

Corporate Credit Rating

New Update

Sector: FMCG

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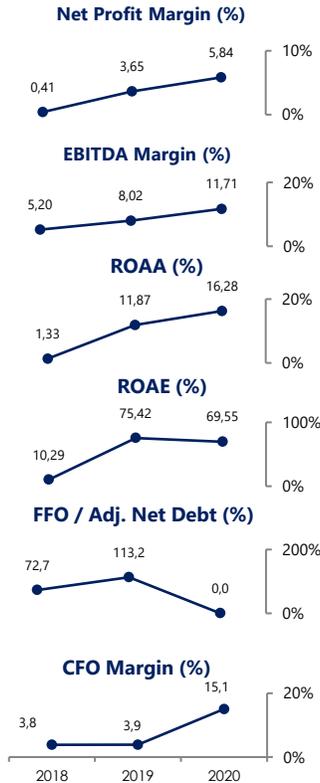
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RATINGS

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

*Assigned by JCR on May 31, 2021



Coca-Cola Satış ve Dağıtım A.Ş.

JCR Eurasia Rating evaluated “Coca-Cola Satış ve Dağıtım A.Ş.” in an investment grade category at national level and assigned the ratings as “AAA (Trk)” on the Long-Term National Scale and as “A-1+ (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 “BBB-/ Stable”.

Coca-Cola Satış ve Dağıtım A.Ş. (hereinafter referred to as "CCSD" or “the Company”) was established in 1991 in Turkey and its roots go back to 1964. Its main shareholder is Coca-Cola İçecek A.Ş. (CCI) with 99.97%. The main shareholder of Coca-Cola İçecek A.Ş. is AG Anadolu Group. AG Anadolu Group is indirectly the main shareholder of CCSD. In addition, The Coca-Cola Export Corporation (TCCEC), which is shareholder of Coca-Cola İçecek A.Ş., is also indirect shareholder of CCSD.

The activity of the Company is selling and distributing of non-alcoholic drinks. The Company is one of the largest companies in Turkey that distributes non-alcohol drinks. The Company is selling and distributing of The Coca-Cola Company (TCCC) brands as the solo authority in Turkey. As a result of distribution agreements, the Company distributes Coca-Cola, Coca-Cola Zero, Coca-Cola Zero Sugar, Coca-Cola Light, Fanta, Sprite, Cappy, Sen Sun, Powerade and Fuse Tea branded drinks registered to TCCC in packages approved by TCCC.

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

Strengths

- Upward trend of EBITDA margin and profit margins,
- High equity level supported by internal equity generation,
- Robust financial position and cash buffer via strengthened cash metrics generation easing liquidity structure,
- Being one of the market leaders,
- Product portfolio consisting of highly recognized brands.

Constraints

- Being dependent on one supplier,
- Very low level paid in capital.

Considering the aforementioned points, the Company’s Long-term National Rating has been assigned at ‘AAA (Trk)’. Taking into account internal equity generation capacity, EBITDA generation capacity, being market leader, and experienced and qualified organizational structure, as well as, Covid-19 pandemic and geopolitical risks-driven uncertainties; the Company's outlook for Long and Short-Term National ratings has been determined as “Stable”. An achievement of budget targets of the Company, debt ratio, profit margins and sustainability of domestic demands, regulations, as well as market conditions regarding the sector are the priority issues to be monitored in the following period.

The Sponsor Support notes and risk assessments carried out reflect the financial and nonfinancial standings and expected support of the shareholders of the Company. It has been assessed that main shareholder AG Anadolu Group has the willingness and financial strength to provide long term liquidity or equity support to the Company. Taking into consideration the main shareholder’s role in the sector, investments and activities the Company’s Sponsor Support grade has been determined as (1) on JCR Eurasia Rating’s notation scale. This grade denotes the highest-level external support to the Company.

The Stand-Alone note is formed depending on the Company’s effectiveness, corporate brand awareness, operational efficiency, equity structure, sales growth, profit margins converging to generating internal equity and sectoral experience. It is considered that CCSD and its managerial staff have reached the level of sufficient experience and facilities to manage its obligations even in case the shareholders do not provide any assistance. In this respect, the Stand Alone note of the Company has been assigned as ‘A’ in the JCR Eurasia Rating notation system.