

S HOTELS AND RESORTS PLC

No. 93/2024
21 November 2024

CORPORATES

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

Last Review Date: 25/04/24

Company Rating History:

Date	Rating	Outlook/Alert
09/05/23	BBB+	Stable

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RATIONALE

TRIS Rating revises the rating outlook on S Hotels and Resorts PLC (SHR) to “negative” from “stable” and affirms the company rating on SHR at “BBB+”. We also affirm the rating on SHR’s existing senior unsecured debentures at “BBB”. The rating outlook revision follows the revision of the rating outlook on its parent company, Singha Estate PLC (S), rated “BBB+/Negative”. The ratings continue to reflect our assessment of SHR’s status as a “core subsidiary” of S, according to our “Group Rating Methodology”.

The issue rating is one notch below the company rating due to the subordination of the company’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

- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022
- Issue Rating Criteria, 15 June 2021

S Hotels and Resorts PLC (SHR)

Company Rating:	BBB+
Issue Rating:	BBB
SHR26OA: THB1,300 million senior unsecured debentures due 2026	
Rating Outlook:	Negative

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