FitchRatings

Corporates
Diversified Manufacturing
Turkiye

Turkiye Sise ve Cam Fabrikalari AS

Ratings

Foreign Currency	
Long-Term IDR	B
Outlook	
Long-Term Foreign-Currency IDR	Negative
Debt Rating	
Senior Unsecured Debt - Long-Term Rating	B

2035 Climate Vulnerability Signal: 29
Click here for the full list of ratings

The ratings are constrained by Turkiye Sise ve Cam Fabrikalari AS's (Sisecam) strong exposure to the Turkish economy, without sufficient mitigating factors that would drive its Foreign-Currency IDR above the 'B' Turkish Country Ceiling. Rating strengths are material shares in the glass industry in its domestic market and certain export markets in eastern Europe, diverse end-market exposure, and a strong financial profile.

The Negative Outlook reflects the likely correlation of future rating actions with changes to the sovereign rating, assuming that the Country Ceiling moves in line with the sovereign IDR.

Key Rating Drivers

Diversified Business Profile: Sisecam's business model consists of both cyclical and defensive industries. The company had robust growth in turnover in 2022 (197% yoy) across all segments despite varying cyclicality in its major industries. Chemicals and architectural glass were the major contributors to revenues and EBITDA at 56% and 70%, respectively, in 2022. It has 45 production facilities across 14 countries.

Concentration in Core Markets: We expect reduced geographical concentration on Sisecam's domestic market following overseas expansion in the US. In 2022, the share of domestic sales was 37%, with 63% generated overseas. Europe sales contributed 29% in 2022 and the US made its first contribution at 15%.

Sustained EBITDA Margins: We expect energy and raw material price increases to drive EBITDA margins lower in 2023 before they gradually increase from 2024. Overall, we expect Sisecam to continue to be able to pass on cost increases to end-customers and sustain EBITDA margins above 20% to 2027.

The company has implemented cost control in the past to reduce pressure on margins, while its product mix enabled it to prevent margin dilution in 2022. Segments such as chemical had increased gross profit margins in 2022 to 38% from 35% due to soda ash price increases in hard currency terms, while flat glass and glass packaging were hardest hit by increased raw material prices.

Capex Intensity to Rise: The company plans allocate most of its capex to greenfield and brownfield projects in architectural glass and glass packaging. We expect capex to gradually increase towards 10% of sales in 2023-2024 from 8% in 2022. Sisecam's investments in the US are pending regulatory environmental permits and fall outside Fitch's forecast period of 2023-2026. However, we expect diversification and profitability to improve once the construction of its US natural soda ash mines are completed.

PSL Considerations: We continue to rate Sisecam on a standalone basis under our *Parent Subsidiary Linkage Criteria*. Turkiye Is Bankasi A.S. (B-/Negative) owns 51% of Sisecam. Fitch applied the criteria using the "stronger subsidiary" approach. We assess legal ring-fencing factors as "insulated" and access and control factors as "porous", resulting in a standalone approach. This reflects Fitch's general approach towards Turkish banks and their industrial subsidiaries.

Applicable Criteria

Corporates Recovery Ratings and Instrument Ratings Criteria (April 2021)

Corporate Rating Criteria (October 2022)

Country-Specific Treatment of Recovery Ratings Criteria (March 2023)

Country Ceilings Criteria (July 2020)

Fitch Ratings Comments on Turkish Corporates Following Earthquake Disruptions (March 2023)

Analysts

Samer Haydar
+971 4 424 1240
samer.haydar@fitchratings.com

Andrew Miller
+44 20 3530 1637
andrew.miller@fitchratings.com

Comfortable Leverage; Moderate FX impact: We forecast continuous deleveraging capacity, with funds from operations (FFO) net leverage falling below 1x in 2025. Sisecam has a conservative leverage profile and ample headroom under its bank covenants. Foreign exchange (FX) exposure has moderate impact on profitability. The company benefits from strong export revenues and hard-currency generation through international sales, which limits FX volatility risk.

