

# PRUKSA HOLDING PLC

No. 170/2025  
3 October 2025

## CORPORATES

<b>Company Rating:</b>	BBB+
<b>Issue Ratings:</b>	
Guaranteed	BBB+
<b>Outlook:</b>	Negative

Last Review Date: 04/09/24

### Company Rating History:

Date	Rating	Outlook/Alert
04/09/24	BBB+	Stable
04/08/23	A-	Stable
18/07/22	A	Negative
27/04/18	A	Stable

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## RATIONALE

TRIS Rating revises the rating outlook on Pruksa Holding PLC (PSH) to “negative” from “stable”. At the same time, we affirm the company rating on PSH and the ratings on PSH’s guaranteed debentures at “BBB+”. PSH’s debentures are unconditionally and irrevocably guaranteed by Pruksa Real Estate PLC (PS), PSH’s subsidiary, rated “BBB+/Negative”. The guaranteed debentures are ranked pari passu to PS’s senior unsecured creditors.

The “negative” outlook reflects PSH’s weaker-than-expected operating performance of the group’s residential property business and weakening financial position. In addition, PSH’s future revenue and earnings are expected to remain under pressure due to unfavorable economic conditions and intense competition among leading property developers while revenues contribution from other businesses remain modest.

The ratings reflect the impacts of persistently high household debt levels and elevated mortgage rejection rates, both of which continue to dampen housing demand. However, the downward trend in interest rates, the easing of loan-to-value (LTV) regulations, and reductions in transaction-related fees are expected to provide some support for demand in the low- to mid-priced housing segment over the next 12 months. The ratings also continue to reflect PSH’s manageable liquidity position.

## KEY RATING CONSIDERATIONS

### Weaker-than-expected performance in residential property business

PSH’s total operating revenue declined by 19% year-on-year (y-o-y) in 2024 to THB20 billion, coming in slightly below our earlier forecast. The downward trend continued in the first half of 2025 (6M25), with revenue falling a further 30% y-o-y, representing around one-third of the full-year target. The overall performance deterioration was attributed to a sharp decline in residential property sales, down 20% y-o-y in 2024 and 40% y-o-y in 6M25. Meanwhile, revenue from the healthcare business remained in line with expectations.

PSH’s profitability deteriorated further, impacted by price-driven strategies to stimulate residential property sales, continued losses from the healthcare business, and increased fixed costs from new business ventures. As a result, EBITDA declined by 50% in 2024 to THB1.7 billion. The downward momentum persisted into 6M25, with EBITDA falling by 40% y-o-y to THB700 million, just one-fourth of our full-year forecast. Weaker profitability also weighed heavily on the bottom line, which dropped to around THB500 million in 2024, marking the lowest level in several years. In 6M25, net profit plunged 80% y-o-y to only THB90 million.

### Future performance to remain challenging

We expect PSH’s operating performance to remain under pressure over 2025-2027, as residential property continues to be the group’s primary revenue driver. Weakening purchasing power from homebuyers, coupled with intense competition from top-tier developers, is likely to weigh on residential sales. While PSH’s healthcare business has shown steady improvement over the past three years, its contribution to overall earnings is projected to remain modest, accounting for just 13%–14% over the forecast period.

Looking ahead, we forecast PSH’s total operating revenue to decline by 20% y-o-y in 2025, before recovering to THB17-THB18 billion in 2026-2027, or 20%-

25% below our previous projections. The residential property business will remain the key revenue driver, contributing around 80% of total revenue. We have also revised down our EBITDA forecast by 50%, now projecting annual EBITDA of THB1.4-THB1.7 billion, with over 85% generated from the residential business. PSH's EBITDA margin is expected to sustain at 9%-10% over the forecast period.

