

Corporate Credit Rating

New Update

Sector: Ceramic

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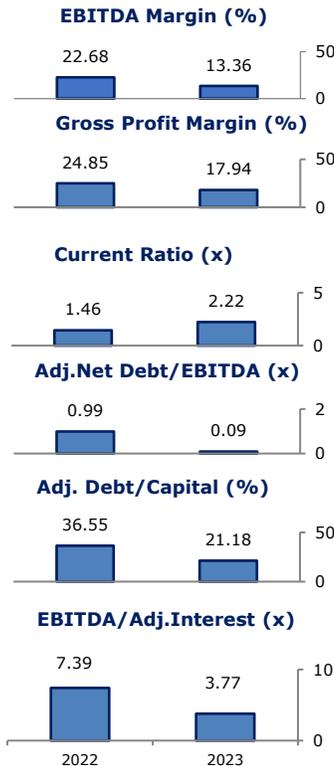
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	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



Bien Yapı Ürünleri Sanayi Turizm ve Ticaret A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Bien Yapı Ürünleri Sanayi Turizm ve Ticaret A.Ş." in the investment grade category with high credit quality, revised the Long-Term National Issuer Credit Rating to 'A (tr)' from 'AA- (tr)' and the Short-Term National Issuer Credit Rating to 'J1 (tr)' from 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/Stable', in line with the sovereign ratings and outlooks of Republic of Türkiye.

"Bien Yapı Ürünleri Sanayi Turizm ve Ticaret A.Ş." (hereinafter referred to as "Bien Yapı" or "the Group") was established in 1997 in Ankara, Türkiye. The Group produces floor and wall ceramics, floor and wall tiles, sanitary ware and granite. Bien Yapı carries out its current production activities through 3 different facilities including 203,728 m² closed area on 666,432 m² land located in Bilecik, Türkiye.

As of September 30, 2024, the Group has two subsidiaries, "Bien Banyo Ürünleri Ticaret A.Ş." ("Bien Banyo") and "Bien Trading Dış Ticaret A.Ş." ("Bien Trading"), in which Bien Yapı has 100% of the shares.

According to the list of Türkiye's Top 500 Industrial Enterprises published by Istanbul Chamber of Industry (ISO), Bien Yapı was ranked 347th in 2023.

The Group has a total of 2,221 employees, as of September 30, 2024 (FYE2023: 2,723).

As of September 30, 2024, the Group's controlling shareholder is Nurullah Ercan with 79.97% share. Remaining 20.03% of shares are publicly traded on the Borsa Istanbul (BIST) with the ticker symbol "BIENY".

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

Strengths

- Diversified funding structure providing financial flexibility,
- Low doubtful receivables ratio supporting asset quality,
- Expected improvement in operational performance through ongoing investment,
- Compliance with corporate governance principles thanks to having publicly traded shares,
- Long-lasting presence in the sector and successful track record.

Constraints

- Notable deterioration in net debt to EBITDA multiplier in 3Q2024 financials, despite its reasonable level over the last two-year period,
- Contraction in profitability margins in FY2023 and 3Q2024 due to increasing CoGS and slowdown in sales volume as parallel to the sector dynamics,
- Short-term weighted debt structure pressuring EBITDA to interest coverage ratio in the analyzed period,
- Negative cash flow metrics in the last two years,
- High dependency on external energy sources in the domestic industry even though a high pass-through capacity,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned factors, the Group's Long-Term National Issuer Credit Rating has been revised to 'A (tr)' from 'AA- (tr)'. Diversified funding structure, asset quality and compliance with corporate governance principles as well as expected deterioration in net debt to EBITDA multiplier, contraction in profitability margins and slowdown signal in the global economy 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 Group's debt and equity level, liquidity and profitability indicators will be closely monitored by JCR Eurasia Rating in the 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.