

AP (THAILAND) PLC

No. 80/2025
22 May 2025

CORPORATES

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

Last Review Date: 10/02/25

Company Rating History:

Date	Rating	Outlook/Alert
22/05/23	A	Stable
13/05/22	A-	Positive
21/06/11	A-	Stable
12/07/10	BBB+	Positive
28/06/07	BBB+	Stable

Contacts:

Auyporn Vachirakanjanaporn
auyporn@trisrating.com

Preeyaporn Kosakarn
preeyaporn@trisrating.com

Jutamas Bunyawanchkul
jutamas_b@trisrating.com

Suchada Pantu, Ph.D.
suchada@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating affirms the company rating on AP (Thailand) PLC (AP) and the ratings on AP's senior unsecured debentures at "A" with a "stable" rating outlook.

The ratings reflect AP's strong market position in both the landed property and condominium segments, supported by a well-recognized brand and a diversified product portfolio. They also reflect the company's solid operating performance, healthy profit margins, moderate financial leverage, and adequate liquidity. At the same time, the ratings take into account the ongoing challenges posed by high household debt levels and elevated mortgage rejection rates, which continue to dampen housing demand. Nonetheless, the downward trend in interest rates, the recent easing of loan-to-value (LTV) regulations, and reduced transaction fees are expected to support demand in the low- to mid-priced housing segment over the next 12 months.

KEY RATING CONSIDERATIONS

Leading market presence, driven by brand equity and diversified products

We expect AP to retain its strong market position and competitive edge in the residential property sector over the next three years. The company has consistently ranked among the top three publicly listed residential developers in Thailand. Over the past five years, AP's annual residential unit transfers, including contributions from joint-venture (JV) projects, have ranged from THB40-THB49 billion. Its market share has ranged from 15%-17% among the 24 property developers rated by TRIS Rating.

AP's competitive advantage is supported by its strong brand recognition and a broad portfolio of residential products. The company's established presence in both the landed property and condominium segments is reflected in the positive market response of its ongoing and newly launched projects. This solid brand equity has contributed to steady revenue generation and moderate profitability. Over the past three years, AP's gross profit margin has hovered between 34%-37% while its EBITDA margin has ranged from 20%-22%, placing its profit margins at the upper range of the industry average.

Over the past three years, AP has expanded into the lower-priced segments of the market to serve the younger working-age demographic. Additionally, the company has widened its customer base by entering several provincial markets since 2020. This diversification has helped AP maintain its market leadership. At the end of March 2025, AP operated 72 single-detached house (SDH) projects, 93 townhouse (TH) projects, and 19 condominium projects (including 12 JV projects). Total unsold inventory (both built and un-built) was valued at THB106 billion, consisting of SDHs (48%), THs (39%), and condominiums (13%).

Sustained performance this year, with modest growth in 2026-2027

Due to high mortgage rejection rates and subdued housing demand, AP's operating performance in 2024 fell slightly below our projections, achieving around 95% in terms of revenues and 90% in terms of EBITDA. Looking ahead, while property developers may still encounter headwinds from subdued housing demand and weak market sentiment, we expect AP to be able to sustain its performance this year and grow slightly in the following years. Demand for housing priced below THB7 million per unit, which accounts for 55%-60% of AP's portfolio, is expected to be supported by the easing of LTV

rules and declining interest rates. Overall, AP is expected to continue delivering resilient operating performance across both the landed property and condominium segments over the next three years.

Under TRIS Rating's base case, AP's operating revenue is projected to remain around THB36-THB37 billion in 2025, relatively stable from the previous year, and increase to approximately THB40 billion in 2026-2027. We assume 5% year-on-year (y-o-y) revenue growth from landed property and the transfer of owned condominium backlog worth THB5 billion through 2025-2027. The transfers of condominium units under JVs are expected to be around THB9.0-THB9.5 billion per annum, given the THB18 billion of backlog at the end of 2024. Due to intense market competition, AP's gross profit margin is expected to decrease slightly to 34% during 2025-2027, from 35% in 2024. Its EBITDA margin, factoring in THB800-THB900 million per year from JVs, is anticipated to remain at around 19%-20%, down from 20%-22% in the past three years. Consequently, AP's EBITDA is expected to hover in the region of THB7.0 billion in 2025, rising to THB7.5-THB7.8 billion annually in 2026-2027. Funds from operations (FFO) are projected to remain at THB5 billion in 2025, increasing by 5%-10% y-o-y in 2026-2027, supported by improved operating performance as well as lower debt and interest costs.

