

# ALLY Freehold and Leasehold Real Estate Investment Trust

Corporate | REITs and Real Estate for Rent

29 May 2026

**Issuer Credit Rating:** BBB+/Stable

## Rating Action

**TRIS Rating affirms the issuer credit rating on ALLY Freehold and Leasehold Real Estate Investment Trust (ALLY) at “BBB+” with a “Stable” outlook.**

The rating reflects the trust’s growth prospects in revenue and earnings, underpinned by the expected contribution from new acquisitions as well as the improving performance of existing assets. The rating also incorporates the trust’s highly predictable cash flow stream from a contract-based rental income, moderate financial leverage, and adequate liquidity. However, the rating remains constrained by the trust’s modest scale and concentrated asset portfolio.

## Key Rating Considerations

### Modest scale with portfolio concentration

The trust’s portfolio remains modest in scale, comprising leasehold and freehold interests in 14 community malls and one office building, with total investment properties at fair value of THB12.8 billion and a combined net leasable area (NLA) of 164,934 square meters (sq.m.).

Despite the number of assets, the trust’s operating performance is highly dependent on three flagship properties located in two areas: Crystal Design Center, The Crystal Ekamai-Ramintra, and The Crystal SB Ratchapruet. These assets account for approximately 55% of total NLA as well as contribute around 60% of total revenue and 70%-80% of EBITDA. As a result, any adverse developments affecting one or more of these key properties could materially weaken the trust’s overall performance and cash flow generation.

### Portfolio expansion through future asset acquisitions

ALLY’s credit profile reflects its growth potential through new asset acquisitions, either from KE Group, existing partners, or new alliances. The trust holds the first right to acquire assets from KE Group and its existing partners. ALLY typically targets mature properties with stable occupancy rates (OR) and rental income that meet its investment criteria.

The trust has a concrete plan to acquire three mid-scale community malls, including Charn at the Avenue, Saimai Avenue, and The Zone Town in Town, in the second half of 2026. The properties offer a combined NLA of around 40,000 sq.m. and are nearly fully occupied. The total investment size is approximately THB1.6 billion, representing 11% of the trust’s current total asset value.

Over 2027-2028, we expect the trust to continue acquiring high-quality assets with strong operational track records with projected investment valued at around THB500 million per annum. The trust’s total NLA is projected to increase by approximately 40% by 2028. Community malls will continue to dominate the portfolio, accounting for more than

95% of total NLA and revenue, while the contribution from the office segment will remain minimal. The expansion in scale should support stronger income and earnings growth, while enhancing cash flow diversification in the long run.

### **Revenue and earnings growth anticipated**

In addition to the potential acquisition of three assets in late 2026, ALLY plans to undertake a major renovation of Crystal Design Center, together with minor renovations at four to five community malls during late 2026 and 2027. These initiatives are expected to strengthen the quality and competitiveness of the trust's portfolio over the medium term, although renovation activities may temporarily weigh on rental rates and operating performance at certain properties during the transition period.

Against this backdrop, we project the trust's total operating revenue and EBITDA to record low-single-digit growth in 2026. We forecast total operating revenue of THB1.6 billion and EBITDA of THB800 million, mainly supported by incremental contributions from the three newly acquired assets. Meanwhile, the existing portfolio is expected to continue delivering resilient performance, supported by healthy OR, despite a slight decline in average rental rates (ARR).

Looking ahead, we expect operating performance to strengthen in 2027 following full-year contributions from the newly acquired assets, continued portfolio expansion, and a gradual recovery in performance after the completion of renovations. We forecast revenue and EBITDA growth of 20% y-o-y in 2027, followed by a further 5%-8% growth in 2028. Under our base-case assumptions, ALLY's total operating revenue is projected to increase to THB1.9-THB2.1 billion annually, while EBITDA is expected to rise to around THB1 billion over 2027-2028. We also expect the trust to maintain an EBITDA margin of 50%-52%, supported by continued cost efficiency measures. Our projections assume the trust will be able to maintain an average OR above 90% across the portfolio. While ARR is expected to decline by 2%-3% in 2027 due to renovation activities, we expect a gradual recovery in 2028 following the completion of renovations.

### **Reliable cash flow from contract-based income**

We view the trust's rental and service income as highly predictable, supported by a well-structured lease profile. Most tenants are bound by three-year lease agreements, providing good visibility of future cash flows and limiting near-term earnings volatility. Around 80% of the occupied area is leased under fixed-rent contracts, which support stable and predictable income generation, while the remaining portion is subject to revenue-sharing arrangements that allow the trust to capture upside during periods of stronger tenant sales performance.

