

## Corporate Credit Rating

New Update

**Sector:** Glass Industry

**Publishing Date:** 25/11/2024

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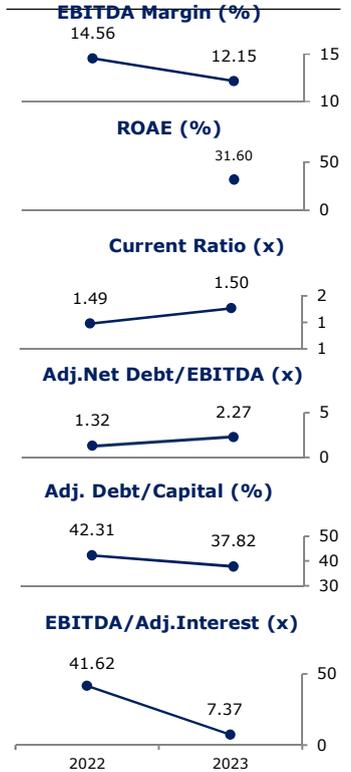
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)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

\* Assigned by JCR on May 10, 2024



## Stargrup Cam Anonim Şirketi

JCR Eurasia Rating, has evaluated "Stargrup Cam Anonim Şirketi" in the investment grade category on the national scales and affirmed 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/Stable' 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 m2. 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 was 367 as of FYE2023 (FYE2022:361).

The Company's main controlling shareholders are Cemil Yıldız with 49.85% share and İsmail Yıldız with 49.85% share as of December 2023.

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

### Strengths

- Sustained sales revenue in FY2023 owing to unit price increases, despite a contraction in sales volume
- Reasonable level of net debt to EBITDA ratio despite a deterioration in FY2023
- Resilient cash generation capacity coupled with adequate level of liquidity ratios in the analyzed years
- Geographically diversified customer base and utilization of export receivable insurance mitigate collection risk
- Export sales provide natural hedging opportunity and resilience to a certain extent
- Additional revenue stream from rental income supports cash flow

### Constraints

- Deterioration in operating profit and EBITDA margin in FY2023 mainly stemming from high level of personnel and export expenses
- Improvement needs in the level of corporate governance practices
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'BBB+ (tr)'. The Company's sales performance, liquidity metrics, profitability, cash flow, leverage and coverage metrics 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 Issuer Credit Ratings are determined as 'Stable'. The Company's revenue and profitability performance, cash generation ability, equity and indebtedness level 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.