EDL-Generation Public Company

Corporate | Regulated Utilities

27 May 2026

Issuer Credit Rating: BB+/Stable

Issue Ratings:

Senior Unsecured: BB+/Stable

Rating Action

TRIS Rating affirms the issuer credit rating on EDL-Generation Public Company (EDL-Gen) at "BB+" and the ratings on its senior unsecured debentures at "BB+". At the same time, we revise the rating outlook to "Stable" from "Negative". The outlook revision follows our recent action on the Lao People's Democratic Republic (Lao PDR), in which we revised the sovereign rating outlook to "Stable" from "Negative", while affirming the sovereign rating at "BB+" on 27 May 2026.

The ratings on EDL-Gen are equalized with the rating on Electricite du Laos (EDL, rated "BB+/Stable"*) and the sovereign rating on the Lao People's Democratic Republic (Lao PDR, rated "BB+/Stable"), reflecting our assessment of EDL-Gen's status as a "core subsidiary" of EDL. The ratings also incorporate EDL-Gen's status as a state-owned enterprise of the Lao PDR and its critical role in the country's power generation.

We also revise EDL-Gen's standalone credit profile (SACP) upward to "bb+" from "bb". The revision reflects a strong recovery in the company's financial risk profile, driven by the doubling of the electricity tariff between EDL and EDL-Gen and the concurrent shift to a USD-linked tariff structure. The SACP continues to factor in EDL-Gen's strong market position in the Lao PDR's power generation sector, satisfactory operating track record, and well-diversified generation portfolio. However, the SACP remains constrained by tight liquidity stemming from concentrated debentures maturities and limited access to capital markets, as well as cash conversion risk arising from EDL's uncertain payment capacity.

Key Rating Considerations

Credit profile closely linked to EDL and the Lao PDR sovereign

EDL-Gen's credit profile remains closely linked to that of EDL and the sovereign creditworthiness of the Lao PDR. EDL, wholly owned by the Ministry of Finance of the Lao PDR (MOFL), operates as the country's state-owned power utility under government control. Given EDL's central role in executing national electricity policy and its ownership of key power generation, transmission, and distribution assets, we assess the likelihood of extraordinary government support to EDL in a stress scenario as very strong. As a result, EDL's credit profile is closely aligned with, and expected to move in tandem with, the sovereign credit profile of the Lao PDR.

EDL-Gen was established to assume EDL's power generation function. The linkage between the two entities remains strong, as EDL holds a 76.6% shareholding in EDL-Gen and continues to be the sole off-taker of EDL-Gen's electricity output as well as the exclusive operator of the national power grid. This arrangement reflects a high degree of operational integration and interdependence.

* *Our rating on EDL is solely predicated on the sovereign rating on the Lao PDR and our Government-Related Entities (GRE) Rating Methodology.*

EDL continues to exert significant influence over EDL-Gen's strategic direction, including expansion plans, future power purchase agreements (PPAs), and dividend policy. Both entities also play important roles in the Lao PDR's power development plan, which forms part of the country's broader economic and social development strategy. In our view, EDL-Gen is likely to receive timely support from the government, if needed, given its strategic importance to EDL and the national power sector.

Improved earnings capacity and reduced currency mismatch following tariff revision

EDL-Gen's operating performance improved materially in 2025, driven primarily by a tariff revision with EDL. The average tariff nearly doubled to 4.7 cents per kilowatt-hour (kWh) from 2.4 cents per kWh, effective from mid-2025. Electricity sales rose 19% year-on-year (y-o-y) to 2,996 gigawatt-hours (GWh), supported by strong operating performance of hydropower. Following the full repayment of Theun Hinboun's project loans, dividend distributions from the project increased substantially, lifting total Independent Power Producer (IPP) dividend income to LAK1.66 trillion, up 62.5% y-o-y. As a result, EBITDA nearly doubled to LAK3.66 trillion in 2025, up by 94.2% y-o-y.

