

Corporate Credit Rating

New Update

Sector: Carpet&Yarn Production

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

* Assigned by JCR on August 18, 2022

EBITDA Margin (%)



ROAE (%)



Current Ratio (x)



Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



Sırma Halı Tekstil Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated "Sırma Halı Tekstil Sanayi ve Ticaret A.Ş." in investment-level category and assigned the Long-term National Credit Rating at 'BBB+ (tr)' and the Short-Term National Credit Rating at 'J2 (tr)' with 'Stable' outlook. On the other hand, the Long Term International Foreign and Local Currency Ratings of the Company were assigned at 'BB/Negative' according to JCR-ER's national-global mapping methodology.

Sırma Halı was established in 2002 in Gaziantep. The Company operates in fields of producing and exporting of carpets and polypropylene carpet yarn. The facility of the Company is in Gaziantep 5th Organized Industrial Zone which is covered a total area of 55.000 m² open and 36.529 m² closed area.

The Company's paid in capital TRY 132.00mn and the shareholder structure of the Company is as follows: Hanifi Şireci (30%), Uğur Şireci (30%), Esat Şireci (30%) and Ahmet Şireci (10%).

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

Strengths

- Upward trend in sales both in value and volume
- Sustainability in EBITDA generation capacity and profitability indicators
- High receivable collection capability strengthening asset quality
- High share of exports made through the group company providing natural hedge in certain extent
- Advantage of saving energy with renewable energy investment

Constraints

- High financing expenses due to FX losses mainly derived from foreign currency denominated borrowings pressuring bottom line results
- High non-cash contribution of revaluation gains in equity despite increase in paid in capital in 2022
- Imported raw materials used in production in textile sector increases the sensitivity to fluctuations in raw material prices
- Improvement needs in the level of compliance with corporate governance practices
- As China's reopening and stable exchange rates generate significant headwinds to Türkiye's exporters, tight financial conditions, accompanied by global banking concerns, disrupt global growth projections

Considering the aforementioned points, the Company's the Long-Term National Credit Rating has been assigned at 'BBB+ (tr)'. The Company's upward trend in sales both in value and volume, high share of exports in sales, sustainability in EBITDA generation capacity and low collection risk have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Credit Ratings are determined as 'Stable'. The Company's continuity of revenue generation capacity and profitability performance, adequacy of liquidity, indebtedness level, market position and regulations in the sector are the main factors that 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.