

## Corporate Credit Rating

☑New ☐Update

**Sector:** Glass Industry  
**Publishing Date:** 24.11.2023  
**Manager**

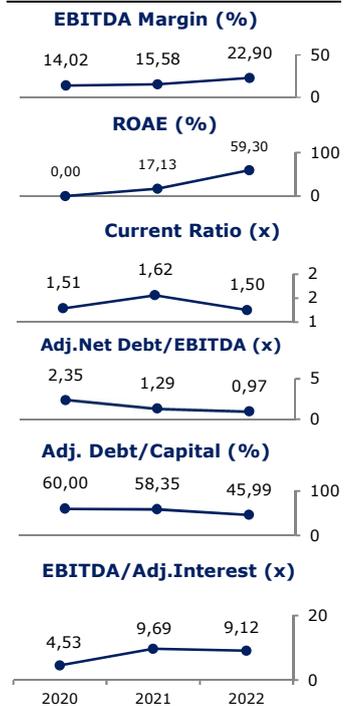
Abdullah DEMİRER  
+90 212 352 56 73  
[abdullah.demirer@jcrer.com.tr](mailto:abdullah.demirer@jcrer.com.tr)

**Team Leader**  
Özlem YAMANER  
+90 212 352 56 73  
[ozlem.ozsoyyamaner@jcrer.com.tr](mailto:ozlem.ozsoyyamaner@jcrer.com.tr)

**Assistant Analyst**  
Demet AKYOL SAYINER  
+90 212 352 56 73  
[demet.akyolsayiner@jcrer.com.tr](mailto:demet.akyolsayiner@jcrer.com.tr)

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	-
	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 August 18, 2022



## Stargrup Cam Anonim Şirketi

JCR Eurasia Rating, has evaluated "Stargrup Cam Anonim Şirketi" in the investment-level category on the national scales and assigned the Long-Term National Issuer Credit Rating at 'BBB+ (tr)' and 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 assigned as 'BB/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

**Stargrup Cam Anonim Şirketi** (hereinafter referred to as "Stargrup" or "the Company") was established in September 2005 with the title of Hadımköy Cam İşleme Ürünleri Sanayi Ve Ticaret A.Ş. The Company changed its title as Star Grup Hadımköy Cam İşleme Ürünleri A.Ş. in December 2005 and as Stargrup Cam A.Ş. in January 2006. The Company carries its activities in the field of manufacturing architectural glass products for commercial and high-rise residential buildings. The Company continues all of its production and commercial activities in its Hadımköy factory with a closed area of 18,000 m<sup>2</sup>. Stargrup London Limited, consolidated under the roof of Stargrup, is located in UK and engaged in the sales and marketing of glass products manufactured by Stargrup Cam A.Ş. In addition, the number of personnel of the Company is 361 as of FYE2022 (2021:342).

The Company's main controlling shareholders are Cemil Yıldız with 49,85% share and İsmail Yıldız with 49,85% share as of June 2023. Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Notable growth in sales revenue and EBITDA generation capacity thanks to increase in sales volume and unit prices which is expected to maintain in 2023
- Operating with net working capital surplus and adequate level of liquidity indicators over the analyzed years
- Export receivable insurance supporting asset quality
- Export sales and hard currency denominated income stream provide natural hedging opportunity and resilience for the Company
- Despite the increase in financial borrowings in 2023 due to ongoing warehouse investment, net debt to EBITDA figure still remain at acceptable level
- Prospect rental income after the completion of the ongoing warehouse investment

### Constraints

- The concentration of the Company's ongoing business in Israel and the potential impact of political risks in the region on the company's operations
- High operating ratio due to personnel expenses and high level of freight cost increasing export expenses
- High level of pledge and mortgage on tangible assets provided for bank loans that decreases the elasticity of assets
- Improvement needs in the level of compliance with corporate governance practices
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side

Considering the aforementioned points, Company's the Long-Term National Issuer Credit Rating has been assigned at 'BBB+ (tr)'. The Company's sales revenue growth, improvement in EBITDA generation capacity, net working capital level, adequate liquidity indicators, acceptable level of leverage metrics, additional revenue expectation, high operating ratio, geographical risks due to ongoing abroad projects along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National ratings are determined as 'Stable'. The Company's profitability indicators, cash flow figures, asset quality, liquidity position and debt structure 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.