



**JCR  
Eurasia Rating,**

By reviewing  
corporate credit &  
issue rating  
of  
**Uşak Seramik  
Sanayi  
A.Ş.**

has affirmed  
the Long Term  
National Note of the  
Company as  
**'BBB- (Trk)'** with a  
**'Stable'**  
Outlook.



**RATINGS**

		Long Term	Short Term
International	Foreign Currency	B-	C
	Local Currency	B-	C
	Outlook	FC Negative	Negative
		LC Negative	Negative
	Issue Rating	-	-
National	Local Rating	BBB- (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
	Issue Rating	BBB- (Trk)	A-3 (Trk)
	Sponsor Support	3	-
	Stand-Alone	BC	-

Sector: Ceramic Industry  
Report Date: 12.12.2019

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## Press Release

**Istanbul – December 12, 2019**

JCR Eurasia Rating, in its periodic review of “Uşak Seramik Sanayi A.Ş.” and its “Outstanding Bond Issue” within investment grade, affirmed the credit rating notes ‘BBB- (Trk)’ on the Long Term National Scale and ‘A-3 (Trk)’ on the Short Term National Scale. Other notes and details of the ratings are given in the left-hand column.

With an operational history of more than 45 years, Uşak Seramik produces wall tiles, floor tiles, borders, decors and porcelain in modern facilities occupying nearly 220,000 m2 of space. In 2004, Uşak Seramik joined the **Tanışlar Group**, which mainly operates in the building materials and construction sectors. The Tanışlar Group, which includes companies and brands such as **Uşak Seramik, SeramikPark, Albinno, Granitta Favoritta, User Fix, Emiliano, S Design, Tanışlar Nakliyat, Tanışlar Madencilik, Tanışlar İnşaat, Urganlı Kaplıcaları** and **Uşak Seramik Pazarlama A.Ş.**, mainly focuses on the production and marketing of ceramic and granite and occupies a significant position in its sector. Uşak Seramik itself continues to increase its brand recognition through its wide local dealer network and expanding exports to various countries. **Uşak Seramik** carries out activities in 36 countries, with primary markets in the United State and Israel and has positively differentiated itself from the rest of the sector due to its high production capacity, experienced management team, experience in granite market, strong dealer network and effective marketing activities. In addition, owing to benefits of the “**Turquality**” certificate, the Company has increased its international activities and brand awareness in domestic & foreign markets.

The Company’s extensive customer base, diversification of its financial sources and fulfillment of its liquidity needs through bond issuance, broadening dealer network which eliminates concentration on a specific country or region and improves the Company’s capabilities to generate revenue, the increase in paid-in capital from TRY 43.3mn to TRY 100mn, its perception in the market and large market share in the granite sector were deemed as strengths of the Company. On the other hand, the negative impact of the volatility in foreign exchange rates and the depreciation of the Turkish Lira on the debt servicing capacity of the real sector firms, the effects of the contraction of the construction sector, the hike in the factoring loans and financial expenses of the Company were also taken into account. All in all, the long term national rating of the Company is affirmed as **'BBB- (Trk)'** with a **'Stable'** outlook.

No separate rating report has been compiled as the resources obtained from the debt issues will be carried in the Company’s balance sheet and has been subject to analysis in the corporate credit rating report. The debt instruments to be issued carry no difference in comparison to the Company’s other liabilities with respect to its legal standing and collateralization. As such, the notations outlined in the corporate credit rating report also reflect the issue rating taking into account aggregated exposure of the issues. The issue ratings do not cover any structured finance instruments. Issue ratings are assigned for both outstanding and prospective debt instruments and incorporate assessments until their maturities.

It is considered that the shareholders of the **Tanışlar Grup** have the willingness to ensure financial and operational support to **'Uşak Seramik Sanayi A.Ş.'** if necessary. However, there is no exact data about the shareholders’ level of financial strength. Therefore, **JCR Eurasia Rating** has affirmed the Company’s Sponsor Support Note as **(3)**, which indicates an adequate level. On the other hand, regardless of any external support it may receive, the Company is considered to have achieved the infrastructure necessary to meet its commitments due to its equity level, growth rates, increasing sales volume, asset quality and capital structure, market diversity, reputation and the current risks in the markets and operational environment, provided that the current customer base and market efficiency are maintained and the macroeconomic activities persevere. In this regard, the Stand-Alone Note is affirmed as **(BC)**, which denotes a sufficient level within the **JCR Eurasia Rating** scale.

For more information, related to the rating results you may visit our web site <http://www.jcrer.com.tr> or contact our head of group **Mr. Zeki Metin ÇOKTAN** and assistant analyst **Mr. Ersin KILIÇKAP**.

**JCR EURASIA RATING**

**Administrative Board**