

Corporate Credit Rating

☒New ☐Update

Sector: Packaging and Glass Industry

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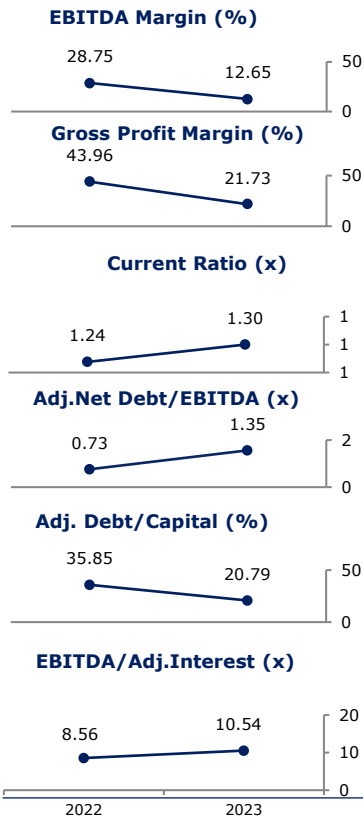
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)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

* Assigned by JCR on May 10, 2024



Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi

JCR Eurasia Rating, has evaluated the consolidated structure of "Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi" in investment-grade category with high credit quality and assigned the Long-Term National Issuer Credit Rating as 'A- (tr)' and the Short-Term National Issuer Credit Rating as 'J2 (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/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi (hereinafter referred to as 'Duran Doğan' or 'the Company') and its subsidiaries (together the 'Group') was established in 2005 as a result of the merger of Duran Ofset and Doğan Matbaacılık, one of the oldest and most experienced companies in the cardboard packaging sector in Türkiye. The establishment of the Company, which operates in the printed cardboard packaging business, dates back to 1975 before the merger. The Company operates in four factories with a total closed area of 40,000m² and has a total annual production capacity of 125mn m².

The Company shares has been trading on the Borsa Istanbul since 1991, with the ticker symbol "DURDO". The Company had an average workforce of 355 employees as of FYE2023 (FYE2022: 333).

As of the report date, the Company's paid-in capital is TRY 100mn, and the shareholders of the Company are LGR International Societe Anonyme (30%), Dikran Mihran Acemyan (9.28%), İbrahim Okan Duran (7.95%), Oktay Duran (8.04%), and Dikran Acemyan (7.29%), while the remaining shares were publicly traded.

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

Strengths

- Satisfactory financial leverage metrics, despite slight increase as of FYE2023
- Strong equity level thanks to internal resource generation capacity
- High level of interest coverage metrics during the analyzed periods
- FX-oriented revenue stream via export sales providing natural hedging opportunity to a certain extent
- Asset quality supported by low level of doubtful receivables
- Long-lasting presence in the sector and successful track-record
- High level of compliance with corporate governance principles as a publicly listed company

Constraints

- Significant contraction in profitability margins in FY2023
- High level of customer concentration increasing the Company's level of dependence
- High level of cash conversion cycle
- 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 Company's Long-Term National Issuer Credit Rating has been assigned as 'A- (tr)'. The Company's satisfactory financial leverage ratios, solid equity structure, deterioration in profitability, experience in the sector 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 sales and profitability performance, asset quality structure, sound liquidity metrics and growth strategy will be monitored by JCR Eurasia Rating in the upcoming period. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

1. Rating Rationale

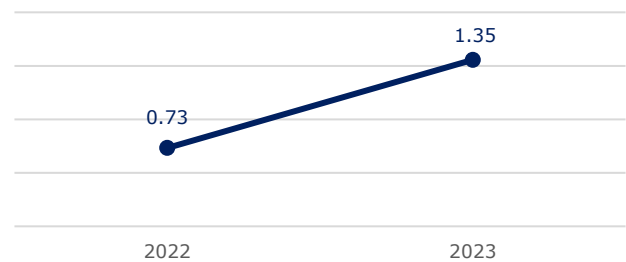
TFRS requires the financial statements of an entity with a functional currency that is hyperinflationary to be restated in accordance with TAS 29 requirements whether they are based on a historical cost or a current cost approach and to be applied retrospectively, as if the currency had always been hyperinflationary. Consequently, the financial statements of Duran Doğan, whose functional currency TRY, are restated for the changes in the general purchasing power of the Turkish Lira based on TAS 29. The amounts for the years ending in 2022 and 2023 are expressed in terms of the purchasing power of the TRY at December 31, 2023.

Satisfactory Financial Leverage Metrics, Despite Slight Increase as of FYE2023

The majority of the Company's external resources consist of financial liabilities and trade payables. As of 2023 year-end, the Company's total liabilities have amounted to TRY 736.42mn whose TRY 285.29mn is accounted for financial liabilities and TRY 220.1mn for trade payables. To mention the maturity structure of financial liabilities, while 82.82% of total financial liabilities fell within 'up to one year' maturity bracket in 2022, this ratio decreased to 79.47% as of FYE2023.

As of FYE2023, the Company has TRY 27.32mn of cash and cash equivalents (FYE2022: TRY 103.58mn). In addition, the Company's net financial debt decreased to TRY 257.97mn as of FYE2023 from TRY 463.11mn as of FYE2022. On the other hand, the Company's EBITDA generation capacity deteriorated significantly to TRY 190.74mn in FY2023 (FY2022: TRY 632.57mn) due to the decrease in sales to Diageo, one of the Company's major customers. Accordingly, despite the significant decline in EBITDA capacity, the Company's adjusted net debt to EBITDA ratio slightly increased to 1.35x as of FYE2023 (FYE2022: 0.73x), reflecting the Company's reduced financial indebtedness.

Adjusted Net Debt / EBITDA (x)



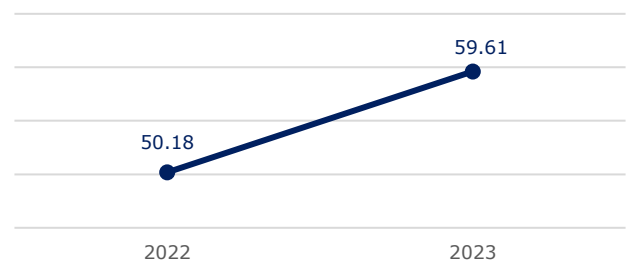
Accordingly, leverage ratios deteriorated slightly as of FY2023, but remained at a satisfactory level.

Moreover, the Company was unable to generate EBITDA in 3M2024, as in the same period of the previous year. In addition, the Company's total financial liabilities increased by 14.77% YoY to TRY 376.77mn in 3M2024 (3M2023: TRY328.27mn).

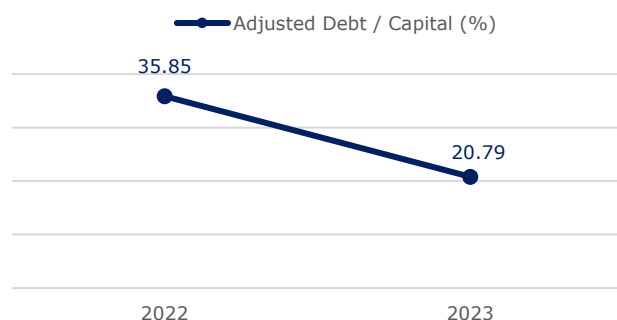
Strong Equity Level Thanks to Internal Resource Generation Capacity

The Company increased its capital from TRY 35mn to TRY 100mn as of FYE2023, all of which was covered from retained earnings. While the Company recorded previous years' loss as of FYE2022, this amount realized to TRY 331.81mn at the end of 2023 and accounted for 30.53% of total equity. In addition, while net profit for the period in FY2022 was TRY 498.35mn, this amount has fallen to TRY 134.3mn in FY2023. Moreover, the Company's tangible fixed assets were revalued during the periods analyzed and their contribution to total equity was realized as 15.15% and 17.27% in 2022 and 2023, respectively. All in all, the Company's equity increased to TRY 1.08 bn (FYE2022: TRY 1.01 bn), mainly supported by internal resource generation capacity as well as the increase in paid-in capital. The graph below shows the equity level over the reviewed periods.

Equity / Tot. Assets (%)



The ratio of equity to total assets increased to 59.61% in 2023, and still remains at high levels (2022: 50.18%). Considering the equity size and strong internal equity generation, the Company had a solid equity level.



