

TRUE CORPORATION PLC

No. 56/2025
29 May 2025

CORPORATES

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

Last Review Date: 20/03/25

Company Rating History:

Date	Rating	Outlook/Alert
01/03/23	A+	Stable

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RATIONALE

TRIS Rating assigns a rating of “A+” to True Corporation PLC (TRUE)’s proposed issue of up to THB18 billion senior unsecured debentures, with a tenor of up to 10 years. The company intends to use the proceeds from the proposed debenture issue for debt repayment. At the same time, TRIS Rating affirms the company rating on TRUE and the ratings on its outstanding senior unsecured debentures at “A+”. The rating outlook remains “stable”.

The ratings reflect TRUE’s leading market position in the telecommunication and digital service markets in Thailand. This is underpinned by its nationwide cellular network infrastructure, diverse frequency spectrum, and well-recognized brand. The ratings also factor in the continued improving operating performance supported by post-merger synergies and operating efficiencies. Conversely, the ratings remain constrained by TRUE’s highly leveraged balance sheet.

TRUE’s operating performance for the first quarter of 2025 was in line with our expectations. The company reported total operating revenue of THB51.5 billion. The synergy realization and ongoing network modernization efforts contributed to a reduction in both network operational expenses and selling general and administrative (SG&A) expenses, driving EBITDA to THB26.4 billion and yielding a robust EBITDA margin of 51.2%. Funds from operations (FFO) came in at THB21.2 billion. Despite impairment, TRUE achieved its first post-merger net profit of THB1.6 billion.

TRUE reported service revenue of THB41.3 billion for the first quarter of 2025, with growth in the wireless telecommunications and fixed broadband businesses, driven by higher blended average revenue per user (ARPU). In the wireless telecommunications business, TRUE maintained its market-leading position with 48.8 million subscribers as of March 2025. However, its subscriber base declined 1% from December 2024 due to tighter SIM card registration policies and a focus on quality subscriber acquisitions. Despite lower subscriber numbers, mobile service ARPU rose year-on-year (y-o-y), supported by increased data usage and value-added services. The fixed broadband business continued to gain subscribers, reaching 3.78 million, with ARPU rising to THB524 in March 2025. However, these growth areas were partially offset by a decline in pay-TV revenue, reflecting weaker subscription income despite modest growth in the entertainment and music segments.

We maintain our outlook and baseline forecast on TRUE’s operating performance. We project total annual operating revenue to range between THB205-THB209 billion during 2025-2027, with EBITDA expected to reach THB104-THB107 billion per year. The EBITDA margin is projected to remain strong at 50%-51%, reflecting sustained operational efficiency. Consequently, we forecast annual funds from operations (FFO) in the THB79-THB84 billion range.

The ratings remain largely constrained by TRUE’s debt-heavy capital structure. As of March 2025, its adjusted debt stood at THB463 billion, resulting in a high debt to capitalization ratio of 86%. Over the next three years, we anticipate TRUE’s leverage to remain high but gradually decline, considering capital expenditures post-merger, scheduled license fee obligations, investment in new licenses, and ongoing profitability improvement. Capital expenditures are projected to be moderate from pre-merger levels, aligning with the completion of major network integration investments. We forecast the debt to EBITDA ratio

to range between 4-5 times during 2025-2027, with the FFO to debt ratio at 16%-20%. However, the debt to capitalization ratio is expected to remain high at 85%-87% during the forecast period.

As of March 2025, TRUE's total debt, excluding lease and license liabilities, was THB333.9 billion. TRUE continues to rely heavily on debenture issuance for financing, which accounted for about 87% of total debt. TRUE had a priority debt to total debt ratio of about 26%.

RATING OUTLOOK

The "stable" outlook reflects our view of TRUE's ability to maintain its market-leading position in the telecommunications and digital service markets in Thailand. We also expect TRUE's financial profile to steadily strengthen, with EBITDA and financial leverage levels aligning with our forecast.

RATING SENSITIVITIES

We are unlikely to raise the ratings in the near term. However, an upgrade scenario could emerge from forecast-beating performances, significant leverage reduction, strengthened market position, and more diversified sources of funding. At the same time, we could take negative rating actions if TRUE's operating performance and financial status deteriorate significantly, resulting in a sustained FFO to debt ratio of below 10%.

TRUE still has several lawsuits that will likely take time to resolve. We could take negative rating actions if any new developments on these pending legal issues suggest potential material adverse effects on TRUE's financial profile.

