FitchRatings

RATING ACTION COMMENTARY

Fitch Downgrades Braskem's IDR to 'RD'

Fri 14 Aug, 2026 - 6:57 PM ET

Fitch Ratings - São Paulo - 14 Aug 2026: Fitch Ratings has downgraded Braskem S.A.'s (Braskem) Issuer Default Ratings (IDRs) to 'Restricted Default' (RD) from 'C'. Fitch has also affirmed Braskem America Finance Company's senior unsecured rating at 'C' with a Recovery Rating of 'RR4', and Braskem Netherlands Finance B.V.'s senior unsecured rating at 'C'/'RR4' and subordinated rating at 'C/'RR6'. Fitch has downgraded Braskem's National Scale rating to 'RD(bra)' from 'C(bra)'.

The rating actions follow the company's failure to cure the missed interest on financial obligations, a decision that reflects its efforts to preserve liquidity while it negotiates a broader debt restructuring with creditors.

KEY RATING DRIVERS

Default on Interest Payment: Fitch has downgraded Braskem's ratings to 'RD' following the company's confirmation that it defaulted on scheduled interest payments and that the applicable grace period expired without cure. Per Fitch's criteria, this uncured payment default on a material financial obligation—absent any bankruptcy filing, formal winding-up procedure, or cessation of operations—meets the definition of a Restricted Default.

Bond Repayment Uncertain: Braskem is still considering a potential debt restructuring in the midst of challenging market conditions. In Fitch's view, without additional funds, the company will need some combination of asset sales, an equity injection from its shareholder or a renegotiation of its outstanding liabilities.

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 ('b+', moderate), sector characteristics ('b+', moderate), market and competitive positioning ('bb', moderate), diversification and asset quality ('bbb', lower), company operational characteristics ('b+', moderate), profitability ('ccc-', moderate), financial structure ('ccc-', higher), and financial flexibility ('ccc-', higher).

The quantitative financial subfactors are based on standard CRT financial period parameters: 20% weight for the latest historical year 2025, 40% for the forecast year 2026 and 40% for the forecast year 2027.

'B+' to 'CC' considerations apply in our analysis and results in an adjustment of -2 notches.

The governance assessment of 'some deficiencies' has no impact.

The operating environment assessment of 'bbb-' has no impact.

The other risk elements adjustment applies and results in an adjustment of -2 notches.

The SCP is 'rd'.

To derive the IDR:

Fitch made no adjustments to the SCP, resulting in Local and Foreign currency IDRs of 'RD'.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

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

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Filing for bankruptcy protection would result in a downgrade to 'D'.

LIQUIDITY AND DEBT STRUCTURE

As of June 2026, Braskem reported a cash balance of USD1 billion (excluding Braskem Idesa) and a total debt of USD10.3 billion, out of which USD1.8 billion is short term debt.

ISSUER PROFILE

Braskem produces and sells chemicals, petrochemicals, fuels, steam, water, compressed air and industrial gases. The company's plants in Brazil, the U.S., Germany and Mexico produce thermoplastic resins such as polyethylene, polypropylene and polyvinyl chloride.

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 Braskem S.A.

ESG CONSIDERATIONS

Braskem S.A. has an ESG Relevance Score of '4' for Human Rights, Community Relations, Access & Affordability due to the reparation costs incurred following the geological event in Alagoas for relocating over 14,000 families from neighboring areas, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

Braskem S.A. has an ESG Relevance Score of '4' for Waste & Hazardous Materials Management; Ecological Impacts due to the operations' disruption and large cash outflows triggered by the geological event in Alagoas, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

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 TYPE	RATING	RATING ACTION	RECOVERY	PRIOR
Braskem Netherlands Finance B.V.					
subordinated	LT	C	Affirmed	RR6	C
senior unsecured	LT	C	Affirmed	RR4	C
Braskem America Finance Company					
senior unsecured	LT	C	Affirmed	RR4	C
Braskem S.A.	LT IDR	RD	Downgrade		C
	LC LT IDR	RD	Downgrade		C
	Natl LT	RD(bra)	Downgrade		C(bra)
senior unsecured	Natl LT	C(bra)	Affirmed	RR4	C(bra)

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

Marcelo Pappiani, CFA
Director
Primary Rating Analyst
+55 11 4504 2603
marcelo.pappiani@fitchratings.com

Fitch Ratings Brasil Ltda.
Alameda Santos, nº 700 – 7º andar Edifício Trianon Corporate - Cerqueira César São Paulo, SP SP Cep 01.418-100

Rogelio Gonzalez Gonzalez
Senior Director
Secondary Rating Analyst
+52 81 4161 7034
rogelio.gonzalez@fitchratings.com

Alberto Moreno Arnaiz
Senior Director
Committee Chairperson
+52 81 4161 7033
alberto.moreno@fitchratings.com

MEDIA CONTACTS

Maggie Guimaraes
São Paulo
+55 11 4504 2207
maggie.guimaraes@thefitchgroup.com

Additional information is available on www.fitchratings.com

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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)

Corporate Hybrids Treatment and Notching Criteria (pub. 08 Apr 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)

Country-Specific Treatment of Recovery Ratings Criteria (pub. 20 Feb 2026)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Braskem America Finance Company	EU Endorsed, UK Endorsed
Braskem Netherlands Finance B.V.	EU Endorsed, UK Endorsed
Braskem S.A.	EU Endorsed, UK Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

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