Moreover, another factor that positively impacted the Company's financial profile during the period under examination is the debt-to-capital ratio. The Company's adjusted debt/equity ratio experienced a decrease, falling from 35.85% as of FY2022 to 20.79% as of FYE2023, reflecting both increased capitalization and reduced financial indebtedness. A low adjusted debt to capital ratio signifies that the Company relies more on equity than debt to fund its operations, which in turn reduces financial risk.

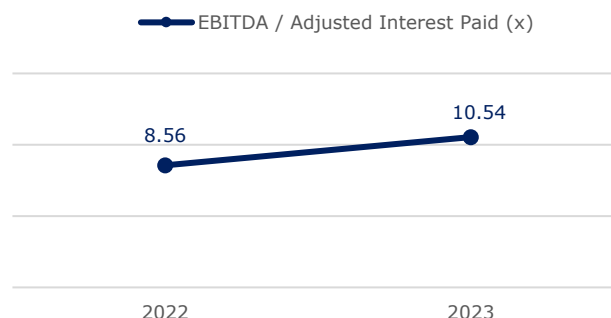
All in all, capital structure and cash flow generation capability provide capacity to absorb incidental losses.

High Level of Interest Coverage Metrics During the Analyzed Periods

The Company needs external financing for working capital needs and raw material purchases. The Company has also utilized finance lease loans for the purchase of the factory building and land where it operates. The Company's loans decreased in 2023 in parallel with the repayment of the financial leasing and decreased from TRY 566.69mn to TRY 285.29mn as of FYE2023. In parallel, the Company paid TRY 76.68mn interest on bank loans used in 2022, while this amount decreased to TRY 21.9mn in 2023.

On the other hand, in line with the decline in sales revenue during FY2023, EBITDA generation capacity also decreased considerably and realized TRY 190.74mn (FY2022: TRY 632.57mn). Accordingly, despite the decline in EBITDA level, EBITDA-to-interest coverage ratio increased to 10.54x at FY2023 from the previous year level of 8.56x thanks to lower

interest payments in line with significantly lower bank loans.



As a result, the Company can easily pay the financial expenses it is exposed to with the EBITDA generated.

FX-Oriented Revenue Stream via Export Sales Providing Natural Hedging Opportunity to a Certain Extent

The Turkish monetary market struggles with the devaluation of Turkish Lira against foreign currencies. The currency risk is deemed as one of primary risk for production companies in Turkish market. While the sales of Duran Doğan to foreign markets are made in USD and EUR, the invoices of the sales made in the domestic market are issued in TRY indexed to foreign currency. Accordingly, it is expected to provide natural hedge mechanism for the exchange rate risk that could potentially affect the Company's future cash flows in the major fluctuations in exchange rates. Moreover, in order to mitigate the currency risk, the Company's financial liabilities mainly consist of foreign currencies denominated bank loans.

In addition, 46.9% (FY2022: 60.48%) of the Company's net sales revenue were realized to foreign markets in FY2023. In FY2023, 83% of export sales were made to European countries, followed by Middle East and African countries with 9% and America with 6%. Accordingly, it is expected to provide natural hedge mechanism for the exchange rate risk that could potentially affect the Company's future cash flows in the major fluctuations in exchange rates.

On the other hand, the diversified sales revenue through export sales provides a shield and protects the Company from local shocks.

Asset Quality Supported by Low Level of Doubtful Receivables

In FY2023, approximately 55% of the Company's net sales revenue were realized in the domestic market, while the remainder was realized in international markets. The Company's domestic and international sales are mainly to globally well-known companies and the Company has been working with these companies for many years. In FYE2023, the Company's trade receivables increased to TRY443.81mn (FYE2022: TRY369.51mn). Furthermore, the Company's doubtful receivables decreased to TRY 681k as of FYE2023 from TRY 1.93mn as of FYE2022. Despite the decrease in sales revenues in FY2023, the ratio to sales was realized as 0.09% in 2023 due to the decrease in doubtful trade receivables balance from the previous year. Consequently, the Company's collection risk is at a low level through the attributes of its client portfolio consisting of mostly reputable companies in fields of their activities.

Long-Lasting Presence in The Sector and Successful Track-Record

The Company was established in Istanbul in 1975 to carry out printing, cutting, gluing and laminating works on paper, cardboard, metalized, plasticized paper and cardboards, PVC and all kinds of plastic materials, aluminum, metal, tin etc. in rolls and sheets for the production of all kinds of packaging. Although the Company, which operates in the printed cardboard packaging sector, was founded in 1975, it was renamed Duran Doğan Basım ve Ambalaj A.Ş. in 2005 with the merger of Duran Ofset and Doğan Matbaacılık, one of the oldest and most experienced companies in the cardboard packaging sector in Türkiye. The Company operates in four factories with a total closed area of 40,000m² and has a total annual production capacity of 125mn m². The Company's customer portfolio consists mostly of reputable companies in their fields of activity and the Company has been selling products to these companies for many years.

High Level of Compliance with Corporate Governance Principles as A Publicly Listed Company

Duran Doğan has been listed on the Borsa Istanbul since 1991 with a ticker-name of "DURDO". Depending on listed status, the Company complies with corporate

governance practices and regulations of the Capital Markets Board of Türkiye (CMB), as well as it has a well-established internal control system through the integrated organizational structure namely Corporate Governance Committee, Early Risk Detection Committee and Audit Committee. The Company Board comprises of 6 members including 2 independent members.

Moreover, Duran Doğan demonstrates high degree of transparency with regard to the board of directors, shareholders, stakeholders, audited financials, annual reports and practices of the Company by means of public disclosures which have been carried out in a compatible manner with the framework drawn by the CMB regulations.

Significant Contraction in Profitability Margins in FY2023

The main activity field of the Duran Doğan is to manufacture printed cardboard packaging and boxes, to have them outsourced, to export and sell the products related to its field of activity since 1975. The following table shows the sales volume of the Company over the years.

(tons)	FY2021	FY2022	FY2023
Sales Volume	22,128	21,224	17,470

Since 2021, the Company's sales volumes have been on a downward trend. While 21.2k tons of products were sold in 2022, this amount decreased to 17.4k tons in 2023. In parallel, the Company's sales revenues declined from TRY2.2bn in FY2022 to TRY1.5bn in FY2023. In FY2022, export revenues accounted for 60.45% of total sales revenue with TRY 1.33bn, while in FY2023 these figures were TRY 707.05mn and 46.9%, respectively. The reason for this decline is the significant decrease in the Company's sales to Diageo after the Company's most important customer, UK-based Diageo, decided to reduce the use of cardboard packaging in its products. The Company officials stated that in addition to the decline in sales, they were unable to reflect the price increases in raw material costs to sales prices, which put significant pressure on profitability margins. In line with this, the Company's gross profit margin declined to 21.73% in FY2023 from 43.96% in the previous year and gross profit of TRY 327.52mn was recorded (FY2022: TRY967.16mn).

The Company's annual sales and key profitability ratios are presented below:

	FY2022	FY2023
Revenue (TRY "000")	2,200,208	1,507,557
Gross Profit Margin (%)	43.96	21.73
Operating Profit Margin (%)	25.31	11.92
EBITDA Margin (%)	28.75	12.65
Net Profit Margin (%)	22.65	7.74

On the other hand, the Company officials stated that Duran Doğan also incurs freight and transportation expenses on the sales made in accordance with the contract between the Company and Diageo and records a significant profit over these expenses. In 2023, in parallel with the decline in sales to Diageo, there were significant decreases in the profitability generated through this route compared to previous periods and these were reflected in profitability margins. Accordingly, the Company's operating profit margin decreased significantly to 11.92% in FY2023 from 25.31% in the previous year.

Moreover, the Company's 3M2024 sales revenue decreased by 6.84% YoY to TRY 436.26mn (3M2023: TRY 468.27mn). In addition, the Company was unable to generate EBITDA in 3M2024, as in the same period of the previous year. The Company officials explained this situation as the periodic reflection of customers' orders on the 2nd period sales in line with the budget studies, as well as the fact that 1st period sales remained lower compared to other periods due to religious holidays and special days in other periods of the year. Accordingly, although the Company recorded an EBITDA of TRY190.74mn in FY2023 thanks to increased sales in the last periods of the year, EBITDA margin declined from 28.75% to 12.65% due to declining profitability.

