

Usina Coruripe Acucar e Alcool

Rating Action: Moody's Downgrades Usina Coruripe to B3; outlook remains negative

New York, November 01, 2023

Moody's Investors Service ("Moody's") has downgraded to B3 from B2 the Corporate Family Rating ("CFR") of Usina Coruripe Acucar e Alcool ("Coruripe"). At the same time, Moody's downgraded to B3 from B2 the Backed Senior Secured Global Notes issued by Coruripe Netherlands B.V., backed by Coruripe and GTW Agronegócios S.A. The outlook for both entities are maintained negative.

Ratings Rationale Overview:

- The downgrade was prompted by Coruripe's persistently weak liquidity with an estimated BRL384million in cash, and BRL677 million in marketable inventories, compared to BRL1.5 billion in short-term debt (including leases) as of September 2023.

- The B3 ratings are constrained by a weak liquidity profile and Coruripe's exposure to the volatile sugar-ethanol sector coupled with its reliance on the Minas Gerais cluster which concentrates 78% of total crushing capacity.

- The negative outlook reflects the weak liquidity and high refinancing risk. Unless Coruripe continues to reinforce its liquidity, so that cash at the end of the harvest covers its short-term debt, and continues to successfully refinance its short-term debt the ratings could be further downgraded.

Full report available at the link:

[Ratings.Moodys.com/ratings-news/410665](https://ratings.moodys.com/ratings-news/410665)