Eastern Water Resources Development and Management PLC

Corporate | Regulated Utilities

26 June 2026

Issuer Credit Rating: A-/Stable

Issue Ratings:

Senior Unsecured: A-/Stable

Rating Action

TRIS Rating affirms the issuer credit rating on Eastern Water Resources Development and Management PLC (EASTW) and the ratings on EASTW's outstanding senior unsecured debentures at "A-" with a "Stable" outlook.

The ratings reflect EASTW's strengths as a major raw water supplier in the Eastern Economic Corridor (EEC), supported by an extensive pipeline network, diversified water sources, reliable service quality, and long operating track record. These strengths are partially offset by the company's elevated leverage from investments in new water pipelines and intensifying competition among raw water providers in the EEC.

Key Rating Considerations

Sales expected to increase

EASTW's sales are expected to increase over the forecast period, supported by demand from water-intensive industries and drier weather conditions. In 2025, its sales declined by approximately 13% from 2024, mainly due to heightened competition in the EEC area and partial customer shifts to lower-priced suppliers.

However, demand is expected to recover from the second half of 2026 into 2027, as Thailand may face drier conditions associated with El Niño, prompting greater reliance on external water suppliers. EASTW is well-positioned to benefit from this trend given its comparatively diversified water sources. Besides, continued investment in data centers and semiconductor industries, which require substantial water usage, is expected to support demand growth of around 2%-3% per year over the forecast period. As a result, total revenue is projected to gradually increase to approximately THB3.6-THB4.0 billion per year.

Resilient tap water revenue with growth potential in industrial water sales

EASTW's tap water business is expected to deliver stable performance over the forecast period, supported by concession agreements covering key service areas in Chonburi, Rayong, and Chachoengsao, which include minimum order quantities (MOQs). The company is in the process of renewing three concessions scheduled to expire in 2028, including Chachoengsao, Bang Pakong, and Nakhon Sawan, which are expected to be extended. We expect tap water sales to grow modestly, primarily driven by volume increases of around 2%-3% per year. Revenues from the tap water segment are projected to range from THB1.5-THB1.6 billion per year during the forecast period.

Industrial water sales are expected to gradually increase following the implementation of new pipeline projects. Industrial water revenues are projected to grow steadily, ranging from THB300-THB600 million per year over the forecast period, providing additional support to overall revenue growth.

Sustained profitability

We expect EASTW's profitability to remain strong and broadly in line with 2025 levels. The EBITDA margin improved to 49% in 2025, returning to the range of 45%-50% observed during 2020-2023, from 38% in 2024. The improvement was mainly driven by the completion of the pipeline replacement, which enabled the company to utilize its own water sources instead of purchasing raw water from external suppliers.

Over the forecast period, the company's EBITDA margin is expected to remain around 50%, supported by low raw water procurement costs and electricity expenses. EBITDA is projected to range between THB1.8-THB2.0 billion during the forecast period.

A key raw water supplier in the EEC

We expect EASTW to maintain its position as a major raw water supplier in the EEC, supported by its extensive 553-kilometer pipeline network, which includes newly constructed pipelines parallel to those of the Treasury Department and a connection to the Klong Luang Reservoir. The company is currently awaiting approval from the Treasury Department to install a new pumping station, which would facilitate additional water intake from the Klong Luang Reservoir and enhance supply reliability in the Chonburi area. EASTW is also seeking approval to install a replacement pumping station at the Dok Krai Reservoir, following the return of the original facility to the Treasury Department.

EASTW's integrated water distribution system links multiple water sources, including government reservoirs, rivers, and privately owned reservoirs, providing flexibility and supporting reliable supply, particularly during periods of drought. In 2025, the company sourced approximately 376 million cubic meters (MCM) of water, with water extraction accounting for about 62% of its total available resources. High barriers to entry, stemming from substantial capital requirements and the complexity of obtaining permits for pipeline installation and water extraction, continue to support EASTW's competitive position. Compared with peers, EASTW's significantly larger pipeline network and broader access to water resources further reinforces its leading position in the EEC.

Litigation risk

In November 2024, the Treasury Department filed a lawsuit in the Civil Court, seeking the company's eviction and the removal of buildings and any occupants from land overlapping with the Nong Pla Lai–Nong Khor Pipeline Project and the Nong Khor–Laem Chabang Pipeline Project (Phase 2). The case also includes a claim for financial damages totaling THB127.77 million.

