

## **Corporate Credit Rating**

⊠New □Update

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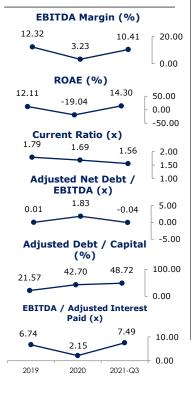
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## RATINGS

RATINGS		Long Term	Short Term	
ICRs (Issuer Credit Rating Profile)	National ICR	AA- (tr)	J1+ (tr)	
	National ICR Outlooks	Stable	Stable	
	International FC ICR	BB	33	
	International FC ICR Outlooks	Stable	Stable	
	International LC ICR	BB	33	
	International LC ICR Outlooks	Stable	Stable	
ISRs (Issue Specific Rating Profile)	National ISR	-	-	
	International FC ISR	-	-	
	International LC ISR	-	-	
Sovereign*	Foreign Currency	BB (Stable)	-	
	Local Currency	BB (Stable)	-	
* Assigned by JCR on May 31, 2021				



## Banvit Bandırma Vitaminli Yem San. A.Ş.

JCR Eurasia Rating, has evaluated the **"Banvit Bandırma Vitaminli Yem San. A.Ş."** in the investment-level category and assigned the Long-Term National Issuer Credit Rating at **'AA-(tr)'** and the Short-Term National Issuer Credit Rating at **'J1+(tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as **'BB/Stable'** as parallel to international ratings and outlooks of Republic of Turkey.

Banvit Bandırma Vitaminli Yem San. A.Ş. (Banvit or "the Company") was established in 1968. Main field of the Company consists of production slaughter, sale and marketing of feed, dayold broiler chickens, live chickens, chicken meat and further processing products, and turkey pups, turkey meat.

The Company's main ultimate controlling shareholder is TBQ Foods GmbH with 91.71% share.

Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
<ul> <li>As of 3Q2021 cash surplus position with a notable liquidity buffer surpassing financial loans,</li> </ul>	• Notable shrinkage in profitability margins in FY2020, despite the recovery in 3Q2021,
• Favourable net working capital position and satisfactory level of current ratio,	<ul> <li>Equity consists mainly of revaluations that do not create cash value,</li> <li>Difficulty in reflecting the increase in raw material prices to the unit sales prices,</li> <li>Pandemic on global and local economies</li> </ul>
• As an institution subject to Capital Market Law, improved transparency with regard	

Law, improved transparency with regard to corporate governance compliance.

Considering the aforementioned points together with such additional support factors as collection ability of receivables, increases in sales revenues and net profits the Company's the Long-Term National Issuer Credit Rating has been assigned as '**AA- (tr)'**. Strong liquidity structure and being recognized in the sector as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as '**Stable'**. The Company's growth strategy, profitability indicators, financial leverage and asset quality will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.