

# AQUA CORPORATION PLC

No. 143/2025  
29 August 2025

## CORPORATES

**Company Rating:** BB-  
**Issue Rating:**  
**Secured** BB-  
**Outlook:** Negative

**Last Review Date:** 06/08/24

### Company Rating History:

Date	Rating	Outlook/Alert
06/08/24	BB	Stable
04/08/23	BB+	Stable
02/08/17	BBB-	Stable

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## RATIONALE

TRIS Rating downgrades the company rating on Aqua Corporation PLC (AQUA) and its senior secured debenture (AQUA25NA) to “BB-” from “BB”. At the same time, we revise the rating outlook to “negative” from “stable”. The “negative” outlook reflects the company’s heightened liquidity risk and the uncertainty regarding its refinancing plan to redeem debentures maturing in November 2025.

The downgrade reflects the company’s weaker than expected financial performance, the business risk associated with its food business, and a significantly weakened liquidity position which heightens the risk of meeting near-term debt obligations.

## KEY RATING CONSIDERATIONS

### 2024 results were weaker than expected

Since investing in the logistics and food businesses in 2023, AQUA has experienced a decline in operating performance, as these new ventures carry lower and more volatile margins compared to its established rental business.

In addition, the delay in acquiring the food business has negatively impacted on the company’s financial performance. In 2024, operating revenue rose by 41% year-on-year (y-o-y) to THB927 million, mainly driven by the full-year recognition of revenue from the company’s logistics business. However, the logistics business operated at a loss and the company also recorded expected credit losses from accounts receivable. As a result, the EBITDA margin dropped sharply to 20%, down from 48% in 2023. The bottom line was a negative THB1.01 billion, mainly due to a lower profit margin, higher financial costs, and extraordinary losses from investment property valuation and associates.

Under our base-case forecast, AQUA’s total operating revenue is projected to reach around THB1.3-THB1.8 billion annually during 2025-2027 following the full-year consolidation of its food business. The EBITDA margin is expected to be 17%-20% during 2025-2027, with EBITDA projected at THB220-THB370 million over the same period. We assume there will be no dividend from Eastern Power Group PLC (EP, rated “B/Negative”), due to the continued delays in commercial operation of its wind power projects in Vietnam.

### Operational risks associated with the food business

The food business presents both opportunities and challenges, given its competitive nature and relatively low barriers to entry. Recognizing this, AQUA has strengthened leadership by appointing a CEO with over 10 years of industry expertise to ensure professional management and operational oversight.

### Elevated leverage with recovery expected

AQUA’s financial leverage increased significantly in 2024, with its net debt to EBITDA ratio reaching 11.3 times. Concurrently, the funds from operations (FFO) to net debt ratio declined to 0.9%, while EBITDA interest coverage dropped to 1.4 times. The deterioration in the company’s debt servicing position was primarily driven by the substantial investments coupled with delay in project execution that have yet to generate returns.

However, we expect the debt ratios to improve going forward, supported by earnings growth from the food business. The net debt to EBITDA ratio is projected to gradually improve to around 10.1 times in 2025 and 6 times by 2026–2027.

### **Tight liquidity**

We assess AQUA to face heightened liquidity risk over the next 12 months. As of June 2025, the company had cash and cash equivalents of THB235 million, while its cash flow from operations was projected to reach around THB90-THB160 million in 2025-2026. On the other hand, AQUA had substantial debt obligations maturing in the following 12 months, totaling THB826 million, including THB557 million in debentures. The most likely source of funds to meet these obligations is through divestment of assets and businesses; however, no formal commitments have been made to date on potential divestments.

By December 2024, AQUA and most subsidiaries met their loan covenant requirements; one subsidiary received a lender waiver for non-compliance.

### **Debt structure**

At the end of June 2025, AQUA had consolidated debt (excluding lease liabilities) of THB1.8 billion, all of which was secured debt. Additionally, a portion of the company's rental revenue has been conditionally allocated to repay bank loan obligations.

### **BASE-CASE ASSUMPTIONS**

- Revenue to increase by around 42% in 2025, 36% in 2026 and 2% in 2027.
- EBITDA margin of 17% in 2025 and around 20% in 2026-2027.
- Capital expenditure of THB125-THB175 million per year during 2025-2027.

### **RATING OUTLOOK**

The “negative” outlook reflects AQUA’s heightened liquidity risk and the uncertainty regarding its refinancing plan to meet maturing debentures obligations.

### **RATING SENSITIVITIES**

We may revise the outlook to “stable” if AQUA demonstrates improved liquidity position, the food business shows signs of stabilization, and its debt servicing ratios align with our projections, without any covenant breaches unless waivers are obtained.

