt24m p.a.. The interest savings from this bond will be reflected in 4Q26's performance onwards and we view the declining cost of debt as a positive catalyst for CENTEL's future earnings.
- **Forward bookings in 4Q26 remain strong.** Bangkok hosted the IMF and World Bank Annual Meetings, a major global event, in mid-Oct 26, which brought together around 15,000 participants from 191 countries. Centara Central World significantly benefitted from an uplifted room rate as well as strong occupancy during the event period. We are looking forward to seeing the positive impact from Tomorrowland Pattaya and expect hotels to benefit from strong event-driven demand, with some visitors potentially extending their stays beyond the event. Based on current bookings, Bangkok hotels are expected to deliver robust high single-digit yoy RevPar growth in 4Q26. Upcountry hotels should also benefit in the high-travel season, which should result in mid-single-digit RevPar growth yoy. Meanwhile, Maldives RevPar growth should remain strong at mid-20s yoy, while the improving occupancy of Centara Dubai should narrow its net loss. If we exclude Dubai and a new hotel in Japan, the overall portfolio RevPar in 4Q26 is expected to show a robust low-teens growth yoy.
- **Resilient food performance despite headwinds.** The "Thais Help Thais Plus" (60/40) scheme, which originally ran from Jun-Sep 26 and has now been extended to end- Nov 26, has been a key headwind for CENTEL's food business, as only small businesses are eligible to participate, diverting consumer spending away from larger operators. Despite this pressure, CENTEL's food business is expected to remain resilient, with SSSG only declining slightly, which is a notable improvement compared with the sharp contraction seen during a similar stimulus campaign in the past. We also expect gross margins in 3Q26 to improve from several strict cost control measures. Meanwhile, in 4Q26, we expect the performance to be stronger as we approach the festive season and the Thais Help Thais Plus spending quota should run out by end-Oct 26.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt58.00 (previously Bt50.00).** Our valuation is based on 2027 EV/EBITDA multiple of 13x, 1SD above its five-year historical mean trading level. CENTEL remains one of our top picks in the sector due to: a) the strong hotel bookings in 4Q26, b) lower cost of debt from refinancing, and c) improving margins of food business.

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.

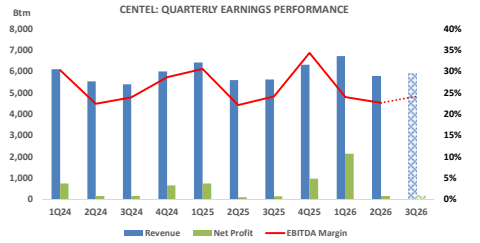
Social

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

Governance

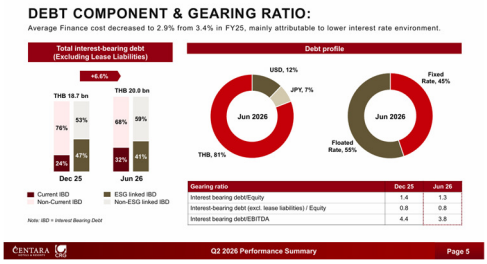
- Risk and governance management committee meets every three months.
- Strictly adheres to requirements and regulations, conducting business with transparency and accountability.

Quarterly Performance



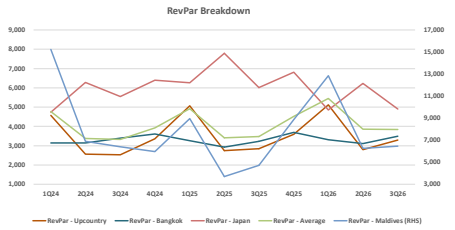
Source: CENTEL, UOB Kay Hian

CENTEL'S Debt Profile



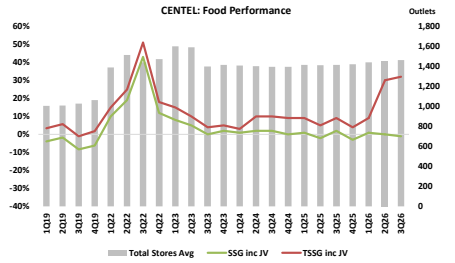
Source: CENTEL

Hotel Business Performance



Source: CENTEL, UOB Kay Hian

Food Business Performance



Source: CENTEL, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	25,051	28,056	30,542	34,712
EBITDA	6,727	7,423	7,956	8,725
Deprec. & amort.	3,580	3,956	4,141	4,300
EBIT	3,146	3,467	3,814	4,425
Total other non-op. income	0	1,778	0	0
Associate contributions	243	161	210	221
Net interest income/(expense)	(909)	(670)	(792)	(780)
Pre-tax profit	**2,481**	**4,736**	**3,233**	**3,865**
Tax	(517)	(915)	(605)	(729)
Minorities	29	(153)	(105)	(125)
Net profit	1,993	3,668	2,523	3,010
Net profit (adj.)	**1,993**	**2,246**	**2,523**	**3,010**

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	7,692	7,913	8,222
Cash/ST investment	2,964	2,965	3,250	5,391
Other current assets	3,029	3,569	3,949	4,575
Total assets	**62,728**	**62,935**	**65,894**	**71,071**
ST debt	6,090	5,117	5,117	5,617
Other current liabilities	4,707	4,517	4,944	5,745
LT debt	25,708	23,800	25,041	26,283
Other LT liabilities	3,608	3,761	4,091	4,735
Shareholders' equity	22,408	25,184	26,041	27,905
Minority interest	207	556	661	786
Total liabilities & equity	**62,728**	**62,935**	**65,894**	**71,071**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**5,372**	**7,257**	**6,816**	**7,611**
Pre-tax profit	2,481	4,736	3,233	3,865
Tax	(517)	(915)	(605)	(729)
Deprec. & amort.	3,580	3,956	4,141	4,300
Associates	(211)	(579)	110	277
Working capital changes	40	(152)	(63)	(102)
Non-cash items	242	371	210	221
Other operating cashflows	(5,394)	(3,469)	(6,105)	(6,066)
Investing	**(4,357)**	**(3,284)**	**(6,214)**	**(6,400)**
Capex (growth)	6,243	6,307	6,391	6,480
Investment	(7,280)	(6,492)	(6,282)	(6,145)
Others	309	(3,787)	(426)	596
Financing	**(797)**	**(906)**	**(1,667)**	**(1,146)**
Dividend payments	607	(2,882)	1,241	1,743
Proceeds from borrowings	498	0	0	0
Others/interest paid	287	1	285	2,141
Net cash inflow (outflow)	2,677	2,964	2,965	3,250
Beginning cash & cash equiv.	2,964	2,965	3,250	5,391
Ending cash & cash equiv.	**5,372**	**7,257**	**6,816**	**7,611**

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	26.9	26.5	26.0	25.1
Pre-tax margin	9.9	16.9	10.6	11.1
Net margin	8.0	13.1	8.3	8.7
ROA	3.2	5.8	3.9	4.4
ROE	9.2	15.4	9.9	11.2
Growth (% yoy)				
Turnover	4.6	12.0	8.9	13.7
EBITDA	10.3	10.4	7.2	9.7
Pre-tax profit	13.6	90.9	(31.7)	19.6
Net profit	13.7	84.1	(31.2)	19.3
Net profit (adj.)	13.7	12.7	12.3	19.3
EPS	13.7	12.7	12.3	19.3
Leverage				
Debt to total capital	58.4	52.9	53.0	52.6
Debt to equity	141.9	114.8	115.8	114.3
Net debt/(cash) to equity	128.7	103.0	103.3	95.0
Interest cover (x)	7.4	11.1	10.0	11.2

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