

TPI POLENE PLC

No. 90/2025
25 August 2025

CORPORATES

Company Rating: BBB
Issue Ratings:
Senior unsecured BBB
Outlook: Stable

Last Review Date: 24/04/25

Company Rating History:

| Date | Rating | Outlook/Alert |
|----------|--------|---------------|
| 21/02/25 | A- | Negative |
| 24/02/23 | A- | Stable |
| 04/10/22 | BBB+ | Positive |
| 25/03/20 | BBB+ | Stable |
| 10/04/19 | BBB+ | Positive |
| 02/10/12 | BBB+ | Stable |

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RATIONALE

TRIS Rating downgrades the company rating on TPI Polene PLC (TPIPL) and the ratings on its senior unsecured debentures to “BBB” from “A-”. At the same time, we revise the rating outlook to “stable” from “negative”.

The downgrades reflect a deteriorated risk profile following recent adverse court rulings against the company and a further weakening of TPIPL’s financial profile. In our view, the unfavorable litigation could undermine the company’s reputation, weaken investor confidence, and raise expenses beyond our earlier projection.

On 19 August 2025, the Criminal Court imposed a fine of THB160,000 on TPIPL and sentenced a key member of senior management to eight years imprisonment for using counterfeit land title deeds which are official documents. On the same day, the Supreme Court issued final rulings on three civil cases involving illegal mining activities, requiring TPIPL to backfill approximately 35.2 million metric tons of industrial rock as well as industrial shale for cement, and restore the site to its original condition, or alternatively pay fines totaling about THB4.4 billion. The company has opted to proceed with the backfilling and restoration, with initial cost estimates ranging from THB400-THB500 million.

As of June 2025, TPIPL’s adjusted net debt stood at THB75.4 billion, up from THB73.3 billion at the year-end 2024, resulting in a debt to EBITDA ratio of approximately 9 times (trailing 12 months), compared with 8.7 times in 2024. Although we expect earnings to improve following significant investments in cost-efficiency initiatives, increased business uncertainty and additional obligations stemming from the Supreme Court’s rulings are likely to delay any financial recovery.

Under our current base-case forecast, TPIPL’s debt to EBITDA ratio is expected to stay around 8 times in 2025 and decrease to 7 times in 2026, which is higher than our previous estimate of 6-7 times for the period. We expect the company to maintain adequate liquidity over the next 12 months. As of June 2025, TPIPL had debt coming due over the next 12 months of about THB13.9 billion, including debentures of THB11.5 billion. Liquidity sources, including cash and marketable securities amounting to THB7.3 billion and projected funds from operations (FFO) of THB5.5 billion, are expected to cover the maturing debentures. The remaining short-term loans for working capital are expected to be rolled over as usual.

RATING OUTLOOK

The “stable” outlook reflects our expectation that TPIPL’s credit metrics will remain broadly aligned with the “BBB” rating level and not deteriorate materially beyond estimates over the next 24-36 months.

RATING SENSITIVITIES

The ratings could be revised downward further if TPIPL fails to improve its financial profile, particularly if its debt to EBITDA ratio exceeds 8 times for a lengthy period. A downward revision could also occur if it appears legal and compliance risks significantly impair the company’s funding access and/or investor confidence.

Conversely, the ratings could be revised upward should TPIPL demonstrate a significant improvement in its financial profile, resulting in a debt to EBITDA ratio consistently below 6 times.

COMPANY OVERVIEW

TPIPL, the third largest cement producer in Thailand, was founded by the Leophairatana Family in 1987. Following the financial crisis, the company entered a debt-restructuring program in July 2000 and exited the rehabilitation process in 2009. The Leophairatana Family remains the major shareholder.

TPIPL operates in various industries: construction materials, polymer, and power generation. The construction material segment produces and sells clinker, cement, mortar, concrete, fiber cement, and concrete roof tiles. The polymer segment manufactures and sells low density polyethylene (LDPE) and EVA products. The power segment generates electricity using mainly Municipal Solid Waste (MSW) and waste heat recovery. The company sells the power to EGAT and supplies within the group.

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

TPI Polene PLC (TPIPL)

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|--|--------|
| Company Rating: | BBB |
| Issue Ratings: | |
| TPIPL25NA: THB3,410.7 million senior unsecured debentures due 2025 | BBB |
| TPIPL264A: THB4,000 million senior unsecured debentures due 2026 | BBB |
| TPIPL269A: THB4,000 million senior unsecured debentures due 2026 | BBB |
| TPIPL26NA: THB2,532.8 million senior unsecured debentures due 2026 | BBB |
| TPIPL272A: THB2,042.2 million senior unsecured debentures due 2027 | BBB |
| TPIPL274A: THB3,215.8 million senior unsecured debentures due 2027 | BBB |
| TPIPL276A: THB3,745 million senior unsecured debentures due 2027 | BBB |
| TPIPL27NA: THB2,994 million senior unsecured debentures due 2027 | BBB |
| TPIPL283A: THB5,000 million senior unsecured debentures due 2028 | BBB |
| TPIPL286A: THB4,719.4 million senior unsecured debentures due 2028 | BBB |
| TPIPL293A: THB1,766.5 million senior unsecured debentures due 2029 | BBB |
| TPIPL29NA: THB6,007.7 million senior unsecured debentures due 2029 | BBB |
| TPIPL304A: THB5,000 million senior unsecured debentures due 2030 | BBB |
| TPIPL305A: THB4,000 million senior unsecured debentures due 2030 | BBB |
| Rating Outlook: | Stable |

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