

## Corporate Credit Rating

New Update

**Sector:** Alcoholic Beverages and Tobacco Manufacturing

**Publishing Date:** 21/02/2024

**Team Leader**

Elif Kırılgiç Keçeli  
 +90 212 352 56 73

[elif.keceli@jcrer.com.tr](mailto:elif.keceli@jcrer.com.tr)

**Senior Analyst**

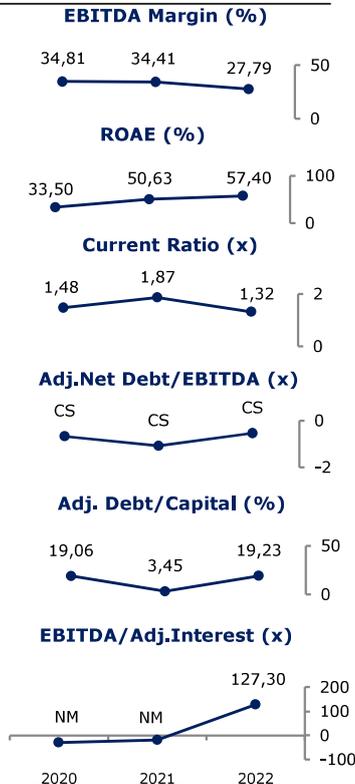
Aslınaz Yılmaz  
 +90 212 352 56 73

[aslinaz.yilmaz@jcrer.com.tr](mailto:aslinaz.yilmaz@jcrer.com.tr)

## RATINGS

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AAA (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 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



## Türk Tuborg Bira ve Malt Sanayi A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Türk Tuborg Bira ve Malt Sanayi A.Ş." in the highest investment grade category and affirmed the Long-Term National Issuer Credit Rating as "AAA (tr)" and the Short-Term National Issuer Credit Rating as "J1+ (tr)" with "Stable" outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Ratings and outlooks of the Company were assigned as "BB /Negative" parallel to international ratings and outlooks of the Republic of Türkiye.

Türk Tuborg Bira ve Malt Sanayi A.Ş. ("Türk Tuborg" or the "Company") was established in 1969 in Pınarbaşı-İzmir. The main fields of activity of the Company are the production of beer and malt to be sold in domestic and international markets, and their marketing and distribution. Türk Tuborg's factory, which is an integrated facility with an annual production capacity of 36 thousand tons of malt and around 579 million litres of beer, is one of the largest breweries in Türkiye. Türk Tuborg's long-standing cooperation and international partnerships with Carlsberg, the world's 3<sup>rd</sup> largest beer producer, was made the Company one of the leading companies in the Turkish beer market. In addition, Türk Tuborg exports to 6 continents and 83 countries in total, including prominent export markets such as Iraq, where the Company is the market leader, and England, Canada, Germany and the Turkish Republic of Northern Cyprus.

The Company has been quoted on the Borsa Istanbul Stock Exchange (BIST) since 1989 and 4,31% of shares are publicly traded on the BIST with the ticker symbol "TBORG" as of 30.09.2023, while the controlling shareholder is "International Beer Breweries Ltd." with a share of 95.69% as of the report date. Türk Tuborg distributes almost all of the beer it produces via "Tuborg Pazarlama A.Ş.", a subsidiary of which Türk Tuborg owns 99.99% shares. Also, Tuborg Pazarlama makes the domestic sales and distribution of these products around the world. As of 30 September, 2023, the paid in capital and equity of Türk Tuborg Bira ve Malt Sanayi A.Ş. stood at TRY 322.51mn and TRY 6.75bn, respectively.

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

### Strengths

- Maintained sales revenues supported by unit price and sales volume growth
- Sustained favourable profitability indicators despite the slight contraction in margins in FY2022
- Robust financial leverage ratio thanks to ongoing cash surplus position both in short- and long-term
- Positive cash flow metrics and favourable net working capital level
- Efficient collateral policy contributing to asset quality
- Sufficient level of equity underpinned by net income generation despite partial dividend distribution
- Competitive advantages with multi-brand strategy and strong market awareness in domestic market
- High compliance with the corporate governance principles
- Long-lasting track record dating back to 1969 and collaboration with important international brands namely, Carlsberg

### Constraints

- Relatively high operating expenses compared to sales revenues
- Potential contraction in domestic market due to tax regulations
- 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 drivers, the Company's the Long-Term National Issuer Credit Rating has been affirmed as "AAA (tr)". The competitive advantage obtained through its long-lasting presence in the sector, profitability indicators, debt service capacity, robust liquidity position, production and export power, competition and market efficiency in the inter/national market, the steady revenue and EBITDA growth trend in 9M2023, political tensions and other global downsides have been evaluated as important indicators for the stability of the ratings and the outlooks for Long-Term and Short-Term National Issuer Credit Ratings are determined as "Stable". The Company's equity level, fluctuations of the exchange rates, debt maturity and its level, cash flow and liquidity level, EBITDA margin and net profit indicators are the prior issues to be followed by JCR Eurasia Rating in the upcoming period. The macroeconomic indicators at national and international markets, as well as market conditions and legal frame about the sector will be continued to be monitored as well.