

BBGI PLC

No. 3/2023
19 January 2023

CORPORATES

Company Rating: A-
CreditAlert: Negative

Last Review Date: 27/10/22

Company Rating History:

Date	Rating	Outlook/Alert
27/10/22	A-	Stable
27/10/20	BBB+	Stable

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RATIONALE

TRIS Rating places the company rating of “A-” on BBGI PLC (BBGI) on CreditAlert with a “negative” implication. This follows our rating action on the company rating on Bangchak Corporation PLC (BCP), its parent company.

On 19 January 2023, TRIS Rating places CreditAlert with a “negative” implication on all ratings on BCP, including the company rating. The rating action follows BCP’s announcement of its intention to acquire 65.99% of the existing shares of ESSO (Thailand) PLC from ExxonMobil Asia Holdings Pte. The transaction is expected to be completed in the second half of this year, subject to the approval of BCP’s shareholders and the fulfillment of conditions precedent stipulated in the Share Purchase Agreement between the two parties. The CreditAlert indicates uncertainties surrounding the potential impact of the takeover on BCP’s creditworthiness.

We aim to remove the CreditAlert as the transaction reaches a close after we gain a clearer picture of BCP’s post-acquisition credit profile. Our assessment will focus on the potential impact on business strategies, group structure, concrete integration plans, synergies, and long-term capital structure. We will closely monitor developments related to the transaction and take appropriate rating actions accordingly.

The company rating on BBGI currently incorporates a two-notch uplift from its stand-alone credit profile (SACP), reflecting our view of BBGI as a strategically important subsidiary of BCP. The rating remains unchanged as of this CreditAlert announcement. However, any change in the credit profile of BCP or a weakened linkage between BBGI and BCP would impact the company rating on BBGI.

RELATED CRITERIA

- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

BBGI PLC (BBGI)

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TRIS Rating Co., Ltd.

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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. Credit Alert 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.