

## The Flywheel Behind CPN's Moat

- Our top large-cap commerce pick — margin-led compounder.
- GPM ~62% in 1H26, dips in 3Q26E on North Ville's, ~62% for 26E.
- Maintain a BUY with TP of THB 74.

### It's a Margin Story

Most investors equate CPN's quality with growth. We would point to gross margin instead. We reaffirm CPN as our top pick among Thailand's large-cap commerce names: not the fastest grower, but the steadiest compounder through the cycle. GPM rose from 59% in 1Q25 to 61.7% in 1Q26, and we see a path to 62% for FY26E. This is structural, not cyclical: three repeatable levers CPN controls directly — renovation, new supply, and same-store execution largely independent of near-term consumption trends. All three converge in 2026.

### The Flywheel: Renovation, New Supply, Same-Store

Renovation: three to four underperforming malls refreshed a year, including Central Bangna and Central Phuket (both 2H26), the playbook behind 1Q26's record 61.7% GPM. New supply: margin dilutes briefly on ramp-up, then accretes at scale — hence GPM near 62% in 1H26, a dip in 3Q26E as North Ville ramps, recovering to ~62% for FY26E. Same-store execution: portfolio occupancy at 93%, same-store rental growth mid-single-digit in 1Q26, mall traffic +4% y-y in April.

### NorthVille, and Mega Bangna to 2028E

Central NorthVille opens 3 July (45,000 sqm NLA, ~3% of portfolio, former Central Rattanathibet site); opening occupancy above 70% should ramp to 90%-plus over three quarters to a year — the key swing factor behind our 3Q26E margin call. Central Khon Kaen Campus (25,000 sqm NLA, opened 20 May) is already there: Phyll condominium sold out within days, well past management's 50-60% target. Beyond 2026, a new THB6b Mega Bangna phase 2 (49% JV with Ikano Centres, up to 50,000 sqm NLA, 3Q28E) extends the runway — at 49% equity, a 2028E moat-extension, not a near-term catalyst.

### Residential: A Dip Before the 2027E Bounce

Residential is where we diverge from management: we expect revenue to decline y-y in 2026 against guidance for a steady y-y outcome, still weighed down by soft domestic demand and tight credit conditions. We see this as temporary — a THB6b backlog should convert into a 2027E revenue bounce as deferred transfers come through.

### Maintain a BUY and with TP of THB 74

We maintain BUY on CPN, TP THB74, unchanged. CPN offers margin-led compounding without a growth premium, a profile that holds up regardless of the consumption cycle, with residential as the one segment where near-term softness gives way to 2027E recovery rather than lasting deterioration. Key checkpoints into 2H26: North Ville's occupancy ramp, the 2Q26 print confirming the 62% GPM path, and residential presales tracking toward the 2027E backlog conversion.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>74.00</b>
VS. BB Consensus TP (%)	+0.5%
Share Price (THB)	67.50
Upside/Downside	+9.6%

### Share Data

Market Cap (THB m)	302,940.00
Par (THB)	0.50
Free Float (%)	68.69
Issued shares (m shares)	4,488

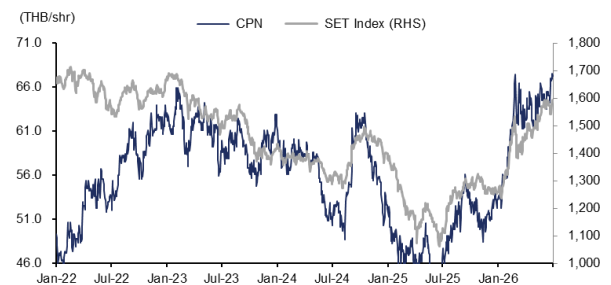
### Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	54,579	58,454	65,334	69,650
Net profit	18,841	19,733	21,117	22,405
Core net profit	18,841	19,733	21,117	22,405
vs Consensus (%)	-	3.3	2.4	3.8
Net profit growth (%)	12.6	4.7	7.0	6.1
Core net profit growth (%)	12.6	4.7	7.0	6.1
EPS (THB)	4.20	4.40	4.70	4.99
Core EPS (THB)	4.20	4.40	4.70	4.99
Chg in core EPS (%)	-	(0.69)	(1.39)	2.76
DPS (THB)	2.40	2.51	2.68	2.84
P/E (x)	13.17	15.35	14.35	13.53
P/BV (x)	2.26	2.55	2.35	2.18
ROE (%)	17.90	17.26	17.06	16.73
Dividend yield (%)	4.34	3.71	3.97	4.21