Financial Summary

(TRYm)	2020	2021	2022	2023F	2024F	2025F
Gross revenue	21,341	32,058	95,350	127,098	153,660	181,220
FFO margin (%)	17.5	20.4	23.8	15.8	16.4	16.5
FFO interest coverage	4.0	6.2	9.6	4.6	5.2	5.8
FFO leverage	3.7	3.7	1.9	2.3	2.0	1.8
FFO net leverage	1.8	2.0	0.9	1.2	1.0	0.9

F = Forecast
Source: Fitch Ratings, Fitch Solutions, Sisecam

Rating Derivation Relative to Peers

Sisecam has a strong financial profile, which is comparable with higher-rated peers such as Compagnie de Saint-Gobain (SGO), Arcelik A.S. (BB-/Negative) and significantly better than lower-rated peers such as HESTIAFLOOR 2 (B/Stable). We expect Sisecam to maintain average FFO net leverage of 1.1x in 2023 and 2024 compared with 1.7x, 2.6 and 6.3x for SGO, Arcelik and Hestiafloor 2, respectively.

Sisecam also has a higher FFO margin than its peers due to its low-cost base and leading position in its core markets (Turkey, Russia and eastern Europe). Sisecam recorded an FFO margin of 23.8% in 2022, significantly higher than SGO's 9.6% and Arcelik's 11.7%, and Ardagh Group S.A.'s 11% (B/Stable).

In Fitch's view, Sisecam has healthy geographical diversification and exposure to several industries such as construction, auto, and healthcare. However, the company is still significantly smaller than SGO, Arcelik and Ardagh and generates most of its revenue from emerging markets, notably Turkiye.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

- We do not expect the ratings to be upgraded while they are constrained by Turkiye's Country Ceiling.

Factors that Could, Individually or Collectively, Lead to Downgrade:

- A downgrade of Turkiye's Country Ceiling.
- FFO margin below 8%.
- FFO net leverage above 4.5x on a sustained basis.

Liquidity and Debt Structure

Adequate Liquidity: At end-2022, Sisecam had TRY18.3 billion of cash available, after restricting TRY1.9 billion to account for intra-year working-capital swings. Available cash is insufficient to cover our forecast negative FCF for 2022 of around TRY7.4 billion and debt maturities of TRY18.2 billion, although this can be covered by uncommitted bank lines of USD750 million. Cash balances were TRY19.6 billion at end-1Q23.

As Sisecam is a national blue-chip entity with strong bank relations Fitch believes uncommitted bank lines with Turkish banks would remain available for the company in a stress scenario. This is similar to other Turkish blue-chip companies, which suffer from an absence of committed revolving credit facilities and have high dependence on short-term funding.

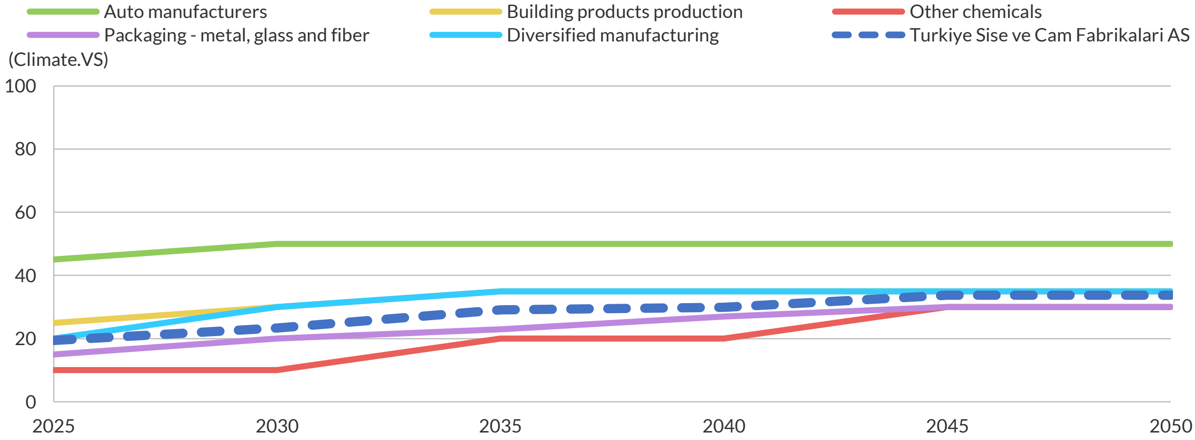
ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3 - ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or to the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

