BCPG PLC

No. 184/2025
30 October 2025

CORPORATES

Company Rating:	A
Issue Ratings:	
Senior unsecured	A
Outlook:	Stable

Last Review Date: 30/09/24

Company Rating History:

Date	Rating	Outlook/Alert
31/08/23	A	Stable
19/01/23	A	Alert Negative
27/10/22	A	Stable
21/04/21	A-	Stable

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RATIONALE

TRIS Rating affirms the company rating on BCPG PLC (BCPG) at "A", and the ratings on its outstanding senior unsecured debentures at "A", with a "stable" outlook. The company rating is one notch below the group credit profile (GCP) of Bangchak Corporation PLC (BCP, rated "A+/Stable"), reflecting our view of BCPG's group status as a "highly strategic" subsidiary of BCP. BCPG's stand-alone credit profile (SACP) remains at "bbb+".

The SACP continues to reflect BCPG's predictable earnings, supported by long-term power purchase agreements (PPAs) and a substantial power portfolio across multiple regions. It also considers BCPG's capital recycling strategy, which supports growth and control in financial leverage, and the potential for increasing cash flow from investments. However, the SACP is constrained by exposure to market risk associated with its investment in merchant electricity markets, execution risks of pipeline projects, and challenges from emerging competition in new business areas.

KEY RATING CONSIDERATIONS

Highly strategic subsidiary of BCP

We continue to assess BCPG as a "highly strategic" subsidiary of BCP, reflecting its pivotal role in supporting the group's carbon neutrality target by 2030 and net-zero goal by 2050. BCPG is the group's largest contributor of carbon-friendly energy and consistently delivers stable earnings, partly mitigating earnings volatility from BCP's petroleum-related businesses. We expect BCPG's EBITDA contribution to the BCP Group to remain above 10% over the forecast horizon.

Accordingly, we believe BCP has a strong strategic incentive to provide extraordinary support to BCPG if needed.

Predictable earnings profile supported by diversified portfolio

We view BCPG's earnings as remaining highly predictable, underpinned by long-term PPAs with creditworthy counterparties and a diversified asset base. As of June 2025, the company owned 1,244 megawatts (MW) of net capacity across Thailand, Asia, and the U.S. About 30%, or 387 MW, is secured under multi-year PPAs with both state-owned and private users, generating stable cash flows and mitigating exposure to price and demand risk.

The remaining capacity is attributable to four combined-cycle gas turbine (CCGT) power plants in the U.S., operating in the PJM Energy Market (PJM). While PJM is a merchant market, earnings from these assets exhibit a degree of predictability. This is supported by capacity payments set through three-year forward auctions. Nevertheless, exposure to the market dynamics introduces some earnings volatility.

Additionally, BCPG's oil storage facility in Thailand provides a stable source of cash flow.

Expansion reinforces earnings visibility

BCPG's planned acquisition of two wind power projects in Vietnam—Che Bien Tay Nguyen (CBTN) and Phat Trien Mien Nui (PTMN)—with a combined capacity of 99 MW, is expected to partly enhance earnings visibility. Both projects will operate under feed-in-tariff (FiT) agreements with Vietnam Electricity (EVN), expected to contribute significant cash flows.

The acquisition, estimated at VND3,395 billion, was initially scheduled for completion in the first half of 2025. However, permit delays have resulted in a postponement. BCPG has negotiated an extension of a long-stop date with the seller and now expects both the transaction closing and commercial operations to occur in late 2025.

In July 2025, BCPG further strengthened its renewable portfolio by acquiring 100% shares in a group of solar rooftop projects in Thailand, totaling 17 MW, for around THB212 million. Also, BCPG has about 78 MW of solar rooftop projects in Thailand and a group of solar projects in Taiwan in the pipeline.

These assets are expected to generate stable cash flow upon commencement of operations, supporting BCPG's long-term earnings and diversification strategy.

EBITDA growth driven by investment contributions

We expect BCPG's EBITDA to grow, supported in part by rising dividends from its investments. This investment contribution is set to increase as the 600-MW Monsoon wind power project transitions from construction to cash-generating operations. Monsoon began commercial operation in August 2025, exporting power from Laos to Vietnam under a long-term PPA with EVN. We anticipate Monsoon will begin contributing dividends to BCPG from 2026 onward.

Also, we expect earnings from BCPG's U.S. CCGT assets to improve, driven by a sharp increase in PJM capacity prices. The PJM market capacity price is projected to increase sharply to USD270 per MW-day for June 2025 to May 2026 and reach the cap of about USD329 per MW-day for June 2026 to May 2027, compared with USD29 per MW-day for June 2024 to May 2025. This significant uplift reflects tight reserve margins and robust demand growth, primarily driven by data centers expansion and electrification trends. We project these investments to contribute nearly 40% of BCPG's EBITDA during the forecast period. However, the PJM market tends to be volatile, with capacity prices adjusting based on supply-demand dynamics and market fundamentals. This variability may introduce some degree of uncertainty to the company's earnings derived from merchant power assets, potentially affecting the overall cash flow generation.

