

# SAHA PATHANA INTER-HOLDING PLC

No. 94/2025  
19 June 2025

## CORPORATES

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

**Last Review Date:** 20/06/24

### Company Rating History:

Date	Rating	Outlook/Alert
23/06/23	AA-	Stable
21/04/14	AA	Stable

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## RATIONALE

TRIS Rating downgraded the company rating on Saha Pathana Inter-Holding PLC (SPI) and the ratings on its senior unsecured debentures to “A+” from “AA-”, with a “stable” outlook. The downgrade reflects SPI’s heightened financial leverage resulting from various debt-funded investments made over recent years.

The ratings continue to reflect SPI’s strong business profile, supported by its role as a core holding company within the Saha Group and its well-diversified investment portfolio in consumer product companies. The ratings also consider SPI’s strong business network and ample financial flexibility.

## KEY RATING CONSIDERATIONS

### Financial leverage remains high to support growth

SPI’s financial leverage continued to increase in 2024, driven by the ongoing expansion of its investment portfolio—particularly in property-related businesses, marketable securities, and additional investment in People’s Garment PLC (PG). At the same time, slower industrial land sales weighed on cash generation, despite strong dividend income from its investments. Weaker earnings and rising investments pushed adjusted net debt to THB18.2 billion in 2024, up from THB16.8 billion in 2023. As a result, the adjusted net debt to EBITDA ratio weakened to 7.9 times from 6.5 times. This increase in the leverage ratio exceeded our threshold for the “AA-” rating.

We also project that SPI’s adjusted net debt to EBITDA ratio will remain persistently high at around 7.5-8.0 times over 2025-2027. In our base-case scenario, we project its EBITDA at around THB2.3 billion in 2025, supported by extraordinary dividend income and a recovery in investment property sales. However, we anticipate EBITDA will decline to THB2.0-THB2.2 billion per year in 2026-2027, as the extraordinary dividends taper off. Meanwhile, we assume SPI to make net investments of around THB2.5 billion in total over 2025-2027. This is primarily to expand its investment portfolio and investment properties, while divesting some securities to help manage its leverage levels. As a result, SPI’s adjusted net debt should gradually decline to around THB15-THB16 billion by 2027.

### Core holding company of Saha Group

SPI maintains its role as a main holding company of Saha Group, Thailand’s leading conglomerate in the consumer product industry. Overall performance of the Saha Group in 2024 remained resilient. This was supported by its food and beverage and consumer product businesses, which helped offset challenges in the garment business.

The group manufactures and distributes a wide range of consumer products with many leading brands across multiple market segments. These include Mama, Wacoal, Pao, Essence, Mistine, and many more. Saha Group has built a strong business network, encompassing end-to-end supply chains, from raw materials through to manufacturing and distribution.

In addition, SPI is also the operator of industrial parks belonging to the group, providing utilities and services for companies operating in its industrial parks.

## Diverse portfolio of investments

SPI's cash flow remained supported by strong dividends from SPI's well-diversified investment portfolio. Dividends received rose further in 2024, reaching THB2.2 billion, representing a 28.8% increase from the prior year. This growth was underpinned by robust private consumption, which bolstered the performance of SPI's consumer-focused investments, particularly in the food and beverage sector. The cosmetics segment also contributed unusually high dividends in 2024. In addition, SPI continued to receive special dividends from investments in the automotive parts and electronics sector.

Looking ahead, the company's diversified investment portfolio remains a key driver of stability. We project SPI's dividends received in 2025-2027 to soften to around THB1.8- THB2.0 billion per annum as the extraordinary dividends from the automotive parts and electronics sector gradually taper off.

The Saha Group typically co-invests with partners and has established long-term relationships with various Thai and international business allies. Such joint investments reduce SPI's initial funding burden and help ensure continual support from its partners. The wide range of business alliances also mitigates the risk of over-reliance on a specific partner.

## Investment property sales to support cash flow

We expect SPI's cash flow during 2025-2027 to receive significant support from the company's increased focus on monetizing its investment properties. We forecast SPI to generate gains of around THB500-THB600 million per year from these sales, a sharp increase from the 2024 level.

For 2025, we expect SPI to generate THB1.0-THB1.4 billion in total proceeds from investment property sales. Part of this amount comes from land sales in its Lamphun industrial park, where the company completed successful transactions in the first quarter of 2025.

For 2026-2027, SPI plans to continue monetizing its industrial land portfolio through additional sales in Sriracha, Lamphun, and Kabinburi. The company is targeting new demand from Chinese and Taiwanese manufacturers seeking to relocate production to Thailand. Our projections already incorporate potential challenges from ongoing global trade tensions and a subdued outlook for domestic manufacturing activity.

## Manageable liquidity profile with high financial flexibility

We assess SPI's liquidity position as manageable over the following 12 months. As of the end of March 2025, the company had THB1.3 billion in cash and cash equivalence. Also, SPI had access to undrawn short-term credit facilities totaling THB8.6 billion. Liquidity sources further include funds from operations (FFO), which we project to be around THB1.6 billion over the following 12 months. We expect these combined sources of liquidity to cover all funding needs during the period. SPI's scheduled debt repayments over the next 12 months amount to THB3.6 billion in long-term obligations and THB4.7 billion in short-term obligations. We also forecast capital outlays of around THB1.8 billion in 2025, including capital expenditures, net securities purchases, and equity investments.

