

ASSETWISE PLC

No. 119/2025
23 July 2025

CORPORATES

Company Rating: BBB-
Outlook: Positive

Last Review Date: 31/07/24

Company Rating History:

Date	Rating	Outlook/Alert
31/07/24	BBB-	Positive
31/08/21	BBB-	Stable

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RATIONALE

TRIS Rating affirms the company rating on Assetwise PLC (ASW) at “BBB-” with a “positive” rating outlook. The rating reflects the company’s expanding business scale, growing brand recognition in both Bangkok and Phuket, and a sizeable project backlog. Based on the current backlog, ASW’s revenue is expected to exceed THB10 billion annually starting in 2025. In addition, the company’s financial leverage is anticipated to gradually decline, with its funds from operations (FFO) to debt ratio expected to improve and stay above 10% over the next three years.

The rating reflects ASW’s growing revenue and earnings base, as well as its expanding portfolio of products and geographic locations, along with satisfactory profit margins. However, the rating is partly constrained by the company’s improving but still relatively high financial leverage. The rating also takes into account the cyclical nature of the property industry, increased bank rejection rates for mortgage applications amid concerns over household debt, and the ongoing slowdown in the domestic economy.

KEY RATING CONSIDERATIONS

Expanding revenue and earnings base

ASW’s revenue and earnings are expected to continue growing over the next three years, despite ongoing challenges in the residential property market, including sluggish demand and rising mortgage rejection rates. The company demonstrated strong performance in 2024, with total presales, including presales from joint-venture (JV) projects, rising to THB18 billion, up from THB11 billion in 2022-2023. In the first quarter of 2025 (1Q25), presales surged 3.4 times year-on-year (y-o-y) to THB8.2 billion, primarily driven by successful project launches in Phuket.

Revenue peaked at THB9.9 billion in 2024, marking a 44% increase from 2023. However, it declined slightly by 2% y-o-y to THB1.7 billion in 1Q25. The company’s EBITDA margin remained solid at 24% in 2024, though it softened to 17% in 1Q25 due to higher marketing expenses and a shift in product mix.

Sizeable backlog to support earnings growth in the next two to three years

Looking forward, ASW’s annual revenue is projected to grow from THB10-THB11 billion in 2025 to THB14-THB17 billion during 2026-2027. EBITDA is expected to rise from THB2.5 billion to over THB4 billion per year over the same period. The EBITDA margin is estimated to remain in the range of 22%-25% during 2025-2027. The anticipated growth will be supported by the company’s sizeable backlog and the continued launch of new projects.

As of March 2025, ASW’s total backlog stood at THB30.6 billion, including THB7.1 billion from JV projects. ASW’s backlog is likely to be recognized as revenue of around THB8.6 billion in the remainder of 2025, THB7.8 billion in 2026, and THB6.8 billion in 2027. The backlog under JV projects will be transferred to customers during 2025-2027. Thus, ASW will realize share profit from JV projects and investment of around THB150-THB600 million per annum during 2025-2027. Government stimulus measures to reduce transfer and mortgage fees for housing priced up to THB7 million per unit, which is the main customer group of ASW, should also help stimulate transfers this year.

Increasingly diversified portfolio

ASW's residential property portfolio continues to diversify across both product types and locations. As of March 2025, 62% of its projects were located in Bangkok and the vicinity, 31% in Phuket, and the remaining 8% in the Eastern region. ASW's condominiums in Greater Bangkok are developed under the Kave, Atmoz, and Modiz brands, which are well recognized among college students and young professionals. The company has also expanded into the Phuket condominium market via its subsidiary, Rhom Bho Property PLC (TITLE). Projects under the Title brand are expected to become key revenue and earnings drivers in the coming years. TITLE's customer base comprises mainly foreign buyers, particularly from Russia and China.

The revenue contribution from ASW's landed property projects, under the Arbor, CHANN, and The Honor brands, has been increasing but remains small relative to the condominium portfolio. In 2025, the company launched a new luxury villa project in Phuket under The Title Villa brand, with unit prices ranging from THB20-THB45 million. The project has received a positive market response. Looking forward, revenues from landed property sales are expected to reach around THB1.3-THB1.5 billion per annum.