### **Transitioning the portfolio toward higher-priced housing continues to present significant challenges**

Although PSH offers a wide range of residential products, including single-detached houses (SDH), semi-detached houses, townhouses, and condominiums, its portfolio remains largely concentrated in the middle- to low-income segment, with unit prices below THB7 million. This segment accounts for approximately 70% of the total portfolio. The effects of weakened purchasing power and elevated mortgage rejection rates, particularly in this price range, have led to a sharp decline in residential property sales. In response, PSH began repositioning its portfolio toward the higher-end market starting in 2024. The company now plans to launch around half of new project value annually in the above THB7 million segment and aims to increase the mix of units priced above THB7 million to 45% of its total portfolio within the next five years.

However, we view PSH's expansion into the upper-end segment as challenging, due to its limited brand presence in this market and strong competition from established top-tier developers. As of June 2025, the average unit price across the portfolio increased slightly to THB5-THB6 million, compared to below THB5 million previously. Nevertheless, if executed successfully, this strategic shift could increase market share and improve performance in the long term.

### **Healthcare business continues to demonstrate growth, though its contribution remains moderate**

PSH's revenue from healthcare business grew by 20% y-o-y to THB 2.2 billion in 2024, driven by improving performance at both Vimut Paholyothin Hospital and Vimut Theptarin Hospital. Increasing patient numbers across both outpatient department (OPD) and inpatient department (IPD) services drove revenue growth. To expand its customer base, PSH plans to attract new domestic and international patients through online and offline marketing initiatives.

Additionally, the company intends to establish more centers of excellence to support the treatment of complex medical conditions. As a result, we project healthcare revenue to range between THB2.1-THB2.4 billion over 2025-2027. Although PSH's market presence in the healthcare sector is improving, it will take time for the company to generate significant earnings from this segment. We expect EBITDA from the healthcare business to turn positive from 2025 onward, reaching between THB200-THB300 million annually.

### **Weakening financial profile**

PSH's weaker-than-expected operating performance, coupled with a higher debt burden, has significantly eroded cash flow protection and elevated financial leverage. The ratio of FFO to debt declined to below 5% in 2024-6M25, down from over 10% in previous years. This fell short of the thresholds typically required to support a 'stable' outlook. At the same time, financial leverage, as measured by the debt to EBITDA ratio, increased sharply to 8-12 times during the same period, compared to 2-5 times in prior years.

Looking ahead, PSH plans to refocus on its core businesses, residential property and healthcare, while scaling down non-core investments. However, we expect the group's sizable capital requirements to support expansion in both sectors, along with joint venture (JV) investments in 2025-2027, to weigh on the group's financial profile. Under our base-case scenario, we project PSH to launch new residential projects through its own and JVs valued at THB20-THB23 billion annually over the forecast period. The company is expected to allocate THB3-THB4 billion per year for land acquisition in residential property business. Capital expenditures (CAPEX) for the healthcare segment are projected at THB3.7 billion, with JV investments totaling THB1.7 billion over the three-year period. We also assume a dividend payout ratio of 80%.

As a result, we expect PSH's FFO to debt ratio to remain below 5% in 2025, with improvement to above 5% from 2026 onward. The debt to EBITDA ratio is projected to stay elevated at 10-11 times throughout the forecast period.

### **Manageable liquidity**

On a consolidated basis, we assess PSH's liquidity position as manageable. As of June 2025, PSH's sources of liquidity comprised THB1.2 billion cash on hand, coupled with THB9.1 billion undrawn committed and uncommitted credit facilities from banks. We project FFO of approximately THB800 million over the next 12 months. In addition, PSH holds unencumbered land awaiting for development and investment properties with a combined book value of THB16.6 billion, along with remaining completed debt-free units at a total selling price of THB8.5 billion. These assets could be used as collateral to secure additional funding if needed. PSH also holds an investment portfolio with a fair value of THB6.7 billion, which we view as an additional source of financial flexibility.

