Corporate Credit Rating

☒New ☐Update

Sector: Pharmaceutical Industry
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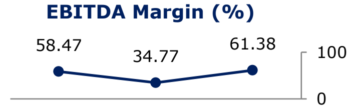
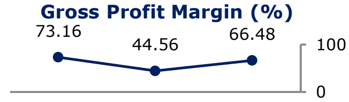
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**A (tr)**	**J1 (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating 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*

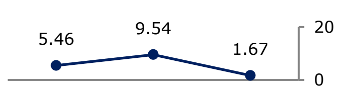
EBITDA Margin (%)



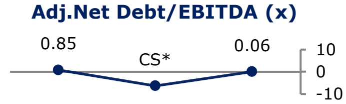
Gross Profit Margin (%)



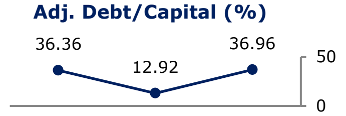
Current Ratio (x)



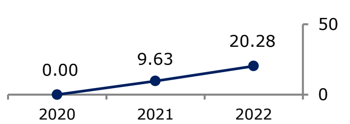
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



**CS: Cash Surplus*

Dollvet Biyoteknoloji A.Ş.

JCR Eurasia Rating has evaluated **"Dollvet Biyoteknoloji A.Ş."** in the investment level category with high credit quality, assigned the Long-Term National Issuer Credit Rating as **'A (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 were determined as **'BB/Stable'**, in line with the sovereign ratings and outlooks of Republic of Türkiye.

Dollvet Biyoteknoloji A.Ş." (hereinafter referred to as **"Dollvet"** or **"the Company"**) was established in 2002 in Şanlıurfa, Türkiye. The Company moved its headquarters to Istanbul in 2019 and its production campus is in Şanlıurfa. Dollvet is a biotechnology centre that continues its production activities within a 36,000 m² campus. The Company manufactures health products such as drugs, serum, vaccines for animal health. Dollvet has a total of 36 products, including live and inactive bacterial and viral vaccines, fungal vaccines, parasitic vaccines, hyperimmune serum and test antigens.

In addition, Turkovac, the Covid-19 vaccine, is produced at Dolvett's production facility.

As of FYE2022, the shareholder of Dollvet were Eyüp Sabri Göncü with 100% share.

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

Strengths	**Constraints**
• Satisfactory leverage and coverage indicators over the years, • Increase in sales revenue in FY2022 and expected to continue in 2023 financials, • Strong EBITDA generation capacity and other profitability margins in the analyzed period, • Increasing equity level according to corporate tax return in FY2023 thanks to internal resource generation capacity, • Long-lasting presence in the sector.	• Despite improvement, long cash conversion cycle and high level of operating ratio pressuring efficiency indicators, • Improvement needs in corporate governance practices, • 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.

Since the audit report for FYE2023 has not yet been completed as of the date of our report, the credit rating process is mainly based on the FYE2022 solo audit report and FYE2023 Corporate Tax Return.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned at **'A (tr)'**. Satisfactory leverage and coverage indicators, sales performance, and long operating history as well as high level of operating ratio and long cash cycle and slowdown signal in the global economy 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 financial structure, sales and profitability performance, liquidity and leverage indicators will be closely monitored by JCR Eurasia Rating in the 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.