

NATIONAL POWER SUPPLY PLC

No. 25/2021

30 March 2021

CORPORATES

Company Rating:	BBB
Issue Ratings:	
Senior unsecured	BBB
Outlook:	Stable

Last Review Date: 28/08/20

Company Rating History:

Date	Rating	Outlook/Alert
28/08/20	BBB	Stable
16/11/17	BBB-	Stable
28/11/16	BBB	Negative
08/01/10	BBB	Stable
21/07/05	BBB+	Stable

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RATIONALE

TRIS Rating affirms the company rating on National Power Supply PLC (NPS) and the ratings on NPS's outstanding senior unsecured debentures at "BBB". At the same time, TRIS Rating assigns the rating of "BBB" to NPS's proposed issue of up to THB5.5 billion in senior unsecured debentures. The proceeds from the new debentures will mainly be used to repay its coming due debentures and/or finance its working capital.

The "BBB" ratings continue to reflect NPS's reliable cash flows from long-term Power Purchase Agreements (PPAs) under the Small Power Producer (SPP) scheme with the Electricity Generating Authority of Thailand (EGAT) and Double A (1991) PLC (DA). The ratings are partially offset by the ongoing group restructuring.

NPS's performance continued to improve in 2020. The company's earnings before interest, taxes, depreciation, and amortization (EBITDA) increase by 3.2% to THB4.6 billion in 2020. The company's adjusted debt was THB13.8 billion at the end of 2020, declining from THB16.6 billion at the end of 2019. The debt to EBITDA ratio improved to 3.0 times in 2020 from 3.7 times in 2019.

RATING OUTLOOK

The "stable" outlook reflects our expectation that NPS's power plants can maintain their operating performance and generate reliable cash flow as planned.

RATING SENSITIVITIES

The reliability of the power plants and operating cash flow are positive factors for the ratings. In contrast, negative factors that could lead to downward rating revision include a material deterioration in operating performance or a significantly weakened capital structure.

RELATED CRITERIA

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

National Power Supply PLC (NPS)

Company Rating:	BBB
Issue Ratings:	
NPS218A: THB5,000 million senior unsecured debentures due 2021	BBB
NPS242A: THB1,383.7 million senior unsecured debentures due 2024	BBB
NPS258A: THB2,298.2 million senior unsecured debentures due 2025	BBB
Up to THB5,500 million senior unsecured debentures due within 10 years	BBB
Rating Outlook:	Stable

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