

## Corporate Credit Rating

New Update

**Sector:** Chemical Manufacturing

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## RATINGS

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific 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

### EBITDA Margin (%)



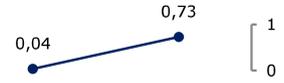
### Gross Profit Margin (%)



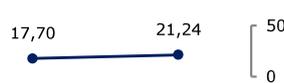
### Current Ratio (x)



### Adj.Net Debt/EBITDA (x)



### Adj. Debt/Capital (%)



### EBITDA/Adj.Interest (x)



## AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

**JCR Eurasia Rating** has evaluated "**Aksa Akrilik Kimya Sanayii A.Ş.**" in the investment grade category with the highest credit quality and affirmed the ratings on the Long -Term National Issuer Credit Rating as "**AAA (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 Ratings and outlooks of the Company were assigned as "**BB /Stable**" parallel to international ratings and outlooks of the Republic of Türkiye.

**Aksa Akrilik Kimya Sanayii A.Ş.** ("**Aksa Akrilik**" or the "**Company**") was established as an industrial complex dating back to 1968 as Akkök Holding group of companies. Currently, Aksa Akrilik operates with an annual production capacity of 355,000 tons on its 600K sqm facilities, positioning the Company in a dominant spot in the domestic market as the biggest acrylic fibre producer in Türkiye. The manufacturing facility is based in Yalova, as an integrated complex comprising Akkök Group's several other chemical facilities, with their own electricity generation plant & seaport access. Due to consistent R&D investments, Aksa Akrilik manufactures a wide range of products covering both industrial and consumer-use merchandise with value-added features such as increased resilience, outdoor use, chemical & flame retardant. Additionally, Aksa Akrilik has important investments in carbon fibre sector via its joint venture with Dow Europe, namely DowAksa. DowAksa offers carbon fibre intermediate and composite material solutions to the wind energy, automotive, defence and aerospace, building and infrastructure reinforcement industries with an annual production capacity of 9,000 ton.

The Company has been quoted on the Borsa Istanbul Stock Exchange (BIST) since 1986 and **36.45%** of shares are publicly traded on the BIST with the ticker symbol "**AKSA**" as of FYE2024. While the controlling shareholder is "**Akkök Holding A.Ş.**" with a share of 39.59%, the Dinçök family is the principal shareholder of the Group. As of FYE2024, the paid in capital and equity of Aksa Akrilik Kimya Sanayii A.Ş. stood at TRY 3.89bn and TRY 23.88bn, respectively.

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

### Strengths

- Sturdy financial leverage profile and satisfactory interest coverage status in the examined period
- Maintaining favourable profitability metrics with the ability to generate periodic income though slight decline in profitability ratios in FY2024
- Net working capital and FFO level facilitating liquidity management to a certain extent
- Low collection risk of receivables and reasonable cash conversion cycle contributing to asset quality
- High equity level supported by retained earnings compared to total liabilities even with the partial dividend distribution
- FX based income stream providing natural hedge in a certain degree
- Various product portfolio and investments in carbon fibre segment thanks to presenting in various markets
- Robust R&D capabilities and emphasis on compliance with the corporate governance principles
- Competitive advantages via accessing international markets thanks to operational synergy with Akkök Group

### Constraints

- Contraction in revenues pressuring EBITDA generation in FY2024
- Externally financed capex investments leading to negative FOCF in FY2024
- 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 drivers, the Company's the Long-Term National Issuer Credit Rating has been affirmed as "**AAA (tr)**". The competitive advantage obtained through its product diversification and market perception, export power, profitability indicators, favourable liquidity position, solid financial leverage profile as well as contraction in sales and EBITDA generation in FY2024, political tensions and other global downsides have been evaluated as important indicators for the stability of the ratings and the outlooks for Long-Term and Short-Term National Issuer Credit Ratings are determined as "**Stable**". The Company's equity level, fluctuations of the exchange rates, debt maturity and its level, cash flow and liquidity level, EBITDA margin and net profit indicators are the prior issues to be followed by JCR Eurasia Rating in the upcoming period. The macroeconomic indicators at national and international markets, as well as market conditions and legal frame about the sector will be continued to be monitored as well.