High Level of Customer Concentration Increasing the Company's Level of Dependence

The Company serving a large number of small-volume customers has a lower customer concentration than a firm where a handful of large customers account for the majority of its business. For the Company with high client concentration, losing a customer may have a devastating effect on revenue, profit, and cash flow. While agreements are entered into with the best of intentions, fluctuations in the economy, pressure from competition from both the Company and the

customer, and many other factors can lead to the loss of an important customer.

High concentration points to the ability to develop long-term relationships with fewer large customers and contractual agreements that can be tailored to each client. Duran Doğan, which has been operating in the printed cardboard packaging sector for many years, works with reputable companies in Türkiye and abroad. Among the Company's main customers, the Ülker group stands out in Türkiye, while Diageo continues to be prominent abroad, despite a decline in sales compared to previous years. In terms of customer concentration, the Company has notable customer concentration and approximately 40% of the total sales revenue coming from these two companies. Even though Duran Doğan has reputable customer base and this situation led low credit risk, it also made the Company vulnerable to any risk faced by Ülker and Diageo considering the share of its among revenue as of FYE2022 and FYE2023.

High Level of Cash Conversion Cycle

The cash conversion cycle (CCC) – also known as the cash cycle – is a working capital metric which expresses how many days it takes a company to convert cash into inventory, and then back into cash via the sales process.

Duran Doğan operates in the printed cardboard packaging sector and purchases cardboard mainly from Kartonsan in Türkiye with an average maturity of 100 days. On the other hand, as of FYE2023, 55% of the Company's sales were realized to domestic customers, while the rest consisted of export sales. However, the average maturity of trade receivables is 90 days for domestic customers and 120 days for foreign customers. The Company officials stated that the Company has been working with foreign customers, to whom it has been selling for many years, between 120 and 145 days in accordance with the contracts between them. The Company's trade receivables turnover was realized as 98 days in 2023, while the inventory turnover was realized around 138 days. In addition, the trade payables turnover rate, which shows the average number of days required for the Company to repay its debts, was realized as 68 days in 2023. Accordingly, the Company's cash conversion cycle was 168 days in 2023.

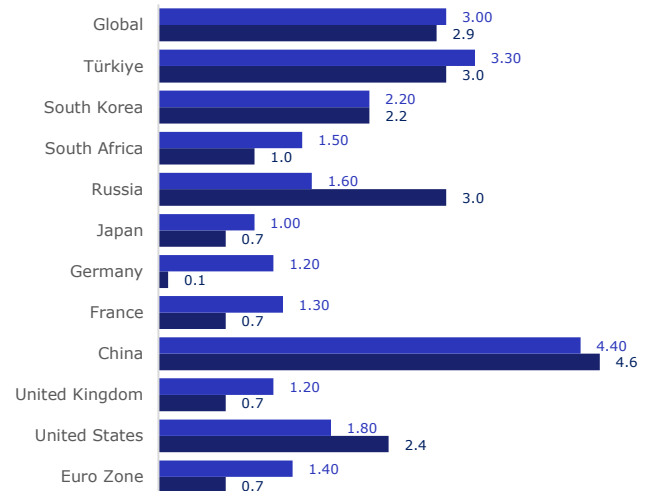
It was evaluated as relatively high compared to other companies in sector. Although the Company's liquidity ratios are evaluated as relatively adequate, it is thought that the long cash conversion cycle creates an extra burden for the liquidity of the Company. In addition, the continued deterioration in the Company's cash conversion cycle may further increase external financing needs in.

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

Companies based in Türkiye face several headwinds, stemming from both global and domestic conditions. Major central banks have been hiking rates at the most rapid pace in near history and net lending standards have been tightening as well. In Türkiye, Central Bank of Republic of Türkiye (CBRT) also joined the hiking central banks in June 2023, at a rapid pace as well. CBRT hiked the rates from 8.5% to 50% in a quick succession targeting ex-ante real interest and gradually lifted previously implemented macroprudential measures affecting bank lending. The aim of administration is to achieve a soft landing via curbing consumption, though selective lending to support exports & investments persist. As such, export-focused growth policies of China loom as a threat to domestic exports, who also face a slow growth in key markets and significant production costs.

The tightening actions of major central banks (increasing interest rates and quantitative tightening), especially the Fed, in order to fight inflation, increased global recession concerns. Accompanied by tightening financial conditions, a weak growth outlook emerged in 2023, especially in Europe and Euro Zone completed next year with only annual growth of 0.4% (2022: 3.4%). The weak growth outlook for Europe is still expected for 2024 (especially in Germany). In addition, ongoing geopolitical risks are still on the agenda.

GDP Outlook for 2024-25 (Annual Average Growth, %)
2024 2025

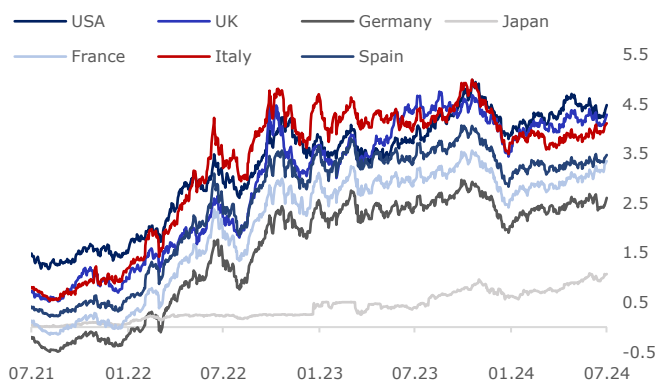


Source: Refinitiv Datastream, Reuters Poll (Median Forecast)
 *As of 02-07-2024

Unprecedented pace of tightening and geopolitical risks severely limited the risk appetite towards emerging markets while the flow of funds to emerging markets weakened. Funds instead flowed to safe instruments such as the dollar and gold, fueled partly by the fear of credit/counterparty risk. With these expectations and central banks' guidance, government bond's yields were at record high level almost all over the world until last quarter of 2023.

In the first half of 2024, pullback in inflation, especially with the support of energy prices, has changed market expectations towards monetary expansion at an earlier date than expected before. Thus, global government bond yield has been starting to decrease from record high level.

10Y Government Bond Yield (%)



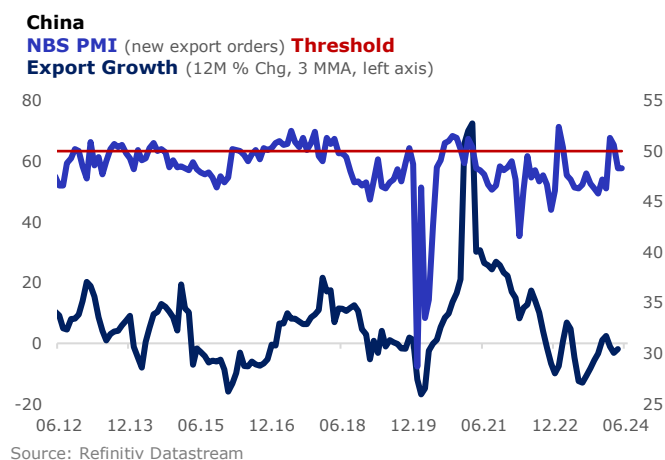
Source: Refinitiv Datastream

Recently, in line with the major central banks' guidance and the announced macroeconomic data,

market expectations have become compatible with the central banks. The first easing step came from ECB in June. As JCR-ER, we expect major central banks to continue monetary expansion in the second half of 2024. With the monetary easing steps expected to be taken as of the second half of the 2024 (provided that rising oil prices due to possible geopolitical tension do not pose a risk on inflation), it is expected that the global demand outlook will recover compared the 2023, and this recovery will accelerate in 2025.

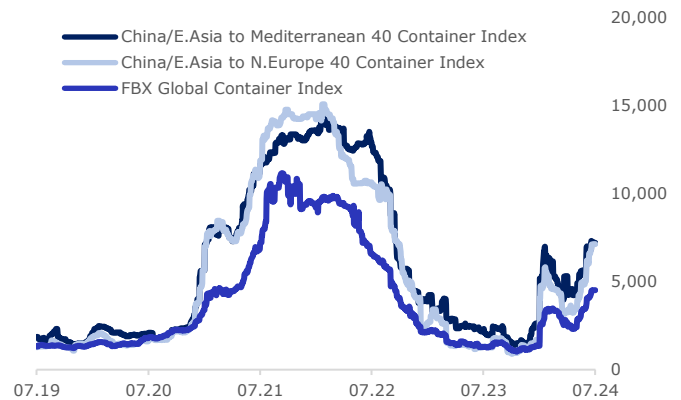
Following post-pandemic reopening, China took full advantage of its massive and integrated manufacturing sector, government subsidies to boost exports. On the other hand, domestic consumption is still weak after decades of investment/manufacturing focused policies. Therefore, for Chinese economy, the way forward is through shifting manufactured goods abroad, its long-term and global implications notwithstanding.

