JCR Eurasia Rating
"JCR-ER, Group of Japan Credit Rating Agency, Ltd."

Corporate Credit Rating

☐New ☒Update

Sector: Packaging & Glass Industry
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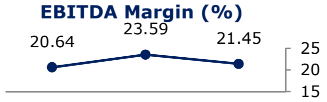
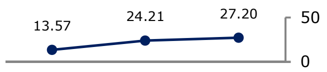
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	**National ICR**	**AAA (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB-	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

** Assigned by JCR on Aug 18, 2022*

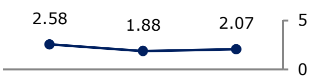
EBITDA Margin (%)



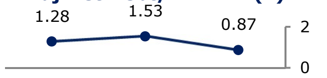
ROAE (%)



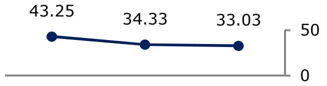
Current Ratio (x)



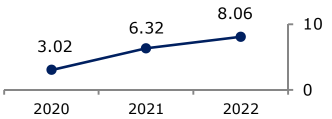
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

JCR Eurasia Rating, has evaluated **"Türkiye Şişe ve Cam Fabrikaları A.Ş."** in the investment level category with the highest credit quality and affirmed the Long-Term National Issuer Credit Rating at **'AAA (tr)'** and the Short-Term National Issuer Credit Rating at **'J1+ (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed at '**BBB-/Stable**'.

Türkiye Şişe ve Cam Fabrikaları A.Ş. (hereinafter referred to as **"Şişecam"** or **"the Company"**) was established 87 years ago by Türkiye İş Bankası A.Ş. in Türkiye, being one of the largest Turkish private commercial banks, to meet Türkiye's need for basic glass products. Şişecam has also transformed into a global player in all key areas of the glass industry, such as flat glass/architectural, glassware, glass packaging, automotive glasses and glass fiber as well as in soda and chromium compounds. The Company is currently one of the global leading glass, soda ash, chemical producers with production operations located in 14-countries on four continents, with 45 plants and more than 24,000 employees. Şişecam sells its products to over 150 countries, of which constitute 64% of its total sales in 1H2023. In addition, Şişecam is the only global producer operating in all three key areas of the global glass industry: flat glass, glassware and glass packaging. It ranks among the world's second largest producers in glassware, and among the top five global producers in glass packaging and flat glass. Şişecam is also one of the world's largest producers of soda and a world leader in chromium chemicals.

The shares of the Company have been publicly traded on the Borsa Istanbul A.Ş. ("BIST"), since January 3, 1986, As of June 30, 2023, İş Bankası holds 51.06 % of the shares and retains the control of the Company, 6.65% by Efes Holding A.Ş, 0.05% by Anadolu Hayat Emeklilik A.Ş., 1.38% shares classified as repurchased shares and the remaining 40.86% listed on Borsa Istanbul.

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

Strengths	Constraints
• Robust liquidity framework maintained through liquid assets and efficient financial management, • Satisfactory leverage and coverage indicators, thanks to the high equity base fuelled by profit generation, limiting external financing need, • Having a wide market presence and offering a variety of products helps mitigate pricing and growth risks in challenging conditions, • Growth prospects aided by continuing investments, which are maintained along with cost-reducing measures, • Sound institutional capacity and risk management capabilities to meet the requirements of global operations and objectives.	• As indicated by the 1H2023 results, the decline in profitability was due to the slowing global growth and the impact of earthquakes in Türkiye's southern region • Negative FOCF in 1H2023 may continue resultant of CAPEX need, aligned with the growth strategy to cover diverse products and geographic locations.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at **'AAA (tr)'**. The competitive advantage gained through its predictable cash flow capacity supported by diversified income streams, production and export power, being the market leader in domestic market, and as well as a leading position with its operations portfolio as globally, positive cash position in contrast to short term financial liabilities, high coherence to corporate governance practices, as well as deterioration on local and global economic outlook due to stagflation pressures 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 cash flow and liquidity level, EBITDA margin and other profitability indicators, indebtedness level, financial structure, fluctuations of the exchange rates, activities in the war zone, mainly in Russia, which have a share of about 8% of turnover as of 1H2023 and the progress of investments 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.