

## Corporate Credit Rating

New Update

**Sector:** Construction Materials  
 Industry

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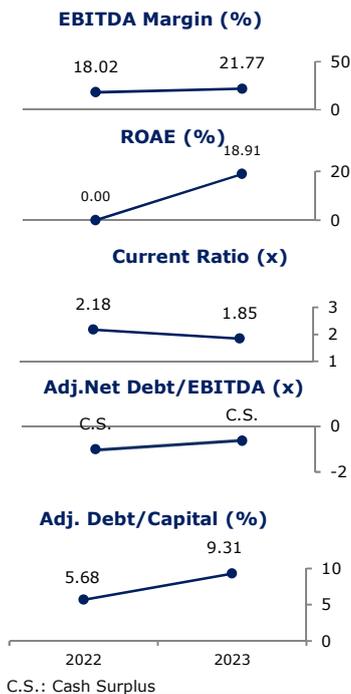
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)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

\* Assigned by JCR on May 10, 2024.



## Kalekim Kimyevi Maddeler Sanayi Ve Ticaret Anonim Şirketi

JCR Eurasia Rating, has evaluated **Kalekim Kimyevi Maddeler Sanayi Ve Ticaret Anonim Şirketi** in the investment-level category with very high credit quality on the national scales and assigned the Long-Term National Issuer Credit Rating as '**AA (tr)**' and the Short-Term National Issuer Credit Rating as '**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.

**Kalekim Kimyevi Maddeler Sanayi Ve Ticaret Anonim Şirketi** (hereinafter referred to as "Kalekim" or "the Company") was founded in 1973 started its activities with the production of ceramic adhesives and grouts and continues today with producing any kind of chemicals for the construction sector. Kalekim leads its production facilities domestically in İstanbul, Isparta, Yozgat, Mersin, Erzurum, and Balıkesir. The Company produces ceramic adhesives, grouts, water and thermal insulation products, mastics, foams, surface preparation materials, ceramic cleaning and maintenance products, interior and exterior paints, decorative exterior plasters as well as thermal insulation products. The Company is registered with the Capital Markets Board ("CMB"). The shares of the Company, which realized its public offering in May 2021, are traded on Borsa İstanbul under the ticker symbol "KLKIM". The Company maintains its operations with 546 employees as of March, 2024 (FYE2023: 471). The Company ranked 470th in the list of Türkiye's Top 500 Industrial Enterprises prepared by the İstanbul Chamber of Industry in 2023.

The main shareholder of the company is H. İbrahim Bodur Holding A.Ş. with a share of 68.67% and the Company's 26.02% of shares are publicly traded on the BIST as of FYE2023.

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

### Strengths

- Strong EBITDA generation capacity and satisfactory level of profitability margins in the analyzed years
- Solid leverage metrics underpinned by net cash position
- Strong equity level sustained by internal equity generation despite dividend payments
- Favorable liquidity ratios accompanied by moderate cash generation capacity in reviewed periods
- Export sales provide natural hedging to a certain extent
- Low collection risks, widespread sales and distribution network along with diversified product range
- High level of compliance with the corporate governance practices as a publicly listed company
- Leading construction chemicals producer, long lasting presence in the sector and synergy created within Kale Group

### Constraints

- High operating ratio partly stemming from nature of business pressuring efficiency
- Geopolitical risks arisen from the operations carried out in Iraq
- 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 assigned as '**AA (tr)**'. The Company's sales performance, profitability, net cash position, liquidity and debt structure and sector experience along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National ratings are determined as '**Stable**'. The Company's sales and profitability performance, asset quality, liquidity position, equity and debt structure 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.