

Corporate Credit Rating

New Update

Sector: Agrochemicals, Port Management

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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	J3
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	J3
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 31, 2021

Ege Gübre Sanayii A.Ş.

JCR Eurasia Rating, has evaluated the "Ege Gübre Sanayii A.Ş." in the high-investment level category and assigned 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' in line with the global and national scale rating matching published by JCR Eurasia Rating.

"Ege Gübre Sanayii A.Ş." ("Ege Gübre", "the Company", or "the Group") was established in 1973. The Company operates in the fields of chemical fertilizer manufacture, import, internal and external sales. The Company conducts production activities in its factory located in Aliağa/İzmir and main products of the Company are composite fertilizers. Fertilizer production capacity of the factory is 297,000 ton. In addition to chemical fertilizer production, the Company carries out its port management operations in Aliağa/İzmir since 2004. The Company offers container, liquid, general, dry bulk cargo handling and warehousing services. The Company also provides services to third parties importing liquid raw materials with 23 tanks of different volumes in general warehouse status since 1992.

The shares of the Company have been traded on Borsa Istanbul since 6 January 1986 with ticker of EGGUB and 46.11% of the shares are publicly traded. The Company's qualified shareholders are Gencer Holding A.Ş. with 38.37% of the shares and Recep Gencer with 15.52% of the shares.

As of December 31, 2021, the Company employed a staff force of 457 (FYE2020: 435).

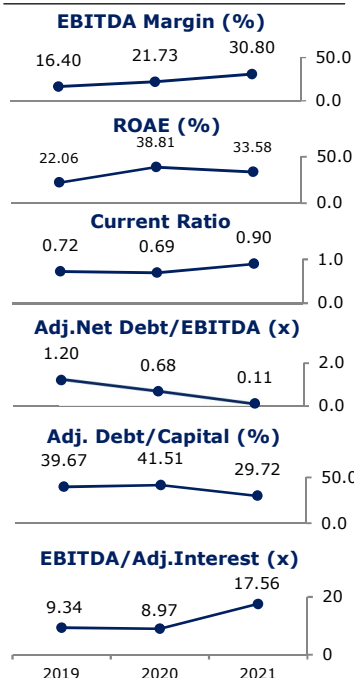
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Operations in port management in addition to fertilizer production creating revenue diversification and steady income generation
- Cash flow generation capacity and steady increase in EBITDA
- Adequate equity level mainly dominated by retained earnings
- Strong financial leverage and coverage ratios
- Long lasting presence in the sector and successful track-record
- High level of compliance regarding corporate governance implementations

Constraints

- Import dependence in raw material supply and fluctuations of the commodity prices
- Decreasing sales volume of fertilizers despite the increase in sales revenues
- Exposure to foreign exchange risk due to the dependence on imports
- The geopolitical risks stemming from the Russia-Ukraine tension increasing commodity prices and creating uncertainty



Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned as 'AA- (tr)'. The Company's successful track-record in the sector with reputable brand name, cash flow generation capacity and notable profitability performance along with volatile market conditions 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 revenue and profitability performance, liquidity level, financial leverage level and FX position 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.