

Braskem's Cash Generation was R\$2.4 billion in 2Q22, with return on cash flow of 31%

Recurring EBITDA was US\$802 million in the quarter

SÃO PAULO, BRAZIL, August 11, 2022 /EINPresswire.com/ -- BRASKEM S.A. (B3: BRKM3, BRKM5 and BRKM6; NYSE: BAK; LATIBEX: XBRK) announces today its results for 2Q22.

2Q22 HIGHLIGHTS

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- In 2Q22, Braskem's Recurring EBITDA was US\$802 million, a decrease of 13% compared to 1Q22 mainly due to: (i) lower sales volume of main chemicals in the Brazil segment, PP in Europe, and PE in the Mexico segment; and (ii) lower international spreads for PVC in Brazil and PP in Europe, though still above the historical average of the last 10 years¹. Compared to 2Q21, the Company's Recurring EBITDA in U.S. dollar declined by 55%, due to: (i) the normalization of international spreads for PE, PP and PVC in Brazil, PP in the United States and Europe and PE in Mexico; and (ii) lower sales volume of main chemicals in Brazil segment and PP in Europe. In Brazilian real, Recurring EBITDA was R\$3.9 billion, 19% and 58% lower than 1Q22 and 2Q21, due to the 6.0% and 7.1% Brazilian real appreciation against the U.S. dollar, respectively.

- In the quarter, the Company reported a net loss² of R\$1.4 billion. Additionally, in the year to date, the Company registered net income attributable to shareholders of R\$2.5 billion, representing R\$3.11 per common share and class "A" preferred share³.

- The Company's recurring cash generation was R\$3.1 billion, with return⁽⁴⁾ on cash flow of 41% in 2Q22. Adding the payments related to the geological event in Alagoas made in 2Q22, the Company presented a cash generation of R\$2.4 billion and return⁽⁴⁾ on cash flow of 31%.

- Corporate leverage, measured by the ratio of adjusted net debt to Recurring EBITDA⁽⁵⁾ in U.S. dollar, ended the quarter at 1.2x.

- The cash position was US\$1.9 billion, a level that guarantees coverage of debt maturities for the next 66 months. Note that this position does not include the international stand-by credit facility in the amount of US\$1.0 billion, with maturity in 2026.

- In June, Braskem Idesa entered into agreements with Advorio B.V, the world's leading company in the storage sector with headquarters in the Netherlands, to sell 50% of the capital stock of Terminal Química Puerto México ("TQPM"), BI's subsidiary responsible for developing and operating the ethane import terminal project in Mexico. TQPM's ethane import terminal will have a capacity of 80,000 ethane barrels per day, providing conditions for BI to import all its feedstock needs.

- In June, Braskem concluded the 16th issue of debentures, in the total amount of R\$1 billion. The operation marks Braskem's return to the local debenture market and registered demand 1.8 times higher than book volume.

¹ Based on period from 2011 to 2020.

² Based on net income (loss) attributable to the shareholders of the Company.

³ For the class "B" preferred shares, the amount is R\$0.60 per share.

(4) Corresponds to recurring cash generation in U.S. dollar in the last 12 months divided by the Company's market capitalization in the quarter.

(5) Excludes Braskem Idesa's debt and considers Recurring EBITDA in the last 12 months.

The full earnings release is available on the Company's IR website: www.braskem-ri.com.br/home-en

Braskem will host conference calls to discuss its Results THURSDAY, August 11 at 1:00 p.m. US ET.

Additional information may be obtained from the Investor Relations Department at +55 11 3576-9531 or braskem-ri@braskem.com.br.

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