

Corporate Credit & Issue Rating

New Update

Sector: Motor Vehicle Marketing
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RATINGS

		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC Negative	Negative
		LC Negative	Negative
	Issue Rating	-	-
National	Local Rating	AA-(Trk)	A-1+(Trk)
	Outlook	Stable	Stable
	Issue Rating	AA-(Trk)	A-1+(Trk)
Sponsor Support		1	-
Stand-Alone		A	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC Negative	-
		LC Negative	-

*Assigned by JCR on August 14, 2018

Suzuki Motorlu Araçlar Pazarlama A.Ş.

Company Overview

Financial Data	2018	2017	2016	2015*
Total Assets (000 USD)	45,872	37,562	29,424	5,189
Total Assets (000 TRY)	241,330	141,679	103,549	15,087
Equity (000 TRY)	51,552	73,225	64,923	14,170
Net Profit (000 TRY)	-15,805	9,334	3,240	-2,080
Sales (000 TRY)	232,442	252,957	187,694	2,164
Net Profit Margin (%)	-6.80	3.69	1.73	-96.12
ROAA (%)	-11.90	8.33	5.46	-27.57
ROAE (%)	-36.54	14.79	8.19	-29.36
Equity / Total Assets (%)	21.36	51.68	62.70	93.92
Net Working Capital / T. Assets (%)	14.08	43.08	46.90	60.70
Debt Ratio (%)	78.64	48.32	37.30	6.08
Asset Growth Rate (%)	70.34	36.82	586.35	N/A

*Unaudited

The sole distributor of Suzuki branded automobiles, motorcycles and marine engines, **Suzuki Motorlu Araçlar Pazarlama A.Ş.** (referred to as 'the Company' or 'Suzuki Pazarlama') is a young company whose roots are back to mid-2015. Doğan Şirketler Grubu Holding A.Ş. is the 100% owner of the Company with TRY 67mn paid-in capital. Suzuki Pazarlama provides sales and after-sales services for Suzuki branded automobiles, motorcycles and marine engines. Japanese Suzuki has been started to be imported in 1984 by Haco Group. Throughout time, the number of Suzuki automobiles sold in Turkish market has been declined and fell below 200 units in 2015. In 2016, when Suzuki Pazarlama is founded, the sales rapidly increased and reached over 3,900 units in 2016 and 4,300 in 2017, despite a contraction in Turkish automotive sector. In 2018, the automobile market contracted by 32% which has affected Suzuki Pazarlama as well. The Company is awarded with "Fastest Growing Brand in the Automobile Sector" prize by the Association of Automotive Distributors. In marine engine segment, the Company achieved circa %30 growth in the last year. As of FYE2018, the total staff force of the Company was 44 (2017: 51). The sole shareholder, Doğan Şirketler Grubu Holding A.Ş. (referred to as 'the Group') is a diversified holding company established in 1980. The Group is separated into four principal business units: energy and other sectors such as industry, foreign trade, vehicle sales, financial services, tourism in Turkey and abroad through 22 direct companies within the Group.

Strengths

- Enhanced EBITDA and strengthened operational profitability
- Promising and satisfactory equity level despite net loss in 2018
- Planned paid-in capital increase
- Optimistic trend in market share based on sales volume
- Positive trend in brand value of 'Suzuki' and growth in SUV market
- High collection ability of receivables via 'Direct Debit System'

Constraints

- Contraction in automotive market due to increase in retail prices by depreciation of local currency and tightened tax regime
- Negative consequences of hedging operations in 2018 and 2019
- Deterioration in macroeconomic indicators, and its impact on cost of funding in the market

