Central Pattana (CPN TB)

3Q25 Earnings Expected To Remain Solid, Up yoy And qoq

Highlights

- 3Q25 core earnings are expected to rise yoy and qoq.
- Core operations remain solid, supported by improved traffic and tenant sales.
- We are optimistic about its 3Q25 earnings outlook and expect a solid performance in 4Q25. Maintain BUY.

Analysis

- **Expect 3Q25 earnings to improve yoy and qoq.** We expect Central Pattana (CPN) to report a net profit of approximately Bt4.9b in 3Q25, up 18% yoy and 13% qoq, driven by one-off gains of around Bt760m (before tax) from transactions related to lease renewals at Central Rama 2 and Central Pinklao. Excluding these items, core earnings are estimated at Bt4.4b (+7% yoy, +2% qoq), supported by continued strength in the rental and services business and effective cost management.
- **Rental and service business remains solid.** Revenue from the rental and service business remains the key contributor in 3Q25 and is expected to grow 2% yoy and qoq, supported by improved foot traffic, stronger tenant sales, and the opening of Central Park (launched on 4 Sep 25). Occupancy rates are expected to remain stable, while gross margin for the core business should stay healthy, driven by cost savings and lower electricity expenses.
- **Hotel revenue to decline despite improving occupancy.** In 3Q25, although the overall occupancy rate is expected to improve yoy due to higher occupancy for the GO! hotel brand, hotel revenue is projected to decline yoy. This is mainly due to weaker performance at Hilton Pattaya, impacted by lower tourist arrivals
- **The low-rise segment supports residential revenue.** We expect revenue from the residential business to rebound in 3Q25 compared with 2Q25, driven by transfers in the low-rise segment, influenced by backlog and new project launches during the quarter. We also expect gross margin to improve qoq.

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	15.5	14.0	13.5	12.4	11.6
P/B	2.5	2.3	2.2	2.0	1.8
EV/EBITDA	12.5	11.0	10.6	9.8	9.1
Dividend yield	3.5	4.0	4.1	4.4	4.7
Net margin	33.0	33.3	35.2	35.9	36.2
Net debt/(cash) to equity	77.7	63.8	62.3	60.5	55.9
Interest cover	9.5	7.6	8.3	8.4	9.0
ROE	17.3	17.3	16.6	16.7	16.5
Consensus net profit	-	-	17,043	18,612	20,244
UOBKH/Consensus (x)	-	-	1.01	1.01	0.99

Source: Central Pattana, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	Bt53.50
Target Price	Bt73.70
Upside	37.8%

Analyst(s)
Kasemsun Koonnara
Kasemsun@uobkayhian.co.th
+662 090 3356

Stock Data

GICS Sector	Real Estate
Bloomberg ticker	CPN TB
Shares issued (m)	4,488.0
Market cap (Btm)	233,376.0
Market cap (US$m)	7,201.9
3-mth avg daily t'over (US$m)	10.9

Price Performance (%)

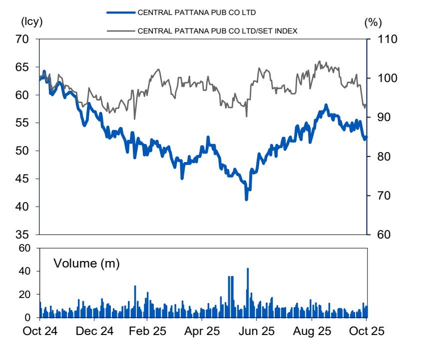
52-week high/low: Bt65.5/Bt41.0

1mth	3mth	6mth	1yr	YTD
(7.6)	0.5	6.1	(18.8)	(8.8)

Major Shareholders

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.

3Q25 Results Preview

Year to 31 Dec (Btm)	3Q24	2Q25	3Q25F	yoy %	qoq %
Sales and services	12,243	11,661	12,065	(1.5)	3.5
Operating EBIT	4,964	4,784	4,985	0.4	4.2
Investment income	509	542	347	(31.9)	(36.0)
Other income	41	486	1,016	2,394.1	109.1
Equity income	633	507	589	(7.0)	16.0
Net profit	4,126	4,305	4,884	18.4	13.4
Percent	3Q24	2Q25	3Q25F	yoy ppt	qoq ppt
Gross margin	56.8	58.1	57.8	1.0	(0.3)
SG&A to sales	16.2	17.1	16.5	0.2	(0.6)
EBIT margin	40.5	41.0	41.3	0.8	0.3
Net margin	33.7	36.9	40.5	6.8	3.6

Source: Central Pattana, UOB Kay Hian

Earnings Revision/Risk

- Risks: a) Lower-than-expected residential transfers and overall gross margin; and b) higher-than-expected SG&A expenses.