Moderate financial leverage, with expected improvement in cash flow protection

Following a surge in new project launches in 2022-2023 and substantial land acquisitions in 2023, AP's debt to capitalization ratio (including 51% of debt from joint ventures) increased to 47% in 2023. However, a slowdown in project launches and land purchases in 2024 led to a reduction in adjusted net debt. As a result, the company's debt to capitalization ratio declined to 43% in 2024, aligning with our 40%-45% threshold. Despite this improvement, elevated interest costs over the past two years caused AP's FFO to debt ratio to fall below our 20% threshold. We expect stronger operating performance in 2026 to support a recovery in the FFO to debt ratio, bringing it back in line with our target.

Our base-case scenario assumes AP will launch new residential projects (including JVs) valued at THB60 billion in 2025, followed by THB50 billion annually in 2026-2027. Approximately 80% of these projects are expected to be under AP's own portfolio, with the remainder developed under JVs. The annual land acquisition budget for both AP and its JVs is projected at THB9-THB13 billion. Based on these assumptions, AP's debt to capitalization ratio is expected to remain in the 40%-45% range over the forecast period. Meanwhile, AP's debt to EBITDA ratio is anticipated to stay below 4 times, with the FFO to debt ratio recovering to around 20% from 2026 onward.

The financial covenants on AP's bank loans and debentures require the company to keep its net interest-bearing debt to equity ratio below 2 times. The ratio at the end of March 2025 was 0.7 times. We believe that AP should have no problem complying with its financial covenants over the next 12 to 18 months.

Adequate liquidity

We assess AP to have adequate liquidity over the next 12 months. As of March 2025, the company's liquidity sources comprised THB2.3 billion cash on hand and THB14.7 billion unused committed credit facilities from banks. We forecast AP's FFO over the next 12 months to be THB5.0-THB5.5 billion. AP also had unencumbered land banks at a book value of around THB1 billion and remaining finished units in its own debt-free projects with selling prices totaling THB13 billion, which can be pledged as collateral for new loans if needed.

On the other hand, AP's maturing debts over the next 12 months will amount to THB11.3 billion. This includes THB5.9 billion debentures, THB3.8 billion short-term loans, with the remainder consisting of project loans and financial leases. AP plans to refinance the maturing debentures through new debenture issuances. The short-term loans, primarily used for working capital and as bridging loans for land purchases, are expected to be converted to project loans thereafter. We expect the long-term project loans to be repaid using cash generated from residential unit transfers.

Debt structure

As of March 2025, AP's consolidated debt, excluding lease liabilities, amounted to THB32.5 billion. Of this amount, THB7.7 billion was priority debt, which included secured debts held by AP and all borrowings undertaken by its subsidiaries. The priority debt accounted for 24% of the total debt.

BASE-CASE ASSUMPTIONS

The key assumptions in TRIS Rating's base-case forecast for AP's operations in 2025-2027 are as follows:

- New residential project launches (including JVs) worth THB60 billion in 2025 and THB50 billion annually in 2026-2027.
- Annual budget for land acquisition of THB7-THB12 billion for AP's own projects and THB1.5-THB3.0 billion for JV projects.
- Total operating revenue to remain at THB36-THB37 billion this year, before reaching the THB40 billion level in 2026-2027.
- Shared profits from JV investments to range from THB800-THB900 million annually.
- EBITDA margin of around 19%-20%.

RATING OUTLOOK

The “stable” outlook reflects our expectation that AP will retain its strong position in both the landed property and condominium markets. We anticipate that AP will deliver operating results and maintain its financial profile in line with our targets, keeping its debt to capitalization ratio within the 40%-45% range during 2025-2027 and improving its FFO to debt ratio to approximately 20% starting in 2026.

RATING SENSITIVITIES

An upward revision of AP’s ratings and/or outlook could occur if its operating performance and financial profile strengthen significantly, with EBITDA exceeding THB10 billion and the FFO to debt ratio remaining above 40% on a sustained basis. Conversely, a downward scenario could materialize if AP’s financial profile deteriorates from the current level, resulting in a debt to capitalization ratio exceeding 45% and an FFO to debt ratio falling below 20% on a prolonged basis.

COMPANY OVERVIEW

AP was established in 1990 by Mr. Anuphong Assavabhokhin and Mr. Pichet Vipavasuphakorn to develop residential property projects in Bangkok. AP is engaged principally in residential property development. The company was listed on the Stock Exchange of Thailand (SET) in 2000. The founding members of AP hold the company’s top management positions and are also the major shareholders. As of March 2025, AP’s major shareholder was Mr. Anuphong Assavabhokhin, owning 21.5% of the company’s shares.

