

## Corporate Credit & Issue Rating

New  Update

Sector: Motor Vehicle Marketing  
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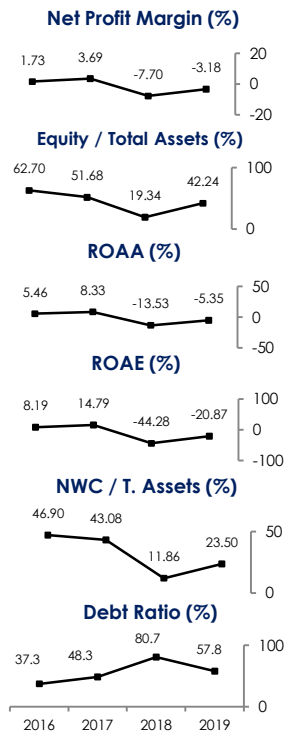
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### RATINGS

		Long Term	Short Term	
International	Foreign Currency	BB+	B	
	Local Currency	BB+	B	
	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		AB	-	
Sovereign*	Foreign Currency	BB+	-	
	Local Currency	BB+	-	
	Outlook	FC	Negative	-
LC		Negative	-	

\*Assigned by JCR on April 10, 2020



## Suzuki Motorlu Araçlar Pazarlama A.Ş. Company Overview

Financial Data	1H2020	2019	2018*	2017	2016
Total Assets (000 USD)	24.320	17.124	50.817	37.562	29.424
Total Assets (000 TRY)	166.405	101.721	267.345	141.679	103.549
Equity (000 TRY)	44.614	42.963	51.708	73.225	64.923
Net Profit (000 TRY)	1.650	-8.716	-20.863	9.334	3.240
Sales (000 TRY)	173.116	274.207	270.947	252.957	187.694
Net Profit Margin (%)	0,95	-3,18	-7,70	3,69	1,73
ROAA (%)	-	-5,35	-13,53	8,33	5,46
ROAE (%)	-	-20,87	-44,28	14,79	8,19
Equity / Assets (%)	26,81	42,24	19,34	51,68	62,70
Net Working Capital / Assets (%)	12,47	23,50	11,86	43,08	46,90
Debt Ratio (%)	73,19	57,76	80,66	48,32	37,30
Asset Growth Rate (%)	-	-61,95	88,70	36,82	586,35

\*Reclassified audited results that are reflected in 2019 financial reports.

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 established during 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 and 2019, the automobile market contracted seriously and it affected Suzuki Pazarlama as well. The Company is awarded with "Fastest Growing Brand in the Automobile Sector" prize by the Association of Automotive Distributors. As of 1H2020, the total staff force of the Company was 65. The utmost shareholder, as owning the main shareholder Doğan Trend Otomotiv Ticaret Hizmet ve Teknoloji A.Ş., Doğan Şirketler Grubu Holding A.Ş. (referred to as 'the Group') is a diversified holding company aged over half century.

JCR Eurasia Rating, has evaluated **Suzuki Pazarlama** in an investment-level category on the national scale and assigned the ratings on the Long Term National Scale as '**AA- (Trk)**' and the Short Term National Scale as '**A-1+ (Trk)**' with '**Stable**' outlooks.

### Strengths

- Better matching between financial debts and inventory management
- Reduced short FX position in 2019 and long position achieved in 1H2020
- Confident results reached in the first half of 2020
- Diversification of revenues through alternative services
- 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 and interruptions in production process by Covid-19 outbreak
- Consecutive net losses recorded in the last two years that harmed equity level
- Squeezing gross profit margin on automobile sales revenues
- Pricing limitations due to high tax level and fluctuations on the value of Turkish Lira against hard currencies