

TTW PLC

No. 66/2025
1 July 2025

CORPORATES

Company Rating:	AA-
Issue Ratings:	
Senior unsecured	AA-
Outlook:	Stable

Last Review Date: 29/11/24

Company Rating History:

Date	Rating	Outlook/Alert
22/08/08	AA-	Stable

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RATIONALE

TRIS Rating assigns a rating of “AA-” to TTW PLC (TTW) proposed issue of up to THB3.0 billion senior unsecured debentures due within five years. The company intends to use proceeds from the new debenture issuance to purchase a stake in Luang Prabang Power Co., Ltd. (LPCL) from CH. Karnchang PLC. (CK). At the same time, TRIS Rating affirms the company rating on TTW and the ratings on its outstanding senior unsecured debentures at “AA-”, with a “stable” rating outlook.

The ratings reflect TTW’s business position as the leading private tap water provider in the country, its predictable cash flow from long-term offtake agreements with the Provincial Waterworks Authority (PWA), high barriers to entry for potential competitors, and a robust financial profile. These strengths are partially offset by customer concentration risk as revenue is predominantly derived from the sale of tap water to PWA, and limited growth potential in the existing operating areas.

TTW’s operating performance has remained in line with our forecast. The company reported operating revenue of THB5.1 billion in 2024 and THB1.3 billion in the first quarter of 2025, while EBITDA came in at THB4.0 billion and THB1.0 billion, respectively. Cash flow remains highly predictable, supported by the committed minimum offtake quantity (MOQ) of PWA. We expect annual operating revenue to be around THB5.3-THB5.5 billion, with annual EBITDA ranging from THB4.1-THB4.2 billion during 2025-2027.

Debt and leverage decreased as projected. Adjusted net debt fell to THB615 million as of March 2025, from THB1.7 billion at the end of 2023. The debt-to-EBITDA ratio was 0.15 times as of March 2025. The company’s financial leverage should remain low throughout the forecast years, even after accounting for incremental debt from investment in LPCL totaling THB4.4 billion during 2025-2027. The debt-to-EBITDA ratio is expected to rise to 1.0 times in 2025, then gradually decrease to 0.8 times in 2027.

Sources of liquidity include cash on hand and short-term investments of around THB3.3 billion as of March 2025 and expected funds from operations (FFO) of around THB3.3 billion in the next 12 months. These should be adequate to cover upcoming bank loan repayments of around THB660 million, maturing debenture of THB1.4 billion, CAPEX of around THB540 million, and dividend payments of THB2.4 billion during the next 12 months. The THB1.4 billion of debentures maturing in May 2025 has already been repaid to the debenture holders.

The key financial covenant on its debentures requires the company to maintain its debt-to-equity ratio below 2.1 times. The ratio was 0.3 times as of March 2025, well below the covenant threshold. The company should have no problems complying with the financial covenant over the next 12 to 18 months.

RATING OUTLOOK

The “stable” outlook reflects the expectation that TTW’s operating performance and cash generation will remain in line with our projections. We expect the company to maintain a healthy balance sheet over the forecast period.

RATING SENSITIVITIES

A rating upside could occur if TTW can increase operating cash flow materially without weakening its balance sheet. A rating downside, on the other hand, could arise from overly aggressive, debt-funded investments, resulting in a material deterioration of capital structure.

RELATED CRITERIA

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

TTW PLC (TTW)

Company Rating:	AA-
Issue Ratings:	
TTW272A: THB1,000 million senior unsecured debentures due 2027	AA-
Up to THB3,000 million senior unsecured debentures due within 5 years	AA-
Rating Outlook:	Stable

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