

THAI BEVERAGE PLC

No. 73/2024
22 August 2024

CORPORATES

| | |
|------------------------|--------|
| Company Rating: | AA |
| Issue Ratings: | |
| Senior unsecured | AA |
| Outlook: | Stable |

Last Review Date: 21/11/23

Company Rating History:

| Date | Rating | Outlook/Alert |
|----------|--------|----------------|
| 02/02/18 | AA | Stable |
| 20/12/17 | AA+ | Alert Negative |
| 04/10/16 | AA+ | Stable |
| 05/10/15 | AA | Stable |
| 28/05/13 | AA- | Stable |
| 20/07/12 | AA | Alert Negative |
| 04/03/10 | AA | Stable |
| 09/01/07 | AA- | Stable |
| 17/01/06 | A+ | Stable |

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RATIONALE

TRIS Rating assigns a rating of “AA” to a proposed issue of up to THB15 billion senior unsecured debentures of Thai Beverage PLC (ThaiBev). The proceeds from the new debentures will be used for the company’s debt refinancing. At the same time, TRIS Rating affirms the company rating on ThaiBev and the ratings on its outstanding senior unsecured debentures at “AA”, with a “stable” rating outlook.

The ratings reflect ThaiBev’s dominant position in the regional beverage markets, supported by its strong brands and extensive distribution network, as well as resilient cash generation. However, the ratings are constrained by an intensely competitive environment, regulatory constraints, and excise tax hikes in the Thai alcoholic beverage industry.

ThaiBev’s overall performance was in line with our expectations. Its EBITDA increased by 7.4% to THB28.7 billion in the first half of fiscal year (FY) 2024, despite slightly declining revenue. EBITDA margin rose to 19.4% in the first half of FY2024, from 17.6% in FY2023, due to effective cost management. Meanwhile, the adjusted net debt to EBITDA ratio remained around 3.3 times from FY2023 to the first half of FY2024.

As of March 2024, ThaiBev’s total interest-bearing debt of THB207 billion included priority debt of THB25 billion. The priority debt comprised unsecured debts at subsidiary level. The company’s priority debt to total debt ratio was 12%.

RATING OUTLOOK

The “stable” outlook reflects our expectation that ThaiBev will continue to post strong operating performance with moderate financial leverage. We expect the company to maintain its dominant position in the domestic and regional markets.

RATING SENSITIVITIES

The ratings and/or outlook could be revised upward, should the company’s adjusted debt to EBITDA ratio fall below 2 times on a sustained basis. On the contrary, the ratings and/or outlook could be revised downward if ThaiBev’s operating performance deteriorates substantially from our projection or if its financial policy becomes more aggressive, resulting in the debt to EBITDA ratio rising above 3.5 times for a prolonged period.

RELATED CRITERIA

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

Thai Beverage PLC (ThaiBev)

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|---|--------|
| Company Rating: | AA |
| Issue Ratings: | |
| TBEV253A: THB9,300 million senior unsecured debentures due 2025 | AA |
| TBEV25NA: THB3,395 million senior unsecured debentures due 2025 | AA |
| TBEV267A: THB2,500 million senior unsecured debentures due 2026 | AA |
| TBEV277A: THB9,000 million senior unsecured debentures due 2027 | AA |
| TBEV279A: THB9,262 million senior unsecured debentures due 2027 | AA |
| TBEV27NA: THB5,478 million senior unsecured debentures due 2027 | AA |
| TBEV283A: THB14,500 million senior unsecured debentures due 2028 | AA |
| TBEV293A: THB10,100 million senior unsecured debentures due 2029 | AA |
| TBEV29NA: THB2,500 million senior unsecured debentures due 2029 | AA |
| TBEV32NA: THB1,662 million senior unsecured debentures due 2032 | AA |
| TBEV337A: THB3,500 million senior unsecured debentures due 2033 | AA |
| Up to THB15,000 million senior unsecured debentures due within 10 years | AA |
| Rating Outlook: | Stable |

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