

# LOXLEY PLC

No. 67/2025  
1 July 2025

## CORPORATES

**Company Rating:** BBB  
**Issue Rating:**  
Senior unsecured BBB  
**Outlook:** Stable

**Last Review Date:** 02/05/25

### Company Rating History:

Date	Rating	Outlook/Alert
07/05/20	BBB	Stable
02/10/15	BBB+	Stable

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## RATIONALE

TRIS Rating assigns a rating of “BBB” to Loxley PLC (LOXLEY)’s proposed issue of up to THB300 million senior unsecured debentures, with a tenor of up to three years. The company intends to use proceeds from the new debenture issuance for debt refinancing. At the same time, TRIS Rating affirms the company rating on LOXLEY at “BBB”, with a “stable” rating outlook. We continue to assign the same rating to LOXLEY’s senior unsecured debentures as the company rating, despite the company’s high priority debt ratio, as we anticipate that LOXLEY will maintain a moderate financial risk profile, with a debt to EBITDA ratio remaining below 2 times.

The ratings reflect the company’s diversified income streams, consistent dividend receipts from joint ventures, and long-standing relationships with both customers and suppliers. Nevertheless, the ratings remain constrained by intense competition in the industry, the inherent uncertainty and volatile nature of the turnkey project business, as well as the company’s weak profitability.

In the first quarter of 2025, LOXLEY’s operating performance was in line with our expectations. The company reported total operating revenue of THB2.7 billion, driven primarily by growth across most of its key business lines. On a trailing 12-month basis, its EBITDA stood at THB570 million. The company’s earnings continued to be supported by reliable dividend receipts from associate firms. As of March 2025, LOXLEY’s project backlog was valued at THB6.3 billion, providing near-term revenue visibility. LOXLEY’s leverage remains modest. Its adjusted debt stood at THB1.1 billion as of March 2025, resulting in a debt to EBITDA ratio (annualized, trailing 12 months) of 1.9 times.

We maintain our outlook and baseline forecast on LOXLEY’s operating performance and financial profile. For the period 2025-2027, we forecast total operating revenue to range from THB11.3-THB12.5 billion annually. EBITDA is projected in the range of THB540-THB650 million per year, with an EBITDA margin at 4.8%-5.0%. We expect its leverage metrics to remain modest, with the debt to EBITDA ratio at 1.5-2.0 times, while the ratio of funds from operations (FFO) to debt should stay in the 40%-50% range throughout the forecast period.

We assess LOXLEY’s liquidity as sufficient over the next 12 months. As of March 2025, LOXLEY held THB2.6 billion in cash and cash equivalents, alongside undrawn short-term bank facilities totaling THB2.1 billion, as well as about THB400 million of FFO expected in 2025. The primary uses of funds will be towards capital expenditures as well as long-term debts and lease obligations of about THB520 million over the next 12 months.

LOXLEY remains in compliance with its key debt covenant, which requires the company to maintain a debt to equity ratio below 2.5 times. As of March 2025, the ratio stood at 0.64 times. We believe the company should have no problems remaining in compliance with covenant requirements over the forecast period.

As of March 2025, LOXLEY’s priority debt ratio was about 47%, remaining below the 50% priority debt threshold. Given the project-based nature of its business, the company may need to utilize project loans and incur debt at the subsidiary levels, which could push the priority debt ratio above 50%.

## RATING OUTLOOK

The “stable” outlook reflects our expectation that LOXLEY will maintain its competitive edge, ensuring the continuous acquisition of new projects and consistent receipt of dividend income.

## RATING SENSITIVITIES

The rating on LOXLEY could be upgraded if its operating performance in core businesses and its cash flow improve substantially, while financial leverage is maintained at a modest level. Conversely, a rating downgrade may occur if the financial performance deteriorates significantly, leading to EBITDA falling materially short of our base-case expectations or the debt to EBITDA ratio remaining above 3.0 times for an extended period. This could result from weakening bidding competitiveness or a significant decline in dividends from major affiliates.

## 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

### Loxley PLC (LOXLEY)

<b>Company Rating:</b>	BBB
<b>Issue Rating:</b>	
Up to THB300 million senior unsecured debentures due within 3 years	BBB
<b>Rating Outlook:</b>	Stable

### TRIS Rating Co., Ltd.

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