

ELECTRICITY GENERATING AUTHORITY OF THAILAND

No. 101/2025
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CORPORATES

Issuer Rating: AAA
Outlook: Stable

Last Review Date: 27/06/24

Issuer Rating History:

Date	Rating	Outlook/Alert
30/06/17	AAA	Stable

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RATIONALE

TRIS Rating affirms the issuer rating on Electricity Generating Authority of Thailand (EGAT) at “AAA”, with a “stable” rating outlook. The rating reflects our view of the government’s strong commitment to support EGAT in meeting its debt obligations, given its integral linkage with the government and its status as a major state-owned enterprise (SOE) playing a critical role in securing electricity supplies for Thailand. The rating also considers EGAT’s dominant position as the country’s largest power generator and sole owner of the high-voltage power transmission system in Thailand.

KEY RATING CONSIDERATIONS

Fully integrated with government

In our view, EGAT is integrally linked with the government, given the government’s full ownership and control over EGAT. EGAT was established as an SOE under the EGAT Act B.E. 2511. The entity operates under the supervision of the Ministry of Energy (MOE) and the Ministry of Finance (MOF), with EGAT’s board of directors and governor appointed by the Cabinet.

We expect the government to maintain oversight of EGAT’s operations and financial activities. EGAT’s business direction and capital investment decisions remain subject to the government agency review to ensure alignment with national policies.

EGAT’s statutory status underlines the almost certain likelihood of extraordinary government support in a distress scenario. Under the EGAT Act, the government commits to provide extraordinary support if EGAT’s revenue is insufficient to cover its expenses, including interest expenses and debt repayments.

Critical role in transformation of Thailand’s power industry

EGAT continues to maintain its critical status as the sole SOE responsible for generating electricity and procuring power from private producers to meet national demand. However, its operations face long-term challenges from the gradual transformation of Thailand’s power industry, driven by rapid digitalization, deregulation, and the decarbonization trend. The industry is shifting from an enhanced single-buyer model toward more distributed power generation, which may reduce EGAT’s relative importance in power generation.

Despite these changes, we expect EGAT to retain its essential role in power system reliability and implementing the country’s power policies. EGAT will remain crucial in providing backup capacity, modernizing the transmission grid to manage renewable energy volatility, expanding green generation capacity, and advancing carbon reduction initiatives.

Dominant position in power market

We anticipate EGAT to maintain its leading position in Thailand’s power market, supported by its largest share of power generation and exclusive ownership of the national transmission grid. As of March 2025, EGAT’s grid had a contracted capacity of 52,017 megawatts (MW). EGAT’s combined capacity was 16,261 MW (31.3% of the total), while the remaining 35,757 MW was sourced from private power producers (56.7%) and imports from Laos and Malaysia (12.0%).

EGAT distributes about 71% of its electricity to the Provincial Electricity Authority (PEA, rated “AAA/Stable”) and 27% to the Metropolitan Electricity Authority (MEA, rated “AAA/Stable”) via its national grid.

Benefit from regulated tariff structure

EGAT’s steady profitability benefits from a favorable tariff structure, designed to cover investment costs and provide reasonable returns on its power plants and transmission infrastructure. This structure includes a fuel adjustment charge (Ft), allowing EGAT to pass through fuel and procurement costs to end-users. The Energy Regulatory Commission (ERC) regulates tariffs, reviewing and publishing the Ft every four months.

However, ERC has discretion over the timing and extent of Ft adjustments, which may not always match the calculated Ft. As a result, EGAT’s cash inflows from electricity sales may not align with its fuel expenses in the same period. If the ERC delays Ft increases during periods of rising fuel prices, EGAT’s cash receipts may fall short of actual revenue, and vice versa.

Expected drop in electricity sales

We project EGAT’s operational performance to moderately weaken in 2025, primarily due to the economic slowdown. EGAT’s electricity sales volume in the first quarter of 2025 declined by 7.4% year-on-year (y-o-y), reflecting subdued demand in the broad economic sectors. EGAT’s earnings were affected by the substantial clawback of THB11 billion in the first quarter of 2025, mandated by the ERC to support stabilization of electricity tariffs for end users.

