

Central Plaza Hotel PLC

Corporate | Leisure and Sports

4 August 2026

Issuer Credit Rating: A-/Stable

Issue Ratings:

Senior Unsecured: A-/Stable

Rating Action

TRIS Rating affirms the issuer credit rating on Central Plaza Hotel PLC (CENTEL) and the ratings on its outstanding senior unsecured debentures at “A-”. The rating outlook remains “Stable”.

The ratings reflect CENTEL’s strong and established market position in Thailand’s hotel and quick service restaurant (QSR) businesses. We anticipate near-term pressure on the company’s hotel earnings as elevated travel costs and weaker sentiment linked to the Iran war weigh on tourism demand. Resilient domestic travel and a gradual recovery in Chinese arrivals should, however, partly offset these headwinds. CENTEL’s QSR operations should continue to support earnings stability, backed by the competitive strength of its key brands despite subdued consumer sentiment. We expect CENTEL’s financial leverage to remain at around the current level over the next two years, as planned capital expenditures and the lease extension of its hotel, Centara Grand at Central Plaza Ladprao, will likely offset the earnings improvement from new and renovated hotels.

Key Rating Considerations

Geopolitical tensions pressure Thailand’s near-term tourism demand

A prolonged Iran war remains a key downside risk to CENTEL’s hotel performance in 2026. The conflict could keep fuel and travel costs elevated, disrupt air connectivity, and further weaken discretionary travel demand amid an already fragile global economy.

TRIS Rating has lowered its 2026 forecast for foreign tourist arrivals to Thailand to 32.4 million from 35.0 million projected at the start of the year, reflecting the adverse impact of the Middle East conflicts, partly offset by improving Chinese arrivals. International arrivals declined 2.3% year on year (y-o-y) to 14.0 million in the first five months of 2026, mainly due to softer long-haul traffic, while Chinese arrivals increased 18.4% over the same period.

We expect conditions to improve gradually in 2027, assuming geopolitical tensions ease and fuel costs moderate. In the interim, Thailand’s domestic travel demand should cushion performance, aided by government stimulus measures and the fourth-quarter events.

Over the longer term, we continue to view the hospitality sector as an important contributor to Thailand’s economy and is likely to remain supported by government policy. CENTEL’s broad hotel portfolio, which spans luxury to midscale offerings and serves both leisure and meetings, incentives, conferences, and exhibitions (MICE) demand, positions the company to benefit from an eventual industry recovery and related policy tailwinds.

Near-term disruption clouds Maldives recovery

CENTEL’s Maldives hotels are also exposed to the Iran war, given the destination’s reliance on Middle East transit hubs, through which much of its long-haul traffic, particularly from Europe, connects. Tourist arrivals to the Maldives

fell 5.7% y-o-y in the first half of 2026, as these disruptions weighed on the market. Stronger arrivals from China and Russia, which increased by nearly 20% y-o-y over the same period, partly offset the impact.

Over the medium term, we expect the Maldives tourist arrivals to recover as the Middle East tensions ease and the new international terminal at Velana International Airport, opened in the third quarter of 2025, becomes increasingly utilized. By expanding passenger capacity and relieving long-standing bottlenecks that had constrained arrivals, the terminal should help demand catch up with supply over time. This would unwind the imbalance that built up in recent years, when rapid room-supply growth intensified competition from mid-scale resorts and guesthouses near Malé and weighed on the company's two legacy hotels. We expect the benefit to CENTEL's Maldives portfolio to be gradual rather than immediate, however.

RevPAR growth supported by new hotels and property renovations

We project CENTEL's revenue per available room (RevPAR) to rise 7% y-o-y to THB4,439 per room per night in 2026, mainly supported by higher room rates at the newly opened Centara Mirage Lagoon and Centara Grand Lagoon Maldives as they ramp up operations. On a like-for-like basis, RevPAR is expected to remain broadly flat, constrained by geopolitical headwinds and weaker travel sentiment.

We expect its hotels' RevPAR to increase to THB4,800-THB5,045 per room per night in 2027-2028, driven by higher room rates after the completion of major uplift and renovation projects, including Centara Grand Krabi, Centara Villa Phuket, Centara Grand Phuket, and the extension of Centara Reserve Samui. These projects should improve the company's asset quality and support room rate growth as demand normalizes.

QSR growth driven by outlet expansion

We expect CENTEL's QSR revenue to grow moderately by 3%-5% annually to THB13.2-THB14.5 billion during 2026-2028, supported mainly by outlet expansion, with net additions projected at 45-65 outlets per year. Same-store sales should remain broadly flat, reflecting weak consumer confidence and the near-term impact of the government's Thais Help Thais Plus program, which could divert traffic from chain QSR operators.

The company's QSR business has held up well through the cycle. Same-store sales declined by 1% in 2025 before rebounding to a 0.7% growth in the first quarter of 2026, outperforming most industry peers, which saw steeper same-store sales declines over the same period. However, performance remains relatively concentrated, driven mainly by its four core brands: KFC, Mister Donut, Auntie Anne's, and Ootoya.