Critically, the shift to a USD-linked tariff structure has also significantly reduced currency mismatch risk. Previously, EDL-Gen generated most of its revenue in LAK while its debt obligations were largely denominated in USD and THB, leaving cash flow vulnerable to sharp LAK currency depreciation. The revised tariff structure improved alignment between revenue and foreign-currency debt providing an effective natural hedge against further LAK depreciation.

Under our base-case scenario, electricity sales are projected to reach around 2,600 GWh per year, in line with historical averages. We view the tariff adjustment as a structural turning point for EDL-Gen's debt-servicing capacity, as it lifts the company's EBITDA base to a higher and more sustainable level. We incorporate a gradual tariff escalation of approximately 1% per annum toward the target level of 5.0 cents per kWh. EBITDA is expected to stabilize at approximately LAK3.7-LAK4.2 trillion per year during 2026-2028.

Improving financial leverage

EDL-Gen's financial leverage improved materially in 2025, with the debt to EBITDA ratio declining sharply to 3.9 times from 8.1 times in 2024. The improvement was driven by significantly stronger EBITDA and proactive debt management, including the divestiture of 15% equity stakes in Nam Thuen 1 and E&E Engineering and Service Co, Ltd. in September 2025 for a total of USD97 million. Of this, approximately USD48.5 million was received in 2025 and applied primarily toward debenture repayments.

We expect the deleveraging trajectory to continue, supported by disciplined cash flow management and limited capital expenditure, allowing a larger portion of funds from operations (FFO) to be directed toward debt reduction. We forecast debt to EBITDA to decline below 3.0 times over the next three years, with the FFO to debt ratio remaining above 30%.

Uncertain payment timelines from EDL constrain financial profile

Despite the structural improvement in earnings, EDL-Gen's cash flow generation remains hindered by EDL's uncertain payment capacity, which limits the conversion of EBITDA into actual cash inflows. In 2025, accounts receivable from EDL increased materially to LAK1.37 trillion, from LAK0.32 trillion in 2024, reflecting persistent payment delays. During the year, EDL settled only about 56% of total electricity invoices. We estimate that EBITDA from wholly owned power plants — representing around 60% of total EBITDA — remains exposed to EDL's uncertain ability to make timely payments in the near term.

An assessment of EDL's payment capacity is subject to uncertainty, given the limited disclosure of its debt obligations and profitability. Nevertheless, we expect EDL's financial health to improve gradually, supported by a series of

nationwide electricity tariff adjustments that should widen the margin between revenue and electricity procurement costs.

We expect EDL to prioritize payment of electricity bills to EDL-Gen to prevent any likelihood of the latter defaulting on its debentures. EDL's commitment to remit at least USD106 million in electricity payments in 2026 — approximately 80% of total invoiced amounts — reflects a strong intention to improve payment timeliness and support EDL-Gen's near-term debenture payments.

Tight liquidity stemming from concentrated debenture maturities

Liquidity pressure from sizable bullet debenture maturities, coupled with limited access to capital markets, continues to constrain EDL-Gen's credit profile. The company faces material debenture repayments of approximately THB5.6 billion (LAK3.8 trillion) during August-September 2026 and a further THB4.1 billion (LAK2.8 trillion) in January 2027. These concentrated maturities are expected to result in a liquidity shortfall and may necessitate financial support from the MOFL and local banks to ensure timely repayment.

EDL-Gen plans to issue approximately USD300 million in offshore debentures to refinance upcoming maturities, with the issuance targeted for the third quarter of 2026. Despite an anticipated high coupon cost, successful execution would ease liquidity pressure and mitigate near-term refinancing risk.

Debt structure

At the end of December 2025, EDL-Gen's total outstanding debt was around LAK14.7 trillion. There was no priority debt.

Base-case Assumptions

These are the key assumptions in our base-case forecast for EDL-Gen's operations during 2026-2028:

- Electricity sales from wholly owned power plants totaling about 2,600 GWh per annum.
- Revenue from electricity sales of LAK2.7 trillion in 2026, rising to LAK3.1 trillion in 2028.
- Operating margin of 79%-81%.
- Dividend incomes from IPP investments of LAK1.40-LAK1.70 trillion per annum.
- Capital expenditure of about LAK100 billion per annum.
- Dividend payment of LAK50 billion per year.

