

Solar United Network Pte. Ltd. (SUNP)

Company Rating *ii***BBB+/Stable**

Rated Issue

SUN Energy Green Bond
Year 2022

*ii***BBB+**

“Debt securities with *ii***BBB** has an adequate level of certainty to honor its financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories.”
The plus sign (+) indicates that the rating given is closer to the rating scale above it.

Rating Period

September 30, 2024 – October 1, 2025

Rating History

July, 2023

*ii***BBB+/Stable**

July, 2022

*ii***BBB+/Stable**

Kredit Rating Indonesia has affirmed ‘*ii*BBB+’ rating to SUN Energy Green Bond Year 2022 totaling USD80 million.

Kredit Rating Indonesia (KRI) has affirmed ‘*ii*BBB+’ rating to Solar United Network Pte. Ltd. (SUNP or the Company) and SUN Energy Green Bond Year 2022 totaling USD80 million. The outlook for the Company rating is Stable. The ratings reflect SUNP’s aggressive leverage level and weaker cash flow protection. However, strong growth potential from its subsidiaries is also considered in its ratings.

SUNP is holding company of Solar United Network Thailand I Limited (SUNTH1/*ii*BBB+), Solar United Network Thailand II Limited (SUNTH2/*ii*BBB+), PT Energi Mitra Investama (EMI/*ii*BBB-) and Merredin Holding Company Pty Ltd as trustee for Merredin Holding Trust (MHT/*ii*BBB+). Through these subholdings’ subsidiaries, SUNP focuses on Commercial & Industrial solar energy development. The Company recorded USD24.6 million of revenue and USD323.1 million of assets in 2023. The successful asset acquisition in Western Australia contributed significantly to the Company’s growth. Outside existing projects in Australia, Thailand and Indonesia, SUNP has actively expanded its projects to Vietnam and Taiwan.

KRI evaluates SUNP’s rating based on the credit quality of MHT, SUNTH1, SUNTH2 and EMI’s main subsidiaries, which are Merredin Project Company Pty Ltd as trustee for Merredin Project Trust (MPT/*ii*BBB+), Nakhon Ratchasima Solar Company Limited (NRS/*ii*BBB+), Chiang Rai Solar Company Limited (CRS/*ii*BBB+), and PT Surya Utama Nuansa (SUN/*ii*BBB-). The credit profile these operating subsidiaries are the main anchor of SUNP’s credit ratings.

SUNP’s issued SUN Energy Green Bond totaling USD70 million in 2022. Based on second party opinion from Moody’s ESG Solution, the bond is aligned with core components of ICMA’s Green Bond Principles 2021. KRI is of the view that SUNP has an aggressive capital structure. In 2022, the Company’s DER stood at alarming level of 10.8x (2021:0.9x). However, in March 2023, a restructurization of the USD60 million Facility Loan into a Perpetual Bond improved the DER to 1.5x, qualifying the instrument as equity. In FY2023, the ratio stood at 5.7x.

The ratings could be raised if SUNP could improve its profitability and operating cashflow. However, the ratings could be lowered if the Company failed to receive capital injection which could jeopardize its leverage position.

SUNP Financial Result Highlights (Consolidated)

As of/For the years ended	Dec 2023 (Unaudited)	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)
Total Assets (USD, Mn)	323.1	334.3	90.9	58.1
Total Debt (USD, Mn)	232.6	216.5	47.1	53.0
Total Equity (USD, Mn)	19.5	24.9	41.4	3.2
Total Revenue (USD, Mn)	24.7	15.3	6.5	0.0
Net Income (USD, Mn)	-22.8	-6.0	-1.8	-0.06
Net Profit Margin (%)	-92.3	-39.2	-27.7	-
Debt to Equity Ratio (X)	5.7	10.8	0.9	16.6
Debt to Asset (X)	0.7	0.7	0.5	0.9
Return on Asset (%)	-7.1	-1.8	-2.0	-0.2
Return on Equity (%)	-119.4	-24.1	-4.4	-3.1

Analyst : Gromy Pilipi Pranata Purba (gromy.purba@kreditratingindonesia.com)

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