Corporate Credit Rating

☐New ☒Update

Sector: Plastic and Rubber Industry
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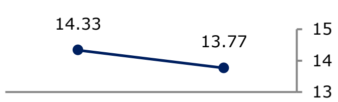
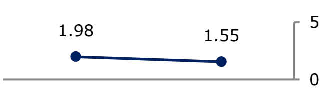
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**AA- (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Affirmed by JCR on September 1, 2025*

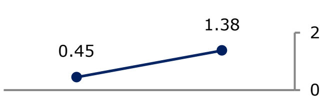
EBITDA Margin (%)



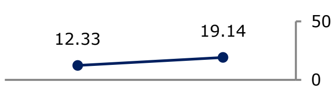
Current Ratio (x)



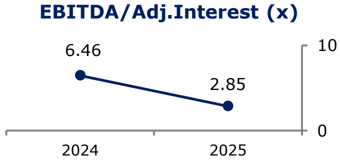
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



EUROPEN ENDÜSTRİ İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated **"Europen Endüstri İnşaat Sanayi ve Ticaret Anonim Şirketi"** in the investment grade category with very high credit quality and revised the Long-Term National Issuer Credit Rating from **'AA (tr)'** to **'AA- (tr)'** and affirmed 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 affirmed at **'BB/Stable'** as parallel to international ratings and outlooks of Republic of Türkiye.

Europen Endüstri İnşaat Sanayi ve Ticaret Anonim Şirketi (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 7th production facility with 67,000 m² closed area on 238,000 m² land has just became operational on May 26, 2025. As of 1Q2026, the Company has 1,584 employees (2025:1,643).

The Company's shareholders are İdris Nebi Hatipoğlu with 27.44% share, Tuğba Öztürk with 18.37% share, Merve Öztürk with 2.37% share, Elif Nazlı Öztürk with 2.37% share and publicly held shares representing 49.45%. 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	Constraints
• Increase in sales revenues in 2025 and 1Q2026, driven by the commissioning of the solar panel glass investment which became fully operational as of 2Q2025, • Satisfactory leverage and coverage metrics, despite a partial deterioration during the reviewed periods, mainly driven by increased financial indebtedness, • Despite a contraction in 1Q2026, preserved EBITDA generation at satisfactory levels in reviewed periods, thanks to its diversified multi-segment operational structure, • Maintained the strong equity contribution mainly supported by paid-in capital and retained earnings in analyzed periods, • Relatively low level of doubtful receivables is supported by the secured nature of the receivables and predominantly diversified and corporate customer base, • Sustaining production activities within its own integrated facilities, supported by extensive industry experience, which enhances operational flexibility, • Adherence to corporate governance principles in line with its status as a publicly traded company.	• Deterioration in cash flow metrics in 2025 combined with negative FOCF metric due to the investment expenditures, • Alongside the sector's exposure to global market volatility and its reliance on imported inputs, the intense competitive landscape and rising cost pressures—particularly in energy and labor—continue to weigh on operational margins, • As actions for a global soft-landing gain prominence, geopolitical risks and 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 revised from **'AA (tr)'** to **'AA- (tr)'**. Europen Endüstri's growing and diversified revenue stream, preserved EBITDA generation at satisfactory levels despite a slight decline in 1Q2026, low level of doubtful receivables, sustained 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, deterioration in cash flow metrics in 2025 and negative FOCF metric 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 at **'Stable'**. The Company's profitability indicators, indebtedness level, 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.