Electricity Generating PLC

Corporate | Regulated Utilities

30 July 2026

Issuer Credit Rating: AA/Stable

Issue Ratings:

Senior Unsecured: AA/Stable

Rating Action

TRIS Rating affirms the issuer credit rating on Electricity Generating PLC (EGCO) at "AA" and affirms the ratings on EGCO's senior unsecured debentures at "AA". The rating outlook remains "Stable".

The issuer credit rating on EGCO incorporates a one-notch uplift from its stand-alone credit profile (SACP), which remains at "aa-". We continue to assess the company as a strategic affiliate of Electricity Generating Authority of Thailand (EGAT, rated "AAA/Stable") and see a strong likelihood of EGCO receiving support from EGAT in times of financial distress.

The SACP mirrors EGCO's leading market position, supported by its extensive and diversified power portfolio. Also, the SACP considers the reliable cash generation from the company's power assets, underpinned by long-term power purchase agreements (PPAs) with creditworthy off-takers. However, these strengths are offset by its contracted EBITDA base, greater reliance on affiliate dividends, and the risks associated with certain overseas investments.

Key Rating Considerations

Strategic affiliate of EGAT

The issuer credit rating on EGCO incorporates a one-notch uplift from its SACP, given our anticipation that the company will likely receive support from EGAT in a distress scenario.

We continue to assess EGCO as a strategic affiliate of EGAT, underpinned by their long-standing relationship and close linkage. EGAT has remained EGCO's principal shareholder since inception, holding a 25.4% stake and exercising meaningful influence over the company's business strategy and financial policies. EGCO's President is generally selected from EGAT's senior management. The linkage is further reinforced by long-term electricity supply arrangements and ongoing collaboration on power-related investment and development initiatives.

Strong market position with sizeable and diversified power portfolio

EGCO's strong market position reflects its long-established track record in developing and operating a sizeable and diversified portfolio of conventional and renewable power projects. The company, as Thailand's first independent power producer (IPP), has extensive experience in the power business and has maintained satisfactory operating performance over an extended period.

As of March 2026, EGCO had about 7.3 gigawatts (GW) of aggregate contracted power capacity on an attributable basis, across multiple geographies and fuel types. This sizeable portfolio reduces reliance on any single project and supports investment flexibility. As part of its asset recycling strategy, EGCO is reducing its stake in two domestic gas-fired small power producer (SPP) plants, with a combined contracted capacity of 317 megawatts (MW), from 100% to

51%. We expect the company to replenish the reduced capacity through new investments, supported by emerging domestic opportunities under Thailand's new power development plan (PDP).

Reliable cash flow, backed by firm contracts

The ratings on EGCO are underpinned by the stable cash generation from its power projects, with about 70% of the total capacity on an attributable basis secured under long-term PPAs of 15-30 years. Counterparty risk is modest, given the credit quality of the company's off-takers, especially EGAT, which represents about half of the total capacity. PPAs with EGAT continue to support EGCO's earnings stability through take-or-pay structures, minimum dispatch commitments, and fuel cost pass-through mechanisms.

EGCO's portfolio is largely made up of conventional power plants, which carry low demand and fuel price risks. Looking ahead, we expect the company to increase its renewable power mix while maintaining cash flow stability through fixed-price contractual arrangements. Its renewable pipeline comprises 429 MW on an attributable basis, including 307 MW of projects in Thailand and 122 MW of projects in the US through its investment in Apex Clean Energy Holdings, LLC (APEX).

Smaller EBITDA base constrains growth capacity

We anticipate EGCO's EBITDA to soften in coming years, pressured by lower contracted capacity and less favorable terms under the renewed PPA for its Quezon Power Plant in the Philippines. Additionally, the stake reduction in the two SPP plants in Thailand is projected to reduce annual EBITDA by about THB1 billion. Following asset and debt deconsolidation and reduced economic interest, EGCO will recognize earnings through affiliate dividends instead of the project revenue and EBITDA.

In our base-case forecast, EGCO's total operating revenue is projected to range from THB25-THB35 billion per annum during 2026-2028, reflecting a decline in its total contracted power capacity on an attributable basis to about 7.1 GW. EBITDA is estimated to fall to THB12.0-THB13.5 billion per year, materially below the historical level of THB18-THB25 billion per year.