At present, the case remains in the preliminary legal stages and may take several years before a final court ruling is reached. The outcome therefore remains uncertain. However, in the event of an unfavorable court decision requiring the return of the disputed land, the company has assessed contingency measures to ensure continuity of raw water supplies to its customers. These measures include relocating the pumping station and constructing a replacement pipeline in the affected areas.

Deleveraging plans on track

EASTW's leverage in 2025 was broadly in line with our prior projection and is expected to continue improving over 2026-2028. The debt to EBITDA ratio was 8.4 times in 2025, improving from 9.1 times in 2024. Capital expenditure decreased to about THB1.4 billion in 2025, down from THB2-THB3 billion per year in previous years, following the completion of the company's new trunk transmission pipeline system, which replaced the leased pipeline from the

Treasury Department, with final payments settled in 2025. During 2026-2028, its capital spending is expected to fall to around THB400 million to THB1.0 billion per year, mainly for expansion of tap water and industrial water systems, as well as routine maintenance. Overall, the debt to EBITDA ratio is expected to decline further to below 8 times in 2026 and gradually improve to around 6-7 times in 2027-2028.

Manageable liquidity

We assess EASTW's liquidity position as manageable over the next 12 months. As of the end of March 2026, the company held THB240 million in cash and cash equivalents and had access to undrawn credit facilities totaling THB450 million. Additional liquidity sources include funds from operations (FFO), which we project at around THB1.3 billion over the following 12 months.

EASTW's scheduled debt repayments over the next 12 months amount to THB2.6 billion in long-term bank loans and THB1.9 billion in short-term bank loans. We also expect capital expenditures of around THB650 million, along with dividend payments of approximately THB17 million over the same period. We view the company's relationships with financial institutions as supportive, which should facilitate the rollover of short-term borrowings. The company is also in discussions with lenders regarding the refinancing of its long-term debt. As such, the company is likely to be able to refinance its maturing obligations and meet its planned funding requirements.

EASTW should have no problems complying with its debenture covenants over the next 12 to 18 months. The debt to equity ratio at the end of December 2025 and March 2026 was 1.4 times, well below the debenture covenant limit of 2 times.

Debt structure

As of March 2026, EASTW's total interest-bearing debt stood at THB14.7 billion. This included THB930 million in priority debt comprising unsecured debts at the subsidiary level, translating to a priority debt to total debt ratio of 6%.

Base-case Assumptions

- Total revenues to be THB3.6-THB4.0 billion per year in 2026-2028.
- EBITDA margin at around 50% in 2026-2028.
- Total capital spending of THB400 million-THB1 billion per year during 2026-2028.

Rating Outlook

The "Stable" outlook reflects our expectation that EASTW's operating performance will gradually improve with the debt to EBITDA ratio falling below 8 times. Also, we expect EASTW to be able to utilize its existing water sources.

Rating Sensitivities

A rating upgrade is unlikely in the near term. However, a downgrade could occur if EASTW's operating performance falls short of our expectations. This could occur if the company loses significant numbers of customers or is unable to utilize its existing water sources.

Company Overview

EASTW was established in 1992 by a Cabinet resolution. The government granted EASTW a mandate to develop and manage raw water distribution systems in the EEC. As of May 2026, EASTW's major shareholders were the Provincial Waterworks Authority (PWA; owning a 40.2% stake); UOB Kay Hian Pte Ltd A/C - RC. (18.7%; previously held by Manila Water Company, Inc. until 5 September 2025); and the Industrial Estate Authority of Thailand (IEAT; 4.6%).

In 2025, EASTW sold a total of 143 MCM of raw water. At present, EASTW supplies raw water in Chonburi, Rayong, and Chachoengsao. The company's current strategy focuses on comprehensive water solutions, covering raw water, tap water, industrial water, wastewater management, and recycled water.

EASTW, through its subsidiary, Universal Utilities PLC (UU), provides tap water services in 12 areas mainly in Chonburi, Rayong, and Chachoengsao, with a total production capacity of 418,280 cubic meter (cu.m.) per day in 2025. Excluding construction revenue under concession agreements, raw water sales accounted for 42% of the company's total revenue, while tap water services and industrial water services represented 44% and 8% of the total in 2025, respectively.

In 2018, EASTW signed 25-year and 30-year contracts with Gulf PD Co., Ltd. and Amata Water Co., Ltd. to supply industrial water of 22 MCM per year and 5.5 MCM per year, respectively. Revenues from these industrial water contracts have been recognized from 2021 onwards.

