

Corporate Credit Rating

New Update

Sector: Construction Materials
Manufacturing

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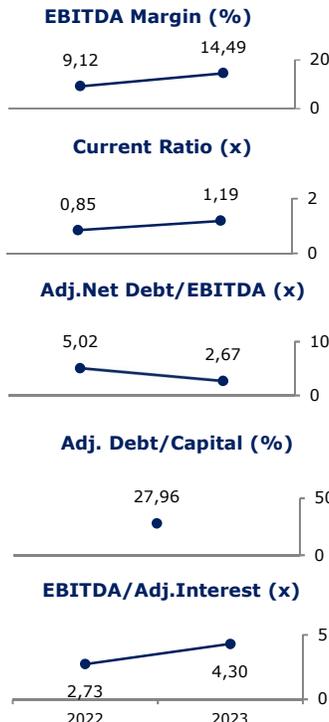
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating 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



Batıçım Batı Anadolu Çimento Sanayii A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of '**Batıçım Batı Anadolu Çimento Sanayii A.Ş.**' in the investment grade category and revised the Long-Term National Issuer Credit Rating from '**BBB (tr)**' to '**BBB+ (tr)**' and affirmed the Short-Term National Issuer Credit Rating at '**J2 (tr)**' with '**Stable**' outlooks. On the other hand, the Long Term International and Local Currency Issuer Credit Ratings and outlooks were assigned as '**BB/Stable**' in line with the global and national scale rating matching published by JCR Eurasia Rating.

Batıçım Batı Anadolu Çimento Sanayii A.Ş. (referred to as 'the Group/the Company or 'Batıçım') was established in İzmir in 1966. The Company, which operates in the field of cement production and has an annual production capacity of 1.80mn tons of cement and 1.38mn tons of clinker. As of FYE2023, Batıçım increased from 338th to 42th in the annual list of Türkiye's Second Top 500 Industrial Enterprises compiled by the Istanbul Chamber of Industry. Batıçım is the main company of Batı Anadolu Group. Batıçım Batı Anadolu Çimento Sanayii A.Ş., an aggregate corporation founded with 100% Turkish capital, the Group which operates in cement, concrete, energy, and logistics fields currently export its products to more than 30 countries among 4 continents. In 1Q2024, Çiftay İnşaat Taahhüt ve Ticaret A.Ş increased its shares from 30.02% to 45.43% in paid in capital. Batıçım has been publicly traded on Borsa İstanbul since 1995 with "BTCIM" ticker with a public share ratio of 46.22% as of report date.

As of 31 December 2023, the average number of employees of Group is 1,006. (31 December 2022: 969).

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

Strengths

- Sufficient liquidity profile supported by positive cash flow metrics,
- Sectoral diversification contributing risk mitigation of revenue generation to a certain extent,
- Asset quality supported by low collection risk,
- The proximity of the factory to the port facilitating access to foreign markets,
- Long-lasting presence and experience in the sector,
- Enhancement in the level of compliance with corporate governance practices.

Constraints

- High level of leverage profile despite recovery in FY2023,
- Foreign currency denominated raw material and 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 whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

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 sufficient liquidity profile, sectoral diversification, low level of impaired receivables high level of compliance with the corporate governance practices and long-lasting presence in the sector along with tight financial conditions and global macroeconomic concerns 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 revenue and EBITDA generation performance, profitability ratios, indebtedness structure, liquidity profile, equity level, asset quality and operation process 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.