

Corporate Credit Rating

New Update

Sector: Building Materials Industry

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Team Leader

Firat Tunç

+90 212 352 56 73

firat.tunc@jcrer.com.tr

Assistant Analyst

Sinem Türkel

+90 212 352 56 73

sinem.turkel@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (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

BOĞAZIÇI BETON SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of "Boğaziçi Beton Sanayi ve Ticaret A.Ş." in the investment level category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA+ (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 determined as 'BB/Stable' in line with sovereign ratings and outlooks of Republic of Türkiye.

Boğaziçi Beton Sanayi ve Ticaret A.Ş. (hereinafter referred to as 'BOBET', 'the Group' or 'the Company') was established in 2003, based in İstanbul. The primary business of the Company centers on manufacturing and distributing various types of pre-mixed concrete. BOBET operates one of the largest aggregate mining facilities on the European side of İstanbul. BOBET was ranked 196th among Türkiye's Top 500 Industrial Enterprises in 2023, an increase from its 294th position in 2022. As of FY2024, the Company employed an average of 1,562 personnel, an increase from the previous fiscal year's 1,320. Additionally, BOBET is one of the ready-mixed concrete companies with the most widespread distribution network and highest production capacity in İstanbul.

The Zengin family, who founded the Company in 2003, retains majority ownership of the Group with a 70.00% stake. The remaining 30.00% of the Company's shares are publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "BOBET" since June, 2021.

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

Strengths

- Sustainable sales revenue and profitability, despite restricted outlook in 1Q2025 financials partly due to seasonal effect,
- Robust financial leverage and coverage metrics thanks to cash surplus position in the reviewed period,
- Asset quality supported by the low collection risk,
- Solid equity structure supported by internal equity generation,
- Sound liquidity structure backed by cash flow generation and rapid cash cycle,
- Compliance regarding corporate governance practices as a public company,
- Successful track-record and reputable brand name in the sector.

Constraints

- The construction sector's vulnerability to macroeconomic factors,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. Maintaining sales revenue and profit margins, positive cash flow metrics, net cash position, asset quality, strong equity level, short cash cycle, transparency and successful track record as well as construction sector's dependence on 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 Company's financial structure, tight economic conditions and Türkiye's economy and its effects on the Company's activities 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.