The company's smaller EBITDA base has limited its business strengths. We expect its capacity to undertake sizeable new investments to be constrained, unless supported by further asset recycling. Additionally, growth prospects are constrained by a more challenging operating environment, with limited domestic expansion opportunities and fewer new investments offering returns comparable to those achieved historically.

We believe the company remains selective, focusing on investments that can generate immediate cash flow commensurate with their risk profiles. Thailand's upcoming PDP could provide a new growth avenue and support capacity replenishment over the medium term.

Greater overseas exposure and dividend reliance temper EBITDA stability

We view EGCO's overseas investments as carrying higher risks, including country, counterparty, and market risks. Some projects, particularly in the US, are exposed to competitive wholesale power markets, where demand conditions, supply availability, and fuel price movements can heighten EBITDA volatility. Currently, US investments account for about 10% of total assets, with some projects supported by long-term agreements with creditworthy power purchasers.

EGCO's overseas investments have been made primarily through joint ventures, with cash returns received in the form of dividends. We estimate dividend income will account for about half of its EBITDA in the years ahead, up from 30%-40% historically. While the joint-venture structure helps mitigate investment risks in unfamiliar markets, dividend receipts depend not only on project performance but also on the dividend policies of investee companies, which are jointly determined by shareholders. Also, certain overseas investments, including APEX, do not generate meaningful near-term cash flow, given funding requirements for upcoming project developments. Consequently, investment returns will largely depend on value realization over time.

We view EGCO's exposure to highly competitive markets and its increasing reliance on affiliate dividends as factors that could weaken EBITDA stability and, in turn, its business risk profile. Accordingly, EGCO will need to sustain more conservative credit metrics than in the past to support the current ratings.

Manageable financial leverage underpins credit quality

We expect EGCO's financial leverage to remain manageable, supported by its sizeable asset base and flexibility in asset recycling. Although EBITDA will likely decrease following the stake dilution in its two domestic power plants, debt deconsolidation should ease leverage. Looking forward, we expect the company's credit metrics to remain commensurate with the current ratings.

EGCO is anticipated to maintain a disciplined investment approach, keeping new investment amounts modest and prioritizing projects that can generate immediate cash flow. Under our base-case forecast, assuming total investment spending of about THB20 billion throughout 2026-2028 and no further asset divestments, the company's debt to EBITDA ratio is projected to stay in the 5.0-5.5 times range, compared with 4.9 times as of March 2026. The debt to capitalization ratio should remain within 35%-40%, indicating a moderately leveraged capital structure.

Strong liquidity position

EGCO's prudent financial policy supports its strong liquidity position. As of March 2026, the company held cash and marketable securities, on a consolidated basis, totaling THB35.8 billion. Together with available bank credit facilities and expected funds from operations (FFO) over the next 12 months, these liquidity sources should be sufficient to cover debt maturities of THB34.0 billion, as well as committed capital spending and dividend payments.

Looking ahead, we expect EGCO to maintain adequate liquidity, supported by its strong access to credit markets, to meet debt obligations and fund potential growth investments.

Debt structure

As of March 2026, EGCO's consolidated debt, excluding lease liabilities, was THB103 billion. Of this total, about THB11 billion was considered priority debt, resulting in a priority debt to total debt ratio of 11%.

Base-case Assumptions

Our base-case assumptions for EGCO's operations in 2026-2028 are as follows:

- Aggregate contracted power capacity on an attributable basis of 7.1 GW, following the disposal plan.
- Total operating revenue to range from THB25-THB35 billion per annum.
- EBITDA margin to stay in the 40%-50% range.
- Dividend income received from affiliates to range from THB6-THB7 billion per annum.
- Capital spending to total about THB20 billion.
- Dividend payout at 40% of net profit.

Rating Outlook

The "Stable" outlook embeds our expectation that EGCO's power assets will continue to operate reliably and generate satisfactory returns. Also, we expect the company's credit metrics to remain in line with our forecast, with the debt to EBITDA ratio below 6 times. Our view of EGCO as a strategic affiliate of EGAT is expected to remain unchanged.

Rating Sensitivities

Positive or negative rating actions could stem from a change in EGCO's SACP or our assessment of its strategic importance to EGAT.

We could raise EGCO's SACP if the company materially expands its EBITDA base while keeping the debt to EBITDA ratio well below 5 times. Conversely, we could lower the SACP if its operating performance and/or credit metrics deteriorate from our base-case estimates.

