

Corporate Credit Rating

New Update

Sector: Coal Mining

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Manager

Fatih Lap

+90 212 352 56 73

fatih.lap@jcrer.com.tr

Team Leader

Çetinçan Topçu

+90 212 352 56 73

cetincan.topcu@jcrer.com.tr

Senior Analyst

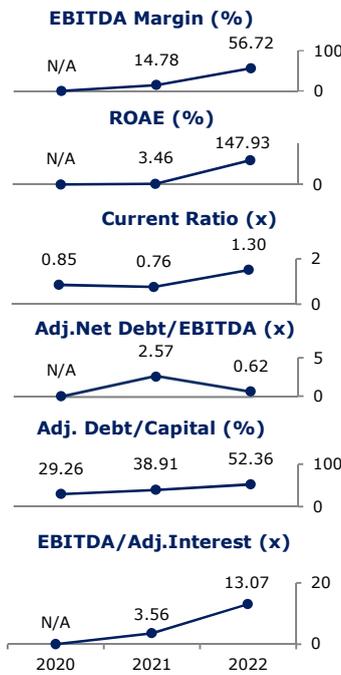
Ömer Faruk Çağlar

+90 212 352 56 73

omer.caglar@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)	International FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
Sovereign*	Local Currency	BB (Negative)	-

* Assigned by JCR on August 18, 2022



BKİ Batı Kömür İşletmeleri A.Ş.

JCR Eurasia Rating, has evaluated "BKİ Batı Kömür İşletmeleri A.Ş." in investment-level category and assigned the Long-term National Credit Rating as 'A- (tr)' and the Short-Term National Credit Rating as 'J2 (tr)' with 'Stable' outlook. On the other hand, the Long Term International Foreign and Local Currency Ratings of the Company were assigned at 'BB/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

BKİ Batı Kömür İşletmeleri A.Ş. (hereinafter referred to as "BKİ" or "the Company") was established in 2016 in Uzunköprü, Edirne for coal mining and the operations of the Company date back to 1977. The Company's shares were acquired in 2018 by the current shareholders who have been in business more than 50 years.

As of June 2023, the Company's paid in capital amounts to TRY 30mn and the shareholder structure of the Company is as follows: Aydın Linyit Madencilik San. ve Tic. A.Ş. (30%), Lina Madencilik Pet. Ener. Tar. ve Hayv. San. Tic. A.Ş. (25%), Yusuf Kuyumcu (24%) and Erdoğan Atay Yatırım Holding A.Ş. (21%).

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

Strengths

- Robust improvement in sales revenue along with profitability indicators in 2022
- Solid leverage metrics despite significant increase in indebtedness due to Capex
- High receivable collection capability strengthening asset quality
- Sound equity level supported by internal resource generation
- Backed by experienced shareholders in the sector

Constraints

- The cyclicity of the mining industry
- Significant operation & maintenance risks and ESG impact due to the nature of mining business
- Improvement needs in the level of compliance with corporate governance practices
- 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 the Long-Term National Credit Rating has been assigned as 'A- (tr)'. The Company's solid improvement in sales revenue and profitability indicators in 2022, low level of leverage despite significant increase in indebtedness, solid equity level, low collection risk and experienced shareholders' support have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Credit Ratings are determined as 'Stable'. The Company's continuity of revenue generation capacity and profitability performance, adequacy of liquidity, indebtedness level, market position and regulations in the sector are the main factors that 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.