

Pruksa Real Estate PLC

Corporate | Homebuilders and Real Estate Developers

19 October 2026

Issuer Credit Rating: BBB+/Stable

Rating Action

TRIS Rating revises the rating outlook on Pruksa Real Estate PLC (PS) to “Stable” from “Negative”. At the same time, we affirm the issuer credit rating on PS at “BBB+”. The “Stable” outlook follows the rating action on its parent company, Pruksa Holding PLC (PSH, rated “BBB+/Stable”). As PS is assessed as a “core” subsidiary of PSH, its rating and outlook are aligned with those of its parent.

The “Stable” outlook reflects the parent’s outlook revision and our expectation that PS will remain a core subsidiary of PSH, with its rating and outlook aligned with those of the parent. It also incorporates the group’s improved financial profile, supported by prudent investment discipline and the scaling down of non-core investments, which have reduced debt and strengthened cash flow protection.

The rating continues to reflect the challenges facing PS’s revenue and earnings prospects amid unfavorable residential property market sentiment, the difficulties of repositioning its housing portfolio toward higher-priced segments, and its limited backlog. These factors are partly offset by the company’s adequate liquidity position.

Key Rating Considerations

Maintains its status as a ‘core’ subsidiary of the group

We assess PS as a ‘core’ subsidiary of PSH, which holds a 98.23% stake in the company. As of June 2026, PS’s assets accounted for around 80% of PSH’s total assets. The company remained a key contributor to the group’s operating performance, generating approximately 70%-80% of group revenue and EBITDA in 2025 and the first half of 2026 (1H26). Accordingly, PSH’s overall operating performance remains highly dependent on PS.

We expect PS to maintain its position as the group’s core operating subsidiary over 2026-2028, with its property business continuing to contribute around 80% of group revenue and earnings. However, challenging conditions in the residential property market and limited contributions from other businesses are likely to weigh on the group’s revenue and earnings, constraining improvements in the credit profile.

Modest sales recovery amid market headwinds

The residential property market continues to face unfavorable economic conditions, with high household debt and tight mortgage lending conditions weakening homebuyer purchasing power, particularly in the middle- to low-income segments. Against this backdrop, PS’s residential sales fell to THB12 billion in 2025, the lowest level in several years. Residential sales showed signs of recovery in 1H26, increasing by 14% year-on-year (y-o-y) to THB6 billion, equivalent to around 40% of our full-year forecast.

Intense competition among leading developers has prompted PS to offer additional promotions and adopt more aggressive pricing strategies to stimulate sales. As a result, the gross profit margin from residential sales declined to 26%-28% in 2024-1H26, down from over 30% in previous years. Meanwhile, selling, general, and administrative (SG&A) expenses remained elevated at 20%-24% of total revenue over the same period, primarily due to lower

revenue and the burden of high fixed operating costs. Consequently, PS's EBITDA and funds from operations (FFO) each declined by 25% in 2025, before recording single-digit growth in 1H26. Profitability remained subdued, with the net profit margin narrowing to 4%-6% in 2024-1H26, down from 8% in 2023 and above 10% in earlier years.

Shift toward higher-priced segments remains challenging

As of June 2026, PS had around 125 ongoing projects with a total unsold value of THB60 billion (including built and unbuilt units). Townhouses made up 36% of the remaining value, single-detached houses (SDHs) 45%, and condominiums 19%. Despite offering diverse property types, PS's portfolio remains heavily concentrated in units priced below THB3 million. This segment accounted for 40%-45% of the total portfolio. Weak purchasing power and persistently high mortgage rejection rates among buyers in this segment have weighed on PS's performance over the past three years.

PS continues to reposition its portfolio toward units priced between THB3 million and THB7 million, with most new project launches targeting this segment. The company aims to increase the mid-priced segment's share of the portfolio to nearly 50% by 2027 from 41% in 2025, while reducing the low-priced segment's share to 30% by 2029. However, the transition is likely to remain challenging amid strong competition from top-tier developers in the mid-priced segment. PS's ability to gain market share will depend on its product differentiation and pricing competitiveness. Nonetheless, successful repositioning could strengthen its competitive position over the longer term.

Revenue and earnings to remain under pressure

We expect PS to face continuing challenges to its operating performance in 2026-2028, reflecting subdued macroeconomic conditions and a limited backlog, which constrain revenue and earnings visibility. Operating performance will depend largely on sales of ready-to-move condominium units and the absorption of both newly launched and existing landed property projects. As of June 2026, PS had a backlog of THB4.9 billion, of which around 75% is expected to be recognized in the second half of 2026 and the remainder in 2027. In addition, PS held THB10.7 billion worth of unsold completed residential units, which could generate revenue or share of profit from joint ventures (JV) upon sale.

