

WHA UTILITIES AND POWER PLC

No. 65/2019

27 September 2019

CORPORATES

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

Last Review Date: 22/03/19

Company Rating History:

Date	Rating	Outlook/Alert
03/04/18	A-	Stable

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RATIONALE

TRIS Rating affirms the company rating on WHA Utilities and Power PLC (WHAUP) and the ratings on WHAUP's senior unsecured debentures at "A-" and revises the rating outlook to "negative" from "stable". The outlook follows the rating outlook revision on WHA Corporation PLC (WHA) ("A-" rating with "negative" outlook). Currently, WHA holds around 72% interest in WHAUP. WHA also has a significant influence over the strategic and financial policy decisions WHAUP makes.

Based on TRIS Rating's Group Rating Methodology, WHAUP is a core subsidiary of WHA. Therefore, the credit rating on WHAUP is equal to and moves in tandem with the rating on WHA.

The ratings also take into consideration WHAUP's position as the sole utility service provider in a number of large industrial estates in Thailand and neighboring countries, recurring income from its investment in power segment, and strong financial profile.

For the first half of 2019, WHAUP's revenue arrived at Bt1.0 billion. The operating income before depreciation and amortization as percentage of sales (operating margin) was 47.3%. WHAUP's capital structure remained strong, with debt to capitalization ratio at around 40%.

RATING OUTLOOK

The "negative" reflects the outlook revision on WHA, according to TRIS Rating's Group Rating Methodology. TRIS Rating expects that the business model and the level of integration between WHA and WHAUP will remain unchanged. We expect WHA to continue holding a majority stake in WHAUP and WHAUP's business will remain one of WHA's major strategies.

RATING SENSITIVITIES

As a core subsidiary of WHA, the ratings on WHAUP are aligned with WHA's credit profile. Any changes in WHA's credit rating, or relationship with WHA, will affect WHAUP's ratings accordingly.

RELATED CRITERIA

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

WHA Utilities and Power PLC (WHAUP)

Company Rating:	A-
Issue Ratings:	
WHAUP208A: Bt3,200 million senior unsecured debentures due 2020	A-
WHAUP208B: Bt800 million senior unsecured debentures due 2020	A-
WHAUP216A: Bt2,390 million senior unsecured debentures due 2021	A-
WHAUP236A: Bt1,290 million senior unsecured debentures due 2023	A-
WHAUP256A: Bt1,320 million senior unsecured debentures due 2025	A-
Rating Outlook:	Negative

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