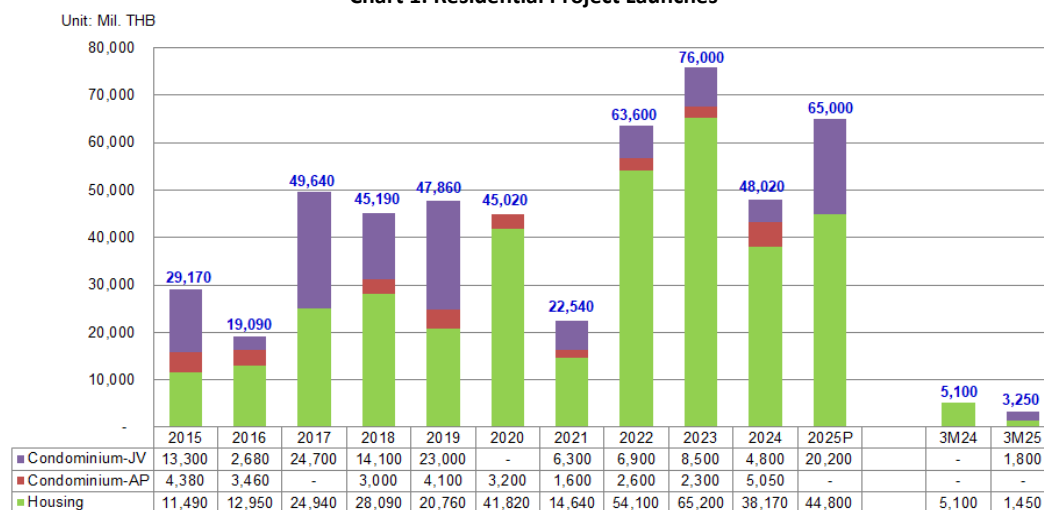
AP’s product portfolio covers a wide range of price points and product segments. The company’s revenue mix has been split roughly 70:30 between the landed property and condominium segments over the past four years. Most of AP’s projects are located within the Greater Bangkok area.

AP’s primary SDH brands include: “Moden”, “Centro”, “The City”, and “The Palazzo”, with unit prices ranging from THB3 million to THB100 million. Its TH projects are developed under brand names like “Pleno Town”, “Pleno”, “Baan Klang Muang”, and “Baan Klang Krung”. Home office projects are sold under the brand name “District”. Landed property projects in provincial areas are marketed under the “Apitown” brand. Its condominium brands include “Good Day”, “Aspire”, “Life”, “Rhythm”, and “The Address”. All condominium projects are located in Bangkok.

Since 2013, AP has been developing some condominium projects in partnership with a subsidiary of Mitsubishi Estate Co., Ltd. (MEC), one of Japan’s top three property developers. Under this joint venture, AP holds a 51% ownership stake, while MEC’s subsidiary holds the remaining 49%.