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	3.77	8.39	22.38	22.29
Market	3.09	(1.88)	(3.43)	(3.42)
12M High/Low (THB)	70.50 / 41.00			



### Major Shareholders (%) as of 10-Mar-26

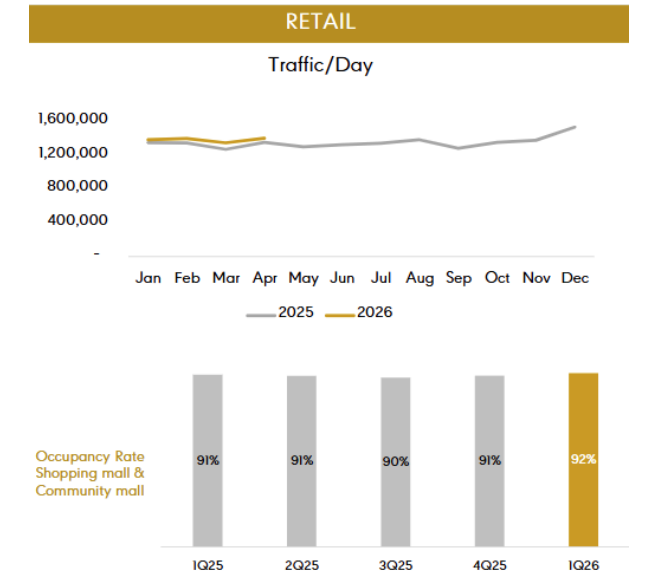
Central Holding	26.21
Thai NVDR Company Limited	6.87
VAYU1	3.49

### Company Profile

Develop and invest in retail property for rent comprising large-scale shopping complexes and other related and supportive businesses, such as office buildings, hotels, residential development and food court. In addition, the Company invests in CPN Commercial Growth Leasehold Property Fund (CPNCG) and CPN Retail Growth Leasehold REIT (CPNREIT), and is the property manager and REIT manager.

Source: SETSMART, SET

### Exhibit 1: Retail Traffic and Occupancy Rate



Sources: CPN

### Exhibit 2: Upcoming Central Northville



Sources: CPN

### Exhibit 3: 2026 Asset Enhancement Pipeline

- CENTRAL BANGNA**  
Land Area: 50 Rai (300,000 sq.m)  
Opening: Q4 2026  
Retail - Office - Residence
- CENTRAL PHUKET**  
Expansion: Add Retail NLA ~10,000 sqm  
Land Area: 110 Rai (500,000 sq.m)  
Opening: Q4 2026  
The World's Luxury Destination
- CENTRAL CHIANGMAI AIRPORT**  
Land Area: 130 Rai (173,000 sq.m)  
Reimagining Lanina

Sources: CPN

### Exhibit 4: 2026-2028 Pipeline

**2026-2028 PIPELINE**

Year	Project	Investment	Retail GLA	Target opening
2026 Q1	CENTRAL KHONKAEN	Bt9,000 MB	30,000 sqm	3Q27
2026 Q3	CENTRAL NORTHVILLE	Bt3,000 MB	~45,000 sqm	July 3, 2026
2026 Q4	CENTRAL BANGNA	-	-	-
2027 Q1	THE CENTRAL	-	-	Q1/2027
2027	Rama9	Bt3,600 MB (Renovation & expansion)	34,000 sqm	Mid-28
2028	Central GR8	-	-	Mid 2028

