

Corporate Credit Rating

New Update

Sector: Paper & Forest Products Industry

Publishing Date: June 27, 2025

Team Leader

Firat TUNÇ

+90 212 352 56 73

firat.tunc@jcrer.com.tr

Assistant Analyst

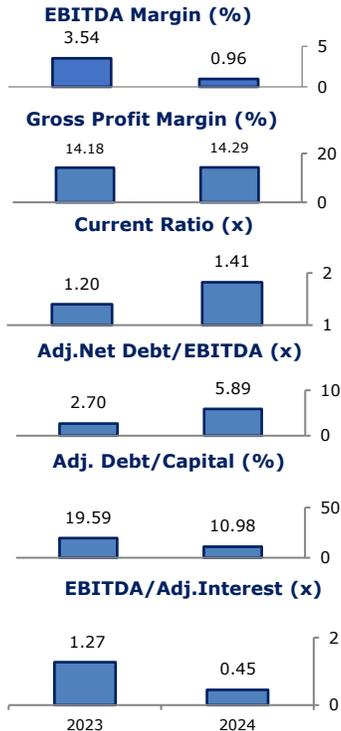
Sümeyye Meryem ŞANLIBAYRAK

+90 212 352 56 73

meryem.sanlibayrak@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB	-
	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



MONDİ TURKEY OLUKLU MUKAVVA KAĞIT VE AMBALAJ SANAYİ ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of "Mondi Turkey Oluklu Mukavva Kağıt ve Ambalaj Sanayi Anonim Şirketi" in the investment-grade category and revised the Long-Term National Issuer Credit Rating to 'A (tr)' from 'AA (tr)' and revised the Short-Term National Issuer Credit Rating to 'J1 (tr)' from 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were as affirmed at 'BBB/Stable' above the sovereign ratings of Republic of Türkiye.

Mondi Turkey Oluklu Mukavva Kağıt ve Ambalaj Sanayi Anonim Şirketi (referred to as 'Mondi Turkey' or 'the Group') was established in 1974 in Izmir under the name "Tire Kutsan Oluklu Mukavva ve Kutu Sanayii Anonim Şirketi". While the shares of the Company were traded under the symbol "TIRE" from 1991 until 2022, the Company took over Mondi Olmuksan Kağıt ve Ambalaj Sanayi Anonim Şirketi with all its assets and liabilities on September 30, 2022. In addition, its symbol in Borsa İstanbul (BIST) has also changed and it has been traded under the code "MNDTR" since the relevant date. In late 2007, the Company joined the Mondi Group, which operates in 30 countries and is one of the world's leading paper and packaging suppliers. Mondi Turkey's main activity is the production of corrugated cardboard. Mondi Turkey produces corrugated cardboard boxes of all types and sizes and sells them to a wide customer portfolio ranging from the food industry to the industrial sector. Mondi Turkey operates a network of seven corrugated solutions plants across the country, a containerboard mill in Tire and a waste paper recycling facility in Adana. The Group employed 1,465 personnel as of FYE2024 (FYE2023: 1,532).

The ultimate shareholder of the Group is Mondi Corrugated BV with 84,65% shareholding as of our report date. The remaining 15.35% is traded on BIST. The Group realized a secondary public offering in 2024 and the capital was increased to TRY 1.05bn from TRY 349.68mn. The entire increased amount was offered to the public.

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

Strengths

- Various product range offered to different industries provides resilience for the Group,
- Long lasting presence in the sector backed by globally reputable and experienced partner in the paper and packaging industry,
- High equity level in resources and strengthening of paid-in capital with cash injection,
- Compliance with corporate governance principles as a publicly traded Group.

Constraints

- Degradation in sales revenue and profit margins due to fierce industry competition and limited price increases in 2024,
- Short-term weighted funding profile pressuring debt service capacity despite deleveraging trajectory,
- Elevated OpEx figures resulted in operating loss and restrained bottom-line profit,
- Insufficient liquidity position labelled with negative cash flow metrics,
- 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 the Long-Term National Issuer Credit Rating has been revised to 'A (tr)' from 'AA (tr)'. Taking into account the Group's various product range and successful track record as well as, plunge in sales and profitability indicators, leveraged financial profile, inadequate liquidity profile and high level of operational expenses 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 Group's sales and profitability performance, indebtedness level, liquidity metrics, attainability of the Group's budgeted projections 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.