KFC remains the company's flagship brand, accounting for over half of QSR revenue and EBITDA. Its growth, however, is expected to be driven mainly through outlet expansion. Mister Donut should also deliver modest growth through outlet additions, while Auntie Anne's has further room to expand in under-penetrated locations. Ootoya is expected to achieve mid-single-digit sales growth, supported by a customer base that is less exposed to discretionary spending pressure. Collectively, Mister Donut, Auntie Anne's, and Ootoya should contribute about 30% of CENTEL's QSR revenue and EBITDA over the forecast period.

JV model supports faster and more diversified QSR expansion

CENTEL is expected to continue to expand its QSR business through joint ventures (JV). The JV model allows CENTEL to access partners' brand equity and product innovation while contributing operational expertise, store development capabilities, and financial support. This approach should enable the company to grow more effectively and quickly compared with building its own brands.

The JV strategy has proved successful, notably through The Food Selection Group Co., Ltd., which operates Shinkanzen Sushi, Nakla Moo Kata, Nama, and Katsu Midori. The group has expanded both its brand portfolio and

outlet network, and generated dividend income for CENTEL of THB51 million in 2024 and THB61 million in 2025. Salad Factory is another JV brand with scalable growth potential. In 2025, CENTEL acquired a 40% stake in Miracle Planet Co., Ltd., owner of Lucky Suki and Lucky BBQ, for THB940 million. The investment broadens its portfolio and supports its longer-term growth prospects. CENTEL also continues to evaluate merger and acquisition opportunities to diversify its QSR exposure and enter new market segments.

Earnings trajectory remains positive

Under our base case, CENTEL's revenue is projected to reach THB26 billion in 2026 and THB29-THB30 billion per year during 2027-2028, with hotel business remaining the key earnings driver. We expect the company's EBITDA margin to remain in the 26%-27% range over the forecast period, translating into EBITDA of THB7 billion in 2026 and THB7.8-THB8.1 billion per year during 2027-2028.

Ongoing hotel upgrades and operating leverage should support its hotel profit margins. In the QSR business, margins are expected to remain resilient but unlikely to expand materially, given intense industry competition. Cost-control measures and the closure of underperforming brands and outlets in recent years should help partly offset cost inflation in raw materials, packaging, and logistics.

Leverage to remain around current levels over the next two years

We expect CENTEL's leverage, as measured by adjusted debt to EBITDA, to remain near current levels over the next two years. Higher debt associated with planned capital expenditures and the lease extension of Centara Grand at Central Plaza Ladprao is expected to largely offset EBITDA growth from newly opened and renovated hotels.

We forecast its adjusted debt to EBITDA ratio to improve modestly to approximately 3.8 times in 2028 from 4.0 times on a trailing 12-month basis as of the first quarter of 2026. Adjusted debt is projected to peak at around THB31 billion during 2027-2028, up from THB28 billion in the first quarter of 2026. Our forecast incorporates THB2.5 billion in proceeds from the divestment of Centara Osaka Tokutei Mokuteki Kaisha, the lease extension of Centara Grand at Central Plaza Ladprao, and the company's planned capital spending.

We estimate its hotel-related capital expenditure and investments at THB8-THB9 billion in total during 2026-2028, mainly for hotel uplifts at Centara Grand Hua Hin, Centara Grand Krabi, Centara Villa Phuket, and Centara Grand Phuket. The plan also includes deferred extension projects in Dubai and at Centara Reserve Samui as well as new hotels in new destinations. For QSR expansion, we estimate annual capital spending of about THB700-THB800 million.

The main financial covenants on CENTEL's bank loans and debentures require the company's interest-bearing debt to equity ratio to remain below 2 times. The ratio was 0.73 times as of March 2026. We believe CENTEL should have no problems remaining in compliance with the financial covenants over the forecast period.

Adequate liquidity

We assess CENTEL's liquidity to be adequate over the next 12 months. Its primary liquidity sources are cash on hand of around THB3.6 billion at the end of March 2026, undrawn project loans of THB4.6 billion, undrawn credit facilities of about THB4.9 billion, and funds from operations (FFO) estimated at around THB5.2 billion. The primary uses of funds are for the repayments of debts maturing of THB3.8 billion, lease obligations of around THB1.6 billion, along with the dividend payments of THB0.9 billion, and capital spending of THB5-THB6 billion.

Debt structure

As of March 2026, CENTEL's total interest-bearing debt, including financial lease liabilities, was THB19.9 billion. The company's priority debt was THB5.5 billion, translating to a priority debt ratio of 28%.

Base-case Assumptions

TRIS Rating's base-case assumptions for CENTEL's operations in 2026-2028 are as follows:

- Hotel RevPAR to be THB4,439 per room per night in 2026 and THB4,800-THB5,045 per room per night in 2027-2028.
- QSR revenue to be THB13.2-THB14.5 billion per annum.
- Revenue to be THB26 billion in 2026 and THB29-THB30 billion per year in 2027-2028.
- EBITDA margin at 26%-27%.
- Total capital spending of around THB11 billion in aggregate.

