

# **RATINGS SERVICES FOR CORPORATE ENTITIES**



**STANDARD & POOR'S  
RATINGS SERVICES**

McGRAW HILL FINANCIAL



# WHEN YOU'RE LOOKING TO GAIN FURTHER INSIGHT ON CREDIT RISK

We are one of the world's leading providers of independent credit risk research, combining our credit opinions with our extensive experience and panoramic view of the global credit markets.

Our credit ratings provide you with the analysis that may enable you to:

- Successfully access the debt capital markets
- Negotiate on credit conditions with banks and other financial counterparties
- Increase bargaining power with non-financial counterparties

## OUR RATINGS BY TYPE

### **Issuer/Corporate Credit**

**Ratings** – An opinion about a company's ability to meet its financial obligations in full and on time.

### **Issue Ratings** (bond/loan) –

An opinion about the creditworthiness of an obligor and its specific financial obligation(s) or financial programme(s).

### **Recovery Ratings** –

An opinion about expected recovery if an issuer defaults on an obligation.

## **Our different types of ratings could help you by providing:**

### **An analytical aid for managing multiple sources of financing and the potential impact of changing markets**

Ratings may help you if you are considering a range of funding options, and may help you find efficient and cost-effective choices of financing. As benchmarks of relative creditworthiness, ratings may help create opportunities to access the liquidity provided by international capital markets.

### **Confidence for your management team in adverse conditions**

A new bond issue or general syndication could be delayed by adverse market conditions or changes in a business or sector. In this respect, many transactions could benefit from our analysis and issue and recovery ratings of a specific obligation, which in turn could help provide greater transparency and therefore help you attract a greater range of potential investors/lenders.

### **A benchmark of creditworthiness for trade counterparties**

If you are undertaking a joint venture, negotiating on trade receivables, or have other exposures that are unrelated to capital market activities, you can request an issuer rating. The credit rating, provided on a public or private basis, may help you demonstrate your company's relative credit standing, which may then help you to negotiate improved terms.

### **Improved loan pricing, expanded investor base**

When considering borrowing from non-traditional lenders, loan and recovery ratings may help you get more precise pricing on syndicated loans by providing an independent, third-party credit opinion to inform your potential lenders. By providing a benchmark, ratings may also help expand a loan's initial investor base and clarify, for senior lenders, their relative standing, compared with bondholders or other creditors.



## OUR RATINGS BY STAGE

**Proposed Issue Ratings** – Proposed new issues will normally be rated on a 'current structure' basis and any potential impact on the issuer rating will be reflected using our Ratings Outlook or CreditWatch designations, as appropriate.

**Preliminary Ratings** – Ratings can also be assigned based on final documentation before completion of a transformative, prospective financing or strategic event. These preliminary ratings are expressed using a '(prelim)' suffix on the issuer, issue and recovery ratings.

## OUR RATINGS BY DISTRIBUTION

**Public Ratings** (issuer/issue/recovery) – Through our website and various news media, for issuers of publicly rated securities or private loan transactions exceeding EUR750m.

**Private Ratings** (issuer/issue/recovery) – On a secure website for distribution to up to 75 named third parties post-syndication, for issuers of private debt facilities less than EUR750m.

**Confidential Ratings** (issuer/recovery) – For companies wanting an internal benchmark where no distribution is required.

## An early-stage rating may provide you with:

### **Flexibility to demonstrate changing credit metrics**

Under our traditional issuer, issue and recovery ratings methodology, we can rate the impact of planned new issues for both currently rated and previously unrated issuers. Ratings may be assigned in the form of either proposed ratings or, in the case of a transformative structure on a previously unrated issuer, preliminary ratings. If a preliminary rating, which incorporates the impact of the planned transformative event, is appropriate and requested, these will be assigned at the issuer, issue and recovery level. Preliminary ratings are available where the transformative event is expected within 90 days of the ratings being assigned.

### **Identify the creditworthiness of an entity being incorporated**

Where there are open issues related to final structure, documentation or legal opinions as a new entity is being formed, a preliminary rating can provide our early credit opinion. Once the outstanding points are resolved, the ratings can become final.

### **Post-transaction creditworthiness of a planned refinancing**

Ratings are often requested by investors before they commit to new transactions. They will typically be looking for an opinion on the new financing that would not be provided by a rating of the current structure. Preliminary ratings may meet this need for a credit opinion on a previously unrated issuer's prospective capital structure at the point at which investors are asked to commit. Under these circumstances, a preliminary rating could make your company more attractive to investors.

## Our varied distribution options enable you to:

### **Reach a large yet targeted audience, *with public ratings***

Our public distribution through our website and various news media can reach a global audience. Frequently used to support IPOs, dividend recapitalisations, new financings and counterparty exposures, public ratings are mentioned in public offering documents, reports and promotional materials.

### **Support loan financings and trade exposures, *with private ratings***

Private ratings for mid-range loan financings of up to EUR750m of rated debt provide additional ratings support to the private market. You may also use private ratings to demonstrate your general creditworthiness to non-financial counterparties. Since the ratings are provided only to a limited number of third parties, who are invited to view them on a secure website, you would remain in control of access.

### **Take advantage of sometimes narrow issuance opportunities, *with confidential ratings***

You can request a confidential rating, along with an indication of the recovery prospects of its proposed issue. This may benefit you if you're looking to issue debt in uncertain credit markets. If you decide to progress with an issue, you can request a conversion to a public or private rating.

### **Benchmark the effect of credit scene changes, *with confidential ratings***

In an uncertain credit environment, today's changes to a company's structure or business fundamentals may affect a long-term strategic plan. Maintaining a confidential rating opinion helps you understand external views of creditworthiness and plan your financial and strategic options. This may lead to more confident decision making, and provide you with the option to make the rating public or private at the appropriate time.

## For More Information

### **Cameron Andrews**

Director, Products and Services  
cameron.andrews@standardandpoors.com

### **Richard Anthony-Smith**

Senior Director, Client Business Management  
Western Europe  
richard.anthonysmith@standardandpoors.com

### **Chris Porter**

Head of Loan Ratings, Product Management  
EMEA  
chris.porter@standardandpoors.com

### **Sandra Pereira**

Senior Director, Client Business Management  
Developing Markets  
sandra.pereira@standardandpoors.com

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