

Corporate Credit Rating

New Update

Sector: Plastic and Rubber Industry

Publishing Date: 25/07/2022

Chief Analyst

Bora Pakyürek
+90 212 352 56 73

bora.pakyurek@jcrer.com.tr

Team Leader

Deniz Ustabas
+90 212 352 56 73

deniz.ustabas@jcrer.com.tr

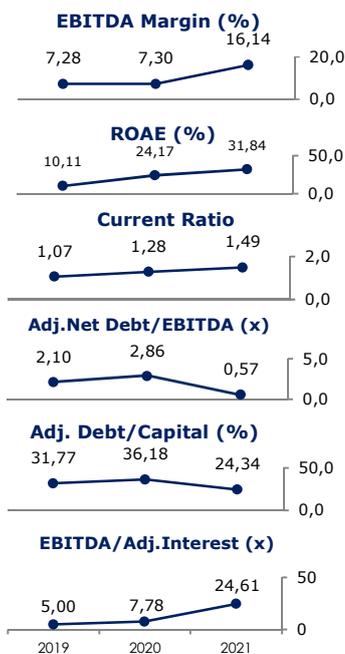
Analyst

Abdurrahim Torun
+90 212 352 56 73

abdurrahim.torun@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit 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
	International LC ICR Outlooks	Stable	Stable
ISRs (Issue Specific 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



Europen Endüstri İnşaat Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated the "Europen Endüstri İnşaat Sanayi ve Ticaret 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' according to JCR-ER's national-global mapping methodology.

Europen Endüstri İnşaat Sanayi ve Ticaret A.Ş. (referred to as 'the Company' or 'Europen Endüstri') was established in 1993 to address the customers' needs with door and window profiles in parallel with the increasing technical requirements of building materials in Türkiye. After Europen Endüstri started its operation; plate, panel, door, window production facilities started their activities and in the glass sector refrigerator glass, oven glass and furniture glass production facilities were put into operation.

The Company continues production activities in 5 different facilities in Eskişehir Organized Industrial Zone. Profile and Sheet Production Facility spreads on indoor area of 24,821 m², and 42,347 m² open area, Joinery Door and Window Production Facility spreads on indoor area of 41.425 m², and 59,184 m² open area, Refrigerator Glass Production Facility spreads on indoor area of 20,174 m², and 26,770 m² open area, Furniture Glass Production Facility spreads on indoor area of 10.045 m², and an 17,122 m² open area, Cooking Appliances Glasses Production Facility spreads on indoor area of 15,105 m², and 24,299 m² open area.

In 2022 Europen Endüstri's shares were listed on Istanbul Stock Exchange under the ticker "EUREN". The Company's stock is traded on the BIST IPO / BIST All Shares-100 / BIST All Shares / BIST Stars / BIST Industrials / BIST Chem., Petrol, Plastic.

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

Strengths

- Revenue and EBITDA growth along with moderate debt service capacity
- Ensuring strong cash inflow with IPO in 2022
- High level of export share in the turnover providing natural hedge in a certain extent
- Asset quality strengthened by low collection risks
- Long-lasting presence in the sector
- High level of compliance regarding corporate governance implementations

Constraints

- Raw material price fluctuations and logistics challenges may put pressure on profitability margins
- The geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainties

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned as "AA (tr)". The Company's moderate financial leverage, competitive advantages through geographical divergence with wide range of products, capability to access funding resources along with ongoing uncertainties due to the Russia Ukraine tension have been evaluated as important indicators for 'Stable' outlooks of long and short-term national ratings. On the other hand, the Company's revenue and profitability performance, liquidity position, asset quality, cash flow metrics and geopolitical risks will be closely monitored by JCR Eurasia Rating.