

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

* Assigned by JCR on May 10, 2024

BANVİT BANDIRMA VİTAMİNLİ YEM SAN. A.Ş.

JCR Eurasia Rating, has evaluated the "Banvit Bandırma Vitaminli Yem San. A.Ş." in the investment grade category with very high credit quality and revised the Long-Term National Issuer Credit Rating from 'AA- (tr)' to 'AA (tr)' and affirmed the Short-Term National Issuer Credit Rating as '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 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. Banvit's principal activities are the production, slaughtering, sales and marketing of chicken meat and further processing products. Banvit's production facilities are located in Bandırma, Elazığ and İzmir. Banvit carries out its domestic sales through a distribution network of 18 branches and dealers spread across the country. Banvit's export sales accounted for 12.4% of total sales, and 88% of export sales were realized to Iraq, Qatar and the United Arab Emirates in 3Q2024. The Group's capacity utilization rate was 84.2% in FY2023 and 79.5% in 3Q2024. In 2023, Banvit was ranked as 287th biggest exporter which was ranked as 244th in 2022. According to the data released by the Istanbul Chamber of Industry, Banvit was ranked as 74th among the top 500 Industrial Organizations in Türkiye in terms of revenues generated from production in 2023. (88th in 2022)

As of 3Q2024, the main shareholder of the Company is TBQ Foods GmbH with 91.71% share, while the rest of the shares are publicly held. Currently, with 8.29% actual outstanding shares ratio the Company have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "BANVT" since 1992. As of 3Q2024, the number of employees of the Company is 5,029. (FYE2023: 4,816)

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

Strengths

- Sustainable sales performance, and improvement in profitability indicators in 3Q2024,
- Cash surplus position with a notable liquidity buffer surpassing financial liabilities as of 3Q2024,
- Favourable cash conversion cycle supporting operational efficiency by reducing external financing needs,
- Strong equity structure supported by internal resources and reasonable share of equity level in asset financing as of 3Q2024,
- Continuation of being among the first 1000 exporters and top 500 Industrial Organizations of Türkiye contributing to the brand value,
- Established presence and integrated production capabilities within the sector,
- Compliance with the corporate governance practices as a publicly listed company.

Constraints

- High competition in the poultry industry and risk of poultry diseases despite the efficient biosecurity management,
- Possible fluctuations in sales due to sector-specific regulations,
- 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 Long-Term National Issuer Credit Rating has been revised from 'AA- (tr)' to 'AA (tr)'. On the other hand, the Company's positive net working capital, moderate current ratio, brand recognition and experience in the sector 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 sales volume, profitability indicators, level of cash metrics and indebtedness, improvement of the cash conversion cycle, and developments regarding the macro conditions 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.