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

True Corporation PLC (TRUE)

Company Rating: A+

Issue Ratings:

TRUE257A: THB6,327.30 million senior unsecured debentures due 2025	A+
TRUE258A: THB650 million senior unsecured debentures due 2025	A+
TRUE258B: THB993 million senior unsecured debentures due 2025	A+
TRUE250A: THB4,247.90 million senior unsecured debentures due 2025	A+
TRUE25NA: THB2,486.60 million senior unsecured debentures due 2025	A+
TRUE25NB: THB3,998.90 million senior unsecured debentures due 2025	A+
TRUE25NC: THB919.20 million senior unsecured debentures due 2025	A+
TRUE261A: THB7,130.30 million senior unsecured debentures due 2026	A+
TRUE261B: THB2,912.10 million senior unsecured debentures due 2026	A+
TRUE262A: THB3,864.90 million senior unsecured debentures due 2026	A+
TRUE263A: THB2,412.10 million senior unsecured debentures due 2026	A+
TRUE265A: THB3,234 million senior unsecured debentures due 2026	A+
TRUE266A: THB2,658 million senior unsecured debentures due 2026	A+
TRUE267A: THB7,779.10 million senior unsecured debentures due 2026	A+
TRUE267B: THB2,844.30 million senior unsecured debentures due 2026	A+
TRUE268A: THB1,689.40 million senior unsecured debentures due 2026	A+
TRUE260A: THB4,854.70 million senior unsecured debentures due 2026	A+
TRUE26NA: THB5,805.80 million senior unsecured debentures due 2026	A+
TRUE26NB: THB2,142.50 million senior unsecured debentures due 2026	A+
TRUE26NC: THB3,456.40 million senior unsecured debentures due 2026	A+
TRUE26ND: THB2,286.70 million senior unsecured debentures due 2026	A+
TRUE272A: THB6,636.60 million senior unsecured debentures due 2027	A+
TRUE272B: THB2,421.80 million senior unsecured debentures due 2027	A+
TRUE272C: THB3,922.80 million senior unsecured debentures due 2027	A+
TRUE273A: THB3,656.90 million senior unsecured debentures due 2027	A+
TRUE274A: THB1,511.20 million senior unsecured debentures due 2027	A+
TRUE278A: THB6,958.60 million senior unsecured debentures due 2027	A+
TRUE278B: THB3,352.20 million senior unsecured debentures due 2027	A+
TRUE270A: THB5,116.60 million senior unsecured debentures due 2027	A+
TRUE27NA: THB3,062.80 million senior unsecured debentures due 2027	A+
TRUE27NB: THB3,524.30 million senior unsecured debentures due 2027	A+
TRUE27NC: THB5,982.60 million senior unsecured debentures due 2027	A+
TRUE27DA: THB5,855.10 million senior unsecured debentures due 2027	A+
TRUE282A: THB7,422.70 million senior unsecured debentures due 2028	A+
TRUE285A: THB3,498 million senior unsecured debentures due 2028	A+
TRUE287A: THB7,060.20 million senior unsecured debentures due 2028	A+
TRUE288A: THB6,459.10 million senior unsecured debentures due 2028	A+
TRUE280A: THB7,184.50 million senior unsecured debentures due 2028	A+
TRUE28NA: THB1,736.30 million senior unsecured debentures due 2028	A+
TRUE294A: THB2,809.60 million senior unsecured debentures due 2029	A+
TRUE295A: THB3,091.40 million senior unsecured debentures due 2029	A+
TRUE298A: THB4,493.20 million senior unsecured debentures due 2029	A+
TRUE29NA: THB6,073.80 million senior unsecured debentures due 2029	A+
TRUE29NB: THB3,549.60 million senior unsecured debentures due 2029	A+
TRUE302A: THB2,974.40 million senior unsecured debentures due 2030	A+

TRUE305A: THB6,993.70 million senior unsecured debentures due 2030	A+
TRUE309A: THB1,741 million senior unsecured debentures due 2030	A+
TRUE30NA: THB450.90 million senior unsecured debentures due 2030	A+
TRUE31NA: THB1,466.70 million senior unsecured debentures due 2031	A+
TRUE322A: THB889.90 million senior unsecured debentures due 2032	A+
TRUE325A: THB1,605.80 million senior unsecured debentures due 2032	A+
TRUE329A: THB888 million senior unsecured debentures due 2032	A+
TRUE337A: THB3,833.40 million senior unsecured debentures due 2033	A+
TRUE33NA: THB948.40 million senior unsecured debentures due 2033	A+
TRUE341A: THB1,544.10 million senior unsecured debentures due 2034	A+
TRUE345A: THB2,705.20 million senior unsecured debentures due 2034	A+
TRUE348A: THB3,559.90 million senior unsecured debentures due 2034	A+
TRUE34NA: THB3,214.40 million senior unsecured debentures due 2034	A+
TRUE352A: THB1,713 million senior unsecured debentures due 2035	A+
TRUE355A: THB1,311.10 million senior unsecured debentures due 2035	A+
Up to THB18,000 million senior unsecured debentures due within 10 years	A+
Outlook:	Stable

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