

PROPERTY PERFECT PLC

No. 12/2025
18 April 2025

CORPORATES

Company Rating: BB-
Issue Rating:
Hybrid B-
CreditAlert: Negative

Last Review Date: 25/07/24

Company Rating History:

Date	Rating	Outlook/Alert
25/07/24	BB	Negative
26/08/20	BB	Stable
09/08/19	BB+	Negative
20/05/15	BB+	Stable
19/06/14	BB+	Developing
06/12/13	BB+	Stable
18/11/11	BBB-	Negative
18/09/09	BBB-	Stable

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RATIONALE

TRIS Rating downgrades the company rating on Property Perfect PLC (PF) to “BB-” from “BB” and its subordinated perpetual debentures (hybrid debentures) to “B-” from “B”. At the same time, we place the ratings on CreditAlert with a “negative” implication.

The downgrades reflect weaker-than-expected operating performance in 2024, coupled with heightened refinancing and liquidity risks the company is anticipated to encounter in the near term.

The CreditAlert with a “negative” implication reflects the uncertainty surrounding the outcome of the forthcoming debenture holders’ meeting on 25 April 2025, regarding the company’s proposal to extend the maturity dates of its three tranches of debentures by up to 21 days, as well as the uncertainty over the company’s ability to execute its debenture repayment.

In 2024, PF’s overall operations were significantly impacted by sluggish demand in the residential property market and a rising mortgage loan rejection rate, particularly within the middle-income segment. As a result, the company reported total operating revenue of THB9.1 billion, achieving only around three-fourths of our full-year target. Profitability also fell short, with EBITDA reaching only 40% of our projection. Lower profitability and high funding costs have caused PF’s funds from operations (FFO) to remain mostly negative over the past five years. These weak operating results have undermined the company’s ability to refinance its debt obligations, leading to tight liquidity conditions.

To mitigate its liquidity risk, PF has implemented a plan to divest selected hotel assets and portions of its land plots. In 2024, the company successfully completed the sale of one hotel asset along with some land plots. PF intends to continue with additional divestments of hotel assets and land plots in 2025 to ease funding pressures. However, the timing of these planned divestments remains uncertain.

PF has three tranches of debentures totaling THB2.7 billion, comprising two tranches amounting to THB1.4 billion maturing on 28 April 2025 and one tranche of THB1.4 billion maturing on 10 May 2025. Given the prevailing risk-averse sentiment in the bond market and the substantial volume of bond maturities during these two months, we view PF’s ability to fully refinance the maturing amounts or secure sufficient alternative funding sources as highly challenging.

The CreditAlert will be resolved upon the conclusion of the debenture holders’ meeting and once PF establishes a clear and credible funding plan for the repayment of the aforementioned maturing debentures. Failure to obtain debenture holders’ agreement on extended maturity dates or to secure alternative funding sources will add downward pressure on the ratings.

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

CreditAlert is part of TRIS Rating’s monitoring of a rating when a significant event may impact the rating assigned to the issuer or the issue. Such event may include mergers and acquisitions, asset investments or divestments, and group or capital restructuring. The assigned credit rating remains unchanged due to insufficient data or uncertain developments, preventing a full assessment of the impact. CreditAlert carries one of the following designations to indicate the potential direction of a rating: ‘Positive’, ‘Negative’, and ‘Developing’.

Property Perfect PLC (PF)

Company Rating:	BB-
Issue Rating:	
PF17PA: THB447.7 million subordinated capital debentures	B-
CreditAlert:	Negative

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