In this sense, we would expect China to double-down on any obstacle to its exports, as boosting domestic consumption requires a long and painful adjustment whereas boosting investment and consumption is more straightforward in the short run. In fact, as leading export indicators for China deteriorate, we would expect more aggressive policies to compensate for this. Therefore, Turkish companies face significant export competition from a global powerhouse.



This strong commitment to supporting exports were coupled with freight rates which had normalized in 2023. This reversion of freight costs had helped Chinese manufacturers to compete more easily with exporters close to their trade partners geographically.

FBX Global Container Index

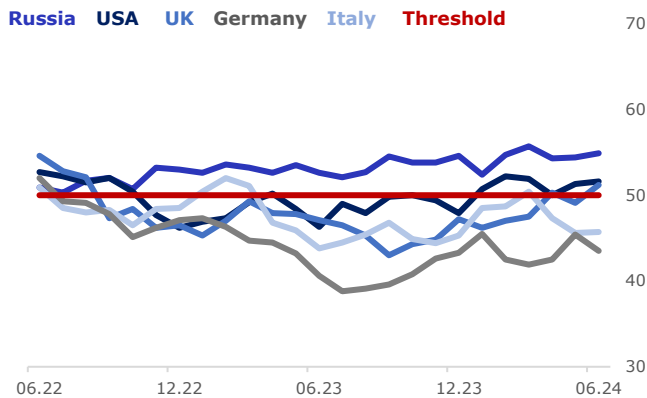


On the other hand, a new geopolitical risk is added to existing tensions created by Israel-Hamas conflict. Following the Houthi attacks to shipping vessels passing through the Red Sea, certain shipping companies suspended trade through the Suez Canal, increasing shipping costs and distressing the global supply chain. Additionally, tension between Iran/Lebanon and Israel should be followed closely in the context of geopolitical risks. However, the currently elevated levels are still lower than the spikes experienced during the supply chain shocks.

Global slowdown's impact on Türkiye

As of May, 2024, Turkish exports in the last twelve months to EU realized as USD 106.0bn which was USD 104.3bn in FY2023. Besides all these effects mentioned before, with the tightening conditions in Europe, economic activity remained weak in the first half of the year (especially in Germany, our still largest trade partner).

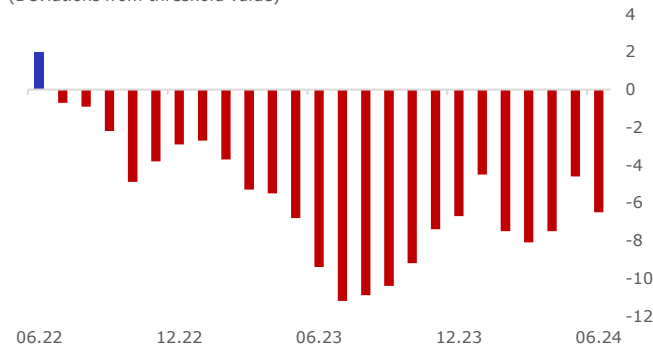
Top 5 Export Market's Manufacturing PMI



Source: Refinitiv Datastream

Germany Manufacturing PMI

(Deviations from threshold value)

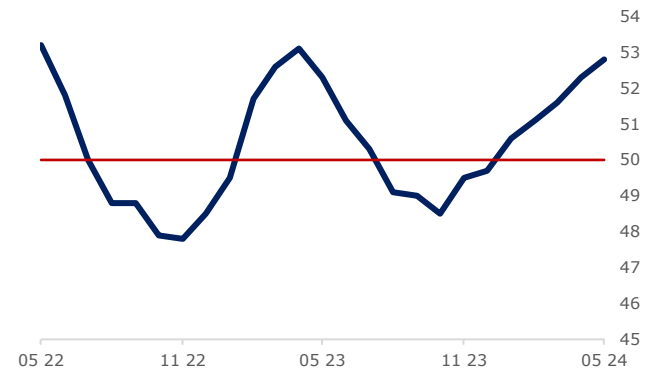


Source: Refinitiv Datastream

On the other hand, Türkiye's exports has exhibited recovery signs for first quarter of 2024 and it made a positive contribution to growth after a long break. According to the ICI, in January, 2024, Türkiye Climate Index rose above threshold for the first time since July 2023. In May 2024, the index reached to its highest value of last thirteen months with 52.8. Despite of weak growth outlook of Germany, most European countries' outlook recovered on a large scale and export to Middle East remained robust in first half of current year. Thus, demand conditions for Turkish manufacturing industry exporters have improved.

ICI Türkiye Export Climate Index

Threshold



Source: The Istanbul Chamber of Industry (ICI)

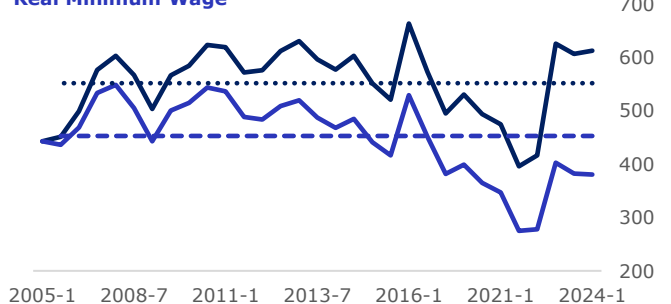
Further pressurizing the Turkish exporters are cost factors, mainly in terms of wages and energy prices. Minimum wage increased to TRY 23,502.94, including total costs to the employer (gross: TRY 20,002.50, net: TRY 17,002.12) for 2024. The latest increase in minimum wage pushed the total cost to employers to USD 610, using expected average USDTRY for the aforementioned year. Therefore, the expected level of minimum wage would realize above the average and would pressurize small scale businesses with labor intensive manufacturing and domestic focus. On the other hand, adjusting for US CPI, real minimum wage in USD terms is actually below the average, implying export focused companies should be able to manage these levels of increasing minimum wage.

Türkiye Minimum Wage

(Total cost to employer, USD, dashed lines 2005-2023 average)

Nominal Minimum Wage

Real Minimum Wage



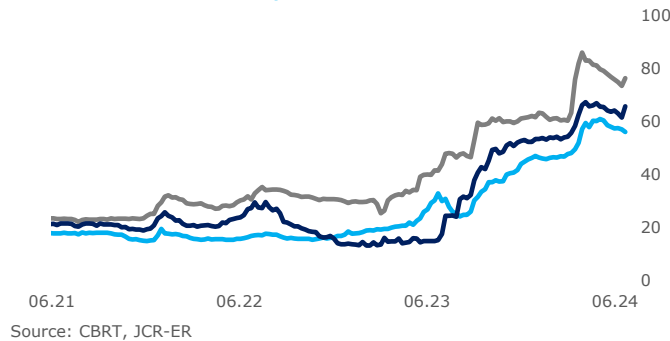
Source: Ministry of Labor and Social Security, Refinitiv, JCR-ER Research
 Nominal minimum wage for 2024 is calculated using expected average USDTRY for the given year.

Domestic financial conditions are tightening, particularly in credit costs

Current economic program entails high interest rates at a level that would curb leveraged consumption and

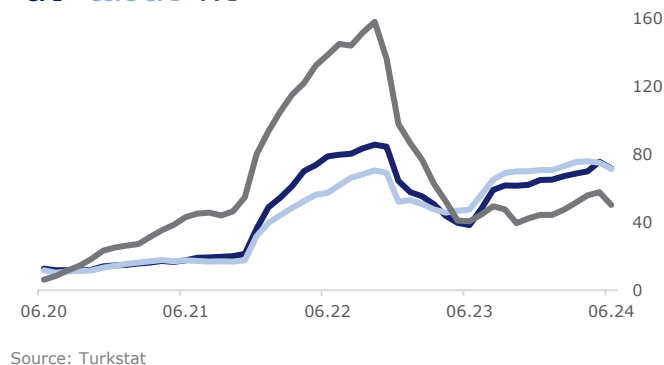
inventory hoarding as carrying costs rise. On the fiscal side, tax regulations and additional tightening measures aim to support the efforts to limit consumption. Moreover, long list of previously announced macroprudential regulations in the banking system are lifted, liberating banks to pursue more independent asset-liability management. This resulted in much higher credit interest rates.

