

# SENA DEVELOPMENT PLC

No. 11/2025  
31 January 2025

## CORPORATES

**Company Rating:** BBB-  
**Issue Ratings:**  
Senior unsecured BBB-  
**Outlook:** Stable

**Last Review Date:** 31/07/24

### Company Rating History:

Date	Rating	Outlook/Alert
28/06/24	BBB-	Stable
31/05/22	BBB	Negative
08/03/22	BBB	Alert Negative
21/02/19	BBB	Stable
11/11/14	BBB-	Stable

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## RATIONALE

TRIS Rating assigns a rating of “BBB-” to Sena Development PLC (SENA)’s proposed issue of up to THB1.5 billion senior unsecured debentures due within five years. The proceeds from the new debentures are intended to be used for business expansion, working capital, and/or debt repayments. At the same time, we affirm the company rating on SENA and the ratings on its existing senior unsecured debentures at “BBB-”, with a “stable” rating outlook.

The ratings reflect SENA’s acceptable track record in the middle-to-low-income segment of the residential property market, a notable income contribution from joint ventures (JVs), and manageable liquidity. The ratings also factor in the company’s persistently high financial leverage and the adverse impacts of lingering high interest rates and elevated household debt levels, which have resulted in increased rejection rates for mortgage loan applications.

SENA’s operating performance for the first nine months of 2024 (9M24) fell below expectations. The company reported total operating revenue of THB2.4 billion, achieving around 50% of our full-year target. This was primarily due to lower-than-anticipated title transfers, affected by a high mortgage rejection rate, particularly among the middle- to low-income segments that constitute SENA’s major customer base. Consequently, the company’s EBITDA was only around THB800 million in 9M24, or about half of the full-year target. Nevertheless, SENA’s EBITDA margin of 34% and shared profits from investments in JVs of around THB300 million in 9M24 were in line with expectations.

Looking ahead, SENA’s revenue and earnings in the fourth quarter of 2024 (4Q24) are expected to improve slightly, supported by its backlog from its own and JV projects. Additionally, the company’s revenue and earnings in the coming years will be partly secured by a total backlog worth THB6.7 billion as of December 2024. Of the total backlog, THB4.3 billion is expected to be delivered in 2025 and THB2.4 billion in 2026. Our base-case scenario projects SENA’s total operating revenue to remain at around THB4-THB5 billion per year in 2025-2026 and EBITDA to range between THB1.5-THB1.7 billion.

We anticipate a slight decrease in SENA’s financial leverage as the company plans to reduce land acquisitions and focus on inventory reduction over the next few years. Consequently, we expect SENA’s debt to capitalization ratio to hover around 57%-60% in 2025-2026, down from 63% as of September 2024. Also, we project the funds from operations (FFO) to debt ratio to improve to around 5%-7% in 2025-2026, compared to 2% in 9M24.

SENA’s liquidity is expected to be relatively tight over the next 12 months. As of September 2024, SENA’s sources of funds consisted of THB600 million cash on hand and THB4.2 billion undrawn unconditional committed credit facilities. FFO is forecast at around THB700 million in 2025. SENA also had unencumbered land banks at book value of THB480 million and remaining finished units of its own debt-free projects with selling prices totaling THB350 million, which can be pledged as collateral for new loans if needed.

On the other hand, SENA’s maturing debts over the next 12 months amount to THB7.1 billion, comprising THB3.7 billion debentures, THB1.7 billion short-term promissory notes (P/Ns), THB1 billion bills of exchange (B/Es), THB0.6 billion million long-term project loans, and THB0.1 billion lease liabilities. Of the THB3.7

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billion maturing debentures, THB1 billion due in October 2024 has already been repaid. The remaining amount is expected to be refinanced with new debenture issuances or replaced by bank loans. The company has also repaid the THB1 billion B/Es by bank loans. The P/Ns are primarily utilized for working capital and bridging loans for land acquisitions. SENA plans to either roll over these instruments or convert them into long-term project loans. Project loans are typically repaid with proceeds from the unit transfers of the underlying projects.

The financial covenants on SENA's debentures and bank loans require the company's interest-bearing debt to equity (IBD/E) ratio to remain below 2.5 times and its total liabilities to total equity (D/E) ratio to remain below 1.75 times. As of September 2024, the two ratios were 1.4 times and 1.5 times, respectively. SENA should be able to remain in compliance with the financial covenants over the next 12 to 18 months.

As of September 2024, SENA's consolidated debt, excluding lease liabilities, was THB13.8 billion. Its priority debt was THB5.7 billion, comprising secured debts owned by the company and total debts of its subsidiaries. Therefore, the priority debt to total debt ratio stood at 41%.

## RATING OUTLOOK

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The "stable" outlook reflects our expectation that SENA's operating performance will align with our targets, with EBITDA in the THB1.5-THB1.7 billion range, while its financial profile will not significantly deteriorate from current levels.

## RATING SENSITIVITIES

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A downward revision of the ratings and/or outlook may occur if there is a further material deterioration in operating results and/or financial position, with no signs of recovery. Conversely, a credit upside would materialize if SENA's operating and financial performance significantly improve such that its debt to capitalization ratio reaches around 55% and its FFO to debt ratio rises above 7.5% on a sustained basis.

## RELATED CRITERIA

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- 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

**Sena Development PLC (SENA)**

<b>Company Rating:</b>	BBB-
<b>Issue Ratings:</b>	
SENA253A: THB1,200 million senior unsecured debentures due 2025	BBB-
SENA259A: THB1,530 million senior unsecured debentures due 2025	BBB-
SENA261A: THB895 million senior unsecured debentures due 2026	BBB-
SENA262A: THB2,000 million senior unsecured debentures due 2026	BBB-
SENA274A: THB1,000 million senior unsecured debentures due 2027	BBB-
Up to THB1,500 million senior unsecured debentures due within 5 years	BBB-
<b>Rating Outlook:</b>	Stable

**TRIS Rating Co., Ltd.**

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