

## Corporate Credit Rating

New  Update

**Sector:** Textile Manufacturing  
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BB+ (tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	B+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	B+	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024

## AKIN TEKSTİL ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated "Akin Tekstil Anonim Şirketi" in the speculative grade category and affirmed the Long-Term National Issuer Credit Rating at 'BB+ (tr)' and Short-Term National Issuer Credit Rating at 'J3 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'B+/Stable'.

Akin Tekstil Anonim Şirketi (hereinafter referred as "Akin Tekstil" or "the Group") was established in 1956 by brothers Rüştü Akin and Haydar Akin. In 1996, 15% of the Group's shares were offered to the public. Currently, 19% of the Group's shares are traded on the BIST.

The Group is one of the leading fabric manufacturers in Türkiye and operates at its factories located in Istanbul and Lüleburgaz. Akin Tekstil has a production chain that serves many areas of the sector with yarn twisting, fabric weaving, fabric dyeing/finishing, apparel and product development operations.

The Group maintains its operations with a workforce of 563 employees as of FYE2023. (FYE2022: 582 employees).

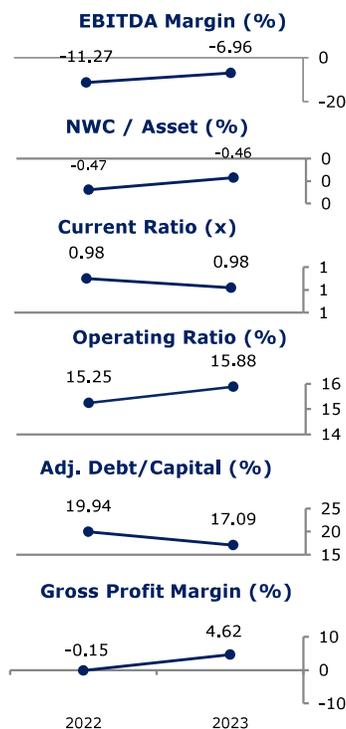
Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Asset quality strengthened by low collection risk,
- Reasonable debt to capital ratio in the analysed periods,
- Conformity to the international quality standards and established production capacity,
- Deep-rooted operating history dating back to 1956 and accumulated know-how in the sector,
- Adequate level of compliance with the Corporate Governance Practices as a publicly listed company.

### Constraints

- Low level of profitability margins and negative EBITDA suppressing coverage and leverage metrics,
- Exposure to high operating ratio arising from nature of business,
- High dependency on imports of raw materials and the determining role of cotton prices in revenue,
- Fierce competition in the global textile industry,
- Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.



Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been affirmed at 'BB+ (tr)'. The Group's low collection risk, satisfactory level of adjusted debt to capital ratio and long track record in the sector as well as the low profitability margins 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 Group's profitability indicators, debt ratios, sustainability of domestic and international demands and economic conditions in Türkiye 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.