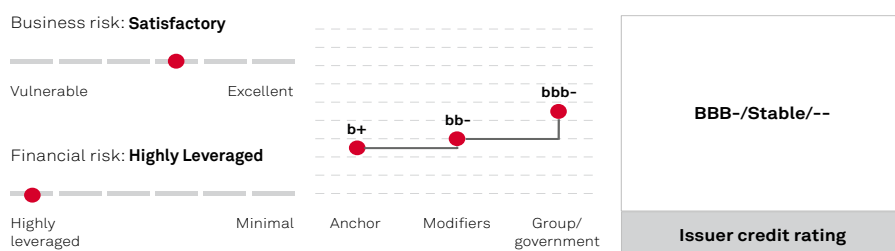


Ratch Group Public Co. Ltd.

December 7, 2025

This report does not constitute a rating action.

Ratings Score Snapshot



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Credit Highlights

Overview

Key strengths	Key risks
Strong power purchase agreements (PPAs) support cash flow stability.	Elevated leverage from acquisition appetite, growth investments, and materially higher debt tolerance than before.
Solid market position in Thailand's power sector.	Increasing exposure to debt and earnings from equity affiliates could lead to off-balance-sheet debt and a higher reliance on dividend income.
Shareholder support from the Electricity Generating Authority of Thailand (EGAT).	Some earnings volatility from renewable assets in Australia due to resource, volume, and merchant price risks.

Ratch Group Public Co. Ltd. has adequate rating headroom despite its elevated leverage. The company's offshore expansion plans will improve its geographic diversification, with a focus on renewable energy. That said, Ratch is cognizant of the exposure to potentially higher regulatory and geopolitical risks when expanding internationally. In addition, Ratch plans to actively manage its exposure to mitigate concentration risk to a particular country.

We expect Ratch's financial ratios to remain in line with our expectations, with adjusted debt-to-EBITDA ratio of 5.6x-6.4x and EBITDA interest coverage of 3.5x-3.9x over the next three years. These ratios are stronger than our downside triggers of debt-to-EBITDA ratio above 7.5x and EBITDA interest coverage of below 3.0x. The company still has healthy interest-servicing ability, despite its high leverage. Ratch's EBITDA interest coverage is materially higher than similar highly leveraged peers with ratios of 1.0x-1.5x. We believe this will preserve Ratch's credit quality as it executes growth plans.

Consolidation of Hin Kong Power (HKP) will not result in any material impact on Ratch's leverage.

Our base case fully consolidates HKP, following Ratch's revised shareholders' agreement with Gulf Energy Development Co. Ltd. (Gulf) to have greater control over the management of HKP's plant, which is under a 51:49 joint venture (JV) with Gulf. As a result of the consolidation, we estimate Ratch's revenue and EBITDA to expand by Thai baht (THB) 27 billion-THB29 billion and THB4 billion-THB5 billion per annum, respectively. Its debt is projected to rise by about THB23 billion.

Reliance on dividend income from associates and JVs could create additional risks at Ratch.

The company continues to expand minority investments in several projects, including Nexif Ratch Energy. This could expose it to off-balance-sheet debt because it accounts for these investments as equity investments.

Earnings from these investments could account for about 24% of Ratch's adjusted EBITDA on average over the next three years, compared with 18% in 2023 and 34% in 2024. Given a growing dependence on these investments, Ratch could have a higher propensity to support projects that it deems to be of strategic importance.

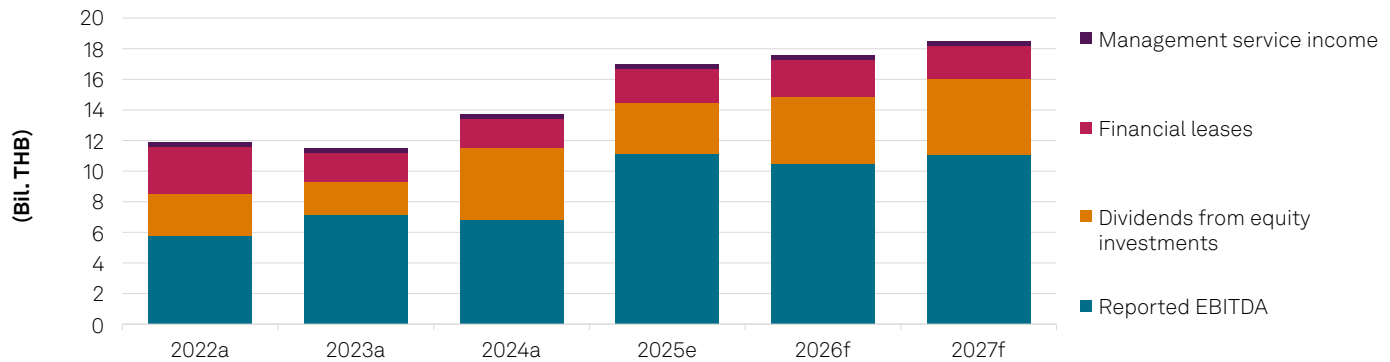
At this juncture, we see limited risk from these investment projects for Ratch's financial profile, with little likelihood of a need for extra support from the company. Ratch has a record of largely visible and stable dividend income. However, we may reassess our approach should there be a deterioration in the quality of dividends, or the likelihood of extraordinary support required from Ratch flowing to these minority investments increases.

