

Press Release

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TRIS Rating No Longer Assigns Equity Credit to "TU"'s Outstanding Subordinated Capital Debentures

TRIS Rating revises its assessment of the equity content of the outstanding THB6 billion subordinated capital debentures issued by Thai Union Group PLC (TU) to "Nil" equity content from "Intermediate (50%)" equity content. This follows TU's publicly expressed intention to redeem the debentures on the first call date (29 November 2024), without a replacement hybrid debt issuance of similar nature. As such, we deem that TU does not intend to retain the subordinated capital debentures as part of its long-term capital. In addition, we may not assign equity credit to TU's future hybrid securities, in accordance with our "Hybrid Securities Rating Criteria".

We previously treated 50% of the THB6 billion subordinated capital debentures as equity, and the rest as debt, in our calculation of TU's debt ratios. The revision of the equity content to 0% will increase our calculation of TU's adjusted debt by THB3 billion, resulting in slightly weakened financial metrics. However, it does not affect the currently assigned company rating on TU and the ratings on its outstanding senior unsecured debentures at "A+" as well as the rating on TU's subordinated capital debentures at "A-".

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