

## Corporate Credit Rating

New  Update

**Sector:** Plastic and Rubber Industry

**Publishing Date:** 29/03/2024

### Team Leader

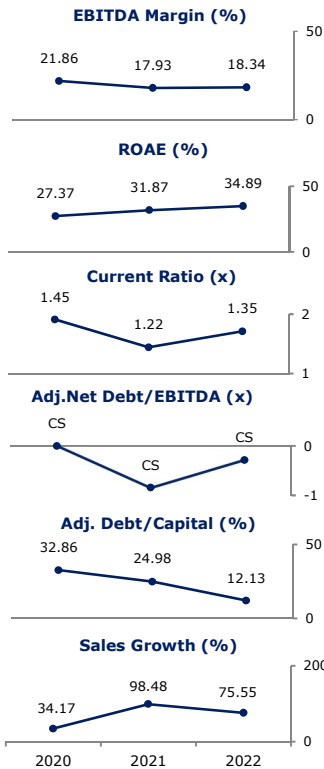
Elif Kirlangıç Keçeli  
 +90 212 352 56 73  
[elif.keceli@jcrer.com.tr](mailto:elif.keceli@jcrer.com.tr)

### Senior Analyst

Hasan Murat Yılmaz  
 +90 212 352 56 73  
[murat.yilmaz@jcrer.com.tr](mailto:murat.yilmaz@jcrer.com.tr)

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific 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 Aug 18, 2022



## Ege Profil Ticaret ve Sanayi A.Ş.

JCR Eurasia Rating, has evaluated "Ege Profil Ticaret ve Sanayi A.Ş." in the investment grade 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 assigned as 'BB/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

**Ege Profil Ticaret ve Sanayi A.Ş.** (referred to as "the Company" or "Ege Profil") was established in 1981 by Mazhar Zorlu. In 1993, the Company offered its shares to public and started to be traded in Borsa İstanbul A.Ş. (BİAŞ). Then, Mazhar Zorlu sold its 47% of shares to Deceuninck Group in 2000, later remaining 30% in 2001. Currently, Deceuninck NV has 87.91% of shares and remaining 12.09% of the Company is traded on BİAŞ. Deceuninck NV is a Belgian designer and producer of PVC systems for windows and doors, interior, roofline & cladding and terraces. At the end of 2004, the Company acquired "Winsa" from Sabancı Holding. In 2017, Deceuninck NV's another subsidiary which was also listed, Pimas having the generic brand "Pimapen" was merged with Ege Profil.

Ege Profile operates in the PVC profile sector with three main brands, namely Egepen Deceuninck, Winsa and Pimapen and production/ and marketing channels of all brands have been operating separately. The Company manufactures Polyvinyl Chloride (PVC) profiles in various forms at its factories located in İzmir/Menemen and Kocaeli/Kartepe. Menemen factory has been operating on the area of 86,258m<sup>2</sup> closed, total 110,000m<sup>2</sup> with 100K tons production capacity. Kartepe factory has been operating on the area of 34,591m<sup>2</sup> closed, total 40,668m<sup>2</sup> with 41K tons production capacity. Also, the Company has a logistic center which is operated by an outsourced Logistic Company, at Kartepe within 21,515m<sup>2</sup> closed area. In addition to its activities in Türkiye, the Company has a subsidiary, which is Deceuninck Profiles India Pvt Limited, established to distribute products to India.

The Winsa brand has nearly 232 producer dealers and 307 sale points; the Egepen brand has nearly 231 producer dealers and 786 sale points; and the Pimapen brand has nearly 302 producer dealers and 690 sale points as of end of 2023. As of end of 3Q2023, the Company's number of employees is 1,230 (FYE2022: 1,152)

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

### Strengths

- Maintained sales revenues on the back of price increase and sales volume growth,
- Favorable profitability indicators with further enhancement achieved as per 3Q2023 figures,
- Continued cash surplus position with low level of indebtedness in 2022,
- Strong liquidity structure with sufficient cash flow metrics,
- Ongoing solid equity level despite partial dividend distributions,
- High compliance with the corporate governance principles,
- Strong brand identity through nationwide number of dealers and sales points as well as being a subsidiary of Deceuninck NV.

### Constraints

- Sensitivity to fluctuations in input costs and exposure to intense competition,
- Relatively high operating expenses compared to sales revenues,
- 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 the Long-Term National Issuer Credit Rating has been affirmed at "AA+ (tr)". The outlook for Long-Term National Issuer Credit Rating has been determined as 'Stable' considering strong brand identity, increasing revenue and EBITDA generation, enhancing profitability margins, cash surplus position, compliance of corporate governance principles and solid equity metrics as well as exposing the input cost fluctuations and relatively high operating expenses, uncertainties arisen from geopolitical tensions and global tight financial conditions. The Company's liquidity profile, EBITDA generation capacity, sales volume, profitability metrics, and asset quality 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.