**THAILAND'S NO.1 RETAIL-LED MIXED-USE PIONEERING**

- Best Location
- Best Customer Profile
- Best Master Planning
- Best Partners

Sources: CPN

### Exhibit 5: Mega Bangna Phase 2

**MEGABANGNA**  
IKANO CENTRES | CENTRAL PATTANA

**MEGABANGNA ANNOUNCES A THB 6 BILLION EXPANSION**  
AS PART OF A THB 70 BILLION LONG-TERM MIXED-USE MASTERPLAN TO REDEFINE THE FUTURE OF EASTERN BANGKOK

**PHASE 2: MAJOR EXPANSION**  
MEGABANGNA SHOPPING CENTRE  
INVESTMENT VALUE: **THB 6 BILLION** (EUR 650 MILLION)  
EXPANSION AREA: **170,000 SQ.M**  
ADDITIONAL PARKING: **1,750 SPACES**  
SPT FOR COMPLETION IN: **Q3 2028**

**FUTURE PHASES LONG-TERM MIXED-USE MASTERPLAN**  
PROJECTED TOTAL PROJECT VALUE: **THB 70 BILLION** (EUR 780 MILLION)  
INVESTMENT AREA: **325 HA (800 ACRES)**  
SPT FOR COMPLETION IN: **2040**

PHASES 1 & 2  
MARKING THE ULTIMATE POINT OF THE LONG-TERM MASTERPLAN  
EXPANDING MEGABANGNA'S TOTAL DEVELOPED AREA TO NEARLY 800,000 SQ.M

Sources: CPN

### Exhibit 6: Mega Bangna Phase 2

**RECORD-HIGH PERFORMANCE**

- 60M visitors in 2025
- 165K (APPROX) APPROPRIATE
- 100% OCCUPANCY RATE
- 900+ KEY ANCHORS INCLUDE: SAMSUNG, HUGO BOSS, etc.
- 670M+ REVENUE IN 2025 (2024-2025)
- No.1 REVENUE PER VISITOR
- 95% "FINANCIAL" SATISFACTION
- 100% BRAND PARTNER SATISFACTION

**14 YEARS OF SUCCESS AND SUPER REGIONAL MALL LEADERSHIP**

**MEGA SKYLINE**: 7-RAI GREEN ROOFTOP GARDEN, 3,000 SQ.M ACTIVE COMMUNITY ZONE, F11-FINELY DESTINATION

**MEGA LOFT**: 2,000 SQ.M SOCIAL DINING DESTINATION

**BRAND HIGHLIGHTS**: 250 CHANGING LIFESTYLE BRANDS, 20 ACCESSIBLE LUXURY BRANDS, 1,200+ BRANDS UNDER COMPLETION

**BANGNA BANGKOK'S EMERGING PREMIUM CBD**: 3M+ CATCHMENT POPULATION, 91,000 THE / MONTH, 1.13M+ HOUSING UNITS, 2.8% RESIDENTIAL GROWTH

**STRATEGIC CONNECTIVITY**: SUVAHARADHAM AIRPORT EXPANSION, BTS GREEN & YELLOW LINES, EASTERN ECONOMIC CORRIDOR (EEC) DEVELOPMENT

Sources: CPN

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Current assets</b>					
Cash & ST investment	3,351	6,015	14,145	22,417	32,610
Account receivable	1,404	1,300	688	89	(411)
Inventories	17,163	17,930	19,673	23,001	24,258
Others	16,833	6,716	7,193	8,040	8,571
<b>Non-current assets</b>					
Net fixed assets	4,857	5,280	6,230	7,091	7,863
Others	260,628	265,381	265,381	265,381	265,381
<b>Total Assets</b>	<b>304,236</b>	<b>302,623</b>	<b>313,310</b>	<b>326,019</b>	<b>338,271</b>
<b>Current liabilities</b>					
Account payable	1,342	1,309	1,436	1,679	1,770
ST borrowing	17,857	19,980	19,980	19,980	19,980
Others	19,085	17,630	18,881	21,104	22,498
<b>Long-term liabilities</b>					
Long-term debts	51,653	41,940	41,940	41,940	41,940
Others	104,470	102,504	102,504	102,504	102,504
<b>Total liabilities</b>	<b>194,407</b>	<b>183,362</b>	<b>184,741</b>	<b>187,206</b>	<b>188,692</b>
Paid-up capital	2,244	2,244	2,244	2,244	2,244
Retained earnings	106	(190)	8,768	18,636	29,005
Others	98,232	107,827	107,827	107,827	107,827
Minority interest	9,248	9,380	9,731	10,106	10,504
<b>Shareholders' equity</b>	<b>109,829</b>	<b>119,260</b>	<b>128,569</b>	<b>138,813</b>	<b>149,579</b>

