

Corporate Credit Rating

New Update

Sector: Building Materials Industry

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	A+ (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB+	-
	International FC ICR Outlooks	Stable	-
ISRs (Issuer Specific Profile)	International LC ICR	BBB+	-
	International LC ICR Outlooks	Stable	-
	National ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

BAŞTAŞ BAŞKENT ÇİMENTO SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated "**Baştaş Başkent Çimento Sanayi ve Ticaret A.Ş.**" in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating from '**AA- (tr)**' to '**A+ (tr)**' and the Short-Term National Issuer Credit Rating from '**J1+ (tr)**' to '**J1 (tr)**' with '**Stable**' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings are affirmed at '**BBB+ /Stable**'.

Baştaş Başkent Çimento Sanayi ve Ticaret A.Ş. ("**Baştaş Çimento**" or "**the Company**" or "**the Group**") was established in 1967. The main activity of the Company is production of different types of cement, clinker, aggregate, lime and ready mixed concrete. The Company has 1 large furnace and milling factory in Ankara. Baştaş Çimento has an annual production capacity of 4,422,000 tons of cement and 2,729,553 tons of clinker in 2024. As of December 31, 2024, the Company had a total of 410 employees, 134 white-collar and 276 blue-collar (December 31, 2023: 385). The Company's shares have been traded on the Borsa İstanbul (BIST) with the 'BASCML' ticker. The Company ranked 472nd in the Istanbul Chamber of Industry's list of Türkiye's 500 largest industrial enterprises in 2023.

The Company's main ultimate controlling shareholder is Parficim S.A. with 87.9% share. Parficim was established in 1974 and also is a French joint-stock corporation. The corporate purpose of Parficim, a holding company, is the acquisition and management of transferable securities, shares in interests, and tangible and intangible assets. Parficim is 100% owned by Vicat company.

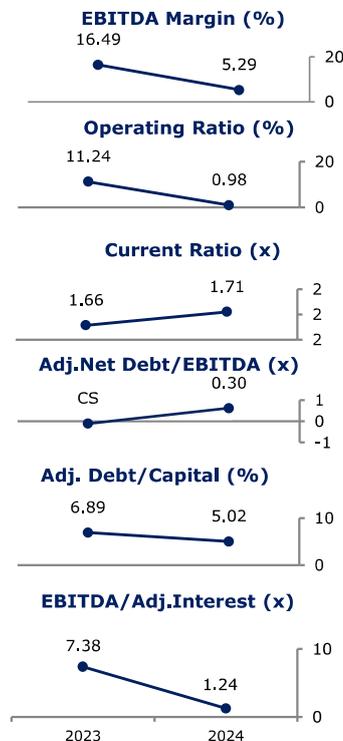
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Continued strong equity contribution, albeit the bottom line loss in FY2024,
- Sound financial leverage metrics despite a sharp decrease in EBITDA generation and the loss of cash surplus position in FYE2024,
- Relatively short cash conversion cycle and reasonable liquidity metrics in FY2024,
- Immaterial level of doubtful receivables thanks to insured and collateralized receivable structure,
- Proven track record and sustainability practices with globally reputable shareholding structure,
- Compliance with Corporate Governance Practices and quality standards as a publicly listed company.

Constraints

- Notable decline in profitability metrics in line with cost pressures and inflation accounting practises in FY2024,
- Rising interest rates and limited EBITDA generation causing to worsening in interest coverage metrics in FY2024,
- Susceptibility of construction sector to macroeconomic conditions and input costs with competitive market structure of the cement and ready-mixed concrete sector,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.



CS: Cash Surplus

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been revised from '**AA- (tr)**' to '**A+ (tr)**'. Long lasting industry experience and reputable shareholder structure, collateralized receivables, indebtedness level, equity structure, operational strength and risk factors in the markets, and business environment as well as the decline in profitability margins, worsening interest coverage metrics, sensitivity to changes in construction sector and geopolitical risks-driven uncertainties 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 affirmed as '**Stable**'. The Company's capital adequacy, financial structure and profit margins, indebtedness level, liquidity and cash flow metrics 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.