

MIDA ASSETS PLC

No. 10/2020
10 April 2020

FINANCIAL INSTITUTIONS /CORPORATES

Company Rating: BB+
CreditAlert : Negative

Last Review Date: 26/07/19

Company Rating History:

Date	Rating	Outlook/Alert
11/07/17	BBB-	Stable

Contacts:

Jutamas Bunyanichkul
jutamas@trisrating.com

Sithakarn Tongphiphat, CFA, FRM
sithikarn@trisrating.com

Taweechok Jiamsakunthum
taweechok@trisrating.com

Suchada Pantu, Ph. D.
suchada@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating downgrades the company rating on Mida Assets PLC (MIDA) to “BB+” from “BBB-” and places the rating on CreditAlert with “negative” implication. The rating actions reflect our concerns over the heightened refinancing risk of the company’s maturing bonds amid the liquidity crunch in the bond market and its limited ability to secure other funding sources. The operating performance of its hotels and property-related businesses, which account for almost 50% of its revenues, is expected to drop sharply as a result of the unprecedented impacts of the coronavirus (COVID-19) outbreak. However, its leasing business is as yet unaffected by the virus pandemic.

At the end of December 2019, MIDA’s reported total debt stood at Bt4.9 billion. Its reported debt to equity ratio was 0.96 times, significantly lower than its covenant on bond of 2 times. Debt due in 2020 amounts to Bt2.28 billion, comprising Bt0.29 billion in short-term borrowings, Bt0.34 billion in long-term loans, and Bt1.62 billion in debentures.

At the end of March 2020, MIDA’s outstanding bonds due for the rest of 2020 comprised Bt612.4 million due on 24 April 2020, Bt160 million due on 27 September 2020, and Bt770 million due on 15 November 2020. MIDA’s plan to refinance its bonds with a new bond issuance looks highly unlikely to materialize in the near term, as the fear of the economic fallout from the virus outbreak has turned off investors’ risk appetite. In the event that the company fails to rollover the maturing bonds and has no other sources of funds, the company’s credit rating could be downgraded further by multiple notches.

RELATED CRITERIA

- Rating Methodology – Corporate, 26 July 2019
- Key Financial Ratios and Adjustments, 5 September 2018
- Nonbank Lending Company, 7 May 2018
- Group Rating Methodology, 10 July 2015

Mida Assets PLC (MIDA)

Company Rating:	BB+
CreditAlert:	Negative

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: 0-2098-3000

© Copyright 2020, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at www.trisrating.com/rating-information/rating-criteria