

WHA UTILITIES AND POWER PLC

No. 6/2021
28 January 2021

CORPORATES

Company Rating:	A-
Issue Ratings:	
Senior unsecured	A-
Outlook:	Negative

Last Review Date: 05/10/20

Company Rating History:

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

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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-”. At the same time, TRIS Rating assigns the “A-” rating to WHAUP’s proposed issue of up to Bt700 million in senior unsecured debentures. The rating outlook remains “negative”. 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” outlook by TRIS Rating. The “negative” outlook reflects WHA’s high leverage and weakening cash flow protection.

For the first nine months of 2020, WHAUP’s total operating revenue and net profit were THB1.3 billion and THB550 million, respectively, that achieved 75% and 68% of our projection for full-year 2020. WHAUP has a moderately leveraged capital structure. Debt to capitalization ratio increased to 48%, from 45% as of year-end 2019. 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 was 0.9 times as of September 2020.

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

- 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)

Company Rating:	A-
Issue Ratings:	
WHAUP216A: THB2,390 million senior unsecured debentures due 2021	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 THB700 million senior unsecured debentures due within 1 year	A-
Rating Outlook:	Negative

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