

PROPERTY PERFECT PLC

No. 88/2025
8 August 2025

CORPORATES

Company Rating:	B-
Issue Rating:	
Hybrid	C
Outlook:	Negative

Last Review Date: 07/08/25

Company Rating History:

Date	Rating	Outlook/Alert
07/08/25	D	
21/07/25	B-	Alert Negative
18/04/25	BB-	Alert Negative
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 upgrades the company rating on Property Perfect PLC (PF) to "B-" from "D" and raises the rating on PF's subordinated perpetual debentures (hybrid debentures) to "C" from "D", with a "negative" outlook. The ratings upgrade follows the resumption of the company's first interest payment on 7 August 2025 under the new amended terms.

The ratings reflect PF's improved liquidity position following the debenture holders' approval on 6 August 2025 of amended terms on its 15 series of debentures, which include maturity extensions of up to two years and reduced interest payments to 3% from 7.25%-7.60% over the next two years.

In our view, while the revised terms have eased near-term liquidity pressure and improved the company's debt maturity profile, providing a liquidity reprieve during its business recovery, PF continues to operate with elevated leverage and faces challenges in generating sufficient cash flow to service its financial obligations.

Given the subdued housing demand and ongoing economic headwinds, PF's revenue and profitability are likely to remain under pressure. The company's heavy cost structure, including high selling, general, and administrative (SG&A) expenses and substantial finance costs, continues to weigh on its performance, keeping funds from operations (FFO) in negative territory.

We expect PF's leverage to remain elevated, underpinned by a balance sheet burdened by a substantial portfolio of non-core assets, particularly in the hotel and retail property segments, as well as a significant volume of unsold residential inventory. Additionally, the company's equity base is likely to continue eroding over the next three years, reflecting anticipated ongoing losses.

RATING OUTLOOK

The "negative" outlook reflects the pressure on PF's operating and financial performance amid subdued demand in the residential property market and a challenging economic environment. While the amended debenture terms provide near-term relief, we believe the risk of a subsequent default or distressed debt restructuring remains high considering PF's relatively high leverage and ongoing negative FFO.

RATING SENSITIVITIES

We could lower our ratings on PF if continued operational underperformance leads to a near-term liquidity shortfall, resulting in a likely inability to meet debt servicing obligations within the next 12 months.

Conversely, an upward revision could occur if its operating performance improves and its leverage declines, providing the company with a material liquidity buffer.

COMPANY OVERVIEW

PF was founded in 1985 by Mr. Sanith Adhyanasakul and listed on the Stock Exchange of Thailand (SET) in 1993. The company focuses on the middle- to high-income segments of the residential property market in the Bangkok suburbs. PF offers landed property units under the Lake Legend, Penton, Vavila,

Perfect Masterpiece, Perfect Residence, Perfect Place, Perfect Park, Modi Villa, and The Metro brands. Its landed property products range in price from THB2 million to THB150 million per unit. Condominium units are sold under the Hyde, Yu Kiroro, The Sky, Metro Sky, Metro Luxe, Metro Park, Bella Costa, I Condo, and Yu Ruay brands, with selling prices ranging from THB40,000 to THB420,000 per square meter (sq.m.).

In 2018, PF set up several joint ventures (JVs) with partners; HKL Thai Development Co., Ltd., Sekisui Chemical Co., Ltd., and Sumitomo Forestry Co., Ltd., to enlarge its residential portfolio. Apart from its core business, PF currently operates four hotels and one community mall. The company has also diversified its investments through JVs in the wind and solar energy businesses, as well as in the manufacturing and sale of nitrile rubber gloves.

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

Property Perfect PLC (PF)

Company Rating:	B-
Issue Rating:	
PF17PA: THB447.7 million subordinated capital debentures	C
Outlook:	Negative

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