TRY Lending and Deposit Rates (%)
Commercial Consumer Deposit



In June 2024, in line with the CBRT's realistic projection, annual inflation realized as 71.6%, marking its first decline after 13 months. CBRT expects a gradual decline from this level to 38% at the end of year. We note that most firms had been able to pass through the production costs to the consumers, though efforts to limit consumption and suppress real income could break this mechanism. In fact, there are signs of this in discretionary sectors though services inflation is still resilient.

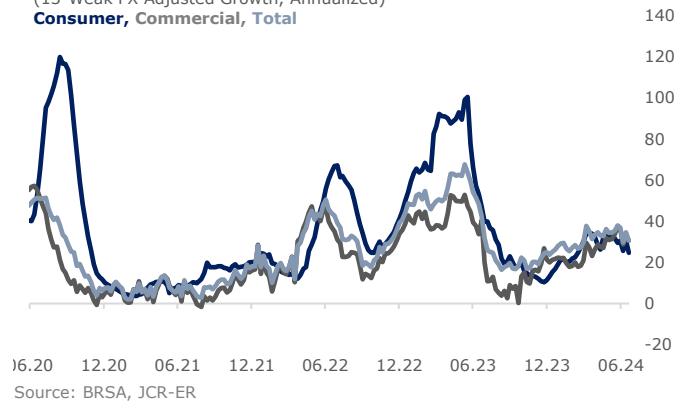
Türkiye Inflation (y.o.y)
CPI Core CPI PPI



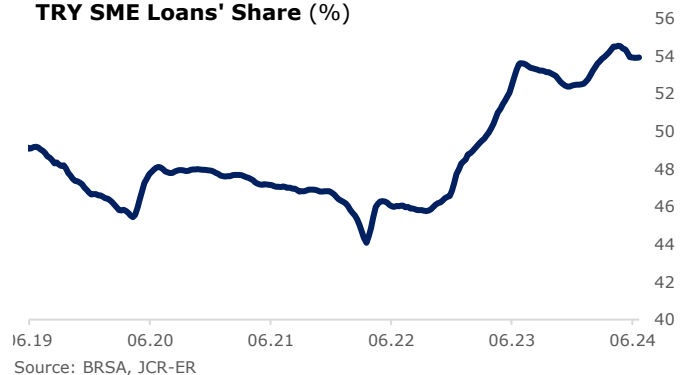
Current economic program has affected loan growth and the growth rate is not as high as the excessive pace observed in the first half of 2023, as intended by the administration. Thus, firms which had relied on

easy access to finance at low rates face significant financing costs and might need to rapidly deleverage.

Loans Growth
(13-Week FX Adjusted Growth, Annualized)
Consumer, Commercial, Total

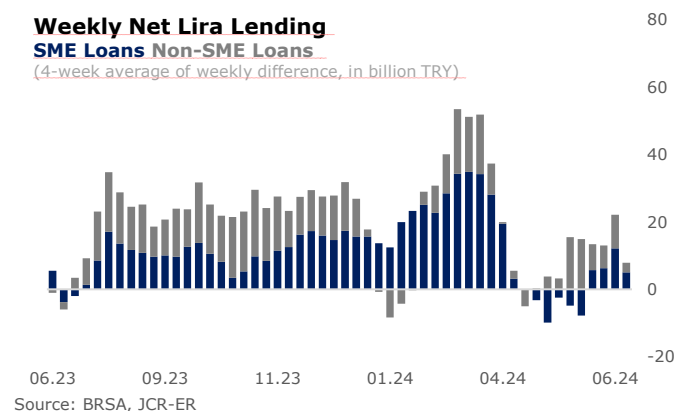


TRY SME Loans' Share (%)



In recent weeks, due to the effect of monetary tightening and historically high interest rates, there has been a decrease in commercial TRY lending. On the other hand, firms with access to FX financing had been using FX loans in an accelerated pace as the prospect of "real appreciation" of Lira is appealing to reduce funding costs.

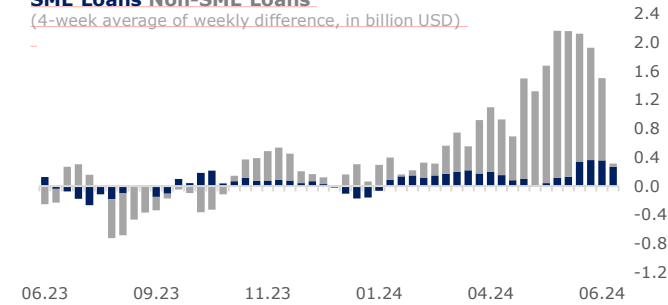
Weekly Net Lira Lending
SME Loans Non-SME Loans
(4-week average of weekly difference, in billion TRY)



Weekly Net FX Lending

SME Loans Non-SME Loans

(4-week average of weekly difference, in billion USD)



Source: BRSA, JCR-ER

Determined to fight inflation, CBRT has taken the measures in order to preserve macrofinancial stability, support the monetary transmission mechanism, and sterilize excess liquidity while keeping interest rates at high levels. Accordingly, reserve requirement ratios for Turkish lira deposits and FX-protected deposits have been increased and changes have been made regarding the remuneration and commission practices for reserve requirements. On the other hand, a monthly growth limit of 2% has been introduced for foreign currency loans, and it has been decided that Turkish lira required reserves amounting to loans exceeding the limit will be blocked for one year. Thus, in line with our expectation, as of June, 2024, there has been a slowdown in FX lending. Therefore, the slowdown in both FX and LCY lending and prohibitively high TL interest rates will likely keep fresh liquidity flows to the non-financial corporates at a very low level.

Access to finance and the cost of financing are still substantial topics affecting Turkish corporates, as the selective lending policies aimed to supporting exports, agricultural production, investments and high-tech and SMEs have resulted in a divergence in financial conditions. In fact, CBRT recently announced "Advance Loans Against Investment Commitment" framework to support investments with adequate Technology/Strategy scores, providing them with affordable loans up to 10 years of maturity. In this sense, current outlook is more accommodative for export, technology and investment-oriented firms. On the other hand, for other companies, high loan rates (especially considering expected inflation trend) and moderating credit growth would translate into tighter credit standards. In fact, BRSA loan data underpins the net tightening of Lira loans where most SMEs face significant difficulties in obtaining liquidity. However, export-oriented and large-scale firms with FX loan access are currently in a more favorable position.

Tightening financial conditions, expected slowdown in consumer spending and weak outlook in major export markets will likely result in a lower growth rate in 2024 compared to last year. In fact, economic administration expects a negative output gap in 2024, implying an annual growth rate of 2-2.5%. On the other hand, government expenditures and still relatively resilient consumption might push the growth a bit higher.

With respect to the factors mentioned above, JCR Eurasia Rating has assigned the Long-Term National Issuer Credit Rating of Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi as '**A- (tr)**' and the Short-Term National Issuer Credit Rating as '**J2 (tr)**' in JCR Eurasia Rating's notation system.

When the global and national scale rating matching published by JCR Eurasia Rating is considered, the Company's Long-Term International Issuer Credit Rating is assigned as '**BB**'. Global and national scale rating matching methodology also published by JCR Eurasia Rating (available at www.jcrer.com.tr).

2. Rating Outlook

JCR Eurasia Rating has assigned as '**Stable**' outlook on the National Long and Short-Term Issuer Credit Rating perspectives of Duran Doğan. The outlook was determined with respect to the Company's satisfactory financial leverage ratios, solid equity structure, deterioration in profitability, experience in the sector 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 general outlook of the sector.

Additionally, the outlook on the International Long-Term Issuer Credit Rating perspectives of Duran Doğan have been assigned as '**Stable**' in line with the sovereign rating outlooks of Türkiye.

