Central Pattana (CPN TB)

New Landmark Opens; Optimistic On 2H25 Outlook

BUY(Maintained)

Share Price	Bt55.5
Target Price	Bt73.7
Upside	32.79%

Analyst(s)
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Highlights

- **Central Pattana (CPN) launched a new shopping mall, Central Park, aiming to be a new culinary landmark in Bangkok. We expect solid performance in 2H25, outpacing 1H25, supported by new projects. We remain optimistic about its earnings outlook and business plan, mainly driven by mall expansions and renovations.**
- **Maintain BUY. Target price: Bt73.70.**

Analysis

- **A new shopping mall now open "Central Park".** CPN launched its 43rd shopping mall on 4 Sep 25 as part of the mixed-use project Dusit Central Park, valued at Bt46b (including hotel, retail, office, and residential components). The new mall has a gross leasable area of 45,000 sqm, with an expected occupancy rate above 90%. Management anticipates daily foot traffic of around 70,000 visitors, while the average rental rate is expected to be close to that of CentralWorld. Preliminarily, we estimate Central Park will contribute approximately Bt1.2-1.3b in revenue per year. Regarding the office component, occupancy is already secured at 60% and is expected to reach 80% by the end of 2025.
- **Expect solid performances in 2H25.** 3Q25 performance may be affected by seasonal factors. However, revenue is expected to accelerate across all business segments in 4Q25, supported by new shopping malls, including Central Park (retail and office launched in Sep 25) and Central Krabi (scheduled for Oct 25). The hotel segment should benefit from the high tourism season, while two newly completed condominium projects are expected to drive transfers in 4Q25.
- **New projects and renovations underpin growth.** In 2026, earnings are expected to be supported by new projects and renovations. CPN plans to launch three projects: Central Northville (2Q26), Central Khonkaen Campus (2Q26), and The Central (4Q26), which is expected to be the key highlight. Meanwhile, renovations across several projects projects are scheduled for gradual completion during the year. In addition, Dusit Residence (30% owned by CPN) is expected to be transfered in 2026.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	45,613.4	50,184.2	49,036.3	52,522.0	55,448.1
EBITDA	24,924.4	28,107.3	29,339.9	31,786.3	33,921.1
Operating profit	16,378.5	18,899.6	19,530.9	21,051.6	22,412.6
Net profit (rep./act.)	15,061.6	16,729.0	17,268.0	18,861.6	20,099.7
Net profit (adj.)	15,061.6	16,729.0	17,268.0	18,861.6	20,099.7
EPS	3.4	3.7	3.8	4.2	4.5
PE	16.5	14.9	14.4	13.2	12.4
P/B	2.7	2.5	2.3	2.1	2.0
EV/EBITDA	13.2	11.5	11.1	10.4	9.7
Dividend yield	3.2	3.8	3.8	4.2	4.4
Net margin	33.0	33.3	35.2	35.9	36.2
Net debt/(cash) to equity	77.7	63.8	62.4	60.5	55.9
Interest cover	9.5	7.6	8.3	8.4	9.0
ROE	22.6	23.6	23.2	23.8	23.9
Consensus net profit	n.a	n.a	17,242.2	18,973.4	20,565.9
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Central Pattana, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Real Estate
Bloomberg ticker	CPN TB
Shares issued (m)	4,488.0
Market cap (Btm)	247,962.0
Market cap (US$m)	7,706.0
3-mth avg daily t'over (US$m)	14.8

Price Performance (%)

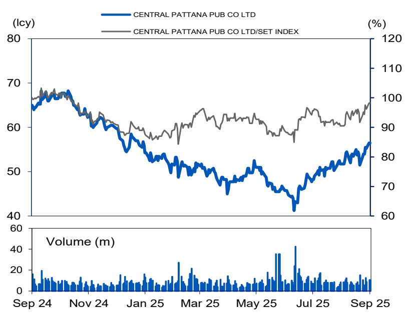
52-week high/low: Bt87/Bt54

1mth	3mth	6mth	1yr	YTD
6.8	20.1	6.2	(9.8)	(3.1)

Major Shareholders

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

Price Chart



Source: Bloomberg

Company Description

Thailand's largest retail property developer which focuses on developing retail properties like shopping malls in major cities for rental, as well as other mall-related businesses like F&B, hotels and residential properties.

Dusit Central Park

Source: Central Pattana

Valuation/Recommendation

- **Maintain BUY with a new target price of Bt73.70,** (previous target price: 79.60), based on SOTP methodology, rolled over to mid-2026. We value CPN's core business at Bt73.50/share using DCF, assuming a WACC of 7.3%, terminal growth of 1.5% (revised down from 2%) with cash flows discounted to 2025. The residential business is valued at Bt0.20/share, based on 5x 2026F PE.
- We remain optimistic about the earnings outlook for 2H25 and continue to favour CPN's rental and service business, which has demonstrated resilience despite challenging economic conditions. We also see its strategic project launches as a key driver of future growth. In addition, CPN's share repurchase programme should provide support to the share price in the short to medium term.