BCPG is also entering new business areas such as digital infrastructure. This move aligns with the company's strategy to diversify revenue streams and leverage its clean energy expertise. The initiative is expected to offer long-term growth potential and enhance earnings stability. However, execution risks remain, given the company's limited experience in this new business. Achieving success will depend on effectively capturing demand and managing costs in a competitive landscape that includes established global and regional players.

Balancing growth and leverage through capital recycling

To balance growth with leverage through capital recycling, BCPG is in the process of divesting all wind projects in the Philippines and may consider additional asset sales in the future. In our base-case projection, we factor in BCPG's investment plan and estimate net capital expenditure of about THB10.4 billion during 2025-2027. As a result, we forecast BCPG's adjusted debt to stay in the THB21-THB24 billion range, broadly in line with the 2024 level of THB22 billion. The company's capital recycling approach should support financial flexibility while maintaining leverage at a manageable level.

In our base-case projection, we assume the acquisition of solar rooftop projects in Thailand will be completed in the fourth quarter of 2025, and the acquisition of the CBTN and PTMN projects by the end of 2025. The data center business is expected to commence commercial operations in 2026. We forecast BCPG's revenue to reach about THB3.6 billion in 2025, rising to THB4.9-THB6.5 billion in 2026-2027. Apart from the addition of new projects, we also expect BCPG to receive higher dividend income from its investments, amounting to roughly THB1.5-THB2 billion per year over the forecast period. We project EBITDA to hover around THB4-THB4.5 billion in 2025-2026 and increase to about THB5-THB5.5 billion in 2027.

As a result, we project BCPG's debt to EBITDA ratio to range 5-5.5 times in 2025-2026, before moderating to about 4 times in 2027. The debt to capitalization ratio is forecasted to decline to below 40% in 2027. Achieving these targets will depend on the timely execution of planned divestment and disciplined investment management, both of which are critical to balancing growth objectives with financial stability.

Manageable liquidity

We assess BCPG's liquidity position as manageable, supported by a solid cash balance of around THB6.9 billion and undrawn committed credit facilities of THB2.5 billion as of June 2025. Over the next 12 months, we expect BCPG to generate roughly THB2.5 billion in funds from operations (FFO). These sources of liquidity should cover the company's debt obligations of about THB2.7 billion maturing in the following 12 months.

However, we project BCPG to invest around THB10.3 billion over the same period. Given the strong fundamentals of these projects, we believe BCPG will be able to secure the necessary project-based loans to bridge the funding gap. Also, we expect that the proceeds from planned divestment will provide significant support to BCPG's funding requirements.

Debt structure

As of June 2025, BCPG had consolidated debt of roughly THB27.6 billion, excluding lease liabilities. Of this amount, THB4.6 billion was priority debt, representing all borrowings at the operating subsidiaries. The company's priority debt to total debt ratio was 17%.

BASE-CASE ASSUMPTIONS

The key assumptions underpinning our base case for BCPG's operations in 2025-2027 include:

- Average capacity factor of power plants to be:
  - Solar ~ 15%-16%
  - Wind in Thailand ~ 13%-15%
  - Wind in Vietnam ~ 32%-33%
  - Hydro ~ 55%-57%
- Revenues from tank terminal business to total about THB900 million per year.
- Net capital expenditures and investments to total THB10.4 billion.
- Net installed capacity to reach 1,677 MW in 2027.

RATING OUTLOOK

The "stable" outlook reflects our expectation that BCPG will remain a highly strategic subsidiary of BCP. The outlook also incorporates our view that BCPG will maintain financial leverage and cash flow generation at levels commensurate with our forecasts through its capital recycling strategy.

RATING SENSITIVITIES

The ratings and/or outlook for BCPG could be revised upward or downward if there are changes in BCP's credit profile or in BCPG's group status.

We could raise the SACP if the company demonstrates substantial improvement in cash generation, resulting in significantly reduced financial leverage. Conversely, we could lower the SACP if BCPG's credit metrics weaken significantly relative to our baseline forecast. This could result from more aggressive debt-funded investments, or failure to implement its capital recycling strategy. A downgrade could also be triggered if BCPG's earnings fall considerably short of projections, which could occur from lower-than-expected dividends received from the U.S. CCGT assets.

COMPANY OVERVIEW

BCPG was originally a department within BCP responsible for developing and operating the group's renewable power business. The company was spun off from BCP in 2015 and listed on the Stock Exchange of Thailand (SET) in September 2016.

