



Entity Credit Rating Summary Report

ASG Plastic Factory Company

(Saudi Joint Stock Company)

January 2026

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Rating Summary

1.1 TASSNIEF Opinion:

<i>ASG Plastic Factory Company – Entity Rating</i>	
<i>Domicile</i>	<i>Saudi Arabia</i>
<i>Long-Term Rating</i>	<i>BBB-</i>
<i>Outlook</i>	<i>Stable</i>
<i>Short-Term Rating</i>	<i>T-4</i>
<i>Rating Watch</i>	<i>No</i>
<i>Action Type</i>	<i>Assigned</i>
<i>Rating Type</i>	<i>Solicited</i>
<i>Methodology Deviation</i>	<i>None</i>

Tassnief has assigned long-term entity rating of “**BBB-**” (**Triple B Minus**) and short-term entity rating “**T-4**” to ASG Plastic Factory Company. The outlook on the rating is “**Stable**”.

About the Company: ASG Plastic Factory Company, referred to as "ASG" or "the Company" is a Joint Stock Company registered in the Kingdom of Saudi Arabia under the commercial registration number 1126002230 and national unified number 7001660146 dated April 29, 2015. ASG manufactures plastic boxes and cartons, plastic bottles of various shapes, and single-use household, kitchen, and decorative items. Its wholly owned subsidiary, ASK Pipes Company (“ASK Pipes”), is involved in manufacturing of plastic pipes, hoses and tubes along with fitting accessories, household appliances, kitchenware, and disposable decorative items.

1.2 TASSNIEF Rating Rationale:

The ratings assigned to ASG take into account its long operating track record in the Saudi plastics manufacturing sector, diversified product portfolio, strengthening manufacturing scale, and conservative financial policy. The Company has demonstrated sustained, volume-led revenue growth, healthy profitability, and low customer concentration risk, while maintaining a largely unlevered balance sheet. These strengths are partly offset by exposure to competitive pricing pressure in commoditized product segments, an inventory-intensive operating model that lengthens the working capital cycle, and execution risk associated with ongoing capacity expansion.

Governance is assessed as adequate and developing, supported by a formal board structure, an established audit committee, and improving internal control and reporting frameworks. Board and committee oversight cover key areas including financial reporting, audit, and compliance, while internal audit planning and documented policies support accountability and risk oversight.

The business profile of ASG is underpinned by a long and established operating track record, having operated in the Saudi plastics manufacturing sector since 2005. Over time, the Company has demonstrated an ability to scale operations and adapt to changing market conditions, as evidenced by its strong growth trajectory and expanding production footprint. Revenue has grown significantly over the past several years, supported by capacity additions, broader SKU launches, and deeper penetration across both the plastic packaging and fitting pipes segments. The commissioning of new manufacturing facilities and phased expansion projects further strengthens ASG's production capabilities and provides a platform for continued growth, albeit with execution risk during ramp-up periods.

The business profile is further supported by production capabilities and a broad product portfolio of more than 2,700 SKUs, allowing ASG to serve multiple end markets, including food packaging, consumer goods, and construction. This diversification enhances demand resilience and reduces reliance on any single product line. Competitive advantages include scale efficiencies, local sourcing of raw materials at competitive pricing, rapid delivery capabilities in key regions, and tariff protection against certain imports. Customer concentration risk is low at the consolidated level, with a wide customer base exceeding 4,000 active clients, although concentration is moderately higher in the pipes segment due to its distributor-led structure. Overall, ASG's business risk profile is assessed as moderate, supported by scale, diversification, and growing market presence, though constrained by competitive intensity and pricing pressure.

The financial risk profile is conservative and supported by healthy profitability, positive cash flow generation, zero gearing, and low total-liabilities-to-equity ratio. The Company has maintained healthy gross margins despite pricing pressure, benefiting from volume growth, favorable segment mix, and economies of scale, while near-term margin softness is expected in 2026 due to new product launches and some pressure on pricing. Liquidity is assessed as adequate, underpinned by positive operating cash flows, disciplined procurement planning, and daily liquidity monitoring, although the working capital cycle has lengthened due to higher inventory levels linked to expansion and delivery reliability. Capitalization remains a key strength, with no debt on the balance sheet and ongoing capex expected to be funded

Classification: [Restricted](#)

primarily through internal cash generation, supplemented by limited long-term financing, keeping leverage ratio low over the rating horizon.

1.3 Rating Triggers

The ratings are dependent on ASG's ability to achieve material growth in scale while maintaining healthy profitability, adequate liquidity, and a conservative capital structure. Key considerations include effective execution and absorption of ongoing capacity expansion, sustained demand across core segments, disciplined working capital and inventory management, and preservation of prudent financial policies amid competitive pricing pressures.

RELATED CRITERIA AND METHODOLOGY

Rating Methodology for Corporate (v.2. 2024) can be found on the website: www.tassnief.com

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- Our assessment is based on certain assumptions and limitations, and we verify the information provided by the rated entity to the extent possible. Ratings are subject to change based on new information, assumptions, and judgements made at the time of the rating. No assurance is given regarding future performance or rating stability.
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- The analyses and forecasts in this rating report are inherently forward-looking and cannot be verified. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.
- This rating has not been amended following disclosure to the rated entity or its related party(ies). All analyses related to the rating report are merely opinions of TASSNIEF on the rating date.
- This credit rating herein was determined using the above-mentioned methodology which is available on our website at www.tassnief.com. This methodology, including any significant adjustments or deviations from standard procedures, was applied to arrive at the rating.
- The rating scale, meaning of each rating category, default or recovery definitions, and relevant risk warnings – including a sensitivity analysis of key assumptions – are also available on our website.
- TASSNIEF confirms that all rating activities related to this credit rating were not outsourced to any third party.

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TASSNIEF's Long-term & Short-term Rating Scale



Long-Term Rating Scale	Definitions
AAA	Extremely Robust ; Tassnief considers the rated issuer or issuance hold the highest creditworthiness , thus negligible credit risk
AA+ AA AA-	Very Robust ; Tassnief considers the rated issuer or issuance hold very high creditworthiness , thus minimal credit risk . Risk profile may vary slightly with changes in economic / sector conditions
A+ A A-	Robust ; Tassnief considers the rated issuer or issuance hold high creditworthiness , thus very low credit risk . Risk profile may vary with changes in economic / sector conditions
BBB+ BBB BBB-	Moderate ; Tassnief considers the rated issuer or issuance hold adequate creditworthiness , thus low credit risk . Risk profile may exhibit moderately high variation with changes in economic / sector conditions
BB+ BB BB-	Tassnief considers the rated issuer or issuance hold low to moderate credit risk . Risk profile may exhibit wide variation with changes in economic / sector conditions.
B+ B B-	Tassnief considers the rated issuer or issuance hold very low creditworthiness , thus high credit risk
CCC+ CCC CCC-	Tassnief considers the rated issuer or issuance hold extremely low creditworthiness , thus very high credit risk
CC C	Highly speculative credit profile , and the default is imminent
D	Tassnief considers the rated issuer or issuance have defaulted or may default soon .

****End of Report****