PSH has total debt maturities of THB 12.6 billion over the next 12 months, comprising THB3.5 billion debentures, THB7.5 billion short-term loans, THB1 billion long-term loans, and THB0.6 billion short-term aval for land purchases. The company

typically refinances maturing debentures through new debenture issuances and/or term loans. Short-term borrowings are generally repaid using internally generated cash or rolled over. The short-term aval related to land purchases are expected to be converted into long-term project loans. Over the same period, we project total CAPEX and investments in JVs across all businesses to amount to THB2.3 billion, along with a dividend payment of THB100 million.

The financial covenants on PSH's bonds and bank loans require the company to maintain its interest-bearing debt to equity ratio below 2 times. As of June 2025, the ratio was 0.4 times. We believe that PSH should have no problems complying with the financial covenants over the next 12 months.

### Debt structure

As of June 2025, PSH had total consolidated debts of THB14.9 billion. PSH's priority debt, including secured debt at the company, total debts at the subsidiaries, and bonds guaranteed by PS, was THB9.7 billion. This translates to a priority debt to total debt ratio of 65%. The upstream guarantee for PSH's debentures provided by PS ensures that PSH's debentureholders rank pari passu with PS's senior unsecured creditors.

### BASE-CASE ASSUMPTIONS

These are the key assumptions in TRIS Rating's base case forecast for PSH's operations in 2025-2027:

- New residential project launches (including own and JVs) worth THB20-THB23 billion per annum
- Annual land acquisition for residential projects of THB3-THB4 billion
- CAPEX for the healthcare business of THB3.7 billion over a three-year period
- Investments through JVs to total THB1.7 billion over 2025-2027
- Total operating revenue to drop by 20% y-o-y in 2025, before reviving to THB17-THB18 billion in 2026-2027
- EBITDA margin to hover in the 9%-10% range

### RATING OUTLOOK

The "negative" outlook reflects PSH's operating performance and financial profile falling short of expectations. Amid persistent economic headwinds, the company continues to face increasingly challenging industry conditions, which could constrain its ability to generate revenue and earnings at levels commensurate with the currently assigned ratings.

### RATING SENSITIVITIES

A rating downgrade could be triggered if PSH's operating performance and/or financial position worsen beyond our expectations, resulting in its FFO to debt ratio consistently falling below 5%. Conversely, the outlook could be revised to "stable" if PSH shows improved operating results and a stronger financial profile, with its FFO to debt ratio sustained above 5%.

### COMPANY OVERVIEW

PSH was established in March 2016 as a holding company, in accordance with the group restructuring of PS. PSH made a tender offer for all securities of PS at a swap ratio of 1:1. After completion of the tender offer, the holding company became the major shareholder of PS and its securities have been listed on the Stock Exchange of Thailand (SET) since December 2016 in place of PS, whose securities were simultaneously delisted from the SET. As of June 2025, the Vjittpongpun family was PSH's largest shareholder, owning a 75% stake. PSH holds a 98.23% stake in PS.

PSH operates as a holding company which currently invests in the residential property business, healthcare business, and other related businesses through JVs, corporate ventures, and private equity funds. PSH's residential property portfolio covers landed property and condominium products across broad price ranges. Its main products target the middle- to low-priced market segments. PSH has expanded into the healthcare business with the launch of "Vimut Hospital", its first flagship hospital, in May 2021, and by investing in a 51% stake in "Theptarin Hospital" in February 2021.

PSH has invested in other businesses relating to prop-tech, health-tech, sustainability-tech, and e-commerce in both fund level and project level since 2022. Its investments include an equity shareholding in Pathology Asia Holdings Pte., Ltd. (PAH) in Singapore. PSH also set up a JV, PAH Holdings (Thailand) Co.,Ltd, with PAH to develop advance gene lab in Thailand.

PSH joins with CapitaLand Investment Group (CLI) and Ally Logistic Property Co., Ltd. (ALP) to set up CapitaLand SEA Logistics Fund (CSLF). CSLF will focus on investing and developing in logistics properties, which provide comprehensive automated logistics services, in Southeast Asia. In addition, PSH and CSLF jointly develops Omega Logistics Campus, an automatic logistic warehouse project, with sizable project value of THB12 billion.

