

Corporate Credit & Issue Rating

New Update

Sector : Cement

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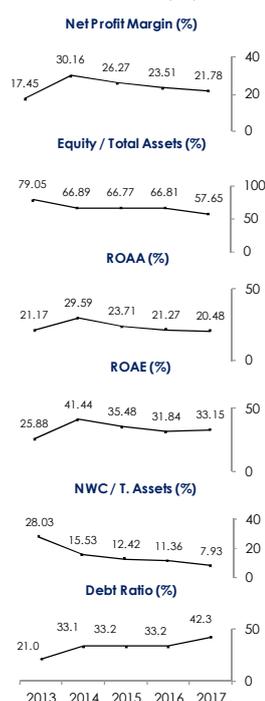
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RATINGS

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

*Affirmed by JCR on August 14, 2018

RATIOS (%)



Bolu Çimento Sanayii Anonim Şirketi Company Overview

Financial Data	1H2018**	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	196,051	206,025	181,411	212,131	211,879	136,477
Total Assets (000 TRY)	904,618	777,105	638,423	616,793	491,325	291,284
Equity (000 TRY)	403,181	448,021	426,536	411,847	328,637	230,249
Net Profit (000 TRY)	62,272	116,820	106,350	106,716	99,440	44,640
Sales (000 TRY)	295,989	536,515	452,355	406,284	329,722	255,824
Net Profit Margin (%)	n.a.	21.78	23.51	26.27	30.16	17.45
ROAA (%)	n.a.	20.48	21.27	23.71	29.59	21.17
ROAE (%)	n.a.	33.15	31.84	35.48	41.44	25.88
Net Debt/ EBITDA (X)	0.70	0.68	0.71	0.65	0.16	0.05
Net Debt/ Equity (X)	0.29	0.29	0.27	0.26	0.05	0.01
Equity / Total Assets (%)	44.57	57.65	66.81	66.77	66.89	79.05
Net Working Capital / T. Assets (%)	1.73	7.93	11.36	12.42	15.53	28.03
Debt Ratio (%)	47.92	42.35	33.19	33.23	33.11	20.95
Asset Growth Rate (%)	16.41	21.72	3.51	25.54	68.68	19.59

*End of year, **First Half of Year

“Bolu Çimento Sanayii Anonim Şirketi and its Subsidiary” (to be referred hereinafter as ‘Bolu Çimento’, or ‘the Company’), Bolu Çimento Sanayii A.Ş., established in 1968 in Bolu, was acquired with a 25% stake by Ordu Yardımlaşma Kurumu (OYAK) Group in 1969 and Bolu plant entered operation in 1974. The Company’s shares have been traded on the BIST since 1986. In 1990, OYAK increased its stake in Bolu Çimento to approximately 50%. The Company is one of six members of OYAK Cement Group.

Bolu Çimento’s cement and clinker production capacity are 5.5 mn. and 2.5 mn.tons/year, respectively. Bolu Çimento produces 2.4 mn.tons of cement, 1 mn.tons of slag, and 2.2 mn. tons of clinker. Currently, Bolu Çimento’s plants are located in Bolu, Ankara and Ereğli. The Company had a staff force of 350 personnel as of June 30,2018.

The major qualifying shareholder of the Company’s share is OYAK Çimento A.Ş. with the share of 49.99%. Bolu Çimento’s 50.01% shares are traded on the Borsa Istanbul under the ticker symbol BOLUC as of June 30,2018.

Strengths

- Continuation of the improvement trend in sales revenue and EBITDA growth,
- Maintenance in operational profitability stemming from its production capacity, diversified its value-added products and its cost control structure,
- Sufficient cash flow generation and easing of access to funding sources,
- Conservative capital base mitigating financial risk adversities,
- Well positioned to benefit in Central Anatolia and Marmara Region,
- As an institution subject to Capital Market Law, improved transparency with regard to corporate governance compliance.

Constraints

- Upward trend of cost of sales pressuring on profitability and predictability due to the rapid increase in energy costs,
- In the face of the slowdown in domestic demand effecting negatively the sector outlook,
- Ongoing market volatility at the domestic and global level along with political uncertainty, weakened TL and higher interest rates pressure on borrowing costs,