

Corporate Credit Rating

New Update

Sector: Chemistry

Publishing Date: 22/09/2021

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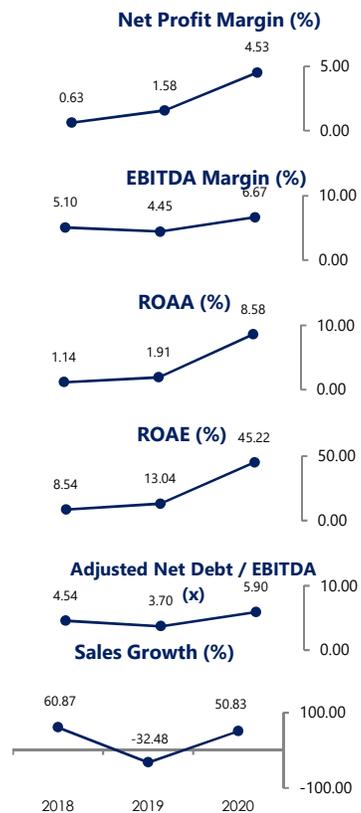
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RATINGS

		Long Term	Short Term	
National	Local Rating	A- (Trk)	A-1 (Trk)	
	Outlook	Positive	Stable	
	Issue Rating	-	-	
International	Foreign Currency	BB	B	
	Local Currency	BB	B	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Sponsor Support	2	-		
Stand-Alone	B	-		
Sovereign*	Foreign Currency	BB	-	
	Local Currency	BB	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by JCR on May 31, 2021



KİMPAŞ KİMYEVİ MADDELER PAZARLAMA SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating has evaluated **Kimpaş Kimyevi Maddeler Pazarlama Sanayi ve Ticaret A.Ş.** in an investment-grade category and assigned the ratings as **'A- (Trk)'** on the Long-Term National Scale and as **'A-1 (Trk)'** on the Short-Term National Scale with **'Positive'** outlook on Long Term and **'Stable'** outlook on Short Term. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as **'BB'** with **'Stable'** outlooks, which are the sovereign ratings' outlooks of the Republic of Turkey.

Kimpaş Kimyevi Maddeler Pazarlama Sanayi ve Ticaret A.Ş. (referred to as 'the Company' or 'Kimpaş') was founded in 1982 as a family company and has been operating in the manufacture and trade of various chemical elements, especially granule, which is the main raw material of plastic. The primary products are granule and its derivatives, which are mainly used to produce Masterbatch, Polyethylene (PE) wire coating powder, Polyethylene (PE) textile coating powder and rotation powder. The Company has been operating in an area of 6.000 m² located in Gebze Plastics Organized Industrial Zone. It also has a head office located in Ataşehir and around 70 warehouses in various regions of Turkey.

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

Strengths

- Increase in sales volume and revenue mainly in 2020 and 2021H1 periods,
- Having high export share in total sales,
- Progress in profitability,
- Diversified customer structure including well-known corporate customers,
- Operating in an industry resistant to unexpected situations.

Constraints

- Deterioration on cash conversion cycle, increasing financial needs,
- Volatile financial risk indicators,
- High dependence on petroleum prices, which has a volatile trend,
- Further improvement needs in corporate governance practices.

Considering the aforementioned points, Kimpaş's Long Term National Rating has been assigned as **'A- (Trk)'**. The Company's operational sustainability and increasing trend of revenue and profitability have been evaluated as important indicators for the stability of the ratings and the outlooks is determined as **'Stable'** for Short Term National rating and as **'Positive'** for Long Term National rating. Sustainability of the Company's profitability performance, indebtedness level, receivables' quality, indebtedness and cash generation capacity together with the trends in the industry are to be monitored by JCR Eurasia Rating. 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.

The Sponsor Support notes and associated risk assessments reflect the financial and non-financial positions of shareholders. Main shareholders of the Company are considered to have the willingness and experience to ensure long-term liquidity when required and to provide efficient operational support to Kimpaş. In this regard, the Company's Sponsor Support Grade has been assigned as **(2)** in JCR Eurasia Rating's notation system.

Considering the Company's equity level, ongoing operations, liquidity reachability and internal resource generation capacity, we, as JCR Eurasia Rating, state the opinion that the Company has reached the level of adequate experience and capacity of facilities to manage the incurred risks on its balance sheet, if it preserves its current customer level, efficiency and existing market share. Within this context, the Stand-Alone grade of the Company has been assigned as **(B)** in the JCR Eurasia Rating notation system.