Electricity Generating Authority of Thailand

Government Related Entity | Regulated Utilities 30 June 2026

Issuer Credit Rating: AAA/Stable

Rating Action

TRIS Rating affirms the issuer credit rating on Electricity Generating Authority of Thailand (EGAT) at "AAA", with a "Stable" rating outlook. The rating reflects our view of the government's strong commitment to support EGAT in meeting its debt obligations, given its integral linkage with the government and its status as a major state-owned enterprise (SOE) playing a critical role in securing electricity supplies for Thailand. The rating also considers EGAT's dominant position as the country's largest power generator and sole owner of the high-voltage power transmission system in Thailand.

Key Rating Considerations

Integral linkage with the government and supporting framework

EGAT is closely linked to the government, reflecting full state ownership and control. Established under the EGAT Act B.E. 2511, the entity operates under the supervision of the Ministry of Energy (MOE) and the Ministry of Finance (MOF), with EGAT's board of directors and governor appointed by the Cabinet.

We expect continued government oversight of EGAT's operations and financial management. Key strategic directions and capital investment plans remain subject to review by relevant authorities to ensure alignment with national policy objectives.

EGAT's statutory framework underscores an almost certain likelihood of extraordinary government support in the event of financial distress. The EGAT Act provides that the government will extend support if EGAT's operating revenues are insufficient to meet expenses, including interest obligations and debt repayments.

Critical role in Thailand's power sector amid structural transition

EGAT maintains a critical role in Thailand's power sector as the primary SOE responsible for electricity generation and procuring power from private producers to meet national demand. This position underpins its strong business risk profile. However, the operating environment is undergoing structural transformation, driven by digitalization, regulatory liberalization, and the transition toward a low-carbon economy. These trends are gradually shifting the industry away from the enhanced single-buyer model toward a more decentralized generation structure, which will require EGAT to strategically broaden its value proposition beyond its traditional generation role toward system integration, grid modernization, and clean energy transition.

Despite these changes, we expect EGAT to retain its essential role in power system reliability and implementing the country's power policies. EGAT will remain crucial in providing backup capacity, modernizing the transmission grid to manage renewable energy volatility, expanding green generation capacity, and advancing carbon reduction initiatives.

Dominant position in power generation and transmission

We expect EGAT to maintain its leading position in Thailand's power sector, supported by its dominant share of generation capacity and sole ownership of the national transmission network. As of March 2026, the total contracted capacity of EGAT's grid stood at 48,852 megawatts (MW). EGAT's owned capacity accounted for 15,155 MW, or about 31% of total capacity, while the remaining capacity was sourced from private power producers of around 56% and electricity imports from neighboring countries of around 13%.

EGAT primarily distributes electricity through its national grid to state-owned distribution utilities, with approximately 71% delivered to the Provincial Electricity Authority (PEA, rated "AAA/Stable") and 27% to the Metropolitan Electricity Authority (MEA, rated "AAA/Stable"). This integrated structure supports system-wide reliability and reinforces EGAT's central role in Thailand's power value chain.

Regulated tariff framework supports margin stability

EGAT's profitability is supported by a regulated tariff framework that is designed to recover investment costs and provide an adequate return on its generation and transmission assets. The tariff structure incorporates a fuel adjustment charge (Ft), which enables the pass-through of fuel and power procurement costs to end-users, thereby stabilizing operating margins. Tariffs are regulated by the Energy Regulatory Commission (ERC), which reviews and announces the Ft adjustment every four months.

However, the timing and magnitude of Ft adjustments remain subject to regulatory discretion, which may not fully align with actual fuel cost movements. This can create mismatches between cash inflows from electricity sales and fuel-related expenses within a given period. During periods of rising fuel prices, any delay in Ft adjustments could weaken EGAT's near-term liquidity position. Conversely, adjustments that exceed current cost levels could temporarily support cash flow and improve liquidity.

Resilient operating performance supported by demand recovery

EGAT's operating performance in 2026 will remain resilient, in our view, supported by stronger electricity demand amid higher average temperatures compared with the prior year and a recovery in export-oriented manufacturing. Electricity sales volume returned to growth in the first quarter of 2026, rising approximately 4% year-on-year (y-o-y) after a 3.6% decline in 2025. The volume recovery lifted EBITDA to around THB33.9 billion, up about 19% y-o-y.