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Growth (%YoY)</b>					
Sales	11.4	1.4	7.1	11.8	6.6
Operating profit	14.9	7.2	6.2	9.9	7.0
EBITDA	14.9	7.2	6.2	9.9	7.0
Net profit	11.1	12.6	4.7	7.0	6.1
Core net profit	11.1	12.6	4.7	7.0	6.1
EPS	11.0	12.6	4.8	7.0	6.1
Core EPS	11.0	12.6	4.8	7.0	6.1
<b>Profitability (%)</b>					
Gross margin	75.1	78.3	77.8	76.8	77.0
Operation margin	59.0	62.4	61.9	60.9	61.1
EBITDA margin	59.0	62.4	61.9	60.9	61.1
Net margin	31.1	34.5	33.8	32.3	32.2
ROE	17.3	17.9	17.3	17.1	16.7
ROA	5.7	6.2	6.4	6.6	6.7
<b>Stability</b>					
Interest bearing debt/equity (x)	0.6	0.5	0.5	0.4	0.4
Net debt/equity (x)	0.6	0.5	0.4	0.3	0.2
Interest coverage (x)	6.1	6.7	6.6	6.3	6.4
Interest & ST debt coverage (x)	1.0	1.0	1.1	1.2	1.2
Cash flow interest coverage (x)	0.0	0.1	0.1	0.1	0.1
Current ratio (x)	1.0	0.8	1.0	1.3	1.5
Quick ratio (x)	0.1	0.2	0.4	0.5	0.7
Net debt (THB m)	66,158	55,905	47,774	39,502	29,310
<b>Activity</b>					
Asset turnover (X)	0.2	0.2	0.2	0.3	0.6
Days receivables	9.5	8.7	4.3	0.5	-2.2
Days inventory	236.2	236.3	236.3	235.4	236.1
Days payable	36.6	40.4	40.4	40.4	40.4
Cash cycle days	209.1	204.7	200.3	195.5	193.5

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Revenue from sales and services</b>	<b>53,850</b>	<b>54,579</b>	<b>58,454</b>	<b>65,334</b>	<b>69,650</b>
Cost of goods sold	(13,384)	(11,831)	(12,981)	(15,177)	(16,007)
<b>Gross profit</b>	<b>40,465</b>	<b>42,748</b>	<b>45,472</b>	<b>50,156</b>	<b>53,643</b>
Operating expenses	(8,693)	(8,685)	(9,302)	(10,397)	(11,083)
<b>Operating profit</b>	<b>31,773</b>	<b>34,063</b>	<b>36,170</b>	<b>39,760</b>	<b>42,559</b>
<b>EBIT</b>	<b>22,565</b>	<b>24,859</b>	<b>26,230</b>	<b>29,024</b>	<b>30,965</b>
Depreciation	(9,208)	(9,204)	(9,940)	(10,735)	(11,594)
<b>EBITDA</b>	<b>31,773</b>	<b>34,063</b>	<b>36,170</b>	<b>39,760</b>	<b>42,559</b>
<b>Non-operating income</b>	<b>1,796</b>	<b>2,407</b>	<b>2,414</b>	<b>2,414</b>	<b>2,414</b>
Other incomes	1,795	2,414	2,414	2,414	2,414
Other non-op income	0	(7)	0	0	0
<b>Non-operating expense</b>	<b>(3,718)</b>	<b>(3,705)</b>	<b>(3,968)</b>	<b>(4,573)</b>	<b>(4,875)</b>
Interest expense	(3,718)	(3,705)	(3,968)	(4,573)	(4,875)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pre-tax Profit</b>	<b>20,642</b>	<b>23,561</b>	<b>24,677</b>	<b>26,865</b>	<b>28,504</b>
Extraordinary items					
Current taxation	(3,684)	(4,385)	(4,592)	(5,373)	(5,701)
Minorities	(229)	(335)	(351)	(375)	(398)
<b>Net Profit</b>	<b>16,729</b>	<b>18,841</b>	<b>19,733</b>	<b>21,117</b>	<b>22,405</b>
<b>Core net profit</b>	<b>16,729</b>	<b>18,841</b>	<b>19,733</b>	<b>21,117</b>	<b>22,405</b>
<b>EPS (THB)</b>	<b>3.73</b>	<b>4.20</b>	<b>4.40</b>	<b>4.70</b>	<b>4.99</b>
<b>Core EPS (THB)</b>	<b>3.73</b>	<b>4.20</b>	<b>4.40</b>	<b>4.70</b>	<b>4.99</b>

