

Corporate Credit Rating

New Update

Sector: Energy

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RATINGS		Long Term	Short Term
ICRs (Issue 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	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	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 as '**A+ (tr)**' and the Short-Term National Issuer Credit Rating as '**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**' in line with the sovereign ratings and outlooks of the Republic of Türkiye.

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 19 plants including integrated waste management activities and BPPs, a solid fuel preparation facility and a greenhouse facility. The total power of electricity generation licenses owned by the Company is 181.3 MWe. As of 31 March 2023, the installed power generation capacity of the Company's biogas and biomass power plants in operation is 117 MWe. The Company is benefited from renewable energy resources supporting mechanism (YEKDEM) with 6.9 years term in average as of 31 March 2023.

Biotrend is registered with the Capital Markets Board (CMB) and currently its 39.59% shares traded in Borsa İstanbul (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.

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

Strengths

- Increasing EBITDA generation capacity through new investments during the review period although a decrease in EBITDA margin in 1Q2023
- Fixed priced schedule within the scope of YEKDEM providing predictability in cash flow and low level of collection risk to some extent
- Diversification of income sources along with the new investment plans in the following periods such as chemical upcycling, electricity storage, solar electricity generation, greenhouse farming, and heat sales
- Diversification provided by large number of facilities located in various locations in Türkiye
- High level of support from sectoral authority encouraging the use of renewable energy sources
- High level of compliance with the corporate governance practices

Constraints

- Capital expenditures in the following periods may put pressure on liquidity management
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Ratings has been affirmed at '**A+ (tr)**'. The Company's EBITDA generation capacity, benefits from YEKDEM advantages, 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 are affirmed as '**Stable**'. The Company's profitability performance, borrowing structure, equity level, 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.