Climate Vulnerability Considerations

Climate.VS Evolution

As of Dec. 31, 2022



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(TRYm)	2023F	2024F	2025F
Available liquidity			
Beginning cash balance	23,338	-2,239	-4,910
Rating case FCF after acquisitions and divestitures	-7,380	-122	1,953
Total available liquidity (A)	**15,958**	**-2,362**	**-2,957**
Liquidity uses			
Debt maturities	-18,197	-2,548	-1,343
Total liquidity uses (B)	**-18,197**	**-2,548**	**-1,343**
Liquidity calculation			
Ending cash balance (A+B)	-2,239	-4,910	-4,299
Revolver availability	0	0	0
Ending liquidity	**-2,239.3**	**-4,909.8**	**-4,299.2**
Liquidity score (x)	0.9	-0.9	-2.2

F – Forecast
Source: Fitch Ratings, Fitch Solutions, Sisecam

Scheduled debt maturities

(TRYm)	2022
2023	18,197
2024	2,548
2025	1,343
2026	21,252
Thereafter	2,118
Total	**45,459**

Source: Fitch Ratings, Fitch Solutions, Sisecam

Key Assumptions

- Double-digit revenue growth for the next four years across Turkiye and overseas, supported by added capacity, new products and markets and favourable FX impact on sales.
- EBITDA margin to decrease in 2023 due to energy and raw material price increases before gradually increasing from 2024.
- Higher capex due to new greenfield and brownfield projects.
- Dividends distribution to increase with profitability.
- Share buy backs to continue as per company buyback programme.

Financial Data

	Historical			Forecast		
(TRYm)	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Summary income statement						
Gross revenue	21,340.7	32,057.9	95,349.5	127,098.3	153,660.4	181,220.4
Revenue growth (%)	18.2	50.2	197.4	33.3	20.9	17.9
EBITDA (before income from associates)	4,473.0	8,180.0	20,993.7	25,926.8	32,111.9	38,128.9
EBITDA margin (%)	21.0	25.5	22.0	20.4	20.9	21.0
EBITDAR	4,533.8	8,180.0	20,993.7	25,926.8	32,111.9	38,128.9
EBITDAR margin (%)	21.2	25.5	22.0	20.4	20.9	21.0
EBIT	2,865.3	6,118.7	15,892.9	18,758.0	23,533.6	28,058.1
EBIT margin (%)	13.4	19.1	16.7	14.8	15.3	15.5
Gross interest expense	-1,436.6	-1,503.8	-3,558.0	-5,409.5	-5,795.9	-6,030.9
Pre-tax income (including associate income/loss)	3,255.2	10,984.5	19,762.1	16,061.5	20,450.7	24,740.2
Summary balance sheet						
Readily available cash and equivalents	8,929.0	12,169.6	23,337.8	25,073.1	29,169.6	33,321.7
Debt	16,945.9	26,855.1	45,458.6	55,458.6	60,458.6	63,458.6
Lease-adjusted debt	17,249.9	26,855.1	45,458.6	55,458.6	60,458.6	63,458.6
Net debt	8,016.9	14,685.5	22,120.8	30,385.5	31,289.0	30,136.9
Summary cash flow statement						
EBITDA	4,473.0	8,180.0	20,993.7	25,926.8	32,111.9	38,128.9
Cash interest paid	-1,124.1	-1,172.9	-2,450.1	-5,409.5	-5,795.9	-6,030.9
Cash tax	-496.5	-724.4	-2,448.1	-2,409.2	-3,067.6	-3,711.0
Dividends received less dividends paid to minorities (inflow/(out)flow)	133.2	154.1	361.1	180.0	180.0	180.0
Other items before funds from operations (FFO)	418.6	-370.8	4,598.6	1,000.0	1,000.0	500.0
FFO	3,739.3	6,547.9	22,675.0	20,038.1	25,178.4	29,816.9
FFO margin (%)	17.5	20.4	23.8	15.8	16.4	16.5
Change in working capital	-694.4	-643.5	-11,543.9	-11,131.9	-7,114.7	-8,355.8
Cash flow from operations (CFO) (Fitch-defined)	3,044.9	5,904.4	11,131.1	8,906.1	18,063.7	21,461.1
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-1,872.9	-2,943.1	-7,778.0	—	—	—
Capital intensity (capex/revenue) (%)	8.8	9.2	8.2	—	—	—
Common dividends	-518.7	-532.3	-2,421.4	—	—	—
Free cash flow (FCF)	653.3	2,429.0	931.7	—	—	—
Net acquisitions and divestitures	70.8	-5,845.5	74.2	—	—	—
Other investing and financing cash flow items	2,436.8	8,858.1	2,273.3	—	—	—
Net debt proceeds	-1,988.4	-1,687.1	8,487.2	10,000.0	5,000.0	3,000.0
Net equity proceeds	-159.0	-320.1	655.2	-250.0	-250.0	-250.0
Total change in cash	1,013.5	3,434.4	12,421.6	1,735.3	4,096.5	4,152.1
Leverage ratios (x)						
EBITDA leverage	3.7	3.2	2.1	2.1	1.9	1.7
EBITDA net leverage	1.7	1.8	1.0	1.2	1.0	0.8
EBITDAR leverage	3.7	3.2	2.1	2.1	1.9	1.7
EBITDAR net leverage	1.8	1.8	1.0	1.2	1.0	0.8
EBITDAR net fixed charge coverage	5.5	12.1	25.7	5.6	6.4	7.3
FFO-adjusted leverage	3.8	3.7	1.9	2.3	2.0	1.8
FFO-adjusted net leverage	1.8	2.0	0.9	1.2	1.0	0.9
FFO leverage	3.7	3.7	1.9	2.3	2.0	1.8
FFO net leverage	1.8	2.0	0.9	1.2	1.0	0.9
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before fcf	-2,320.8	-9,320.9	-10,125.2	-16,285.8	-18,186.0	-19,507.8
FCF after acquisitions and divestitures	724.1	-3,416.5	1,005.9	-7,379.7	-122.3	1,953.3
FCF margin (after net acquisitions) (%)	3.4	-10.7	1.1	-5.8	-0.1	1.1