ASW also holds a 30% equity investment in Botanica Grand Avenue Co., Ltd. (BGA), a developer in Phuket focusing on high-end luxury villas. BGA is currently developing a project worth around THB13 billion.

Improving trend in financial leverage

We expect ASW's debt to capitalization ratio (including proportionate debt from JVs) to decline and remain below 60% over the next three years, as several condominium projects in both Bangkok and Phuket are completed and transferred to buyers. As of March 2025, ASW's debt to capitalization ratio stood at 60.3%, down from 63% in 2023. The company's rapid expansion, including the acquisition of TITLE in 2023 and the launch of new projects during 2023-2024, contributed to a notable increase in its debt. However, the company has benefited from favorable cash collection terms for its condominium projects in Phuket, where approximately 75% of the unit price is collected during construction and the remaining 25% upon transfer. This financing structure has helped reduce the need for external funding during project development.

Under TRIS Rating's base-case assumptions, ASW is expected to launch new projects worth around THB24 billion in 2025 and THB14-THB16 billion per annum during 2026-2027. The budget for land acquisition is set at around THB1-THB4 billion per year. Based on these assumptions, the company's debt to capitalization ratio is projected to gradually decline to the 52%-58% range over the next three years. The FFO to debt ratio is expected to improve from 8.2% in 2024 to the 10%-18% range over the forecast period.

ASW is expected to remain in compliance with the financial covenants on its debt obligations, which require the company to maintain a net interest-bearing debt to equity ratio below 2.5 times. The ratio was 1.4 times at the end of March 2025. We expect that ASW will be able to comply with the financial covenants over the next 12 to 18 months.

Manageable liquidity

We assess ASW's liquidity to be manageable over the next 12 months. As of March 2025, the company's liquidity sources comprised cash on hand of THB1.6 billion, undrawn and unconditional credit facilities amounting to THB7.2 billion, and projected FFO over the next 12 months of around THB1.5 billion. Uses of funds over the next 12 months include debts due totaling THB7.9 billion, working capital requirements for land acquisition and construction of THB3-THB4 billion, and capital expenditures of THB0.1-THB0.2 billion. Debts due over the next 12 months comprised THB1.3 billion short-term loans, THB4.8 billion project loans, and THB1.8 billion debentures.

Typically, ASW's short-term loans are mostly for working capital and bridging loans for land purchases which are expected to be converted to project loans over time. Its project loans will be repaid with cash received from the transfers of finished units to customers. The company might need to partially refinance the debentures that will mature in the next 12 months through the issuance of new debentures.

Debt structure

As of March 2025, ASW's consolidated debt, excluding lease liabilities, amounted to THB13.7 billion. The company's priority debt, including secured debts at the company and total debts of its subsidiaries, was THB9.4 billion. The priority debt to total debt ratio was 69%. As its priority debt ratio was above our threshold of 50%, we view that ASW's senior unsecured creditors could be at a significantly disadvantaged position to its priority debt holders with respect to claims against the company's assets.

BASE-CASE ASSUMPTIONS

- ASW to launch residential property projects worth around THB24 billion in 2025 and THB14-THB16 billion per annum in 2026-2027.
- Revenue forecast at around THB10-THB11 billion in 2025, increasing to around THB14-THB17 billion per annum in 2026-2027.
- EBITDA margin to stay in the 22%-25% range.
- Land acquisition budget of around THB1-THB4 billion per annum over the next three years.

RATING OUTLOOK

The “positive” outlook reflects our expectation that ASW will continue to grow as planned. The outlook is also based on the expectation that ASW will sustain its revenue and earnings growth momentum while its FFO to debt ratio should stay above 10% over the next three years. Its debt to capitalization ratio is expected to decline to below 60% over the forecast period.

RATING SENSITIVITIES

The rating could be upgraded if ASW’s revenue and cash flow increases as projected, with its FFO to debt ratio remaining above 10% and debt to capitalization ratio staying below 60% on a sustained basis. On the other hand, the rating and/or outlook may be revised downward if the company’s operating performance falls short of expectations and its financial leverage fails to improve as targeted.

COMPANY OVERVIEW

ASW was established in 2005 by the Vipapong family. The company became a public company in May 2020 and was listed on the Stock Exchange of Thailand (SET) in April 2021. After the initial public offering (IPO), the Vipapong family continued to be ASW’s largest shareholder, holding a 68% stake in the company as of May 2025.

