

Corporate Credit &  
Issue Rating

New  Update

Sector: Ceramics Industry  
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**Analyst(s)**

**Head of Group**

Zeki Metin Çoçkan  
+90 212 352 56 73

[zekic@jcrer.com.tr](mailto:zekic@jcrer.com.tr)

**Assistant Analyst**

Ersin Kılıçkap  
+90 212 352 56 73

[ersinkilickap@jcrer.com.tr](mailto:ersinkilickap@jcrer.com.tr)

**RATINGS**

		Long	Short	
International	Foreign Currency	B-	C	
	Local Currency	B-	C	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
Issue Rating	-	-		
National	Local Rating	BBB- (Trk)	A-3 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB- (Trk)	A-3 (Trk)	
Sponsor Support		3	-	
Stand-Alone		BC	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
		LC	Negative	-

\*Affirmed by JCR on December 6, 2019

**UŞAK SERAMİK SANAYİ A.Ş.**

**Company Overview**

Financial Data	3Q2019**	2018*	2017*	2016*	2015*
Total Assets (000 USD)	132,240	124,111	135,292	130,013	126,522
Total Assets (000 TRY)	748,357	652,936	510,307	457,542	367,875
Equity (000 TRY)	240,384	177,868	122,981	119,467	93,318
Net Profit (000 TRY)	7,127	4,502	5,519	4,995	1,194
Sales (000 TRY)	257,305	315,518	273,840	222,935	187,541
Net Profit Margin (%)	2.77	1.43	2.02	2.24	0.64
ROAA (%)	n.a	0.77	1.59	1.81	0.85
ROAE (%)	n.a	2.99	6.35	7.01	2.95
Equity / Total Assets (%)	32.12	27.24	24.10	26.11	25.37
Net Working Capital / T. Assets (%)	2.35	-4.94	2.92	-6.06	4.07
Debt Ratio (%)	67.88	72.76	75.90	73.89	74.63
Asset Growth Rate (%)	14.61	27.95	11.53	24.37	33.01

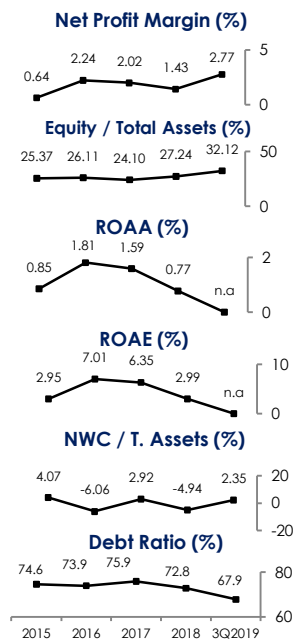
\*End of year \*\*End of period

**Uşak Seramik Sanayi A.Ş.** (hereinafter referred to as **Uşak Seramik** or **the Company**) was founded in 1972 under the name Uşak Elektro Porselen A.Ş. to produce electro porcelain. In 1986, the Company's name changed to Uşak Seramik A.Ş and added the production of wall and floor tiles in 1991. The Company carries out production in the Banaz district of the Uşak Province in a 266,927 square meter facility.

The Company's shares have been publicly traded on the Borsa Istanbul (BIST) under the ticker symbol "UŞAK" since 1990 with a current free float of 77.01%. Tanser Seramik Sanayi ve Ticaret A.Ş., which is the Company's main partner, held 12.37% shares and Tanışlar Yapı Sanayi ve Ticaret A.Ş., a Tanışlar group company, held 5.05% shares and Zafer Berken held %5.57 of the Company as of 3Q2019.

The Company carries out its marketing activities through its distributors, chain stores and a wide dealer network in Turkey and exports to more than 30 countries.

As of 3Q2019, the labor force of the Company was 416 (3Q2018: 475).



**Strengths**

- Continues asset growth in last four year
- Increasing net profit as of 3Q2019
- Realized capital increase strengthened equity level
- Well diversified marketing strategy and effective retailing network through the country
- Diversified funding mix via bond issuances
- Strong market share and presence in the granite sector
- Long experience in ceramic sector that enables economies of scale and scope

**Constraints**

- Sizeable level of off- balance sheet commitments increasing risk level and pressure on assets
- Speedily growing amount of factoring line of credits in last two year
- Increase in Company's total liabilities
- Volatilities in foreign exchange rates and depreciation of the TRY reducing disposable household income and the debt service capacity of real sector that increases the risk level in the market
- Nationwide competition in the sector and sector's high dependency on outside energy sources