In our base-case scenario, we revise our forecast for electricity consumption in Thailand to decline by 3%-4% in 2025, before a modest recovery with growth projected at 1%-2% during 2026-2027. During 2025-2027, we project EGAT’s EBITDA to remain at a strong level, ranging between THB140-THB145 billion annually.

Solid financial position

We assess EGAT’s financial profile as very strong, underpinned by its robust cash generation and anticipated decline in debt level. We estimate EGAT’s capital expenditures to total THB140 billion over the next three years, significantly lower than the past record. We expect EGAT will continue to receive accrued Ft revenue to recover the fuel costs previously absorbed. Proceeds from the accrued Ft revenue will be used to repay liquidity-supporting loans, thereby reducing its overall debt burden. As of March 2025, EGAT’s accrued Ft revenue stood at about THB68 billion, down substantially from a peak of THB150 billion at the end of 2022.

As a result, we expect further deleveraging with the debt to EBITDA ratio declining to around 2.0 times by 2026-2027 from 2.5 times in 2025. Its debt to capitalization ratio is likely to decline to 30%-36%. However, full recovery of the accrued Ft revenue continues to face delay risk. This is because the current Ft rate is set at a relatively low level, suggesting a slower pace of collecting accrued Ft revenue.

Prudent financial policy

EGAT’s strict financial policy underpins its sustained financial stability through disciplined capital management. The enterprise maintains a minimum cash balance policy of THB45 billion and adheres to stringent internal financial guidelines. These guidelines include maintaining a debt to equity ratio below 1.5 times, and sustaining a debt service coverage ratio exceeding 1.5 times.

Adequate liquidity

EGAT’s robust liquidity is supported by substantial cash and equivalents of THB158.0 billion as of March 2025, plus projected funds from operations (FFO) of THB92 billion over the following 12 months. The combined liquidity resources provide comprehensive coverage of near-term debt and financial lease obligations totaling THB63.2 billion.

BASE-CASE ASSUMPTIONS

Key assumptions in TRIS Rating’s base-case forecast for EGAT’s operations during 2025-2027 are as follows:

- Domestic electricity consumption to drop by 3%-4% in 2025 and grow by 1%-2% per annum thereafter.
- EGAT’s annual sales volume to range about 208,000-215,000 gigawatt-hour (GWh).
- Average electricity tariff for MEA and PEA to decrease from THB3.2 to THB3.0 per kilowatt-hour (kWh).
- EBITDA to be between THB140 billion and THB145 billion per annum.
- Capital expenditure and investment to be about THB140 billion, of which EGAT will spend THB112 billion, with subsidiaries spending the rest.

RATING OUTLOOK

The “stable” outlook reflects our expectation that EGAT will continue its critical role in Thailand’s power industry. As such, we continue our assessment of almost certain likelihood of EGAT receiving extraordinary support from the government in times of stress.

RATING SENSITIVITIES

We could lower the rating on EGAT if we see any adverse regulatory changes that substantially reduce EGAT’s role in the Thai power industry or weaken its linkage with the Thai government. We view the likelihood of such a scenario as remote.

ORGANIZATION OVERVIEW

EGAT was established in 1969, under the EGAT Act B.E. 2511, through the merger of the three SOEs responsible for supplying electricity in the country. Currently, EGAT is an SOE under the supervision of the MOE and the MOF.

EGAT is responsible for securing electricity supplies for the whole country. At the end of March 2025, EGAT owned and operated with a total capacity of 16,261 MW, accounting for about 31.3% of the total capacity in EGAT’s grid. The remaining 68.7% was produced by private power producers or imported from neighboring countries, who sell electricity to EGAT under the enhanced single buyer model used in the Thai power industry.