Steady dividend contributions to Ratch from equity affiliates will be key to the quality of EBITDA and earnings. We project annual dividend income from equity affiliates of THB3.0 billion-THB5.0 billion during 2025-2027.

This includes dividend income of THB1.2 billion-THB2.4 billion annually from Paiton Energy Thermal Power Plant, contributing about 10% to Ratch's adjusted EBITDA on average. Any decrease in dividend income from Paiton and other equity investments (possibly due to changes in capital expenditure [capex] and the debt payment schedule) could weigh on Ratch's cash flow.

Nevertheless, we believe Ratch has good earnings and geographic diversity. The company's equity investments are spread across various countries, which should continue to support stable dividends and a stable earnings profile as the investments ramp up.

Ratch's adjusted EBITDA will be increasingly supported by dividend income from equity affiliates



a--actual. e--estimate. f--forecast. THB--Thai baht. Source: S&P Global Ratings.

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The potential sale of Nexif Energy's stake in Nexif Ratch Energy Investments Pte. Ltd. (NREI) is a key point to watch. Media reports suggest Nexif Energy may divest its 51% interest in NREI. Ratch has not confirmed or commented on this matter. We will closely monitor the developments.

NREI was formed in 2022 as a JV between RH International (Singapore) Corp. Pte. Ltd. (RHIS), a wholly owned subsidiary of Ratch, and Nexif Energy, each holding 49% and 51%, respectively. NREI's portfolio includes 378 megawatts (MW) of operating and under construction capacity and a development pipeline of proprietary wind, solar, and energy storage projects totaling over 2.5 GW, mainly in Philippines and Vietnam.

Outlook

The stable rating outlook reflects our view that Ratch will maintain stable operations and cash flow, including dividend income, which will support higher leverage and growth spending over the next two years. We also expect the company to manage its balance sheet as it expands, such that its debt-to-EBITDA ratio remains in the 5.6x-6.4x range over the next 12-24 months.

Downside scenario

We may lower the rating on Ratch if:

- The company's debt-to-EBITDA ratio increases to above 7.5x on a sustained basis and if its ability to service debt declines sharply such that its EBITDA interest coverage ratio falls sustainably below 3.0x. This could be a result of continued aggressive debt-funded expansion without a commensurate increase in earnings, falling availability payments, weaker dividend contributions, or a need to support equity investments; or
- Ratch's importance to its parent, EGAT, diminishes, evident through weaker integration or a reduction in EGAT's shareholding in the company. This could result in a lack of timely and sufficient financial support from EGAT and the Thai government to preserve Ratch's creditworthiness.

Upside scenario

We could raise the rating if we believe Ratch is committed to deleveraging, with its debt-to-EBITDA ratio improving to below 4.5x on a sustainable basis. This could happen if the company prudently manages its growth spending with sizable cash flow generation and demonstrates a record of maintaining a more conservative capital structure and financial policy.

Our Base-Case Scenario

Assumptions

- Ratch's revenue growth over our forecast period does not depend on Thailand's GDP growth because its revenue is largely driven by availability payments and capacity additions.
- Revenue in 2025 to rise to THB52 billion, from THB35 billion in 2024, mainly due to consolidation of HKP, which is partly offset by lower energy payments. Revenue to slightly decline to THB50 billion-THB51 billion in 2026 and 2027, owing to lower availability payments and impact from expiring PPA contracts.
- EBITDA, adjusted for the principal repayment of financial leases and dividends from JVs, of THB17 billion in 2025, primarily rising due to HKP consolidation. EBITDA to further increase to THB17 billion-THB19 billion over 2026-2027, with increasing dividend income from equity investments and JVs.
- Capital spending of THB10 billion-THB11 billion each year in 2025 and 2026, mainly for additional stake acquisitions in several equity affiliates, HKP plant in Thailand, as well as maintenance capex and some growth capex in the overseas renewable energy portfolio and various equity affiliates.
- Dividend payout of about THB3.5 billion annually over 2025-2027.

Key metrics

Ratch Group Public Co. Ltd.--Forecast summary

Period ending	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027
(Mil. THB)	2023a	2024a	2025e	2026f	2027f
Revenue	45,623	34,980	52,265	50,982	51,107
EBITDA (reported)	7,145	6,820	11,153	10,492	11,093
Plus/(less): Other	4,374	6,905	5,820	7,102	7,408
EBITDA	11,519	13,726	16,973	17,593	18,501
Less: Cash interest paid	(3,961)	(3,862)	(4,881)	(4,868)	(4,712)
Less: Cash taxes paid	(144)	(715)	(690)	(561)	(778)
Funds from operations (FFO)	7,413	9,148	11,403	12,164	13,011
Interest expense	4,443	4,472	4,881	4,868	4,712
Capital expenditure (capex)	5,301	25,691	10,949	11,349	3,136
Free operating cash flow (FOCF)	5,179	(15,841)	(7,283)	1,900	8,573
Dividends	4,061	3,918	3,479	3,479	3,479
Discretionary cash flow (DCF)	1,118	(19,759)	(10,762)	(1,579)	5,093
Debt (reported)	86,419	90,084	115,351	114,658	107,768
Plus: Lease liabilities debt	3,551	3,249	3,249	3,249	3,249
Less: Accessible cash and liquid Investments	(21,048)	(10,904)	(10,700)	(8,808)	(7,249)
Debt	68,922	82,429	107,901	109,100	103,768

