Corporate Credit Rating

☐New ☒Update

Sector: Building Materials Industry
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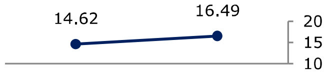
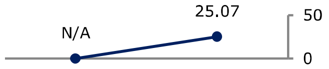
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	**National ICR**	**AA- (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB+	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Assigned by JCR on May 10, 2024*

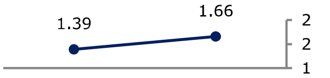
EBITDA Margin (%)



ROAE (%)

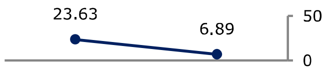


Current Ratio (x)

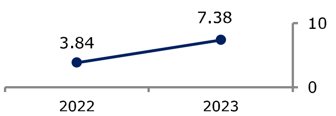


Adj.Net Debt/EBITDA (x)

Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



N/A: Not Applicable

CS: Cash Surplus

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 very high credit quality and revised the Long-Term National Issuer Credit Rating from **'A (tr)'** to **'AA- (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 revised from **'BBB-'** to **'BBB+'** with **'Stable'** outlooks.

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 2023. As of December 31, 2023, the Company had a total of 385 employees, 112 white-collar and 273 blue-collar (December 31, 2022: 354). The Company's shares have been traded on the Borsa İstanbul (BIST) with the 'BASCM' ticker.

The Company's main ultimate controlling shareholder is Parfacim 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	Constraints
• Robust leverage and coverage metrics with the contribution of notable decline in financial borrowing and sound EBITDA generation in 2023, • Enhancement in profitability metrics in 2023, • Solid equity level in analysed periods, • Favourable cash flow metrics easing liquidity management and cash surplus position in 2023, • Low level of doubtful trade receivables thanks to its insured & collateralized structure, • Long-lasting experience in the sector and reputable shareholder structure, • High level of compliance with Corporate Governance Practices and quality standards as a publicly listed company.	• Foreign currency denominated energy costs may put pressure on profitability margins in certain circumstances, • Competitive and capital-intensive structure of the cement sector, • Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been revised from **'A (tr)'** to **'AA- (tr)'**. Long lasting industry experience and reputable shareholder structure, EBITDA and revenue growth, profitability metrics, equity structure, operational strength and risk factors in the markets, and business environment as well as the competition in the 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.