Substantial factors that may be taken into consideration for any future change in ratings and outlook status:

Factors that Could Lead to an Upgrade

- A noticeable increase in sales revenue along with sales volume
- A significant improvement as well as achieving sustainability of profitability margins
- Strong cash flow metrics

- Diversification of customer base
- Robust economic growth in domestic and international markets

Factors that Could Lead to a Downgrade

- Severe and persistent deterioration in operations and/or cash flow generation
- Increasing leverage and debt burden, potential deterioration in accessing external financial resources and loss of flexibility in financing conditions
- Significant decrease in EBITDA generation
- A sharp slump in growth in the domestic and international markets
- Poor cash management and deterioration of liquidity position

JCR Eurasia Rating will continue to monitor debt and equity level, cash flow and liquidity metrics, asset quality, net profit indicators and domestic/global sectoral developments in the upcoming period.

3. Projections

Balance sheet and income statement projections have not been submitted by the Company. As of reporting date, the Company has no plans relating to the issuance of debt instruments in the domestic and international capital markets in the short-term.

4. Company Profile & Industry

a. History and Activities

Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi was established in 2005 as a result of the merger of Duran Ofset and Doğan Matbaacılık, one of the oldest and most experienced companies in the cardboard packaging sector in Türkiye. The establishment of the Company, which operates in the printed cardboard packaging business, dates back to 1975 before the merger. The Company operates in four factories with a total closed area of 40,000m² and has a total annual production capacity of 125mn m².

b. Shareholders, Subsidiaries & Affiliates

Headquarters of Duran Doğan is located in İstanbul.

As of the reporting date, the Company's Board of Directors consists of six members whilst three functional committees have been established under

the scope of the Board; Audit, Corporate Governance and Early Detection of Risk.

Board Members

Oktay Duran	Chairman
Dikran Mihran Acemyan	Deputy Chairman
Torben Patrice Jean Reine	Member
Michel Joseph Claude Dubois	Member
Nur Yapça	Independent Member
Ahmet Ali Bugay	Independent Member

The Company shares has been trading on the Borsa Istanbul since 1991, with the ticker symbol "DURDO". The Company had an average workforce of 355 employees as of FYE2023 (FYE2022: 333).

As of FYE2023, the Company's paid-in capital is TRY 100mn. As the 2023 year-end, the Company's shareholding structure is as follows:

Duran Doğan's Shareholder Structure

TRY 000	December, 2022		December, 2023	
Shareholders	Amount	%	Amount	%
LGR International S.A.	10,500	30	30,000	30
Dikran Mihran Acemyan	3,415	9.76	9,277	9.28
Oktay Duran	2,906	8.3	8,039	8.04
İbrahim Okan Duran	2,783	7.95	7,952	7.95
Dikran Acemyan	2,651	7.57	7,289	7.29
Publicly Held	12,744	36.41	37,441	37.44
Share Capital	35,000	100	100,000	100
Inflation Adjustment	363,533		370,003	
Total	398,533		470,003	

As of FYE2023, the Company had 5 subsidiaries, in which the Company had direct ownership.

Subsidiaries of Duran Doğan

Subsidiaries	Ownership
Dudo İthalat ve İhracat Pazarlama A.Ş.	99.92%
Dudo UK Ltd.	100%
Duran Doğan Europe B.V.	100%
Avantgarde Sürdürülebilir Kağıtçılık Sanayi ve Ticaret A.Ş.	100%
Atlas Ofset Matbaacılık Ambalaj Sanayi ve Ticaret A.Ş.	100%

According to Company officials stated that the companies that are subsidiaries of Duran Doğan do not have their own independent operations, but are involved in the operational processes of the Company.

c. Industry Assessment

Cardboard Packaging Industry

In an era marked by rapid e-commerce growth, environmental consciousness, and a relentless pursuit of packaging efficiency, cardboard has established itself as a strong and reliable presence in the packaging industry. As a versatile, cost-effective, and environmentally friendly material, cardboard plays a pivotal role in supporting the global packaging ecosystem.

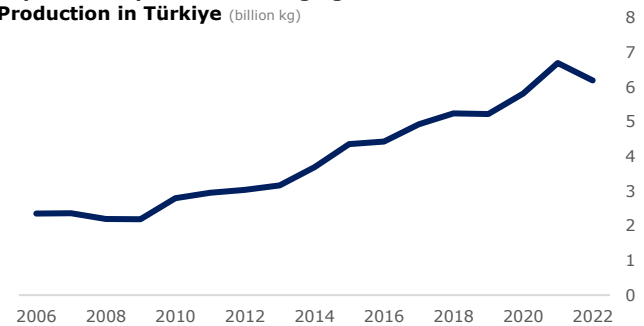
Cardboard, often referred to as corrugated board, is a thick paper-based material composed of multiple layers of paper, typically sandwiched between two flat outer layers. This composition provides it with substantial strength and durability, all the while maintaining a relatively low weight.

Cardboard packaging, in its various forms, encompasses corrugated shipping boxes that protect products during transit, folding cartons that grace retail shelves, and rigid boxes that house luxury items. This adaptability makes cardboard an essential choice across numerous sectors, including food and beverages, electronics, pharmaceuticals, and more. Its primary functions include safeguarding products, enhancing brand visibility, and contributing to sustainability goals.

As consumer expectations evolve, driven by digitalization and a heightened focus on sustainability, the cardboard packaging industry stands at a crucial crossroads. Nonetheless, amid the promise of growth and innovation, the cardboard packaging industry faces its share of challenges. Fluctuating raw material costs, evolving regulatory landscapes, and a fiercely competitive environment demand astute navigation.

In Türkiye, paper and paperboard packaging materials manufacturing experienced a significant growth, more than tripling, during the period starting from FYE2005. However, it underwent a 7.48% decline, reaching a production volume of 6.19bn units as of FYE2022.

Paper and Paperboard Packaging Materials Production in Türkiye (billion kg)



Source: TURKSTAT, JCR-ER

*The chart illustrates the total production value within the NACE category 17.21, which pertains to the manufacture of corrugated paper and paperboard and of containers of paper and paperboard.

When examining production by sub-group, four out of five sub-groups experienced a decrease in production as of FYE2022 compared to the previous year. Among these sub-groups, the most significant decline was observed in the production of sacks and bags of paper, which declined by 32.64%. Conversely, the only sub-group that stood out with an increase in production compared to the previous year was folding cartons, boxes and cases, of non-corrugated paper or paperboard, showing a notable 7.25% rise by FYE2022. Besides, there were 603 companies operating within the industry as of 2022.

Paper and Paperboard Packaging Materials Production in Türkiye (bn kg)

	2020	2021	2022	% Change
Corrugated board, in rolls or sheets	0.79	1.00	0.93	-6.69%
Sacks and bags of paper	0.73	0.80	0.54	-32.64%
Cartons, boxes and cases, of corrugated board or corrugated paperboard	3.35	3.76	3.53	-6.13%
Folding cartons, boxes and cases, of non-corrugated paper or paperboard	0.73	0.86	0.92	7.25%
Box files, letter trays, storage boxes and similar articles of a kind used in offices, shops or the like, of paper	0.21	0.29	0.28	-2.15%
Total	5.81	6.70	6.19	-7.48%

Source: TURKSTAT, JCR-ER

The decrease in production corresponded to a fall in sales. The volume of sales of plastic packaging materials amounted to 5.85bn kg in FYE2022, with a 7.51% drop. Consequently, 94.51% of plastic packaging materials produced were sold in 2022.

Sales of Paper and Paperboard Packaging in Türkiye (bn kg)

	2020	2021	2022	% Change
Corrugated board, in rolls or sheets	0.73	0.93	0.86	-7.50%
Sacks and bags of paper	0.72	0.79	0.52	-34.77%
Cartons, boxes and cases, of corrugated board or corrugated paperboard	3.08	3.47	3.28	-5.37%
Folding cartons, boxes and cases, of non-corrugated paper or paperboard	0.71	0.86	0.91	5.65%
Box files, letter trays, storage boxes and similar articles of a kind used in offices, shops or the like, of paper	0.21	0.27	0.27	3.07%
Total	5.45	6.32	5.85	-7.51%

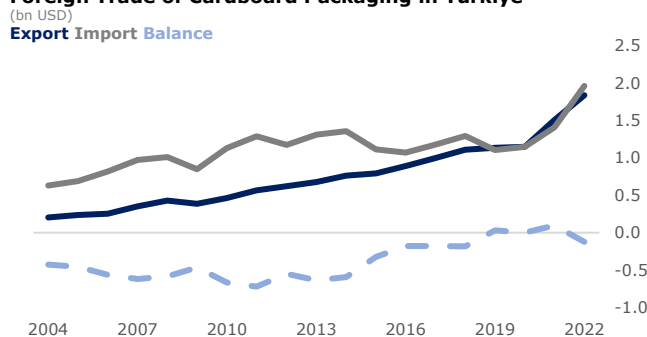
Source: TURKSTAT, JCR-ER

In FYE2022, the export revenue of cardboard packaging materials increased by 22.00% compared to FYE2021 and amounted to USD 1.84bn. The share of cardboard packaging materials in total exports was 0.72% in FYE2022. Import volume of plastic packaging materials have increased along with exports for the last couple of years. It grew by 39.12% in FYE2022 compared to the previous year.

