

Corporate Credit Rating

New Update

Sector: Energy

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Team Leader

Cemil ERKÜRK

+90 212 352 56 73

cemil.erkurk@jcrer.com.tr

Assistant Analyst

Yusuf OKCU

+90 212 352 56 73

yusuf.okcu@jcrer.com.tr

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)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

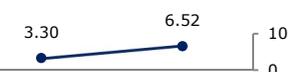
EBITDA Margin (%)



Current Ratio (x)



Adj.Net Debt/EBITDA (x)



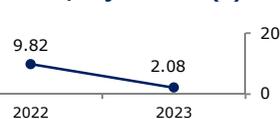
Equity/Total Assets (%)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



BIOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.

JCR Eurasia Rating, has evaluated 'Biotrend Çevre ve Enerji Yatırımları A.Ş.' in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating from 'A+ (tr)' to 'A (tr)' and affirmed 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 have been affirmed as 'BB' and outlooks assigned as 'Stable' according to JCR-ER's national-global mapping methodology, as parallel to international ratings and outlooks of the Republic of Türkiye.

Biotrend Çevre ve Enerji Yatırımları A.Ş. (hereinafter referred to as 'the Company', 'the Group' or 'Biotrend') was established in 2017 as a subsidiary of 'Doğanlar Yatırım Holding A.Ş.' with the aim of becoming a technological production and application center, as well as the mission of making investments in alternative energy production. Including ongoing investments, the Group has 17 facilities which consist of 9 integrated waste management and BPP (Biomass Power Plant), 6 BPPs, a solid fuel preparation, and a greenhouse in 5 different regions and 9 provinces in Türkiye as of reporting date. The total power of electricity generation licenses owned by the Group is 171.3 MWe and the installed power is 114.2 MWe as of April 5, 2024. In addition, the Group benefits from renewable energy resources supporting mechanism ('YEKDEM') with 6-year term on average as of 1Q2024.

Biotrend's initial public offering (IPO) was made in April 2021, and the shares of the Company have been traded on Istanbul Stock Exchange (BİST) with the ticker name 'BIOEN' since then. The main shareholder of the Group is 'Doğanlar Yatırım Holding A.Ş.' (54.50%), followed by EBRD (5.91%), Osman Nuri Vardı (1.8%), and the remaining shares (37.79%) are publicly traded as of 1Q2024. The Group's headquarter is located in Beykoz/İstanbul. As of FYE2023, the Group sustains its operations with 792 employees (FYE2022: 583 employees).

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

Strengths

- YEKDEM receivables providing predictability in cash flow to some extent and low collection risk
- Government incentive received for pyrolysis oil production plant investment within the scope of plastic upcycling
- Geographical diversification of its high number of facilities
- High level of support from the sectoral authority promoting the use of renewable energy sources
- Strong shareholder structure along with compliance with the corporate governance practices as a publicly listed company

Constraints

- Stagnation in revenue growth despite the increase in electricity generation in both FY2023 and 1Q2024
- Contraction in operational profitability margins over the reviewed periods
- Deterioration in both leverage and coverage metrics
- Capital expenditures may cause disruption in liquidity figures despite short cash conversion cycle
- 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 Long-Term National Issuer Credit Rating has been revised from 'A+ (tr)' to 'A (tr)'. The Company's ability to benefit from the fixed price mechanism YEKDEM, geographical diversification of its plants, cash conversion cycle, satisfactory equity base, natural hedge from FX denominated sales in some extent and low doubtful receivables 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 trend and profitability performance, electricity generation trend, indebtedness level and leverage profile, liquidity structure, FX position and sectoral trends 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.