

Corporate Credit Rating

New Update

Sector: Energy and Telecommunication Cables

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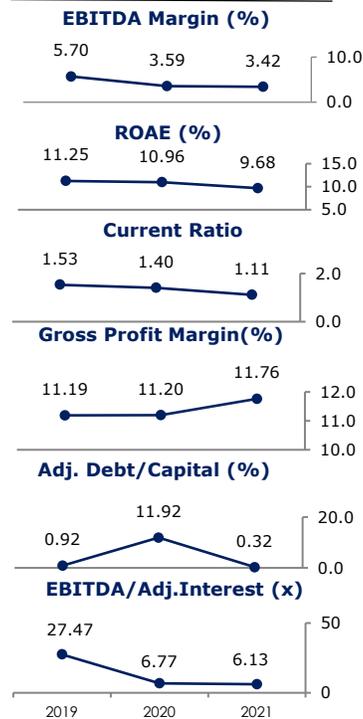
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RATINGS

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

* Assigned by JCR on August 18, 2022



TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

JCR Eurasia Rating, has evaluated the "Türk Prysmian Kablo Ve Sistemleri A.Ş." in investment-level category and upgraded the Long-Term National Issuer Credit Rating from 'AA- (tr)' to 'AA+ (tr)' and assigned 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 affirmed as 'BBB/Stable'.

Türk Prysmian Kablo Ve Sistemleri A.Ş. (hereinafter "the Company" or "the Group" or "Türk Prysmian") was established in 1964. The Group manufactures all energy cables up to 220 kV, communication cables with copper conductors up to 3.600 pairs, and fiber optic cables. The factory of the Group is located in Bursa/ Mudanya, and this factory also includes thermal, mechanical, chemistry and electrical scientific research and test laboratories with TSE qualification with the high technological level in the cable sector.

The current shareholder structure of the Company is Draka Holding B.V. (84%) and publicly held (16%). The number of personnel employed by the Group as of 1H2022 is 602. (FYE2021: 571)

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

Strengths

- Low level of financial liabilities despite slight increase in 1H2022,
- Recovery in cash flow metrics in FYE2021,
- Below zero cash conversion cycle which strengthens the operational efficiency,
- R&D center supporting the efficiency and production capacity,
- One of the leading energy and telecommunication cable producer companies along with presence in the overseas region as a member of global Prysmian Group,
- High importance given to sustainability studies and the ability to be integrated into all areas of its activities,
- Prysmian Group's operational support,
- As an institution subject to Capital Market Law, improved transparency with regard to corporate governance compliance.

Constraints

- Contraction in profit margins mainly due to increase in foreign exchange expenses and operational expenses,
- The construction sector, where sales are made in the telecom segment, is under pressure due to high material prices and interest rates,
- Fluctuations in raw material prices may put pressure on profitability margins,
- The geopolitical risks stemming from the Russia-Ukraine tension causing uncertainty.

Considering the aforementioned points together the Company's the Long-Term National Issuer Credit Rating has been upgraded as 'AA+ (tr)'. Decrease in leverage ratios, Prysmian Group's operational support, long lasting presence in the sector 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 growth strategy, profitability indicators, level of indebtedness and asset quality 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.