

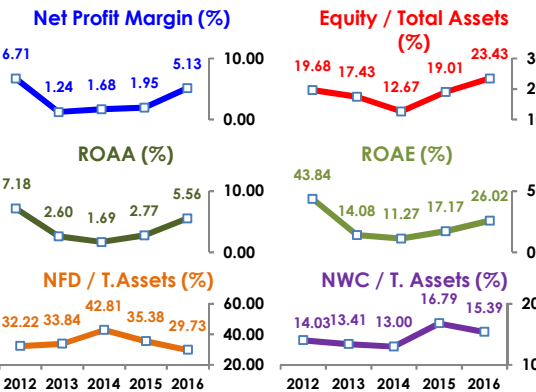
**Corporate Credit & Issue Rating**
**Manufacturing & Industry  
[Packaging Products Manufacturing]**

			Long Term	Short Term
International	Foreign currency		BBB-	A-3
	Local currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating		n.a.	n.a.
National	Local Rating		A- (Trk)	A-1 (Trk)
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating		A- (Trk)	A-1(Trk)
Sponsor Support			2	-
Stand Alone			B	-
Sovereign*	Foreign currency		BBB-	-
	Local currency		BBB-	-
	Outlook	FC	Stable	-
		LC	Stable	-

\*Assigned by Japan Credit Rating Agency, JCR on November 10, 2017

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\* NFD: Net Financial Debts, NWC: Net Working Capital

**Strengths**

- Leading player in the domestic metal packaging sector and notable regional presence
- 45-year experience in the packaging manufacturing sector with experienced senior management and skilled workers
- Robust revenue growth coupled with improvements in profitability indicators reinforcing the Company's debt servicing capacity
- Established partnership with Mitsui & Co Europe Plc. and reinforced capital structure, supporting future growth and the international expansion of Company operations
- One of the leading manufacturers and exporters of Turkey in terms of revenues from production
- Expected increase in profit margins upon the completion of ongoing investments
- High share of food sector sales in total sales revenues reducing susceptibility to economic downturns
- Packaging sector's largest R&D department contributing to the efficiency and profitable growth of Company operations
- Attained level of compliance with Corporate Governance Practices

**Constraints**

- Volatility in raw material costs and low pricing strategy of competitors repressing the Company's profit margins
- Notable increase in the share of non-performing receivables within total receivables as of FYE2016
- Significant foreign currency short position on the balance sheet and resulting FX losses diminishing the profitability with the depreciation of TL
- Large share of informal economy and high degree of import dependence inherent across the packaging sector
- Pressurized political and economic outlook in Turkey and security concerns and ongoing conflicts in the Middle East region increasing operational risks
- Low profit margin of food industry sales comprising more than half of total sales revenues diminishing the overall profit generation capacity
- Difficulties in finding experienced technical personnel and high training costs increasing the Company's operational expenditures

SARTEN AMBALAJ SANAYİ VE TİCARET A.Ş.						
Financial Data	2017H1	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	276,364	263,113	277,227	287,046	305,509	314,165
Total Assets (000 TRY)	969,234	925,947	806,064	665,630	652,048	558,459
Equity (000 TRY)	251,902	216,990	153,234	84,319	113,663	109,899
Net Profit (000 TRY)	41,674	45,036	17,108	12,259	8,201	39,318
Net Sales (000 TRY)	518,466	877,609	878,672	728,649	664,037	586,229
Net Profit Margin (%)	8.04	5.13	1.95	1.68	1.24	6.71
ROAA (%)	N/A	5.56	2.77	1.69	2.60	7.18
ROAE (%)	N/A	26.02	17.17	11.27	14.08	43.84
Equity / Total Assets (%)	25.99	23.43	19.01	12.67	17.43	19.68
NWC / T. Assets (%)	15.60	15.39	16.79	13.00	13.41	14.03
Debt Ratio (%)	74.01	76.57	80.99	87.33	82.57	80.32
Asset Growth Rate (%)	4.67**	14.87	21.10	2.08	16.76	2.69

\* End of year, NWC: Net Working Capital, 2017H1: June-end 2017, \*\* Between 31 December 2016 and June-end 2017

**Overview**

With origins dating back to the establishment of a tin factory in Çorlu, Tekirdag in 1972, **Sarten Ambalaj Sanayi ve Ticaret A.Ş.** (hereinafter "the Group", "the Company" or "Sarten") gradually expanded its operations and turned into one of the leading domestic manufacturers of metal and plastic packages, lids and cans for use across a variety of sectors principally food along with cosmetics and other industries. Sarten currently operates 15 domestic production plants across Turkey and 2 overseas plants in Russia and Bulgaria along with regional marketing and distribution offices across the region. The Company signed a partnership agreement with *Mitsui & Co Europe Plc* in July 2015 following the sale of a 15% stake. The Company realizes exports to approximately 80 countries and has approximately 800 customers in Turkey and more than 300 abroad.

In order to maintain a competitive market position and keep up-to-date with the most recent technologies, in 2005 Sarten established a Research & Development department based in the Silivri and Manisa plants. Employing 70 employees, the department is the largest in the packaging sector. Additionally, the Company established the Sarten Academy in 2008 to equip the workforce with the most up-to-date education and training in its operating field.

In 2016, Sarten was ranked 112<sup>th</sup> (FY2015: 100<sup>th</sup>) on the annual list of 500 Largest Industrial Enterprises of Turkey (ISO500) compiled by the Istanbul Chamber of Industry, whilst becoming the 198<sup>th</sup> (FY2015: 196<sup>th</sup>) 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. Sarten employed a total workforce of 2,805 as of June-end 2017 (FYE2016: 2,479).

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