

Corporate Credit Rating

New Update

Sector: Industrial Machinery

Publishing Date: Marc.26,2021

Senior Chief Analyst

Orkun Inan

+90 212 352 56 73

orkun.inan@jcrer.com.tr

Assistant Analyst

Çağlanur Tekin

+90 212 352 56 73

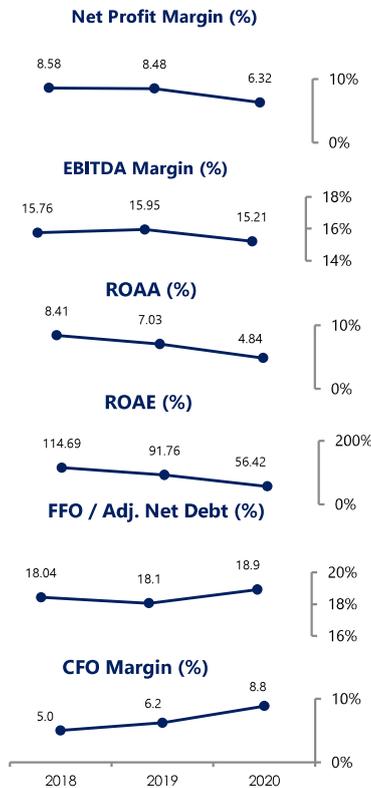
caflanur.tekin@jcrer.com.tr

RATINGS

		Long Term	Short Term	
National	Local Rating	BBB (Trk)	A-3 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	-	-	
International	Foreign Currency	BB-	B	
	Local Currency	BB-	B	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
Sponsor Support	2	-	-	
Stand-Alone	B	-	-	
Sovereign*	Foreign Currency	BB+	-	
	Local Currency	BB+	-	
	Outlook	FC	Negative	-
		LC	Negative	-

*Assigned by JCR on April 10, 2020

RATIOS



Döktaş Dökümcülük Ticaret ve Sanayi A.Ş.

JCR Eurasia Rating evaluated the consolidated structure of “Döktaş Dökümcülük Ticaret ve Sanayi A.Ş.” in an investment grade category at national level and assigned the ratings as “BBB (Trk)” on the Long-Term National Scale and as “A-3 (Trk)” on the Short-Term National Scale with ‘Stable’ outlooks. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as ‘BB-/ Negative’.

Döktaş Dökümcülük Ticaret ve Sanayi A.Ş. (referred to as ‘the Company’ or ‘Döktaş’) began its operations in 1973. The main operations of the Company are 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 maintains pig and ductile iron casting and machining capabilities and is Turkey’s largest iron casting plant. In Manisa facilities, high and low-pressure aluminium casting and aluminium wheel production activities are performed. Manisa Aluminium Plant is the 2nd largest aluminium casting facility for the automotive sector in Turkey, while Aluminium Wheel Plant is Turkey’s 4th largest aluminium wheel manufacturing facility. The Group has established business partnerships with internationally well-known local and foreign players through its wide sectoral experience, know-how and network along with the ability to establish beneficial and co-operative partnerships.

The main shareholder of Döktaş Dökümcülük Ticaret ve Sanayi A.Ş. is Çelik Holding with the share of 96% as of FYE2020 which belongs to Gürış İnşaat ve Mühendislik A.Ş. (88.33%) and Gürış Holding (11.67%). Çelik Holding was established in 1974 and operates in the fields of industry, energy, tourism and mining sectors. 4% of Company shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol “DOKTA” since 1986. The Group employed a staff force of 2,192 as of FYE2020.

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

Strengths

- Sustainable operational performance thanks to presence in diversified sectors with wide product range,
- Maintenance of the strong profitability indicators,
- Focusing technological R&D investments supporting market position,
- Having competitive advantages and operational synergy with robust parental shareholding structure due to being a Gürış Group company,
- Benefiting from a highly experienced team in the sector.

Constraints

- High level of the total debt inhibiting the Company’s financial position,
- High dependency on banks involved in the club loan,
- Net working capital deterioration in the last period,
- Global economic slowdown exacerbated by the Covid-19 pandemic, affecting commodity prices, demand and investment plans.

Considering the mentioned drivers, the Company’s the Long-Term National Rating has been assigned as “BBB (Trk)”. Sustainable operational performance, presence in diversified sectors with wide product range, predictability and consistency of sales revenues, maintaining export sales, focusing technological R&D investments, synergic relationship with Gürış Group, as well as FX dominated debts, high dependency on banks have been evaluated as important indicators. Consequently, the outlooks for Long and Short-Term National ratings has been determined as “Stable”. Level of debt ratio, profitability ratios, the attainability of the Company’s budgeted projections are to be monitored in the upcoming period. The macroeconomic indicators at national and international markets, as well as market conditions and possible negative effects of Covid-19 pandemic about the sector will be monitored.

It is considered that the major controlling Çelik Holding which is parent of Döktaş, has the willingness and experience to ensure long term liquidity and equity within their financial capability when required and to provide efficient operational support to Döktaş Dökümcülük Ticaret ve Sanayi A.Ş. and Its Subsidiaries. In this regard, the Group’s Sponsor Support grade has been assigned as (2).

The Stand-Alone Note is constituted regarding assets quality, equity structure, risk management practices, market shares, growth rates and development of market and operational condition risk. JCR Eurasia Rating has determined that Döktaş and its subsidiaries have reached sufficient knowledge and experience to manage the risk in their balance sheet without shareholder support. The Stand-Alone grade has been assigned as (B) considering the ability of the Company to manage its undertaken incurred risks based on its own and current capitalization.