Under our base-case scenario, we assume PS to launch landed property projects (including own and JV projects) worth THB4 billion in 2026 and THB1-THB2 billion annually in 2027-2028. Condominium launches are expected to amount to THB3 billion in 2026 before increasing to THB10-THB11 billion annually in 2027-2028.

Accordingly, total operating revenue is expected to remain relatively flat at THB12-THB13 billion per annum in 2026-2028, with revenue from rental apartments expected to remain negligible. Gross profit margin is projected to stay subdued at 26%-28%, reflecting continued pricing pressure and competition. Consequently, annual EBITDA is expected to remain modest at THB1.0-THB1.2 billion, with an EBITDA margin of 9%-10%.

Manageable financial leverage

PS's financial leverage remains manageable despite weaker earnings. Adjusted debt declined to THB3.8 billion as of June 2026 from THB4.5 billion at the end of 2025, while the debt to EBITDA ratio improved to 3.1 times from 3.8 times. Under our base case, we expect the ratio to remain at around 5-7 times over 2026-2028. Our projection reflects the company's prudent investment discipline, modest land acquisitions, and limited project launches, which should moderate its external funding needs.

We assume annual land acquisitions of THB1-THB3 billion and construction spending of THB5-THB7 billion throughout the forecast period. Our base case also incorporates approximately THB2 billion in capital expenditure for the rental apartment business over the next three years. Annual dividend payments are projected at THB1.5-THB2.5 billion. The company's measured investment plans should help keep leverage within our expected range.

Adequate liquidity

We assess PS's liquidity position as adequate. As of June 2026, PS's sources of liquidity comprised THB1.4 billion cash on hand, coupled with THB3.8 billion undrawn committed and uncommitted credit facilities from financial institutions. We forecast FFO over the next 12 months of around THB700 million. In addition, PS holds unencumbered land awaiting development and investment properties with a book value of around THB14 billion and remaining completed units in debt-free projects with a total selling price of THB9.8 billion. These assets could potentially be pledged as collateral to secure additional funding if necessary.

Debt maturities over the next 12 months total approximately THB2.8 billion, almost entirely made up of short-term loans, together with THB31 million in lease liabilities. We project CAPEX and investments in JVs of around THB700 million, while dividend payments are expected to amount to around THB1.7 billion.

Debt structure

As of June 2026, PS reported total consolidated debt of THB4.5 billion. Its priority debt, including secured debt at the company level and total debts of its subsidiaries, amounted to THB2.1 billion. The priority debt to total debt ratio was 46%.

Base-Case Assumptions

These are the key assumptions in TRIS Rating's base-case forecast for PS's operations in 2026-2028:

- New landed property project launches (including own and JV projects) worth THB4 billion in 2026 and THB1-THB2 billion per annum in 2027-2028.
- New condominium project launches worth THB3 billion in 2026 and THB10-THB11 billion annually in 2027-2028.
- Annual land acquisition of THB1-THB3 billion.
- CAPEX for the rental apartment business to total THB2 billion over the three-year period.
- Total operating revenue to hover around THB12-THB13 billion per annum, with an EBITDA margin of 9%-10%.

Rating Outlook

The "Stable" outlook aligns with that assigned to the parent company and reflects our expectation that PS will continue to be a core subsidiary of PSH.

Rating Sensitivities

The rating and/or outlook on PS depends not only on its own operating performance but also on the financial position of the group. A significant deterioration in the group's operating results and/or financial profile from our expectations could exert downward pressure on PS's credit profile. Any change in the company's linkage to PSH could also lead to a change in the company rating on PS. Conversely, an improvement in the group's operating performance and/or financial position could have a positive impact on PS's rating.

Company Overview

PS was founded in 1993 by Mr. Thongma Vijitpongpan and listed on the Stock Exchange of Thailand (SET) in December 2005. After the completion of the tender offer following a restructuring plan in November 2016, PSH became the major shareholder of PS. On 1 December 2016, PSH's securities were listed on the SET in place of PS's shares, whose securities were simultaneously delisted. As of June 2026, the Vijitpongpan family was PSH's largest shareholder, owning a 75% stake. PSH holds a 98.23% stake in PS.

After the reorganization, PS has retained its concentration on residential properties for sale. PS is considered a “core” subsidiary of PSH since the residential property business is likely to remain the key contributor to the revenue and earnings of the group over the next several years. Thus, the issuer ratings on PS and the group are equivalent. The organizational structure under PSH will provide greater flexibility for the group to expand into new businesses and facilitate alliances with strategic partners.

