

Corporate Credit Rating

New Update

Sector: Plastic and Rubber Industry

Publishing Date: 16/07/2025

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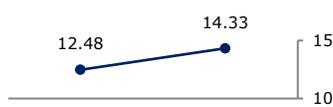
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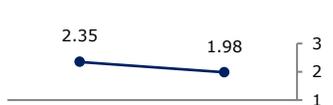
R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating 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

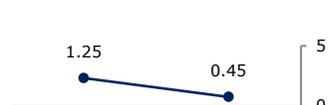
EBITDA Margin (%)



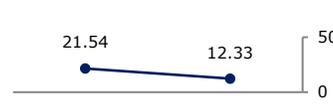
Current Ratio (x)



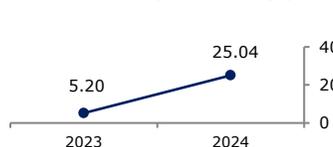
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



EUROPEN ENDÜSTRİ İNŞAAT SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated "Europen Endüstri İnşaat Sanayi ve Ticaret 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.

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. The Company started production and sales under the "Europen" brand in 1998. The Company merged with Hatipoğlu Cam Sanayi ve Ticaret A.Ş., a group company in 2021. After the merger, the Company continued to produce and sell insulated double insulating glass, tempered furniture, oven and refrigerator glass in various thicknesses.

The Company carries out its current production in 6 production facilities (with total indoor area of 85,151 m², and 170,722 m² open area) in Eskişehir with a total of 40 product types in 3 main product groups: PVC profile product group, door and window joinery product group, refrigerator, furniture, oven glass product group. In addition, the Company's new facility investment for the production of solar energy panel glass as a 7. Production facility with 67,000 m² closed area on 238,000 m² land has just became operational on May 26, 2025. As of 1Q2025, the Company has 1,764 employees (2024:1,674).

The Company's shareholders are İdris Nebi Hatipoğlu with 36.89% share, Tuğba Öztürk with 18.37% share, Merve Öztürk with 2.37% share, Elif Nazlı Öztürk with 2.37% share and listed 40% share. As of 2022, Europen Endüstri's shares were listed on Istanbul Stock Exchange (BIST) under the ticker "EUREN". The Company's stocks are traded on the BIST 500 / BIST All Shares-100 / BIST All Shares / BIST Stars / BIST Industrials / BIST Chem., Petrol, Plastic indices.

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

Strengths

- Satisfactory leverage and coverage metrics despite partial attrition of net debt/EBITDA in 1Q2025 due to the increased financial indebtedness,
- Sustained EBITDA generation at reasonable levels in 2024 thanks to its multi-segment operational structure,
- Strong equity contribution mainly supported by paid-in capital and retained earnings,
- Improvement in cash flow metrics in 2024 albeit elevated investment activities and a partial deterioration in 1Q2025,
- Low level of doubtful receivables thanks to collateralized structure of receivables and diversified customer base,
- Maintaining its production activities in its own integrated facilities coupled with sectoral experience providing a degree of operational flexibility,
- Compliance with the corporate governance practices as a publicly listed company.

Constraints

- Slight decline of sales revenues in 2024 and 1Q2025, though expected increase after 2Q2025 through completed investment,
- In addition to the sector's sensitivity to global fluctuations and dependence on imported raw materials in production, the highly competitive nature of the market and inflationary increases in costs, particularly energy and personnel expenses, put pressure on operational profitability,
- 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)'. Europen Endüstri's sustained EBITDA and revenue capacity, continuity of the positive net working capital, low level of doubtful receivables, strong equity contribution, maintaining its production activities in its own integrated facilities, natural hedge mechanism, successful track-record in the sector, and compliance with the corporate governance practices as well as high competition and cost inflation in the market, decline of sales revenues in reviewed periods, dependency on imported raw materials for production in the sector are important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are affirmed as 'Stable'. The Company's profitability indicators, indebtedness level, the progress and contribution of new investment, potential negative effects of rising raw material prices, and domestic restrictive financial conditions 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.