

## RATING ACTION COMMENTARY

# Fitch Downgrades Raizen's IDRs to 'C'

Thu 12 Mar, 2026 - 11:27 ET

Fitch Ratings - São Paulo - 12 Mar 2026: Fitch Ratings has downgraded Raizen S.A.'s and Raizen Energia S.A.'s (jointly, Raizen) Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) to 'C' from 'CCC'. Fitch has also downgraded Raizen Fuels Finance S.A.'s senior unsecured notes due in 2027, 2032, 2034, 2035, 2037 and 2054 to 'C' from 'CCC' with a Recovery Rating of 'RR4' to all instruments.

Additionally, Fitch has downgraded Raizen's National Long-Term Ratings and its second, third and fourth debentures issued by Raizen S.A. and fourth and fifth debentures issued by Raizen Energia S.A to 'C(bra)' from 'CCC(bra)'.

On March 11, 2026 Raizen announced that it had entered into an agreement with some of its creditors for an out-of-court debt restructuring plan. The plan may include a partial conversion of debt into equity, a debt exchange into new instruments and capital injections, among other corporate reorganization initiatives.

Raizen has 90 days to conclude the restructuring plan by securing approval from creditors holding more than 50% of senior unsecured debt. Once approved, the plan will bind all senior unsecured creditors to the same conditions. During this period, the company has a standstill agreement.

Fitch considers Raizen to be in a default-like process.

If Raizen formally announces the conclusion of the out-of-court restructuring plan, Fitch will downgrade the ratings to 'RD' to reflect a restricted default and will assign ratings incorporating the new capital structure and business plan.

## KEY RATING DRIVERS

**Out-of-Court Restructuring Plan:** Raizen's petition for an out-of-court restructuring plan has the support of a portion of its senior unsecured creditors. The supporters represent about 47% of the company's total senior unsecured creditors with about BRL

30.7 billion in debt. The plan provides Raizen a 90-day standstill for all senior unsecured lenders, during which it will have to secure the participation of more unsecured creditors to reach a simple majority of the creditors in this class and bind all unsecured creditors, ~BRL 65.1 billion, to the same terms and conditions. Fitch considers this as a default-like process.

The restructuring plan does not affect Raizen Group's obligations toward customers, suppliers, distributors, or other commercial partners that are essential to its operations. Senior secured lenders with fiduciary liens and ACC (Advance on Foreign Exchange Contracts) creditors are not subject to the plan as well.

## **CORPORATE RATING TOOL INPUTS AND SCORES**

Fitch scored the issuer as follows, using our Corporate Rating Tool (CRT) to produce the Standalone Credit Profile (SCP):

- Business and financial profile factors (assessment, relative importance): Management (bb, Moderate), Sector Characteristics (bbb, Moderate), Market and Competitive Positioning (bbb, Moderate), Diversification and Asset Quality (bbb, Moderate), Company Operational Characteristics (bbb-, Lower), Profitability (ccc, Moderate), Financial Structure (ccc-, Higher), and Financial Flexibility (ccc, Moderate).

- The quantitative financial subfactors are based on standard CRT financial period parameters: 20% weight for the latest historical year 2024, 40% for the forecast year 2025 and 40% for the forecast year 2026.

- The Governance assessment of 'Good' results in no adjustment.

- The Operating Environment assessment of 'bb' results in no adjustment.

- The other risk elements adjustment applies and results in an adjustment of -3 notch(es).

- The SCP is 'c'.

- No adjustments made to SCP resulting in a Local and Foreign currency IDRs of 'C'.

To derive the IDR: C

## **RECOVERY ANALYSIS**

The recovery analysis assumes Raizen would be reorganized as a going-concern (GC) in bankruptcy rather than be liquidated. Fitch has assumed a 10% administrative claim.

The GC EBITDA assumption is about BRL10 billion.

An enterprise value (EV) multiple of 5x EBITDA is applied to the GC EBITDA to calculate a post-reorganization EV. Fitch uses a multiple of 5x that reflects the sector dynamics and the company's business profile.

Due to the 'RR4' country cap for Brazilian corporates, Fitch caps the recovery rating on the senior unsecured notes at 'RR4', despite potential higher projected recoveries.

## **RATING SENSITIVITIES**

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- The formal announcement of the approval of the Out-of-Court Restructuring Plan;
- Missed payment of any financial obligations after the expiration of cure periods.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Fitch will reassess the IDRs upon the completion of a debt restructuring; the IDRs would reflect the new capital structure and credit profile.

## **LIQUIDITY AND DEBT STRUCTURE**

Raizen has just applied for an out-of-court restructuring plan. Fitch will monitor liquidity and debt structure under the plan.

## **ISSUER PROFILE**

Raizen is the leading S&E producer and the second-largest fuel distributor in Brazil with a presence in Argentina. The company is a joint venture controlled by Shell Plc and Cosan S.A.

## **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

## **MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS**

[Click here](#) to access Fitch's latest quarterly Global Corporates Sector Forecasts Monitor data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector

key performance indicators and sector-level forecasts are among the data items included.

## CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for Raizen S.A..

## ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

## RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕	RECOVERY ↕	PRIOR ↕
Raizen Fuels Finance S.A.			
senior unsecured	LT C Downgrade	RR4	CCC
Raizen S.A.	LT IDR C Downgrade		CCC
	LC LT IDR C Downgrade		CCC
	Natl LT C(bra) Downgrade		CCC(bra)
senior unsecured	Natl LT C(bra) Downgrade		CCC(bra)
Raizen Energia S.A.	LT IDR C Downgrade		CCC

	LC LT IDR	C	Downgrade	CCC
	Natl LT	C(bra)	Downgrade	CCC(bra)
senior unsecured	Natl LT	C(bra)	Downgrade	CCC(bra)

[VIEW ADDITIONAL RATING DETAILS](#)

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## **APPLICABLE CRITERIA**

[National Scale Rating Criteria \(pub. 22 Dec 2020\)](#)

[Metodologia de Ratings em Escala Nacional \(pub. 22 Dec 2020\)](#)

[Corporates Recovery Ratings and Instrument Ratings Criteria \(pub. 02 Aug 2024\) \(including rating assumption sensitivity\)](#)

[Parent and Subsidiary Linkage Rating Criteria \(pub. 27 Jun 2025\)](#)

[Metodologia de Vínculo Entre Ratings de Controladoras e Subsidiárias \(pub. 27 Jun 2025\)](#)

[Corporate Rating Criteria \(pub. 09 Jan 2026\) \(including rating assumption sensitivity\)](#)

[Sector Navigators – Addendum to the Corporate Rating Criteria \(pub. 09 Jan 2026\)](#)

[Metodologia de Ratings Corporativos \(pub. 09 Jan 2026\)](#)

## **APPLICABLE MODELS**

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

[Corporate Monitoring & Forecasting Model \(COMFORT Model\), v8.2.0 \(09 Jan 2026, 09 Jan 2026\)](#)

## **ADDITIONAL DISCLOSURES**

[Dodd-Frank Rating Information Disclosure Form](#)

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## **ENDORSEMENT STATUS**

Raizen Energia S.A.	EU Endorsed, UK Endorsed
Raizen Fuels Finance S.A.	EU Endorsed, UK Endorsed
Raizen S.A.	EU Endorsed, UK Endorsed

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