Our base-case scenario assumes sustained growth in domestic electricity consumption, underpinned by structural demand drivers including data centers, electric vehicle adoption, as well as expansion of economic zones and infrastructure projects. We project growth in electricity demand of approximately 3% in 2026, moderating to around 2% thereafter, supporting EBITDA of THB140-THB155 billion per annum over 2026-2028.

Solid financial position

EGAT's financial profile continues to strengthen, supported by progressive deleveraging and robust cash flow generation. The debt burden has declined steadily as accrued Ft receivables – built up since the 2022 energy crisis – are being reimbursed through ERC-approved tariff adjustments, with the annualized debt to EBITDA ratio improving to around 2.3 times as of March 2026.

Looking ahead, we expect EGAT's financial profile to strengthen further, with the debt to EBITDA ratio declining below 2.0 times and the debt to capitalization ratio improving to approximately 26%-32% over the next three years. We recognize potential pressure from rising accrued Ft receivables, driven by currently elevated energy prices and the government's tendency to delay tariff adjustments to mitigate the impact on end users. Nevertheless, EGAT's strong financial and liquidity position should provide an adequate buffer to absorb such pressures.

With planned capital expenditure of approximately THB140 billion over the next three years, well below its cash flow generation, EGAT is expected to rely minimally on incremental borrowing, reinforcing the deleveraging trajectory.

Prudent financial policy

EGAT's strict financial policy underpins its sustained financial stability through disciplined capital management. The enterprise maintains a minimum cash balance policy of THB45 billion and adheres to stringent internal financial guidelines. These guidelines include maintaining a debt to equity ratio not exceeding 1.5 times and a debt service coverage ratio of at least 1.5 times.

Strong liquidity position

EGAT's liquidity profile is strong, supported by substantial cash reserves and cash equivalents totaling THB110.4 billion as of March 2026, together with projected funds from operations (FFO) of about THB104 billion over the subsequent 12 months.

These liquidity sources provide adequate headroom to meet EGAT's all near-term financial obligations, including debt maturities and finance lease commitments totaling THB70.3 billion as well as planned capital expenditures of about THB40-THB43 billion.

Base-case Assumptions

Key assumptions in TRIS Rating's base-case forecast for EGAT's operations during 2026-2028 are as follows:

- Domestic electricity consumption to grow by 3% in 2026 and 2% per annum thereafter.
- EGAT's annual electricity sales to grow to 223,000 gigawatt-hours (GWh) in 2028 from 214,000 GWh in 2026.
- Average electricity tariff charged to MEA and PEA to rise to THB3.2 per kilowatt-hour (kWh) in 2026 before declining to THB2.97 per kWh thereafter.
- EBITDA margin of about 21%-24%.
- Capital expenditure and investment totaling about THB144 billion, of which EGAT will spend THB120 billion, with subsidiaries spending the rest.

Rating Outlook

The "Stable" outlook reflects our expectation that EGAT will continue to play a critical role in Thailand's power sector, supporting the stability of its business risk profile. We maintain our assessment of an almost certain likelihood of extraordinary government support in the event of financial distress.

Rating Sensitivities

We could lower the rating on EGAT if we see any adverse regulatory changes that substantially reduce EGAT's role in the Thai power industry or weaken its linkage with the Thai government. We view the likelihood of such a scenario as remote.

Organization Overview

EGAT was established in 1969, under the EGAT Act B.E. 2511, through the merger of the three SOEs responsible for supplying electricity in the country. Currently, EGAT is an SOE under the supervision of the MOE and the MOF.

EGAT is responsible for securing electricity supplies for the whole country. At the end of March 2026, EGAT owned and operated power generation facilities with a total capacity of 15,155 MW, accounting for about 31% of the total capacity in EGAT's grid. The remaining 69% was produced by private power producers or imported from neighboring countries, who sell electricity to EGAT under the enhanced single buyer model used in the Thai power industry.

