

THAI BEVERAGE PLC

No. 4/2017

20 December 2017

Company Rating: AA+

CreditAlert Designation: Negative

Company Rating History:

Date	Rating	Outlook/Alert
10/11/17	AA+	Stable
04/10/16	AA+	Stable
05/10/15	AA	Stable
28/05/13	AA-	Stable
20/07/12	AA	Alert Negative
04/03/10	AA	Stable
09/01/07	AA-	Stable
17/01/06	A+	Stable

Rating Rationale

TRIS Rating places the “AA+” company rating of Thai Beverage PLC (ThaiBev) on CreditAlert, with a “negative” implication. The rating action follows the announcement on 19 December 2017 that the company, together with its subsidiaries, has agreed to purchase 53.59% of all outstanding shares of Saigon Beer-Alcohol-Beverage Joint Stock Corporation (Sabeco) for a total of VND109,956.6 billion (approximately Bt156.0 billion). The acquisition will be funded by loans from several financial institutions, and is expected to be completed by the end of 2017.

Sabeco is the largest beer producer in Vietnam. ThaiBev expects the acquisition of Sabeco will help expand its market presence in the Vietnamese market, broadening its dominance in the beverage market in ASEAN.

The “negative” alert designation reflects the impact of the sizable debt-funded transaction on the company’s financial profile. TRIS Rating will resolve the CreditAlert once more information is provided and thoroughly analyzed.

Thai Beverage PLC (ThaiBev)

Company Rating:

AA+

CREDITALERT DESIGNATION:

Negative

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CreditAlert, as part of TRIS Rating's monitoring process as a public warning when there is insufficient information to fully assess and reconsider a debt instrument's current rating or when significant events have occurred that may affect the company's rating already assigned by TRIS Rating. CreditAlert designations may be "positive" or "negative" or "developing", depending on the likely impact of a particular situation. The existing rating continues unchanged for the present. Monitoring is done until the debt instrument matures or the company's rating contract expires.