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

Analyst(s)

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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

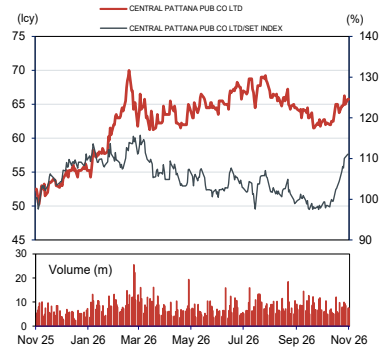
Major Shareholders (%)

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

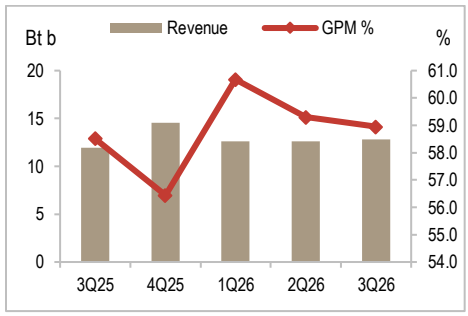
- CPN prioritises ethical, transparent, and auditable business conduct for sustainable growth through a Code of Conduct and CG Principles handbook.

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

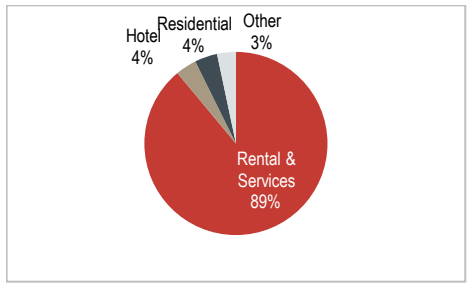
Source: Central Pattana, UOB Kay Hian

Revenue and Gross Margin



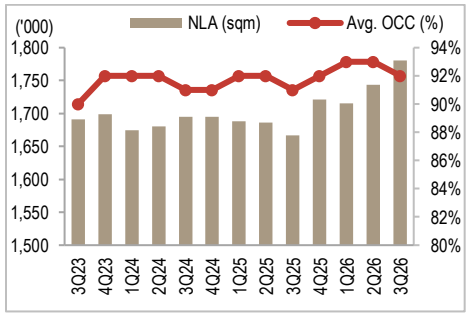
Source: Central Pattana, UOB Kay Hian

3Q26 Revenue Contributions



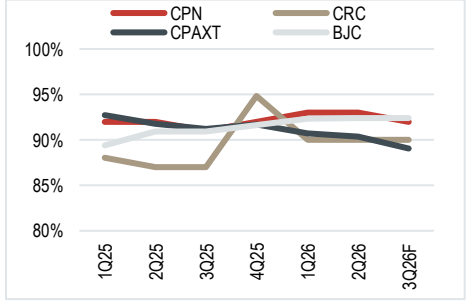
Source: Central Pattana, UOB Kay Hian

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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