Ratch Group Public Co. Ltd.--Forecast summary

Cash and short-term investments (reported)	30,069	15,578	15,285	12,583	10,356
Adjusted ratios					
Debt/EBITDA (x)	6.0	6.0	6.4	6.2	5.6
FFO/debt (%)	10.8	11.1	10.6	11.1	12.5
FFO cash interest coverage (x)	2.9	3.4	3.3	3.5	3.8
EBITDA interest coverage (x)	2.6	3.1	3.5	3.6	3.9
Annual revenue growth (%)	(41.3)	(23.3)	49.0	(2.5)	0.2
EBITDA margin (%)	25.2	39.2	32.5	34.5	36.2

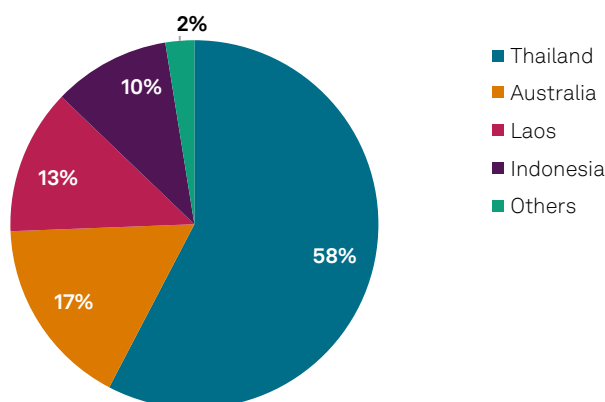
Company Description

Ratch is one of the largest power generators in Thailand, with operations mainly in Thailand, Australia, and Laos. The company had total operational capacity of about 9,449 MW as of September 2025. This comprised 7,831 MW of conventional capacity and 1,618 MW of renewable capacity. Ratch completed its acquisition of a 36.3% stake in Paiton in April 2024.

EGAT owns 45% of Ratch.

Ratch has a geographically diversified portfolio

Breakdown of operational capacity



As of June 2025. Source: Company data, S&P Global Ratings.

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Peer Comparison

We view Cikarang Litrindo PT and Sarawak Energy Bhd. (SEB) as the closest peers for Ratch. Ratch's operations under the quasi-regulatory structure result in good cash flow stability. This is also the case for Cikarang.

Ratch and Cikarang have robust contract terms and minimal price risk. Those factors alleviate the companies' exposure to fluctuations in fuel costs. SEB, on the other hand, does not benefit from a cost recovery mechanism and has limited pricing power because we believe it is exposed to socio-political pressures to keep electricity affordable or attractive for investments.

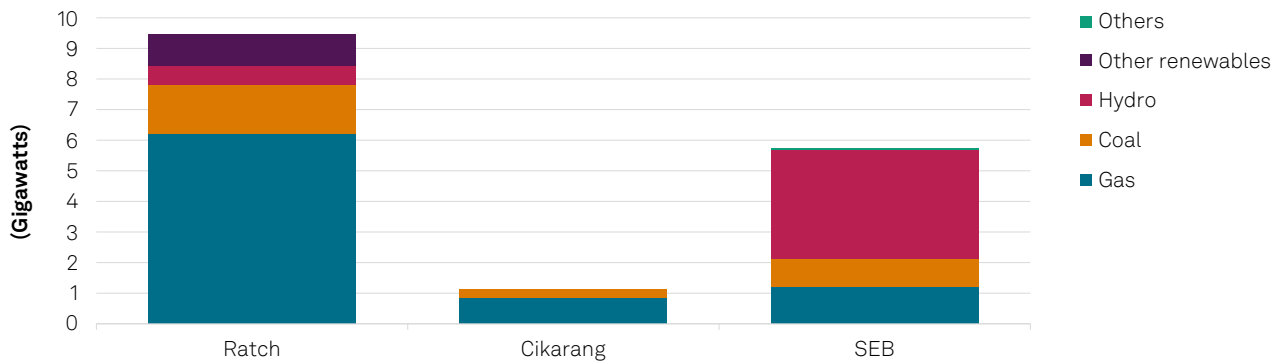
Ratch benefits from better earnings quality than peers with a similar business risk profile, in our view. This is due to the company's strong PPA contracts and greater diversity as it pursues offshore expansion.

Favorable PPA terms protect Ratch from volume risks, though some of its renewable capacity in Australia faces resource risk and variability in volumes. Although SEB's PPAs with industrial customers contain a take-or-pay mechanism, we consider the company to be exposed to cash flow risks because the Sarawak state government keeps tariffs low to attract investments. Unlike Ratch and SEB, Cikarang bears some volume risks. This stems from its high exposure to industrial customers (about 85% of revenue) and the lack of long-term or take-or-pay mechanisms in its contracts with industrial customers.