The company also has a sizable liquid investment portfolio available to support its financial flexibility. As of March 2025, the market values of SPI's holdings in 37 listed firms totaled about THB40 billion. This represented a coverage ratio of marketable investments to adjusted net debt of about 2.3 times as of March 2025.

## Priority debts

As of March 2025, SPI had no priority debt.

## BASE-CASE ASSUMPTIONS

Key assumptions in TRIS Rating's base-case forecast for SPI's operations during 2025-2027 are as follows:

- Total operating revenues of THB3.5-THB3.7 billion annually.
- Gains from sales of investment properties to total around THB500-THB600 million annually.
- Dividends received from financial assets and equity investments projected to be in the THB1.8- THB2.0 billion range annually
- Net investments, including capital expenditures, net purchases of securities, and equity investments, to total about THB2.5 billion over 2025-2027.

## RATING OUTLOOK

The “stable” outlook reflects TRIS Rating’s expectation that SPI will achieve a financial profile in line with our projections. This includes continued reliable cash flow from investment dividends and potential proceeds from asset monetization, supporting a debt to EBITDA ratio below 8.0 times over 2025-2027. We also expect SPI to preserve its financial flexibility through its holdings of marketable investment securities.

## RATING SENSITIVITIES

An upgrade of SPI’s credit profile is unlikely over the next 12-18 months. However, a downgrade could occur if the company’s financial position further weakens due to operating performance falling short of our base-case forecast, or from additional significant leveraged investments. A downgrade could also be triggered by deterioration in financial flexibility, resulting from significant decline in market asset values.

## COMPANY OVERVIEW

SPI was established in 1972 and listed on the Stock Exchange of Thailand (SET) in 1977. As of March 2025, the Chokwatana family remained the major shareholder, holding about 80% of the company through direct and indirect stakes. SPI is a holding company with direct and indirect investments in 199 companies, primarily within the Saha Group, covering the food and beverage, garment, cosmetics, and consumer product sectors. The company typically co-invests with strategic partners to establish and operate production facilities.

SPI operates four industrial parks and utility services, mainly supporting affiliated companies within the Saha Group. In 2024, revenues from the industrial park business accounted for 42% of SPI’s total revenues, which include the share of profits from associates and other dividend income. The share of profits from associates contributed 45%, while the dividend income made up 13%. As part of its strategic direction, SPI will begin consolidating the garment manufacturing operations of PG, in which it holds a 47% stake, starting in October 2024.

As of March 2025, SPI’s equity investments totaled around THB59 billion, with a portfolio spanning various industrial segments. In 2024, dividends from food and beverage companies contributed 31% of total dividend income, followed by automotive parts and electronics (25%), consumer products (14%), cosmetics (14%), and garments (7%). Many of these investments are made jointly with other Saha Group affiliates, resulting in significant crossholdings within the group.

In addition to its core investments in the manufacturing and distribution of consumer goods, SPI is expanding into property-related businesses. These include the property-financing sector through TNL and property development projects such as KingBridge and KingsQuare. This diversification reflects the company’s broader investment strategy beyond traditional consumer industries.

## KEY OPERATING PERFORMANCE

Table 1: SPI's Dividend Contribution by Sectors in 2024

Dividend Contribution by Sectors	Dividend Receipt (Mil. THB)	Proportion
Foods & beverages	686	31.2%
Automotive parts & electronics	548	24.9%
Consumer products	306	13.9%
Garment	154	7.0%
Cosmetic	300	13.7%
Others	203	9.2%
<b>SPI's total dividend receipts</b>	<b>2,197</b>	<b>100%</b>

Source: SPI

## FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS

Unit: Mil. THB

	Jan-Mar 2025	-----Year Ended 31 December -----			
		2024	2023	2022	2021
Total operating revenues	817	2,949	3,021	4,448	2,731
Earnings before interest and taxes (EBIT)	1,560	3,574	3,986	3,102	2,859
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	771	2,299	2,563	2,159	1,801
Funds from operations (FFO)	632	1,741	2,085	1,768	1,486
Adjusted interest expense	139	558	478	355	314
Capital expenditures	315	1,037	1,299	935	482
Total assets	71,045	70,058	65,254	61,719	55,432
Adjusted debt	17,719	18,190	16,765	14,838	11,796
Adjusted equity	50,449	49,767	46,468	44,449	42,253
<b>Adjusted Ratios</b>					
EBITDA margin (%)	94.3 **	78.0	84.8	48.6	65.9
Pretax return on permanent capital (%)	6.5 **	5.4	6.4	5.4	5.3
EBITDA interest coverage (times)	5.6 **	4.1	5.4	6.1	5.7
Debt to EBITDA (times)	5.8 **	7.9	6.5	6.9	6.6
FFO to debt (%)	14.0 **	9.6	12.4	11.9	12.6
Debt to capitalization (%)	26.0	26.8	26.5	25.0	21.8

\* Consolidated financial statements

\*\* Annualized from the trailing 12 months

\*\*\* Not including share of profit from investment in associates by equity method and dividend income; not including gain from sales of investment properties, from 2021 onwards.

## RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

## Saha Pathana Inter-Holding PLC (SPI)

<b>Company Rating:</b>	A+
<b>Issue Ratings:</b>	
SPI256A: THB1,000 million senior unsecured debentures due 2025	A+
SPI276A: THB1,500 million senior unsecured debentures due 2027	A+
SPI306A: THB1,000 million senior unsecured debentures due 2030	A+
SPI326A: THB1,500 million senior unsecured debentures due 2032	A+
<b>Rating Outlook:</b>	Stable

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