

Corporate Credit Rating
Annual Review

Manufacturing & Industry
[Packaging Products Manufacturing]

		Long Term	Short Term
International	Foreign currency	BBB-	A-3
	Local currency	BBB-	A-3
	Outlook	Stable	Stable
National	Local Rating	BBB(Trk)	A-3(Trk)
	Outlook	Positive	Stable
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign currency	BBB-	-
	Local currency	BBB-	-
	Outlook	Stable	-

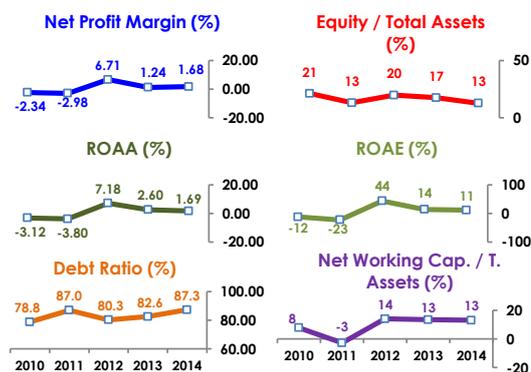
*Assigned by Japan Credit Rating Agency, JCR on August 28, 2015

Senior Analyst: Gökhan **IYIGUN**/+90 212 352 56 74

gokhan.iyigun@jcrer.com.tr

Assistant Analyst: Dinçer **SEMERCİLER**/+90 212 352 56 74

dincer.semenciler@jcrer.com.tr



Sarten Ambalaj Sanayi ve Ticaret A.Ş.						
Financial Data	Sept, 2015	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	275,950	287,046	306,068	314,165	287,900	288,107
Total Assets (000 TRY)	834,777	665,630	652,048	558,459	543,815	442,994
Equity (000 TRY)	119,972	84,319	113,663	109,899	70,521	93,767
Net Profit (000 TRY)	-16,774	12,259	8,201	39,318	-16,210	-9,768
Sales (000 TRY)	631,731	728,649	664,037	586,229	543,928	418,253
Net Profit Margin (%)	-2.66	1.68	1.24	6.71	-2.98	-2.34
ROAA (%)	N/A	1.69	2.60	7.18	-3.80	-3.12
ROAE (%)	N/A	11.27	14.08	43.84	-22.85	-12.17
Equity / Total Assets (%)	14.37	12.67	17.43	19.68	12.97	21.17
Net Working Capital / T. Assets (%)	14.74	13.00	13.41	14.03	-2.82	7.77
Debt Ratio (%)	85.63	87.33	82.57	80.32	87.03	78.83
Asset Growth Rate (%)	N/A	2.08	16.76	2.69	22.76	22.19

*End of year

Overview

With origins dating back to the establishment of the tin factory in Çorlu, Tekirdag in 1972, **Sarten Ambalaj Sanayi ve Ticaret A.Ş.** (referred to as Sarten Ambalaj or the Company) gradually expanded its operations and turned into one of the leading domestic manufacturers of metal, plastic packages, twisted caps and cans for use across a variety of sectors principally food along with cosmetics and other industries. There are currently 13 domestic production plants scattered across Turkey and 2 overseas factories in Russia and Bulgaria as well as regional marketing and distribution offices across the region. In line with its strategy to become an international player, the Company signed a partnership agreement with Mitsui & Co Europe Plc following the sale of a 15% stake completed in July, 2015.

In order to maintain a competitive market position and keep up-to-date with the latest technologies, the Company formed a Research & Development department in 2005 based in the Silivri and Manisa plants and opened Sarten Academy in 2008 to equip its workforce with the most up-to-date education and training in its operating field.

As of FYE2014, the Company attained the 118th (FYE2013: 123rd) ranking in the annual list of 500 Leading Industrial Enterprises compiled by the Istanbul Chamber of Industry whilst becoming the 226th largest exporter Company in the annual list of Top 1000 Exporter Companies compiled by the Turkish Exporters Assembly. Headquartered in Istanbul, the major qualified shareholder of the non-listed Company is the Saribekir Family which employed a total workforce of 2,442 as of the reporting date. (FYE2013: 2,015)

Strengths

- Leading market position in the domestic metal packaging sector along with notable regional presence
- Partnership with Mitsui & Co and subsequent capital injection anticipated to reflect positively on future growth performance and strategies relating to international expansion
- Significant expansion potential of the Turkish packaging market in the medium and long-term due to low per capita consumption
- Large share of the food sector in sales reducing susceptibility to economic downturns along with dispersed customer concentration
- High level of emphasis on Research & Development along with training of personnel leading to a competitive advantage
- Improvement in the level of Compliance with Corporate Governance Practices

Constraints

- Deterioration in profitability performance in the current financial year due to the formation of foreign exchange losses along with volatility risk on future profitability stemming from the significant share of short-term foreign currency denominated financial liabilities
- High levels of operating expenses and dependence on financial leverage weakening internal equity generation capacity
- Large share of informal economy inherent across the sector
- Rise in political tensions with Russia and ongoing unrest in the neighboring region with the potential to negatively impact exports
- Ongoing market volatility that is anticipated to exert downward pressure on emerging markets in the upcoming period expected to be mitigated via the large share of sales to the food industry

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