

## Corporate Credit Rating

New  Update

**Sector:** Paper and Forest Products

**Publishing Date:** 30/06/2026

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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 September 01, 2025

## EUROPAP TEZOL KAĞIT SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Europap Tezol Kağıt Sanayi ve Ticaret 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.

Europap Tezol Kağıt Sanayi ve Ticaret A.Ş. ("Europap Tezol" or "the Company") was established in 1969 to operate in the field of the tobacco trade in İzmir under the name of Tezol Tütün İhracat Dahili Ticaret İthalat A.Ş., then started to operate in the tissue paper sector in 2000. The Company's current field of activity is to produce and sell tissue paper in the form of both parent reels and finished products such as towels, napkins, and toilet paper.

As of FYE2025 the Company conducts its domestic sales mainly through twenty-one well-known private-label brands, in addition to its six main own brands, namely Softy, Mare, Ecco Green World, Ecco Blue World, Ritmo and Dolce, with chain markets accounting for the majority of domestic sales. As of FYE2025, the Company has four tissue production mills and twenty-two converting lines in İzmir and Mersin factories. The shares of the Company have been publicly traded on the Borsa Istanbul A.Ş. ("BIST") since September 15, 2021. As of Q1-2026, 24.96% of the Company's shares are listed on Borsa Istanbul and the remaining shares are held by Tezol family members.

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

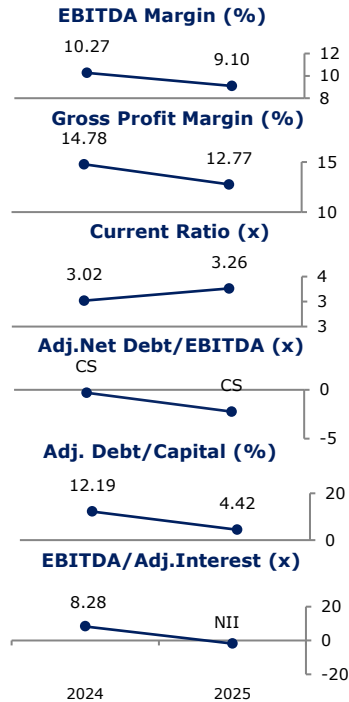
### Strengths

- Solid leverage and interest coverage driven by a stronger cash surplus and reduced financial borrowings in FY2025,
- Export-based foreign currency revenue serving as a partial natural hedge against currency risk,
- Asset quality underpinned by chain market and diversified international customer base, alongside largely insured or collateralized receivables,
- Increased net working capital position alongside improved CFO and FOCF generation in FY2025,
- Strong equity level bolstered by retained earnings,
- Established sector expertise, integrated production capabilities and focus on environmental sustainability,
- Adherence to corporate governance practices as a publicly listed Company.

### Constraints

- Contraction in tonnage-based sales volume and weaker revenue performance in FY2025,
- Slight decline in operational profit margins in FY2025 and marked YoY deterioration in profitability metrics in Q1-2026,
- Sensitivity to cellulose price volatility and import dependence in a competitive sector, albeit partially mitigated by the ability to produce using recycled paper largely sourced domestically and in TRY terms,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'AA (tr)'. The Company's sectoral experience, strong financial position supported by a sound equity level, collateralized and insured receivable structure, hard-currency generation capacity as well as challenging global economic environment and ongoing geopolitical uncertainties 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 capital adequacy, financial structure, sales performance, asset quality, growth performance, profitability ratios and the trends of the existing risks in the markets and the business environment 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.



CS: Cash Surplus,  
 NII: Net Interest Income