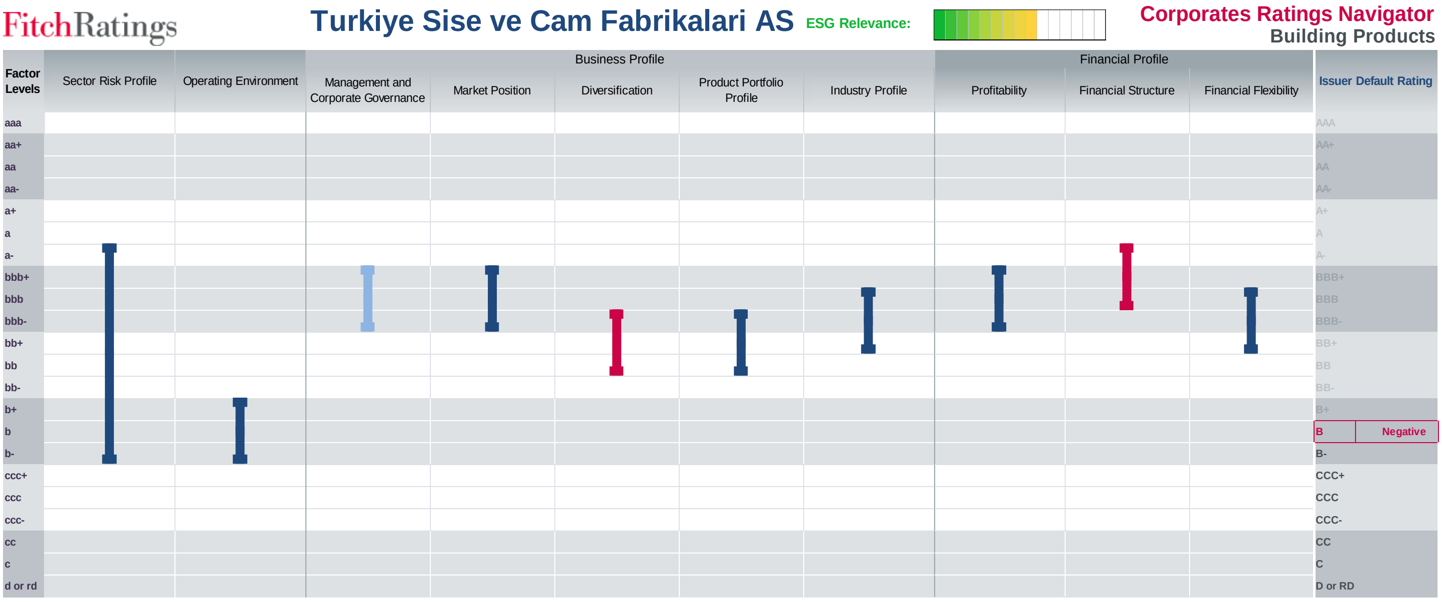
	Historical			Forecast		
(TRYm)	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Coverage ratios (x)						
FFO interest coverage	4.0	6.2	9.6	4.6	5.2	5.8
FFO fixed-charge coverage	3.9	6.2	9.6	4.6	5.2	5.8
EBITDAR fixed-charge coverage	3.9	7.1	8.7	4.8	5.6	6.4
EBITDA interest coverage	4.1	7.1	8.7	4.8	5.6	6.4
Additional metrics (%)						
CFO-capex/debt	6.9	11.0	7.4	-6.9	4.5	8.1
CFO-capex/net debt	14.6	20.2	15.2	-12.5	8.6	17.1
CFO/capex	162.6	200.6	143.1	70.1	117.6	131.6

