

Corporate Credit Rating

New Update

Sector: Metal Industry

Publishing Date: 29/02/2024

Team Leader

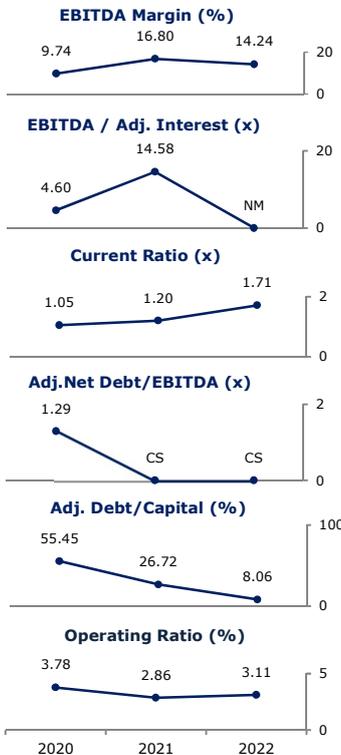
Elif Kırılgaç Keçeli
 +90 212 352 56 73
elif.keceli@jcrer.com.tr

Senior Analyst

Hasan Murat Yılmaz
 +90 212 352 56 73
murat.yilmaz@jcrer.com.tr

| 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 | Negative | - |
| | International LC ICR | BB | - |
| | International LC ICR Outlooks | Negative | - |
| ISRs (Issue Specific Profile) | National ISR | - | - |
| | International FC ISR | - | - |
| | International LC ISR | - | - |
| Sovereign* | Foreign Currency | BB (Negative) | - |
| | Local Currency | BB (Negative) | - |

* Assigned by JCR on Aug 18, 2022



Panelsan Çatı Cephe Sistemleri Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating has evaluated "Panelsan Çatı Cephe Sistemleri Sanayi ve Ticaret A.Ş." in the investment grade category with very high credit quality 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 have been assigned as "BB/Negative" as parallel to international ratings and outlooks of Republic of Türkiye.

Panelsan Çatı Cephe Sistemleri Sanayi ve Ticaret A.Ş. (referred to as "Panelsan" or "the Company") was established in 2004 by Maşlak Family. The Company's headquarter in Ankara and has a production facility located in Ankara Polatlı Organized Industrial Zone on an area of 142,540 m², 26,540 m² of which is closed. Panelsan produces sandwich panel, EPS (Expanded Polystyrene Foam) and injection products. The Company offers alternative solutions for the buildings with its product range that meets all needs such as heat and sound insulation, air tightness, hygiene, humidity, security, aesthetics and fire resistance.

Main shareholders of the Company are Maşlak Holding and Maşlak family members while 27.98% shares of Panelsan have been traded on Borsa İstanbul as of report date under the code "PNLSN". According to the list of Türkiye's Second Top 500 Industrial Enterprises (ISO Second 500), the Company ranked 349th in 2022 (315th in 2021).

As of end of 3Q2023, the Company's number of employees is 182 (FYE2022: 166).

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

Strengths

- Sustained revenues supported by the sales volume growth,
- Sufficient gross profit and EBITDA margins during the analysed years,
- Sound leverage metrics along with cash surplus status,
- Substantial improvement in equity level throughout the analysed years with the impact of satisfactory net profit despite partial dividend payment in 2023,
- Upward trend in net working capital and FFO level facilitating liquidity management,
- Compliance with the corporate governance principles,
- One of the leading manufacturers in the sandwich panel industry in Türkiye.

Constraints

- Exposure to inherent cyclicity in demand of construction sector,
- Volatility in raw material prices may lead fluctuations on profit margins,
- 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 the Long-Term National Issuer Credit Rating has been assigned as "AA (tr)". The outlook for Long-Term National Issuer Credit Rating has been determined as 'Stable' considering the Company's maintained revenue streams, sufficient profitability, sound leverage along with cash surplus status, strong equity level and compliance with the corporate governance principles, as well as dependency on the construction sector, volatility in raw material prices, uncertainties arisen from geopolitical tensions and global tight financial conditions. The Company's indebtedness level, liquidity profile, profitability metrics, cash flow indicators and asset quality 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 business will be monitored as well.