Based on the current lease maturity profile, 47% of the occupied area is due for renewal in 2026, followed by 21% in 2027, and 29% in 2028, with the remainder expiring from 2029 onward. Although lease expirations are relatively concentrated in 2026, we view occupancy risk as manageable, given the trust's consistently strong tenant renewal rate of approximately 90% over the past three years.

The trust's tenant mix is strategically curated to drive footfall and support the daily needs of surrounding communities, with each mall's composition tailored to reflect the lifestyles and preferences of its local catchment area. As of March 2026, food and beverage tenants accounted for the largest proportion of occupied area at 19%, followed by home and furniture at 14% and supermarkets at 12%. Other lifestyle-oriented categories, including beauty and health, education, entertainment, fitness, and fashion, each accounted for approximately 5%-10% of occupied area.

### **Financial leverage to remain moderate, supported by planned capital injection in 2026**

Given the trust's planned portfolio expansion in 2026-2028, we expect its financial leverage to remain moderate, with the adjusted net debt to EBITDA ratio staying below 6.6 times throughout the forecast period. Under our base-case

assumptions, we forecast total investments of THB2.8 billion for new asset acquisitions and the lease extension of Crystal Design Center, in addition to maintenance capital expenditures (CAPEX) of around THB200 million.

We expect the majority of these investments to be funded through debt financing, supplemented by an equity injection of around THB600 million in 2026. Consequently, the loan-to-value (LTV) ratio, excluding lease liabilities, is projected to increase to 29%-31% over the forecast period. The adjusted net debt to EBITDA ratio is expected to rise to around 5.5 times in 2026 before gradually improving to 4.8 times by 2028, supported by earnings growth from newly acquired and renovated assets.

The financial covenants on ALLY's debt obligations require the trust to maintain the debt-to-equity ratio below 1.5 times, the interest-bearing debt (IBD) to EBITDA ratio (excluding lease liabilities) below 5.5 times, and the LTV ratio (excluding lease liabilities) below 50%. As of March 2026, the debt-to-equity ratio was 0.6 times, the IBD to EBITDA ratio was 4.3 times, and the LTV ratio was 26%. We expect the trust to remain in compliance with its financial covenants over the next 12 to 18 months.

### **Adequate liquidity**

We assess ALLY's liquidity position as adequate over the next 12 months. As of March 2026, the trust's liquidity sources included THB310 million cash on hand, THB269 million of investments in securities at fair value, and THB194 million of undrawn committed credit facilities from banks. We project funds from operations (FFO) of around THB600 million in 2026. In addition, ALLY holds unencumbered assets with a market value of THB3.1 billion, which can be used as collateral if necessary.

Expected uses of funds in 2026 include debt repayments totaling THB192 million, maintenance CAPEX equivalent to 3% of total rental and service income, and dividend distributions of at least 90% of adjusted net investment income.

### **Debt structure**

As of March 2026, ALLY's total debt, excluding lease liabilities, was THB3.5 billion. All debts were secured long-term loans from banks, pledged by some assets of the trust. The ratio of secured debt to fair value of total assets was 26%, below the threshold of 35% according to TRIS Rating's "Rating Methodology for Real Estate for Rent Companies".

### **Base-Case Assumptions**

These are the key assumptions in TRIS Rating's base-case forecast for ALLY's operations in 2026-2028:

- Portfolio-wide average OR of above 90%
- Average rental rate to decrease by around 2%-3% in 2026-2027, but improve by 2% y-o-y in 2028
- Total operating revenue to range from THB1.6-THB2.1 billion
- EBITDA margin to stay around 50%-52%
- New asset acquisitions and lease extensions totaling THB2.8 billion, with maintenance CAPEX of THB200 million

### **Rating Outlook**

The "Stable" outlook reflects our expectation that ALLY's property portfolio will continue generating steady cash flow over the forecast period. We anticipate the trust will maintain a high OR and achieve favorable rental rates as targeted. Additionally, ALLY is expected to uphold a conservative financial policy by keeping its loan (excluding lease liabilities) to total asset ratio below 35%. Considering the shorter remaining lease duration, we expect the trust to maintain an adjusted net debt to EBITDA ratio of below 6.6 times throughout the forecast period.

## Rating Sensitivities

The rating and/or outlook on ALLY could be revised downward if the trust’s operating performance and/or financial profile weakens beyond our expectations. A sustained increase in the adjusted net debt to EBITDA ratio to a level above 6.6 times could trigger a negative rating action. Conversely, an upward revision could be considered if the trust demonstrates materially stronger cash generation while preserving its current financial profile.

