

BANPU PLC

No. 10/2022

19 January 2022

CORPORATES

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

Last Review Date: 11/01/22

Company Rating History:

Date	Rating	Outlook/Alert
26/12/14	A+	Stable
29/11/13	AA-	Negative
15/12/10	AA-	Stable
06/07/10	AA-	Alert Developing
26/06/08	AA-	Stable
07/11/05	A+	Stable
28/07/05	A	Positive
12/07/04	A	Stable
14/01/03	A	-
22/03/01	A-	-

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RATIONALE

TRIS Rating affirms the company rating on Banpu PLC (BANPU) and the ratings on BANPU's existing senior unsecured debentures at "A+" with a "stable" outlook. At the same time, TRIS Rating assigns the rating of "A+" to BANPU's proposed issue of up to THB12 billion in senior unsecured debentures. The new issue rating replaces the issue rating previously assigned on 11 January 2022, following BANPU's request to increase the issue size from up to THB10 billion to up to THB12 billion. BANPU intends to use the proceeds from the new debentures to refinance its existing debts and to fund its working capital.

The ratings continue to reflect the company's leading position in the coal industry in the Asia-Pacific region, reliable stream of income from its power business, and the strategic move towards an integrated green energy company. The ratings take into consideration coal price volatility and factor in the prospect of declining coal demand over the long term, driven in part by global efforts to reduce carbon emissions.

As of September 2021, BANPU's consolidated debt was about USD5.7 billion. BANPU's priority debt consisted of USD62 million in secured debts and USD1.1 billion in senior debts owed by BANPU's subsidiaries. The ratio of priority debt to total debt was about 20% at the end of September 2021.

RATING OUTLOOK

The "stable" outlook reflects TRIS Rating's expectation that BANPU will maintain its leading position in the coal industry. Dividends from the steady power business and greater contribution from the gas business will provide some cushion against the volatility in the coal business. We also view that BANPU's financial discipline and prudent cash management to maintain adequate liquidity will help it weather the volatility in market conditions.

RATING SENSITIVITIES

A rating upside could occur if the company improved its financial profile significantly or exhibited greater earnings stability. A rating downgrade could occur if BANPU's performance materially deviated from our forecast, possibly from coal prices and gas prices that fall significantly short of the expected levels. Any additional debt-funded investments, which significantly weaken the capital structure and cash flow protection for an extended period, could be another factor leading to a rating downgrade.

RELATED CRITERIA

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

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.

Banpu PLC (BANPU)

Company Rating:	A+
Issue Ratings:	
BANPU225A: THB3,000 million senior unsecured debentures due 2022	A+
BANPU234A: THB3,500 million senior unsecured debentures due 2023	A+
BANPU247A: THB5,000 million senior unsecured debentures due 2024	A+
BANPU248A: THB2,000 million senior unsecured debentures due 2024	A+
BANPU257A: THB2,100 million senior unsecured debentures due 2025	A+
BANPU264A: THB2,000 million senior unsecured debentures due 2026	A+
BANPU268A: THB3,945 million senior unsecured debentures due 2026	A+
BANPU274A: THB10,000 million senior unsecured debentures due 2027	A+
BANPU282A: THB2,000 million senior unsecured debentures due 2028	A+
BANPU288B: THB4,010 million senior unsecured debentures due 2028	A+
BANPU295A: THB10,000 million senior unsecured debentures due 2029	A+
BANPU312A: THB3,670 million senior unsecured debentures due 2031	A+
BANPU318A: THB6,045 million senior unsecured debentures due 2031	A+
BANPU234B: USD150 million senior unsecured debentures due 2023	A+
BANPU288A: USD50 million senior unsecured debentures due 2028	A+
Up to THB12,000 million senior unsecured debentures due within 12 years	A+
Rating Outlook:	Stable

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