Corporate Credit Rating

☒New ☐Update

Sector: Plastics and Rubber Products Industry
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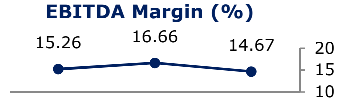
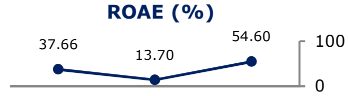
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

** Assigned by JCR on August 18, 2022*

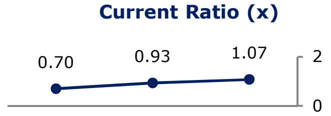
EBITDA Margin (%)



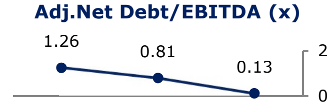
ROAE (%)



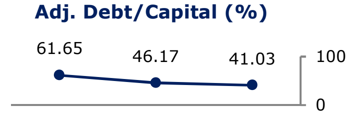
Current Ratio (x)



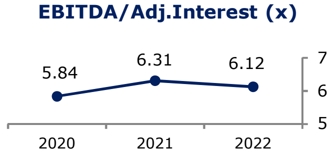
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



Beno Plastik Ambalaj ve Kalıp Sanayi Ticaret A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of **"Beno Plastik Ambalaj ve Kalıp Sanayi Ticaret A.Ş."** and assigned the Long-Term National Issuer Credit Rating at **'A+ (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 assigned as **'BB/Negative** as parallel to international ratings and outlooks of Republic of Türkiye.

Beno Plastik Ambalaj ve Kalıp Sanayi Ticaret Anonim Şirketi (referred to as 'the Company' or 'Benoplast') was established in 2005 and offers packaging solutions that appeal to many industries to facilitate the transportation and storage of products. The main field of activity of the Company is the production and marketing of plastic boxes, lids, containers, dolly, pallets and accesorries used especially in the industrial, automotive, food, agriculture, supermarket chains and logistic sectors. Benoplast manufactures with a capacity of 55,000 ton/year with its factories located in Yalova, Isparta, Kütahya and Manisa with a total closed area of 80,250 m^2. The Company generated TRY 1.3bn sales revenue in 2022 and has 474 employees as of 31 December 2022 (FYE2021: 383).

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

Strengths	Constraints
• Sales revenue growth in 2022 mainly driven by increase in unit sales prices and expected to continue in 2023 • Steady EBITDA margin during review periods • Satisfactory level of financial leverage metrics in the review periods • Improvement in liquidity indicators in the analysed terms • Favourable cash conversion cycle stimulates cash generation capacity • Free operating cash inflow during review period • FX driven unit sales prices and considerable share of export sales as well as industrial diversified customer base providing resilience to the Company • Synergy created within the group companies	• FX losses due to short FX position in balance sheet put pressure on bottom line • High level of operating ratio decreasing efficiency of the Company • Heavy reliance on foreign currency-indexed raw materials • Improvement needs in 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, the Company's Long-Term National Issuer Credit Rating has been assigned as **'A+ (tr)'**. The Company's sales revenue growth, steady EBITDA generation capacity, export sales and satisfactory leverage indicators 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 profitability performance, debt level and cash generation capacity together with the trends in the industry 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 frame about the sector will be monitored as well.