Rating Outlook

The "Stable" outlook reflects our expectation that CENTEL will maintain its market positions and generate sound operating performance in both the hotel and QSR businesses. The outlook also incorporates our expectation that near-term tourism headwinds from the Iran war will be manageable and that industry conditions will gradually improve from 2027.

Rating Sensitivities

We could upgrade the ratings if CENTEL's business and financial profiles strengthen on a sustained basis, with adjusted debt to EBITDA ratio remaining well below 3.5 times. Conversely, downward rating pressure could arise if its operating performance falls short of our expectations and/or debt-funded investments materially weaken its financial metrics, causing the adjusted debt to EBITDA ratio to approach 5 times without a clear path to improvement.

Company Overview

CENTEL was founded by the Chirathivat family in 1980 to operate its hotel business in Thailand. The company was listed on the Stock Exchange of Thailand (SET) in 1990. It expanded into the QSR business in 1994. CENTEL is a member of the Central Group, a leading retailer in Thailand. As of March 2026, the Chirathivat family held a 62% majority stake of CENTEL's shares outstanding.

As of March 2026, CENTEL operated a portfolio of 53 hotels with over 11,100 rooms. Of this total, 22 hotels with 5,827 keys were CENTEL's owned and leased properties while one was under a JV and the rest were under management contracts. These hotels are situated in key tourist destinations in Thailand and other countries, namely, the Maldives, Japan, United Arab Emirates (UAE), Vietnam, Laos, Oman, and Qatar. CENTEL operates hotels under its own brands of "Centara Grand", "Centara", "Centara Life", "COSI", "Centara Collection" and "Centara Reserve". These hotel brands, especially Centara Grand, have gained favorable brand recognition in the domestic market.

For its food businesses, CENTEL offers a variety of products such as doughnuts, fried chicken, pastry items, and Japanese food. The company operated a total of 1,488 outlets as of March 2026 under 11 franchised brands and four JV brands.

Key Operating Performance

CENTEL's Sales and EBITDA Breakdown by Line of Business

Unit: %

Business	2021	2022	2023	2024	2025	Jan-Mar 2026
Revenue contribution*						
Hotel	18	34	42	44	46	52
QSR	82	66	58	56	54	48
Total revenue	100	100	100	100	100	100
EBITDA breakdown*						
Hotel	(25)	41	59	60	61	70
QSR	125	59	41	40	39	30
Total EBITDA	100	100	100	100	100	100

* Core performance

Source: CENTEL

Financial Statistics and Key Financial Ratios*

Unit: Mil. THB

	----- Year Ended 31 December -----				
	Jan-Mar 2026	2025	2024	2023	2022
Total operating revenues	6,949	24,748	23,822	22,161	17,936
Earnings before interest and taxes (EBIT)	3,222	3,345	3,116	2,602	1,183
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	2,331	6,786	6,365	5,859	4,402
Funds from operations (FFO)	1,934	5,255	4,906	4,699	3,552
Adjusted interest expense	281	1,167	1,059	1,012	731
Capital expenditures	573	2,741	7,255	2,114	1,168
Total assets	64,226	62,728	60,761	54,204	48,166
Adjusted debt	27,994	28,670	28,338	24,777	19,182
Adjusted equity	25,112	22,614	20,950	20,018	18,891
Adjusted Ratios					
EBITDA margin (%)	33.5	27.4	26.7	26.4	24.5
Pretax return on permanent capital (%)	9.6 **	6.2	6.2	5.8	2.8
EBITDA interest coverage (times)	8.3	5.8	6.0	5.8	6.0
Debt to EBITDA (times)	4.0 **	4.2	4.5	4.2	4.4
FFO to debt (%)	19.9 **	18.3	17.3	19.0	18.5
Debt to capitalization (%)	52.7	55.9	57.5	55.3	50.4

* Consolidated financial statements

** Annualized with trailing 12 months

Related Criteria

- Corporate Rating Methodology, 29 December 2025
- Key Financial Ratios and Adjustments for Corporate Issuers, 7 November 2025
- Issue Rating Criteria, 26 December 2024

Central Plaza Hotel PLC (CENTEL)

Issuer Credit Rating:	A-
Issue Ratings:	
CENTEL269A: THB500 million senior unsecured debentures due 2026	A-
CENTEL286A: THB1,500 million senior unsecured debentures due 2028	A-
CENTEL289A: THB250 million senior unsecured debentures due 2028	A-
CENTEL296A: THB2,000 million senior unsecured debentures due 2029	A-
CENTEL29DA: THB1,000 million senior unsecured debentures due 2029	A-
CENTEL30NA: THB1,300 million senior unsecured debentures due 2030	A-
Rating Outlook:	Stable

Rating History

Last Review Date: 21 May 2026

Date	Rating	Outlook/Alert
14-Jul-22	A-	Stable
27-Jul-21	A-	Negative
31-Jul-20	A	Negative
27-Mar-20	A	Alert Negative
09-Aug-13	A	Stable
28-Jul-11	A-	Stable
03-Jul-09	A-	Negative
21-Oct-04	A-	Stable

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