Downward pressure on the rating could emerge should the company make higher-than-anticipated debt-funded investments or if financial performance is weaker than expected. Additionally, failure to secure timely refinancing for upcoming obligations could result in a multi-notch downgrade.

A rating upgrade is unlikely in the near term. However, an upgrade could occur if there are significant improvements in the company's financial profile which could arise from considerably better-than-expected performance in the food business.

### **COMPANY OVERVIEW**

AQUA was established in 1994 to provide hire-purchase loans for electrical home appliances. The company was listed on the Stock Exchange of Thailand (SET) in September 2004. In 2007, MIDA Assets PLC (MIDA), led by the Leosivikul family, became the company's major shareholder. The family subsequently decided to terminate the hire-purchase business. As of June 2025, AQUA's major shareholders were Mr. Shine Bunnag (12.8% of the company's shares), Mr. Pakorn Mongkoltada (7.0%) and Mr. Pakkawan Wongopasi (6.8%).

AQUA has operated as an investment management company since 2007. The company bought AQUA Ad PLC (AQUA Ad), a provider of out-of-home media services and invested in a 43.8% stake in EP.

In 2015, it acquired Thai Consumer Distribution Center Co., Ltd. (TCDC) and Accomplish Way Holding Co., Ltd., which operate built-to-suit warehouses for rent. In 2016, AQUA developed a rehabilitation resort, and then leased the property to “The Cabin Chiang Mai” in order to earn rental income.

In 2022, AQUA divested all its shares in the out-of-home media business, comprising Aqua Ad Co., Ltd. (AA) and M.I.S. Media Co., Ltd. (MIS), together with ordinary shares of Boardway Media Co., Ltd. (BWM) and S. Thana Media Co., Ltd. (STN) to PLANB.

In April 2022, AQUA invested in a 60% stake in the peer-to-peer lending business, Nestify Co., Ltd. (Nestify), with a total investment of THB316 million. AQUA subsequently divested the peer-to-peer business in August 2023.

In July 2022, AQUA invested in a 35% stake in Thai Parcels PLC (TPL), engaging in the delivery business and offering parcel delivery services in Thailand, as well as providing cash-on-delivery services. The total investment cost was THB214 million.

TPL gained a capital increase through a public offering in June 2023, diluting AQUA's holding in TPL to 26.7%. As of June 2025, AQUA held a 21.5% stake in TPL.

In March 2023, AQUA invested in a 78.9% stake in Chalermapat Corporation Co., Ltd. (Chalermapat) at a total cost of THB463 million. Chalermapat's wholly owned subsidiaries provide mostly non-fixed-route bus services for industrial clients.

In June 2023, AQUA invested in a 40% stake in At Ease Property Co., Ltd. which operates a hotel in Chiang Mai, with a total investment cost of THB185 million. In July 2024, AQUA sold all its shares in At Ease Property Co., Ltd. to the partner.

In 2024, AQUA announced a restructuring plan and an investment in the food sector. The company will hold a 51% stake in the newly established FAB Food Holding Co. Ltd. (FAB), with Singha Corporation and others holding 40%, and Mr. Piyalert Baiyoke holding the remaining 9%. The deal is still in progress and is expected to be completed within 2025.

## FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS\*

Unit: Mil. THB

	Jan-Jun 2025	-----Year Ended 31 December -----			
		2024	2023	2022	2021
Total operating revenues	549	927	657	321	283
Earnings before interest and taxes (EBIT)	(258)	(358)	35	91	584
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	126	181	313	405	711
Funds from operations (FFO)	35	18	152	278	573
Adjusted interest expense	67	130	130	119	95
Capital expenditures	43	66	22	38	781
Total assets	8,022	7,813	9,043	8,396	9,415
Adjusted debt	2,016	2,045	2,072	1,170	1,946
Adjusted equity	4,983	5,020	6,085	5,798	5,408
<b>Adjusted Ratios</b>					
EBITDA margin (%)	22.9	19.5	47.7	126.4	251.3
Pretax return on permanent capital (%) **	(8.9)	(4.6)	0.4	1.2	7.5
EBITDA interest coverage (times)	1.9	1.4	2.4	3.4	7.5
Debt to EBITDA (times)	14.2	11.3	6.6	2.9	2.7
FFO to debt (%) **	(1.9)	0.9	7.3	23.8	29.5
Debt to capitalization (%)	28.8	28.9	25.4	16.8	26.5

\* Consolidated financial statements

\*\* Annualized with trailing 12 months

## 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

## Aqua Corporation PLC (AQUA)

<b>Company Rating:</b>	BB-
<b>Issue Rating:</b>	
AQUA25NA: THB556.8 million senior secured debentures due 2025	BB-
<b>Rating Outlook:</b>	Negative

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