Ratch has a larger scale (9,449 MW) and better diversity than Cikarang (1,144 MW) and SEB (about 5,745 MW). Ratch is comparable with Cikarang in terms of fuel diversity, with fossil fuels dominating their capacity mixes. Meanwhile, SEB's capacity is predominantly hydropower. Ratch has greater geographic diversity due to its overseas presence. The peers mainly concentrate their operations in their domestic markets although the assets are distributed across multiple locations.

Ratch has better scale and diversity than its peers

By installed capacity



As of Dec. 31, 2024. Cikarang--Cikarang Listrindo PT. SEB--Sarawak Energy Bhd. Source: Company data.

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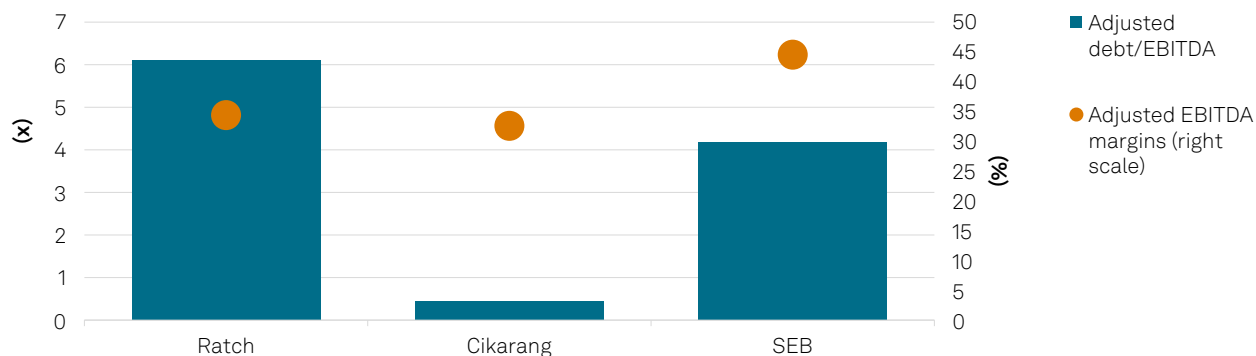
Ratch and Cikarang have similar profitability but both are lower than SEB. We expect Ratch's EBITDA margin to range between 31%-33% over the next two years. SEB has a higher margin of 45%-50% because of its lower generation cost as a hydro player and cost benefits from vertical integration, despite low and ad-hoc tariffs.

Ratch's earnings are also exposed to volatility in dividend income from minority investments since the investees pay the dividends only after meeting debt obligations at the project level.

Both Ratch and SEB have higher leverage due to continued growth spending and high capex. In contrast, Cikarang has lower leverage due to moderate capex needs, despite elevated shareholder distributions.

Comparison of Ratch's margins and leverage with peers

Average of the next three financial years



Cikarang--Cikarang Listrindo PT. SEB--Sarawak Energy Bhd. Source: S&P Global Ratings.

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Ratch Group Public Co. Ltd.--Peer Comparisons

	Ratch Group Public Co. Ltd.	Cikarang Listrindo PT.	Sarawak Energy Bhd.
Foreign currency issuer credit rating	BBB-/Stable/--	BBB-/Stable/--	A-/Stable/--
Local currency issuer credit rating	BBB-/Stable/--	BBB-/Stable/--	A-/Stable/--
Period	Annual	Annual	Annual
Period ending	2024-12-31	2024-12-31	2024-12-31
Mil.	THB	THB	THB
Revenue	34,980	18,776	56,073
EBITDA	13,726	6,294	27,970
Funds from operations (FFO)	9,148	4,714	17,655
Interest	4,472	832	7,223
Cash interest paid	3,862	868	7,828
Operating cash flow (OCF)	9,851	5,109	23,518
Capital expenditure	25,691	1,597	17,519
Free operating cash flow (FOCF)	(15,841)	3,513	5,999
Discretionary cash flow (DCF)	(19,759)	1,068	4,959
Cash and short-term investments	15,578	15,266	51,825
Gross available cash	15,578	15,266	51,825
Debt	82,429	3,954	100,176
Equity	106,374	24,303	127,367
EBITDA margin (%)	39.2	33.5	49.9
Return on capital (%)	7.5	17.3	9.2
EBITDA interest coverage (x)	3.1	7.6	3.9
FFO cash interest coverage (x)	3.4	6.4	3.3
Debt/EBITDA (x)	6.0	0.6	3.6
FFO/debt (%)	11.1	119.2	17.6
OCF/debt (%)	12.0	129.2	23.5

Ratch Group Public Co. Ltd.--Peer Comparisons

FOCF/debt (%)	(19.2)	88.8	6.0
DCF/debt (%)	(24.0)	27.0	5.0

Business Risk

Ratch's good market position in Thailand's power sector supports its competitive position. We expect the company to remain one of the largest power producers in Thailand, after EGAT and Gulf Energy. It will likely continue to account for about 10% of the country's total generation capacity.

We believe Ratch will maintain its market position because Thailand's power market is mature. This makes fast growth difficult, given high barriers to entry in the domestic market for independent power producers and high reserve margins.

