

Thanulux PLC

Financial Institution | Asset Management / Financial Services

6 March 2026

Issuer Credit Rating: BBB-/Stable

Rating Action

TRIS Rating assigns an issuer credit rating on Thanulux PLC (TNL) at “BBB-” with a “stable” outlook. The issuer credit rating on TNL incorporates a one-notch enhancement from its stand-alone credit profile (SACP) assessed at “bb+” to reflect the company’s status as a “strategic” entity of Saha Pathana Inter-Holding PLC (SPI), rated at “A+/Stable”. The rating takes into consideration the long-standing ownership of SPI and financial support TNL receives from SPI Group.

TNL’s SACP is underpinned by its very strong capital base, as well as its adequate funding and liquidity profile. However, the SACP is constrained by the company’s short operating track record of distressed asset management as well as credit concentration and weak credit profile of customers in the secured lending business.

Key Rating Considerations

A strategic affiliate of SPI

TRIS Rating views TNL as a strategic affiliate of SPI. After the business transformation in 2022, TNL has played a dedicated role by helping SPI to expand its investment into finance business beyond its traditional consumer product.

TNL benefits from financial supports from SPI and the companies within the SPI Group, primarily through credit facilities from related parties with a total value of THB1.7 billion as of December 2025. In addition, SPI Group’s long-standing shareholding in TNL and its typical long-term investment policy, together with majority board representation, underscore the close linkage between TNL and SPI. We therefore expect SPI Group to remain supportive of TNL’s growth strategy and continue to provide financial support, if required.

Brief track record of operations constrains rating

TNL currently operates property-backed lending business through Oxygen Asset Co., Ltd. (OXA), distressed asset management business through Oxygen Asset Management Co., Ltd. (OAM), and financial advisory business through Oxygen Advisory Co., Ltd. (OA).

OXA commenced its operation in 2022, while OAM initiated its first asset acquisition in 2023, resulting in limited performance visibility. However, we believe the management teams of the three companies possess strong expertise and experience in their respective businesses, working closely together to form cohesive ecosystem within the TNL Group. Their cautious growth strategy should also support successful execution and prudent risk management as the company continues to expand asset base. Positive rating actions would require a proven track record of strong and sustainable operational performance.

Secured lending drives growth but concentration risk is a concern

We expect OXA's secured lending, backed by property collateral, to remain the largest contributor to its assets and revenue over the next few years. As of December 2025, OXA’s outstanding loans stood at THB6.3 billion, or 40% of total assets, down slightly from 2024 as the company tightened underwriting and focus on loan collection following a surge in non-performing

loans (NPLs). The company nonetheless aims to expand its loan portfolio selectively, and we project its outstanding loans could reach THB8 billion by end-2028.

On credit risk, OXA is selective on property quality and location, and caps loan to value (LTV) of its new lending at 50%, which mitigates credit risk and supports collateral recovery to some extent. However, its target customers are corporates and high-net-worth individuals with short-term liquidity needs, which result in large average loan size of approximately THB300 million, creating significant credit concentration.

As of December 2025, OXA's total NPLs of THB1.8 billion were concentrated in just eight accounts, reflecting how a handful of exposures can drive a steep rise in NPLs, particularly in a weak economic environment. While high collateral values help contain credit costs, uncertainty around timelines of litigation and asset liquidation remains a key concern for this business.

Distressed asset management in a slow expansion mode

OAM commenced operations in 2023 amid active distressed asset market. As activities in the NPL market have slowed in recent years, the company has adopted a measured pace of expansion, remaining highly selective in its investment strategy. The company focuses on NPLs of larger corporates and small and medium enterprises (SMEs), targeting a minimum internal rates of return (IRR) of 12% by emphasizing collateral quality and disciplined pricing.

Based on the company's business plan, we project annual asset acquisitions of THB0.5-THB1 billion over the next few years, with net loan purchases growing to around THB3.2 billion by 2028 from approximately THB1.6 billion as of December 2025. The company also holds a small net non-performing asset (NPA) portfolio of approximately THB290 million. While the overall portfolio remains modest relative to other rated asset management companies, we expect OAM's revenue and cash collections to rise gradually as the asset base expands in tandem with the secured lending business.

A wind-down of property development should free up capital

Beyond its financial businesses, TNL participates in property development through joint ventures (JV) with Noble Development PLC (NOBLE, rated "BBB/Negative") under the name TNL Alliance Co., Ltd. (TNLA). The nine current projects, including single detached houses (SDHs), townhouses, community mall, and condominiums, are constructed and managed by NOBLE, with TNL providing general administration in exchange for fee income. As of end-2025, seven projects have reached the transfer phase. There will be two new projects scheduled for launch in 2026-2027.

With no other new projects planned, the business will gradually wind down, freeing up capital for redeployment into the TNL Group's core financial businesses. While JV income will slowly taper off, the company should continue to benefit from profit sharing on existing backlogs in the near term.

Very strong capital base expected to continue

TNL's capital and leverage position is assessed as "very strong", with adjusted debt to equity (D/E) ratio (including guaranteed borrowings at the JV level) at 0.6 times as of December 2025. This low leverage was a result of capital injection of approximately THB6 billion during the group's business transformation in 2022-2023.

Looking ahead, we expect TNL's adjusted D/E ratio to remain below 0.7 times, supported by moderate growth in collateralized lending of around 10% per annum, NPL acquisitions capped at no more than THB1 billion per year, and the gradual release of capital as property development business winds down.

