Corporate Credit Rating

☐New ☒Update

Sector: Agrochemicals, Port Management

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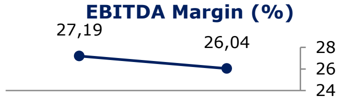
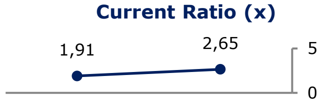
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**AA (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating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

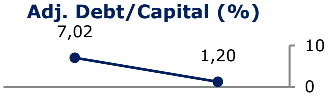


Current Ratio (x)

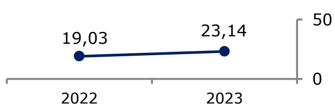


Adj.Net Debt/EBITDA (x)

Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



(*) CS: Cash Surplus

EGE GÜBRE SANAYİİ A.Ş.

JCR Eurasia Rating has evaluated **"Ege Gübre Sanayii A.Ş."** in the investment grade category with very high credit quality 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.

Ege Gübre Sanayii A.Ş. ("Ege Gübre", "the Company", or "the Group") was established in 1973. The Company commenced in the fields of chemical fertilizer manufacture, import, domestic and export sales in Aliağa/İzmir. As of 10.11.2023, the Company suspended its composite fertilizer production for an indefinite period due to the increase in fertilizer prices, aiming to minimize the loss in this segment. On the other hand, commercial fertilizer sales continue depending on foreign supply opportunities. The Company has carried out port management operations in Aliağa/İzmir since 2004. The Group offers container, liquid, general, dry bulk cargo handling and warehousing services with 6.5mn tonnes loading/unloading capacity and 750.000 TEU Container Handling capacity. The Company has also provided services to third parties importing liquid raw materials with 23 tanks of different volumes in general warehouse status since 1992. The port's bulk and handling capacities will increase with the extension of the jetties by 100 meters each and the delivery of new cranes. While the net effect is expected to be seen in 2026, with the pier length exceeding 400 meters, it will be possible to serve large cargo ships, the number of which has increased in circulation after the pandemic.

The shares of the Company have been traded on Borsa İstanbul since 6 January 1986 with the ticker of "EGGUB". As of the report date, the Company's shareholder structure is as follows: Gençer Holding A.Ş. with 40.77% of the shares, Mr. Recep Gençer with 13.12%, other shareholders with 0.85%, and the remaining 45.26% of the shares are publicly traded. As of December 31, 2023, the Company employed a staff force of 539 (FYE2022: 500).

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

Strengths	Constraints
• Maintained cash surplus position in 2023 coupled with favorable coverage ratios, • Solid gross profit and EBITDA margins, • Favorable cash flow metrics with positive net working capital facilitating liquidity management, • Robust equity level via internal equity generation, • Asset quality thanks to immaterial doubtful receivables, • Strong compliance with the corporate governance principles as a publicly traded company, • Long-lasting sectoral experience.	• Slight decrease in revenues in 2023 due to suspensions of composite fertilizer production, aiming to minimize the loss in this segment, • Port management industry's sensitivity to geopolitical, environmental, and other challenges, • 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.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at **'AA (tr)'**. The Company's leverage and coverage profile, profitability performance, cash flow and liquidity metrics, equity level, asset quality, and track-record in the sector with its brand name along with the revenue and profitability performance in the fertilizer segment, and deterioration in local and global macroeconomic conditions have been evaluated as important indicators for **'Stable'** outlooks of the Long and Short-Term National Issuer Credit Ratings. The Company's revenue and profitability performance, cash generation ability, liquidity profile, leverage metrics, and input costs 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.