

Corporate Credit Rating

New Update

Sector: Farming and Agriculture

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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	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-
	Currency	BB (Negative)	-

* Assigned by JCR on August 18, 2022

EBITDA Margin (%)



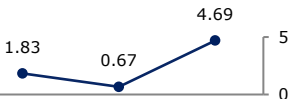
Gross Profit Margin (%)



Current Ratio (x)



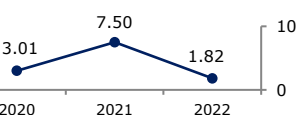
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



BANVİT BANDIRMA VİTAMİNLİ YEM SAN. A.Ş.

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

Banvit Bandırma Vitaminli Yem San. A.Ş. (hereinafter referred to as "the Company", "the Group" or "Banvit") was established in 1968 in Bandırma/ Balıkesir. Main field of the Group consists of production slaughter, sale of feed, day-old broiler chickens, live chickens, chicken meat and further processing products. In 3Q2023, the share of Banvit's export sales in total sales was 13.6% and 82% of export sales were realized to Iraq, Qatar and United Arab Emirates. Banvit carries out its domestic sales through a distribution network of 19 branches and 49 dealers. The Group's capacity utilization rate was 83.7% in FY2022 and 82.0% in 3Q2023.

Banvit was listed on Borsa Istanbul in 1992. The Company's main ultimate controlling shareholder is TBQ Foods GmbH with 91.71% share. As of 3Q2023, the number of employees of the Company is 4,647. (FYE2022: 5,037)

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

Strengths

- Improvement in core profitability indicators through effective cost management as of 3Q2023,
- Enhanced leverage profile in 3Q2023 through decrease in net debt together with increased EBITDA generation capacity,
- Reasonable cash conversion cycle and positive cash flow generated from operations in 3Q2023 supporting operational efficiency,
- Asset quality strengthened by mostly collateralized receivables,
- Continuation of being among the first 1000 exporters and top 500 Industrial Organizations of Türkiye contributing to the brand value,
- Emphasis on sustainability and, compliance with the corporate governance practices as a publicly listed company,
- Long-lasting experience, significant market influence and successful track-record in the industry.

Constraints

- Downward trend in volume-based sales and capacity utilization rates as of 3Q2023 in parallel with the sector,
- Sizeable non-cash contribution of revaluation gains and currency translation difference in equity,
- High competition in the poultry industry and risk of poultry diseases despite the efficient biosecurity management,
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Company's Long-Term National Rating has been affirmed as 'AA- (tr)'. On the other hand, the Company's coverage profile, liquidity structure and shareholder's financial and operational supports have been evaluated 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 level of indebtedness, downward trend in volume-based sales and changes in capacity utilisation rate, market share, effect of raw material prices on operations, profitability indicators, sustainability of domestic and international demand and regulations will be closely monitored by JCR Eurasia Rating in upcoming periods.