

# TRUE MOVE H UNIVERSAL COMMUNICATION CO., LTD.

No. 30/2022  
30 March 2022

## CORPORATES

<b>Company Rating:</b>	BBB+
<b>Issue Ratings:</b>	
Senior unsecured	BBB+
<b>Outlook:</b>	Stable

**Last Review Date:** 11/05/21

### Company Rating History:

Date	Rating	Outlook/Alert
15/06/15	BBB+	Stable

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## RATIONALE

TRIS Rating affirms the company rating on True Move H Universal Communication Co., Ltd. (TUC) and the ratings on TUC's outstanding senior unsecured debentures at "BBB+", with a "stable" rating outlook. At the same time, TRIS Rating assigns the "BBB+" rating to TUC's proposed issue of up to THB12 billion in senior unsecured debentures. The company intends to use proceeds from the new debenture issuance to refinance existing debts and/or to support working capital needs.

The ratings reflect TUC's status as a core subsidiary of TRUE Corporation PLC (TRUE) according to TRIS Rating's "Group Rating Methodology". TRUE is rated "BBB+/Stable" by TRIS Rating.

The operating results for both TRUE and TUC in 2021 were in line with our expectations. TRUE's total operating revenue and earnings before interest, tax, depreciation, and amortization (EBITDA) were THB147.2 billion and THB62.3 billion, respectively.

As of December 2021, TUC's wireless communication network had 32.2 million subscribers, up from 30.6 million in 2020. In terms of service revenue, TUC maintained its competitive position as the second largest wireless communication provider in Thailand, with 31.5% market share in 2021.

Average revenue per user (ARPU) across the industry in 2021 came under pressure from the slowing economic recovery and the government's reintroduction of lockdown measures. In effect, total service revenues of the mobile operators in the industry in 2021 slightly declined by 1.3% year-on-year (y-o-y). Likewise, TUC experienced a marginal drop in service revenues, excluding interconnection charges (IC), by 0.5% to THB79.8 billion.

TUC's profitability continued to improve. In 2021, EBITDA rose to THB36.8 billion, from THB33.6 billion in 2020. Funds from operations (FFO) reached THB23.5 billion. However, TUC's leverage remains high. At the end of 2021, the adjusted net debt was THB275 billion. As its profitability and cash flow improved, the ratio of debt to EBITDA in 2021 was 7.5 times, down from 8-9 times during the past three years. The FFO to debt ratio was 8.5%.

Currently, TRUE and Total Access Communication PLC (DTAC) are proceeding with their merger plan, including seeking approval from the upcoming shareholders' meeting. We note that the merger is subject to regulatory approvals, particularly approval of the National Broadcasting and Telecommunications Commission (NBTC). In addition, TRIS Rating is assessing the potential impact of the proposed merger on the company rating assigned to TRUE, which will directly impact the company rating on TUC and its issue ratings. The assessment is pending on detailed information related to the merger, particularly the would-be corporate structure of the combined businesses and business direction post-merger.

## RATING OUTLOOK

The "stable" outlook mirrors the outlook on TRUE. We expect TUC's status of core subsidiary remains unchanged.

## RATING SENSITIVITIES

As a core subsidiary of TRUE, the ratings on TUC are tied to the rating assigned to TRUE. Any change in the credit rating on TRUE, or TUC's status to the group could affect TUC's rating accordingly.

## RELATED CRITERIA

- Key Financial Ratio and Adjustments for Corporate Issuers, 11 January 2022
- Issue Rating Criteria, 15 June 2021
- Group Rating Methodology, 13 January 2021
- Rating Methodology – Corporate, 26 July 2019

## True Move H Universal Communication Co., Ltd. (TUC)

<b>Company Rating:</b>	BBB+
<b>Issue Ratings:</b>	
TUC225A: THB6,258.30 million senior unsecured debentures due 2022	BBB+
TUC228A: THB1,500 million senior unsecured debentures due 2022	BBB+
TUC22DA: THB6,772.90 million senior unsecured debentures due 2022	BBB+
TUC238A: THB8,001.60 million senior unsecured debentures due 2023	BBB+
TUC23DA: THB4,545.10 million senior unsecured debentures due 2023	BBB+
TUC241A: THB11,190.40 million senior unsecured debentures due 2024	BBB+
TUC243A: THB4,182.90 million senior unsecured debentures due 2024	BBB+
TUC245A: THB2,789.50 million senior unsecured debentures due 2024	BBB+
TUC246A: THB200 million senior unsecured debentures due 2024	BBB+
TUC24NA: THB1,200 million senior unsecured debentures due 2024	BBB+
TUC256A: THB18,544.20 million senior unsecured debentures due 2025	BBB+
TUC25NA: THB3,838.20 million senior unsecured debentures due 2025	BBB+
TUC26DA: THB7,480.20 million senior unsecured debentures due 2026	BBB+
TUC275A: THB1,376.40 million senior unsecured debentures due 2027	BBB+
TUC27NA: THB3,643.50 million senior unsecured debentures due 2027	BBB+
TUC295A: THB2,575.80 million senior unsecured debentures due 2029	BBB+
Up to THB12,000 million senior unsecured debentures due within 4 years	BBB+
<b>Rating Outlook:</b>	Stable

## TRIS Rating Co., Ltd.

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