Central Pattana (CPN TB)

3Q26 Results Preview: Shopping Mall Operations Expected to Drive 3Q26 Earnings

Highlights

- Core earnings are expected to grow 12% yoy, driven by revenue growth, gross margin expansion and higher equity income.
- Continued shopping mall expansion is expected to be a key earnings driver for CPN.
- Maintain BUY with an SOTP-based target price of Bt80.00.

3Q26 Earnings Forecast

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26F	yoy %	qoq %	2025	2026F	yoy %
Revenue	11,915	12,634	12,835	7.7	1.6	50,034	53,104	6.1
Gross profit	6,972	7,492	7,566	8.5	1.0	28,999	31,376	8.2
SG&A	1,961	2,148	2,151	9.7	0.1	8,685	9,134	5.2
EBIT	5,011	5,343	5,415	8.1	1.3	20,314	22,242	9.5
Interest expense	889	1,017	1,037	16.7	2.0	3,705	3,922	5.9
Equity income	582	741	890	53.0	20.0	2,414	3,428	42.0
Net profit	5,424	4,750	4,788	(11.7)	0.8	18,841	20,024	6.3
Core profit	**4,186**	**4,652**	**4,690**	**12.0**	**0.8**	**16,721**	**19,632**	**17.4**
Percent	**3Q25**	**2Q26**	**3Q26F**	**yoy ppt**	**qoq ppt**	**2025**	**2026F**	**yoy ppt**
Gross margin	58.5	59.3	58.9	0.4	(0.4)	58.0	59.1	1.1
SG&A to revenue	16.5	17.0	16.8	0.3	(0.2)	17.4	17.2	(0.2)
EBIT margin	42.1	42.3	42.2	0.1	(0.1)	40.6	41.9	1.3

Source: Central Pattana, UOB Kay Hian

Analysis

- **Earnings expected to grow yoy.** We expect Central Patana (CPN) to report 3Q26 net profit of Bt4.79b. Excluding the impact of the CPNREIT contract renewal, core earnings are estimated at Bt4.69b (+12% yoy, +1% qoq), driven by: a) an 8% yoy revenue growth, driven by rental & services revenue rising 9% yoy, hotel revenue increasing 8.5% yoy, residential revenue dropping 15% yoy; b) a 40bp yoy gross margin expansion to 58.9%, supported by higher gross margins in the rental and hotel businesses; c) a 30bp yoy increase in SG&A-to-revenue to 16.8%, in line with the expansion of Central Northville; d) higher equity income from Dusit Residence transfers and stronger Mega Bangna operations; and e) a slight qoq increase in interest expenses. For operating statistics, shopping mall traffic grew 3% yoy, while tenant sales increased 6% yoy, supported by renovated malls, including Central Bangna and Central Chiangmai Airport, new high-potential tenants, and strong sales growth from IT gadget and fashion categories.

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

Analyst(s)

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BUY (Maintained)

Share Price	Bt62.50
Target Price	Bt80.00
Upside	28.00%

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

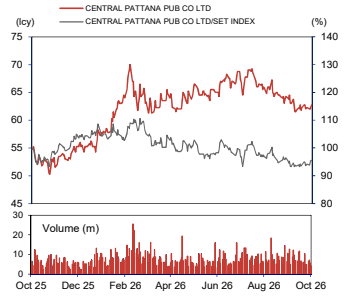
Major Shareholders (%)

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..

Essential

- **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. These will add 140,000 sqm of NLA, which is equivalent to 8% of CPN's 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 tourism high 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 a SOTP methodology, valuing CPN's core business at Bt79.80/share based on DCF, with a WACC of 7.0% and terminal growth of 1.5%. The residential business is valued at Bt0.20/share based on 5x 2026F PE. Our target price implies a 2027F PE of 16.5x and EV/EBITDA of 10.6x. We maintain an optimistic outlook on CPN, underpinned by its long-term strategic expansion and growing asset base.

Earnings Revision/Risk

- **Fine-tune earnings.** We fine-tune our 2026-27 earnings forecasts upward by 1% and 3%, respectively. 9M26 core earnings accounted for 72% of our 2026 forecast, compared with 71% in 9M25.

Share Price Catalyst

- Launch of new shopping mall(s), strong foot traffic, gross margin expansion.

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.

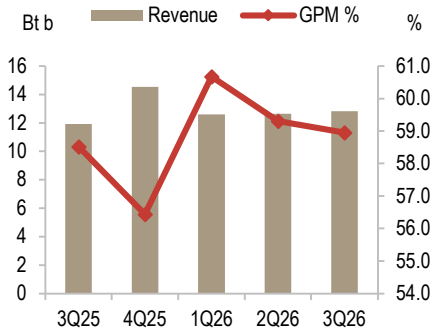
Social

- 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

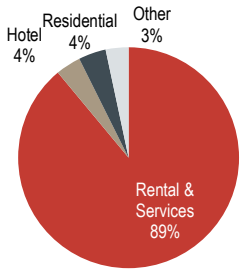
- CPN prioritises ethical, transparent, and auditable business conduct for sustainable growth through a Code of Conduct and CG Principles handbook.

Revenue and Gross Margin



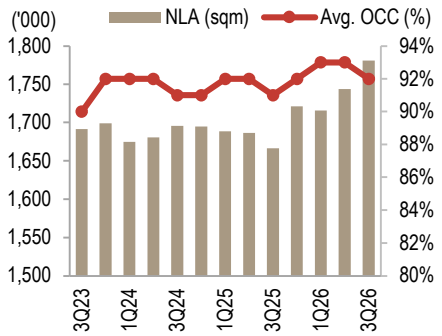
Source: Central Pattana, UOB Kay Hian

3Q26 Revenue Contributions



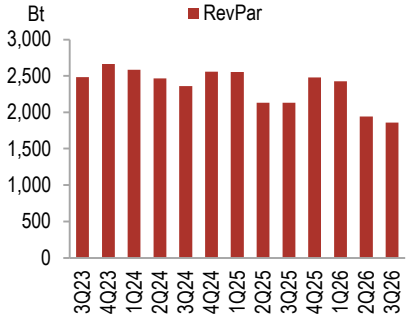
Source: UOB Kay Hian

Shopping Mall NLA and Occupancy



Source: Central Pattana, UOB Kay Hian

Hotel RevPar



Source: Central Pattana, 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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