

## Corporate Credit Rating

New  Update

**Sector:** Wholesale Trading

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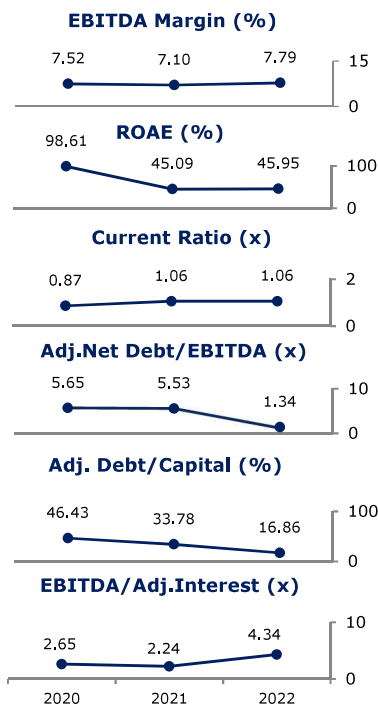
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A-(tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on August 18, 2022



## Mobiltel İletişim Hizmetleri Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated consolidated structure of "Mobiltel İletişim Hizmetleri Sanayi ve Ticaret A.Ş." in investment-level category on the national scales and affirmed its Long-term National Issuer Credit Rating at 'A-(tr)' and Short-Term National Issuer Credit Rating at 'J1 (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/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

**Mobiltel İletişim Hizmetleri San. ve Tic. A.Ş.** (referred to as 'the Company' or 'Mobiltel' or 'the Group') was established in 2001 in İstanbul. As a flagship company of the Mıstaçoğlu Group, Mobiltel, operates as one of the biggest distributors of mobile phones and other devices in Türkiye. Mobiltel, one of the main distributors of Türk Telekom since 2010, has sold and distributed millions of mobile phones and SIM cards in more than 20 years. The capacity to generate stable income continues with the distributorship agreement signed with Türk Telekom, which stipulates sales in the authorized region. Mobiltel collaborates with powerful brands such as Apple, Samsung, Xiaomi, Oppo, Realme, Huawei, Honor, TCL, Alcatel, LG, General Mobile, Reeder, Casper and Sony in the device market.

The Company shares started to be trading on the Borsa İstanbul as of 25.11.2021, with the ticker symbol "MOBTL". Aydın Mıstaçoğlu is the main controlling shareholder with 70,24% share while 20,30% of the shares are publicly traded as of September, 2023.

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

### Strengths

- Consistent core profitability metrics in reviewed periods along with adequate level of interest coverage ratios
- Revenue growth over the years supported by product diversification and upward adjustment in pricing
- Strong distributorship agreements with worldwide recognized powerful brands
- Margin accretive real estate segment supporting profitability indicators
- Low level of doubtful receivable ratio supporting asset quality despite the high level of customer concentration
- Strong demand towards tech products within the digitalization together with decline in parallel import and unauthorized mobile phone usage due to tax regulations and limited warranty coverage
- Compliance with corporate governance principles as a company listed in BIST

### Constraints

- Deterioration of leverage ratio as parallel to increase in indebtedness level in 9M2023, expected to continue as of FYE2023
- Dependence on imports in the product range and supply conditions of leading manufacturers determining the market dynamics
- Pressure on profitability indicators due to intensely competitive sector conditions
- Regulatory authorities' actions regarding imports and consumption (taxes, installment restrictions, etc.) may dampen demand
- 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 affirmed at 'A-(tr)'. The Company's sustained profitability indicators over the years, cash generation ability, risk management practices, strong brand distributorship agreements, import dependence of the product range 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 revenue and profitability performance, liquidity position, cash generation capacity, term structure of liabilities, access to the external financial sources and local and global macroeconomic indicators as well as market conditions and legal framework about the sector will be closely monitored by JCR Eurasia Rating.