

# THAI BEVERAGE PLC

No. 86/2024  
9 October 2024

## CORPORATES

<b>Company Rating:</b>	AA
<b>Issue Ratings:</b>	
Senior unsecured	AA
<b>Outlook:</b>	Stable

**Last Review Date:** 22/08/24

### 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 “AA” rating to a proposed issue of up to THB20 billion senior unsecured debentures of Thai Beverage PLC (ThaiBev). The new issue rating replaces the issue rating previously assigned on 22 August 2024, following ThaiBev’s request to increase the issue size to up to THB20 billion from up to THB15 billion. 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

**CreditUpdate**, reviews ratings of companies or debt issues that have already been rated by TRIS Rating. The CreditUpdate occurs when new debt instruments are issued or if significant events have taken place that may impact a company’s current ratings or when current ratings are cancelled. The CreditUpdate announces whether a rating has been “upgraded,” “downgraded,” “affirmed” or “cancelled.” The update includes information to supplement the previously published ratings.

Credit Updates are part of TRIS Rating’s monitoring process. TRIS Rating monitors every rating it assigns until either the debt instrument matures or the rating contract ends. To keep the public informed of changing situations, TRIS Rating periodically issues announcements about the credit ratings it monitors.

## Thai Beverage PLC (ThaiBev)

<b>Company Rating:</b>	AA
<b>Issue Ratings:</b>	
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 THB20,000 million senior unsecured debentures due within 10 years	AA
<b>Rating Outlook:</b>	Stable

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