

FRASERS PROPERTY (THAILAND) PLC

No. 46/2025
30 April 2025

CORPORATES

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

Last Review Date: 16/10/24

Company Rating History:

Date	Rating	Outlook/Alert
14/10/21	A	Stable
17/09/19	A-	Stable
01/03/19	A	Alert Negative
25/05/17	A	Stable
27/04/16	A-	Stable
07/05/15	A	Negative
02/05/12	A	Stable
14/10/11	A	Alert Negative
21/11/05	A	Stable

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RATIONALE

TRIS Rating assigns a rating of “A” to Frasers Property (Thailand) PLC’s (FPT) proposed issue of up to THB6.0 billion senior unsecured debentures due within 10 years. The proceeds from the new debentures will be used for debt repayments and/or working capital. At the same time, we affirm the company rating on FPT and the ratings on FPT’s existing senior unsecured debentures at “A”, with a “stable” rating outlook.

The company rating incorporates a three-notch enhancement from its stand-alone credit profile (SACP) to reflect FPT’s group status as a “strategically important” subsidiary of Frasers Property Ltd. (FPL), rated “AA-/Stable.” FPL is a multinational property development company listed on the Singapore Exchange Ltd. (SGX).

FPT’s SACP of “bbb” continues to reflect its diversified and balanced real estate portfolio and the satisfactory performance of its industrial and commercial property businesses. However, the SACP is constrained by the cyclical performance of its residential property segment and its high financial leverage. The ratings also take into account the slowdown in the domestic economy and high household debt, which have led to higher mortgage rejection rates and reduced purchasing power among homebuyers.

FPT’s total operating revenue in the first quarter of fiscal year 2025 (FY2025), covering October to December 2024, came in slightly below our forecast. The company reported total operating revenue of THB3.1 billion and EBITDA of THB1.1 billion, achieving around 22% of our full-year projection. This shortfall was mainly due to lower-than-expected transfers of residential units. However, its EBITDA margin aligned with our forecast of 35%-36%, supported by improved gross profit margins in the hospitality and commercial property segments.

Looking ahead, we expect FPT’s annual EBITDA to range between THB5.0 billion and THB5.8 billion in FY2025-FY2027, with its EBITDA margin likely to remain above 30% throughout the forecast period. Despite the lower-than-expected housing transfers in the first quarter of FY2025, we anticipate that the government’s measures to reduce transfer and mortgage fees, from 2% and 1%, respectively, to 0.01% for homes priced up to THB7 million per unit, and the easing of the loan-to-value (LTV) rule will likely stimulate housing sales and transfers in the second half of the year.

FPT’s financial leverage is expected to remain relatively high due to its continued investments in both industrial and residential properties. As of 31 December 2024, its adjusted debt (including guarantees on joint ventures’ debts) to capitalization ratio stood at around 60%, while its fund from operation (FFO) to adjusted debt ratio was above 5%. The adjusted debt to EBITDA ratio was around 10 times.

Looking ahead, we expect FPT to allocate around THB2.0-THB3.0 billion per year for land acquisitions for new residential projects, and THB4.0-THB4.5 billion annually for construction costs during FY2025-FY2026. Investment in industrial properties is projected to range from THB2.5-THB3.7 billion per year over the same period. Given this investment plan, we expect FPT’s debt to capitalization ratio to improve slightly to around 56%-58% during FY2025-FY2026, with the FFO to debt ratio remaining stable at around 6%. The adjusted debt to EBITDA ratio is likely to stay at around 10 times over this period, supported by the company’s

asset recycling plan, which is expected to generate THB1.5-THB2.0 billion annually.

The financial covenants on FPT's debentures require maintenance of an interest-bearing debt (excluding lease liabilities) to equity ratio below 3 times. As of December 2024, this ratio was 1.3 times, and we believe FPT will comfortably comply with these covenants over the next 12 to 18 months.

We assess FPT's liquidity over the next 12 months to be manageable. As of December 2024, the company's debt maturing in the next 12 months totaled THB14.3 billion, consisting of THB9.3 billion debentures, THB3.9 billion short-term loans, THB0.9 billion long-term project loans, and THB0.2 billion lease liabilities.

FPT's available liquidity sources included THB0.8 billion cash, THB3.7 billion undrawn committed credit facilities, and THB9.5 billion undrawn uncommitted credit lines. FFO is projected to be around THB3.0-THB3.3 billion annually. FPT also holds unencumbered land banks valued at THB8.4 billion and finished debt-free residential units worth THB3.5 billion, which could be used as collateral for new loans if needed.

RATING OUTLOOK

The "stable" outlook reflects our expectation that FPT will be able to maintain its market position and deliver operating performance as targeted and will keep its FFO to total debt ratio above 5%. We also expect FPT to remain a strategically important subsidiary of FPL.

RATING SENSITIVITIES

A revision to the ratings on FPT could result from changes in its SACP and/or its group status within the Frasers Group. The SACP on FPT could be revised upward should the company deliver significantly better-than-expected operating results, leading to a sustained increase in its FFO to adjusted debt ratio to a level above 10%. Conversely, the SACP could be revised downward if the FFO to adjusted debt ratio falls below 5% for an extended period, potentially due to weakened operating performance or aggressive debt-funded expansion.

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Homebuilders and Real Estate Developers Rating Methodology, 12 January 2023
- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

Frasers Property (Thailand) PLC (FPT)

Company Rating:	A
Issue Ratings:	
FPT256A: THB1,000 million senior unsecured debentures due 2025	A
FPT25NA: THB971 million senior unsecured debentures due 2025	A
FPT262A: THB3,000 million senior unsecured debentures due 2026	A
FPT268A: THB2,400 million senior unsecured debentures due 2026	A
FPT260A: THB1,900 million senior unsecured debentures due 2026	A
FPT271A: THB500 million senior unsecured debentures due 2027	A
FPT275A: THB500 million senior unsecured debentures due 2027	A
FPT275B: THB1,000 million senior unsecured debentures due 2027	A
FPT276A: THB2,000 million senior unsecured debentures due 2027	A
FPT277A: THB1,400 million senior unsecured debentures due 2027	A
FPT27NA: THB689 million senior unsecured debentures due 2027	A
FPT27NB: THB1,500 million senior unsecured debentures due 2027	A
FPT282A: THB500 million senior unsecured debentures due 2028	A
FPT282B: THB2,000 million senior unsecured debentures due 2028	A
TICON283A: THB1,000 million senior unsecured debentures due 2028	A
FPT292A: THB200 million senior unsecured debentures due 2029	A
FPT295A: THB500 million senior unsecured debentures due 2029	A
FPT301A: THB1,200 million senior unsecured debentures due 2030	A
FPT302A: THB500 million senior unsecured debentures due 2030	A
FPT305A: THB500 million senior unsecured debentures due 2030	A
FPT309A: THB300 million senior unsecured debentures due 2030	A
FPT315A: THB500 million senior unsecured debentures due 2031	A
Up to THB6,000 million senior unsecured debentures due within 10 years	A
Rating Outlook:	Stable

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