

GLOBAL POWER SYNERGY PLC

No. 73/2019
10 October 2019

CORPORATES

Company Rating:	AA-
Issue Rating:	
Senior unsecured	AA-
Outlook:	Stable

Last Review Date: 01/10/19

Company Rating History:

Date	Rating	Outlook/Alert
01/10/19	AA-	Stable

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RATIONALE

TRIS Rating affirms the company rating on Global Power Synergy PLC (GPSC) at "AA-". At the same time, TRIS Rating assigns a rating of "AA-" to GPSC's proposed issue of up to Bt30 billion in senior unsecured debentures and the additional greenshoe portion of up to Bt5 billion. The proceeds from the proposed debentures will be used for refinancing GPSC's existing loan.

The ratings on GPSC and its debentures reflect the company's position as one of the major private power producers in Thailand, highly predictable cash flow from its long-term power purchase agreements (PPA) with the Electricity Generating Authority of Thailand (EGAT) and the PTT Group, and the company's prudent financial policy. The ratings also reflect GPSC's important role as a flagship company in the power business under the PTT Group. The ratings take into consideration the company's rising debt level following the acquisition of Glow Energy PLC (GLOW).

RATING OUTLOOK

The "stable" outlook reflects TRIS Rating's expectation that the plants in operation will continue to run smoothly and generate cash as forecast. In addition, we also expect the company to deleverage its capital structure as planned.

RATING SENSITIVITIES

A rating upgrade could occur if GPSC can smoothly integrate the power portfolio with GLOW as planned. Conversely, a rating downgrade could occur if the cash flow from operation is materially lower than expected or if the capital structure weakens significantly due to excessive debt-funded investments.

RELATED CRITERIA

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

Global Power Synergy PLC (GPSC)

Company Rating:	AA-
Issue Rating: Up to Bt30,000 million senior unsecured debentures and additional greenshoe portion of up to Bt5,000 million due within 15 years	AA-
Rating Outlook:	Stable

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