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Operating cash flow</b>	<b>7,542</b>	<b>25,609</b>	<b>18,515</b>	<b>17,983</b>	<b>20,650</b>
Net profit	16,729	18,841	19,733	21,117	22,405
Depre. & amortization	9,208	9,204	9,940	10,735	11,594
Change in working capital	(9,465)	7,965	(228)	(1,111)	198
Others	(8,930)	(10,401)	(10,931)	(12,758)	(13,547)
<b>Investment cash flow</b>	<b>(1,457)</b>	<b>2,011</b>	<b>9,279</b>	<b>9,893</b>	<b>12,602</b>
Net CAPEX	(9,243)	(9,627)	(9,627)	(9,627)	(9,627)
Change in LT investment	7,786	11,638	18,906	19,520	22,229
Change in other assets					
<b>Free cash flow</b>	<b>6,085</b>	<b>27,620</b>	<b>27,794</b>	<b>27,876</b>	<b>33,252</b>
<b>Financing cash flow</b>	<b>(5,903)</b>	<b>(24,956)</b>	<b>(19,664)</b>	<b>(19,604)</b>	<b>(23,060)</b>
Change in share capital	0	0	0	0	0
Net change in debt	939	132	351	375	398
Dividend paid	(9,427)	(10,776)	(10,776)	(11,248)	(12,036)
Others	2,585	(14,312)	(9,239)	(8,731)	(11,421)
<b>Net cash flow</b>	<b>182</b>	<b>2,664</b>	<b>8,130</b>	<b>8,272</b>	<b>10,192</b>

Per share (THB)					
EPS	3.73	4.20	4.40	4.70	4.99
Core EPS	3.73	4.20	4.40	4.70	4.99
CFPS	5.83	6.32	6.69	7.18	7.66
BVPS	22.41	24.48	26.47	28.68	30.98
Sales/share	12.00	12.16	13.02	14.56	15.52
EBITDA/share	7.08	7.59	8.06	8.86	9.48
DPS	2.10	2.40	2.51	2.68	2.84
<b>Valuation</b>					
P/E (x)	15.3	13.2	15.4	14.3	13.5
P/BV (x)	2.54	2.26	2.55	2.35	2.18
Dividend yield (%)	3.68	4.34	3.71	3.97	4.21
Dividend payout ratio (%)	56.35	57.19	57.00	57.00	57.00

## GENERAL DISCLAIMER

### Analyst Certification

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

- BUY:** Expected return of 10% or more over the next 12 months.  
**HOLD:** Expected return between -10% and 10% over the next 12 months.  
**REDUCE:** Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.  
**Neutral:** The industry is expected to perform in line with the relevant primary market index over the next 12 months.  
**Underweight:** The industry is expected to underperform the relevant primary market index over the next 12 months.

### Country (Strategy) Recommendations

**Overweight:** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral:** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight:** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.