

AMATA B. GRIMM POWER SPV1 LTD.

No. 6/2020
8 January 2020

CORPORATES

Issue Ratings:

Guaranteed	A-
Outlook:	Stable

Last Review Date: 11/01/19

Company Rating History:

Date	Rating	Outlook/Alert
29/03/17	A-	Stable

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RATIONALE

TRIS Rating affirms the ratings on the guaranteed debentures of Amata B. Grimm Power SPV1 Ltd. (ABPSPV) at "A-" with a "stable" rating outlook. The debentures are jointly and severally guaranteed by three power generation companies: Amata B. Grimm Power 3 Ltd. (ABP3), Amata B. Grimm Power (Rayong) 1 Ltd. (ABPR1), and Amata B. Grimm Power (Rayong) 2 Ltd. (ABPR2). ABP3, ABPR1, and ABPR2 are rated "A-" with "stable" rating outlooks by TRIS Rating. The issue ratings of ABPSPV reflect the creditworthiness of ABP3, ABPR1, and ABPR2.

KEY RATING CONSIDERATIONS

Unconditional and irrevocable guarantees

The ratings on ABPSPV's guaranteed bonds are equal to the ratings on its guarantors, ABP3, ABPR1, and ABPR2. Under the terms of the guarantee, the guarantors will jointly and severally provide unconditional and irrevocable guarantees on all amounts due under the debentures, including the principal amount of up to Bt11.5 billion, plus any interest accrued thereon, plus other related expenses.

Strong credit profile of the guarantors

The ratings on the guarantors (ABP3, ABPR1, and ABPR2) reflect the stable cash flows they receive from long-term power purchase agreements (PPAs) with the Electricity Generating Authority of Thailand (EGAT) under the Small Power Producer (SPP) scheme. Each power plant uses proven technology, and their parent company, B. Grimm Power PLC (BGRIM), also has extensive experience in power generation.

ABP3 was established in 2010 to own and operate a cogeneration power plant under the SPP scheme. The plant is located in the Amata City (Chonburi) Industrial Estate (ACCIE), Chonburi province. The power plant has an installed capacity of 132.5 megawatts (MW), plus 30 tonnes per hour of steam. ABP3 holds a 25-year power purchase agreement (PPA) with EGAT, covering 90 MW, and long-term off-take agreements with industrial customers to sell 46 MW of electricity and 13 tonnes per hour of steam.

ABPR1 was established in 2011 to own and operate a cogeneration power plant under the SPP scheme. The plant is located in the Amata City (Rayong) Industrial Estate (ACRIE), Rayong province. The power plant has an installed capacity of 123.3 MW, plus 30 tonnes per hour of steam. ABPR1 holds a 25-year PPA with EGAT, covering 90 MW, and long-term off-take agreements with industrial customers to sell 17 MW of electricity and 14 tonnes per hour of steam.

ABPR2 was established in 2011 to own and operate a cogeneration power plant under the SPP scheme. The plant is located in the ACRIE, Rayong province. The power plant has an installed capacity of 124.4 MW, plus 30 tonnes per hour of steam. ABPR2 holds a 25-year PPA with EGAT, covering 90 MW, and long-term off-take agreements with industrial customers to sell 24 MW of electricity and 14 tonnes per hour of steam.

RATING OUTLOOK

The "stable" rating outlook reflects the creditworthiness of ABP3, ABPR1, and ABPR2.

RATING SENSITIVITIES

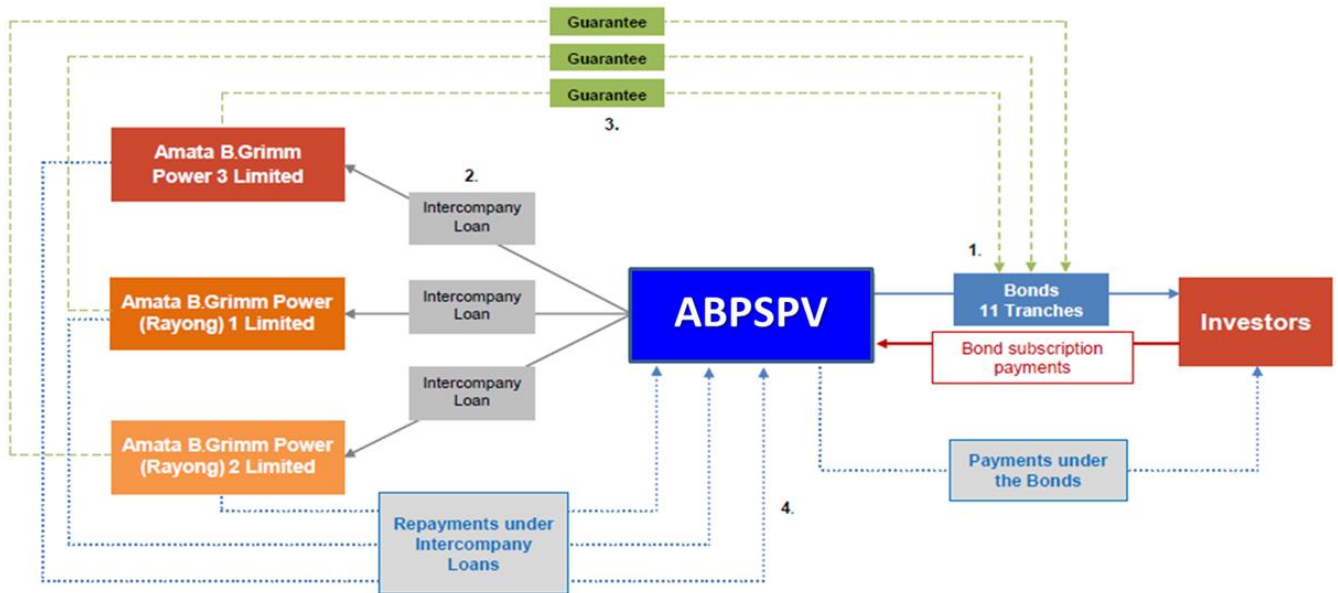
The issue ratings on ABPSPV’s guaranteed bonds may change if the ratings on any of its guarantors, ABP3, ABPR1, and ABPR2, change.

