

# PRINSIRI PLC

No. 47/2025  
6 May 2025

## CORPORATES

<b>Company Rating:</b>	BBB-
<b>Issue Ratings:</b>	
Senior unsecured	BBB-
<b>Outlook:</b>	Negative

**Last Review Date:** 31/03/25

### Company Rating History:

Date	Rating	Outlook/Alert
31/03/25	BBB-	Negative
13/03/19	BBB-	Stable
21/02/18	BB+	Positive
17/03/16	BB+	Stable
03/07/15	BBB-	Alert Developing
29/10/14	BBB-	Negative
21/08/12	BBB-	Stable
24/11/11	BBB-	Negative
24/05/11	BBB-	Stable

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## RATIONALE

TRIS Rating assigns a rating of “BBB-” to Prinsiri PLC (PRIN)’s proposed issue of up to THB600 million senior unsecured debentures due within three years. The proceeds from the new debentures are intended to be used to refinance some of the company’s maturing debentures during the remainder of this year. At the same time, we affirm the company rating on PRIN and the ratings on its existing senior unsecured debentures at “BBB-”, with a “negative” rating outlook.

The ratings reflect PRIN’s modest business scale, high financial leverage, and tight but manageable liquidity. The ratings also factor in the negative effects of elevated household debt levels and a high mortgage rejection rate. However, the downward trend in interest rates, the recent relaxation of loan-to-value (LTV) regulations, together with the reduction in transfer and mortgage registration fees for homes priced up to THB7 million, could help stimulate demand for landed property.

We view that the recovery in PRIN’s operating and financial performance will continue to be hindered by unfavorable market sentiment. Under TRIS Rating’s base case, PRIN’s total operating revenue is projected to recover to THB2.5-THB2.7 billion annually in 2025-2027 from THB2 billion in 2024. The gross profit margin is expected to sustain at around 34%. EBITDA is projected to rebound to THB500-THB600 million in 2025-2027, representing an EBITDA margin of 22%-23%, up from THB400 million in 2024. PRIN’s funds from operations (FFO) should increase to THB180 million this year and is anticipated to return to the THB200-THB300 million range in 2026-2027. However, failure to improve performance as targeted could lead to further negative rating actions.

As of March 2025, PRIN had 43 active projects. The value of unsold units (including built and un-built units) was THB14.4 billion, comprising single detached houses (SDHs) and semi-DHs (52%), townhouses (THs, 39%), and low-rise condominiums (9%). Given that PRIN’s backlog stands at only THB238 million, its projected revenue and earnings will be highly dependent on its ability to generate new sales from both existing and upcoming projects.

Supported by the anticipated improvement in operating performance and the implementation of a debt reduction plan, PRIN’s FFO to debt ratio is expected to recover from negative territory in 2024 to approach 5% in 2025 and improve to above 5% from 2026 onward. Additionally, PRIN’s debt to capitalization ratio is projected to decline to below 50% by the end of 2025. To reduce its financial leverage, PRIN plans to curb its budget for land acquisitions to around THB640 million for the 2025-2027 period, significantly lower than the THB400-THB500 million spent annually in 2023-2024. Given the current land banks in its portfolio, the company should be able to launch new projects worth around THB3 billion per annum over the next three years. Additionally, in an effort to strengthen its capital base, the company will not pay any dividends this year despite reporting a net profit in 2024.

The financial covenants on PRIN’s debt obligations require the company to keep its interest-bearing debt to equity (IBD/E) ratio below 2.5 times and the total liabilities to total equity (D/E) ratio below 2 times. The ratios at the end of December 2024 were 1.1 times and 1.3 times, respectively. We believe the company should have no difficulty complying with the financial covenants over the next 12 months.

At the end of December 2024, PRIN's total consolidated debt was THB5.9 billion. Priority debt, including secured debts at the company and all borrowings undertaken by its subsidiaries, amounted to THB2.3 billion. These translate to a priority debt to total consolidated debt ratio of 38%.

We assess PRIN's liquidity to be tight but manageable over the next 12 months. As of December 2024, PRIN's debts maturing within the next 12 months totaled THB2 billion, comprising THB1.5 billion debentures, THB292 million long-term project loans, and THB184 million short-term loans. We estimate that PRIN's net working capital outflow for land acquisitions and construction will amount to approximately THB1 billion in 2025.

At the end of December 2024, PRIN's liquidity sources included THB78 million cash on hand and THB88 million undrawn unconditional committed credit facilities. We forecast PRIN's FFO to be THB180 million in 2025. The company is currently in the process of securing additional bank credit facilities of approximately THB400 million and has committed credit facilities of about THB200 million from its owner. Additionally, PRIN holds unencumbered land banks valued at THB1.3 billion at cost, which can be pledged as collateral for new credit facilities if needed.

#### **RATING OUTLOOK**

The "negative" outlook reflects PRIN's recent underperformance and the ongoing challenges facing the company's revenue and earnings recovery, amidst unfavorable market conditions and heightened competition.

#### **RATING SENSITIVITIES**

A downgrade could occur if PRIN's operating results and/or financial profile deviate from our base-case forecast. Conversely, the rating outlook could be revised to "stable" if PRIN successfully revives its operating performance in line with our targets and strengthens its financial position, with a debt to capitalization ratio below 50% and an FFO to debt ratio exceeding 5%.

#### **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

## Prinsiri PLC (PRIN)

<b>Company Rating:</b>	BBB-
<b>Issue Ratings:</b>	
PRIN258A: THB123.5 million senior unsecured debentures due 2025	BBB-
PRIN25DA: THB500 million senior unsecured debentures due 2025	BBB-
PRIN264A: THB317.3 million senior unsecured debentures due 2026	BBB-
PRIN267A: THB450 million senior unsecured debentures due 2026	BBB-
PRIN26OA: THB283.8 million senior unsecured debentures due 2026	BBB-
PRIN26NA: THB294.2 million senior unsecured debentures due 2026	BBB-
PRIN273A: THB403 million senior unsecured debentures due 2027	BBB-
PRIN276A: THB214.2 million senior unsecured debentures due 2027	BBB-
PRIN279A: THB397 million senior unsecured debentures due 2027	BBB-
PRIN283A: THB402.2 million senior unsecured debentures due 2028	BBB-
Up to THB600 million senior unsecured debentures due within 3 years	BBB-
<b>Rating Outlook:</b>	Negative

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