

**Central Pattana Pcl (CPN TB) - BUY, Price Bt64.75, TP Bt75.00****Results Comment**

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**Strong 1Q26 beat**

- CPN reported 1Q26 profits of Bt4.87bn, growing by 27% y-y and 2% q-q. Earnings beat our expectations mainly on the strong rental business.
- Note that CPN recorded a large FX loss in 1Q25 while it recorded some gain in 1Q26. We estimate core 1Q26 profits grew 12% y-y and 2% q-q. Quarterly wise, despite a good growth in the key shopping mall business, there was a high base impact from the abnormally high transfer rate of two new residential projects in 4Q25. Improvements were driven by: 1) total revenue growth of 6% y-y, supported by record rental and service income and decent growth in the hotel business, and 2) record-high gross margin from the shopping mall business, backed by rental rate adjustments and a high occupancy rate.
- Shopping mall business:** Mall income grew 5.9% y-y and 0.5% q-q to Bt11.4bn from SS rental growth, and contributions from the new Central Park mall opened in September last year, and Central Krabi mall opened in October last year. Rental gross margin expanded to 61.7% from 60.1% in 1Q25 and 61.0% in 4Q25.
- Hotel business:** Hotel revenue grew 5.2% y-y and 3.5% q-q, mainly from the rise in occupancy rate to 79% in 1Q26 from 76% in 1Q25. Gross margin stood at 68.1% in 1Q26 vs. 67.5% in 1Q25 and 68.5% in 4Q25.
- Residential business:** The business saw a flattish 0.9% y-y growth but fell by 77% q-q due to the high base of transfers from two Escent condo projects in Nakhonsawan and Nakhonpathom. Property gross margin stood at 34.4% vs. 33.5% in 1Q25 and 34.2% in 4Q25.
- Total SG&A to sales stood at 17.3%, relatively flat from 17.2% in 1Q25 but fell from 18.5% in 4Q25, as CPN normally records the highest marketing and promotional expenses during the festive season in 4Q.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	11,921	11,661	11,915	14,537	12,590	Revenue	(13)	6	24	53,167	60,865
<b>Gross profit</b>	<b>7,043</b>	<b>6,778</b>	<b>6,972</b>	<b>8,205</b>	<b>7,640</b>	<b>Gross profit</b>	<b>(7)</b>	<b>8</b>	<b>24</b>	<b>31,476</b>	<b>35,854</b>
SG&A	2,048	1,995	1,962	2,688	2,180	SG&A	(19)	6	24	9,237	10,331
Operating profit	4,996	4,783	5,011	5,516	5,460	Operating profit	(1)	9	25	22,239	25,524
<b>EBITDA</b>	<b>7,246</b>	<b>7,067</b>	<b>7,298</b>	<b>7,900</b>	<b>7,836</b>	<b>EBITDA</b>	<b>(1)</b>	<b>8</b>	<b>25</b>	<b>31,695</b>	<b>35,755</b>
Other income	271	524	447	653	802	Other income	23	196	40	2,009	2,318
Other expense	0	0	0	0	0	Other expense					
Interest expense	883	880	889	1,053	1,004	Interest expense	(5)	14	27	3,728	3,512
<b>Profit before tax</b>	<b>4,384</b>	<b>4,427</b>	<b>4,569</b>	<b>5,117</b>	<b>5,257</b>	<b>Profit before tax</b>	<b>3</b>	<b>20</b>	<b>26</b>	<b>20,521</b>	<b>24,330</b>
Income tax	981	942	891	1,041	1,080	Income tax	4	10	26	4,104	4,866
Equity & invest. income	522	507	582	803	794	Equity & invest. income	(1)	52	24	3,324	2,909
Minority interests	(78)	(90)	(74)	(92)	(99)	Minority interests	na	na	26	(375)	(415)
Extraordinary items	380	403	1,238	98	98	Extraordinary items	(0)	(74)	25	392	392
<b>Net profit</b>	<b>4,227</b>	<b>4,305</b>	<b>5,424</b>	<b>4,885</b>	<b>4,971</b>	<b>Net profit</b>	<b>2</b>	<b>18</b>	<b>25</b>	<b>19,758</b>	<b>22,350</b>
<b>Normalized profit</b>	<b>3,847</b>	<b>3,902</b>	<b>4,186</b>	<b>4,786</b>	<b>4,873</b>	<b>Normalized profit</b>	<b>2</b>	<b>27</b>	<b>25</b>	<b>19,366</b>	<b>21,958</b>
EPS (Bt)	0.94	0.96	1.21	1.09	1.11	EPS (Bt)	2	18	25	4.40	4.98
Normalized EPS (Bt)	0.86	0.87	0.93	1.07	1.09	Normalized EPS (Bt)	2	27	25	4.32	4.89
Balance Sheet						Financial Ratios					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(%)	1Q25	2Q25	3Q25	4Q25	1Q26
Cash & ST investment	3,097	3,044	4,288	6,015	6,336	Sales grow th	1.9	(9.4)	(2.7)	8.8	5.6
A/C receivable	1,413	1,368	1,385	1,300	1,584	Operating profit grow th	13.5	(3.5)	0.9	20.5	9.3
Inventory	0	0	0	0	0	EBITDA grow th	9.4	(1.7)	1.1	11.7	8.1
Other current assets	37,876	38,027	24,656	24,646	26,077	Norm profit grow th	1.1	(3.2)	11.8	19.3	26.7
Investment	48,282	45,483	44,993	45,383	45,761	Norm EPS grow th	1.1	(3.2)	11.8	19.3	26.7
Fixed assets	187,063	187,933	189,336	189,781	190,467	Gross margin	59.1	58.1	58.5	56.4	60.7
Other assets	31,228	31,803	34,991	35,497	36,458	Operating margin	41.9	41.0	42.1	37.9	43.4
<b>Total assets</b>	<b>308,960</b>	<b>307,658</b>	<b>299,648</b>	<b>302,623</b>	<b>306,683</b>	EBITDA margin	60.8	60.6	61.2	54.3	62.2
S-T debt	19,463	27,275	17,701	19,393	22,990	Norm net margin	32.3	33.5	35.1	32.9	38.7
A/C payable	1,252	1,120	1,157	1,309	1,284	D/E (x)	0.6	0.7	0.6	0.5	0.5
Other current liabilities	21,468	19,833	16,994	18,217	18,402	Net D/E (x)	0.6	0.7	0.5	0.5	0.4
L-T debt	48,675	47,832	46,382	41,940	37,103	Interest coverage (x)	8.2	8.0	8.2	7.5	7.8
Other liabilities	104,342	102,864	102,534	102,504	102,712	Interest rate	5.1	4.9	5.1	6.7	6.6
Minority interest	9,321	9,343	9,388	9,380	9,453	Effective tax rate	22.4	21.3	19.5	20.3	20.5
<b>Shareholders' equity</b>	<b>104,439</b>	<b>99,391</b>	<b>105,493</b>	<b>109,881</b>	<b>114,739</b>	ROA	6.0	6.0	6.5	7.5	7.5
Working capital	161	248	228	(8)	301	ROE	15.0	15.3	16.3	17.8	17.4
Total debt	68,138	75,107	64,083	61,333	60,094						
<b>Net debt</b>	<b>65,041</b>	<b>72,063</b>	<b>59,795</b>	<b>55,318</b>	<b>53,757</b>						

Sources: Company data, ttb wealth estimates

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