Source: Fitch Ratings, Fitch Solutions, Sisecam

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	□ Stable

FitchRatings

Turkiye Sise ve Cam Fabrikalari AS

Corporates Ratings Navigator
Building Products

Operating Environment

bb-	Economic Environment	bb	Below average combination of countries where economic value is created and where assets are located.
b+	Financial Access	bb	Below average combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	b	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'b'.
b-			
ccc+			

Management and Corporate Governance

a-	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
bbb+	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bbb-	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bb+			

Market Position

a-	Market Position	bbb	Top-five player in core product and service offerings.
bbb+	Product and Service Offerings	bbb	Good range of products serving various construction end-markets.
bbb			
bbb-			
bb+			

Diversification

bbb	End-Market Diversification	bb	Somewhat balanced exposure to various construction end-markets with somewhat meaningful revenue exposure to the new-construction market.
bbb-	Geographic Diversification	bbb	Moderate geographic exposure within countries or regions.
bb+	Distribution Channels	bbb	Product and service offerings are sold across a moderate range of distribution channels.
bb			
bb-			

Product Portfolio Profile

bbb	Brand Strength	bbb	Strong brand equity but alternative products exist that could somewhat limit premium pricing.
bbb-	Innovation	bb	Some competitive advantages in product innovation but could be replicated by competitors.
bb+	Barriers to Entry	bb	Moderate barriers to entry. Incumbents are generally strongly established but successful new entrants have emerged over time.
bb			
bb-			

Industry Profile

bbb+	Long-Term Growth Potential	bb	Mature industry. Traditional markets may be under some pressure but opportunities arise in new markets.
bbb	Raw Material Volatility	bb	Volatility of input costs can result in moderate margin compression due to limited ability to pass through input cost inflation.
bbb-	Industry Capacity	bbb	Industry utilization rates fluctuate in line with overall construction spending, resulting in somewhat volatile pricing.
bb+			
bb			

Profitability

a-	EBITDA Margin	a	16%
bbb+	EBIT Margin	a	10%
bbb	FFO Margin	a	11%
bbb-	FCF Margin	bb	2%
bb+	Volatility of Profitability	bbb	Volatility of profits in line with industry average.

