

SANSIRI PLC

No. 97/2025
29 August 2025

CORPORATES

Company Rating:	BBB+
Issue Ratings:	
Senior unsecured	BBB+
Hybrid	BBB-
Outlook:	Stable

Last Review Date: 13/05/25

Company Rating History:

Date	Rating	Outlook/Alert
30/04/21	BBB+	Stable
01/04/20	BBB+	Negative
12/05/14	BBB+	Stable
10/05/13	BBB+	Positive
05/02/10	BBB+	Stable
19/03/09	BBB	Positive
12/07/04	BBB	Stable
08/10/03	BBB	-

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RATIONALE

TRIS Rating assigns a rating of “BBB+” to Sansiri PLC (SIRI)’s proposed issue of up to THB4.5 billion senior unsecured debentures due within four years. The proceeds from the new debentures are intended to be used for debt repayment and working capital. At the same time, we affirm the company rating on SIRI and the ratings on its existing senior unsecured debentures at “BBB+”, with a “stable” rating outlook. We also affirm the ratings on SIRI’s subordinated capital debentures (hybrid debentures) at “BBB-”.

The ratings on SIRI and its debentures reflect the company’s leading market presence in both the landed property and condominium segments, underpinned by well-established brand recognition and a diversified product portfolio. We also expect the company to deliver steady operating performance over the forecast period. However, the ratings are constrained by the company’s high financial leverage, resulting from aggressive investments in residential property and other businesses. The ratings also factor in the negative effects of elevated household debt and a high mortgage rejection rate, which continue to weigh down housing demand. That said, the downward trend in interest rates, recent relaxation of loan-to-value (LTV) rules, and the reduction in transfer and mortgage registration fees for homes priced up to THB7 million are expected to support demand in the low- to mid-priced housing segment over the next 12 months.

The ratings on SIRI’s hybrid debentures are two notches below the company rating. This rating differential reflects the subordinated nature of the hybrid debentures and the option for the issuer to defer coupons on a cumulative basis. Currently, only one tranche of its outstanding hybrid debentures (SIRI25PA) receives 50% equity content, while the other tranche has 0% equity content in our leverage ratio calculation, as it was issued to a single investor.

Our base-case forecast projects SIRI’s total operating revenue at around THB38-THB39 billion annually in 2025-2026, rising to THB43 billion in 2027, supported by the scheduled transfer of a sizable condominium backlog. Amid heightened market competition, we forecast gross profit margin at around 32% in 2025-2027, down from the 33%-36% range over the past three years. We expect EBITDA margin to slightly decline to 24%-25%, from 25%-28% in 2022-2024. We further project EBITDA at THB9-THB10 billion per year in 2025-2027, and funds from operations (FFO) at THB4-THB5 billion in 2025-2026, rising to THB6.5 billion in 2027, driven by increased condominium transfers and a lower debt burden.

In the first six months of 2025 (6M25), SIRI reported total operating revenue of THB15.4 billion, representing about 40% of our full-year forecast. EBITDA and FFO were THB3.8 billion and THB1.7 billion, respectively, also tracking close to 40% of our full-year projection. We expect SIRI’s full-year 2025 performance to align with our forecast, supported by continued backlog transfers. As of June 2025, SIRI’s backlog stood at THB19.2 billion, with THB6.7 billion scheduled for transfer in the second half of 2025, THB7.7 billion in 2026, and THB4.8 billion in 2027.

As of June 2025, SIRI’s financial leverage remained elevated, primarily due to an extensive pipeline of new project launches over the past three years and significant land acquisitions in 2021-2023. Real estate developments for sale were valued at THB108 billion, around five times the annualized cost of real estate sales. The debt to capitalization ratio stood at around 66%, while the

FFO to debt ratio remained above 5%. Looking ahead, we expect financial leverage to gradually improve, with the debt to capitalization ratio declining to below 65% and the FFO to debt ratio staying above 5% over the forecast period.

