Corporate Credit Rating

□New ⊠Update

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RATINGS		Long Term	Short Term	
	National ICR	BBB+ (tr)	J2 (tr)	
	National ICR Outlooks	Stable	Stable	
ICRs (Issuer	International FC ICR	BB	-	
Credit Rating Profile)	International FC ICR Outlooks	Negative		
	International LC ICR	BB	-	
	International LC ICR Outlooks	Negative	-	
ISRs (Issue Specific Rating Profile)	National ISR	-	-	
	International FC ISR	-	-	
	International LC ISR		-	
	Foreign Currency	BB (Negative)		
Sovereign*	Local Currency	BB (Negative)	-	
* Assigned by JCR on Aug 18, 2022				

EBITDA Margin (%) 14.3 12.87 6.95 ROAE (%) 59.98 14.23 6.68 Current Ratio (x) 0.94 0.93 0.86 Adj.Net Debt/EBITDA (x) 7.73 7.06 3.69 • Adj. Debt/Capital (%) 72.51 62.25 54.35 100 0 EBITDA/Adj.Interest (x) 4.19 5 2.26 1.35 0

2022

2023

2021

DÖKTAŞ DÖKÜMCÜLÜK TİCARET VE SANAYİ A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of **"Döktaş Dökümcülük Ticaret ve Sanayi A.Ş.**" in the investment level category and revised the Long-Term National Issuer Credit Rating to **'BBB+ (tr)'** from **'BBB (tr)'** and affirmed the Short-Term National Issuer Credit Rating at **'J2 (tr)'**. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been determined as **'BB/Negative'** in parallel to sovereign ratings and outlooks of Republic of Türkiye.

Döktaş Dökümcülük Ticaret ve Sanayi A.Ş. (hereinafter referred to as **"the Group"** or **"Döktaş"**) was established in Orhangazi in 1973, in Bursa under the name of Koç Holding. Döktaş was acquired by Componenta Oyj, a Finland-based entity, in December 2006. Subsequently, on September 29, 2017, the shares of Döktaş were transferred to Döktaş Metal Sanayi ve Ticaret A.Ş., a special purpose entity. Finally, on June 29, 2018, Döktaş merged with Çelik Holding. The main operations of the Group are the production and trade of gray cast iron, nodular iron and aluminum castings for automotive, heavy commercial vehicles, construction and agricultural machinery industry. Orhangazi Iron Foundry, Türkiye's largest iron casting plant maintains pig and ductile iron casting and machining capabilities. In Manisa facilities, high and low-pressure aluminum casting and aluminum wheel production activities are performed. Manisa Aluminum Plant is the 2nd largest aluminum casting facility for the automotive sector in Türkiye, while Aluminum Wheel Plant is Türkiye's 4th largest aluminum wheel manufacturing facility. The Group has established business partnerships with internationally well-known local and foreign players.

The main shareholder of Döktaş is Çelik Holding with the share of 90.01% as of FYE2023. The shareholders of Çelik Holding are Güriş İnşaat ve Mühendislik A.Ş. (88.33%) and Güriş Holding (11.67%) as of FYE2023. 9.99% of Döktaş's shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "**DOKTA**" since 1986. The Group's average number of personnel employed in FYE2023 is 2,937 (FYE2022: 2,879).

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

		Strengths	Constraints		
		Robust sales revenues supported by steady	• Continuation of high indebtedness suppressing		
	-	sales volume and diversified product portfolio in	the Group's financial position despite partial		
	-	different sectors,	improvement in net debt to EBITDA multiplier in		
		 Enhancement in profitability indicators in 	•		
	-	FY2023 despite expected contraction in the next	• Relatively low levels at current ratio and net		
	-	period due to rising production and labor costs,	working capital despite the improvement,		
		 Significant improvement in cash flow metrics 	Relatively low EBITDA to adjusted interest paid		
		in FY2023,	multiplier along with volatility,		
	20	 Expected future revenue growth thanks to 	High operating ratio despite partial		
²⁰	ongoing and completed investments,	improvement in the reviewed periods,			
	o	Having competitive advantages and	• Susceptibility to volatility in raw material prices		
		operational synergy with robust parental	and sectoral risks may pressure on profitability		
	_Г 100	shareholding structure due to being a Güriş	metrics,		
	\perp_0	Group company,	• Leading economic indicators signal global		
	_ 0	High compliance level of Corporate	economic slowdown whereas quantitative		
		Governance Practices thanks to its experienced	tightening actions aim to restrict consumption		
	¹	team.	growth and achieve a soft-landing in the domestic		
	\perp_1		side.		
	1				
		Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has			
	_□ 10	been revised to 'BBB+ (tr)' from BBB (tr). Taking into account, the Group's robust sales			
_	⊥ ₀	revenues, improvement in profitability indicators and cash flow metrics, expected enhancements through oppoing and completed investments as well as high level of indebtedness, relatively low			

revenues, improvement in profitability indicators and cash flow metrics, expected enhancements through ongoing and completed investments as well as high level of indebtedness, relatively low level of EBITDA to adjusted interest paid multiplier and global economic slowdown signal 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 Group's revenue generation performance, leverage profile, liquidity metrics and profitability margins will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will also be monitored.

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