

## Corporate Credit Rating

New  Update

**Sector:** Construction Materials  
 Manufacturing

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| R A T I N G S                           |                               | Long Term     | Short Term |
|---|-------------------------------|---------------|------------|
| ICRs<br>(Issuer Credit Rating 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            |            |
| ISRs<br>(Issue Specific Rating Profile) | International LC ICR Outlooks | Negative      |            |
|   | National ISR                  | -             | -          |
|   | International FC ISR          | -             | -          |
| Sovereign*                              | International LC ISR          | -             | -          |
|   | Foreign Currency              | BB (Negative) | -          |
|   | Local Currency                | BB (Negative) | -          |

\* Assigned by JCR on Aug 18, 2022

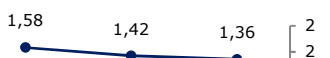
### EBITDA Margin (%)



### ROAE (%)



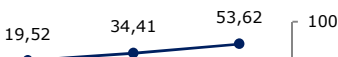
### Current Ratio (x)



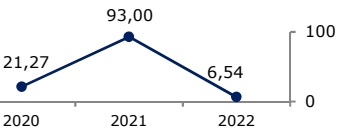
### Adj.Net Debt/EBITDA (x)



### Adj. Debt/Capital (%)



### EBITDA/Adj.Interest (x)



## Çuhadaroğlu Metal Sanayi Ve Pazarlama A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of 'Çuhadaroğlu Metal Sanayi Ve Pazarlama A.Ş.' in the very high investment grade category and revised the Long-Term National Issuer Credit Rating from 'AA (tr)' to 'AA- (tr)' and assigned the outlook as 'Stable'. The Short-Term National Issuer Credit Rating has been affirmed at 'J1+ (tr)' with 'Stable' outlook. On the other hand, the Long-Term International Issuer Credit Ratings and outlooks were assigned as 'BB/Negative' as parallel to the international ratings and outlooks of the Republic of Türkiye.

**Çuhadaroğlu Metal Sanayi Ve Pazarlama A.Ş.** (referred to as 'the Group' or 'Çuhadaroğlu Metal') was established in İstanbul by Master Architect Mr. Ahmet Çuhadaroğlu in 1974. The Group operates in aluminum profile, facade, door and window, architectural application segments. The Group, whose foundations were laid in 1954, has started to operate in the fields of aluminum door window joinery production and application, mainly for architectural applications in the construction sector since 1965. Çuhadaroğlu Metal created the Çekomastik silicone brand, which is used extensively in manufacturing in 1968.

The Group has enriched its activities to include curtain wall and composite building elements and facade cladding commitments since 1978. The units that developed within the Çuhadaroğlu Group became 12 separate companies and formed Çuhadaroğlu Holding in 1996. Çuhadaroğlu Metal has been publicly traded on Borsa İstanbul since 2016 with "CUSAN" ticker with a public share ratio of 25.96% at FYE2022.

As of 31 December 2022, the average number of employees of Çuhadaroğlu Metal is 704. (31 December 2021: 644).

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

### Strengths

- Moderate level of revenue and EBITDA generation capability though slight regression seen in 1Q2023,
- Diversified revenue stream via contracting operations,
- Increasing level of foreign sales contributing the currency risk management to a certain extent,
- Decreasing share of impaired receivables in turnover,
- Long-lasting presence in the sector,
- High level of compliance with the corporate governance practices.

### Constraints

- Short term weighted maturity profile along with increasing leverage figures,
- High dependency on imports in raw material procurement,
- Negative cash flow from operations in FY2022 mainly due to higher working capital expenditures,
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening coupled with domestic restrictive financial conditions limit access to finance.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been revised from 'AA (tr)' to 'AA- (tr)'. The Group's increasing revenues and EBITDA generation capability in FY2022, diversified revenue generation via contracting operations, low level of impaired receivables, long lasting presence in the sector and high level of compliance with the corporate governance practices along with susceptibility to imported input costs, negative cash flow metrics, deteriorating leverage and global macroeconomic concerns 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 operation process, cash flow and liquidity metrics, asset quality and profitability indicators 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.