EGAT's current strategic plan aligns with the National Strategy Plan, National Energy Plan, and Power Development Plan. The strategic plan was reviewed by the State Enterprise Office (SEO) under the MOF. EGAT's capital expenditures and investment plans require approval from the MOE, the Office of the National Economic and Social Development Council (NESDC), and the Cabinet. EGAT's debt service and borrowing plan must be submitted to the Public Debt Management Office (PDMO), under the MOF.

Key Operating Performance

Table 1: EGAT's Electricity Generation Capacity Breakdown

Unit: MW

	Jan-Mar 2026	2025	2024	2023	2022	2021
EGAT's own plants	**15,155**	**16,235**	**16,261**	**16,237**	**16,920**	**16,082**
Purchase from:						
IPP	18,158	18,158	19,599	17,649	16,749	15,498
SPP	9,304	9,304	9,320	9,483	9,195	9,381
Import	6,235	6,235	6,235	6,235	6,235	5,721
Total purchase	**33,697**	**33,697**	**35,153**	**33,367**	**32,179**	**30,600**
Total generation capacity	**48,852**	**49,932**	**51,414**	**49,604**	**49,099**	**46,682**
% of total						
EGAT's own plants	**31.0**	**32.5**	**31.6**	**32.7**	**34.5**	**34.4**
Purchase from:						
IPP	37.2	36.4	38.1	35.6	34.1	33.2
SPP	19.0	18.6	18.1	19.1	18.7	20.1
Import	12.8	12.5	12.1	12.6	12.7	12.3
Total purchase	**69.0**	**67.5**	**68.4**	**67.3**	**65.5**	**65.6**
Total generation capacity	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: EGAT

Table 2: EGAT's Customer Breakdown

Unit: GWh

	Jan-Mar 2026	2025	2024	2023	2022	2021
PEA	36,650	148,929	153,260	145,380	140,680	136,266
MEA	13,903	55,944	58,257	55,483	53,369	51,323
Others	812	3,470	4,543	2,905	2,641	2,639
Total sales	**51,365**	**208,343**	**216,060**	**203,768**	**196,690**	**190,228**
% of total						
PEA	71.3	71.5	70.9	71.4	71.5	71.6
MEA	27.1	26.9	27.0	27.2	27.1	27.0
Others	1.6	1.6	2.1	1.4	1.4	1.4
Total sales	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: EGAT

Financial Statistics and Key Financial Ratios*

Unit: Mil. THB

	Jan-Mar 2026		------------ Year Ended 31 December ------------ 2025	2024	2023	2022
Total operating revenues	152,734		626,748	700,559	746,844	809,372
Earnings before interest and taxes (EBIT)	22,858		81,295	101,435	95,949	89,627
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	33,955		133,954	155,619	153,621	141,035
Funds from operations (FFO)	23,378		86,419	105,653	107,643	98,447
Adjusted interest expense	10,354		46,380	48,178	44,598	40,425
Capital expenditures	6,286		29,448	29,608	31,598	29,410
Total assets	1,305,726		1,293,758	1,357,645	1,331,144	1,324,758
Adjusted debt	323,047		341,269	409,803	403,027	466,908
Adjusted equity	627,918		614,346	594,323	568,684	549,583
Adjusted Ratios						
EBITDA margin (%)	22.2		21.4	22.2	20.6	17.4
Pretax return on permanent capital (%)	7.7	**	7.1	8.8	8.5	8.7
EBITDA interest coverage (times)	3.3		2.9	3.2	3.4	3.5
Debt to EBITDA (times)	2.3	**	2.5	2.6	2.6	3.3
FFO to debt (%)	29.2	**	25.3	25.8	26.7	21.1
Debt to capitalization (%)	34.0		35.7	40.8	41.5	45.9

* *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
- Rating Methodology for Government-related Entities, 27 October 2023

Electricity Generating Authority of Thailand (EGAT)

Issuer Credit Rating:	**AAA**
Rating Outlook:	**Stable**

Rating History

Last Review Date: 30 June 2025

Date	Rating	Outlook/Alert
30-Jun-17	AAA	Stable

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