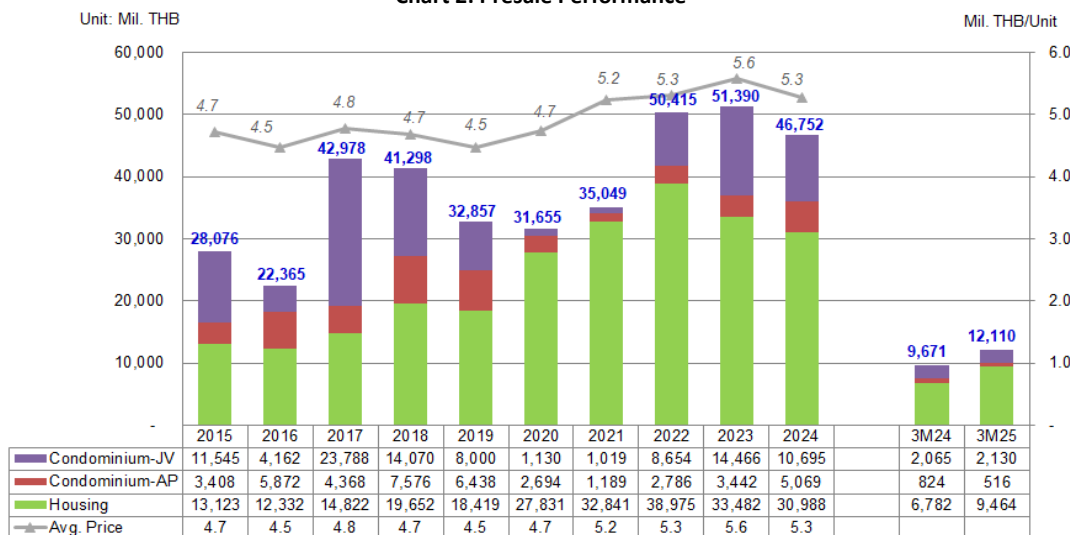
KEY OPERATING PERFORMANCE

Chart 1: Residential Project Launches



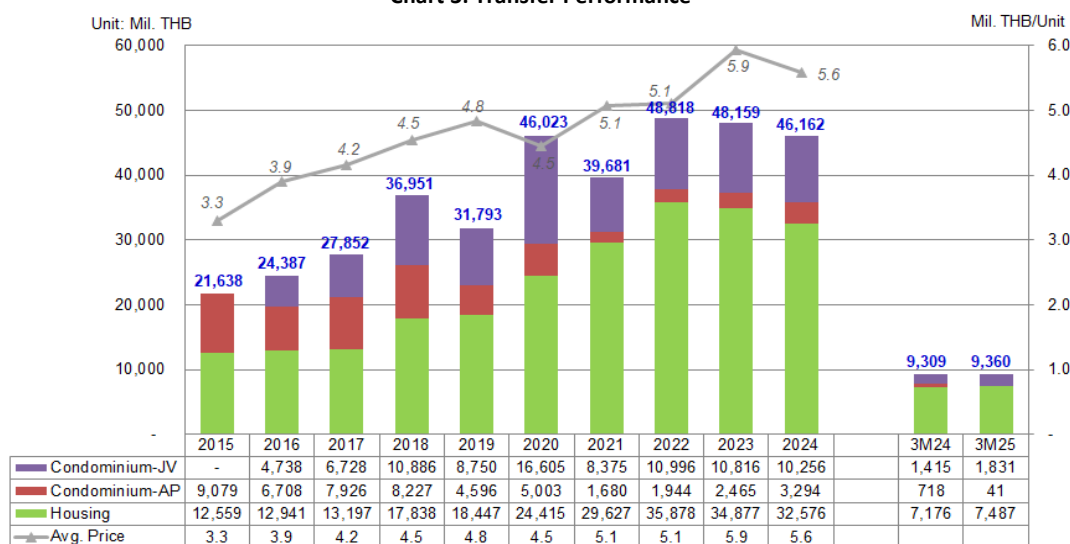
Source: AP

Chart 2: Presale Performance



Source: AP

Chart 3: Transfer Performance



Source: AP

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS*

Unit: Mil. THB

	Jan-Mar 2025	-----Year Ended 31 December -----			
		2024	2023	2022	2021
Total operating revenues	7,758	37,179	38,373	38,697	31,973
Earnings before interest and taxes (EBIT)	1,310	7,059	8,053	7,685	6,035
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	1,376	7,352	8,358	7,988	6,334
Funds from operations (FFO)	890	4,925	5,922	6,077	4,710
Adjusted interest expense	299	1,297	1,014	614	678
Real estate development investments	72,401	72,214	72,696	56,453	48,497
Total assets	85,087	84,893	83,944	68,227	60,409
Adjusted debt	33,428	33,475	36,177	25,861	24,315
Adjusted equity	44,508	43,645	40,737	36,728	32,423
Adjusted Ratios					
EBITDA margin (%)	17.7	19.8	21.8	20.6	19.8
Pretax return on permanent capital (%)	8.6 **	8.9	11.2	12.5	10.4
EBITDA interest coverage (times)	4.6	5.7	8.2	13.0	9.3
Debt to EBITDA (times)	4.6 **	4.6	4.3	3.2	3.8
FFO to debt (%)	14.7 **	14.7	16.4	23.5	19.4
Debt to capitalization (%)	42.9	43.4	47.0	41.3	42.9

* Consolidated financial statements

** Annualized with trailing 12 months

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Homebuilders and Real Estate Developers Rating Methodology, 12 January 2023
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

AP (Thailand) PLC (AP)

Company Rating:	A
Issue Ratings:	
AP257A: THB2,000 million senior unsecured debentures due 2025	A
AP258A: THB850 million senior unsecured debentures due 2025	A
AP261A: THB1,500 million senior unsecured debentures due 2026	A
AP262A: THB1,500 million senior unsecured debentures due 2026	A
AP267A: THB500 million senior unsecured debentures due 2026	A
AP267B: THB1,500 million senior unsecured debentures due 2026	A
AP26DA: THB1,500 million senior unsecured debentures due 2026	A
AP271A: THB3,500 million senior unsecured debentures due 2027	A
AP277A: THB2,500 million senior unsecured debentures due 2027	A
AP277B: THB1,000 million senior unsecured debentures due 2027	A
AP281A: THB3,000 million senior unsecured debentures due 2028	A
AP282A: THB500 million senior unsecured debentures due 2028	A
AP287A: THB2,500 million senior unsecured debentures due 2028	A
Rating Outlook:	Stable

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

© Copyright 2025, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at www.trisrating.com/rating-information/rating-criteria