While the main market is European countries, as in many other sectors, foreign sales to countries such as Iraq, Iran, and the USA have recently become important for the sector. On the other hand, the main suppliers of Türkiye are Germany, China and Italy.

Based on foreign trade statistics provided by TURKSTAT, as of 7M2023, export of cardboard packaging materials declined by 14.43% compared to the same period of time in the previous year. There was also a substantial 20.86% reduction in imports. The total export and import values amounted to USD 927.82mn and USD 945.44mn, respectively, resulting in a trade deficit of USD 17.62 million as of 7M2023.

Foreign Trade of Cardboard Packaging in Türkiye



Source: Trade Map, JCR-ER

*Product Codes: 4804, 4805, 4806, 4807, 4808, 4811, 4817, 4819, 4821, 4823

The cardboard packaging industry in Türkiye faces some challenges like rising raw material costs, environmental regulations, and competition from other packaging materials. Yet, it also presents

opportunities such as increasing demand for e-commerce packaging, growing awareness of sustainability and recyclability, and potential for innovation and differentiation.

Moreover, the cardboard packaging is expected to benefit from the growth of e-commerce and home delivery services, especially in categories such as food, beverages, personal care and household products. It can also offer cost-efficiency, convenience, and customization to meet the needs of consumers and businesses.

5. Additional Rating Assessments

Credit, market, operational and liquidity risks represent the major categories of risks for the Group resulting from its operations. The Group is exposed to a variety of financial risks, including the effects of changes in debt and capital market prices, foreign exchange rates and interest rates. The Group's risk management practices focus on the unpredictability of financial markets and targets to minimize the potential negative effects on the financial performance of the Company. Credit, market, liquidity and operational risks are monitored by the Group. The ultimate responsible party for risk management, the Board of Directors, has established different committees to maintain risk management strategies. The Audit Committee and Early Detection of Risk Committee are formed under the Board as well as Corporate Governance Committee. The Risk Management Policy of the Company serves to define, assess, prioritize, monitor, and report the potential risks involved in the Company's operations and also governs the procedures and principles which will be adhered to during the process of defining and implementing the necessary measures and strategies against such risks. Risk management is conducted by the Early Detection of Risk Committee on behalf of the Board of Directors. Similarly, the Group has an internal control mechanism in place. Upon the formation of the Audit Committee, this mechanism effectively carries out the duties assigned by the Board of Directors in compliance with the existing bylaws of the Audit Committee.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises

principally from the Company's receivables from customers and bank balances.

As of FYE2022, financial instruments of the Company that may cause significant credit risk concentration mainly consist of trade receivables, cash and cash equivalents and other receivables. As of FYE2023, the Company's maximum credit risk exposure was TRY 478.08mn (FYE2022: TRY 473.43mn), of which 92.83% consists of trade receivables. The average maturity of the Company's trade receivables is 90 days for domestic customers and 120 days for international customers. In addition, TRY 58.76mn of the Company's trade receivables are insured in 2023 (2022: TRY 44.67mn).

The Group periodically monitors the collectability of its trade receivables and allocates provision for doubtful receivables for possible losses that may arise from doubtful receivables, based on the collection rates of previous years. As of FYE2022, trade and other receivables of the Company include TRY 681.04k of doubtful receivables which is negligible and corresponds 0.15% of total receivables.

Impaired Receivables		
(TRY '000)	2022	2023
Revenue	2,200,208	1,507,557
Trade Receivables	369,512	443,818
Doubtful Receivables	1,919	681

Market Risk

Market risk stem from fluctuations in the value of a financial instrument which could potentially impact the Company's future cash flows. These include foreign currency risk, interest rate risks and risks relating to changes in the prices of financial instruments and commodities. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

In the scope of market risk, the Company is principally exposed to currency risk due to assets and liabilities in foreign currencies. The TRY equivalent of the FX asset of the Company was TRY 136.72mn whilst TRY equivalent of the FX liabilities was TRY 394.76mn as of FYE2023. Accordingly, the Company had a net short foreign currency (FX) position of TRY 258.04mn. The distribution of foreign currency assets and liabilities as of FYE2023 and FYE2022 are shown below.

FX Position of the Company (000' TRY)

	2023	2022
Assets	136,721	75,618
Liabilities	394,769	524,915
Net FX Position	-258,048	-450,392

Duran Doğan's currency risk exposure is measured by sensitivity analysis. The currency risk that the Company is exposed to mainly arises from the USD, GBP and EUR. Due to FX currency change risk exposure, a 10% increase/decrease in the USD, GBP and EUR would have a net effect of nearly TRY +/- 25.8mn on the Company's bottom line when all other factors are kept constant.

In terms of interest risk, the Company does not have loans with floating interest rates, therefore it is not exposed to any risks arisen from the fluctuations in interest rates.

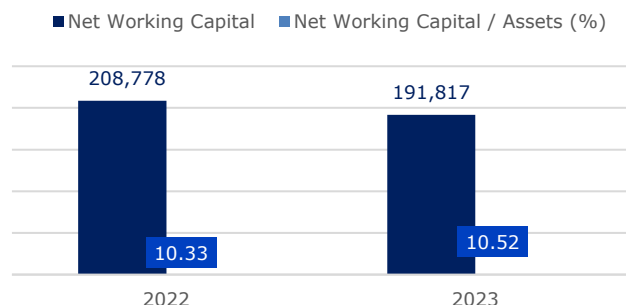
Liquidity Risk

Liquidity risk arises in the general funding of the Company's activities and in the management of positions. It includes both risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

Credit lines at financial institutions and trade payables are the main funding resources of the Company. Accordingly, the financial liabilities and trade payables constituted 68.6% of external liabilities with the highest shares of 38.7% financial liabilities and the following 29.8% trade payables as of FYE2023.

Net working capital is a measure of a company's liquidity and refers to the difference between operating current assets and operating current liabilities. Hence, net working capital provides important information on behalf of the Company's liquidity, operational efficiency and its short-term financial health. The Company has net working capital surplus in the analyzed periods. The Company has a balanced liquidity structure and positive net working capital with increased trade receivables and significantly lower short-term financial liabilities, despite the decrease in inventories in parallel with the minimization of its business with Diageo, from which the Company made significant sales in previous periods. As of FYE2023, the net working capital level

of the Company decreased to TRY 191.81mn from the previous year level of TRY 208.77mn.



Accordingly, net working capital to total assets ratio increased to 10.52% as of FYE2023, up from 10.33% as of FYE2022.

Additionally, relieved liquidity management reveal itself in current ratio parameters of the Company. Last but not least, the Company's current ratio increased to 1.30x as of FYE2023, up from 1.24x in 2022.

As of FYE2023, the Company has loans amounting to TRY 285.29mn, of which 80.94% is EUR loans, 8.4% is USD loans, and the rest is TRY loans. As of July 23, 2024, the Company has an available cash credit lines of TRY 599.49mn coinciding to 64.5% of total cash credit lines. The limit gaps specify the financial strength and capability of the Company with respect to accessing credit lines when necessary.

Operational, Legal Regulatory and Other Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Company's risk management framework focuses also on operational risk, or risk resulting in unexpected loss. The Company takes necessary actions to ensure security and continuity of supply chain management, maintenance and security of physical facilities. In addition, compulsory precautions and regulatory controls are in place to align with regulations. The operational risk, stems from operations and other administrative activities, is monitored and managed by Early Detection of Risk Committee and ultimately Board of Directors is responsible for the achievement

of the Company's operational performance goals as disclosed to the public.

