

# Braskem Netherlands Finance's Proposed Senior Unsecured Notes Rated 'BBB-'

February 6, 2023

SAO PAULO (S&P Global Ratings) Feb. 6, 2023--S&P Global Ratings today assigned its 'BBB-' issue-level rating to Braskem Netherlands Finance's proposed senior unsecured notes. Braskem Netherlands Finance is a subsidiary of the Brazilian petrochemicals company, Braskem S.A. (BBB-/Stable/--), which will unconditionally and irrevocably guarantee the notes. Braskem intends to use the proceeds for general corporate purposes which may include the repayment of shorter-term debt. This will extend Braskem's debt maturity profile, with no changes in terms of seniority or structural subordination in its capital structure.

We expect Braskem to post revenue decline and weaker profitability because the petrochemicals industry is in a cyclical trough. With weaker EBITDA and relatively stable debt levels, the company's leverage will increase, but we forecast debt to EBITDA to remain below 4.0x in 2023 and below 3.5x on a three-year average. This leverage level remains aligned with our rating on the company.

For the complete rating rationale, please see our most recent full analysis on Braskem, published Dec. 14, 2022.

## Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- ARCHIVE | General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013

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## **Braskem Netherlands Finance's Proposed Senior Unsecured Notes Rated 'BBB-'**

- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012

## **Related Research**

- Braskem S.A., Dec. 14, 2022

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](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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