

IRPC PLC

No. 12/2025
3 February 2025

CORPORATES

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

Last Review Date: 24/06/24

Company Rating History:

Date	Rating	Outlook/Alert
24/06/24	A-	Stable

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RATIONALE

TRIS Rating assigns a rating of “A-” to IRPC PLC (IRPC)’s proposed issue of up to THB15 billion senior unsecured debentures, with the tenor of 2-15 years. IRPC intends to use the proceeds from this issuance to refinance existing debt. At the same time, TRIS Rating affirms the company rating on IRPC and the ratings on its outstanding senior unsecured debentures at “A-”, with a “stable” outlook.

The ratings reflect our view of IRPC as a strategically important subsidiary of PTT PLC (PTT). The company rating incorporates a three-notch uplift from IRPC’s stand-alone credit profile (SACP) of “bbb-”. The SACP considers IRPC’s large refinery complex with petrochemicals integration, and the high utilization of its refining capacity. However, the SACP is tempered by its high susceptibility to the cyclical nature of the oil refining and petrochemical sector. The SACP also considers its low level of cash generation against debt obligations.

IRPC’s financial performance in the first nine months of 2024 was below expectations, with EBITDA of merely THB1.8 billion. The plunge in crude oil prices, together with lower refining margins, impacted the company’s EBITDA. IRPC suffered from a hefty net inventory loss of about THB5 billion in the third quarter of 2024, or USD7.8 per barrel. The price of Dubai crude oil dropped to USD73.2 per barrel in September 2024 from USD82.7 per barrel in June 2024. Meanwhile, IRPC’s market gross refinery margin decreased to USD3.8 per barrel in the first nine months of 2024 from USD6.7 per barrel in the same period the prior year due to lower crack spreads. The refinery crude run rose to 194 thousand barrels per day (KBD), following the strategy of maximizing crude run and the completion of ultra clean fuel project (UCF) in the first quarter of 2024.

IRPC’s market product-to-feed margin (market PTF) recovered year-over-year (y-o-y) to USD1.91 per barrel in the first nine months of 2024 from USD1.46 per barrel. This was driven by a 10% y-o-y recovery in the acrylonitrile-butadiene-styrene (ABS) spread over naphtha. Meanwhile, polypropylene (PP), which is the main product, had a spread over naphtha at USD363 per tonne which was almost flat and close to our assumption. In all, the total market gross integrated margin (GIM) was USD6.7 per barrel, below our base assumption of USD8 per barrel. IRPC also reported deficit in cash flow from operation in the first nine months of 2024 due to a significant reduction in accounts payable.

We expect IRPC’s financial performance to recover in the last quarter of 2024, given the Dubai crude oil price staying around USD73 per barrel. That said, we expect the debt to EBITDA ratio to be higher than our previous forecast of about 11 times while the cash flow from operation will remain in deficit towards the end of 2024.

The rating affirmation rests on our expectation of long-term financial recovery. We hold the view that the debt to EBITDA ratio will remain at about 10 times in 2025, and gradually decline to below 10 times in the following years.

As of September 2024, IRPC’s consolidated debt (excluding lease liability) was THB78 billion, with a negligible amount of priority debt.

We note that PTT is seeking strategic partners for its petrochemical and refinery business, to enhance the group’s competitiveness. This strategic move could possibly dilute PTT’s stakes in its refinery subsidiaries, including IRPC.

As the group restructure is evolving, we will monitor and assess the impact on the degree of parental support to IRPC, if any.

RATING OUTLOOK

The “stable” outlook reflects our expectation that IRPC’s financial performance will gradually improve while the company will adopt a prudent investment policy to keep the level of cash generation against debt obligations within our forecast range. We also expect IRPC to remain strategically important to the PTT group.

RATING SENSITIVITIES

A revision to the company rating on IRPC is subject to changes in its SACP and/or its strategic relevance to the PTT Group.

We could revise the SACP upward if we see IRPC’s performance improves considerably, resulting in heightened cash generation and stronger financial profile. This could potentially result from significantly widened GIM. Conversely, we could lower the SACP if IRPC’s weak financial performance persists, or the company pursues aggressive debt-funded investments that lead to a material deterioration in its financial profile.

According to TRIS Rating’s “Group Rating Methodology”, any material changes in the linkage between IRPC and PTT that change our view on the group status and degree of support from PTT, could also impact the rating uplift from the company’s SACP.

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

IRPC PLC (IRPC)

Company Rating:	A-
Issue Ratings:	
IRPC259A: THB4,000 million senior unsecured debentures due 2025	A-
IRPC265A: THB4,000 million senior unsecured debentures due 2026	A-
IRPC265B: THB500 million senior unsecured debentures due 2026	A-
IRPC265C: THB2,503 million senior unsecured debentures due 2026	A-
IRPC265D: THB700 million senior unsecured debentures due 2026	A-
IRPC275A: THB1,000 million senior unsecured debentures due 2027	A-
IRPC275B: THB6,000 million senior unsecured debentures due 2027	A-
IRPC285A: THB2,000 million senior unsecured debentures due 2028	A-
IRPC285B: THB2,852.5 million senior unsecured debentures due 2028	A-
IRPC285C: THB900 million senior unsecured debentures due 2028	A-
IRPC295A: THB750 million senior unsecured debentures due 2029	A-
IRPC305A: THB2,803.5 million senior unsecured debentures due 2030	A-
IRPC305B: THB200 million senior unsecured debentures due 2030	A-
IRPC309A: THB1,300 million senior unsecured debentures due 2030	A-
IRPC315A: THB2,000 million senior unsecured debentures due 2031	A-
IRPC325A: THB1,500 million senior unsecured debentures due 2032	A-
IRPC335A: THB1,841 million senior unsecured debentures due 2033	A-
IRPC335B: THB200 million senior unsecured debentures due 2033	A-
IRPC345A: THB2,250 million senior unsecured debentures due 2034	A-
IRPC359A: THB2,700 million senior unsecured debentures due 2035	A-
IRPC365A: THB2,000 million senior unsecured debentures due 2036	A-
Up to THB15,000 million senior unsecured debentures due within 15 years	A-
Rating Outlook:	Stable

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