Earnings Revision/Risk

- We have fine-tuned our earnings forecasts for 2025-26 by less than 2% following our adjusted assumptions.

Share Price Catalyst

- Better-than-expected performance, especially from the rental and service business; b) announcement of new projects; and c) better profitability.

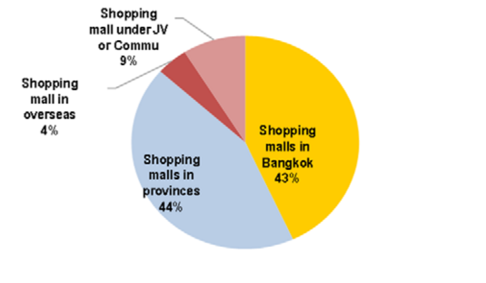
Environmental, Social, Governance (ESG)

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.

NLA By Region



Source: Central Pattana, UOB Kay Hian

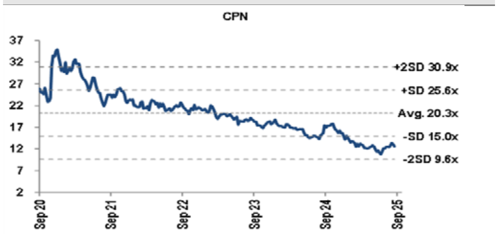
New Project Pipeline

Source: Central Pattana

Redevelopment & Expansion

Source: Central Pattana

PE Band



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	50184	49,036	52,522	55,448
EBITDA	28,107	29,340	31,786	33,921
Deprec. & amort.	9,208	9,809	10,735	11,508
EBIT	18,900	19,531	21,052	22,413
Total other non-operating income	3,666	3,830	3,945	4,063
Associate contributions	1,795	2,044	2,105	2,168
Net interest income/(expense)	(3,718)	(3,538)	(3,776)	(3,786)
Pre-tax profit	20,642	21,862	23,326	24,858
Tax	(3,684)	(4,258)	(4,244)	(4,538)
Minorities	(229)	(336)	(220)	(220)
Net profit	16,729	17,268	18,862	20,100
Net profit (adj.)	16,729	17,268	18,862	20,100

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	193,267	203,252	216,930	227,222
Other LT assets	72,218	73,216	74,240	75,291
Cash/ST investment	5,292	4,158	4,546	4,743
Other current assets	33,459	33,167	33,223	33,251
Total assets	304,236	313,793	328,940	340,508
ST debt	17,857	21,457	19,357	13,357
Other current liabilities	20,427	19,678	20,815	21,697
LT debt	51,653	50,053	56,157	62,370
Other LT liabilities	104,471	104,993	105,518	106,046
Shareholders' equity	100,582	108,029	117,289	127,015
Minority interest	9,247	9,584	9,804	10,024
Total liabilities & equity	304,236	313,793	328,940	340,508

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	16,752	26,956	30,897	32,682
Pre-tax profit	20,642	21,862	23,326	24,858
Tax	(3,684)	(4,258)	(4,244)	(4,538)
Deprec. & amort.	9,208	9,809	10,735	11,508
Working capital changes	(118)	(326)	184	125
Non-cash items	(9,296)	(131)	897	729
Other operating cashflows	-	-	-	-
Investing	(1,031)	(20,270)	(24,913)	(22,324)
Capex (growth)	(25,386)	(19,794)	(24,413)	(21,800)
Investments	(7,115)	(818)	(842)	(867)
Others	31,470	342	343	344
Financing	(15,488)	(7,821)	(5,596)	(10,162)
Dividend payments	(8,179)	(9,425)	(9,601)	(10,374)
Issue of shares	-	(396)	-	-
Proceeds from borrowings	(7,252)	2,000	4,005	212
Others/interest paid	(57)	-	-	-
Net cash inflow (outflow)	5,059	5,292	4,158	4,546
Beginning cash & cash equivalent	5,292	4,158	4,546	4,743
Ending cash & cash equivalent	16,752	26,956	30,897	32,682

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	56.0	59.8	60.5	61.2
Pre-tax margin	41.1	44.6	44.4	44.8
Net margin	33.3	35.2	35.9	36.2
ROA	5.7	5.6	5.9	6.0
ROE	17.3	16.6	16.7	16.5
Growth				
Turnover	10.0	(2.3)	7.1	5.6
EBITDA	12.8	4.4	8.3	6.7
Pre-tax profit	10.4	5.9	6.7	6.6
Net profit	11.1	3.2	9.2	6.6
Net profit (adj.)	11.1	3.2	9.2	6.6
EPS	11.1	3.2	9.2	6.6
Leverage				
Debt to total capital	38.8	37.8	37.3	35.6
Debt to equity	69.1	66.2	64.4	59.6
Net debt/(cash) to equity	63.8	62.3	60.5	55.9
Interest cover (x)	7.6	8.3	8.4	9.0

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