

# PTTEP TREASURY CENTER CO., LTD.

No. 28/2020  
17 March 2020

## CORPORATES

### Issue Rating:

Guaranteed AAA

Outlook: Stable

Last Review Date: 13/06/19

### Issue Rating History:

Date	Rating	Outlook/Alert
24/05/19	AAA	Stable

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## RATIONALE

TRIS Rating affirms the rating of “AAA” on the guaranteed debentures issued by PTTEP Treasury Center Co., Ltd. (PTTEPTC) with a “stable” outlook. The debentures are fully guaranteed by PTT Exploration and Production PLC (PTTEP). PTTEP is rated “AAA” with a “stable” outlook by TRIS Rating. The issue rating reflects the creditworthiness of PTTEP as the guarantor of the issued debentures.

## KEY RATING CONSIDERATIONS

### Unconditional and irrevocable guarantee

The rating on PTTEPTC’s guaranteed debentures is equal to the rating on PTTEP. Under the guarantee terms, PTTEP provides an irrevocable and unconditional guarantee to cover all amounts due under the terms of the debentures up to Bt16.875 billion (112.5% of face value), including the principal, plus any accrued interest, and other related expenses.

The guaranteed debentures is ranked pari passu with all other present and future unsecured and unsubordinated indebtedness of PTTEP. The guarantee agreement is governed by the laws of the Kingdom of Thailand.

### Strong credits of the guarantor

PTTEP’s creditworthiness reflects its leading position in the petroleum exploration and production (E&P) industry in Thailand, low market risk due to the long-term gas sale agreement with PTT PLC (PTT), low cost of production from legacy assets, conservative financial policies, and a strong financial profile.

PTTEP is a core subsidiary of PTT. PTT owns 65.3% shareholding of PTTEP. Both PTT and PTTEP are state-owned enterprises under the Thai law.

### Financing center of PTTEP

PTTEPTC is a financing subsidiary set up by PTTEP. PTTEPTC serves as the financing center for PTTEP and its subsidiaries/affiliates. PTTEPTC manages liquidity for the PTTEP Group of Companies through cash pooling and intercompany loans. PTTEPTC also seeks funding sources for PTTEP and its subsidiaries/affiliates.

## RATING OUTLOOK

The “stable” outlook reflects the creditworthiness of the guarantor, PTTEP. TRIS Rating expects that PTTEP will be able to maintain its leading position in the E&P industry in Thailand and hold the strong financial profile.

## RATING SENSITIVITIES

The rating on PTTEPTC’s guaranteed debentures may change if the rating on its guarantor changes.

## COMPANY OVERVIEW

PTTEPTC was established on 27 May 2015 by PTTEP, to serve as a financial center for PTTEP and its affiliated companies. PTTEP owns, directly and indirectly, all of the shares of PTTEPTC.

PTTEPTC acts as a financial management company and financial advisor for PTTEP and its affiliates. Its main role is managing the liquidity and funding

structure for the Group. PTTEPTC's main source of revenue is interest income from intercompany loans.

## FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS

### PTT Exploration and Production PLC (PTTEP)

#### Guarantor

Unit: US\$ million

	-----Year Ended 31 December -----				
	2019	2018	2017	2016	2015
Total operating revenues	6,218	5,361	4,412	4,298	5,450
Earnings before interest and taxes (EBIT)	2,492	2,100	1,567	930	1,288
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	4,643	3,975	3,264	3,063	4,213
Funds from operations (FFO)	3,666	2,965	2,822	2,499	3,419
Adjusted interest expense	300	277	262	279	298
Capital expenditures	1,208	1,154	1,361	1,023	1,876
Total assets	22,201	19,484	19,220	18,891	19,642
Adjusted debt	4,057	1,364	2,451	2,372	3,040
Adjusted equity	11,654	11,428	10,939	10,810	10,752
<b>Adjusted Ratios</b>					
EBITDA margin (%)	74.66	74.14	73.96	71.27	77.29
Pretax return on permanent capital (%)	14.04	12.44	9.27	5.52	7.01
EBITDA interest coverage (times)	15.48	14.36	12.45	10.99	14.14
Debt to EBITDA (times)	0.87	0.34	0.75	0.77	0.72
FFO to debt (%)	90.37	217.42	115.14	105.32	112.47
Debt to capitalization (%)	25.82	10.66	18.30	18.00	22.04

\* Consolidated financial statements

## RELATED CRITERIA

- Rating Methodology – Corporate, 26 July 2019
- Key Financial Ratios and Adjustments, 5 September 2018
- Group Rating Methodology, 10 July 2015

## PTTEP Treasury Center Co., Ltd. (PTTEPTC)

### Issue Rating:

PTTEPT226A: Bt15,000 million senior unsecured debentures due 2022

AAA

### Rating Outlook:

Stable

## TRIS Rating Co., Ltd.

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