

ITALIAN-THAI DEVELOPMENT PLC

No. 1/2024
12 January 2024

CORPORATES

Company Rating:	BB+
Issue Ratings:	
Senior unsecured	BB
CreditAlert:	Negative

Last Review Date: 15/12/23

Company Rating History:

Date	Rating	Outlook/Alert
15/12/23	BB+	Negative
10/04/23	BBB-	Negative
08/04/21	BBB-	Stable
19/01/21	BBB-	Alert Negative
30/09/13	BBB-	Stable
27/08/12	BB+	Negative
02/07/12	BB+	Alert Negative
08/06/12	BBB-	Negative
06/05/11	BBB	Stable
30/04/09	BBB+	Negative
13/09/07	BBB+	Stable
11/01/07	A-	Negative
23/11/05	A-	Stable

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RATIONALE

TRIS Rating places CreditAlert with a “negative” implication on the company rating assigned to Italian-Thai Development PLC (ITD) and the ratings on its senior unsecured debentures. The rating actions reflect the uncertainty over the debenture holders’ resolution on the company’s proposal to change the financial covenants and maturity dates of its outstanding bonds. The CreditAlert implies that the ratings could be changed in the near term.

ITD has called for a debenture holders’ meeting on 17 January 2024. The agenda includes considerations to (1) waive the maintenance of a net interest-bearing debt to equity ratio below 3 times and allow the company to engage in negotiations or contracts with creditors for debt restructuring without being considered a cause of default under the terms of rights, and (2) extend the maturity dates of the debentures by an additional two years and implement an interest rate increase of 0.25% per annum in the first year, followed by a 0.50% per annum increase in the second year.

TRIS Rating expects to resolve the “negative” CreditAlert once the meeting results are concluded, and ITD’s proposed solutions and management strategies are fully addressed. In the event of the company’s failure to obtain debenture holders’ agreement on extended maturity dates without securing other funding sources, the credit rating may face a multiple-notch downgrade.

The ratings on ITD and its senior unsecured debentures ratings were recently downgraded to “BB+/negative” and “BB/negative”, respectively. The downgrades reflected the company’s heightened liquidity risk, its relatively weak operating performance, and high financial leverage. Also, the bond market’s tightening conditions are complicating efforts to rollover its maturing debenture obligations.

RELATED CRITERIA

- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022
- Issue Rating Criteria, 15 June 2021

Italian-Thai Development PLC (ITD)

Company Rating:	BB+
Issue Ratings:	
ITD24DB: THB1,215 million senior unsecured debentures due 2024	BB
ITD254A: THB6,000 million senior unsecured debentures due 2025	BB
ITD266A: THB2,785 million senior unsecured debentures due 2026	BB
CreditAlert:	Negative

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