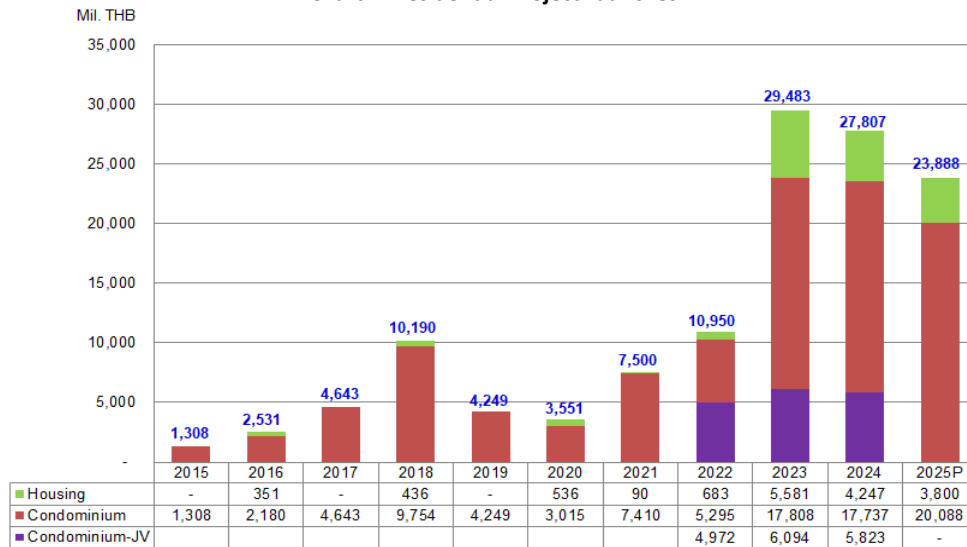
ASW focuses on the mid- to low-priced condominium segments. ASW’s condominium brands include: Kave, Atmoz, and Modiz. Modiz is a mid- to high-priced condominium brand with selling prices of THB90,000-THB130,000 per square meter (sq.m.). The Atmoz brand has selling prices of THB65,000-THB90,000 per sq.m. while the Kave brand was introduced to capture the middle- to low-income segments, with selling prices from THB60,000-THB75,000 per sq.m. ASW’s condominium projects are located mostly in the Lat Phrao and Ramindra areas. It also has several projects located near universities in the Rangsit and Salaya areas and has expanded its condominium projects into Sri Racha in Chonburi Province.

The company’s single detached house projects are developed under the Esta, The Arbor, and The Honor brands, with unit prices from THB3-THB60 million. Its townhouse projects are developed under brand names like Glam and Baan Puri Puri, with prices ranging from THB10-THB17 million per unit.

ASW aggressively expanded its portfolio in 2022. Additionally, the company started to develop condominium projects in alliance with strategic partners in JVs, primarily Japanese property developers. ASW holds 51% stakes in the JVs while its partners hold 49%. In 2023, the company invested in a 30% stake in BGA to develop luxury villas in Phuket. ASW also acquired a 57.8% stake in TITL from a major shareholder to expand the development of condominium projects in Phuket.