Company Overview

EGCO was founded by EGAT in 1992 under the government's privatization scheme. Initially, EGAT held a 100% ownership stake in EGCO, which was subsequently diluted to about 48% when EGCO was listed on the Stock Exchange of Thailand (SET) in 1995.

As of March 2026, EGAT remained a major shareholder, with a 25.4% stake in EGCO, followed by TEPDIA Generating B.V. (TEPDIA) with 23.9%. TEPDIA is owned by three major shareholders including 1) a joint venture of Tokyo Electric Power Group and Chubu Electric Power Group, 2) Mitsubishi Corporation, and 3) Kyushu Electric Power.

EGCO is a holding company in the power business, operating through subsidiaries and affiliates, and offers operation and maintenance services to other power plants. The company has diversified into oil pipeline transport, industrial estates, liquefied natural gas (LNG) shipping, and innovations, though these remain minor compared with its core business.

As of March 2026, the total capacity of EGCO's power projects was about 7.3 GW on an attributable basis. Conventional power plants, fueled by natural gas and coal, accounted for 73% of the total, while renewable energy projects, comprising hydropower, solar, wind, biomass, and fuel cells, made up the remaining 27%. The project locations include Thailand (45% of the total attributable capacity), the US (22%), South Korea (12%), the Lao People's Democratic Republic (Lao PDR) (10%), the Philippines (9%), Taiwan (2%), and Indonesia (1%).

Key Operating Performance

Table 1: EGCO's Power Portfolio (as of Mar 2026)

Country	------------- Equity Contracted Capacity (MW) ---------		
	Operating	Developing	Total
Thailand	2,926	307	3,233
US	1,459	122	1,581
South Korea	903	-	903
Lao PDR	696	-	696
Philippines	623	-	623
Taiwan	170	-	170
Indonesia	46	-	46
Grand total	**6,823**	**429**	**7,252**

Source: EGCO

Financial Statistics and Key Financial Ratios*

Unit: Mil. THB

		---------- Year Ended 31 December ----------			
	Jan-Mar 2026	2025	2024	2023	2022
Total operating revenues	8,376	32,759	40,936	51,119	61,233
Earnings before interest and taxes (EBIT)	2,338	10,082	17,159	9,121	10,675
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	3,923	16,341	25,281	20,931	18,312
Funds from operations (FFO)	2,481	9,694	18,050	14,969	13,153
Adjusted interest expense	1,147	5,092	6,148	4,932	4,039
Capital expenditures	58	524	753	1,489	1,560
Total assets	225,678	221,707	241,063	243,233	254,043
Adjusted debt	73,899	77,986	84,454	90,072	78,791
Adjusted equity	102,456	100,045	104,640	105,226	120,797
Adjusted Ratios					
EBITDA margin (%)	46.1	49.0	61.1	40.4	29.4
Pretax return on permanent capital (%)	4.2 **	4.5	7.3	3.8	4.5
EBITDA interest coverage (times)	3.4	3.2	4.1	4.2	4.5
Debt to EBITDA (times)	4.9 **	4.8	3.3	4.3	4.3
FFO to debt (%)	12.8 **	12.4	21.4	16.6	16.7
Debt to capitalization (%)	41.9	43.8	44.7	46.1	39.5

* *Consolidated financial statements*

** *Annualized with trailing 12 months*

Related Criteria

- Corporate Rating Methodology, 29 December 2025
- Key Financial Ratios and Adjustments for Corporate Issuers, 7 November 2025
- Group Rating Methodology, 25 August 2025
- Issue Rating Criteria, 26 December 2024

Electricity Generating PLC (EGCO)

Issuer Credit Rating:	**AA**
Issue Ratings:	
EGCO26NA: THB1,000 million senior unsecured debentures due 2026	AA
EGCO28NA: THB700 million senior unsecured debentures due 2028	AA
EGCO30NA: THB500 million senior unsecured debentures due 2030	AA
EGCO33NA: THB1,000 million senior unsecured debentures due 2033	AA
EGCO38NA: THB3,800 million senior unsecured debentures due 2038	AA
Rating Outlook:	**Stable**

Rating History

Last Review Date: 31 July 2025

Date	Rating	Outlook/Alert
12-Jul-24	AA	Stable
23-Sep-22	AA+	Negative
08-Oct-21	AA+	Stable

Contacts:

Rapeepol Mahapant | rapeepol@trisrating.com

Monthian Chantarklam | monthian@trisrating.com

No. 206/2026

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand | Tel: +66 2 098 3000