

S HOTELS AND RESORTS PLC

No. 1/2025
6 January 2025

CORPORATES

Company Rating:	BBB+
Issue Ratings:	
Senior unsecured	BBB
Outlook:	Negative

Last Review Date: 21/11/24

Company Rating History:

Date	Rating	Outlook/Alert
21/11/24	BBB+	Negative
09/05/23	BBB+	Stable

Contacts:

Tulyawat Chatkam

tulyawatc@trisrating.com

Preeyaporn Kosakarn

preeyaporn@trisrating.com

Wajee Pitakpaibulkij

wajee@trisrating.com

Thiti Karoonyanont, Ph.D., CFA

thiti@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating assigns the rating of “BBB” to a proposed issue of up to THB2 billion senior unsecured debentures due within three years of S Hotel and Resorts PLC (SHR). The company intends to use the proceeds from the debenture issuance for debt repayment. At the same time, we affirm the company rating on SHR at “BBB+” with a “negative” rating outlook and affirm the rating on its outstanding senior unsecured debentures at “BBB”.

The ratings reflect our assessment of SHR’s group status as a “core subsidiary” of Singha Estate PLC (S, rated “BBB+/Negative”), according to our “Group Rating Methodology”.

The issue rating is one notch below the company rating due to the significant subordination of SHR’s senior unsecured debentures to its priority debt, in terms of priority of claims against the company’s assets. As of September 2024, SHR’s priority debt to total debt ratio was 89%, exceeding the 50% threshold according to TRIS Rating’s “Issue Rating Criteria”.

SHR’s operating performance in the first nine months of 2024 was in line with our expectations. The company reported revenue of THB7.9 billion, marking an 8% increase year-on-year (y-o-y). EBITDA stood at THB2.1 billion for the same period. SHR’s financial leverage was also consistent with our forecast, with a debt to EBITDA ratio of 5.5 times in the first nine months of 2024. Going forward, we anticipate continued revenue growth for SHR, supported by the gradual return to normal operations of hotels that underwent renovations.

RATING OUTLOOK

The “negative” rating outlook on SHR reflects the rating outlook on S and our expectation that SHR will maintain its “core” group status in the S Group despite S’s expansion in areas unrelated to the hotel business.

RATING SENSITIVITIES

Any material changes in S’s credit profile or our assessment of SHR’s group status in the S Group could affect the company rating on SHR.

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

S Hotels and Resorts PLC (SHR)

Company Rating:	BBB+
Issue Ratings:	
SHR260A: THB1,300 million senior unsecured debentures due 2026	BBB
Up to THB2,000 million senior unsecured debentures due within 3 years	BBB
Rating Outlook:	Negative

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

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