

Corporate Credit Rating

New Update

Sector: Paper & Forest Products

Publishing Date: 26/08/2025

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

ORMA ORMAN MAHSÜLLERİ İNTEGRE SAN. VE TİC. A.Ş.

JCR Eurasia Rating has evaluated "Orma Orman Mahsülleri İntegre San. ve Tic. A.Ş." in the investment grade category, revised the Long-Term National Issuer Credit Rating to 'BBB+ (tr)' from 'A- (tr)' and affirmed the Short-Term National Issuer Credit Rating at 'J2 (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/Stable' in line with the sovereign ratings and outlooks of Republic of Türkiye.

"Orma Orman Mahsülleri İntegre San. ve Tic. A.Ş." (hereinafter referred to as "Orma" or "the Company") was established on January 2, 1970. The Company operates in the production of chipboard and melamine faced chipboard at its factory in Isparta, Türkiye and mainly works with customers operating in the furniture industry. Orma exports its products approximately 30 countries on 5 continents and 39% of its sales revenue is derived from international markets in FY2024.

The Company's annual production capacity consists of 710,172 m³ raw chipboards, 600,479 m³ melamine faced chipboards.

The Company has a total of 376 employees as of 1H2025 (FYE2024: 399).

As of 1H2025, the Company's shareholders are "Göl Yatırım Holding A.Ş.", "Göлтаş Göller Bölgesi Çimento San. ve Tic. A.Ş." and other shareholders holding less than 10% of the share-capital with the shares of 67.67%, 16.84% and 2.26%, respectively. Orma is traded in Pre-Market Trading Platform (PMTP) with a 13.23% rate.

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

Strengths

- Satisfactory sales revenue, despite contraction in FY2024,
- Considerable share of export sales among net sales and geographical diversification of exports,
- High equity level mainly supported by internal resource generation capacity, despite low level of paid-in capital,
- Manageable customer concentration risk supporting asset quality,
- Cost advantage gained through economies of scale and new product creation capability, mainly in chemicals, thanks to ongoing investments,
- Promising long-term trend in domestic furniture demand,
- Long-lasting presence in the sector dating back to 1970 and accumulated know-how.

Constraints

- Ongoing NWC deficit and negative FOCF increasing the need for external financing in FY2024,
- Contraction in core profitability indicators FY2024, despite expected recovery in 2025 financials,
- Deterioration in net debt to EBITDA multiplier and EBITDA to interest expense ratio in FY2024,
- Financing expenses pressuring bottom-line results, despite offsetting through TAS 29 and deferred tax income in FY2024,
- Exposure to short FX position in the analyzed periods, despite partially mitigated through export revenues,
- 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 revised to 'BBB+ (tr)' from 'A- (tr)'. The Company's satisfactory sales revenue, high equity level and low collection risk as well as contraction in core profitability margins, deterioration in net debt to EBITDA multiplier, short FX position and uncertainties in the global economy 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 Company's financial structure, sales and profitability performance, liquidity and leverage indicators will be closely monitored by JCR Eurasia Rating in the 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.