EGAT is the dominant player with a stand-alone capacity of 16,235 MW (as of Oct. 31, 2025). The company has approximately 33% of generation capacity and is the sole operator of the transmission network in Thailand. Gulf Energy's domestic capacity is estimated to have reached over 7,800 MW as of June 30, 2025.

Other independent power producers in the country have lower operational capacity than Ratch, which had domestic operational capacity of about 5,448 MW as of Sept. 30, 2025. The number will increase to 5,460 MW by end of 2025 with the company's expansion of its existing Nava Nakorn plant. Setting up new large thermal capacity will remain challenging in Thailand due to environmental and social pressures.

Favorable PPAs with EGAT, which we view as a strong counterparty, underpin cash flow stability. Tariffs under these PPAs encompass both availability and energy payments, protecting Ratch from demand-volume and fuel-cost risks. This supported cash flow stability for the company amid surging fuel costs in recent years.

Ratch's earnings mix will largely remain stable as we forecast PPAs with EGAT will contribute 60%-65% over the next three years, compared with 50%-60% in 2023 and 2024, following the full consolidation of HKP. This mitigates the PPA renewal risks from the contracts in relation to 1.47 GW of capacity (16% of current equity operating capacity) expired in October 2025, and 2.17 GW (23%) expiring in 2027.

EGAT has allowed some PPAs to expire in view of the high reserve margins in Thailand. That said, Ratch has secured new PPAs with EGAT, including 25-year PPAs for both its Nexif Ratch Energy Rayong power plant (commissioned in 2022) and HKP, which was commissioned over 2024 and 2025.

We expect Ratch's strong links with EGAT to offer it a competitive advantage in renewing and securing new PPAs with EGAT. Moreover, Ratch's growing investments in overseas power plants will partly offset its PPA renewal risk and support cash flow visibility. These plants have contracted most of their capacity to state-owned utilities or corporate offtakers.

The rest of Ratch's portfolio also continues to benefit from good earnings visibility. Paiton has favorable contract terms and healthy operating performance, as well as the largely contracted nature of Ratch-Australia Corp.'s and Nexif's operational portfolio. Ratch is also likely to contract its renewable projects in the construction or development stages with state-owned or other creditworthy counterparties.

Improving diversity from rising overseas investments supports Ratch's earnings quality. The company's acquisition of Nexif in 2022 and acquisition of a stake in Paiton in 2024 has increased earnings contributions from Australia and Indonesia, respectively. The bulk of Nexif's previous operational portfolio, which has been transferred to Ratch's wholly owned Australian subsidiary, Ratch Australia Corp., continues to enjoy stable earnings contribution.

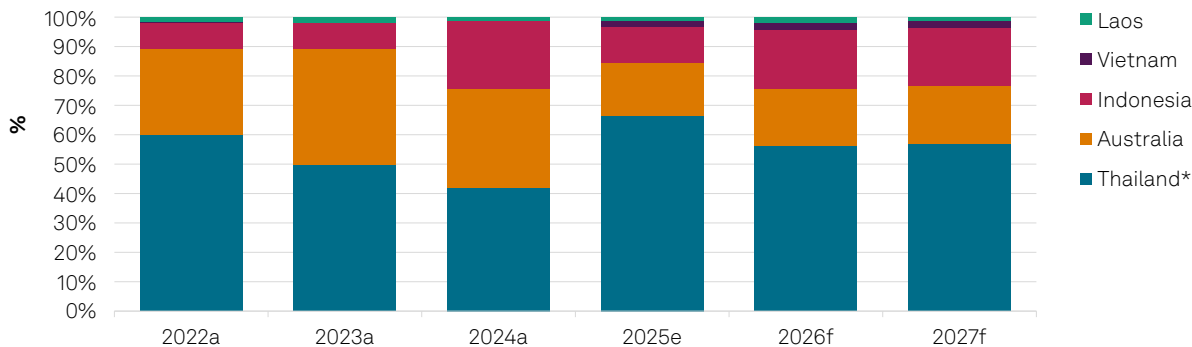
Ratch's Australia operations will account for about 19% of the company's adjusted EBITDA on average over the next three years. This will support good earnings visibility due to favorable contract terms such as fixed tariffs and offtake volumes, although about 15% of the company's Australia capacity is exposed to the merchant market. Ratch has a policy of contracting at least 80% of its portfolio, which provides earnings stability.

Still, we expect favorable PPAs that support long-term cash flow visibility and stability to mitigate such risks. For instance, Paiton benefits from long-term PPAs with Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (BBB/Stable/--). These PPAs provide availability-based payments with full passthrough of operating and fuel costs, protecting Paiton from volume and fuel cost risks.

In Vietnam, Ratch also has long-term PPAs with the state-owned utility, Vietnam Electricity. In addition, Ratch typically prefers to hold equity stakes in projects in countries with less-established regulatory framework and will form strategic partnerships with experienced international or local investors to manage these risks.

Ratch's overseas expansion will further improve geographic diversification

% of adjusted EBITDA contribution by country



*Includes dividend income from equity affiliates that have PPAs with EGAT. a--actual. e--estimate. f--forecast. PPAs-- Power purchase agreements. Source: S&P Global Ratings.