DURAN-DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ
Consolidated Balance Sheet (000' TRY)

	2023	2022
TOTAL ASSETS	1,822,948	2,020,861
CURRENT ASSETS	831,251	1,085,878
Cash and Cash Equivalents*	27,324	103,584
Trade Receivables	443,818	369,512
Trade Receivables from Third Parties	443,818	369,512
Other Receivables	6,582	16,696
Other Receivables from Third Parties	6,582	16,696
Inventories	314,928	576,469
Prepaid Expenses	37,810	19,607
Other Current Assets	789	10
FIXED ASSETS	991,697	934,983
Other Receivables	1,421	1,522
Tangible Fixed Assets	379,954	331,294
Right-of-Use Assets	527,658	514,173
Intangible Fixed Assets	7,393	8,747
Prepaid Expenses	292	23,290
Deferred Tax Asset	74,979	55,957
TOTAL LIABILITIES & EQUITY	1,822,948	2,020,861
SHORT TERM LIABILITIES	639,434	877,100
Short Term Borrowings	112,594	362,818
Bank Loans	74,392	289,729
Leases	34,891	71,525
Other Short-Term Borrowings	3,311	1,564
Short Term Portion of Long-Term Borrowings	114,154	106,544
Bank Loans	114,154	106,544
Trade Payables	220,108	218,643
Trade Payables to Related Parties	9,363	13,451
Trade Payables to Third Parties	210,745	205,192
Employee Benefits	11,856	12,306
Other Payables	90,473	75,448
Other Payables to Related Parties	40,791	75,448
Other Payables to Third Parties	49,682	0
Deferred Income	42,467	20,955
Current Tax Liabilities	16,699	15,218
Short Term Provisions	13,895	3,755
Other Short-Term Liabilities	17,188	61,413
LONG TERM LIABILITIES	96,808	129,615
Long Term Borrowings	58,551	97,336
Bank Loans	49,493	64,331
Leases	9,058	33,005
Deferred Income	648	1,133
Long Term Provisions	37,609	31,146
EQUITY	1,086,706	1,014,146
Controlling Interest	1,086,710	1,014,146
Share Capital	100,000	35,000
Capital Adjustment Differences	370,004	363,533
Repurchased Shares (-)	-4,157	0
Share Premium (Discount)	60	60
Other Accumulated Comprehensive Income (Expenses) That Will Not Be Reclassified To Profit or Loss	187,694	153,718
Other Accumulated Comprehensive Income (Expenses) to be Reclassified to Profit or Loss	-34,699	-34,101
Restricted Reserves	19,277	9,153
Previous Years Profits or Losses	331,812	-11,572
Net Profit or Loss	116,719	498,355
Non-Controlling Shares	-4	0

- *Viop derivative transaction amounting to TRY 17.93mn in FY2022 and currency hedging deposits amounting to TRY 1.25mn in FY2023 classified under financial investments are treated as cash and cash equivalents.
- Including JCR Eurasia Rating's adjustments where applicable,

DURAN-DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ
Consolidated Income Statement (000' TRY)

	2023	2022
Revenue	1,507,557	2,200,208
Cost of Sales	-1,180,033	-1,233,047
GROSS PROFIT (LOSS)	327,524	967,161
General and Administrative Expenses	-118,528	-130,919
Marketing Expenses	-129,488	-308,679
Other Operating Income	362,270	170,853
Other Operating Expenses	-262,141	-141,481
OPERATING PROFIT (LOSS)	179,637	556,935
Income from Investment Activities	12,578	2,570
Expenses from Investment Activities	-137	-16,730
OPERATING PROFIT (LOSS) BEFORE FINANCING ACTIVITIES	192,078	542,775
Financing Income	3,799	2,765
Financing Expenses	-181,801	-227,608
Net Monetary Position Gains (Losses)	69,933	121,473
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	84,009	439,405
Tax Income Expense from Continuing Operations	32,706	58,950
Current Tax (Expense) Income	-22,598	-63,972
Deferred Tax (Expense) Income	55,304	122,922
NET PROFIT FROM CONTINUING OPERATIONS	116,715	498,355
NET PROFIT (LOSS) FOR THE PERIOD	116,715	498,355
Distribution of Profit (Loss) for the Period	116,715	498,355
Non-Controlling Shares	-4	0
Parent Shares	116,719	498,355

- Including JCR Eurasia Rating's adjustments where applicable,

DURAN-DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ
Consolidated Key Ratios & Metrics

	2023	2022
PROFITABILITY		
EBITDA Margin (%)	12.65	28.75
EBIT Margin (%)	5.27	23.98
CFO Margin (%)	15.22	9.16
Return on Average Assets (ROaA) (%)	6.07	NA
Return on Average Equity (ROaE) (%)	11.11	NA
Net Profit Margin (%)	7.74	22.65
Operating Profit Margin (%)	11.92	25.31
Gross Profit Margin (%)	21.73	43.96
LIQUIDITY		
FFO Debt Service Coverage (x)	0.08	0.67
Current Ratio (x)	1.30	1.24
Net Working Capital / Assets (%)	10.52	10.33
LEVERAGE		
FFO / Adjusted Net Debt (%)	7.20	79.13
Adjusted Net Debt / EBITDA (x)	1.35	0.73
FOCF / Adjusted Net Debt (%)	40.28	33.17
Adjusted Debt / Capital (%)	20.79	35.85
Adjusted Short-Term Net Debt / EBITDA (x)	1.05	0.58
EFFICIENCY		
RoC (Return on Capital) = EBIT / Avg. Capital (%)	5.39	NA
Working Capital Turnover Ratio (x)	7.53	NA
Operating Ratio (%) = OPEX / Net Sales	16.45	19.98
Equity Turnover (x)	1.44	NA
Cash Conversion Cycle (days)	168	NA
Account Receivables Turnover (x)	3.71	NA
Inventory Turnover (x)	2.65	NA
Payables Turnover (x)	5.38	NA
COVERAGE		
EBITDA / Adjusted Interest (x)	10.54	8.56
FFO Interest Coverage= (FFO) / Adjusted Interest Paid (x)	1.03	4.96
CFO / Capex (x)	1.83	4.21
FOCF Dividend Coverage=FOCF (t-1) / Dividends Paid (t) (x)	4.76	NA
GROWTH		
Sales Growth (%)	-31.48	NA
EBITDA Growth (%)	-69.85	NA
Asset Growth (%)	-9.79	NA

- Including JCR Eurasia Rating's adjustments where applicable,

- NA: Not available

Rating Info

Rated Company:	Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi Hadımköy Mahallesi, Mustafa İnan Caddesi No:41, 34555 Arnavutköy, İstanbul, Türkiye TEL: +90 212 711 46 06
Rating Report Preparation Period:	25.06.2024-26.07.2024
Rating Publishing Date:	30.07.2024
Rating Expiration Date:	1 full year after publishing date, unless otherwise stated
Financial Statements:	FYE2023-FYE2022 Consolidated Audit Report 1Q2024-1Q2023 Interim Review Report
Previous Rating Results:	First Report
Rating Committee Members:	Z. M. Çoktan (Executive Vice President), Ö. Yamaner (Manager), F. Tunç (Team Leader)

Disclaimer

The ratings assigned by JCR Eurasia Rating are a reflection of the Company's independent audit reports prepared in conformity with Turkish Financial Reporting Standards (TFRS) and International Financial Reporting Standards (IFRS), on and off-balance sheet figures, general market conditions in its fields of activity, unaudited financial statements, information and clarifications provided by the Company, and non-financial figures. Certain financial figures of the Company for previous years have been adjusted in line with the JCR Eurasia Rating's criteria.

The Company's balance sheet composition, asset quality, risk management practices, business profile, liquidity management, history in the sector, profitability figures, revenues, debt structure, growth rates, off-balance sheet commitments, and the financial and non-financial positions of the main shareholders were taken into consideration while determining the risk assessment of the long-term international local currency and foreign currency ratings as well as national ratings.

Considering the fact that there are no additional legal or financial collateral guarantees provided separately for the repayment of the bonds issued, the note assigned for the TRY dominated bond issuance is assigned as the same as the Company's Long and Short Term National Local Ratings, unless otherwise stated.

Previous rating results and other relevant information can be accessed on www.jcrer.com.tr

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This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Türkiye), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations.

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