

# TPI Polene Power PLC

Corporate | Regulated Utilities

24 February 2026

**Issuer Credit Rating:** BBB/Stable

**Issue Ratings:**

**Senior Unsecured:** BBB/Stable

## Rating Action

**TRIS Rating affirms the issuer credit rating on TPI Polene Power PLC (TPIPP) at “BBB” and affirms the ratings on its outstanding senior unsecured debentures at “BBB”, with a “stable” outlook.**

The issuer credit rating on TPIPP is capped by the issuer credit rating on its parent, TPI Polene PLC (TPIPL) (rated “BBB/Stable”), given our assessment of TPIPP’s status as a “core subsidiary” of TPIPL.

At the same time, we revise TPIPP’s stand-alone credit profile (SACP) downward to “a-” from “a”, due to higher-than-anticipated capital expenditures on power plant efficiency initiatives, resulting in a more extended period of elevated leverage than previously projected. These investments are intended to lower operating costs and strengthen the generation of long-term earnings.

TPIPP’s SACP continues to be supported by steady cash flow from its power operations, underpinned by long-term power purchase agreement (PPAs) with reliable off-takers and competitive fuel costs. However, its higher debt load, resulting from cost-saving investments and business expansion, partly offsets these strengths.

## Key Rating Considerations

### The rating capped by the parent’s rating

We view TPIPP as the core entity of TPIPL, given their strong linkage and close operational ties. Therefore, the issuer credit rating on TPIPP is capped by that on TPIPL. TPIPP’s SACP is higher, reflecting its comparatively stronger credit profile.

TPIPL maintains a 70.2% ownership interest in TPIPP, providing direct oversight of TPIPP’s business and financial policies. TPIPP significantly contributes to TPIPL’s total earnings, representing approximately 45% of its EBITDA, while it currently supplies more than 80% of the electricity used by TPIPL. Additionally, TPIPP uses waste heat generated from TPIPL’s cement plants as part of its fuel mix. Accordingly, any disruptions in TPIPL’s cement manufacturing processes may adversely affect TPIPP’s power generation. Looking ahead, TPIPL intends to source all the electricity needed from TPIPP, as this is projected to be more cost-effective than purchasing power from the grid.

### Deleveraging expected to be slower than previously expected

The downward revision on TPIPP’s SACP reflects our anticipation that the company will require a longer period to reduce financial leverage, primarily due to ongoing investment spending exceeding the prior plan. Under our revised forecast, capital expenditures will total about THB2.5 billion in 2026 before declining to below THB0.5 billion per annum in 2027-2028. This compares with our previous projections that capital spending would remain below THB0.5 billion per annum throughout 2026-2028.

We expect TPIPP's debt to EBITDA ratio to remain elevated at around 5.5-6.5 times during 2026-2027, above our threshold of 5 times and higher than our previous expectation that leverage would decline to around 5 times in 2026. The ratio is likely to drop below 5 times once the company's new power plants, including two waste-to-energy (WTE) projects for the Provincial Electricity Authority (PEA) and solar power plants for TPIPL, reach full capacity and its investment spending decreases materially from 2028 onward. We estimate the funds from operations (FFO) to debt ratio to improve to 15%-16% in 2028 from roughly 10% in 2026, while the debt to capitalization ratio to hover around 40% over the forecast periods.

Our base-case forecast does not incorporate any additional investments in business opportunities and the Chana Special Economic Zone (SEZ) project, as its development plan remains undefined. Higher capital expenditures beyond current projections may slow deleveraging and negatively impact the company's credit profile.

### **Reliable cash generation from power assets**

TPIPP's SACP is supported by the consistent cash flow generated by the company's power projects. Securing long-term PPAs with reliable off-takers like the Electricity Generating Authority of Thailand (EGAT) and PEA for 171 megawatts (MW) of operational capacity minimizes demand and payment risks. Also, TPIPP's operational performance is supported by ongoing investments in efficiency improvements, along with the use of municipal solid waste (MSW)-derived fuel and waste heat from TPIPL's cement operations -- both of which are lower-cost alternatives to coal. Recently, the company has initiated significant cost-saving measures, including efficiency enhancement at existing facilities and converting its coal-fired power plants (TG7 and TG8) to use MSW.

