

WHA UTILITIES AND POWER PLC

No. 44/2024
30 May 2024

CORPORATES

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

Last Review Date: 31/10/23

Company Rating History:

Date	Rating	Outlook/Alert
27/10/21	A-	Stable
27/09/19	A-	Negative
03/04/18	A-	Stable

Contacts:

Nauwarut Temwattanangkul
nauwarut@trisrating.com

Suchana Chantadisai
suchana@trisrating.com

Parat Mahuttano
parat@trisrating.com

Sasiporn Vajarodaya
sasiporn@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating assigns a “A-” rating to WHA Utilities and Power PLC’s (WHAUP) proposed issue of up to THB2.5 billion senior unsecured debentures due within five years. The company intends to use the proceeds from the new debenture issuance to refinance its existing debts and/or to support general corporate purposes. The company rating and all assigned issue ratings of “A-” remain, with a “stable” rating outlook.

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-/Stable”.

WHAUP’s operating performance has continued to improve, driven mainly by utility sale volume together with a better share of profit and dividend from its associated power companies. The company’s total operating revenue in 2023 and the first quarter of 2024 stood at THB2.8 billion and THB691 million, increasing by 14% year-on-year (y-o-y) and 9% y-o-y, respectively. WHAUP’s earnings before interest, taxes, depreciation, and amortization (EBITDA) was THB2 billion in 2023 and THB570 million in the first quarter of 2024, up by 38% y-o-y and 127% y-o-y, respectively.

The adjusted net debt to EBITDA ratio was 6-7 times in 2023 and the first quarter of 2024 (annualized based on the trailing 12 months), down from 9.5 times in 2022. The net debt to capitalization ratio improved slightly to 51% in 2023 and the first quarter of 2024, from 52% in 2022.

We assess WHAUP to have adequate liquidity. The company’s cash on hand of THB1.2 billion plus funds from operations (FFO) of about THB1.6 billion should be sufficient to cover the debentures of THB2.1 billion coming due in the next 12 months. Moreover, the company had the total undrawn credit facilities of THB4 billion from commercial banks.

As of March 2024, WHAUP’s total outstanding debt, excluding financial leases, was THB14.6 billion. Since all the company’s debts were unsecured debts at the company level, WHAUP’s priority debt to total debt ratio was 0%.

According to the key financial covenant on its debentures, WHAUP is required to maintain its net interest-bearing debt to equity ratio below 2.5 times. The company had the ratio of 1.0 times as of March 2024, well below the covenant threshold. Therefore, we believe that the company should comply with the financial covenant over the next 12 to 18 months.

RATING OUTLOOK

The “stable” outlook on WHAUP mirrors the outlook on WHA. We expect the business model and the level of integration between WHA and WHAUP to remain unchanged.

RATING SENSITIVITIES

As a core subsidiary of WHA, the ratings on WHAUP are tied to the rating on WHA. Any change in the rating on WHA, or WHAUP’s group status, will affect the ratings on WHAUP accordingly.

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

WHA Utilities and Power PLC (WHAUP)

Company Rating:	A-
Issue Ratings:	
WHAUP247A: THB1,300 million senior unsecured debentures due 2024	A-
WHAUP24DA: THB750 million senior unsecured debentures due 2024	A-
WHAUP256A: THB1,320 million senior unsecured debentures due 2025	A-
WHAUP256B: THB1,800 million senior unsecured debentures due 2025	A-
WHAUP266A: THB3,000 million senior unsecured debentures due 2026	A-
WHAUP267A: THB700 million senior unsecured debentures due 2026	A-
WHAUP276A: THB1,000 million senior unsecured debentures due 2027	A-
WHAUP27DA: THB750 million senior unsecured debentures due 2027	A-
WHAUP286A: THB500 million senior unsecured debentures due 2028	A-
WHAUP302A: THB1,500 million senior unsecured debentures due 2030	A-
Up to THB2,500 million senior unsecured debentures due within 5 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

© Copyright 2024, 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