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Ratch's diversification into non-energy infrastructure-related sectors could pose some risks to earnings and cash flow stability. The company has invested in infrastructure projects, including healthcare and transportation projects, in Thailand. These investments may have different cash flow and risk profiles from availability-based power assets. Some execution risks exist, given Ratch's lack of expertise and track record of operating projects outside the power sector.

Ratch's strategy of collaborating with experienced partners with good technical capabilities and investing through minority stakes could partially mitigate the execution risks. Moreover, EBITDA contribution from these investments will be limited, at less than 5% annually over the next five

years. We believe the company will prudently evaluate investments based on their earnings profiles and payback periods.

Financial Risk

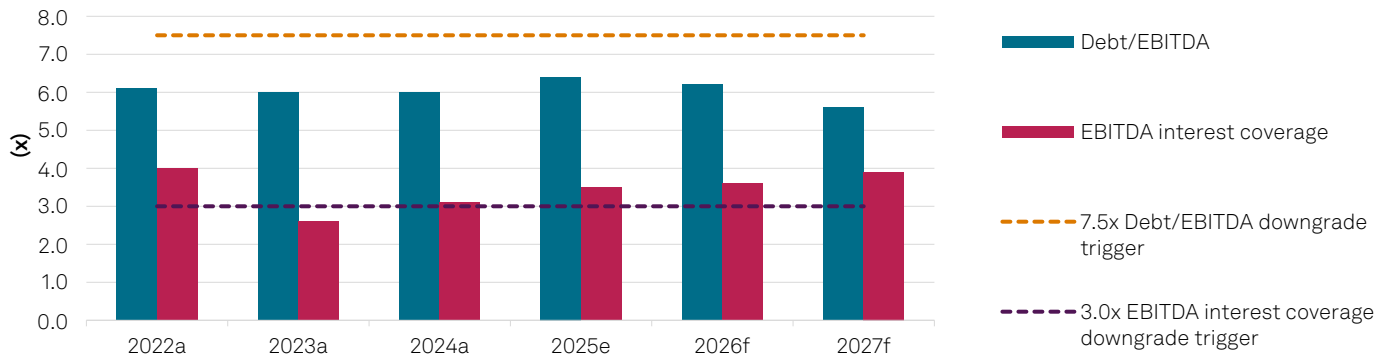
Ratch's leverage will remain high over the next two years as it continues to pursue growth investments. We expect the company to fund these largely with debt. The increase in spending will outpace earnings growth because Ratch will also spend on assets under construction and development that do not immediately generate cash flow.

In view of the sizable capital spending plans, Ratch's debt-to-EBITDA ratio could stay at 5.6x-6.4x over 2025-2027, compared with 6.0x in 2024.

Elevated capital spending will keep Ratch's leverage high. After a spike in capital spending of THB26 billion in 2024 with the completion of the Paiton acquisition, we project annual capex to moderate to THB10 billion-THB11 billion in 2025 and 2026. This would include investments to expand its overseas renewable portfolio, and investments in various small and midsize equity affiliates. These elevated spending will continue to result in negative discretionary cash flow generation for Ratch over the next two years.

Furthermore, Ratch's debt-to-EBITDA and EBITDA interest coverage ratios could come under pressure if the company undertakes additional spending on similar scale as its Nexif or Paiton acquisition, without any commensurate increase in earnings. However, it has some flexibility to control leverage, depending on the cash flow profile of its new investments, the pace of its capital spending, and its financial policy. Ratch intends to manage its leverage in line with the current levels by pursuing acquisitions focused on operational projects.

High debt-funded spending will drive Ratch's leverage



a--actual e--estimate. f--forecast. Source: S&P Global Ratings.

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We do not consolidate the debt of associates and equity-accounted joint ventures because such debt is project financing and nonrecourse to the company. Also, the operational projects are largely de-risked, with little likelihood of a need for extra support from the sponsor. This is evident from Ratch's record of largely visible and stable dividends. However, we may revisit our assessment should there be a deterioration in the quality of dividends, or incidences of extraordinary support flowing to these minority investments. Given Ratch's growing investments in equity affiliates, we will continually assess the effect on the company's financials by reviewing

the ownership and standing of the co-shareholders, materiality and execution risks, and the reputational impact of an absence of support in the case of financial distress.

Ratch has currency risk from its debt denominated in foreign currencies, including the U.S. dollar, Australian dollar, and Japanese yen. Such debt formed about 50% of the company's reported debt as of June 30, 2025. However, the company has fully hedged its foreign-denominated debt via cross-currency swaps. Earnings from its Australia's operations also act as a natural hedge for its Australian dollar-denominated debt.

Debt maturities

Ratch Group Public Co. Ltd.--Debt Maturities*

Debt due in	Amount (mil. THB)
Less than a year	17,589
Between 1-5 years	67,085
After 5 years	17,256
Total debt	101,930

*As of Dec. 31, 2024. THB--Thai baht.

