# CPN Retail Growth Leasehold REIT

Corporate | REITs and Real Estate for Rent 30 July 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 THB3.6 billion senior unsecured debentures due within seven years of CPN Retail Growth Leasehold REIT (CPNREIT or "trust"). The trust intends to use the proceeds from the new debenture issuance to refinance its debentures and short-term promissory notes (P/Ns) maturing in August 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 continue to reflect CPNREIT's high-quality portfolio, predictable cash flow from contract-based rental and service income, and long-term growth prospects supported by potential asset injections from its sponsor, Central Pattana PLC (CPN). The ratings also incorporate our view that the trust's liquidity remains manageable. These strengths are partly offset by elevated leverage following the debt-financed renewal of the Central Rama 2 lease.

CPNREIT's operating results in 2025 were broadly in line with our base-case forecast, supported by solid performance across its core retail assets. The trust reported total operating revenue of THB6.4 billion and EBITDA of THB4.7 billion, representing an EBITDA margin of 73%. In the first quarter of 2026 (1Q26), its total operating revenue and EBITDA were THB1.8 billion and THB1.3 billion, respectively, slightly below our previous full-year targets but still consistent with a strong operating profile.

CPNREIT's performance remained underpinned by high occupancy across the shopping center portfolio, with occupancy rates (OR) staying above 90%, and by higher income from revenue-sharing contracts. The hospitality segment was also resilient, with Hilton Pattaya continuing to generate both full fixed and variable rental income, supported by OR of more than 85%. The office segment continued to recover, with occupancy improving to around 90% in 2025-1Q26 from 83%-86% during 2021-2024.

CPNREIT remains committed to its strategy of doubling its asset value over the next eight years through the acquisition of new shopping malls approximately every two years. The first acquisition is now expected to take place in mid-2027, compared with the previous target of 2026, with TRIS rating's estimated investment size of around THB20 billion. As a result, we have revised down our operating projections. Total operating revenue is now expected to be THB7-THB8 billion annually in 2026-2027, compared with our previous forecast of THB8-THB9 billion. We have also lowered our EBITDA forecast by 10%-15% to THB5.0-THB5.8 billion over the same period. Despite the revision, we expect the trust to sustain an EBITDA margin at the upper end of the industry average range of 40%-80%.

CPNREIT's leverage rose significantly after the renewed 30-year lease term for Central Rama 2 Shopping Center commenced in August 2025. The initial 10-year lease payment of THB13.5 billion was fully debt-financed, increasing the trust's debt to EBITDA ratio to around 10 times in 2025 from about 4 times in 2023-2024. In our base-case forecast, we also treat the remaining THB13.2 billion lease obligation for the subsequent 20 years as debt, reflecting the economic substance of the commitment in accordance with Thai Financial Reporting Standard 16 (TFRS16). For future acquisitions, we assume a more balanced funding structure, with about two-thirds funded by equity and the remainder by debt. The expected equity injection in mid-2027 should help support an improvement in the capital structure, lowering the debt to EBITDA ratio to around 8-9 times and reducing the loan-to-value (LTV) ratio, including lease liabilities, to below 50% thereafter.

We assess CPNREIT's liquidity as manageable over the next 12 months. As of March 2026, its liquidity sources comprised THB1.3 billion cash on hand, THB991 million investments in securities at fair value, and THB150 million undrawn uncommitted credit facilities from banks. We also project its funds from operations (FFO) of THB3.6 billion over the next 12 months. In addition, the trust had unencumbered assets valued at THB90 billion, which could provide further financial flexibility if needed.

Debt obligations due over the next 12 months total THB8.4 billion, comprising THB6 billion debentures, THB2.2 billion P/Ns, and THB242 million bank loans. We expect the maturing debentures and most of the P/Ns to be refinanced through new debenture issuances. Other liquidity needs will mainly consist of renovation and maintenance capital expenditure (CAPEX) and dividend distributions of at least 90% of adjusted net investment income. For the planned acquisition in 2027, we expect CPNREIT's strong sponsor support, established banking relationships, and access to capital markets to support its funding plan, which is expected to combine debt and equity financing.

CPNREIT remains comfortably compliant with its financial covenants. The covenants require the trust to maintain an LTV ratio, excluding lease liabilities in loans, below 60% and a debt service coverage ratio (DSCR) above 1.2 times. As of March 2026, the covenant-based LTV ratio was 37% and the DSCR was 2 times, providing an adequate buffer against the covenant thresholds.

## 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)

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|---|---|
| **Issuer Credit Rating:** | **A+** |
| **Issue Ratings:** | |
| CPNREIT268A: THB1,650 million senior unsecured debentures due 2026 | A+ |
| CPNREIT272B: THB1,400 million senior unsecured debentures due 2027 | A+ |
| CPNREIT272A: THB2,000 million senior unsecured debentures due 2027 | A+ |
| CPNREIT273A: THB1,000 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+ |
| CPNREIT313A: THB1,500 million senior unsecured debentures due 2031 | A+ |
| CPNREIT318A: THB1,000 million senior unsecured debentures due 2031 | A+ |
| CPNREIT32OA: THB3,000 million senior unsecured debentures due 2032 | A+ |
| Up to THB3,600 million senior unsecured debentures due within 7 years | A+ |
| **Rating Outlook:** | **Stable** |

## Rating History

**Last Review Date:** 20 February 2026

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

## Contacts:

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