

Research Update:

# Raizen S.A. Downgraded To 'SD' From 'CCC-' On Request For Out-Of-Court Debt Restructuring

March 11, 2026

## Rating Action Overview

- Raizen S.A. announced today that it has filed a request for an out-of-court debt restructuring at the São Paulo State Court, which would cover R\$65.1 billion of the company's debt out of the total R\$70 billion as of December 2025.
- Raizen will have 90 days from the court's acceptance of the filing to gain sufficient support from creditors in order for the court to ratify the restructuring. During this period, the company will suspend the payment of any interest or principal related to the covered unsecured debt, including its senior notes.
- As a result, on March 11, 2026, S&P Global Ratings lowered its rating on Raizen to 'SD' (selective default) from 'CCC-'. We also lowered the issue-level ratings on [Raizen Fuels Finance S.A.](#)'s senior notes to 'D' from 'CCC-'. At the same time, we withdrew the recovery rating on the senior notes.

## Primary Contact

**Matheus H Cortes**  
Sao Paulo  
55-11-3039-9775  
matheus.cortes  
@spglobal.com

## Secondary Contact

**Flavia M Bedran**  
Sao Paulo  
55-11-3039-9758  
flavia.bedran  
@spglobal.com

## Rating Action Rationale

**The downgrade reflects that the out-of-court restructuring request covers most, not all, of Raizen's debt.** The company aims to restructure its unsecured debt of R\$65.1 billion, as well as other intercompany claims, out of the total of R\$70 billion as of December 2025. The potentially restructured debt would include bank debt, senior notes and local debt.

Raizen has obtained the approval for its plan from creditors holding more than 47% of the debt under the restructuring agreement. In accordance with the law, the company will have 90 days from the court's acceptance of the filing to reach sufficient support from creditors for the court's ratification of the plan, upon which the amended terms and conditions will apply to 100% of the covered debt. During the 90-day period, Raizen will suspend the payment of any interest or principal related to the covered debt under the original terms, which results in the default of the rated debt.

## Company Description

## Raizen S.A. Downgraded To 'SD' From 'CCC-' On Request For Out-Of-Court Debt Restructuring

Raizen operates in Brazil's sugar and ethanol and fuel distribution industries. It is the country's largest player in the sugar and ethanol industry, with 24 operational crushing mills (already excluding announced divestments), and the capacity to process 73 million tons of sugarcane per year. However, it has operated below capacity because of lower agricultural yields.

Raizen has also diversified into energy cogeneration and is investing in second generation ethanol (E2G) and biogas and biomethane. The company is Brazil's second-largest fuel distributor, with close to 7,000 gas stations and consolidated sales volumes of nearly 28 million cubic meters per year. Raizen also operates Shell's fuel distribution business in Argentina, where it's the second-largest player in the country. Its operations in Argentina include the use of Shell's brand, the commercialization of other oil products, the retail operation of more than 800 stations, and an oil refinery in Buenos Aires. In addition, Raizen owns Shell's lubricant business in Brazil.

Raizen is controlled by Shell PLC (A+/Stable/A-1) and Cosan S.A. (BB/Stable/--), and 12% of its shares were sold through an equity IPO in August 2021.

## Related Criteria

- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings](#), Oct. 1, 2012
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Ratings List

### Ratings List

#### Downgraded; Outlook Action

	To	From
<b>Raizen S.A.</b>		
Issuer Credit Rating	SD/--	CCC-/Negative/--
Foreign Currency	SD/--	CCC-/Negative/--

#### Downgraded; Recovery Rating Withdrawn

	To	From
<b>Raizen Fuels Finance S.A.</b>		

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### Ratings List

Senior Unsecured	D	CCC-
Recovery Rating	NR	3(65%)

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