Looking ahead, TPIPP intends to increase electricity sales to TPIPL to achieve cost-saving synergies across the group. Although higher intra-group electricity transactions may promote greater operational integration, TPIPL's weaker credit profile compared with EGAT and PEA offers limited mitigation of counterparty risk and may amplify customer concentration risk. As a result, this strategic shift could place constraints on TPIPP's SACP.

### **Earnings set to improve due to cost saving**

We anticipate that TPIPP's performance in 2026 will be affected by the adder expiry for its TG4 and TG6 power plants (90 MW total). However, from 2027 onwards, TPIPP should realize full cost saving following earlier massive investments. Additionally, the company's upcoming solar power and WTE plants are expected to make substantial contributions.

Our base-case projection expects TPIPP's annual power output to reach 2,700 Gigawatt-hours (GWh) by 2028, up from about 2,000 GWh over recent years. This higher output, along with lower costs at current plants, should offset revenue and earnings lost due to the adder expiry, boosting the total operating revenue and EBITDA to THB9.8 billion and THB4.6 billion, respectively, within 2028. These figures are up from expected lows in 2026, when the total operating revenue is forecast at about THB9 billion and EBITDA at just below THB4 billion. The EBITDA margin is projected to remain between 42% and 47% over the next three years.

### **Sufficient liquidity**

We assess TPIPP's liquidity to be sufficient. The company has debt due within the next 12 months totaling THB7.5 billion from December 2025, while sources of liquidity -- including cash, forecast FFO, and available bank credit facilities -- amount to THB12.0 billion. Nevertheless, we anticipate that TPIPP will issue additional debentures to support capital expenditures and provide a liquidity buffer, given its significant reliance on bond market funding.

The financial covenant on TPIPP's debentures requires maintenance of a net interest-bearing debt to equity ratio of below 3 times. We anticipate the company will remain compliant with this covenant moving forward.

## Debt structure

TPIPP primarily uses senior unsecured debentures for its financing needs. As of December 2025, the company's debt consisted exclusively of senior unsecured debentures, resulting in no priority debt outstanding.

## Base-Case Assumptions

Key assumptions in TRIS Rating's base-case forecast (consolidated basis) during 2026-2028 are as follows:

- Total power output to reach 2,700 GWh by 2028.
- Total operating revenue to range between THB9.0-THB9.8 billion annually.
- EBITDA margin to stay between 42%-47%.
- Capital spending to be THB2.5 billion in 2026, dropping to below THB0.5 billion per annum during 2027-2028.

## Rating Outlook

The "stable" outlook on TPIPP reflects that on TPIPL and underscores our expectation that TPIPP will continue to be a "core subsidiary" of TPIPL.

## Rating Sensitivities

Based on our assessment of TPIPP's group status as a "core subsidiary" of TPIPL, the rating and outlook on TPIPP will follow those on TPIPL.

An upward revision of TPIPP's SACP is limited, but possible if its financial profile improves, with a debt to EBITDA ratio keeping below 5 times for an extended period. Conversely, we may lower the SACP if the company's credit metrics worsen, such as a debt to EBITDA ratio exceeding 8 times, potentially due to lower cost saving than anticipated or increased debt-funded capital spending.

## Company Overview

Founded in 1991, TPIPP is Thailand's largest WTE power producer. In 2009, it launched its first waste heat recovery plant for TPIPL's cement production, and by 2015, TPIPP added two MSW-fired power plants, selling electricity to EGAT. TPIPP was listed on the Stock Exchange of Thailand (SET) in April 2017. In addition to the power generation, the company has engaged in petrol and gas service stations. Electricity sales remain the centerpiece, accounting for more than 90% of total revenue

Currently, TPIPP owns and operates nine power plants (MSW and waste heat) with a total installed capacity of 452 MW, supplying electricity to EGAT, PEA, and TPIPL.

