

BCPG PLC

No. 67/2023
9 June 2023

CORPORATES

Company Rating:	A
Issue Ratings:	
Senior unsecured	A
CreditAlert:	Negative

Last Review Date: 19/01/23

Company Rating History:

Date	Rating	Outlook/Alert
19/01/23	A	Alert Negative
27/10/22	A	Stable
21/04/21	A-	Stable

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RATIONALE

TRIS Rating assigns a rating of “A” to BCPG PLC (BCPG)’s proposed issue of up to THB10 billion senior unsecured debentures, with a tenor of up to 12 years. BCPG intends to use the proceeds from the debenture issuance to invest in new projects and to support its working capital. The company rating on BCPG and all assigned issue ratings of “A” remain on CreditAlert with a “negative” implication.

BCPG’s stand-alone credit profile (SACP) remains at “bbb+”. The company rating of “A”, which is two notches above its SACP, reflects our view of BCPG as a core subsidiary of Bangchak Corporation PLC (BCP; rated “A/Alert Negative”).

The SACP reflects BCPG’s steady earnings and its well-diversified power portfolio. However, these strengths are weighed down by execution risks associated with projects under development and expected rise in financial leverage in supporting its growth strategies.

In the first three months of 2023, BCPG’s revenue totaled THB1.1 billion, a 9% decrease from THB1.2 billion year-on-year (y-o-y). This was mainly from adder expiration of BCPG’s solar projects in Thailand and the shutdown of its hydropower plants in the Lao People’s Democratic Republic (Lao PDR) to prepare for the transfer of electricity sales to Vietnam Electricity (EVN). However, earnings before interest, taxes, depreciation, and amortization (EBITDA) came in at THB932 million. In the first three months of 2023, the debt to EBITDA ratio stood at 2.2 times (annualized with trailing 12 months).

At the end of March 2023, BCPG’s consolidated debt was THB25.4 billion (excluding lease liabilities). BCPG’s priority debt comprised debt owed by BCPG’s subsidiaries worth THB8.3 billion. These translate to a priority debt to total debt ratio of about 33%.

CREDIT ALERT

On 19 January 2023, TRIS Rating placed CreditAlert with a “negative” implication on all ratings on BCP, including the company rating. The rating action comes after BCP’s announcement on acquiring a 65.99% shares of ESSO (Thailand) PLC from ExxonMobil Asia Holdings Pte. The transaction is expected to be completed in the second half of this year. The CreditAlert reflects the uncertainties concerning the potential impact of the takeover on BCP’s credit profile.

We aim to remove the CreditAlert around the closing of the transaction after we have a clearer picture of BCP’s credit profile post-acquisition. We will assess the business strategies, group structure, concrete integration plans, synergies, and long-term capital structure in relation to the acquisition. Any material change in the credit profile of BCP or our view on BCPG’s status to the Bangchak Group would impact the ratings on BCPG. We will monitor developments related to the transaction and take appropriate rating actions accordingly.

NOTE ON CREDIT ALERT

CreditAlert is part of TRIS Rating’s rating monitoring process as a public warning when there is insufficient information to fully assess, and review ratings assigned to a rated entity or when significant events have occurred that may

CreditUpdate, reviews ratings of companies or debt issues that have already been rated by TRIS Rating. The CreditUpdate occurs when new debt instruments are issued or if significant events have taken place that may impact a company’s current ratings or when current ratings are cancelled. The CreditUpdate announces whether a rating has been “upgraded,” “downgraded,” “affirmed” or “cancelled.” The update includes information to supplement the previously published ratings.

Credit Updates are part of TRIS Rating’s monitoring process. TRIS Rating monitors every rating it assigns until either the debt instrument matures or the rating contract ends. To keep the public informed of changing situations, TRIS Rating periodically issues announcements about the credit ratings it monitors.

affect the ratings assigned to a rated entity. A CreditAlert may be designated as “positive”, “negative”, or “developing”, depending on the likely impact of a particular situation. The ratings remain unchanged when they are placed on a CreditAlert. A CreditAlert will be resolved once there is sufficient information to fully assess the rating impact.

RELATED CRITERIA

- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022
- Issue Rating Criteria, 15 June 2021

BCPG PLC (BCPG)

Company Rating:	A
Issue Ratings:	
BCPG249A: THB2,000 million senior unsecured debentures due 2024	A
BCPG269A: THB1,000 million senior unsecured debentures due 2026	A
BCPG289A: THB1,000 million senior unsecured debentures due 2028	A
BCPG319A: THB4,000 million senior unsecured debentures due 2031	A
BCPG339A: THB4,000 million senior unsecured debentures due 2033	A
Up to THB10,000 million senior unsecured debentures due within 12 years	A
CreditAlert:	Negative

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