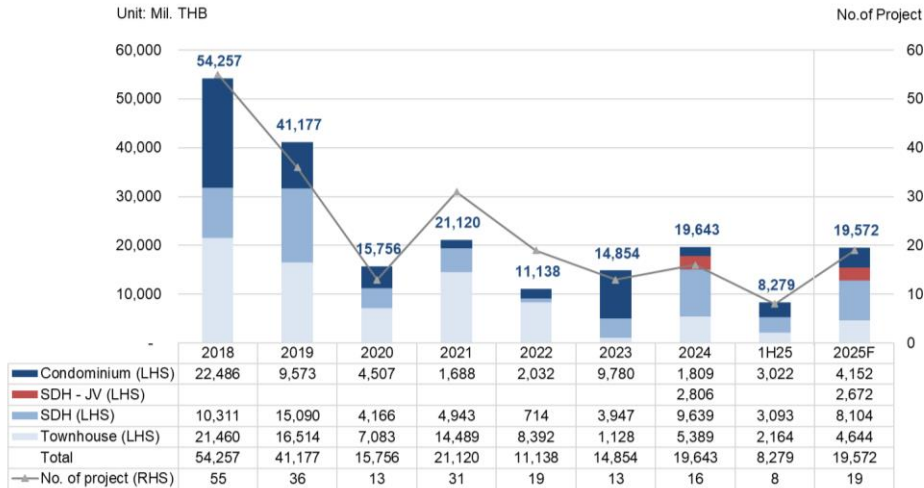
PSH entered into an agreement with CLI to establish the CapitaLand Wellness Fund (C-WELL), a private equity fund, focusing on investment in wellness and healthcare-related assets. PSH also jointly develops two luxury wellness residence projects with C-WELL, with total project value of THB4 billion.

However, in 2025, PSH has shifted its strategic focus back to its core businesses, residential property business and healthcare business, and is in the process of scaling down its exposure to non-core investments.

Revenue and earnings from the residential property business will continue to be a key contributor to the group over the next several years, thus PS is considered as a “core” subsidiary of the group. The issuer ratings on PS and the group are equivalent.