Rating Outlook

The "Stable" outlook on EDL-Gen mirrors those on EDL and the Lao PDR. This rests on our expectation that the linkage between EDL and EDL-Gen will remain intact as we expect EDL to continue holding a majority interest in EDL-Gen. It also reflects our expectation that EDL and EDL-Gen would receive timely government support in the event of financial distress.

Rating Sensitivities

The ratings and outlook on EDL-Gen will move in tandem with those on EDL and the Lao PDR.

We could consider an upward revision of the SACP if EDL-Gen's liquidity position improves materially. This could occur with more substantial and more timely payments from EDL, together with restored access to capital markets, which would increase financial flexibility and mitigate refinancing risk associated with large bullet debenture maturities.

Conversely, we could lower the SACP if EDL-Gen's financial risk profile deteriorates materially from our base-case projections. A tightening liquidity position, stemming, for example, from delayed financial support from MOFL, could lead to negative rating actions.

Company Overview

EDL-Gen was founded in 2010 and listed on the Lao Securities Exchange (LSX) in 2011. The incorporation of EDL-Gen was part of the restructuring of the power sector in the Lao PDR, which called for EDL-Gen to purchase current and future power generating assets from EDL. Before EDL-Gen was set up, EDL was the sole vertically integrated electric power utility, dominating all aspects of the sector in the Lao PDR, from power generation, transmission lines, to the distribution of electricity to end-users. EDL also owned stakes in several IPPs operating in the Lao PDR. Notwithstanding the transfer of its electricity generating assets to EDL-Gen, EDL remains the single buyer of electricity in the Lao PDR and the dominant electricity distributor. EDL owns almost the entire power grid in the Lao PDR.

As of February 2026, EDL held a 76.6% stake in EDL-Gen with 10% held by RATCH Group PLC. EDL-Gen owns and operates hydropower assets developed by EDL. EDL-Gen also invests in IPP hydropower projects previously held by EDL. Each of EDL-Gen's power generating assets operates under a PPA and concession covering 30 years.

As of December 2025, EDL-Gen's aggregate equity capacity was 1,657 megawatts (MW), comprising 637 MW from its 10 wholly-owned hydropower plants and 1,020 MW from equity investments in 16 IPPs.

Key Operating Performance

Table 1: EDL-Gen's Power Portfolio as of December 2025

No	Name	Location	Ownership %	Equity Capacity (MW)	COD
Wholly owned power plants					
1	Nam Ngum 1	Vientiane	100	155	1971
2	Nam Leuk	Vientiane	100	60	2000
3	Nam Mang 3	Vientiane	100	40	2005
4	Xeset 1	Saravanh	100	45	1991
5	Xeset 2	Saravanh	100	86	2009
6	Selabam	Champasak	100	13	1969
7	Nam Song	Vientiane	100	6	2012
8	Nam Sana	Vientiane	100	14	2014
9	Houay Lamphan Gnai	Xekong	100	88	2015
10	Nam Khan 2	Luang Prabang	100	130	2015
	Total			**637**	
IPPs					
1	Theun Hinboun	Bolikhamxai	60	312	1998/2013
2	Nam Ngum 2	Vientiane	25	153.8	2012
3	Houay Ho	Attapeu	20	30.4	1998
4	Nam Lik 1-2	Vientiane	10	10	2010
5	Nam Ngum 5	Vientiane	15	18	2012
6	Nam Long	Luangnamtha	20	1	2013
7	Nam Beng	Oudomxay	10	3.6	2016
8	Nam Ou 2	Luang Prabang	15	18	2017
9	Nam Ou 5	Phongsaly	15	36	2017
10	Nam Ou 6	Phongsaly	15	27	2017
11	Nam Mang 1	Bolikhamxai	10	6.4	2017
12	Xayaburi	Xayaburi	20	257	2019
13	Nam Lik 1	Vientiane	10	6.47	2019
14	Nam Tha 1	Bokeo	20	33.6	2019
15	Lower Huaylamphanh	Xekong	60	9	2021
16	Nam Theun 1	Bolikhamxai	15	97.5	2022
	Total			**1,019.7**	
Grand total				**1,656.7**	

