

Dusit Thani PLC

Corporate / Leisure and Sports

24 December 2025

Issuer Credit Rating: BBB-/Stable

Issue Ratings:

Senior Unsecured: BBB-/Stable

Hybrid: BB/Stable

Rating Action

TRIS Rating affirms the issuer credit rating on Dusit Thani PLC (DUSIT) and the ratings on DUSIT's senior unsecured debentures at "BBB-". We also affirm the rating on DUSIT's subordinated capital debentures (hybrid debentures, DUSIT22PA) at "BB". The rating outlook remains "stable".

The ratings reflect DUSIT's long-standing presence in the hospitality industry and its established brand heritage as one of Thailand's leading hoteliers. The reopening of the flagship Dusit Thani Bangkok hotel strengthens the portfolio and should serve as a key catalyst for revenue growth. Expansion of the company food business also provides greater income diversification. However, the ratings remain constrained by DUSIT's currently high financial leverage and timing risks associated with the Dusit Central Park project. While we expect the transfer of residential units to generate substantial cash flow over the next two years, the anticipated improvement in DUSIT's financial profile depends upon these transfers proceeding as planned.

Key Rating Considerations

Dusit Central Park project approaching fruition

DUSIT's leverage and credit metrics have been under significant pressure in recent years, reflecting the sizable capital expenditure associated with the Dusit Central Park project. However, we expect the company's balance sheet to recover substantially as the development enters its final phase.

The project reached a key milestone in late September 2024 with the relaunch of the Dusit Thani Bangkok hotel. As the company's flagship property and a core element of its brand identity, the reopening marked a return to full-scale hospitality operations and is already contributing meaningfully to segment performance. In addition, the company recorded THB3.8 billion in revenue in late 2024 by leasing retail bare-shell components to its project partner, providing an earnings boost for the year.

Looking ahead, the transfer of residential units in 2026-2027 will be the primary driver of the company's balance sheet recovery. Under our base-case assumptions, approximately 70% of the units will be transferred in 2026, generating around THB12 billion in revenue, followed by the remaining 30% in 2027, contributing a further THB5.1 billion. These proceeds will materially strengthen DUSIT's cash flow and credit metrics, contingent upon timely completion and successful unit transfers.

Ramp-up of Dusit Thani Bangkok to bolster hotel business performance

We expect the relaunch of Dusit Thani Bangkok to significantly enhance earnings capacity and drive growth for the company's hotel business as the operational ramp-up continues. We project revenue per available room (RevPAR) for the owned hotel portfolio to increase by 8%-10% annually, reaching THB3,180-THB3,780 during 2025-2027, as the

premium RevPAR of Dusit Thani Bangkok lifts the portfolio average. Consequently, we forecast hotel business revenue of THB4.8-THB5.3 billion annually for 2025-2027, up from THB4 billion in 2024.

We view Dusit Thani Bangkok as competitively positioned within Bangkok's luxury hotel segment, supported by its high asset quality, prime location, and strong brand recognition. We project the hotel's RevPAR to be around THB4,700 in 2025, reflecting the full room and service availability from midyear, before increasing to around THB6,900 by 2027. We also expect food and beverage operations to sustain robust momentum, contributing over half of the property's total revenue.

For the remainder of the portfolio, encompassing both domestic and overseas properties, we expect more moderate RevPAR growth of 3%-6%. While headwinds such as subdued Chinese arrivals, baht appreciation, and weak domestic sentiment continue to pressure Thailand's hotel sector, several key properties appear well-positioned to navigate these challenges. Dusit Thani Laguna Phuket should maintain strong performance due to sustained demand from long-haul travelers while Dusit Thani Pattaya and Dusit Thani Hua Hin are projected to remain steady with a mix of leisure and business clientele. Our base-case forecast incorporates the potential closure of Dusit Thani Pattaya for a comprehensive renovation, following extension of the property's long-term lease.

For overseas operations, we expect Dusit Thani Manila to maintain its consistently solid performance. Conversely, Dusit Thani Maldives may continue to face challenges amid increased market supply and slow recovery in Chinese tourists. However, the recent inauguration of the new international terminal at Velana International Airport should ease congestion and expand the country's tourism capacity, supporting the property's long term performance.

Managed hotel business to drive asset-light growth

We expect the hotel management business to increasingly complement DUSIT's overall operations. Currently, DUSIT manages properties across 18 countries, totaling over 10,000 rooms and villas. Revenue from this segment doubled over a two-year period to THB909 million in 2024. We forecast revenue from the hotel management business to be THB1-THB1.1 billion annually during 2025-2027.

DUSIT has a robust pipeline of 66 properties with around 7,750 keys, which the company expects to add gradually to its portfolio over the coming years. This asset-light expansion strategy helps the company limit capital spending, which is particularly beneficial during periods of high leverage. By prioritizing management contracts over asset ownership, DUSIT gains greater flexibility to manage costs, allowing it to respond more effectively to shifting market dynamics during challenging conditions.

