

# GLOBAL POWER SYNERGY PLC

No. 51/2020  
3 July 2020

## CORPORATES

<b>Company Rating:</b>	AA-
<b>Issue Ratings:</b>	
Senior unsecured	AA-
<b>Outlook:</b>	Stable

**Last Review Date:** 10/10/19

### Company Rating History:

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

### Contacts:

Narongchai Ponsirichusopol  
narongchai@trising.com

Pravit Chaichamnapai, CFA  
pravit@trising.com

Parat Mahuttano  
parat@trising.com

Wiyada Pratoomsuwan, CFA  
wiyada@trising.com



WWW.TRISING.COM

## RATIONALE

TRIS Rating affirms the company rating on Global Power Synergy PLC (GPSC) and its existing senior unsecured debentures at "AA-" with a "stable" outlook. At the same time, TRIS Rating assigns a rating of "AA-" to GPSC's proposed issue of up to THB5 billion in senior unsecured debentures. The proceeds from the proposed debentures will be used for financing GPSC's renewable projects.

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).

For the first quarter of 2020, GPSC's revenue stood at THB18.5 billion, a 102% growth year-on-year (y-o-y). Earnings before interest, taxes, depreciation, and amortization (EBITDA) stood at THB5.5 billion, up from THB2.3 billion from the same period in 2019. The revenue and EBITDA increase was mainly due to full quarter recognition of GLOW's revenue. The adjusted net debt was at THB91.4 billion, up from THB88.3 billion at the end of 2019. The adjusted net debt to EBITDA was at 4.1 times, improved from 4.7 times at the end of 2019.

## 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

**CreditUpdate**, reviews ratings of companies or debt issues that have already been rated by TRIS Rating. The CreditUpdate occurs when new debt instruments are issued or if significant events have taken place that may impact a company's current ratings or when current ratings are cancelled. The CreditUpdate announces whether a rating has been "upgraded," "downgraded," "affirmed" or "cancelled." The update includes information to supplement the previously published ratings.

Credit Updates are part of TRIS Rating's monitoring process. TRIS Rating monitors every rating it assigns until either the debt instrument matures or the rating contract ends. To keep the public informed of changing situations, TRIS Rating periodically issues announcements about the credit ratings it monitors.

**Global Power Synergy PLC (GPSC)**

<b>Company Rating:</b>	AA-
<b>Issue Ratings:</b>	
GPSC22NA: THB2,000 million senior unsecured debentures due 2022	AA-
GPSC24NA: THB5,000 million senior unsecured debentures due 2024	AA-
GPSC26NA: THB6,000 million senior unsecured debentures due 2026	AA-
GPSC29NA: THB8,000 million senior unsecured debentures due 2029	AA-
GPSC31NA: THB7,500 million senior unsecured debentures due 2031	AA-
GPSC34NA: THB6,500 million senior unsecured debentures due 2034	AA-
Up to THB5,000 million senior unsecured debentures due within 15 years	AA-
<b>Rating Outlook:</b>	Stable

**TRIS Rating Co., Ltd.**

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: 0-2098-3000

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