

Corporate Credit Rating

New Update

Sector: Energy And Telecommunication Cables

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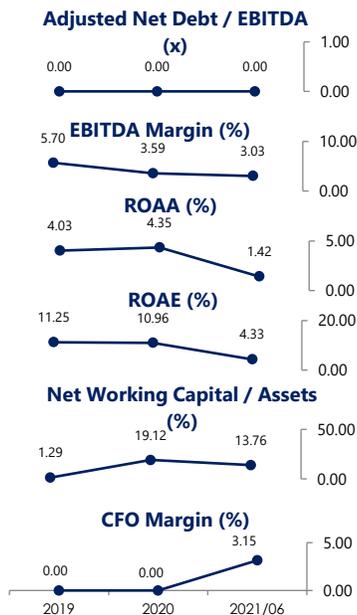
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RATINGS

		Long Term	Short Term	
National	Local Rating	AA- (Trk)	A-1+ (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	-	-	
International	Foreign Currency	BBB	A-3	
	Local Currency	BBB	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Sponsor Support	1	-		
Stand-Alone	A	-		
Sovereign*	Foreign Currency	BB	-	
	Local Currency	BB	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by JCR on May 31, 2021



TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

Türk Prysmian Kablo ve Sistemleri A.Ş. operates under the roof of Prysmian Group, a prominent conglomerate with operations in the energy and telecommunication cable manufacturing. As of YE2020, the Company employed a workforce of 520, on average. Türk Prysmian's Long-Term National Rating is assigned as **'AA- (Trk)'**, Short Term National Rating is assigned as **'A-1+ (Trk)'** in this initial report.

Türk Prysmian Kablo ve Sistemleri A.Ş. (referred to as Türk Prysmian or the Company) is the energy and telecommunication cable manufacturing company founded in 1964 as one of the Prysmian Group companies. Türk Prysmian specializes in energy and telecommunication cable manufacturing and sales to domestic and international consumers.

The company stands out in Prysmian Group as one of the 16 plants that can simultaneously produce energy and telecom cables. All the energy cables up to 220 kV, copper conductor communication cables up to 3.600 pairs, optical fiber cables, railway-signaling cables, lift systems, studio broadcast cables and special cables are in the company's product range with its Prysmian and Draka brands. Mudanya factory can produce 22.000 different cables. Besides, Türk Prysmian performs "turn key" projects for cables and systems. The company is headquartered in Mudanya (Bursa) since 1964 and carries out its activities in a total area of 180.000 m² (covered area: 79.000 m²).

Strengths

- Cash surplus position with a notable liquidity buffer significantly surpassing financial loans
- Increase in revenues and EBITDA, even with the license and service expenses to parent Group
- Favourable net working capital position
- One of the leading energy and telecommunication cable production companies along with presence in the overseas region as a member of global Prysmian Group
- Steady improvement in sales performance over the years
- Prudent financial management
- Prysmian Group's operational support
- As an institution subject to Capital Market Law, improved transparency with regard to corporate governance compliance

Constraints

- Contraction in profit margin due to increase general administrative expenses
- Deterioration on local and global economic outlook due to Covid-19 pandemic
- Increases in raw material costs in the cable industry
- Slowdown and cost-pressures in housing sector, affecting telecom segment revenues, despite a slight improvement in the construction sector

Considering the aforementioned factors, Company's the Long Term National Rating has been assigned at **'AA- (Trk)'**. Türk Prysmian's product variety, strong international linkages, corporate customer profile, market share are the primary pillars of the rating. Additionally, the Company's capital structure, business model and financial policy are the drivers of the **'Stable'** outlook on the rating. JCR-ER will monitor the global and domestic macroeconomic indicators, in particular with respect to the size and scope of the post-pandemic recovery, and commodities.

The financial strength and expected support of the Group's shareholders lay the foundation for Türk Prysmian's Sponsor Support assessment. Prysmian Group is world leader in the power and telecom cable systems industry. In this regard, the Group's Sponsor Support Grade has been assigned as **(1)** in JCR Eurasia Rating's notation, indicating high level. Türk Prysmian is a Prysmian Group company and therefore a member of the Group which is energy and telecommunication cable manufacturing, employs more than 28 thousand people and have operations in more than 50 countries in 140 facilities. Prysmian Group provides operational and risk & financial management support to Türk Prysmian.

Türk Prysmian's own financial structure is determined as satisfactory to manage the risks it faces through internal means. Therefore, the stand-alone note of the Company has been determined as **(A)** in the JCR Eurasia Rating notation system.