We assess SIRI's liquidity to be tight but manageable over the next 12 months. As of June 2025, SIRI's sources of liquidity consisted of THB5.3 billion cash and short-term investments plus THB17 billion undrawn committed and uncommitted credit facilities from banks. We project FFO at THB4.4 billion in 2025. SIRI also had unencumbered land banks at a book value of THB9.5 billion and remaining finished units in its own debt-free projects with selling prices totaling THB5.3 billion, which can be pledged as collateral for new loans if needed.

On the other hand, SIRI's maturing debts over the next 12 months will amount to THB43.3 billion. This includes THB15.4 billion long-term project loans, THB14.8 billion debentures, THB7.6 billion bills of exchange (B/Es), THB5.4 billion short-term promissory notes (P/Ns), and THB0.1 billion lease liabilities. The company plans to refinance the maturing debentures with new debenture issuances. We expect the long-term project loans to be repaid using cash generated from residential unit transfers. The P/Ns and B/Es, primarily used for working capital and as bridging loans for land acquisitions, are expected to be either rolled over or converted to long-term project loans thereafter. SIRI's use of funds also includes CAPEX of around THB300-THB400 million in 2025 and dividend payments equivalent to 50% of net profit.

As of June 2025, SIRI's consolidated debt, including the full amount of hybrid debentures but excluding lease liabilities, amounted to THB92.6 billion. The priority debt stood at THB31 billion, comprising the secured debts of the company and the total debts of its subsidiaries. This results in a priority debt to total debt ratio of around 33%.

RATING OUTLOOK

The "stable" outlook reflects our expectation that SIRI will be able to achieve operating performance and sustain its financial profile in line with our targets.

RATING SENSITIVITIES

A downward revision of SIRI's ratings and/or outlook could occur if its operating results and/or financial position deteriorate significantly from our expectations. In particular, this would be the case if the debt to capitalization ratio remains above 65% and the FFO to debt ratio stays below 5% on an extended basis.

On the other hand, a credit upside could be considered if SIRI's financial profile strengthens to levels comparable with those of higher-rated peers. This would require the debt to capitalization ratio to stay below 55% and the FFO to debt ratio to improve to the 10%-15% range on a sustained basis.

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Hybrid Securities: Equity Content and Credit Rating Criteria , 20 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

Sansiri PLC (SIRI)

Company Rating:	BBB+
Issue Ratings:	
SIRI259A: THB2,408.48 million senior unsecured debentures due 2025	BBB+
SIRI25DC: THB2,500 million senior unsecured debentures due 2025	BBB+
SIRI25DA: THB3,639.21 million senior unsecured debentures due 2025	BBB+
SIRI261A: THB500 million senior unsecured debentures due 2026	BBB+
SIRI263A: THB5,000 million senior unsecured debentures due 2026	BBB+
SIRI267A: THB1,000 million senior unsecured debentures due 2026	BBB+
SIRI267B: THB2,000 million senior unsecured debentures due 2026	BBB+
SIRI267C: THB3,379.97 million senior unsecured debentures due 2026	BBB+
SIRI269A: THB2,095.6 million senior unsecured debentures due 2026	BBB+
SIRI26DA: THB200 million senior unsecured debentures due 2026	BBB+
SIRI271A: THB1,985.74 million senior unsecured debentures due 2027	BBB+
SIRI273A: THB4,000 million senior unsecured debentures due 2027	BBB+
SIRI273B: THB1,000 million senior unsecured debentures due 2027	BBB+
SIRI276A: THB2,360.79 million senior unsecured debentures due 2027	BBB+
SIRI277A: THB2,620.03 million senior unsecured debentures due 2027	BBB+
SIRI279A: THB2,495.92 million senior unsecured debentures due 2027	BBB+
SIRI281A: THB2,615.83 million senior unsecured debentures due 2028	BBB+
SIRI291A: THB2,398.43 million senior unsecured debentures due 2029	BBB+
SIRI25PA: THB5,000 million subordinated capital debentures (hybrid debentures)	BBB-
THB2,050 million subordinated capital debentures (hybrid debentures)	BBB-
Up to THB4,500 million senior unsecured debentures due within 4 years	BBB+
Rating Outlook:	Stable

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