



7 March 2024



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



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Enviva at risk of bankruptcy as Fitch downgrades rating

Fitch Ratings has downgraded Enviva's Long-Term Issuer Default Rating (IDR) to 'RD' from 'C' and has affirmed its senior unsecured debt at 'C'/'RR5', with Enviva at risk of going bankrupt. Enviva has failed to cure the missed interest payment on \$750 million (€693 million) of 6.5% senior notes due 2026 upon expiration of its original 30-day grace period, and has entered into forbearance agreement with the company's lenders, bondholders, and noteholders.

Enviva made a bad move on the futures market, which led to losses in the realm of hundreds of millions of dollars.

This meant the organisation missed a \$24 million (€22.2 million) interest payment to bondholders. The development follows worsening operating losses and Enviva's announcement last autumn of substantial doubt regarding its ability to continue as a going concern.

Considerable uncertainty exists regarding Enviva's ability to renegotiate uneconomic customer contracts entered into in 4Q22 and the company's related \$300 million (€277 million) liability.

It has retained advisory firms, including Lazard, Alvarez & Marsal and Vinson & Elkins, to perform a comprehensive review of its capital structure.

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