

## Corporate Credit Rating

New  Update

**Sector:** Energy

**Publishing Date:** 23/08/2022

**Chief Analyst**

Fatih Lap

+90 212 352 56 73

[fatih.lap@jcrer.com.tr](mailto:fatih.lap@jcrer.com.tr)

**Team Leader**

Çetincan Topçu

+90 212 352 56 73

[cetincan.topcu@jcrer.com.tr](mailto:cetincan.topcu@jcrer.com.tr)

**Analyst**

Nazım Candan

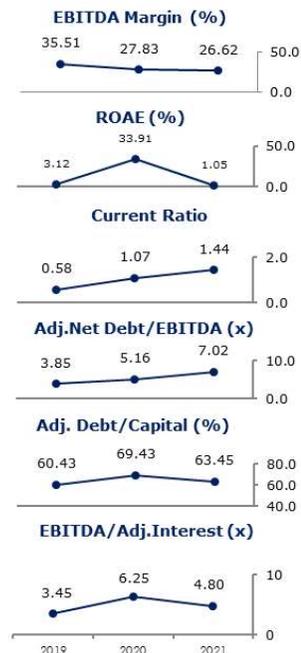
+90 212 352 56 73

[nazim.candan@jcrer.com.tr](mailto:nazim.candan@jcrer.com.tr)

## RATINGS

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

\* Assigned by JCR on August 18, 2022



## Biotrend Çevre ve Enerji Yatırımları A.Ş.

JCR Eurasia Rating has evaluated **Biotrend Çevre ve Enerji Yatırımları A.Ş.** in the investment level category and affirmed the Long-Term National Issuer Credit Rating as '**A+ (tr)**' and the Short-Term National Issuer Credit Rating at '**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/Negative**'.

**Biotrend Çevre ve Enerji Yatırımları A.Ş.** (hereinafter referred to as "Biotrend" or "the Company") was established in 2017 with the aim of investing in renewable energy production, and becoming a technological production and application center. The Company mainly operates in integrated solid waste management area and derives vast majority of its revenue from power generation activities from biogas and biomass power plants. The Company's portfolio includes a total of 18 facilities consist of 15 biogas, 2 biomass, and 1 waste fuel preparation and supply plants. The total power of electricity generation licenses owned by the Company is 181.3 MWe. As of reporting date, the installed power generation capacity of the Company's biogas and biomass power plants in operation is 92.2 MWe. The Company is benefited from renewable energy resources supporting mechanism (YEKDEM) with 7.6 years term in average as of reporting date.

Biotrend is registered with the Capital Markets Board (CMB) and currently its 27.78% shares traded in Borsa Istanbul (BIST) since April, 28, 2021 with the stock ticker 'BIOEN'. The Company is a subsidiary of Doğanlar Yatırım Holding which is established in the 1970s and operating in the fields of furniture, retail, energy, and construction with a total employed workforce of 2,500.

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

### Strengths

- Steady cash inflow and strong EBITDA generation capacity through completed investments
- Diversification through large number of facilities
- Natural hedging opportunity derived from USD denominated feed-in-tariff mechanism
- Asset quality strengthened by the low collection risks
- Notable paid-in capital increase and initial public offering in 2021
- High support level of sectoral authority encouraging the use of renewable energy sources together with the investment incentive market dynamics

### Constraints

- Deterioration of net debt to EBITDA ratio
- Changes in regulatory environment put pressure on investment appetite
- Negative measurements of cash flow metrics due to capex
- The geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainty

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Ratings has been affirmed as '**A+ (tr)**'. The Company's strong EBITDA generation capacity, benefits from YEKDEM advantages, sustainable operational performance, low credit risk, and global interest rate hiking cycle have been evaluated as important indicators for the stability of the ratings and outlooks for Long and Short-Term National Issuer Credit Ratings '**Stable**'. The Company's operational profitability performance, borrowing structure, return on investments, and liquidity level 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.