EGAT’s current strategic plan aligns with the National Strategy Plan, National Energy Plan, and Power Development Plan. The strategic plan was reviewed by the State Enterprise Office (SEO) under the MOF. EGAT’s capital expenditures and investment plans require approval from the MOE, the Office of the National Economic and Social Development Council (NESDC), and the Cabinet. EGAT’s debt service and borrowing plan must be submitted to the Public Debt Management Office (PDMO), under the MOF.

KEY OPERATING PERFORMANCE

Table 1: EGAT’s Electricity Generation Capacity Breakdown

Unit: MW

	Mar 2025	2024	2023	2022	2021	2020
EGAT’s own plants	16,261	16,261	16,237	16,920	16,082	16,037
Purchase from						
IPP	20,299	19,599	17,649	16,749	15,498	14,249
SPP	9,223	9,320	9,483	9,195	9,381	9,474
Import	6,235	6,235	6,235	6,235	5,721	5,721
Total purchase	35,757	35,153	33,367	32,179	30,600	29,444
Total generation capacity	52,018	51,414	49,604	49,099	46,682	45,481
% of total						
EGAT’s own plants	31.3	31.6	32.7	34.5	34.4	35.3
Purchase from						
IPP	39.0	38.1	35.6	34.1	33.2	31.3
SPP	17.7	18.1	19.1	18.7	20.1	20.8
Import	12.0	12.1	12.6	12.7	12.3	12.6
Total purchase	68.7	68.4	67.3	65.5	65.6	64.7
Total generation capacity	100.0	100.0	100.0	100.0	100.0	100.0

Source: EGAT

Table 2: EGAT's Customer Breakdown
Unit: GWh

	Jan-Mar 2025	2024	2023	2022	2021	2020
PEA	34,888	153,260	145,380	140,680	136,266	131,558
MEA	13,118	58,257	55,483	53,369	51,323	52,344
Others	1,293	4,543	2,905	2,641	2,639	3,463
Total sales	49,299	216,060	203,768	196,690	190,228	187,365
% of total						
PEA	70.8	70.9	71.4	71.5	71.6	70.2
MEA	26.6	27.0	27.2	27.1	27.0	27.9
Others	2.6	2.1	1.4	1.4	1.4	1.9
Total sales	100.0	100.0	100.0	100.0	100.0	100.0

Source: EGAT
FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS*
Unit: Mil. THB

	Jan-Mar 2025	-----Year Ended 31 December -----			
		2024	2023	2022	2021
Total operating revenues	157,340	722,832	746,844	809,372	559,847
Earnings before interest and taxes (EBIT)	14,921	101,435	95,949	89,627	79,124
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	28,448	155,619	153,621	141,035	126,757
Funds from operations (FFO)	15,456	105,812	107,643	98,447	90,503
Adjusted interest expense	12,209	48,178	44,598	40,425	35,862
Capital expenditures	7,374	29,608	31,598	29,410	33,866
Total assets	1,365,781	1,357,645	1,331,144	1,324,758	1,100,517
Adjusted debt	427,785	410,760	403,027	466,908	360,134
Adjusted equity	596,092	594,323	568,684	549,583	509,004
Adjusted Ratios					
EBITDA margin (%)	18.1	21.5	20.6	17.4	22.6
Pretax return on permanent capital (%)	7.4 **	8.8	8.5	8.7	8.7
EBITDA interest coverage (times)	2.3	3.2	3.4	3.5	3.5
Debt to EBITDA (times)	3.0 **	2.6	2.6	3.3	2.8
FFO to debt (%)	21.6 **	25.8	26.7	21.1	25.1
Debt to capitalization (%)	41.8	40.9	41.5	45.9	41.4

* Consolidated financial statements

** Annualized with trailing 12 months

RELATED CRITERIA

- Rating Methodology for Government-related Entities, 27 October 2023
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

Electricity Generating Authority of Thailand (EGAT)

Issuer Rating:	AAA
Rating Outlook:	Stable

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