

Corporate Credit & Issue Rating

New Update

Sector: Cement

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Analyst

Bora Pakyürek

+90 212 352 56 73

bora.pakyurek@jcrer.com.tr

RATINGS

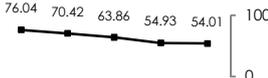
		Long	Short	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
Issue Rating	-	-		
National	Local Rating	A (trk)	A-1 (trk)	
	Outlook	Stable	Stable	
	Issue Rating	A (trk)	A-1 (trk)	
Sovereign*	Sponsor Support	2	-	
	Stand-Alone	B	-	
	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
Outlook	FC	Negative	-	
	LC	Negative	-	

*Affirmed by JCR on August 14, 2018

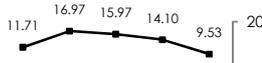
Net Profit Margin (%)



Equity / Total Assets (%)



ROAA (%)



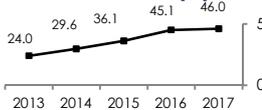
ROAE (%)



NWC / T. Assets (%)



Debt Ratio (%)



Aslan Çimento A.Ş.

Company Overview

Financial Data	1Q2018	2017*	2016*	2015*	2014*
Total Assets (000 USD)	157,406	161,805	147,995	151,978	171,873
Total Assets (000 TRY)	621,579	610,313	520,825	441,891	398,557
Equity (000 TRY)	296,578	329,623	286,068	282,178	280,677
Net Profit (000 TRY)	7,088	43,780	53,369	54,120	62,370
Sales (000 TRY)	83,664	345,062	304,865	277,536	234,862
Net Profit Margin (%)	8.47	12.69	17.51	19.50	26.56
ROAA (%)	n.a	9.53	14.10	15.97	16.97
ROAE (%)	n.a	17.50	23.89	23.85	23.26
Equity / Total Assets (%)	47.71	54.01	54.93	63.86	70.42
Net Working Capital / T. Assets (%)	3.48	9.88	3.16	5.66	9.50
Debt Ratio (%)	52.29	45.99	45.07	36.14	29.58
Asset Growth Rate (%)	1.85	17.18	17.86	10.87	21.57

*Audited year end financials

Aslan Çimento Anonim Şirketi and its Subsidiary (to be referred hereinafter as 'Aslan Çimento', or 'the Company'), was established as the first cement plant in Turkey and had a capacity of 20.000 tons/year in Turkey under the trade name Societe Anonyme Ottomane Aslan in 1910. After acquisition by the Ordu Yardımlaşma Kurumu (OYAK) Group in 2010, the majority of shares were taken over by Oyak Çimento A.Ş, a wholly owned subsidiary of OYAK Group, on 3 December 2015. The OYAK Group remains the ultimate parent company.

Aslan Çimento had a cement and clinker production capacity of 2 and 1.2 mn tons/year, respectively. In 2017, Aslan Çimento produced 1.97 mn tons of cement and 1.21 mn tons of clinker. The Company's plants are located in Kocaeli. As of March 31, 2018, Aslan Çimento had a work force of 263, of which 110 were white collar and 153 blue collar workers. All blue-collar employees are covered by union agreement.

The Company is registered to the Capital Markets Board and shares have been publicly traded on the Borsa Istanbul since 1986. As of the reporting date, 3.3% of its shares were open for trading.

Strengths

- Strong sales figures and robust demand strengthening
- Sound EBITDA performance profit shaped by operational efficiency and cost control
- Ample liquidity cushion and considerably low financial leverage
- Strong shareholding structure and benefits of being a subsidiary of OYAK Cement Group
- Emphasis on R&D activities along with investments to exploit potential in resource efficiency and energy savings
- Limited exposure of financial figures to currency fluctuations
- Established operational track record and sector expertise along with visionary executive management

Constraints

- Increasing interest rate environment
- Vulnerable structure to raw material and energy prices, exerting pressure on profitability
- High level of competition in the Turkish cement sector, leading to margin pressure
- Sector's high level of correlation with the construction sector which reacts sharply to macroeconomic dynamics
- Persistent political and economic stresses along with regional tensions hosting uncertainties and exerting downward pressure on risk appetite of investors possibly resulting in a contraction of construction sector and pressure on profit