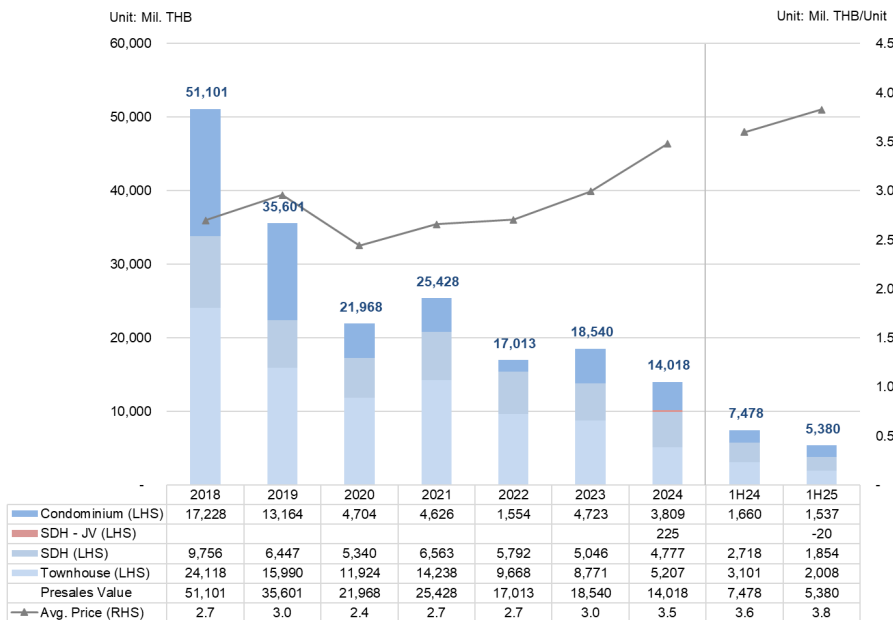
**KEY OPERATING PERFORMANCE**

**Chart 1: New Residential Project Launches**



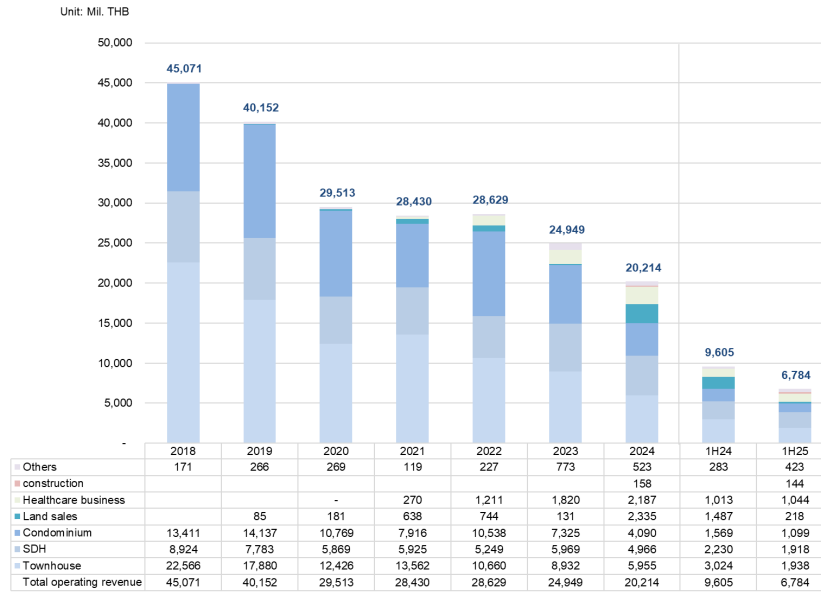
Source: PS

**Chart 2: Presales Performance**



Source: PS

Chart 3: Revenue Breakdown



Source: PSH

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS\*

Unit: Mil. THB

	Jan-Jun 2025	-----Year Ended 31 December -----			
		2024	2023	2022	2021
Total operating revenues	6,784	20,214	24,949	28,629	28,430
Earnings before interest and taxes (EBIT)	521	1,249	2,873	4,242	3,827
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	738	1,726	3,305	4,725	4,289
Funds from operations (FFO)	408	648	2,064	3,088	2,923
Adjusted interest expense	253	805	691	718	600
Real estate development investments	37,792	37,715	41,573	48,722	56,757
Total assets	64,250	65,887	68,548	68,656	72,052
Adjusted debt	14,458	13,520	12,654	10,618	16,741
Adjusted equity	43,263	43,466	45,835	45,577	44,072
<b>Adjusted Ratios</b>					
EBITDA margin (%)	10.9	8.5	13.2	16.5	15.1
Pretax return on permanent capital (%)	1.3 **	2.0	4.7	6.8	5.7
EBITDA interest coverage (times)	2.9	2.1	4.8	6.6	7.2
Debt to EBITDA (times)	11.5 **	7.8	3.8	2.2	3.9
FFO to debt (%)	3.4 **	4.8	16.3	29.1	17.5
Debt to capitalization (%)	25.0	23.7	21.6	18.9	27.5

\* Consolidated financial statements

\*\* Annualized with trailing 12 months

## RELATED CRITERIA

- Group Rating Methodology, 25 August 2025
- 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

## Pruksa Holding PLC (PSH)

<b>Company Rating:</b>	BBB+
<b>Issue Ratings:</b>	
PSH265A: THB3,500 million guaranteed debentures due 2026	BBB+
PSH275A: THB1,000 million guaranteed debentures due 2027	BBB+
<b>Rating Outlook:</b>	Negative

### TRIS Rating Co., Ltd.

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