

# CENTRAL PLAZA HOTEL PLC

No. 129/2025  
5 August 2025

## CORPORATES

Company Rating:	A-
Issue Ratings:	
Senior unsecured	A-
Outlook:	Stable

Last Review Date: 20/05/25

### Company Rating History:

Date	Rating	Outlook/Alert
14/07/22	A-	Stable
27/07/21	A-	Negative
31/07/20	A	Negative
27/03/20	A	Alert Negative
09/08/13	A	Stable
28/07/11	A-	Stable
03/07/09	A-	Negative
21/10/04	A-	Stable

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## RATIONALE

TRIS Rating affirms the company rating on Central Plaza Hotel PLC (CENTEL) and the ratings on its existing senior unsecured debentures at “A-” with a “stable” rating outlook.

The ratings reflect CENTEL’s strong and established market position in the hotel and quick service restaurant (QSR) businesses in Thailand. We anticipate that the company’s QSR business will continue demonstrating resilience amidst subdued consumption sentiment, supported by the competitive strength of its core QSR brands. For the hotel business, a slowdown in international tourist arrivals is expected to put pressure on the company’s hotel operations. Nonetheless, we expect this pressure to be partially mitigated by steady domestic tourism demand. Also, contributions from new and renovated hotels are expected to support CENTEL’s earnings and help keep financial leverage within the rating threshold during its major capital expenditure program for hotel renovations and expansions.

## KEY RATING CONSIDERATIONS

### Challenges from slowdown in international tourist arrivals

TRIS Rating has revised down its forecast for international tourist arrivals to Thailand in 2025 to 34 million, from 36 million projected earlier this year. The revision reflects a significant decline in Chinese tourist arrivals, which remain a key demand driver for the country’s hospitality sector. During the first half of 2025, total international arrivals fell by 4.7% year-on-year (y-o-y) to 16.7 million, with Chinese arrivals contracting sharply by 34.1% y-o-y to 2.3 million. The steep drop in Chinese travelers highlights persistent challenges facing the Thai hospitality sector, including safety concerns, baht appreciation, and broader economic headwinds in China that are dampening travel demand.

Arrivals from other source markets, however, remained relatively stable, rising 2.5% y-o-y to 14.4 million in the same period, supported by robust inflows from India and Russia. While the overall slowdown in inbound tourism is likely to weigh on Thailand’s hospitality sector performance, including that of CENTEL, we expect the impact to be partially mitigated by resilient domestic travel demand and the company’s diversified source markets outside of China, which continue to demonstrate consistent performance.

Over the longer term, despite some challenges, we maintain our view that the hospitality sector will remain vital to Thailand’s economy and is likely to receive ongoing government support. With a diverse hotel portfolio, spanning luxury to midscale offerings and catering to both leisure and meetings, incentives, conferences, and exhibitions (MICE) segments, CENTEL is well positioned to benefit from a recovery of the industry and supportive policies.

### Maldives hotel performance impacted by rising competition

CENTEL’s hotel operations in the Maldives have come under pressure from intensified competition, despite strong growth in international tourist numbers. Tourist arrivals to the Maldives reached a record 2 million in 2024, up 8.9% y-o-y, with the growth trend continuing into the first quarter of 2025, rising 8.3% y-o-y to 1 million visitors. However, the increase has been driven primarily by short-haul Asian travelers, who tend to stay for shorter periods and exhibit higher price sensitivity.

At the same time, lodging supply in the Maldives has expanded beyond pre-pandemic levels at a compound annual growth rate (CAGR) of approximately 4%. Increased competition from mid-scale resorts and guesthouses near Malé, offering similar leisure experiences at more affordable price points, placed downward pressure on occupancy rates and pricing power at CENTEL's legacy assets. Total revenue per available room (TRRevPAR) of the two legacy hotels combined declined by 19% y-o-y to USD360 per room per night in the fourth quarter of 2024. For the first quarter of 2025, the figure contracted by 15% y-o-y to USD527 per room per night. We view that the newly launched properties, Centara Mirage Lagoon Maldives and Centara Grand Lagoon Maldives, are strategically positioned within the premium and family-oriented segments, resulting in lower exposure to price-sensitive demand.

The new international terminal at Velana International Airport, scheduled to open in the third quarter of 2025, is expected to ease travel bottlenecks and enhance the country's tourism capacity, which could provide long-term support for CENTEL's overall hotel performance in the Maldives. Given current conditions in the Maldives, CENTEL has delayed its investment in a third new hotel, CENTARA Reserve Maldives.