COMPANY OVERVIEW

ABPSPV was incorporated in 2011 with paid-up capital of Bt2 million as a vehicle to issue debt securities for the three power producers which BGRIM owns. ABPSPV is owned by ABP3, ABPR1, and ABPR2, each with an equal stake of 33.33%. ABPSPV was created with the sole objective to issue guaranteed debentures of up to Bt11.5 billion in 2017. The proceeds from the debentures were lent to ABP3, ABPR1, and ABPR2 so that each company could refinance outstanding project loans and gain some working capital.

ABPSPV operates no business. Thus, the cash needed to repay the debenture holders will come from the interest and principal repayments received from ABP3, ABPR1, and ABPR2. ABPSPV has inter-company loan agreements with each power generation company. The repayment schedules of the inter-company loans match the repayments due to the debenture holders.

Chart 1: ABPSPV’s Transaction Structure



1. ABPSPV issues bonds and sells to investors.
2. ABPSPV lends the proceeds from issued bonds to each project company.
3. Each project company jointly and severally guarantees the bonds.
4. ABPSPV receives interest income and principal repayments for the inter-company loans from the project companies and makes payments for the maturing bonds.

Source: ABPSPV

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS OF THE GUARANTORS

Table 1: Amata B. Grimm Power 3 Ltd. (ABP3)

Unit: Bt million

	-----Year Ended 31 December -----			
	2018	2017	2016	2015
Total operating revenues	2,980	2,825	2,739	3,160
Earnings before interest and taxes (EBIT)	557	580	486	482
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	791	814	721	724
Funds from operations (FFO)	636	641	538	363
Adjusted interest expense	151	172	180	361
Capital expenditures	7	9	13	12
Total assets	5,830	5,730	5,241	5,429
Adjusted debt	2,811	2,496	3,039	3,336
Adjusted equity	1,590	1,615	1,482	1,438

Table 2: Amata B. Grimm Power (Rayong) 1 Ltd. (ABPR1)

Unit: Bt million

	-----Year Ended 31 December -----			
	2018	2017	2016	2015
Total operating revenues	2,606	2,552	2,626	2,939
Earnings before interest and taxes (EBIT)	511	514	527	537
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	728	731	741	750
Funds from operations (FFO)	559	520	526	395
Adjusted interest expense	163	211	215	354
Capital expenditures	22	19	59	115
Total assets	5,815	5,852	5,407	5,573
Adjusted debt	3,038	2,790	2,991	3,221
Adjusted equity	1,495	1,463	1,341	1,333

Table 3: Amata B. Grimm Power (Rayong) 2 Ltd. (ABPR2)

Unit: Bt million

	-----Year Ended 31 December -----			
	2018	2017	2016	2015
Total operating revenues	2,605	2,598	2,406	2,848
Earnings before interest and taxes (EBIT)	501	559	429	505
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	730	788	659	733
Funds from operations (FFO)	568	573	458	372
Adjusted interest expense	162	216	201	360
Capital expenditures	7	4	2	7
Total assets	5,920	5,898	5,511	5,757
Adjusted debt	2,996	2,920	3,043	3,385
Adjusted equity	1,538	1,512	1,378	1,429

RELATED CRITERIA

- Rating Methodology – Corporate, 26 July 2019
- Key Financial Ratios and Adjustments, 5 September 2018
- Group Rating Methodology, 10 July 2015

Amata B. Grimm Power SPV1 Ltd. (ABPSPV)**Issue Ratings:**

ABPSPV204A: Bt1,800 million guaranteed debentures due 2020	A-
ABPSPV214A: Bt600 million guaranteed debentures due 2021	A-
ABPSPV224A: Bt1,500 million guaranteed debentures due 2022	A-
ABPSPV234A: Bt900 million guaranteed debentures due 2023	A-
ABPSPV244A: Bt900 million guaranteed debentures due 2024	A-
ABPSPV264A: Bt1,000 million guaranteed debentures due 2026	A-
ABPSPV274A: Bt1,500 million guaranteed debentures due 2027	A-
ABPSPV284A: Bt800 million guaranteed debentures due 2028	A-
ABPSPV294A: Bt1,000 million guaranteed debentures due 2029	A-
ABPSPV304A: Bt600 million guaranteed debentures due 2030	A-
ABPSPV324A: Bt900 million guaranteed debentures due 2032	A-

Rating Outlook:

Stable

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