**JCR Eurasia Rating** 

'Global Knowledge Supported by Local Experience'

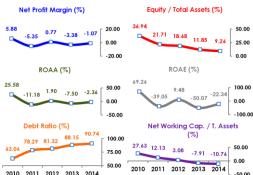
### TURKEY

# **Corporate Credit Rating**

ž	Banvitaş		Long Term	Short Term		
International	Foreign Currency		BB+	В		
	Local Currency		BBB-	A-3		
		FC	Stable	Stable		
	Outlook	LC	Stable	Stable		
onal	Local Rating		BBB- (Trk)	A–3 (Trk)		
National	Outlook		Stable	Stable		
Sponsor Support			2	-		
Stand	Stand Alone		В	-		
Sovereign*	Foreign Currency		BBB-	-		
	Local C		BBB-	-		
		FC	Stable	-		
	Outlook	LC	Stable	-		

\*\*Assigned by Japan Credit Rating Agency, JCR on July 11, 2014

73 Merve BÖLÜKCÜ / +90 212 352 56 73



Analyst: O	rkun <b>İNAN</b>	/	+90	) 2	12	3.	52	56	7
<u>orkuni@jcr</u>									

merve.bolukcu@jcrer.com.tr



- Market leader thanks to its track record history and integrated production activities,
- Continually upward domestic and export sales figures thanks to enhanced demand and inter/national brand identity through its over 47 year background in the poultry sector,
- Diversified product portfolio including chicken, turkey, red meat, processed meat and feed enjoying a well-established brand awareness,
- A wide range of network distribution including inter/national operations promising further growth in export figures in EU, Russia and Middle East thanks to recent legislations and public incentives,
- Favourable geographically location allowing for the import of fresh products and preventing price volatility thanks to faster delivery,
- · Being among few poultry companies listed on the BIST, contributing to compliance with corporate governance principles,
- Diversified customer base enhanced with negligible level of nonperforming loans.

Publication Date: March 31, 2015

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ A.Ş								
Financial Data	2014*	2013*	2012*	2011*	2010*			
Total Assets (000 USD)	424,876	457,075	463,022	369,153	378,660			
Total Assets (000 TRY)	988,644	973,753	823,067	697,294	582,228			
Equity (000 TRY)	91,583	115,409	153,748	151,381	215,075			
Net Profit (000 TRY)	-20,634	-55,979	9,669	-59,677	58,878			
Sales (000,000 TRY)	1,933	1,655	1,260	1,116	1,002			
Net Profit Margin (%)	-1.07	-3.38	0.77	-5.35	5.88			
ROAA (%)	-2.36	-7.5	1.9	-11.18	25.58			
ROAE (%)	-22.34	-50.07	9.48	-39.05	69.26			
Equity / Total Assets (%)	9.26	11.85	18.68	21.71	36.94			
Net Working Capital / T. Assets (%)	-10.76	-7.91	3.08	12.13	27.63			
Debt Ratio (%)	90.74	88.15	81.32	78.29	63.06			
Asset Growth Rate (%)	1.53	18.31	18.04	19.76	n.a			

### **Overview**

Banvit Bandırma Vitaminli Yem Sanayii A.Ş. ve Bağlı ortaklıkları (hereinafter 'the Company' or 'the Group or 'Banvir'), established in 1968 in Bandırma for the production, slaughtering and marketing of turkey and chicken meat, red meat and feed, has been operating as a primary player in the poultry meat market in Turkey. The Company extended its product range through cooked meat-balls, kebabs, burgers and salami, sausages and ham.

Vural Görener is the main shareholder with a share of 24.73%, along with the corporate shareholder, Aabar Investments PJS, with a share of 16.32%. The Company went on public in 1992 and 20.59% of Company shares are publicly traded on the BIST.

Banvit carries out production activities through 3 main production centres in İzmir, Bandırma and Elazığ and marketing activities through 23 branch offices, 40 main distributors and 13 secondary distributors. Over 12 years, Banvit has exported directly to Eastern Europe, the Middle East, Far East and Turkic Republics via quality management and quality assurance standards.

The Company has captured a sustainable growth path in a poultry sector with increased turnover. As of FYE2014, the labour force of the Company was 4,214 (FYE2013: 3,877).

#### Constraints

- High cost of sales exerting pressure on profitability from core fields of activities,
- Pressure on liquidity management due to negative net working capital for the last two year period,
- Considerable leverage level along with a large share of short term loans in total ligbilities.
- Relatively low share of equity due to the reliance on external funding in order to finance the growth in operational volume,
- Upward activities expenses and financing costs as well as high interest rates and FX movements pressuring net profitability,
- High level of risk due to the poultry sector's sensitivity to input prices including raw materials and resultant uncertainty over the sales prices,
- Risk arising from diseases such as avian influenza and detrimentally affecting demand and price,
- Internationally inadequate market competition with countries such as Brazil and the USA. due to higher labor, raw material and energy costs,

### "Global Knowledge supported by Local Experience"

Copyright © 2007 by JCR Eurasia Rating. 19 Mayıs Mah., 19 Mayıs Cad., Nova Baran Plaza No:4 Kat: 12 Şişli-İSTANBUL Telephone: +90.212.352.56.73 Fax: +90 (212) 352.56.75 Reproduction is prohibited except by permission. All rights reserved. All information has been obtained from sources JCR Eurasia Rating believes to be reliable. However, JCR Eurasia Rating does not guarantee the truth, accuracy and adequacy of this information. JCR Eurasia Rating ratings are objective and independent opinions as to the creditworthiness of a security and issuer and not to be considered a recommendation to buy, hold or sell any security or to issue a loan. This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Turkey), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations. http://www.jcrer.com.tr

## **Poultry Meat Sector**