## Key Operating Statistics

**Table 1: Power Project Portfolio as of Dec 2025**

Project	Location	Fuel Type	Status	Installed Capacity (MW)	Contracted Capacity with EGAT/PEA (MW)	Off-taker	Commercial Operating Date
TG1 & TG2	Saraburi	Waste heat	Operating	40		TPIPL	Jun 2009
TG3	Saraburi	MSW	Operating	20	18	EGAT	Jan 2015
TG5	Saraburi	MSW	Operating	60	55	EGAT	Aug 2015
TG4	Saraburi	Waste heat	Operating	30	90*	EGAT	Jan 2016
TG6	Saraburi	MSW	Operating	70	90*	EGAT	Apr 2018
TG7	Saraburi	Coal/MSW	Operating	70**		TPIPL	Aug 2018
TG8	Saraburi	Coal/MSW	Operating	150		TPIPL	Jan 2019
Songkhla	Songkhla	MSW	Operating	12	8	PEA	Dec 2025
Mukdahan	Mukdahan	MSW	Developing	10	8	PEA	4Q26
Saraburi	Saraburi	Solar	Developing	94		TPIPL	2024-2026
				<b>556</b>	<b>179</b>		

Source: TPIPP

\* TG4 and TG6 started selling power output to EGAT in Apr 2018 under the same PPA of 90 MW.

\*\* Approved capacity of 40 MW

## Financial Statistics and Key Financial Ratios\*

Unit: Mil. THB

	----- Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Total operating revenues	9,222	10,934	11,167	10,566	11,314
Earnings before interest and taxes (EBIT)	2,828	3,755	3,818	2,917	4,509
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	3,947	4,783	4,832	3,914	5,426
Funds from operations (FFO)	2,738	3,558	3,942	3,285	4,763
Adjusted interest expense	1,095	1,029	879	626	542
Capital expenditures	3,954	6,938	6,766	4,860	2,823
Total assets	68,821	66,402	59,767	50,579	48,485
Adjusted debt	25,912	25,408	20,027	14,145	13,111
Adjusted equity	36,415	34,740	33,202	31,564	30,852
<b>Adjusted Ratios</b>					
EBITDA margin (%)	42.8	43.7	43.3	37.0	48.0
Pretax return on permanent capital (%)	4.4	6.2	7.2	6.1	10.0
EBITDA interest coverage (times)	3.6	4.6	5.5	6.2	10.0
Debt to EBITDA (times)	6.6	5.3	4.1	3.6	2.4
FFO to debt (%)	10.6	14.0	19.7	23.2	36.3
Debt to capitalization (%)	41.6	42.2	37.6	30.9	29.8

\* Consolidated financial statements

## 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

## TPI Polene Power PLC (TPIPP)

<b>Issuer Credit Rating:</b>	<b>BBB</b>
<b>Issue Ratings:</b>	
TPIPP267A: THB3,000 million senior unsecured debentures due 2026	BBB
TPIPP278A: THB4,695 million senior unsecured debentures due 2027	BBB
TPIPP281A: THB3,000 million senior unsecured debentures due 2028	BBB
TPIPP288A: THB3,000 million senior unsecured debentures due 2028	BBB
TPIPP28NA: THB2,000 million senior unsecured debentures due 2028	BBB
TPIPP291A: THB4,000 million senior unsecured debentures due 2029	BBB
TPIPP295A: THB4,500 million senior unsecured debentures due 2029	BBB
TPIPP297A: THB4,000 million senior unsecured debentures due 2029	BBB
<b>Rating Outlook:</b>	<b>Stable</b>

## Rating History

**Last Review Date:** 18 November 2025

Date	Rating	Outlook/Alert
25-Aug-25	BBB	Stable
21-Feb-25	A-	Negative
24-Feb-23	A-	Stable
04-Oct-22	BBB+	Positive
25-Mar-20	BBB+	Stable
10-Apr-19	BBB+	Positive
17-Sep-18	BBB+	Stable

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