Financial Structure

a	EBITDA Leverage	bbb	2.5x
a-	EBITDA Net Leverage	a	1.0x
bbb+	FFO Leverage	a	2.0x
bbb	FFO Net Leverage	a	1.5x
bbb-	(CFO-Capex)/Net Debt	bb	12.5%

Financial Flexibility

bbb+	Financial Discipline	bbb	Financial policies less conservative than peers but generally applied consistently.
bbb	Liquidity	bbb	One year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
bbb-	EBITDA Interest Coverage	bb	6.0x
bb+	FFO Interest Coverage	bb	5.0x
bb	FX Exposure	bb	FX exposure on profitability and/or debt/cash flow match. Some hedging in place but only partly effective.

Credit-Relevant ESG Derivation

Turkiye Sise ve Cam Fabrikalari AS has 6 ESG potential rating drivers
- Impact of product lifecycle and end-of-life materials; supply chain management -products
- Impact of labor negotiations and employee (dis)satisfaction
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	6	issues	3
not a rating driver	6	issues	2
	2	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

FitchRatings

Turkiye Sise ve Cam Fabrikalari AS

Corporates Ratings Navigator
Building Products

Credit-Relevant ESG Derivation

Turkiye Sise ve Cam Fabrikalari AS has 6 ESG potential rating drivers

- Turkiye Sise ve Cam Fabrikalari AS has exposure to waste & impact management risk and supply chain management risk but this has very low impact on the rating.
- Turkiye Sise ve Cam Fabrikalari AS has exposure to labor relations & practices risk but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	6	issues	3
not a rating driver	6	issues	2
	2	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	2	Emissions from production, manufacturing and distribution	Diversification; Competitive Position; Profitability	5
Energy Management	2	Energy use in production, manufacturing, product	Diversification; Competitive Position; Profitability	4
Water & Wastewater Management	2	Water usage in production and manufacturing	Diversification; Competitive Position; Profitability	3
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of product lifecycle and end-of-life materials; supply chain management -products	Diversification; Competitive Position; Profitability	2
Exposure to Environmental Impacts	2	Effect of extreme weather scenarios on PPE, inventory, and/or profitability	Diversification; Competitive Position; Profitability	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	2	Product quality and safety	Diversification; Competitive Position; Profitability; Financial Flexibility	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Diversification; Competitive Position; Industry Dynamics; Profitability	3
Employee Wellbeing	2	Worker safety and accident prevention	Diversification; Competitive Position; Industry Dynamics; Profitability	2
Exposure to Social Impacts	1	n.a.	n.a.	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

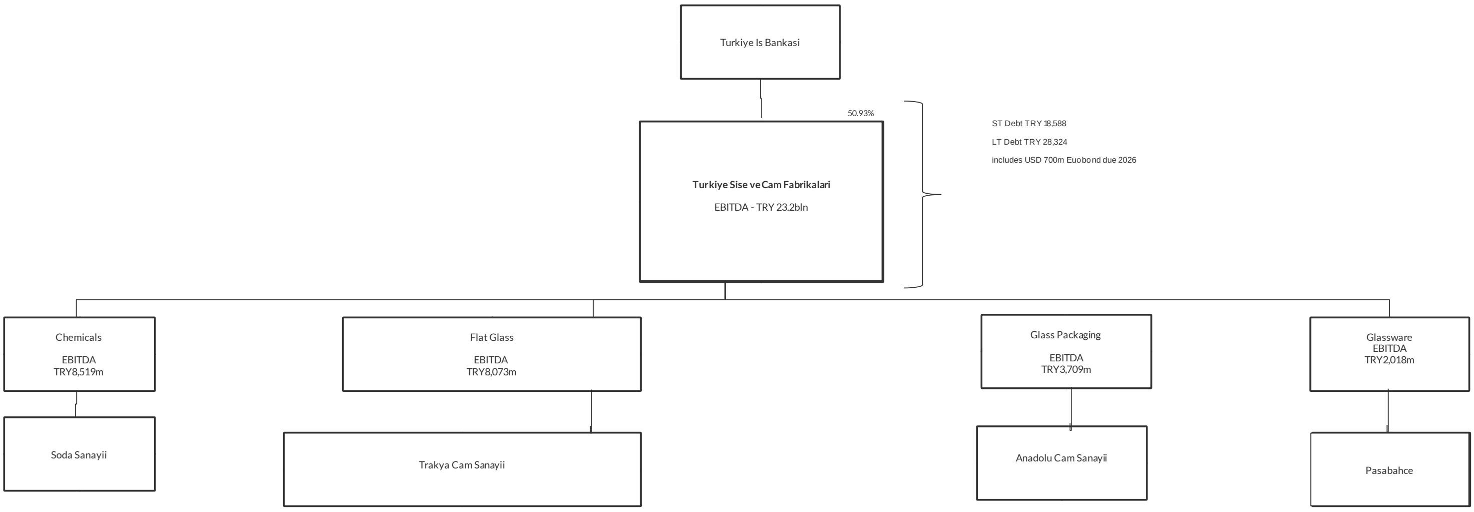
How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to result in a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Data as at 31.12.2022 (from 2022 Sisecam investor presentation)
Source: Fitch Ratings, Fitch Solutions, Sisecam