Ratch Group Public Co. Ltd.--Financial Summary

Period ending	Dec-31-2019	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024
Reporting period	2019a	2020a	2021a	2022a	2023a	2024a
Display currency (mil.)	THB	THB	THB	THB	THB	THB
Revenues	39,724	37,552	39,902	77,778	45,623	34,980
EBITDA	10,296	9,958	9,647	11,861	11,519	13,726
Funds from operations (FFO)	8,159	8,191	7,711	7,768	7,413	9,148
Interest expense	1,428	1,551	1,868	2,977	4,443	4,472
Cash interest paid	1,402	1,409	1,715	3,200	3,961	3,862
Operating cash flow (OCF)	8,106	8,028	7,814	7,434	10,479	9,851
Capital expenditure	6,195	10,813	9,075	23,256	5,301	25,691
Free operating cash flow (FOCF)	1,911	(2,785)	(1,261)	(15,822)	5,179	(15,841)
Discretionary cash flow (DCF)	(1,569)	(6,265)	(4,742)	(19,884)	1,118	(19,759)
Cash and short-term investments	9,369	8,614	9,861	37,500	30,069	15,578
Gross available cash	9,369	8,614	9,861	37,500	30,069	15,578
Debt	24,173	35,811	52,738	72,725	68,922	82,429
Common equity	59,414	60,522	77,810	107,403	107,133	106,374
Adjusted ratios						
EBITDA margin (%)	25.9	26.5	24.2	15.3	25.2	39.2
Return on capital (%)	11.5	12.3	10.5	7.8	6.7	7.5
EBITDA interest coverage (x)	7.2	6.4	5.2	4.0	2.6	3.1
FFO cash interest coverage (x)	6.8	6.8	5.5	3.4	2.9	3.4
Debt/EBITDA (x)	2.3	3.6	5.5	6.1	6.0	6.0
FFO/debt (%)	33.8	22.9	14.6	10.7	10.8	11.1
OCF/debt (%)	33.5	22.4	14.8	10.2	15.2	12.0
FOCF/debt (%)	7.9	(7.8)	(2.4)	(21.8)	7.5	(19.2)

Ratch Group Public Co. Ltd.--Financial Summary

DCF/debt (%)	(6.5)	(17.5)	(9.0)	(27.3)	1.6	(24.0)
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Reconciliation Of Ratch Group Public Co. Ltd. Reported Amounts With S&P Global Adjusted Amounts (Mil. THB)

	Debt	Shareholder equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2024									
Company reported amounts	90,084	97,382	33,133	6,820	2,581	4,447	13,726	8,143	3,918	2,055
Cash taxes paid	-	-	-	-	-	-	(715)	-	-	-
Cash interest paid	-	-	-	-	-	-	(3,837)	-	-	-
Lease liabilities	3,249	-	-	-	-	-	-	-	-	-
Accessible cash and liquid investments	(10,904)	-	-	-	-	-	-	-	-	-
Capitalized interest	-	-	-	-	-	25	(25)	(25)	-	(25)
Dividends from equity investments	-	-	-	4,733	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	9,071	-	-	-	-	-
Reclassification of interest and dividend cash flows	-	-	-	-	-	-	-	1,732	-	-
Noncontrolling/minority interest	-	8,992	-	-	-	-	-	-	-	-
Revenue: other	-	-	1,847	1,847	1,847	-	-	-	-	-
EBITDA: other	-	-	-	325	325	-	-	-	-	-
D&A: Impairment charges/(reversals)	-	-	-	-	211	-	-	-	-	-
EBIT: other	-	-	-	-	(325)	-	-	-	-	-
Capex: other	-	-	-	-	-	-	-	-	-	23,662
Total adjustments	(7,655)	8,992	1,847	6,905	11,129	25	(4,577)	1,707	-	23,637
S&P Global Ratings adjusted	Debt	Equity	Revenue	EBITDA	EBIT	Interest expense	Funds from operations	Operating cash flow	Dividends	Capital expenditure
	82,429	106,374	34,980	13,726	13,710	4,472	9,148	9,851	3,918	25,691

Liquidity

We assess Ratch's liquidity as adequate because we expect the company's funding sources to cover uses by more than 1.2x over the 12 months ending June 30, 2026. The company has supportive banking relationships and good access to domestic and international debt markets, given its market position and indirect connection to the government through EGAT. We expect Ratch to maintain sufficient headroom under its covenants even if EBITDA declines by 15%.

Principal liquidity sources	Principal liquidity uses
<ul style="list-style-type: none"> • Cash and short-term investments of about THB15.8 billion as of June 30, 2025. • Undrawn long-term committed facilities of about THB29.6 billion as of June 30, 2025. • Cash funds from operations of about THB8.3 billion over the 12 months to June 30, 2026. • Working capital inflow of THB1.5 billion over the period. 	<ul style="list-style-type: none"> • Debt maturities of about THB25.3 billion over the 12 months to June 30, 2026. • Consolidated capital spending, including investments in affiliates, of about THB12.4 billion over the period. • Dividend payments of about THB3.5 billion over the period.

Covenant Analysis

Requirements

Ratch Group Public Co. Ltd.--Covenant Analysis

	Covenant	Limit	Actual (as of June 30, 2025)
Private placement	Net debt/equity	<1.3x	0.96x

Source: Company disclosure.

Compliance expectations

Ratch remains in compliance with its financial covenants and maintains sufficient headroom above the requirements. We expect the company to maintain this cushion even if its EBITDA falls by more than 15%.