Since 2020, the company entered into six agreements to provide total water solutions in the EEC area: a 25-year concession to provide tap water and wastewater treatment services to U-Tapao Airport; a 20-year contract for the supply of industrial water to Carabao Group PLC (CBG); a 30-year contract to supply tap water to PTT PLC at Wang Chan Valley; a 20-year contract for the supply of industrial water to Microchip Technology (Thailand) Co., Ltd.; a 30-year contract for the supply of industrial water to Amata City Rayong Industrial Estate-2 (Nong Lalok), and a 32-year contract for the supply of raw water to Thai Oil PLC (TOP).

Key Operating Performance

Table 1: EASTW's Total Revenue Breakdown by Line of Business

Line of Business	Unit	2021	2022	2023	2024	2025	Jan-Mar 2025	Jan-Mar 2026
Raw water	%	64	61	57	51	42	45	41
Tap water	%	31	33	35	39	44	42	44
Industrial water	%	-	1	4	6	8	6	9
Engineering services and rental	%	3	3	3	3	5	6	6
Construction revenue under concession agreement	%	2	2	1	1	1	1	0
Total	**%**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Revenue from sales & service	Mil. THB	4,631	4,263	4,287	4,063	3,552	920	918

Source: EASTW

Financial Statistics and Key Financial Ratios*

Unit: Mil. THB

		-------- Year Ended 31 December --------			
	Jan-Mar 2026	2025	2024	2023	2022
Total operating revenues	919	3,570	4,110	4,321	4,298
Earnings before interest and taxes (EBIT)	197	522	431	828	1,079
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	468	1,728	1,541	1,914	2,157
Funds from operations (FFO)	313	1,019	808	1,335	1,653
Adjusted interest expense	137	600	628	463	314
Capital expenditures	69	1,440	2,049	2,228	2,833
Total assets	27,841	27,793	29,574	29,077	25,098
Adjusted debt	14,155	14,513	14,036	12,598	11,573
Adjusted equity	11,613	11,551	11,569	11,638	11,568
Adjusted Ratios					
EBITDA margin (%)	50.9	48.4	37.5	44.3	50.2
Pretax return on permanent capital (%)	2.1 **	1.9	1.6	3.3	4.7
EBITDA interest coverage (times)	3.4	2.9	2.5	4.1	6.9
Debt to EBITDA (times)	8.1 **	8.4	9.1	6.6	5.4
FFO to debt (%)	7.4 **	7.0	5.8	10.6	14.3
Debt to capitalization (%)	54.9	55.7	54.8	52.0	50.0

* *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
- Issue Rating Criteria, 26 December 2024

Eastern Water Resources Development and Management PLC (EASTW)

Issuer Credit Rating:	**A-**
Issue Ratings:	
EASTW275A: THB850 million senior unsecured debentures due 2027	A-
EASTW278A: THB200 million senior unsecured debentures due 2027	A-
EASTW282A: THB100 million senior unsecured debentures due 2028	A-
EASTW28OA: THB650 million senior unsecured debentures due 2028	A-
EASTW298A: THB400 million senior unsecured debentures due 2029	A-
EASTW308A: THB78.8 million senior unsecured debentures due 2030	A-
EASTW30OA: THB1,100 million senior unsecured debentures due 2030	A-
EASTW318A: THB100 million senior unsecured debentures due 2031	A-
EASTW325A: THB750 million senior unsecured debentures due 2032	A-
EASTW332A: THB1,000 million senior unsecured debentures due 2033	A-
EASTW338A: THB441.2 million senior unsecured debentures due 2033	A-
EASTW33OB: THB50 million senior unsecured debentures due 2033	A-
EASTW33OA: THB1,150 million senior unsecured debentures due 2033	A-
EASTW33OC: THB50 million senior unsecured debentures due 2033	A-
EASTW348A: THB1,300 million senior unsecured debentures due 2034	A-
Rating Outlook:	**Stable**

Rating History

Last Review Date: 4 July 2025

Date	Rating	Outlook/Alert
26-Jun-25	A-	Stable
29-Jun-22	A	Stable
25-Feb-22	A+	Negative
23-Jan-08	A+	Stable
20-Sep-07	A+	Alert Developing
12-Jul-04	A+	Stable
29-Jun-04	A+	-

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