Source: EDL-Gen

Table 2: Key Operating Indicator 2025

Indicators	Unit	2021	2022	2023	2024	2025
Power Output sold	GWh	2,299	2,795	2,945	2,517	2,996
Average Tariff	LAK/kWh	520	451	479	484	777
Total Electricity Revenue	**LAK Bil**	**1,197**	**1,267**	**1,410**	**1,219**	**2,327**
Dividend incomes from IPPs	**LAK Bil**	**475**	**468**	**455**	**1,019**	**1,656**

Source: EDL-Gen

Financial Statistics and Key Financial Ratios*

Unit: Mil. LAK

	Year Ended 31 December				
	2025	2024	2023	2022	2021
Total operating revenues	2,483,489	1,362,250	1,496,622	1,355,843	1,235,936
Earnings before interest and taxes (EBIT)	2,962,897	1,957,838	1,848,722	1,963,575	1,473,950
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	3,658,694	1,883,741	1,596,360	1,533,523	1,509,164
Funds from operations (FFO)	2,567,713	595,618	362,018	403,002	652,009
Adjusted interest expense	1,088,717	1,284,996	1,233,223	1,050,074	857,155
Capital expenditures	62,300	0	348,638	57,705	87,526
Total assets	40,217,266	29,549,445	32,120,934	29,669,222	26,552,167
Adjusted debt	14,105,539	15,200,602	19,384,518	16,921,382	16,626,897
Adjusted equity	21,734,877	8,717,531	10,432,204	11,585,568	9,230,594
Adjusted Ratios					
EBITDA margin (%)	147.3	138.3	106.7	113.1	122.1
Pretax return on permanent capital (%)	9.7	7.1	6.2	7.2	5.8
EBITDA interest coverage (times)	3.4	1.5	1.3	1.5	1.8
Debt to EBITDA (times)	3.9	8.1	12.1	11.0	11.0
FFO to debt (%)	18.2	3.9	1.9	2.4	3.9
Debt to capitalization (%)	39.4	63.6	65.0	59.4	64.3

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

EDL-Generation Public Company (EDL-Gen)

Issuer Credit Rating:	**BB+**
Issue Ratings:	
EDLGEN268A: THB137.4 million senior unsecured debentures due 2026	BB+
EDLGEN271A: THB972.4 million senior unsecured debentures due 2027	BB+
EDLGEN271B: THB2,489.5 million senior unsecured debentures due 2027	BB+
EDLGEN271C: THB646.3 million senior unsecured debentures due 2027	BB+
EDLGEN27NA: THB303 million senior unsecured debentures due 2027	BB+
EDLGEN287A: THB1,897.9 million senior unsecured debentures due 2028	BB+
EDLGEN307A: THB809.8 million senior unsecured debentures due 2030	BB+
EDLGEN311A: THB1,093.4 million senior unsecured debentures due 2031	BB+
EDLGEN337A: THB1,621.2 million senior unsecured debentures due 2033	BB+
EDLGEN269A: USD166 million senior unsecured debentures due 2026	BB+
EDLGEN289A: USD95 million senior unsecured debentures due 2028	BB+
Rating Outlook:	**Stable**

Rating History

Last Review Date: 28 May 2025

Date	Rating	Outlook/Alert
22-Sep-23	BB+	Negative
19-May-23	BBB-	Negative
20-May-22	BBB-	Stable
14-May-21	BBB-	Negative
15-May-20	BBB	Negative
28-Jun-19	BBB	Stable
12-Jun-17	BBB+	Negative
15-Oct-14	BBB+	Stable

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