

# ESSO (THAILAND) PLC

No. 4/2023  
19 January 2023

## CORPORATES

Company Rating: A+  
CreditAlert: Negative

Last Review Date: 21/12/22

### Company Rating History:

Date	Rating	Outlook/Alert
21/12/22	A+	Stable
11/06/20	A	Stable
21/11/08	A+	Stable

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## RATIONALE

TRIS Rating places the company rating of "A+" on Esso (Thailand) PLC (ESSO) on CreditAlert with a "negative" implication. ESSO has announced that ExxonMobil Asia Holding Pte. Ltd (ExxonMobil Asia), its largest shareholder, has entered into a Share Purchase Agreement (SPA) with Bangchak Corporation PLC (BCP) to sell all of its 65.99% shareholding in ESSO to BCP. This 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 SPA. BCP intends to conduct a tender offer for the remaining shares after the transaction.

The company rating on ESSO currently incorporates our view that ESSO is strategically important to Exxon Mobil Corporation (ExxonMobil, rated "AA-/Stable" by S&P Global Ratings). The CreditAlert indicates that the three-notch uplift to ESSO's standalone credit profile (SACP) of "bbb+" would no longer be applicable should the transaction materialize. In the meantime, we expect ESSO to continue receiving supports from the ExxonMobil Group in conducting its ordinary business until the completion of contemplated shares sale.

After the takeover, ESSO will become a subsidiary of BCP. As a result, the rating on ESSO will be closely linked to the credit profile of BCP. We aim to remove the CreditAlert as the transaction nears a close, after we have 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. In addition, we will also assess ESSO's would-be group status to the Bangchak Group. In the meantime, we will closely monitor developments related to the transaction and take appropriate rating actions accordingly.

## 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

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**ESSO (Thailand) PLC (ESSO)**

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<b>Company Rating:</b>	A+
<b>CreditAlert:</b>	Negative

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**TRIS Rating Co., Ltd.**

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