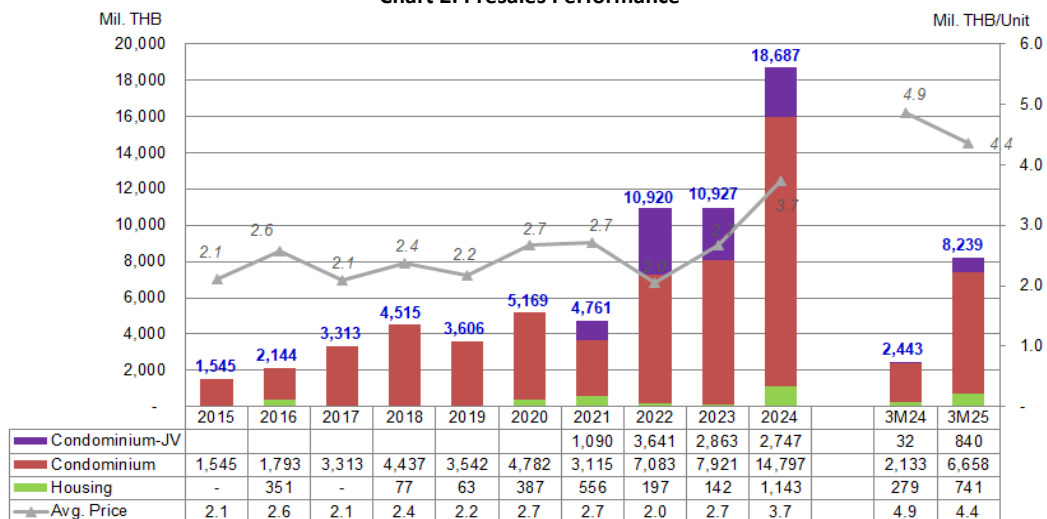
KEY OPERATING PERFORMANCE

Chart 1: Residential Project Launches



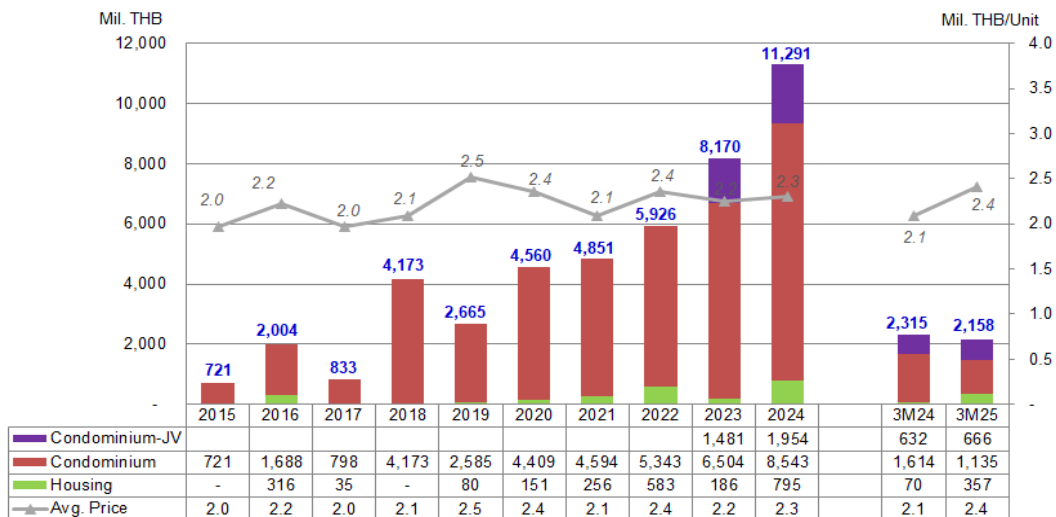
Source: ASW

Chart 2: Presales Performance



Source: ASW

Chart 3: Transfer Performance



Source: ASW

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS*

Unit: Mil. THB

	Jan-Mar 2025	-----Year Ended 31 December -----			
		2024	2023	2022	2021
Total operating revenues	1,713	9,873	6,873	5,538	4,966
Earnings before interest and taxes (EBIT)	243	2,196	1,445	1,329	1,410
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	291	2,380	1,593	1,437	1,513
Funds from operations (FFO)	8	1,110	668	793	1,031
Adjusted interest expense	220	779	615	314	184
Real estate development investments	23,314	22,852	17,741	11,768	8,289
Total assets	33,704	31,832	24,362	15,537	11,335
Adjusted debt	13,479	13,565	12,716	8,052	3,573
Adjusted equity	8,857	8,630	7,484	5,953	4,937
Adjusted Ratios					
EBITDA margin (%)	17.0	24.1	23.2	25.9	30.5
Pretax return on permanent capital (%)	8.9 **	9.7	8.0	10.9	17.6
EBITDA interest coverage (times)	1.3	3.1	2.6	4.6	8.2
Debt to EBITDA (times)	6.0 **	5.7	8.0	5.6	2.4
FFO to debt (%)	7.5 **	8.2	5.3	9.9	28.8
Debt to capitalization (%)	60.3	61.1	63.0	57.5	42.0

* Consolidated financial statements

** Annualized with trailing 12 months

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

Assetwise PLC (ASW)

Company Rating:

BBB-

Rating Outlook:

Positive

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