Food business expected to deliver steady growth

DUSIT operates its food business through Dusit Foods Co., Ltd. Revenues mainly come from providing catering services for international schools in Thailand, Vietnam, and Hong Kong, as well as operating a bakery business and the Bonjour pastry shop franchise. For 2025-2027, we project food business revenue of THB1.6-THB1.8 billion per annum. This is based on our expectation of consistent contract renewals with international school clients. Additionally, we expect the bakery segment to achieve an average annual growth rate of 10%, largely supported by the ongoing expansion of the Bonjour pastry shop franchise and broader market penetration.

A significant driver for future growth is the company's ability to broaden its service offerings. Within the catering segment, the company is seeking to expand its client base to include corporate and hospital clients, as well as to extend its geographic reach to additional countries. For the bakery business, Dusit Foods aims to scale through business-to-business (B2B) channels, including the provision of original equipment manufacturer (OEM) bakery products. Successful expansion of the food business would help diversify the company's revenue base, as demand in this sector is more resilient to event risks than in the hotel segment.

Improving financial profile following completion of Dusit Central Park

We expect DUSIT's financial profile to improve materially following completion of the Dusit Central Park project. Under our base-case assumptions, we forecast consolidated revenue of THB8.4 billion in 2025, increasing sharply to THB20.8 billion in 2026, before moderating to THB13.6 billion in 2027. This trajectory reflects the projected timing and volume of residential unit transfers. Correspondingly, we project EBITDA to rise from THB1.2 billion in 2025 to a peak of THB4.9 billion in 2026, followed by THB2.6 billion in 2027.

We project adjusted debt, including lease liabilities of THB8.5 billion, to peak at THB18.4 billion in 2025, before declining to THB13.1 billion by 2027 as cash flows from residential transfers are realized. Our projections incorporate THB7.3 billion of development costs related to the Dusit Central Park project during 2025-2026. We also assume capital expenditures and investment of THB260-THB500 million per year for 2025-2027, primarily for hotel maintenance, renovations, and expansion of the food business. We further factor in a total investment of THB1.25 billion in the Dusit Ajara residential project in Hua Hin over the same period.

As a result, we forecast adjusted debt to EBITDA to improve from 15.5 times in 2025 to 5.0 times by 2027. However, leverage could rise in the medium term should DUSIT proceed with the planned redevelopment of Dusit Thani Pattaya, with the impact dependent on the project's scale, timing, and funding structure.

The main financial covenant on DUSIT's debt obligations requires maintenance of a net interest-bearing debt to equity ratio not exceeding 3 times. At the end of September 2025, the ratio was 1.04 times. We expect the company to comply with its financial covenants over the next 12 months.

Adequate liquidity

We assess DUSIT's liquidity to be adequate over the next 12 months from September 2025. Primary sources of funds comprise cash and cash equivalents of THB1.6 billion as of end-September 2026, available credit lines of around THB1.4 billion, and funds from operations, excluding residential transfers, of around THB0.8 billion. Sources of funds from the Dusit Central Park include project loans totaling THB1.2 billion and net proceeds from residential transfers of around THB6.2 billion. Primary uses of funds comprise financial obligations including short term debts, schedule loan and bond repayment, and lease obligation, totaling THB4.3 billion. Capital expenditures and investments total THB4.9 billion.

Debt structure

As of September 2025, DUSIT's consolidated debt, excluding lease liabilities, stood at THB11.4 billion. Of this, 48% was priority debt, which included secured debt at the parent level and all debts at the subsidiary level. We note that the priority debt ratio could temporarily exceed our 50% threshold as additional project loans are drawn down for the Dusit Central Park project. We expect the ratio to fall below the threshold as the company plans to repay the project loan with proceeds from residential sales.

Base-Case Assumptions

- Total revenues to be THB8.4 billion in 2025, increasing to THB20.8 billion in 2026, and THB13.6 in 2027.
- EBITDA is forecast at THB1.2 billion in 2025, THB4.9 billion in 2026, and THB2.6 billion in 2027.
- Capital expenditures, including spending for the Dusit Central Park project, to be around THB10.5-THB11.5 billion in total during 2025-2027.

Rating Outlook

The "stable" outlook reflects our expectation of successful delivery and unit transfers at the Dusit Central Park, alongside the steady contribution from the company's core hotel and food operations.

Rating Sensitivities

An upgrade is unlikely in the near term but could materialize if DUSIT demonstrates a sustained improvement in its financial profile following the completion of the Dusit Central Park development. Conversely, a downgrade could occur if the company's financial metrics materially underperform our expectations and/or its liquidity position weakens significantly.

