

## Corporate Credit Rating

New Update

**Sector:** Pharmaceuticals

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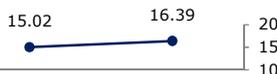
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific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

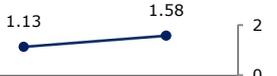
### EBITDA Margin (%)



### Current Ratio (x)



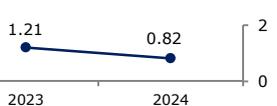
### Adj.Net Debt/EBITDA (x)



### Adj. Debt/Capital (%)



### EBITDA/Adj.Interest (x)



## DEVA HOLDİNG A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Deva Holding A.Ş." in the investment-level category and affirmed the Long-Term National Issuer Credit Rating at 'AA (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

DEVA Holding A.Ş. (referred to as 'DEVA Holding' or 'the Company' or 'the Group' with its subsidiaries) was established in 1958 with the name of "D.E.V.A. Sanayi ve Ticaret A.Ş." and adopted a holding status in 1970 following its merger with Deva İlaç Sanayi ve Ticaret A.Ş via take-over of all of its assets and liabilities resulting in its current structure. With the main area of operations including manufacturing and marketing medicinal products for human use and raw materials, DEVA Holding also manufactures veterinary medicines, eau de Cologne, and medical ampoules. The Company has total annual production capacity of 620mn boxes and has three major facilities in Çerkezköy and Kartepe. DEVA Holding has approximately 675 products in its portfolio, including medical devices, spanning 14 therapy areas, ranging from oncology to cardiology and from the respiratory system to ophthalmology.

Funds controlled by GEM Global Equities Management S.A. acquired the majority shares of DEVA Holding in 2006 and subsequently Eastpharma Ltd was established as the management company. The qualified shareholder, EastPharma S.A.R.L, a fund management company founded in Luxembourg holds 82.20% of the shares whilst the remaining shares (17.80%) are listed on Borsa Istanbul (BIST) since 1986. Average number of employees of the Company were reported as 3,063 as of December 31, 2024 (December 31, 2023: 2,908).

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

### Strengths

- Continued strong operating performance in FY2024, despite a slight decrease in unit-based sales,
- Maintaining profitability metrics in 2024,
- Ongoing reasonable financial leverage structure in reviewed periods,
- Strong equity level backed by profit retention policies in reviewed periods, despite relatively low share of paid-in capital,
- Sufficient liquidity framework supported by solid cash generation ability from operations in reviewed periods,
- Well managed credit risk underpinned by low impaired receivables,
- Compliance to corporate governance practices owing to listed status.

### Constraints

- High financing expenses suppressing bottom line profit and weakening coverage indicators,
- Long cash conversion cycle days inherent to sector nature, increasing external financial needs,
- Intense competition in certain high-revenue drugs—such as antibiotics with available generics—poses a risk to market share,
- State-regulated pricing mechanism of pharmaceuticals suppress profitability in the sector,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engender considerable uncertainty.

The Company's audited financial statements include inflation adjustments. Adjustments have been made in accordance with the terms of IAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the changes in the general purchasing power of the Turkish Lira as of December 31, 2024. Considering the aforementioned points together with additional support factors such as resilience to exchange rate fluctuations and ability to obtain additional funding resources, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'AA (tr)'. The Company's sustainable EBITDA generation capacity, steady progress in the sales volume and robust indebtedness structure 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 indebtedness volume, sales growth, profitability and liquidity 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.