

BANPU PLC

No. 14/2023
25 January 2023

CORPORATES

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

Last Review Date: 27/12/22

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-	-

Contacts:

Tern Thitnuang, CFA

tern@trisrating.com

Pravit Chaichamnapai, CFA

pravit@trisrating.com

Parat Mahuttano

parat@trisrating.com

Sermwit Sriyotha

sermwit@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating affirms the company rating on Banpu PLC (BANPU) and the ratings on BANPU's 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 THB8 billion and an additional greenshoe portion of up to THB2 billion senior unsecured debentures, with a tenor of up to 15 years. The proceeds from the new debentures are intended to be used for refinancing its existing debts and for its working capital.

The ratings reflect the company's leading position in the Asia-Pacific coal industry, predictable cash flows from the power business, and its transition toward a greener energy portfolio under the "greener, smarter" strategy. The ratings take into consideration the volatility in coal and gas prices, and the declining coal price trend over the next three years, driven by China's coal import slowdown and global efforts to reduce carbon emissions.

As of September 2022, BANPU's consolidated debt was about USD6.4 billion. BANPU's priority debt consisted of USD46 million in secured debts and USD1.7 billion in senior unsecured debts owed by BANPU's subsidiaries. The ratio of priority debt to total debt was about 28% at the end of September 2022.

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 volatility in the coal business. We also view that BANPU's financial discipline and prudent cash management will help it weather the volatility in market conditions.

RATING SENSITIVITIES

A rating upside could occur if the company's debt to EBITDA ratio stays below 2 times on a sustained basis. A rating downgrade could occur if BANPU's performance materially deviates 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 downgrade.

RELATED CRITERIA

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

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:	
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+
BANPU251A: THB2,000 million senior unsecured debentures due 2025	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+
BANPU269A: THB4,000 million senior unsecured debentures due 2026	A+
BANPU274A: THB10,000 million senior unsecured debentures due 2027	A+
BANPU281A: THB1,000 million senior unsecured debentures due 2028	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+
BANPU299A: THB1,860 million senior unsecured debentures due 2029	A+
BANPU301A: THB2,000 million senior unsecured debentures due 2030	A+
BANPU312A: THB3,670 million senior unsecured debentures due 2031	A+
BANPU318A: THB6,045 million senior unsecured debentures due 2031	A+
BANPU321A: THB3,000 million senior unsecured debentures due 2032	A+
BANPU329A: THB3,240 million senior unsecured debentures due 2032	A+
BANPU341A: THB4,000 million senior unsecured debentures due 2034	A+
BANPU234B: USD150 million senior unsecured debentures due 2023	A+
BANPU288A: USD50 million senior unsecured debentures due 2028	A+
Up to THB8,000 million senior unsecured debentures and additional greenshoe portion of up to THB2,000 million due within 15 years	A+
Rating Outlook:	Stable

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

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