Corporate Credit Rating

☐New ☒Update

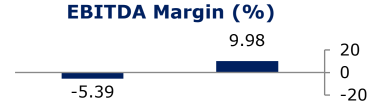
Sector: Plastic Industry
Publishing Date: Sep. 20, 2024

Team Leader
Muhammet Başar
+90 212 352 56 73
muhammet.basar@jcrer.com.tr
Senior Analyst
Çağlanur Tekin Karakaya
+90 212 352 56 73
caglanur.tekin@jcrer.com.tr
Assistant Analyst
Nuray Yanık Parlak
+90 212 352 56 73
nuray.yanik@jcrer.com.tr

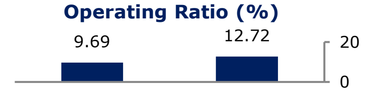
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)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

** Assigned by JCR on May 10, 2024*

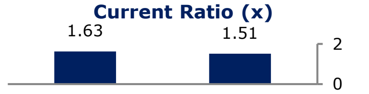
EBITDA Margin (%)



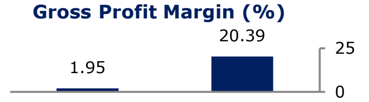
Operating Ratio (%)



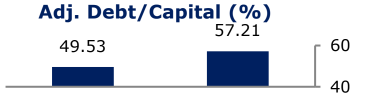
Current Ratio (x)



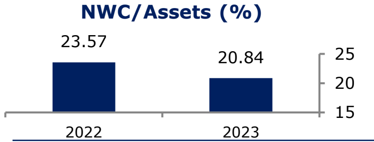
Gross Profit Margin (%)



Adj. Debt/Capital (%)



NWC/Assets (%)



TEMAPOL POLİMER PLASTİK VE İNŞAAT SANAYİ TİCARET A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of **"Temapol Polimer Plastik ve İnşaat Sanayi Ticaret A.Ş."** in the investment grade category 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 are determined as **'BB/Stable'** in line with the sovereign ratings and outlooks of Republic of Türkiye.

Temapol Polimer Plastik ve İnşaat Sanayi Ticaret A.Ş. (referred to as **"the Group"** or **"Temapol Polimer"**) began its operations in 2007. The Group operates in the field of production, marketing and sales of industrial polymer plastic sheets, with an annual production capacity of 9,000 tons with a production area of 25,000 m^2. Serving production facilities ranging from automotive to medical products, bathtubs, bill boards and the construction sector, the Group has significant market share through diversified customer base. The Group is able to produce various widths, lengths and thicknesses according to the needs of its business partners and its products are used in more than 30 countries.

The shareholders of Temapol Polimer are Tevfik Gemici (16.30%), İbrahim Ahmet Samancı (12.47%), Mehmet Gemici (8.47%), M. Uğur Eskici (7.05%) and Hasan Ahmet Eskici (7.05%) as of FYE2023. Currently, 48.66% of Group's shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol **"TMPOL"** since 2013. The Group employed a staff force of 100 as of FYE2023 (FYE2022: 83).

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

Strengths	Constraints
• Sales performance thanks to the supplying intermediate goods to diversified sectors and customized production based on order, • Foreign currency dominated sales revenues providing protection against FX risk to a certain extent, • Strong EBITDA to adjusted interest paid multiplier in FY2023, • Expected improvement in profitability ratios thanks to completed investments, • Positive net working capital and sufficient current ratio, • Asset quality strengthened by low collection risk.	• Continuation of limited profitability margins due to investments not being completed within the expected timeframe, • Rising level of total debt in FY2023 due to completed investments though expected to decrease in indebtedness in 2024, • Financing expenses mainly FX loss suppressing bottom line results, • Sensitivity to volatility in raw material prices and fluctuations in exchange rates, • Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been affirmed as **'BBB+ (tr)'**. Taking into account, the Group's sustainable and foreign currency indexed sales revenues and expected improvements in sales performance thanks to completed investments, as well as rising indebtedness and financial expenses, limited profitability margins, susceptibility to raw material prices and local and global economic 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 have been determined as **'Stable'**. The Group's revenue generation performance, leverage profile, liquidity metrics and profitability margins will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will also be monitored.