

INDORAMA VENTURES PLC

No. 7/2019
9 August 2019

CORPORATES

Company Rating:	AA-
Issue Ratings:	
Senior unsecured	AA-
Hybrid	A
CreditAlert:	Developing

Last Review Date: 29/08/18

Company Rating History:

Date	Rating	Outlook/Alert
29/08/18	AA-	Stable
18/10/17	A+	Positive
09/09/11	A+	Stable

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RATIONALE

TRIS Rating has placed the company rating and issue ratings on Indorama Ventures PLC (IVL) on CreditAlert with a "Developing" implication, following IVL's announcement to acquire certain businesses from Huntsman Corporation, USA (Huntsman).

IVL announced on 8 August 2019 that it had signed a definitive agreement to purchase certain integrated Oxides and Derivatives businesses from Huntsman. The purchase price is based on the enterprise value of US\$2.076 billion (equivalent to about Bt64.31 billion) including pension obligations. The transaction is expected to be completed within the end of 2019, subject to regulatory approvals. IVL plans to fund the acquisition by US\$1.50 billion of debt plus US\$500 million of operating cash flow.

TRIS Rating views that the acquisition could enhance IVL's business profile. IVL's total capacity will increase by 3 million tonnes per annum (MTA) from 14.7 MTA. This transaction also enables IVL to enter into the downstream of specialty chemicals, which is expected to enhance overall margin. IVL expects that these assets will add up about US\$250-US\$300 million per year of EBITDA to IVL. However, IVL's leverage is expected to increase as the acquisition is going to be funded mostly by debt. TRIS Rating estimates the transaction could raise IVL's total debt to capitalization ratio to around 55%-60% from 52.4% at the end of June 2019. The impacts from the transaction on IVL's financial profile still need to be fully assessed.

TRIS Rating will resolve the CreditAlert once it has completed detailed assessment the transaction's implication on IVL's credit profile.

RELATED CRITERIA

- Rating Methodology – Corporate, 26 July 2019
- Hybrid Securities Rating Criteria, 12 September 2018
- Key Financial Ratios and Adjustments, 5 September 2018

Indorama Ventures PLC (IVL)

Company Rating:	AA-
Issue Ratings:	
IVL205A: Bt2,000 million senior unsecured debentures due 2020	AA-
IVL206A: Bt520 million senior unsecured debentures due 2020	AA-
IVL20DA: Bt880 million senior unsecured debentures due 2020	AA-
IVL216A: Bt3,000 million senior unsecured debentures due 2021	AA-
IVL210A: Bt37 million senior unsecured debentures due 2021	AA-
IVL210B: Bt3,163 million senior unsecured debentures due 2021	AA-
IVL210C: Bt300 million senior unsecured debentures due 2021	AA-
IVL224A: Bt1,250.5 million senior unsecured debentures due 2022	AA-
IVL224B: Bt2,649.5 million senior unsecured debentures due 2022	AA-
IVL225A: Bt500 million senior unsecured debentures due 2022	AA-
IVL22DA: Bt1,645 million senior unsecured debentures due 2022	AA-
IVL236A: Bt1,100 million senior unsecured debentures due 2023	AA-
IVL236B: Bt3,000 million senior unsecured debentures due 2023	AA-
IVL243A: Bt1,400 million senior unsecured debentures due 2024	AA-
IVL245A: Bt1,000 million senior unsecured debentures due 2024	AA-
IVL24NA: Bt300 million senior unsecured debentures due 2024	AA-
IVL24DA: Bt1,475 million senior unsecured debentures due 2024	AA-
IVL256A: Bt1,500 million senior unsecured debentures due 2025	AA-
IVL25DA: Bt1,150 million senior unsecured debentures due 2025	AA-
IVL260A: Bt200 million senior unsecured debentures due 2026	AA-
IVL275A: Bt2,000 million senior unsecured debentures due 2027	AA-
IVL27NA: Bt700 million senior unsecured debentures due 2027	AA-
IVL286A: Bt1,800 million senior unsecured debentures due 2028	AA-
IVL280A: Bt2,200 million senior unsecured debentures due 2028	AA-
IVL295A: Bt2,000 million senior unsecured debentures due 2029	AA-
IVL306A: Bt5,000 million senior unsecured debentures due 2030	AA-
IVL310A: Bt2,300 million senior unsecured debentures due 2031	AA-
IVL32NA: Bt1,000 million senior unsecured debentures due 2032	AA-
IVL336A: Bt3,200 million senior unsecured debentures due 2033	AA-
IVL14PA: Bt15,000 million subordinated capital debentures	A
CREDITALERT:	Developing

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