JCR Eurasia Rating
"JCR-ER, Group of Japan Credit Rating Agency, Ltd."

Corporate Credit Rating

☒New ☐Update

Sector: Corrugated Packaging
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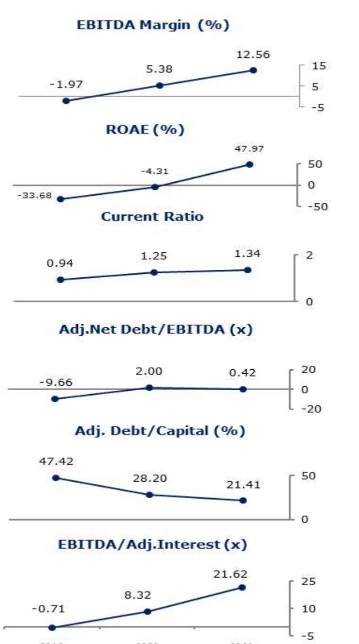
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	**National ICR**	**AA (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB	J2
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BBB	J2
	International LC ICR Outlooks	Stable	Stable
ISRs (Issue Specific Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Assigned by JCR on May 31, 2021*



Mondi Olmuksan Kağıt ve Ambalaj Sanayi A.Ş.

JCR Eurasia Rating, has evaluated consolidated structure of **Mondi Olmuksan Kağıt ve Ambalaj Sanayi A.Ş.** in investment-level category on the national scale and assigned its Long-Term National Note at **'AA (tr)'** with **'Stable'** outlook. On the other hand, the Long Term International Foreign and Local Currency ratings were assigned as **'BBB'** with **'Stable'** outlooks.

Mondi Olmuksan Kağıt ve Ambalaj Sanayi A.Ş. (referred to as 'the Company', 'Mondi Olmuksan' or 'the Group') was established on 13 August 1958 with the title of Cam Soda Sanayi A.Ş. and in 1963, the title and the subject of activity was changed. The Company has been manufacturing and selling all kinds of corrugated cardboard boxes since 1968. The Company's former title, Olmuksa International Paper Sabancı Ambalaj Sanayi ve Ticaret A.Ş., was changed to Olmuksan International Paper Ambalaj Sanayi ve Ticaret Anonim Şirketi as of March 26, 2013. As of June 2021, the title of the Company has been changed to Mondi Olmuksan Kağıt ve Ambalaj Sanayi A.Ş. The Company's core business is production of corrugated cardboard. Mondi Olmuksan produces all kinds and sizes of corrugated cardboard boxes and offers for sale to a wide customer portfolio from the food sector to the industrial sector. The Company has 5 manufacturing plants in Turkey (located in Gebze, İzmir, Adana, Bursa and Çorum). Total indoor area of its production facilities is 96,787 square meters and the Company had an annual production capacity of 349K tonnes as of FYE2021.

The Company shares are traded on the Borsa Istanbul since 1986, with the ticker symbol "OLMK" while the ultimate shareholder of the Company is Mondi Corrugated BV with a share of 92.00% as of 2021. Mondi is a global leader in packaging and paper, employing around 26,500 people at over 100 production sites across more than 30 countries, with key operations located in Europe, North America and Africa. Mondi Group generated EUR 7.72 billion revenue and EUR 0.98 billion EBITDA in 2021.

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

Strengths	Constraints
• Robust revenue and EBITDA growth in the recent year • Significant improvement in bottom line and profitability margins in 2021 • Steady improvement in financial leverage indicators • Strong liquidity metrics observed in the last year • Various product range offered to different industries provides resilience for the Company • Long lasting presence in the sector and backed by globally reputable and experienced partner in the paper and packaging industry • Compliance with corporate governance principles	• Credit risk exposure arisen from partially unsecured trade receivables • Possible fluctuations in commodity prices may pressure the profitability indicators • Having currency risk exposure due to short FX position in balance sheet • Geopolitical risks stemming from the Russia-Ukraine tension increasing supply chain risks, weakening the risk appetite towards EMs coupled with potential pressure on profitability margins

Considering the aforementioned points, the Company's Long Term National Rating has been assigned as **'AA (tr)'**. The Company's strong revenue and EBITDA growth in the last year, strong shareholder structure, broad sectoral experience, sufficient liquidity metrics, resilient operational performance along with its short foreign currency position, and geopolitical risks-driven uncertainties have been evaluated as important indicators for the stability of the ratings and the outlooks for long and short-term national ratings are determined as **'Stable'**. Sustainability of the Company's profitability performance, asset quality, liquidity structure, cash generation performance, term structure of liabilities, foreign currency position together with the trends in the industry are to be 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.