## Company Overview

ALLY, originally named Bualuang K.E. Retail Leasehold Real Estate Investment Trust (BKER), was founded in November 2019 as part of the process to convert the CRYSTAL, a property fund, into a real estate investment trust (REIT). The CRYSTAL was established and listed on the Stock Exchange of Thailand (SET) in 2013. Upon the conversion in November 2019, BKER acquired CRYSTAL’s entire property portfolio (The Crystal Ekamai-Ramintra and Crystal Design Center) and invested in an additional eight community shopping malls from six project owners. In 2021, BKER was renamed ALLY and expanded its investment portfolio to cover all types of commercial properties. KE Group, through its subsidiaries, has been the trust’s major unitholder with a 22.4% stake as of December 2025. ALLY REIT Management Co., Ltd. (ARM) and Ally CPM Company Limited, subsidiaries of KE Group, act as the trust’s REIT manager and property manager, respectively.

After the conversion in 2019, the trust’s property portfolio consisted of 10 community shopping malls. The trust acquired two more community shopping malls in 2021 and one office building in 2022. Then successfully acquired community malls, “Happy Avenue Don Muang” and “T-Ten”, in May 2024 and August 2025, respectively. As of March 2026, ALLY had 15 properties with a total net leasable area of 164,934 sq.m.

## Key Operating Performance

Table 1: ALLY's Property Portfolio

	Crystal Design Center	The Crystal Ekamai-Ramintra	The Crystal SB Ratchapruok	Amorini	I'm Park	Plearnary	Sammakorn Place Ramkhamhaeng
Type	Community mall	Community mall	Community mall	Community mall	Community mall	Community mall	Community mall
Location	Bangkok	Bangkok	Bangkok	Bangkok	Bangkok	Bangkok	Bangkok
Net leasable area (sq.m.)	35,957	30,823	24,540	5,213	6,720	11,093	10,274
OR (%) (as of 31 Mar 2026)	91.4	96.9	90.3	82.0	87.1	96.5	93.2
Investment at fair value (Mil. THB) (as of 31 Mar 2026)	3,958	2,940	1,630	278	222	828	568
Remaining leasehold period (years)	23	23	17	23	8	23	23

	Sammakorn Place Rungsit	Sammakorn Place Ratchapruk	The Scene Town-in-Town	Kadfarang Village	The Crystal Chaiyapruok	The Prime Hua Lamphong	Happy Avenue Don Muang	T-Ten
Type	Community mall	Community mall	Community mall	Community mall	Community mall	Office	Community mall	Community mall
Location	Bangkok	Bangkok	Bangkok	Chiangmai	Bangkok	Bangkok	Bangkok	Bangkok
Net leasable area (sq.m.)	3,389	4,693	6,895	6,904	9,010	4,330	4,349	746
OR (%) (as of 31 Mar 2026)	87.7	82.9	95.5	99.9	88.8	91.6	64.6	89.9
Investment at fair value (Mil. THB) (as of 31 Mar 2026)	214	232	654	374	356	259	245	30
Remaining leasehold period (years)	23	23	19	25	16	17	Freehold	9

## Financial Statistics and Key Financial Ratios\*

Unit: Mil. THB

	-----Year Ended 31 December-----				
	Jan-Mar 2026	2025	2024	2023	2022
Total operating revenues	383	1,596	1,614	1,699	1,591
Earnings before interest and taxes (EBIT)	206	815	816	859	778
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	206	815	835	880	799
Funds from operations (FFO)	159	607	611	669	640
Adjusted interest expense	48	208	225	211	159
Investments in freehold and leasehold properties at fair value	12,792	12,721	12,667	12,613	12,497
Total assets	13,660	13,598	13,587	13,614	13,508
Adjusted debt	3,810	3,880	4,028	3,793	3,796
Adjusted equity	8,752	8,621	8,417	8,536	8,456
<b>Adjusted Ratios</b>					
EBITDA margin (%)	53.9	51.0	51.8	51.8	50.2
Pretax return on permanent capital (%)	6.3 **	6.3	6.3	6.6	6.1
EBITDA interest coverage (times)	4.3	3.9	3.7	4.2	5.0
Debt to EBITDA (times)	4.6 **	4.8	4.8	4.3	4.7
FFO to debt (%)	16.4 **	15.6	15.2	17.6	16.9
Debt to capitalization (%)	30.3	31.0	32.4	30.8	31.0

\* Consolidated financial statements

\*\* Annualized with trailing 12 months

## Related Criteria

- Corporate Rating Methodology, 29 December 2025
- Key Financial Ratios and Adjustments for Corporate Issuers, 7 November 2025
- Rating Methodology for Real Estate for Rent Companies, 16 December 2024

## ALLY Freehold and Leasehold Real Estate Investment Trust (ALLY)

<b>Issuer Credit Rating:</b>	<b>BBB+</b>
<b>Rating Outlook:</b>	<b>Stable</b>

### Rating History

**Last Review Date:** 30 May 2025

Date	Rating	Outlook/Alert
13-May-22	BBB+	Stable

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