Fitch Adjusted Financials

(TRYm) 31 Decemeber 2022	Notes and formulas	Reported values	Sum of adjustments	CORP - lease treatment	Other adjustments	Adjusted values
Income statement summary						
Revenue		95,350				95,350
EBITDAR		21,082	-88	-88	-0	20,994
EBITDAR after associates and minorities	(a)	21,443	-88	-88	-0	21,355
Lease expense	(b)	0				0
EBITDA	(c)	21,082	-88	-88	-0	20,994
EBITDA after associates and minorities	(d) = (a-b)	21,443	-88	-88	-0	21,355
EBIT	(e)	15,981	-88	-88	-0	15,893
Debt and cash summary						
Other off-balance-sheet debt	(f)	0				0
Debt[b]	(g)	46,912	-1,454	-1,454	-0	45,459
Lease-equivalent debt	(h)	0				0
Lease-adjusted debt	(i) = (g+h)	46,912	-1,454	-1,454	-0	45,459
Readily available cash and equivalents	(j)	25,245	-1,907		-0	23,338
Not readily available cash and equivalents		0	1,907		0	1,907
Cash flow summary						
EBITDA after associates and minorities	(d) = (a-b)	21,443	-88	-88	-0	21,355
Preferred dividends (paid)	(k)	0				0
Interest received	(l)	1,620				1,620
Interest (paid)	(m)	-2,538	88	88	0	-2,450
Cash tax (paid)		-2,448				-2,448
Other items before funds from operations (FFO)		4,599				4,599
FFO	(n)	22,675				22,675
Change in working capital (Fitch-defined)		-11,544				-11,544
Cash flow from operations (CFO)	(o)	11,131				11,131
Non-operating/non-recurring cash flow		0				0
Capital (expenditures)	(p)	-7,778				-7,778
Common dividends (paid)		-2,421				-2,421
Free cash flow		932				932
Gross leverage (x)						
EBITDAR leverage[a]	(i/a)	2.2				2.1
FFO-adjusted leverage	(i/(n-m-l-k+b))	2.0				1.9
FFO leverage	(i-h)/(n-m-l-k)	2.0				1.9
EBITDA leverage[a]	(i-h)/d	2.2				2.1
(CFO-capex)/debt (%)	(o+p)/(i-h)	7.1%				7.4%
Net leverage (x)						
EBITDAR net leverage[a]	(i-j)/a	1.0				1.0
FFO-adjusted net leverage	(i-j)/(n-m-l-k+b)	0.9				0.9
FFO net leverage	(i-h-j)/(n-m-l-k)	0.9				0.9
EBITDA net leverage[a]	(i-h-j)/d	1.0				1.0
(CFO-capex)/net debt (%)	(o+p)/(i-h-j)	15.5%				15.2%
Coverage (x)						
EBITDAR fixed-charge coverage[a]	a/(-m+b)	8.5				8.7
EBITDA interest coverage[a]	d/(-m)	8.5				8.7
FFO fixed-charge coverage	(n-l-m-k+b)/(-m-k+b)	9.3				9.6
FFO interest coverage	(n-l-m-k)/(-m-k)	9.3				9.6

[a] EBITDA/R after dividends to associates and minorities
[b] Includes other off balance sheet debt
Source: Fitch Ratings, Fitch Solutions, Sisecam

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.