Company Overview

DUSIT is a leading Thai hotel operator, with nine principal brands: Dusit Thani, Dusit Princess, DusitD2, Dusit Suites, Devarana Dusit Retreats, Dusit Collection, ASAI, DUSIT Hotels, and Elite Havens. The company was founded in 1966 by Thanpuying Chanut Piyaoui and listed on the Stock Exchange of Thailand (SET) in 1975. Chanut and Children Co., Ltd. holds 49.7% of DUSIT. Currently, DUSIT's operations span hotels and resorts, foods, hospitality education, property development, and hospitality-related services.

DUSIT currently operates 10 owned and leased hotels, with a total of 2,444 rooms, including three hotels owned by Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT). DUSIT also manages over 40 hotels under management contracts and franchise contracts, and over 200 villas under Elite Havens, amounting to over 10,000 keys in Thailand and overseas markets.

DUSIT operates its food business through Dusit Foods. Currently, Dusit Foods is 75% held by DUSIT and 25% by Modulus Venture Co., Ltd. (Modulus), a wholly-owned subsidiary of PTT Oil and Retail Business PLC (OR). Dusit Foods' portfolio includes the provision of catering services for international schools in Southeast Asia and Hong Kong by Epicure Catering Co., Ltd. (Epicure), and a Vietnam-based catering company for international schools in Vietnam (The Caterers Co., Ltd.), food sourcing hub for DUSIT's ecosystem by Dusit Gastro Co., Ltd., Bonjour Bakery Asia Co., Ltd. and Baujour International Co., Ltd., which operate a bakery business and are franchises of the Bonjour pastry shop, and Savor Eats Co., Ltd., the joint venture (JV), operating a central kitchen manufacturing for B2B business.

DUSIT's education segment comprises Dusit Thani College, Le Cordon Bleu Dusit (LCBD), and The Food School. The property development segment includes the Dusit Central Park project and The Dusit Ajara.

For the first nine months of 2025, hotel operations contributed 72% of DUSIT's total revenue, followed by the food business at 21%, the education business at 6%, and the property development and other businesses at 1%.

Financial Statistics and Key Financial Ratios

Unit: Mil. THB

	----- Year Ended 31 December -----				
	Jan-Sep 2025	2024	2023	2022	2021
Total operating revenues	5,739	10,965	6,258	4,706	2,609
Earnings before interest and taxes (EBIT)	(49)	763	(54)	(394)	(1,203)
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	826	1,758	927	598	(209)
Funds from operations (FFO)	158	1,027	259	(27)	(758)
Adjusted interest expense	593	643	588	520	474
Capital expenditures	3,067	5,409	2,758	1,680	1,512
Total assets	38,640	38,271	27,922	26,229	23,784
Adjusted debt	17,812	15,955	13,060	11,804	13,135
Adjusted equity	7,205	8,052	3,576	4,308	3,895
Adjusted Ratios					
EBITDA margin (%)	14.4	16.0	14.8	12.7	(8.0)
Pretax return on permanent capital (%)	2.9 *	3.3	(0.3)	(2.1)	(6.5)
EBITDA interest coverage (times)	1.4	2.7	1.6	1.2	(0.4)
Debt to EBITDA (times)	9.3 *	9.1	14.1	19.7	(63.0)
FFO to debt (%)	5.8 *	6.4	2.0	(0.2)	(5.8)
Debt to capitalization (%)	71.2	66.5	78.5	73.3	77.1

* Annualized with trailing 12 months

Related Criteria

- Key Financial Ratios and Adjustments for Corporate Issuers, 7 November 2025
- Issue Rating Criteria, 26 December 2024
- Hybrid Securities: Equity Content and Credit Rating Criteria , 20 December 2024
- Corporate Rating Methodology, 15 July 2022

Dusit Thani PLC (DUSIT)

Issuer Credit Rating:	BBB-
Issue Ratings:	
DUSIT267A: THB1,500 million senior unsecured debentures due 2026	BBB-
DUSIT26NA: THB1,000 million senior unsecured debentures due 2026	BBB-
DUSIT22PA: THB1,500 million subordinated capital debentures	BB
Rating Outlook:	Stable

Rating History

Last Review Date: 5 June 2025

Date	Rating	Outlook/Alert
05-Jun-25	BBB-	Stable
13-May-25	BBB-	Alert Negative
12-Dec-23	BBB-	Stable
28-Aug-20	BBB-	Negative
27-Mar-20	BBB	Alert Negative
17-Dec-19	BBB	Stable
27-Dec-11	BBB+	Stable
15-Oct-10	A-	Negative

Contacts:

Chanaporn Pinphithak | chanaporn@trisrating.com
 Thiti Karoonyanont, Ph.D., CFA | thiti@trisrating.com

No. 005/2025

TRIS Rating Co., Ltd.

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

© Copyright 2025, 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 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