

# PTTEP TREASURY CENTER CO., LTD.

No. 28/2021  
17 March 2021

## CORPORATES

### Issue Rating:

Guaranteed	AAA
Outlook:	Stable

Last Review Date: 17/03/20

### Issue Rating History:

Date	Rating	Outlook/Alert
24/05/19	AAA	Stable

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## RATIONALE

TRIS Rating affirms the rating of “AAA” on the guaranteed debentures issued by PTTEP Treasury Center Co., Ltd. (PTTEPTC) with a “stable” outlook. The debentures are fully guaranteed by PTT Exploration and Production PLC (PTTEP). PTTEP is rated “AAA” with a “stable” outlook by TRIS Rating. The issue rating reflects the creditworthiness of PTTEP as the guarantor of the issued debentures.

## KEY RATING CONSIDERATIONS

### Unconditional and irrevocable guarantee

The rating on PTTEPTC’s guaranteed debentures is equal to the rating on PTTEP. Under the guarantee terms, PTTEP provides an irrevocable and unconditional guarantee to cover all amounts due under the terms of the debentures up to THB16.875 billion (112.5% of face value), including the principal, plus any accrued interest, and other related expenses.

The guaranteed debentures are ranked pari passu with all other present and future unsecured and unsubordinated indebtedness of PTTEP. The guarantee agreement is governed by the laws of the Kingdom of Thailand.

### Credit strength of the guarantor

PTTEP’s creditworthiness reflects its leading position in the petroleum exploration and production (E&P) industry in Thailand, low market risk thanks to the long-term gas sale agreement with PTT PLC (PTT), low cost of production from legacy assets, conservative financial policies, and a strong financial profile.

PTTEP is a core subsidiary of PTT. PTT owns 65.3% of the shares of PTTEP. Both PTT and PTTEP are state-owned enterprises under the Thai law.

### Treasury center of PTTEP

PTTEPTC is a subsidiary set up by PTTEP with the objective of functioning as the treasury center for PTTEP and its subsidiaries/affiliates. PTTEPTC manages liquidity for the PTTEP group of companies through cash pooling and intercompany loans. PTTEPTC also sources funding for the group.

## RATING OUTLOOK

The “stable” outlook reflects the creditworthiness of the guarantor, PTTEP. TRIS Rating expects that PTTEP will be able to maintain its leading position in the E&P industry in Thailand and its strong credit profile.

## RATING SENSITIVITIES

The rating on PTTEPTC’s guaranteed debentures may change if the rating on its guarantor changes.

## COMPANY OVERVIEW

PTTEPTC was established on 27 May 2015 by PTTEP, to serve as a financial center for PTTEP and its affiliated companies. PTTEP owns, directly and indirectly, all of the shares of PTTEPTC.

PTTEPTC acts as a financial management company and financial advisor for PTTEP and its affiliates. Its main role is managing the liquidity and funding

structure for the group. PTTEPTC's main source of revenue is interest income from intercompany loans.

#### FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS\*

##### PTT Exploration and Production PLC (PTTEP) Guarantor

Unit: Mil. USD

	-----Year Ended 31 December -----				
	2020	2019	2018	2017	2016
Total operating revenues	5,173	6,218	5,361	4,412	4,298
Earnings before interest and taxes (EBIT)	1,653	2,492	2,100	1,567	930
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	3,796	4,643	3,975	3,264	3,063
Funds from operations (FFO)	2,922	3,666	2,965	2,822	2,499
Adjusted interest expense	271	300	277	262	279
Capital expenditures	1,215	1,208	1,154	1,361	1,023
Total assets	22,493	22,201	19,484	19,220	18,891
Adjusted debt	3,833	4,057	1,364	2,451	2,372
Adjusted equity	11,643	11,654	11,428	10,939	10,810
<b>Adjusted Ratios</b>					
EBITDA margin (%)	73.40	74.66	74.14	73.96	71.27
Pretax return on permanent capital (%)	8.68	14.04	12.44	9.27	5.52
EBITDA interest coverage (times)	13.99	15.48	14.36	12.45	10.99
Debt to EBITDA (times)	1.01	0.87	0.34	0.75	0.77
FFO to debt (%)	76.25	90.37	217.42	115.14	105.32
Debt to capitalization (%)	24.77	25.82	10.66	18.30	18.00

\* Consolidated financial statements

#### RELATED CRITERIA

- Group Rating Methodology, 13 January 2021
- Rating Methodology – Corporate, 26 July 2019
- Key Financial Ratios and Adjustments, 5 September 2018

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**PTTEP Treasury Center Co., Ltd. (PTTEPTC)**

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**Issue Rating:**

PTTEPT226A: THB15,000 million guaranteed debentures due 2022

AAA

**Rating Outlook:**Stable

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**TRIS Rating Co., Ltd.**

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