#### **RevPAR growth supported by new hotels and property renovations**

We forecast CENTEL's revenue per available room (RevPAR) to grow by 6% y-o-y to THB4,060 per room per night in 2025. The growth should be driven primarily by the addition of the Centara Mirage Lagoon and Centara Grand Lagoon Maldives, as well as the completion of renovations at the Centara Grand Mirage Beach Resort Pattaya and Centara Karon Resort Phuket. On a like-for-like basis, we expect RevPAR to decline by 3% y-o-y, reflecting headwinds from softer international tourist arrivals to Thailand, weak performance of the two existing hotels in the Maldives, as well as a slowdown in the MICE segment. We project CENTEL's RevPAR to increase to THB4,500-THB4,950 per room per night in 2026-2027. The growth will be largely driven by an increase in room rates, following the completion of major renovation projects.

#### **QSR business growth driven by outlet expansion**

CENTEL's competitive brand portfolio and outlet expansion should continue to support steady revenue growth. We forecast an increase in QSR revenue of 1%-5% per annum, reaching THB13.1-THB14.3 billion during 2025-2027. The projections incorporate our expectations of broadly flat same-store sales and moderate net outlet additions of 40-60 units annually.

The company reported same-store sales growth of 1% in 2024 and the first quarter of 2025, outperforming most of its industry peers whose same-store sales growth turned negative during the period. CENTEL's main QSR brands include KFC, Mister Donut, Auntie Anne's, and Ootoya. KFC remains the company's flagship brand, accounting for over half of QSR revenue and EBITDA. We expect KFC to continue growing, considering its status as one of the top-of-mind QSR brands. However, the growth will be driven mainly through outlet expansion. Mister Donut is also expected to deliver modest revenue growth, largely through outlet expansion. Auntie Anne's shows potential for further expansion, particularly to under-penetrated areas. Ootoya is projected to deliver high single-digit sales growth, supported by the successful introduction of new menu items and a customer base less affected by fluctuations in discretionary spending. Collectively, Mister Donut, Auntie Anne's, and Ootoya are forecast to contribute approximately 30% of total QSR revenue and EBITDA during the forecast period.

#### **QSR growth via a JV model**

In recent years, CENTEL has undertaken portfolio rationalization by discontinuing underperforming QSR brands, leading to enhanced operational efficiency and profitability. Looking ahead, CENTEL intends to focus its expansion primarily through a joint-venture (JV) model. Through this strategy, CENTEL would capitalize on the brand equity and innovation of its JV partners while offering systematic operational guidance and financial support. This approach should enable the company to grow more effectively and quickly compared with building its own brands.

The JV model has already proved successful, particularly with The Food Selection Group Co., Ltd., operator of the Shinkanzen Sushi, Nakla Moo Kata, Nama, and Katsu Midori brands. The group has successfully expanded its portfolio in both brands and outlets, contributing dividend income to CENTEL of THB31 million in 2023 and THB51 million in 2024. Salad Factory is another JV brand that shows potential for scalable growth. In addition to the current JVs, CENTEL continues to seek merger and acquisition opportunities to further diversify and expand its QSR portfolio into new market segments.

#### **Earnings continue to grow, at a slower rate than previously expected**

Under our base case, we project CENTEL's revenue to reach THB25 billion in 2025 before rising to THB27-THB30 billion per year in 2026-2027. This projected growth would mainly be driven by incremental contributions from the hotel segment. However, the pace of revenue growth is slower than previously anticipated, due to ongoing challenges within the hotel sector that are expected to constrain the full earnings potential of CENTEL's hotel portfolio in the near term.

We project the company's EBITDA margin to remain in the 26%-28% range over the forecast period. This reflects a transitional phase during which new hotels in the Maldives are ramping up operations and incurring pre-opening expenses. In the QSR business, we expect the profit margin to remain under pressure due to weak consumer sentiment and the highly

competitive nature of the industry, which limits CENTEL's ability to fully pass on rising costs to consumers. We project the company's EBITDA of THB6.6 billion in 2025 and THB7.2-THB8.3 billion per annum in 2026-2027.

### Capital spendings keep leverage from coming down

Incorporating the company's capital spending plans, we project CENTEL's financial leverage, as measured by the adjusted debt to EBITDA ratio, to increase slightly to 4.6-4.7 times in 2025-2026, before declining to 4.3 times in 2027. During 2025-2027, CENTEL's capital expenditure and investment budgets are estimated to be around THB15 billion in total. Of this amount, THB1.8 billion is the expected expenditure in this period related to two new hotels in the Maldives, and the renovation of Centara Grand Mirage Beach Resort Pattaya and Centara Karon Resort Phuket, which are now complete and operational. Hotel uplift projects in the pipeline include Centara Grand Hua Hin, Centara Grand Krabi, Centara Villa Phuket, Centara Villa Samui, and Centara Grand Phuket. The investment plan also includes hotel extension projects in Dubai, Centara Reserve Samui, and new hotels in new destinations. For the QSR business expansion, we estimate capital spending of around THB800-THB900 million annually. We expect CENTEL's adjusted debt to peak at around THB36 billion in 2027, from THB28.7 billion in the first quarter of 2025, incorporating our assumption on lease extension of Centara Grand at Central Plaza Ladprao.

