

TPI POLENE POWER PLC

No. 108/2022
4 October 2022

CORPORATES

Company Rating:	BBB+
Issue Ratings:	
Senior unsecured	BBB+
Outlook:	Positive

Last Review Date: 08/07/22

Company Rating History:

Date	Rating	Outlook/Alert
25/03/20	BBB+	Stable
10/04/19	BBB+	Positive
17/09/18	BBB+	Stable

Contacts:

Sermwit Sriyotha
sermwit@trisrating.com

Rapeepol Mahapant
rapeepol@trisrating.com

Parat Mahuttano
parat@trisrating.com

Wiyada Pratoomsuwan, CFA
wiyada@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating revises the rating outlook on TPI Polene Power PLC (TPIPP) to “positive” from “stable”. The upward outlook revision follows the rating outlook revision of the ratings on TPI Polene PLC (TPIPL), to “positive” from “stable” with the company and issue ratings affirmed at “BBB+”, on 4 October 2022.

We also affirm the company rating on TPIPP and the ratings on its outstanding senior unsecured debentures at “BBB+”.

TPIPP’s company and issue ratings are capped by the ratings on TPIPL, which are rated at “BBB+/Positive” by TRIS Rating. The rating cap reflects TPIPP’s status as core subsidiary of TPIPL, the strong parent-subsidiary relationship, and a high level of business integration between the two entities. We assess TPIPP’s stand-alone credit profile (SACP) at the level of “a”.

For the first six months of 2022, the company’s earnings before interest, taxes, depreciation, and amortization (EBITDA) dropped by 22% year-on-year (y-o-y) to THB2.26 billion, mainly due to the shutdown of its power plants for efficiency improvement and the expiration of the adders for the 18-megawatt (MW) refuse-derived fuel (RDF) power plant. However, the debt to EBITDA ratio of TPIPP remained at a healthy level of 3.0 times at the end of June 2022 (12-month trailing).

RATING OUTLOOK

The “positive” outlook reflects the rating outlook on TPIPL, TPIPP’s parent company. We expect TPIPP’s status as a core subsidiary of TPIPL will remain unchanged.

RATING SENSITIVITIES

Rating revisions on TPIPP are primarily tied to changes in the ratings on TPIPL.

An upward revision of TPIPP’s SACP is unlikely in the near term. Conversely, a downward revision of its SACP could occur if its operating performance is significantly worse than our forecast and/or if the company engages in sizable debt-financed investments, which result in significant deterioration in the group’s financial profile.

RELATED CRITERIA

- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology , 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022
- Issue Rating Criteria, 15 June 2021

TPI Polene Power PLC (TPIPP)

Company Rating:	BBB+
Issue Ratings:	
TIIPP22NA: THB4,000 million senior unsecured debentures due 2022	BBB+
TIIPP23DA: THB3,000 million senior unsecured debentures due 2023	BBB+
TIIPP247A: THB4,000 million senior unsecured debentures due 2024	BBB+
TIIPP262A: THB4,523.6 million senior unsecured debentures due 2026	BBB+
TIIPP278A: THB4,695 million senior unsecured debentures due 2027	BBB+
Rating Outlook:	Positive

TRIS Rating Co., Ltd.

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

© Copyright 2022, 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