

## Corporate Credit Rating

New  Update

**Sector:** Agrochemicals

**Publishing Date:** 30/09/2025

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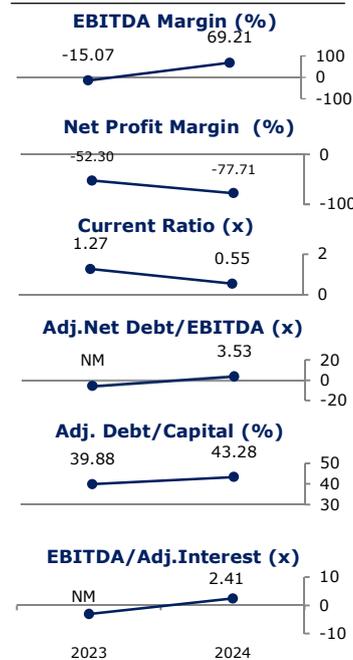
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Affirmed by JCR on September 01, 2025



NM: Not Meaningful

## Bagfaş Bandırma Gübre Fabrikaları A.Ş.

JCR Eurasia Rating has evaluated "Bagfaş Bandırma Gübre Fabrikaları A.Ş." (Bagfaş/the Company) in the investment grade category and revised the Long-Term National Issuer Credit Rating from 'BBB- (tr)' to 'BBB (tr)' the outlook from 'Negative' to 'Stable'. The Short Term National Issuer Credit Rating has been revised from 'J3 (tr)' to 'J2 (tr)' with 'Stable' outlook. 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 Türkiye.

"Bagfaş Bandırma Gübre Fabrikaları A.Ş." (herein referred to as "Bagfas" or "the Company") was established by local farmers and merchants headed by Recep Gençer who had seen the increasing fertilizer requirements in the region back in year 1969. Bagfas shares have been quoted in the stock market since 1986 with ticker of BAGFS. In 1978, the headquarters were agreed to be moved to Istanbul. The company operates in the fields of chemical fertilizer and acid manufacture, import, internal and external sales. Bagfaş operates a comprehensive production facility that includes plants for the three primary acids used in the fertilizer industry: sulphuric acid, nitric acid, and phosphoric acid. The facility also houses four fertilizer production plants—CAN, DAP, NPK, and AS—along with ammonia storage tanks, warehouses for both fertilizer and raw materials, and a strategically located port on the Marmara Sea. In recent years, the Company's main products have included sulphuric acid, nitric acid, ammonium sulphate (AS), and calcium ammonium nitrate (CAN). The Company conducts production activities in its factory located in Bandırma, Erdek. In FY2024, fertilizer production volume of the Company amounted 101,054 tons (FY2023: 292,923 tons) and acid production volume reached 248,388 tons (FY2023: 452,713 tons). In FY2024, fertilizer sales volume of the Company totaled 119,750 tons (FY2023: 328,620 tons) and acid sales volume amounted to 185,731 tons (FY2023: 248,209 tons). The Company employed an average workforce of 216 in 1H2025. (FY2024: 138).

### Strengths

- Robust recovery in production & sales volumes in 1H2025
- Strong increase in revenue and EBITDA generation in 1H2025 compared to the same period of the previous year, supported by the noteworthy improvement in export revenues
- Reasonable equity share in the funding structure
- Asset quality supported by high receivables turnover
- One of the prominent players in the sector with high experience and wide dealer network
- Having production facilities for several types of fertilizers & acids and advantages through its own port in a strategic region and electricity production capability
- Compliance with corporate governance implementations

### Constraints

- Sharp decline in production & sales volumes of fertilizers and acids in FY2024 along with decline in sales revenues
- Operating & net losses in FY2023 and FY2024
- High Net Financial Debt to EBITDA multiplier in FY2024 with increase in net financial debt despite the decline in net financial debt in FX basis to a certain extent as of 1H2025
- Net working capital deficit as of FYE2024 and 1H2025
- Import dependence in raw material supply and fluctuations of the commodity prices
- Possible negative impacts of sectoral legislation and regulatory environment
- As actions for a global soft landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been revised from 'BBB- (tr)' to 'BBB (tr)'. The Company's outlook for the Long-Term National Issuer Credit Rating has been revised from 'Negative' to 'Stable' considering rebound in production & sales volume of the Company in 1H2025 with increasing sales revenues and EBITDA, partial decline in net financial debt as of 1H2025, modest equity share in the funding structure and capital increase plan and capability to access funding resources as well as ongoing relatively high leverage, net working capital deficit, geopolitical risks-driven uncertainties and global tight financial conditions. The Company's sales and profitability performance, cash flow generation capacity, trend of financial indebtedness, asset and equity growth, FX position, regulation's effect on the performance, asset quality will be closely monitored by JCR Eurasia Rating in the 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.