

Central Pattana Pcl (CPN TB) - BUY, Price Bt49.25, TP Bt75.00**Results Comment**

Phannarai Tiyaipittayarat | Email: phannarai.von@thanachartsec.co.th

Good 4Q24, 9% beat

- CPN reported a good 4Q24 core profit of Bt4,195m, up 11% y-y and 7% q-q. This was 9% higher than our estimates as SG&A was short of its guidance for a big jump in 4Q24.
- 4Q24 net profit dropped by 2% y-y and 6% q-q to Bt3,893m. There were extra losses totaled Bt302m with a major item being Bt497m one-time loss on share swap from its 33%-owned Porto Worldwide Ltd's GrabTaxi Holdings Thailand to ordinary shares of a NASDAQ-listed Grab Holdings Ltd.
- Operating profit (before other income) fell 3% y-y, pressured by rising SG&A from more marketing activities to draw traffic, falling property gross margin to 30.9% (36.1% in 4Q23, 36.7% in 3Q24) due to pricing promotions, and flat mall income q-q on five mall renovations.
- Key earnings drivers were growing other income from FX gain on forward contract, falling interest expense from lower IBDs and falling cost of debt.
- Mall rental income (79% of total revenues) grew by 4% y-y but flat q-q to Bt10.3bn from a 2.5% rent reversion and two new malls opened in 1Q24, Central Nakorn Sawan and Central Nakorn Pathom. Average mall traffic of 42 malls improved to 96% of pre COVID in 4Q19, up from 92% in 4Q23 driven by upcountry malls in tourist provinces. But with mall renovations, average occupancy rate fell by 1% q-q to 91%.
- 2024 core profit of Bt16.4bn, rose 18% y-y, boosted by total revenues growth of 9% y-y on an 8% mall income growth, 26% hotel revenues growth and 7% property sales growth while gross margin on mall business expanded 282bp y-y to 58.1%.
- 2024 DPS is Bt2.10/share, XD on Mar 17th with payment date on May 19th 2025. It lifts payout ratio to 56% for 2024 performance, up from 54% in 2023, 48% in 2022 and 38% in 2021.

Income Statement (consolidated)					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24
Revenue	12,849	11,705	12,693	12,050	13,168
Gross profit	7,134	6,500	6,881	6,864	7,198
SG&A	2,496	1,996	2,003	1,986	2,708
Operating profit	4,638	4,505	4,878	4,878	4,490
EBITDA	6,815	6,725	7,113	7,133	6,986
Other income	272	564	465	75	520
Other expense	0	0	0	0	0
Interest expense	693	598	663	662	584
Profit before tax	4,216	4,470	4,681	4,291	4,427
Income tax	935	891	955	929	713
Equity & invest. income	546	596	524	633	540
Minority interests	(55)	(54)	(45)	(73)	(58)
Extraordinary items	204	33	350	204	(302)
Net profit	3,976	4,154	4,556	4,126	3,893
Normalized profit	3,772	4,121	4,205	3,922	4,195
EPS (Bt)	0.89	0.93	1.02	0.92	0.87
Normalized EPS (Bt)	0.84	0.92	0.94	0.87	0.93

Balance Sheet (consolidated)					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24
Cash & ST investment	3,169	3,151	4,751	4,169	3,351
A/C receivable	2,217	2,034	1,947	1,701	1,404
Inventory	0	0	0	0	0
Other current assets	20,160	21,114	21,033	34,118	33,996
Investment	41,123	41,654	48,234	48,150	48,165
Fixed assets	175,798	187,098	182,605	182,859	187,119
Other assets	37,407	38,503	43,347	31,991	30,201
Total assets	279,873	293,552	301,917	302,988	304,236
S-T debt	36,999	27,671	24,641	14,362	17,857
A/C payable	1,485	1,320	1,334	1,255	1,342
Other current liabilities	15,384	16,075	15,853	18,571	19,085
L-T debt	39,762	47,052	51,050	58,073	51,653
Other liabilities	85,661	96,481	107,434	104,437	104,471
Minority interest	8,309	8,338	8,314	9,168	9,247
Shareholders' equity	92,273	96,617	93,290	97,122	100,582
Working capital	732	714	613	446	62
Total debt	76,761	74,722	75,691	72,435	69,509
Net debt	73,593	71,572	70,940	68,266	66,158

Sources: Company data, Thanachart estimates

Income Statement 12M as					
(Bt m)	q-q%	y-y%	% 2024F	2024A	2025F
Revenue	9	2	99	49,615	51,901
Gross profit	5	1	101	27,443	28,622
SG&A	36	8	106	8,692	8,295
Operating profit	(8)	(3)	99	18,751	20,327
EBITDA	(2)	3	99	27,958	30,263
Other income	594	92	85	1,625	2,006
Other expense			na	0	0
Interest expense	(12)	(16)	68	2,506	3,778
Profit before tax	3	5	104	17,869	18,555
Income tax	(23)	(24)	101	3,488	3,711
Equity & invest. income	(15)	(1)	102	2,292	2,471
Minority interests	na	na	127	(229)	(191)
Extraordinary items	na	na	19	285	1,013
Net profit	(6)	(2)	96	16,729	18,138
Normalized profit	7	11	104	16,444	17,125
EPS (Bt)	(6)	(2)	96	3.73	4.04
Normalized EPS (Bt)	7	11	104	3.66	3.82

Financial Ratios (%)					
	4Q23	1Q24	2Q24	3Q24	4Q24
Sales growth	25.9	17.3	16.8	1.1	2.5
Operating profit growth	54.3	29.7	23.9	10.9	(3.2)
EBITDA growth	31.1	21.9	16.6	8.7	2.5
Norm profit growth	44.6	40.1	24.7	2.4	11.2
Norm EPS growth	44.6	40.1	24.7	2.4	11.2
Gross margin	55.5	55.5	54.2	57.0	54.7
Operating margin	36.1	38.5	38.4	40.5	34.1
EBITDA margin	53.0	57.5	56.0	59.2	53.1
Norm net margin	29.4	35.2	33.1	32.5	31.9
D/E (x)	0.8	0.7	0.7	0.7	0.6
Net D/E (x)	0.7	0.7	0.7	0.6	0.6
Interest coverage (x)	9.8	11.2	10.7	10.8	12.0
Interest rate	3.6	3.2	3.5	3.6	3.3
Effective tax rate	22.2	19.9	20.4	21.7	16.1
ROA	6.2	6.5	6.4	5.9	6.2
ROE	16.7	17.5	17.7	16.5	17.0

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