Environmental, Social, And Governance

Environmental factors are a moderately negative consideration in our credit rating analysis of Ratch. The company uses natural gas as the source for over 60% of its power generation. This is a bridge fuel as it transitions from fossil fuels to renewables.

However, Ratch's 36.3% stake in Paiton (741.5 MW equity capacity in a coal-fired plant in Indonesia) increased the company's exposure to coal to about 17% of overall equity operating capacity. This would delay its energy transition efforts.

Ratch has about 17% of capacity in renewables (including hydropower) and aims to increase this to 30% by 2030. This could potentially improve the company's carbon exposure and fuel diversity. Majority long-term contracts without volume and fuel price risks will support this.

Environmental and social risks exist for some hydro projects, as seen in a joint-venture dam project in Laos. Although the financial impact of a break at this dam was insignificant, adverse public opinion or geopolitical resistance can affect Ratch's growth plans and execution capabilities.

Group Influence

Our ratings on Ratch benefit from a three-notch uplift from the stand-alone credit profile, based on our view of group support from EGAT.

We believe Ratch is strategically important within the EGAT group. EGAT maintains a 45% stake in Ratch and has a policy to keep at least 50% of total generating capacity in Thailand, including equity stakes in subsidiaries.

We believe Ratch benefits from indirect government support via its parent EGAT in times of financial distress, given its systemic importance in fulfilling power demand in Thailand. Ratch's key subsidiary Ratchaburi Electricity Generating Co. Ltd. supplies critical electricity to the western region of Thailand.

We believe EGAT will continue to support Ratch in its growth aspirations, as well as provide financial support, if needed. This is evident from EGAT's subscription to the company's equity issuance of THB25 billion in 2022, to help fund its sizable investments.

We believe Ratch is the preferred subsidiary of EGAT when it comes to overseas sourcing of power for Thailand on private projects. This is because of the company's experience and financial strength. EGAT's governor sits on Ratch's board and participates in the approval of such investments.

Nonetheless, we will continue to monitor the importance of Ratch to EGAT, given its expanding footprint outside Thailand.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of June 30, 2025, Ratch's capital structure consisted of about THB92 billion of total debt. The company had US\$300 million (THB10.7 billion) of 4.5% senior unsecured notes due on March 27, 2028, and ¥15 billion (THB3.7 billion) of 2.72% senior unsecured bonds due on Aug. 24, 2026.

RH International (Singapore) Corp. Pte. Ltd., a wholly owned subsidiary of Ratch, issued both bonds, which Ratch irrevocably and unconditionally guarantees.

Analytical conclusions

We equalize the issue ratings on Ratch's guaranteed unsecured notes and bonds with the issuer credit rating on the company because the ratio of priority debt to total debt was 36% as of June 30, 2025. This is below our threshold of 50% for notching down the issue rating.

As Ratch's capital structure continues to evolve with its business growth, we will monitor for any subordination risks in its unsecured debt relative to other debt in the company's consolidated capital structure.

We do not include RH International (Singapore) Corp. Pte. Ltd.'s unsecured debt as part of the priority debt because we consider the debt to rank equally with that of the parent company, which guarantees the notes.

Rating Component Scores

Foreign currency issuer credit rating	BBB-/Stable/--
Local currency issuer credit rating	BBB-/Stable/--
Business risk	Satisfactory
Country risk	Intermediate
Industry risk	Moderately High
Competitive position	Satisfactory
Financial risk	Highly Leveraged
Cash flow/leverage	Highly Leveraged
Anchor	b+
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Positive (+1 notch)
Stand-alone credit profile	bb-
Group credit profile	bbb+
Entity status within group	Strategically important (+3 notches)

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [General Criteria: Guarantee Criteria](#), Oct. 21, 2016
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [Criteria | Corporates | Industrials: Key Credit Factors For The Unregulated Power And Gas Industry](#), March 28, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [Criteria | Corporates | General: Corporate Methodology](#), Nov. 19, 2013
- [General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Nov. 13, 2012

- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011
- [General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating](#), Oct. 1, 2010

Related Research

- [South And Southeast Asia Energy Transition--Will The Momentum Stay On Track?](#), Oct. 22, 2025
- [Research Update: Thailand 'BBB+/A-2' Foreign Currency Ratings Affirmed; Outlook Stable](#), Nov. 13, 2025
- [Industry Credit Outlook Update Asia-Pacific: Utilities](#), July 16, 2025

Ratings Detail (as of December 07, 2025)*

<u>Ratch Group Public Co. Ltd.</u>	
Issuer Credit Rating	BBB-/Stable/--
Senior Unsecured	BBB-
Issuer Credit Ratings History	
16-Sep-2022	BBB-/Stable/--
23-Sep-2021	BBB/Stable/--
14-Dec-2020	BBB+/Negative/--
Related Entities	
<u>EGAT International Co. Ltd.</u>	
Issuer Credit Rating	
Foreign Currency	BBB+/Stable/--
Local Currency	A-/Stable/--
<u>RH International (Singapore) Corp. Pte. Ltd.</u>	
Senior Unsecured	BBB-
*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.	

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