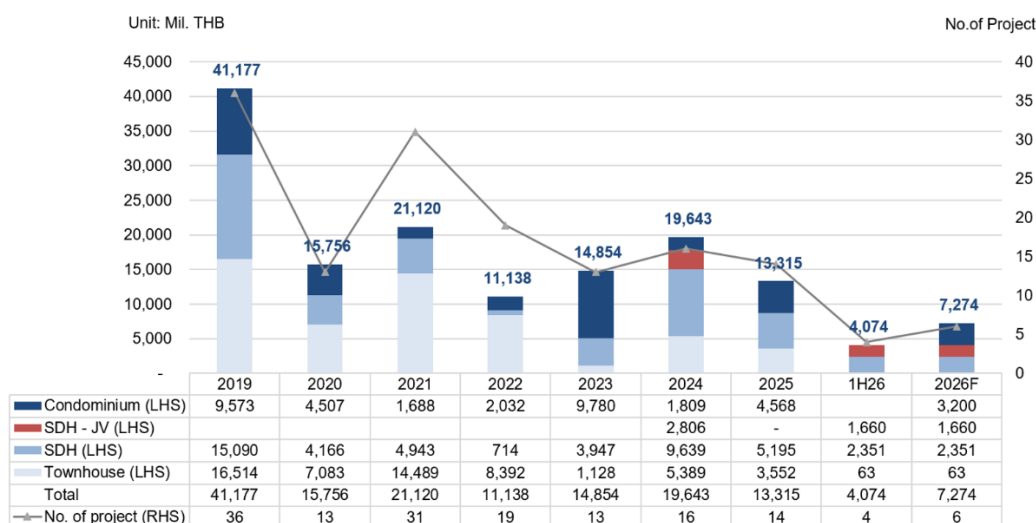
In late 2023, PS entered into joint venture agreements with subsidiaries of Origin Property PLC (ORI) to develop two residential property projects and one mixed-use project, with a total project value of THB9 billion. In 2024, PS began jointly developing two luxury wellness residential projects with CapitaLand Wellness Fund (C-WELL), with an aggregate project value of THB4 billion. Going forward, the company is expected to remain focused on its core residential development business, while gradually expanding complementary businesses that support recurring income generation.

In 2026, PS has expanded its portfolio of recurring-income assets through investment in the rental residences under the “iPLERN” apartment brand. iPLERN focuses on providing affordable accommodation in strategic residential and employment locations.

PS offers various types of residential products. Its products cover townhouses, SDHs, and condominiums across several price ranges. PS’s main products target the middle price segments of the residential property market. As of June 2026, PS had a sizable project portfolio with a total project value of approximately THB140 billion. The portfolio was 56% sold and 52% transferred. Townhouses remain the largest source of income, constituting around 35%-40% of total operating revenue over the past several years. Revenue from SDHs and condominiums contributed around 30%-40% and 20%-30%, respectively, over the past several years.

