

Corporate Credit Rating

New Update

Sector: Air Conditioning

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB Stable	-
	Local Currency	BB Stable	-

* Assigned by JCR on May 10, 2024

Gross Profit Margin (%)



EBITDA Margin (%)



Current Ratio (x)



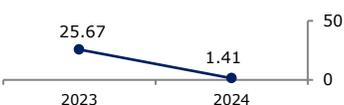
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



SANICA ISI SANAYİ ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated **Sanica Isı Sanayi Anonim Şirketi** in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating from '**AA- (tr)**' to '**A- (tr)**' and the Short-Term National Issuer Credit Rating from '**J1+ (tr)**' to '**J2 (tr)**' with '**Stable**' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed as '**BB/Stable**' as parallel to sovereign ratings and outlooks of Republic of Türkiye.

Sanica Isı Sanayi Anonim Şirketi (hereinafter referred to as 'Sanica Isı' or 'the Company') was established in 1982 in İstanbul. The main business activity of the Company is production and sale of radiators, infrastructure and superstructure plastic pipes and fittings, agricultural irrigation pipes, and combi boiler products. The Company carries out its production activities at its manufacturing facilities located in Elazığ, Manisa, and İstanbul, with a total enclosed area of 112,400 m². In FY2024, Sanica Isı ranked 387th among Türkiye's Second Top 500 Industrial Enterprises list compiled by the İstanbul Chamber of Industry (FY2023: 321st).

Sanica Isı's shares have been listed on the Borsa İstanbul (BIST) index with the ticker-name of 'SNICA' since November 2022. As of 1H2025, the paid-in capital of Sanica Isı is TRY 600mn (FYE2024: TRY 600mn), and the Company's shareholder structure consists of Hüseyin Nesimi Fatinoğlu (30.57%), Ali Fatinoğlu (13.84%), Uğur Fatinoğlu (0.96%), Emre Fatinoğlu (0.96%), Saadet Fatinoğlu (0.07%) and publicly traded shares (53.59%).

The head office of the Company is located in Beylikdüzü, İstanbul, and the number of personnel employed by the Company is 615 as of 1H2025 (FYE2024: 600).

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

Strengths

- Foreign exchange income generation capacity through export volume during the periods analyzed, along with geographically diversified export portfolio
- Collectability of trade receivables, having a considerable weight in total assets, supported by low level of doubtful receivables during the periods analyzed
- Satisfactory equity base supported by retained earnings and capital injection realized as of FYE2024
- Potential contribution of capacity increases in the superstructure piping group, and agricultural irrigation investments to income generation capacity & diversification
- Compliance with the corporate governance practices as a publicly listed company
- Long track record in the sector along with the business model supported by a comprehensive distribution network

Constraints

- Contraction in sales revenue and core profitability metrics along with bottom-line losses in FY2024 and 1H2025
- Deterioration in leverage and coverage metrics due to increased financial debt and contraction in EBITDA generation capacity especially in 1H2025 YoY, despite relatively reasonable levels in FY2024
- Dramatically long cash conversion cycle due to slow inventory turnover combined with maturity mismatch between collections and payments putting pressure on operational efficiency
- Intense competition environment throughout the sector
- As actions for a global soft landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty

Considering the aforementioned points, the Company's the Long-Term National Rating has been revised from '**AA- (tr)**' to '**A- (tr)**'. The Company's sales performance, export volume, EBITDA generation capacity and other profitability metrics, level of indebtedness, leverage and coverage metrics, receivable collection capability, operational cycle, equity base, competitive conditions in the sector, long-standing operating history have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as '**Stable**'. The Company's leverage metrics, profitability indicators, revenue streams, asset structure and developments regarding the macro conditions will be closely monitored by JCR Eurasia Rating in 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.