

AP (THAILAND) PLC

No. 74/2025
8 July 2025

CORPORATES

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

Last Review Date: 22/05/25

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

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RATIONALE

TRIS Rating assigns a rating of “A” to AP (Thailand) PLC (AP)’s proposed issue of up to THB3.5 billion senior unsecured debentures due within four years. The proceeds from the new debentures are intended for use as debt repayments and/or business expansion. At the same time, we affirm the company rating on AP and the ratings on its outstanding 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 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 consider the ongoing challenges posed by high household debt levels and elevated mortgage rejection rates, which continue to dampen housing demand. Nonetheless, we expect the downward trend in interest rates, the recent easing of loan-to-value (LTV) regulations, and reduced transaction fees to support demand in the low- to mid-priced housing segment over the next 12 months.

Under TRIS Rating’s base case scenario, we project AP’s operating revenue to remain around THB36-THB37 billion in 2025, relatively stable from the previous year, and increase to around THB40 billion in 2026-2027. This projection assumes the company will launch new residential projects (including joint venture (JV) projects) valued at THB60 billion in 2025, followed by THB50 billion annually in 2026-2027. We estimate AP’s annual EBITDA will range around THB7.0-THB7.8 billion, equivalent to an EBITDA margin of around 19%-20% during 2025-2027.

In the first quarter of 2025, AP reported total operating revenue of THB 7.8 billion, representing 21% of our full-year forecast. EBITDA for the period accounted for 20% of the annual target, with the EBITDA margin remaining in line with our expectations. We anticipate AP’s full-year operating performance will align with our projections, underpinned by a robust backlog of THB37 billion (including JV backlog) as of March 2025. Around 40%-50% of this backlog is expected to be delivered to customers over the remainder of this year.

AP’s debt to capitalization ratio declined to 43% as of March 2025, down from 47% at the end of 2023, thanks to its efficient inventory management. Despite this improvement, elevated interest costs led to a decline in the company’s funds from operations (FFO) to debt ratio, falling below our 20% threshold. We expect AP’s strengthened operating performance will support a recovery in this metric, bringing it back in line with our target.

The financial covenants on bank loans and debentures require AP to maintain a net interest-bearing debt to equity ratio below 2 times. At the end of March 2025, the company’s ratio stood at 0.7 times. We believe that AP should have no problem remaining in compliance with the financial covenants over the next 12 to 18 months. Its priority debt to total debt ratio as of March 2025 was 24%.

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 plus THB14.7 billion unused committed credit facilities from banks. We forecast AP’s FFO over the next 12 months to be around 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 faces maturing debt obligations totaling THB11.3 billion over the next 12 months. This includes THB5.9 billion debentures and THB3.8 billion short-term loans, with the remainder consisting of project loans and finance leases. The maturing debentures are typically refinanced through new debenture issuances. Short-term loans are primarily utilized for working capital and as bridging facilities for land acquisitions, which are expected to be subsequently converted into project loans.

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 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 around 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.

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
Up to THB3,500 million senior unsecured debentures due within 4 years	A
Rating Outlook:	Stable

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