

Corporate Credit Rating

New Update

Sector: Telco Device Distribution

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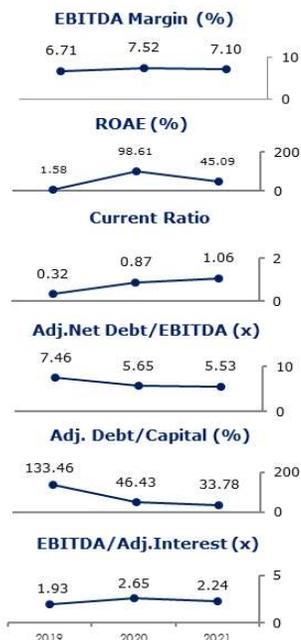
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	J3
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	J3
ISRs (Issue Specific Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 31, 2021



Mobitel İletişim Hizmetleri San. ve Tic. A.Ş.

JCR Eurasia Rating, has evaluated consolidated structure of **Mobitel İletişim Hizmetleri San. ve Tic. A.Ş.** in investment-level category on the national scale and revised its Long-Term National Note from **BBB (tr)** to **'BBB+ (tr)'** with **'Stable'** outlook. On the other hand, the Long Term International Foreign and Local Currency ratings and outlooks were assigned as **'BB/Stable'** as parallel to international ratings and outlooks of Republic of Turkey.

Mobitel İletişim Hizmetleri San. ve Tic. A.Ş. (referred to as 'the Company', 'Mobitel' or 'the Group') was established in 2001 in İstanbul. As a flagship company of the Mıstaçoğlu Group, Mobitel, operates as one of the biggest distributors of mobile phones and other devices in Turkey, since October 2001. Mobitel, 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. Mobitel 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" while the main controlling shareholder is Aydın Mıstaçoğlu with 73.22% share ownership. The Group employs 211 people through 2 subsidiaries as of FY2021.

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

Strengths

- Upward trend in EBITDA generation supported by steadfast revenue stream thanks to business model
- Steady operational profitability margins during the review period
- Satisfactory equity level promising further room for growth and maneuverability
- Being one of the key distributors of world leading mobile phone brands ensures a strong position in the market
- Strong demand stimulated by accelerated pace of digitalization
- Regulations leading decline in parallel import and unauthorized mobile phone usage

Constraints

- Increase in short term financial liabilities repressing the liquidity position and solvency
- Noteworthy contribution of non-cash revaluation gain to the bottom line and equity
- Global chip shortage stands out as a threat ahead for the Company and industry
- Measures on imports and consumption (tax, installment restrictions, etc.) taken by regulatory authorities may cool off demand
- High level of customer concentration together with dependence on imports in the product range
- Uncertainty due to geopolitical risks arising out of Ukraine war and sanctions on Russia

Considering the aforementioned points, the Company's Long Term National Rating has been revised from **'BBB (tr)'** to **'BBB+ (tr)'**. The Company's profitability level, asset and equity growth, upward sales figure, wide product range along with ongoing uncertainties due to the Covid-19 pandemic and global chip shortage have been evaluated as important indicators for the stability of the ratings and the outlooks for long and short-term national ratings are determined as **'Stable'**. Sustainability of the Company's profitability performance, asset quality, liquidity structure, cash generation performance, term structure of liabilities, access to the external financial sources together with the trends in the industry are to be monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.