Adequate funding and liquidity profile

TNL's funding and liquidity profile is assessed as "adequate", underpinned by SPI Group's support and the capital injection in 2022-2023, both of which enhance funding flexibility alongside a large capital base. As of December 2025, related-party borrowings totaled THB1.7 billion. The company further diversifies its funding through credit facilities with various banks and access to the bond market, as evidenced by multiple debenture issuances.

While reliance on market funding could expose the company to potential asset-liability mismatches given the longer duration nature of its core financial assets, ongoing shareholder support serves as an important mitigant. As of December 2025, TNL's cash and equivalent of THB1.8 billion provide adequate coverage for near-term obligations and business expansion needs.

Base-case Assumptions

Key base-case assumptions during 2026-2028:

- Outstanding loan portfolio will be around THB8 billion by 2028.
- NPL ratio of secured lending to remain below 35%.
- Yield of secured lending to be around 9%.
- New NPL investments of below THB1 billion per year.
- Funding cost will be around 5.5%.
- Operating expenses to total assets ratio at 2%

Rating Outlook

The “stable” outlook reflects our expectation that TNL's management will be able to maintain asset quality without a material deterioration from current levels, while collections from the asset management business will be broadly in line with management's plan. At the same time, leverage should remain at acceptable level.

Rating Sensitivities

The rating and/or outlook could be revised upward if TNL establishes a consistent operating track record and stable business expansion.

The rating and/or outlook could be downgraded if adjusted D/E ratio increases above 1.5 times due to aggressive expansion, or if a further weakening in asset quality of lending business results in operating performance falling materially below our expectations.

The rating and/or outlook could be changed if there is a change in our view on the status of TNL to the SPI Group.

COMPANY OVERVIEW

TNL was founded in 1975 and has been a part of the SPI Group since the beginning. The company has been listed on the Stock Exchange of Thailand (SET) since 1987 and has focused on the manufacturing and distribution of finished garments and leather goods for both domestic and international brands. The company had built a long operating history and resilience across multiple economic cycles.

At the end of 2022, TNL restructured its business with the strategic partner, BTS Group Holdings PLC (BTS) during 2022-2024, with a capital injection of THB6 billion that helped strengthen the company's capital base. TNL has repositioned itself toward financial services as its core strategic focus, starting with the setup of “OXA”, collateralized lending business, and “OAM”, which operates distressed asset management. Moreover, TNL acquired 50% stakes in real-estate JV that were previously JVs between U City Co., Ltd. (a BTS Group subsidiary) and NOBLE and renamed it as “TNL Alliance”.

In 2024, the company also started financial advisory service under “OA”, which provides services on capital structure and fundraising as well as corporate finance such as debt restructuring and merger and acquisitions.

Financial Statistics and Key Financial Ratios*

Unit: Mil. THB

	----- Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Total assets	15,158	13,916	13,420	10,558	4,494
Total loans	8,771	8,640	7,696	3,952	0
- Secured loans	6,306	6,496	5,979	3,593	0
- Loan to JV (related parties)	2,465	2,144	1,717	359	0
Allowance for expected credit loss	215	245	95	0	0
Net loan purchased	1,561	1,359	927	0	0
Properties for sales - net	950	176	0	0	0
Short-term debts	516	1,588	752	2,887	20
Long-term debts	3,486	1,304	1,712	118	122
Shareholders' equity	10,854	10,599	10,493	7,063	3,978
Net interest income	705	763	555	39	28
Expected credit loss	75	185	108	0	0
Non-interest income	249	229	489	1,905	1,410
Operating expenses	286	279	219	1,810	1,360
Earnings before taxes	477	518	513	140	76
Net profit	415	350	368	102	63

Unit: %

	----- Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Profitability					
Net interest income/average assets	4.85	5.58	4.63	0.52	0.63
Non-interest income/average assets	1.71	1.68	4.08	25.32	31.93
Operating expenses/total income	24.63	24.94	19.42	92.73	94.52
Operating profit/average assets	3.28	3.79	4.28	1.86	1.72
Return on average assets	2.85	2.56	3.07	1.35	1.42
Return on average equity	3.87	3.32	4.19	1.85	1.61
Asset Quality					
Non-performing loans/total loans**	29.21	31.55	0.00	0.00	n.a.
Expected credit loss/average loans	0.96	2.50	2.06	0.00	n.a.
Allowance for expected credit loss/non-performing loans**	11.68	11.98	n.a.	n.a.	n.a.
Capitalization					
Debt to equity (times)	0.40	0.31	0.28	0.49	0.13
Adjusted debt to equity*** (times)	0.61	0.53	0.49	0.49	0.13
Funding and Liquidity					
Stable funding ratio	108.38	97.03	105.99	97.75	132.55
Liquidity coverage measure (times)	3.44	0.92	1.70	0.86	35.03
Short-term debts/total debts	12.00	47.87	25.70	82.60	3.87

* Consolidated financial statements

** Secured lending business

*** Including guarantee loans from JVs

n.a. Not available

Related Criteria

- Group Rating Methodology, 25 August 2025
- Financial Institution Rating Methodology, 25 September 2024

Thanulux PLC (TNL)

Issuer Credit Rating:	BBB-
Rating Outlook:	Stable

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