Valuation/Recommendation

- Maintain BUY with a target price of Bt73.70, based on SOTP methodology, rolled over to mid-26. We value CPN's core business at Bt73.50/share using DCF, assuming a WACC of 7.3%, terminal growth of 1.5%. The residential business is valued at Bt0.20/share, based on 5x 2026F PE.
- We are optimistic about its 3Q25 earnings outlook and expect a solid performance in 4Q25, supported by resilient core operations, an increase in residential transfers, and effective cost management. In addition, we continue to favour CPN's strong fundamentals and business expansion plans, which should support its growth.

Share Price Catalyst

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

Environment, 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.

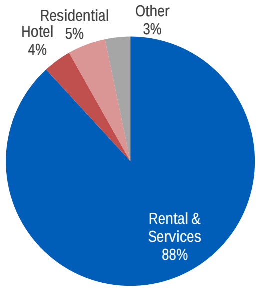
Social

- 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

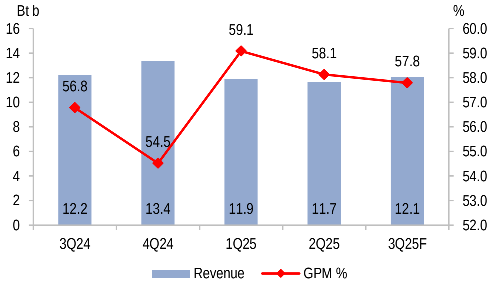
- CPN prioritises ethical, transparent, and auditable business conduct for sustainable growth through a Code of Conduct and CG Principles handbook.

Expected Revenue Contribution (3Q25)



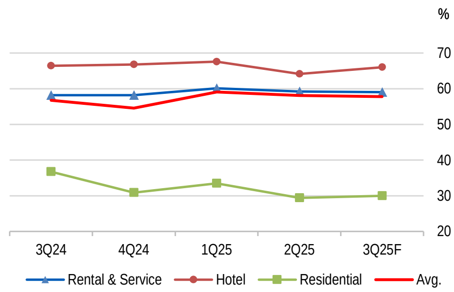
Source: UOB Kay Hian

Revenue and Gross Margin



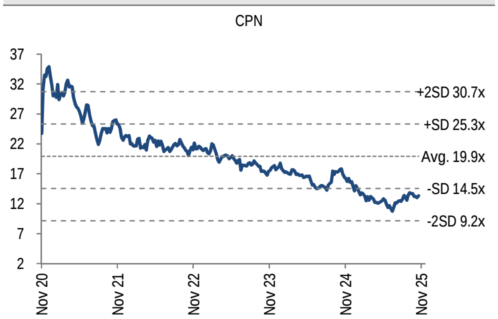
Source: CPN, UOB Kay Hian

Gross Margin by Business



Source: CPN, UOB Kay Hian

PE Band



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	50,184	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	0	0	0	0
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	0	(396)	0	0
Proceeds from borrowings	(7,252)	2,000	4,005	212
Others/interest paid	(57)	0	0	0
Net cash inflow (outflow)	233	(1,134)	388	197
Beginning cash & cash equivalent	5,059	5,292	4,158	4,546
Ending cash & cash equivalent	5,292	4,158	4,546	4,743

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	7.6	8.3	8.4	9.0

Disclosures/Disclaimers

This report is prepared by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser in Singapore.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKH. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKH may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKH and its connected persons (as defined in the Financial Advisers Act 2001 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKH to be reliable. However, UOBKH makes no representation as to the accuracy or completeness of such sources or the Information and UOBKH accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKH and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKH and its connected persons are subject to change without notice. UOBKH reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKH, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKH, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKH may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKH may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by UOBKH, a company authorized, as noted above, to engage in securities activities in Singapore. UOBKH is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKH (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKH by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKH.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Certification/Regulation AC

Each research analyst of UOBKH who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKH or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKH's total revenues, a portion of which are generated from UOBKH's business of dealing in securities.

Reports are distributed in the respective countries or jurisdictions by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas ("PT UOBKH"), which is regulated by Financial Services Authority of Indonesia ("OJK"). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOB Kay Hian (M) Sdn. Bhd. ("UOBKHM") (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore.Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

http://research.uobkayhian.com

RCB Regn. No. 197000447W