

# FRASERS PROPERTY THAILAND INDUSTRIAL FREEHOLD AND LEASEHOLD REIT

No. 92/2025

26 August 2025

## CORPORATES

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

Last Review Date: 20/05/25

### Issuer Rating History:

Date	Rating	Outlook/Alert
23/04/18	A	Stable

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## RATIONALE

TRIS Rating assigns a rating of “A” to Frasers Property Thailand Industrial Freehold and Leasehold REIT (FTREIT or trust)’s proposed issue of up to THB1.92 billion senior unsecured debentures due within 10 years. The proceeds from the new debentures will be used for asset acquisitions and/or debt repayment. At the same time, we affirm the issuer rating on FTREIT and the ratings on the trust’s existing senior unsecured debentures at “A” with a “stable” rating outlook.

The ratings reflect the trust’s sizable and well-diversified portfolio, satisfactory occupancy rate (OR), and prudent financial policy. The ratings also take into consideration the increasing pressure on the trust’s occupancy and rental rates, stemming from intensified competition amid a global and domestic economic slowdown.

The trust’s operating performance during the first nine months of fiscal year 2025 (9MFY25) was in line with our forecast. Its operating revenue rose by 6% year-on-year (y-o-y) to THB3.2 billion, driven by increasing demand for ready-built factories (RBF) amid limited market supply. The overall OR in 9MFY25 improved to 90%, up from 85%-86% during FY2022-FY2024. As of June 2025, the OR stood at 92%. The trust reported EBITDA in 9MFY25 of around THB2.4 billion with an EBITDA margin of 78%. Following the imposition of a 19% reciprocal tariff rate by the US, Thailand remains competitive as a manufacturing hub in the region. We expect FTREIT to maintain an OR in the 85%-86% range with an EBITDA margin of around 75%-76% over the forecast period.

The trust’s financial leverage remained modest during 9MFY25 with a debt to EBITDA ratio of around 4 times and funds from operations (FFO) to debt of around 21%. Its loan to value of total assets (LTV) ratio, excluding lease liabilities, stood at 26% as of June 2025.

FTREIT will use the proceeds from the new debentures to fund acquisitions totaling up to THB1.92 billion within December 2025. Taking these purchases into account, we estimate the trust’s LTV ratio will reach 28% by the end of December 2025. The trust typically funds acquisitions entirely through debt and subsequently raises equity to keep its LTV ratio below 30%. As a result, we expect the trust’s LTV ratio to stay within the 27%-29% range over the forecast period. We project the debt to EBITDA ratio to rise and stay in the range of 4.7-5 times while the FFO to debt ratio is forecast to remain above 15%.

We assess FTREIT’s liquidity position as adequate. We anticipate the trust’s sources of liquidity will cover its needs by about 1.4 times over the next 12 months. As of 30 June 2025, the trust’s sources of liquidity comprised THB189 million cash on hand and THB3.5 billion in available credit lines from financial institutions. We forecast FFO of around THB2.5 billion over the next 12 months.

Debts due over the next 12 months will amount to THB2.2 billion, comprising THB1.7 billion debentures, and the remainder in short-term borrowings and lease liabilities. We estimate dividend payments of around THB2.3 billion, in line with the trust’s requirement to distribute at least 90% of its adjusted net income as dividends. Given its low financial leverage, ability to access the capital market, and established relationships with financial institutions, the trust should have no difficulty refinancing its maturing debt obligations.

As of 30 June 2025, FTREIT’s consolidated debt, excluding lease liabilities, amounted to THB13.1 billion. This comprised THB12.6 billion debentures and

THB460 million short-term borrowings. All borrowings were unsecured and issued at the issuer level, thus, the trust has no priority debt.

The financial covenant on FTREIT's debt obligations requires the trust to maintain its LTV, excluding lease liabilities, below 60%. At the end of June 2025, the ratio was around 26%. We believe the trust should have no problems complying with the financial covenant over the forecast period.

#### **RATING OUTLOOK**

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The "stable" outlook reflects our expectation that FTREIT will be able to achieve operating performance as targeted, sustaining an average OR above 80% and an EBITDA margin above 70% over the next three years. We also expect the trust will continue to follow a prudent financial policy, keeping its LTV ratio below 30%.

#### **RATING SENSITIVITIES**

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The ratings and/or outlook on FTREIT could be revised downward should there be a deeper-than-expected deterioration in the trust's operating results and/or larger-than-anticipated debt-funded acquisitions, such that the adjusted net debt to EBITDA ratio rises to a level above 5.5 times for an extended period.

Conversely, a rating upward revision could be considered if the trust successfully enlarges its cash generation while its financial profile improves meaningfully, leading to the adjusted net debt to EBITDA ratio of below 2.5 times on a sustained basis.

#### **RELATED CRITERIA**

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- Issue Rating Criteria, 26 December 2024
- Rating Methodology for Real Estate for Rent Companies, 16 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

## Fraser's Property Thailand Industrial Freehold and Leasehold REIT (FTREIT)

<b>Issuer Rating:</b>	A
<b>Issue Ratings:</b>	
FTREIT263A: THB1,000 million senior unsecured debentures due 2026	A
FTREIT266A: THB700 million senior unsecured debentures due 2026	A
FTREIT268A: THB500 million senior unsecured debentures due 2026	A
FTREIT274A: THB450 million senior unsecured debentures due 2027	A
FTREIT274B: THB1,000 million senior unsecured debentures due 2027	A
FTREIT275A: THB600 million senior unsecured debentures due 2027	A
FTREIT279A: THB500 million senior unsecured debentures due 2027	A
FTREIT27DA: THB500 million senior unsecured debentures due 2027	A
FTREIT283A: THB150 million senior unsecured debentures due 2028	A
FTREIT286A: THB700 million senior unsecured debentures due 2028	A
TREIT286A: THB1,260 million senior unsecured debentures due 2028	A
FTREIT28NA: THB1,100 million senior unsecured debentures due 2028	A
TREIT28DA: THB600 million senior unsecured debentures due 2028	A
FTREIT294A: THB500 million senior unsecured debentures due 2029	A
FTREIT29DA: THB1,000 million senior unsecured debentures due 2029	A
FTREIT303A: THB350 million senior unsecured debentures due 2030	A
FTREIT304A: THB550 million senior unsecured debentures due 2030	A
FTREIT305A: THB200 million senior unsecured debentures due 2030	A
FTREIT314A: THB500 million senior unsecured debentures due 2031	A
FTREIT316A: THB250 million senior unsecured debentures due 2031	A
FTREIT325A: THB450 million senior unsecured debentures due 2032	A
Up to THB1,920 million senior unsecured debentures due within 10 years	A
<b>Rating Outlook:</b>	Stable

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