Since its listing, BCPG has diversified beyond its initial focus on solar power projects in Thailand to include solar projects in Japan, geothermal plants in Indonesia, wind farms in the Philippines and Thailand, and hydropower plants in Laos. To support its growth strategy, BCPG successfully raised around THB7.4 billion through a capital increase and an additional THB2.1 billion from warrant exercises during 2020–2021, funding investment plans for 2022–2025.

In March 2022, BCPG divested all its geothermal assets in Indonesia. In 2023, the company expanded into the U.S. by acquiring stakes in four CCGT power plants, adding 857 MW to its portfolio, and entered the tank terminal business. To balance leverage and growth, BCPG divested its 117-MW solar portfolio in Japan in June 2024 and is in the process of selling all wind power projects in the Philippines.

As of September 2025, BCP held a 57.8% shareholding in BCPG and continues to exert significant influence over BCPG's strategic direction and financial policies through representation on the board of directors, the investment committee, and top management.

KEY OPERATING PERFORMANCE

Table 1: BCPG's Portfolio (As of Jun 2025)

Project	Country	Gross Capacity (MW)	Net Capacity (MW)	PPAs Tenor (Years)	Tariff Scheme
Operating Projects		**4,003.2**	**1,244.4**		
Solar farms	Thailand	188.9	188.9	5 years and automatic renew 5 years	Base tariff (Plus adder in first 10 years)
Solar farms	Thailand	38.9	38.9	25 years	Fixed feed-in tariff
Solar (private PPA)	Thailand	21.9	18.7	Up to 25 years	Base tariff (with discount)
Wind farm	Thailand	10.0	10.0	5 years and automatic renew 5 years	Base tariff (Plus adder in first 10 years)
Hydropower	Lao PDR	114.0	114.0	25 years	Fixed feed-in tariff
Wind farm	Philippines	42.5	17.0	20 years	Fixed feed-in tariff
CCGT	US	3,587.0	857.0	n.a.	Day-ahead bidding
Developing Projects		**1,207.2**	**890.0**		
Solar (private PPA)	Thailand	32.4	29.3	Up to 25 years	Base tariff (with discount)
Wind farm	Lao PDR	600.0	290.0	25 years	Fixed feed-in tariff
Solar farm	Taiwan	469.0	469.0	20 years	Fixed feed-in tariff
Wind farm	Vietnam	99.0	99.0	20 years	Fixed feed-in tariff
Wind farm	Philippines	6.8	2.7	20 years	Fixed feed-in tariff
Total		**5,210.3**	**2,134.3**		

Source: BCPG

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS *

Unit: Mil. THB

	Jan-Jun 2025	------------Year Ended 31 December --------- 2024	2023	2022	2021
Total operating revenues	1,513	4,359	5,096	5,421	4,692
Earnings before interest and taxes (EBIT)	883	2,003	2,506	2,704	3,110
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	1,552	6,360	4,090	4,079	3,791
Funds from operations (FFO)	732	4,556	2,448	2,538	2,800
Adjusted interest expense	604	1,545	1,284	891	897
Capital expenditures	177	1,036	651	1,912	3,349
Total assets	59,474	61,992	74,240	56,160	58,721
Adjusted debt	22,464	21,936	31,724	5,055	18,513
Adjusted equity	28,416	30,926	29,612	29,276	27,228
Adjusted Ratios					
EBITDA margin (%)	102.6	145.9	80.3	75.2	80.8
Pretax return on permanent capital (%)	3.1 **	3.1	4.0	4.8	5.8
EBITDA interest coverage (times)	2.6	4.1	3.2	4.6	4.2
Debt to EBITDA (times)	5.5 **	3.4	7.8	1.2	4.9
FFO to debt (%)	11.1 **	20.8	7.7	50.2	15.1
Debt to capitalization (%)	44.2	41.5	51.7	14.7	40.5

* *Consolidated financial statements*
** *Annualized with trailing 12 months*

RELATED CRITERIA

- Group Rating Methodology, 25 August 2025
- Issue Rating Criteria, 26 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

BCPG PLC (BCPG)

Company Rating:	A
Issue Ratings:	
BCPG266A: THB1,612.50 million senior unsecured debentures due 2026	A
BCPG269A: THB1,000 million senior unsecured debentures due 2026	A
BCPG276A: THB2,253.40 million senior unsecured debentures due 2027	A
BCPG276B: THB1,200 million senior unsecured debentures due 2027	A
BCPG289A: THB1,000 million senior unsecured debentures due 2028	A
BCPG296A: THB800 million senior unsecured debentures due 2029	A
BCPG319A: THB4,000 million senior unsecured debentures due 2031	A
BCPG326A: THB353.60 million senior unsecured debentures due 2032	A
BCPG339A: THB4,000 million senior unsecured debentures due 2033	A
BCPG356A: THB2,825 million senior unsecured debentures due 2035	A
Rating Outlook:	Stable

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