

RATING RELEASE

October 14, 2026

CariCRIS reaffirms its credit rating of The J \$800 million Bond Extension of Poly Pet Company Limited

jmC **(Jamaica National Scale Local Currency)**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the Issue Credit Rating assigned to the J \$800 million bond extension of Poly Pet Company Limited (Poly Pet or the Company) at *jmC* (Local Currency Rating) on the Jamaica national rating scale. This rating indicates that the level of creditworthiness of this debt obligation, adjudged in relation to other obligations in Jamaica, is **poor**.

CariCRIS has also revised the outlook on the rating to **negative** from **stable**. The negative outlook is based on the high likelihood that Poly Pet's cash flow adequacy and financial flexibility could weaken over the next 12 to 15 months if the Company is unable to fully capitalise its reserve account to meet all of its quarterly bond payments scheduled to begin in March 2027. Given that the reserve account was only established in June 2026, there remains a risk that sufficient funds may not be accumulated in time to meet these obligations, increasing short-term¹ refinancing and liquidity pressures. Additionally, the Company's projected loss after tax (LAT) in FY2026, continued bond covenant breaches and elevated raw material costs are likely to constrain its debt repayment ability.

Poly Pet continues to hold a strong market position as a leading plastic bottle manufacturer in Jamaica. The Company's good operating efficiency, underpinned by strong asset maintenance policies and practices, also supports the rating. These rating strengths are, however, tempered by Poly Pet's below average financial performance, notwithstanding improved profitability in the first half of 2026. Additionally, the Company's cash flow adequacy and financial flexibility remain poor, with higher interest debt, significant intercompany balances and refinancing risk. Furthermore, the Company has substantial customer concentration risk, which can constrain revenue diversity and

¹ Short-Term refers to 12 months.

operating stability. Moreover, the ratings are constrained by downside risks associated with Poly Pet's significant exposure to the Jamaican economy, where output has contracted and single-use plastic bottles are being disincentivized. The Company also remains exposed to raw material cost volatility due to global macroeconomic and supply chain conditions.

Rating Sensitivity Factors

Factors that could, individually or collectively, lead to an improvement in the Rating and/ or Outlook include:

- Sustained profitability for more than 2 financial years (based on audited accounts)
- Improvement in debt service coverage ratio (DSCR) to over 1 time sustained for more than 2 financial years (based on data from audited accounts)
- Improvement in ratio of debt to tangible net worth (TNW) to below 2 times sustained for 2 financial periods (based on data from audited accounts)
- Sustained compliance with financial bond covenants for more than 2 financial periods (based on audited accounts)
- Conversion of short-term debt into equity and/or the reduction of intercompany balances by 50%.

Factors that could, individually or collectively, lead to a lowering of the Rating and/ or Outlook include:

- A gross profit (GP) margin less than 33% for 2 consecutive years
- A return on assets (ROA) of less than 1% for 2 consecutive years
- A net increase in intercompany balances by 5% over the next 12 months
- Breach of covenants stipulated in the final term sheet/ prospectus for the bond extension
- Inability to meet the bond's quarterly principal payments when they begin in March 2027
- Further changes in laws and regulations to limit plastic use in Jamaica
- Effective DSCR below 1 time
- Material deviation of Poly Pet's audited financial accounts for June 2026 from management accounts, resulting in lower profitability and cash flow adequacy metrics
- Overall equipment effectiveness (OEE) less than 65% or failure to fulfil production contracts in the 8 months ended February 2027

About the Company:

Poly Pet Company Limited (Poly Pet or the Company) is a privately owned, limited liability manufacturing company founded in 2006 and located in Kingston, Jamaica. The Company's primary manufacturing operations involve the production of high-density polyethylene (HDPE)² and polyethylene terephthalate (PET)³ bottles of various sizes for household, beverage and industrial use. The Company is owned by Anthony Brown (40%), Shane Brown, the current Chief Executive Officer (20%) and Tamara Phang (40%).

The Company is a leading plastic bottle manufacturer in Jamaica and is aligned with local and international companies to provide complete packaging solutions, including labels, boxes and bottle caps. The Company can also design and manufacture bottles for its customers based on their unique specifications.

In December 2020, Poly Pet raised J \$800 million in debt financing to support working capital requirements and refinance existing debt. The facility carried a fixed annual coupon of 7.5% and had a five-year tenor, with the principal repayable in full at maturity in December 2025 (bullet repayment). In February 2026, the bondholders formally concluded negotiations to restructure the facility and extend maturity by 3 years to December 2028. The revised terms are as follows:

Table 1
Terms of Refinanced J \$800 million Bond Issue

Term	Revised Terms
Maturity	Extended by three years to December 2028
Coupon Rate	Fixed at 10% per annum
Interest Payments	Payable quarterly
Bond Repayment	8 equal quarterly principal and interest payments of J \$42.9 million starting in March 2027; and J \$600 million in December 2028

Source: Poly Pet

² HDPE is a robust, moderately stiff plastic with a highly crystalline structure. It is known for its high strength-to-density ratio and is frequently used in plastic for milk cartons, laundry detergent, garbage bins and cutting boards. HDPE is commonly recycled to make park furniture, lawn chairs and plastic decking. Poly Pet uses 2 million pounds of this material per year.

³ PET is a strong, stiff synthetic fiber and resin spun into fibers for permanent-press fabrics, blow-molded into disposable beverage bottles, and extruded into photographic film and magnetic recording tape. It can be recycled to make non-food hygiene products such as carpets, toys, shoes and clothing. Poly Pet uses 4 million pounds of this material per year.



Based on the Company's latest available audited financial statements, profit after tax (PAT) stood at J \$4 million for the year ending June 2025, and total assets stood at J \$2.4 billion as at June 2025.

For more information on Poly Pet's ratings, please visit www.caricris.com or contact:

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