

Pesquera Exalmar S.A.A.'s Senior Unsecured Notes For \$60.922 Million Rated 'B-'

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MEXICO CITY (S&P Global Ratings) May 21, 2018--S&P Global Ratings assigned its 'B-' issue-level rating to Pesquera Exalmar S.A.A.'s (Exalmar; B-/Negative/--) senior unsecured notes for \$60.922 million due 2025 that it issued on Feb. 9, 2018.

On Feb. 6, 2018, Exalmar completed the exchange offer of \$60.922 million of its outstanding 7.375% senior notes due 2020 for the 8% senior notes due 2025, the plans for which the company announced at the end of 2017. In our view, the transaction didn't constitute a distressed exchange because the company announced the offer well in advance of the existing notes' 2020 maturity, and the offer incorporated a par-value exchange with a higher interest rate. The transaction extended Exalmar's debt maturity profile.

The rating on the notes is at the same level as the corporate credit rating, given that the notes rank equally with all of the company's other unsecured senior debt. Exalmar's priority debt ratio represents around 20% of total debt. Given that this ratio is less than 50%, the senior unsecured notes are not subordinated.

The credit rating on Exalmar reflects its liquidity constraints, because the company has to address the January 2020 maturity on its remaining senior unsecured notes for around \$108 million. Failure to execute a liability management plan during 2018 would result in a higher refinancing risk, and therefore could trigger a downgrade.

For further information on Exalmar's debt exchange offer, please refer to "Pesquera Exalmar S.A.A. 'B-' Ratings Affirmed Following Debt Exchange Offer; Outlook Remains Negative", published Dec. 29, 2017. For further information on our corporate credit rating on the company, please refer to "Pesquera Exalmar S.A.A. 'B-' Corporate Credit And Issue-Level Ratings Affirmed; Outlook Still Negative", published Oct. 2, 2017.

RELATED CRITERIA

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Criteria - Corporates - Industrials: Key Credit Factors For The Agribusiness And Commodity Foods Industry, Jan. 29, 2015
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

RATINGS LIST

Pesquera Exalmar S.A.A.	
Corporate Credit Rating	B-/Negative/--
Senior Unsecured	B-

Rating Assigned

Pesquera Exalmar S.A.A.	
Senior Unsecured notes	B-

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further

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