RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AA- (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

Assigned by JCR on August 18, 2022

EBITDA Margin (%)
16.28   21.74   18.79

ROAE (%)
8.36   47.38   28.83

Current Ratio (x)
1.15   1.34   1.33

Adj.Net Debt/EBITDA (x)
1.96   0.73   0.68

Adj. Debt/Capital (%)
60.70   50.38   39.00

EBITDA/Adj.Interest (x)
2.19   6.39   4.10

2019   2020   2021
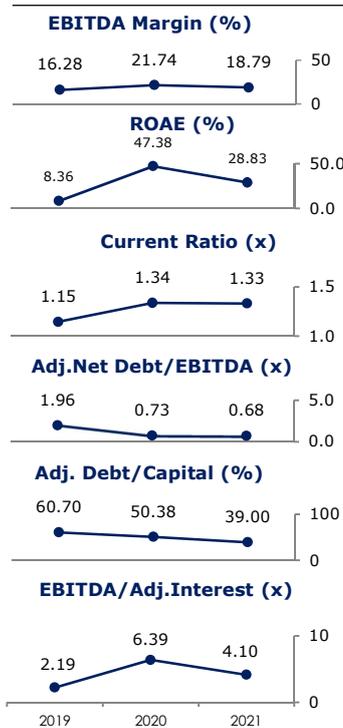
İŞBİR SÜNGER SANAYİ ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated **"İşbir Sünger Sanayi Anonim Şirketi"** in the very high investment level category and assigned the ratings on Long-Term National Issuer Credit Rating at **'AA- (tr)'** and the Short-Term National Issuer Credit Rating as **'J1+ (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as **'BB/Negative'** in line with international ratings and outlooks of Republic of Türkiye.

İşbir Sünger Sanayi Anonim Şirketi (hereinafter referred to as **'İşbir Sünger'** or **'the Company'**) continues its activities in the field of plastic foam production since 1977. İşbir Sünger serves more than 3,000 customers with 7 regional directorates located in Ankara, İzmir, İnegöl, Adana, Konya, Samsun and İstanbul with foam factories established in Ankara and İzmir, agriculture and bedding factories in Ankara, bedding and bedspring factories in Çankırı. İşbir Sünger manufactures high quality foam, which is the basic input of mattresses, armchairs, sofas, sitting groups and home textiles, auto upholstery, packaging and heat-sound insulation. Conventional, fireproof, HR (high elasticity) and visco types of polyurethane foam produced in various sizes and densities with a total capacity of 25,000 tons/year. The first viscoelastic foam production was carried out in 2004.

The Company's main shareholder is İşbir Holding A.Ş. with a share of 58.14%. The Company employed an average workforce of 291 in FY2021 (FY2020: 238).

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

Strengths	Constraints
• Notable increase in sales volume and operational performance,	• Volatile input prices due to global supply & demand conditions and technical difficulties,
• Solid cash flow metrics supporting further growth,	• High level of competition in the sector in the national area,
• Low leverage ratio along with sustainable EBITDA generation capacity,	• Collection risk of trade receivables due to dormant doubtful receivables,
• Strong brand identity of İşbir through large nationwide number of sales points,	• Notable effect of unrealized gains on financial assets in equity.
• Having competitive advantages thanks to operational integration and ecological approach,	• Global recession and geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainty and monetary tightening across the globe deteriorating growth projections.
• Trademark reputation and operational strength of İşbir Holding.	

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as **'AA- (tr)'**. Considering sustainable sales and revenue increase, EBITDA generation capacity and asset growth, experienced and qualified organizational structure, low indebtedness level as well as uncertain global market and economic conditions; the Company's outlook for Long and Short-Term Issuer Credit Ratings has been determined as **"Stable"**. The indebtedness indicators, profitability and sustainability of demand in the market, the macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored.