Central Plaza Hotel (CENTEL TB) - BUY, Price Bt30.5, TP Bt41.0

Results Comment

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Strong 1Q26, beat

- CENTEL's 1Q26 norm. profit rose to Bt1.1bn (+41% y-y, +25% q-q), beating our and market expectations on stronger hotel operations. Including one-time gain from the disposal of Centara Osaka Tokutei Mokutei Kaisha and an impairment loss on JV investment, net profit reached Bt2.1bn (+186% y-y, +120% q-q).
- The y-y earnings growth was driven by strong performance in the Maldives hotel business, more than offsetting weaker operations in Dubai, as well as an improving food business.
- Hotel business made Bt845m profit in 1Q26, up 22% y-y and 74% q-q. Its hotel revenue rose 8% y-y and 13% q-q to Bt3.5bn in 1Q26, driven by strong Maldives RevPAR growth. Overall portfolio RevPAR (excl. Dubai) increased 11% y-y and 21% q-q to Bt5,456/night. Occupancy (OR) rose to 80% in 1Q26, from 76% in 1Q25 and 75% in 4Q25. ARR reached Bt6,812/night, up 5% y-y and 13% q-q. RevPAR for hotels in Maldives grew 43% y-y and 45% q-q. In Thailand, RevPAR was flat y-y but increased 25% q-q. RevPAR for Japan hotel fell by 5% y-y and 29% q-q.
- Food business made Bt232m profit in 1Q26, up 50% y-y but down 22% q-q. The y-y earnings growth was driven by 1) expanding margin due to the closure of non-profitable stores and continued improvements in cost management efficiency and 2) an increase in profit sharing from JV brands. CENTEL's food business revenue grew by 1% y-y and remained flat q-q at Bt3.2bn in 1Q26. Food SSS grew 1% y-y in 1Q26, while TSSG was 1% y-y. SSSG, including JV brands, increased by 1% y-y in 1Q26. TSSG, including JV brands, increased by 9% y-y in 1Q26.
- CENTEL's 2Q26 on-the-book RevPAR (excl. Dubai) is expected to decline at a low single-digit rate. Thailand is also seeing a low single-digit decline, while the Maldives continues strong y-y growth and Japan remains flat. Meanwhile, the JV hotel in Dubai has seen a high double-digit RevPAR drop, with OR below 30%.
- We expect weak 2Q26 earnings due to the low season and the Iran war, though this should be temporary. We expect hotel operations to recover as conditions stabilize, supporting stronger earnings in 2H26 and EPS growth of 19/16% in 2027-28; BUY.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**
Revenue	6,423	5,599	5,622	6,310	6,716
Gross profit	**3,032**	**2,240**	**2,407**	**2,918**	**3,388**
SG&A	2,177	2,073	2,081	2,217	2,222
Operating profit	855	167	326	701	1,166
EBITDA	**1,289**	**666**	**803**	**1,246**	**1,631**
Other income	329	228	204	458	259
Other expense	0	0	0	0	0
Interest expense	287	308	299	264	281
Profit before tax	**897**	**87**	**231**	**895**	**1,144**
Income tax	167	85	88	154	115
Equity & invest. income	32	83	23	106	48
Minority interests	(14)	24	18	(0)	(21)
Extraordinary items	0	0	(23)	127	1,087
Net profit	**748**	**110**	**160**	**974**	**2,143**
Normalized profit	**748**	**110**	**183**	**847**	**1,056**
EPS (Bt)	0.55	0.08	0.12	0.72	1.59
Normalized EPS (Bt)	0.55	0.08	0.14	0.63	0.78

Income Statement			**3M as**		
(Bt m)	**q-q%**	**y-y%**	**% 2026F**	**2026F**	**2027F**
Revenue	6	5	27	24,624	26,107
Gross profit	**16**	**12**	**31**	**10,894**	**11,602**
SG&A	0	2	26	8,569	9,085
Operating profit	66	36	50	2,325	2,517
EBITDA	**31**	**27**	**35**	**4,621**	**5,070**
Other income	(43)	(21)	26	991	1,072
Other expense			na	0	0
Interest expense	6	(2)	26	1,093	1,006
Profit before tax	**28**	**27**	**51**	**2,223**	**2,583**
Income tax	(25)	(31)	24	478	555
Equity & invest. income	(54)	53	20	245	335
Minority interests	na	na	na	(20)	(22)
Extraordinary items	756		na	0	0
Net profit	**120**	**186**	**109**	**1,970**	**2,341**
Normalized profit	**25**	**41**	**54**	**1,970**	**2,341**
EPS (Bt)	120	186	109	1.46	1.73
Normalized EPS (Bt)	25	41	54	1.46	1.73

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**
Cash & ST investment	3,040	3,842	3,385	3,679	3,893
A/C receivable	1,142	794	816	962	886
Inventory	835	818	750	868	812
Other current assets	578	604	504	484	388
Investment	438	434	430	436	432
Fixed assets	35,673	36,664	36,615	36,860	37,214
Other assets	18,739	18,509	18,663	19,440	20,601
Total assets	**60,445**	**61,666**	**61,162**	**62,728**	**64,226**
S-T debt	3,909	5,169	6,175	4,537	3,986
A/C payable	3,316	3,166	3,238	3,930	3,323
Other current liabilities	2,448	2,288	2,181	2,330	2,458
L-T debt	13,320	13,680	12,270	14,263	14,349
Other liabilities	15,740	15,669	15,515	15,054	14,998
Minority interest	251	225	207	207	232
Shareholders' equity	**21,462**	**21,468**	**21,578**	**22,408**	**24,881**
Working capital	(1,340)	(1,553)	(1,672)	(2,100)	(1,625)
Total debt	17,229	18,850	18,444	18,800	18,335
Net debt	**14,189**	**15,007**	**15,059**	**15,121**	**14,441**

Financial Ratios					
(%)	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**
Sales growth	5.2	1.1	4.1	5.0	4.6
Operating profit growth	(2.3)	(31.6)	7.8	33.3	36.3
EBITDA growth	3.6	6.5	16.3	26.6	26.6
Norm profit growth	(1.0)	(64.7)	12.4	30.4	41.1
Norm EPS growth	(1.0)	(64.7)	12.4	30.4	41.1
Gross margin	47.2	40.0	42.8	46.2	50.4
Operating margin	13.3	3.0	5.8	11.1	17.4
EBITDA margin	20.1	11.9	14.3	19.8	24.3
Norm net margin	11.6	2.0	3.3	13.4	15.7
D/E (x)	0.8	0.9	0.8	0.8	0.7
Net D/E (x)	0.7	0.7	0.7	0.7	0.6
Interest coverage (x)	4.5	2.2	2.7	4.7	5.8
Interest rate	6.6	6.8	6.4	5.7	6.0
Effective tax rate	18.7	97.0	38.3	17.2	10.1
ROA	4.9	0.7	1.2	5.5	6.7
ROE	14.2	2.1	3.4	15.4	17.9

Sources: Company data, ttb wealth estimates

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