

BANGCHAK CORPORATION PLC

No. 83/2018

14 December 2018

CORPORATES

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

Last Review Date: 06/12/18

Company Rating History:

Date	Rating	Outlook/Alert
04/11/15	A	Stable
26/12/12	A-	Stable
06/07/12	A-	Alert Negative
12/10/10	A-	Stable
05/11/09	BBB+	Positive
05/11/08	BBB+	Stable

Contacts:

Sermwit Sriyotha

sermwit@trisrating.com

Pravit Chaichamnapai, CFA

pravit@trisrating.com

Parat Mahuttano

parat@trisrating.com

Wiyada Pratoomsuwan, CFA

wiyada@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating affirms the company rating on Bangchak Corporation PLC (BCP) and the ratings on BCP's existing senior unsecured debentures at "A". At the same time, TRIS Rating assigns the rating of "A" to BCP's proposed issue of up to Bt7,000 million in senior unsecured debentures. The assigned issue rating has replaced the rating of the proposed issue of up to Bt5,000 million announced on 6 December 2018, as the company decided to increase the bond size. The proceeds from the new debentures will be used for refinancing, working capital, and business expansion.

The ratings continue to reflect BCP's long track record in oil refining and marketing businesses, its leading market position in the oil retailing business, and its diversification into green energy businesses. The ratings are partially offset by increasing leverage due to the company's investment plan for the upgrade of its refinery and the expansion into new businesses.

RATING OUTLOOK

The "stable" outlook reflects the expectation that BCP will retain its strong market position in the marketing segment. The investments in the power projects are expected to generate sustainable streams of cash and will offset the impact from fluctuations in the oil refining and marketing businesses for BCP.

RATING SENSITIVITIES

An upside for BCP's ratings may occur if the company generates sizable and recurring cash flow from its diversification efforts, while not materially deteriorating its capital structure. A rating downside may occur if BCP's capital structure significantly deteriorates due to aggressive debt-funded investments or if the company incurs substantial losses from its investments.

RELATED CRITERIA

- Key Financial Ratios and Adjustments, 5 September 2018
- Rating Methodology – Corporate, 31 October 2007

Bangchak Corporation PLC (BCP)

Company Rating:	A
Issue Ratings:	
BCP194A: Bt2,000 million senior unsecured debentures due 2019	A
BCP194B: Bt2,000 million senior unsecured debentures due 2019	A
BCP208A: Bt3,000 million senior unsecured debentures due 2020	A
BCP214A: Bt2,500 million senior unsecured debentures due 2021	A
BCP224A: Bt1,000 million senior unsecured debentures due 2022	A
BCP238A: Bt400 million senior unsecured debentures due 2023	A
BCP244A: Bt3,500 million senior unsecured debentures due 2024	A
BCP258A: Bt600 million senior unsecured debentures due 2025	A
BCP273A: Bt2,000 million senior unsecured debentures due 2027	A
BCP303A: Bt1,000 million senior unsecured debentures due 2030	A
Up to Bt7,000 million senior unsecured debentures due within 10 years	A
Rating Outlook:	Stable

TRIS Rating Co., Ltd.

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

© Copyright 2018, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at www.trisrating.com/rating-information/rating-criteria