

# WHA UTILITIES AND POWER PLC

No. 47/2021  
29 June 2021

## CORPORATES

<b>Company Rating:</b>	A-
<b>Issue Ratings:</b>	
Senior unsecured	A-
<b>Outlook:</b>	Negative

**Last Review Date:** 28/01/21

### Company Rating History:

Date	Rating	Outlook/Alert
27/09/19	A-	Negative
03/04/18	A-	Stable

### Contacts:

Suchana Chantadisai  
suchana@trisrating.com

Nauwarut Temwattanangkul  
nauwarut@trisrating.com

Wittawat Prayookwong  
wittawat@trisrating.com

Sasiporn Vajarodaya  
sasiporn@trisrating.com



WWW.TRISRATING.COM

## RATIONALE

TRIS Rating affirms the company rating on WHA Utilities and Power PLC (WHAUP) and the ratings on its outstanding senior unsecured debentures at “A-” with a “negative” rating outlook. At the same time, TRIS Rating assigns the “A-” rating to WHAUP’s proposed issue of up to THB3.5 billion in senior unsecured debentures. The company intends to use the proceeds from the new debenture issuance to refinance existing debts and/or to support general corporate purposes.

The ratings reflect WHAUP’s status as a core subsidiary of WHA Corporation PLC (WHA) according to TRIS Rating’s “Group Rating Methodology”. WHA is rated “A-” with a “negative” rating outlook by TRIS Rating. The “negative” outlook reflects WHA’s high leverage and weakening cash flow protection.

WHAUP’s performance and leverage in 2020 and in the first quarter of 2021 were in line with our forecast. In 2020, total operating revenue and net profit were THB1.7 billion and THB813 million, respectively. WHAUP has a moderately leveraged capital structure. The debt to capitalization ratio increased to 48%, from 45% as of year-end 2019. Adjusted net debt to earnings before interest, tax, depreciation, and amortization (EBITDA) was 4.8 times.

For the first quarter of 2021, WHAUP’s total operating revenue was THB608 million, achieved 31% of our projection for full-year 2021. Debt to capitalization ratio maintained at 48%, same as year-end 2020. Adjusted net debt to EBITDA was 6.5 times, annualized from the trailing 12 months.

According to the key financial covenant on its debentures, WHAUP must maintain its net interest-bearing debt to equity ratio below 2.5 times. The ratio were 0.9 times as of December 2020 and as of March 2021. No priority debt as of 31 March 2021.

## RATING OUTLOOK

The “negative” outlook mirrors the outlook revision on WHA, according to TRIS Rating’s “Group Rating Methodology”. We expect the business model and the level of integration between WHA and WHAUP will remain unchanged.

## RATING SENSITIVITIES

As a core subsidiary of WHA, the ratings on WHAUP are tied to WHA’s credit profile. Any change in WHA’s credit rating, or WHAUP’s link to WHA, will affect WHAUP’s ratings accordingly.

## RELATED CRITERIA

- Issue Rating Criteria, 15 June 2021
- Group Rating Methodology, 13 January 2021
- Rating Methodology – Corporate, 26 July 2019
- Key Financial Ratios and Adjustments, 5 September 2018

**WHA Utilities and Power PLC (WHAUP)**

<b>Company Rating:</b>	A-
<b>Issue Ratings:</b>	
WHAUP222A: THB700 million senior unsecured debentures due 2022	A-
WHAUP22DA: THB1,500 million senior unsecured debentures due 2022	A-
WHAUP236A: THB1,290 million senior unsecured debentures due 2023	A-
WHAUP256A: THB1,320 million senior unsecured debentures due 2025	A-
WHAUP302A: THB1,500 million senior unsecured debentures due 2030	A-
Up to THB3,500 million senior unsecured debentures due within 5 year	A-
<b>Rating Outlook:</b>	Negative

**TRIS Rating Co., Ltd.**

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: 0-2098-3000

© Copyright 2021, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at [www.trisrating.com/rating-information/rating-criteria](http://www.trisrating.com/rating-information/rating-criteria)