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 0.8 times as of March 2025. 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 THB2.3 billion at the end of March 2025, cash received from bond issuance of THB1.5 billion, undrawn project loans of THB2.3 billion, undrawn credit facilities of about THB3 billion, and funds from operations (FFO) estimated at around THB6.7 billion. The primary uses of funds are debts maturing of THB3.9 billion, lease obligations of around THB1.5 billion, dividend payments of THB797 million, and capital spending of THB8-THB9 billion.

### Debt structure

As of March 2025, CENTEL's total interest-bearing debt, including financial lease liabilities, was THB18.7 billion. The company's priority debt was THB4.7 billion, translating to a priority debt ratio of 25%.

### BASE-CASE ASSUMPTIONS

TRIS Rating's base-case assumptions for CENTEL's operations in 2025-2027 are as follows:

- Hotel RevPAR to grow 6% in 2025, and 10% per annum in 2026-2027.
- QSR revenue to be THB13.1-THB14.3 billion per annum.
- Revenue to be THB25 billion in 2025 and THB27-THB30 billion per year in 2026-2027.
- EBITDA margin at 26%-28%.
- Total capital spending to be around THB15 billion.

### RATING OUTLOOK

The "stable" outlook reflects our expectation that the company will maintain its market strength and deliver sound operating results in both the hotel and QSR businesses.

### RATING SENSITIVITIES

We could upgrade the ratings if CENTEL's business and financial profile consistently improve such that the adjusted debt to EBITDA ratio stays well below 3.5 times on a sustained basis. Conversely, the ratings could be revised downward if CENTEL's financial metrics are weaker than our projections due to persistently weak operating results and/or debt-funded investments such that the adjusted debt to EBITDA ratio rises toward 5 times without signs of 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 2025, the Chirathivat Family held a 62% majority stake of CENTEL's shares outstanding.

As of July 2025, CENTEL operated a portfolio of 53 hotels with over 11,200 rooms. Of this total, 22 hotels with 5,854 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 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 1,412 outlets as of June 2025 under 11 franchised brands, three owned brands, and five JV brands.

## KEY OPERATING PERFORMANCE

**Table 1: CENTEL's Sales and EBITDA  
Breakdown by Line of Business**

Unit: %

Business	2020	2021	2022	2023	2024	Jan-Mar 2025
<b>Revenue contribution</b>						
Hotel	22	18	34	42	44	51
QSR	78	82	66	58	56	49
<b>Total revenue</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>EBITDA breakdown</b>						
Hotel	(10)	(25)	41	59	60	71
QSR	110	125	59	41	40	29
<b>Total EBITDA</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: CENTEL

## FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS

Unit: Mil. THB

	Jan-Mar 2025	-----Year Ended 31 December -----			
		2024	2023	2022	2021
Total operating revenues	6,747	23,822	22,161	17,936	11,463
Earnings before interest and taxes (EBIT)	1,268	3,116	2,602	1,183	(1,091)
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	2,082	6,365	5,859	4,402	2,183
Funds from operations (FFO)	1,627	4,906	4,699	3,552	1,434
Adjusted interest expense	287	1,059	1,012	731	722
Capital expenditures	1,000	7,255	2,114	1,168	1,714
Total assets	60,445	60,761	54,204	48,166	48,593
Adjusted debt	28,724	28,338	24,777	19,182	20,901
Adjusted equity	21,713	20,950	20,018	18,891	18,432
<b>Adjusted Ratios</b>					
EBITDA margin (%)	30.9	26.7	26.4	24.5	19.0
Pretax return on permanent capital (%)	6.3*	6.2	5.8	2.8	(2.9)
EBITDA interest coverage (times)	7.2	6.0	5.8	6.0	3.0
Debt to EBITDA (times)	4.4*	4.5	4.2	4.4	9.6
FFO to debt (%)	17.4*	17.3	19.0	18.5	6.9
Debt to capitalization (%)	57.0	57.5	55.3	50.4	53.1

\* Annualized from the trailing 12 months

## RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

## Central Plaza Hotel PLC (CENTEL)

<b>Company Rating:</b>	A-
<b>Issue Ratings:</b>	
CENTEL25NA: THB1,500 million senior unsecured debentures due 2025	A-
CENTEL266A: THB1,500 million senior unsecured debentures due 2026	A-
CENTEL269A: THB500 million senior unsecured debentures due 2026	A-
CENTEL286A: THB1,500 million senior unsecured debentures due 2028	A-
CENTEL29DA: THB1,000 million senior unsecured debentures due 2029	A-
<b>Rating Outlook:</b>	Stable

## TRIS Rating Co., Ltd.

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