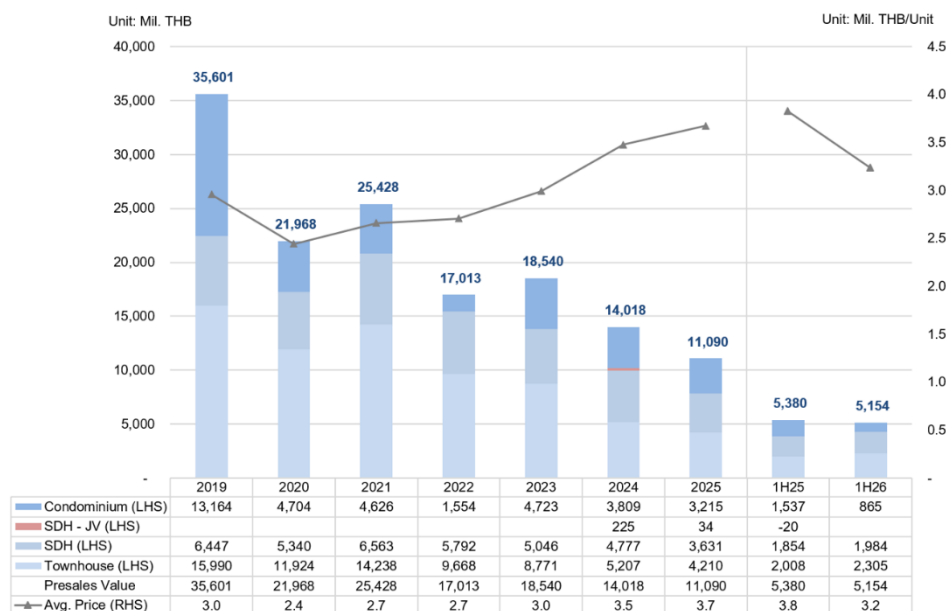
Key Operating Performance

Chart 1: New Residential Project Launches



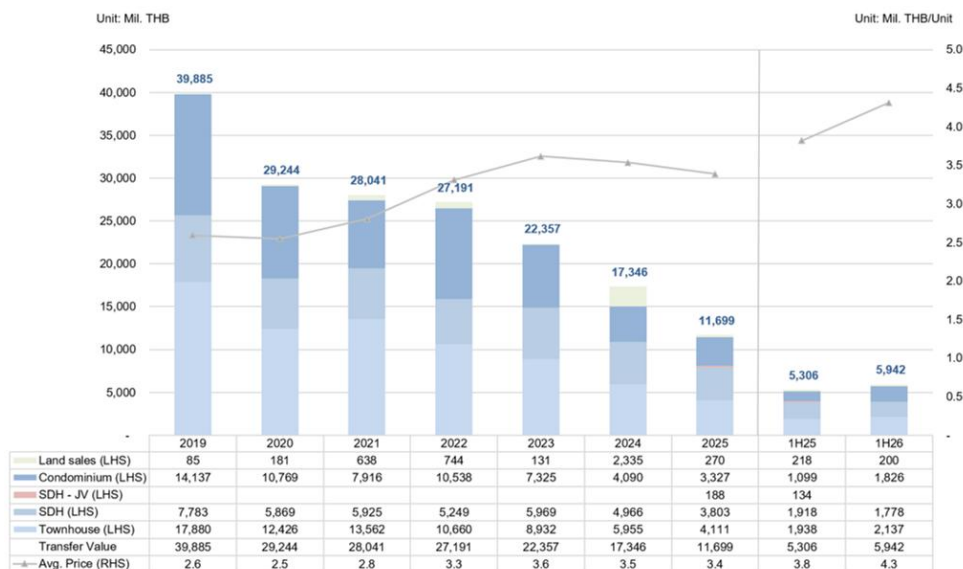
Source: PS

Chart 2: Presales Performance



Source: PS

Chart 3: Transfer Performance



Source: PS

Financial Statistics and Key Financial Ratios*

Unit: Mil. THB

		Year Ended 31 December			
	Jan-Jun 2026	2025	2024	2023	2022
Total operating revenues	6,176	12,043	17,830	22,817	27,416
Earnings before interest and taxes (EBIT)	606	1,001	1,376	2,732	4,661
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	681	1,159	1,545	2,941	5,019
Funds from operations (FFO)	530	871	1,177	2,257	3,645
Adjusted interest expense	45	94	89	171	471
Real estate development investments	34,431	37,383	37,880	41,894	49,362
Total assets	47,913	50,132	45,846	48,331	59,209
Adjusted debt	3,808	4,455	797	0	4,863
Adjusted equity	38,586	39,440	40,076	42,438	43,574
Adjusted Ratios					
EBITDA margin (%)	11.0	9.6	8.7	12.9	18.3
Pretax return on permanent capital (%)**	2.4	2.3	3.2	5.8	8.3
EBITDA interest coverage (times)	15.2	12.4	17.4	17.2	10.7
Debt to EBITDA (times)**	3.1	3.8	0.5	0.0	1.0
FFO to debt (%)**	24.0	19.5	147.7	n.a.	74.9
Debt to capitalization (%)	9.0	10.2	1.9	0.0	10.0

* Consolidated financial statements

** Trailing 12 months

n.a. Not available

Related Criteria

- Homebuilders and Real Estate Developers Rating Methodology, 29 May 2026
- Corporate Rating Methodology, 29 December 2025
- Key Financial Ratios and Adjustments for Corporate Issuers, 7 November 2025
- Group Rating Methodology, 25 August 2025
- Issue Rating Criteria, 26 December 2024

Pruksa Real Estate PLC (PS)

Issuer Credit Rating:	BBB+
Rating Outlook:	Stable

Rating History

Last Review Date: 3 October 2025

Date	Rating	Outlook/Alert
03-Oct-25	BBB+	Negative
04-Sep-24	BBB+	Stable
04-Aug-23	A-	Stable
18-Jul-22	A	Negative
14-Aug-12	A	Stable
24-Nov-11	A	Negative
07-May-10	A	Stable
30-Jun-09	A-	Positive
25-Jun-08	A-	Stable
18-Apr-06	BBB+	Positive
12-Jul-04	BBB	Stable
19-Jun-03	BBB	-
05-Feb-02	BB+	-

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