

XAYABURI POWER CO., LTD.

No. 49/2025
8 May 2025

CORPORATES

Company Rating:	A-
Issue Ratings:	
Senior unsecured	BBB+
Outlook:	Stable

Last Review Date: 27/12/24

Company Rating History:

Date	Rating	Outlook/Alert
29/03/22	A-	Stable

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RATIONALE

TRIS Rating assigns a rating of “BBB+” to Xayaburi Power Co., Ltd.’s (XPCL) proposed issue of up to THB4 billion senior unsecured debentures, with a tenor of up to five years. XPCL intends to use the proceeds from the new debenture issuance to refinance its maturing debentures. At the same time, TRIS Rating affirms the company rating on XPCL at “A-” and affirms the ratings on XPCL’s outstanding senior unsecured debentures at “BBB+”. The outlook remains “stable”. The issue ratings are one notch below the company rating due to the significant subordination risk for the company’s senior unsecured creditors posed by the company’s high level of secured debt.

The ratings reflect XPCL’s demonstrated cash generation, backed by a long-term power purchase agreement (PPA) with Electricity Generating Authority of Thailand (EGAT, rated “AAA/Stable”). Furthermore, the ratings benefit from a well-structured contractual framework and the project’s competitive electricity generation costs due to negligible fuel costs. However, the ratings are tempered by the uncertainty associated with water flow, its substantial debt burden and interest expenses, as well as the inherent country risks associated with the operation in the Lao People’s Democratic Republic (Lao PDR).

In 2024, XPCL reported EBITDA of THB12.1 billion, a 4% decrease from the previous year. This decrease resulted from an unplanned shutdown at XPCL’s hydropower plant due to peak water flow in the third quarter of 2024. The company’s debt to EBITDA ratio was 6.4 times.

Looking forward, we expect XPCL to generate EBITDA of THB11.4-THB12.5 billion per annum over 2025-2027, while total debt is forecast to gradually decline to THB68.7 billion in 2027. As a result, the debt to EBITDA ratio is projected to range 5-6 times over the forecast period.

As of December 2024, the company had debt (excluding lease liabilities) of THB89.6 billion, of which THB61.3 billion was secured debt. The secured debt to total debt ratio was 68.4%, far above the threshold of 50% according to TRIS Rating’s “Issue Rating Criteria”. This suggests that XPCL’s unsecured creditors are significantly disadvantaged to its secured debt holders with respect to claims against the company’s assets.

RATING OUTLOOK

The “stable” outlook reflects our view that XPCL will continue to operate steadily under the PPA with EGAT and generate stable cash flow to meet its debt obligations. Hence, we expect consistent reduction of its financial leverage over time.

RATING SENSITIVITIES

We are unlikely to raise our ratings in the near term. However, we could consider an upgrade if XPCL arrives at stronger performance that exceeds our baseline forecast and significantly elevates its cash generation against debt obligations. Conversely, we could take a negative rating action if XPCL’s operating performance consistently misses our expectations, resulting in a material deterioration in cash generation.

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

Xayaburi Power Co., Ltd. (XPCL)

Company Rating:	A-
Issue Ratings:	
XPCL257A: THB4,031 million senior unsecured debentures due 2025	BBB+
XPCL267A: THB1,258 million senior unsecured debentures due 2026	BBB+
XPCL260A: THB1,500 million senior unsecured debentures due 2026	BBB+
XPCL277A: THB3,106 million senior unsecured debentures due 2027	BBB+
XPCL270A: THB384 million senior unsecured debentures due 2027	BBB+
XPCL280A: THB1,616 million senior unsecured debentures due 2028	BBB+
Up to THB4,000 million senior unsecured debentures due within 5 years	BBB+
Rating Outlook:	Stable

TRIS Rating Co., Ltd.

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