

CPN Retail Growth Leasehold REIT

Corporate | REITs and Real Estate for Rent

20 February 2026

Issuer Credit Rating: A+/Stable

Issue Ratings:

Senior Unsecured: A+/Stable

Rating Action

TRIS Rating assigns a rating of “A+” to a proposed issue of up to THB2.5 billion senior unsecured debentures due within five years of CPN Retail Growth Leasehold REIT (CPNREIT or “trust”). The proceeds from the new issuance are intended to refinance debentures maturing in March 2026. At the same time, we affirm the issuer credit rating on CPNREIT and the ratings on its existing senior unsecured debentures at “A+”, with a “stable” outlook.

The ratings reflect the trust’s portfolio of high-quality assets, predictable cash flow generated from contract-based rental and service income, and growth potential supported by asset acquisition opportunities from its sponsor, Central Pattana PLC (CPN). The ratings also consider the trust’s manageable liquidity position. However, the ratings are constrained by elevated financial leverage, primarily due to the full debt financing used for the lease renewal of Central Rama 2.

CPNREIT delivered operating results for the first nine months of 2025 (9M25) that were largely in line with our expectations. The trust recorded total operating revenue of THB4.7 billion and EBITDA of THB3.5 billion, achieving around three-fourths of our full-year forecast. The EBITDA margin was impacted by additional common area maintenance (CAM) charges, which the trust now recognizes as both revenue and expense following the lease renewal at Central Pinklao. Consequently, the EBITDA margin declined to 74% in 9M25, broadly in line with our projected range of 71%-73%, compared with around 80% in 2022-2024.

The trust’s revenue and earnings were underpinned by strong occupancy rates (OR) at its shopping centers, which remained above 90%, as well as increased income from revenue-sharing contracts. The trust also continued to collect full fixed and variable rental income from Hilton Pattaya, where OR exceeded 85%. In addition, office building occupancy improved to 89% in 9M25 from 83%-86% over the past four years.

Looking ahead, we expect CPNREIT’s operating performance to continue improving, driven by its shopping centers and hotel portfolio. Customer traffic is projected to recover in late 2025-2026 following the completion of major renovations at two shopping centers and the addition of 10,800 square meters (sq.m.) of net leasable area (NLA) from the lease renewal of Central Rama 2 in August 2025. Further upside is expected from future asset acquisitions. CPNREIT aims to double its total assets over the next eight years by acquiring new shopping centers every two years starting from 2026, with each acquisition comprising approximately 60,000 sq.m. of NLA at an investment value of around THB20 billion.

As a result, we project CPNREIT’s total operating revenue to increase by 5% in 2025, before rising to THB8-THB9 billion per annum in 2026-2027. EBITDA may ease slightly in 2025 but is projected to rebound to around THB6.0-THB6.5 billion annually in the following years. The EBITDA margin is expected to remain at the upper end of the industry average range of 40%-80%.

CPNREIT's financial leverage increased markedly following the commencement of the renewed 30-year lease term (2025-2055) for Central Rama 2 in August 2025. The first 10-year lease payment of THB13.5 billion was fully debt-financed, driving the debt to EBITDA ratio up to 9.9 times in 9M25, compared with around 4 times in 2023-2024. Our base case treats the remaining 20-year lease liability of THB12.9 billion as debt. In addition, we assume that future asset acquisitions will be funded primarily through equity (approximately two-thirds), with the balance financed by debt. Under these assumptions, the debt to EBITDA ratio is projected to rise further to around 11 times by end-2025. However, with an anticipated equity injection in 2026, the ratio could moderate to 9 times thereafter. We also forecast the loan to value (LTV) ratio (including lease liabilities) to increase to 53% by end-2025, before easing slightly to around 50% in 2026-2027.

We assess the trust's liquidity position as manageable over the next 12 months. As of September 2025, the trust had available liquidity sources comprising THB1.9 billion cash on hand, THB389 million investments in securities at fair value, and THB100 million undrawn uncommitted credit facilities from banks. Funds from operations (FFO) over the next 12 months are projected at THB3.8 billion. The trust also holds unencumbered assets valued at THB90 billion, which can be pledged as collateral for debt financing if necessary.

CPNREIT has debt obligations of THB15.4 billion maturing over the next 12 months, consisting of THB8.2 billion promissory notes (P/Ns), THB4.6 billion debentures, and THB2.6 billion bank loans. The maturing debentures are expected to be refinanced through new debenture issuances, while the bank loans and the majority of the P/Ns will likely be refinanced with new bank borrowings. Liquidity requirements over the period will include CAPEX for renovation and maintenance as well as dividend distributions equivalent to at least 90% of adjusted net investment income. For the planned asset acquisition in 2026, we expect the trust's strong sponsor support, well-established banking relationships, and favorable market sentiment to facilitate access to funding from both debt and equity markets, in line with its funding strategy.

The financial covenants on CPNREIT's debt obligations require the trust to maintain its LTV ratio (excluding lease liabilities in loans) below 60% and the debt service coverage ratio (DSCR) above 1.2 times. As of September 2025, the trust's LTV ratio (excluding lease liability in loans) was 37% while the DSCR was only 0.5 times. Although the DSCR was below the threshold required under the bank covenants, compliance is tested only at each year-end. During the fourth quarter of 2025, the trust converted its P/Ns into long-term loans. As a result, the DSCR as of December 2025 improved to 2 times, bringing it back into compliance with the bank covenants.

Rating Outlook

The "stable" outlook reflects our expectation that CPNREIT will be able to deliver operating results and maintain its financial profile in line with our base-case forecast.

Rating Sensitivities

The ratings and/or outlook could be revised downward if the trust's operating performance or financial profile falls short of our expectations. Conversely, an upward revision could be considered if the trust maintains strong operational performance while improving its financial leverage, such that its debt (including lease liabilities) to EBITDA ratio remains around 6-7 times and the LTV ratio stays below 50%.

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
- Rating Methodology for Real Estate for Rent Companies, 16 December 2024

CPN Retail Growth Leasehold REIT (CPNREIT)

Issuer Credit Rating:	A+
Issue Ratings:	
CPNREIT263A: THB1,500 million senior unsecured debentures due 2026	A+
CPNREIT263B: THB1,000 million senior unsecured debentures due 2026	A+
CPNREIT268A: THB1,650 million senior unsecured debentures due 2026	A+
CPNREIT272A: THB2,000 million senior unsecured debentures due 2027	A+
CPNREIT272B: THB1,400 million senior unsecured debentures due 2027	A+
CPNREIT283A: THB1,100 million senior unsecured debentures due 2028	A+
CPNREIT288A: THB7,390 million senior unsecured debentures due 2028	A+
CPNREIT294A: THB3,000 million senior unsecured debentures due 2029	A+
CPNREIT318A: THB1,000 million senior unsecured debentures due 2031	A+
CPNREIT320A: THB3,000 million senior unsecured debentures due 2032	A+
Up to THB2,500 million senior unsecured debentures due within 5 years	A+
Rating Outlook:	Stable

Rating History

Last Review Date: 03 October 2025

Date	Rating	Outlook/Alert
10-Oct-24	A+	Stable
12-Sep-23	AA-	Negative
22-Jul-20	AA	Negative
25-May-18	AA	Stable

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