

Corporate Credit Rating

New Update

Sector: Wholesale Trade
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Team Leader

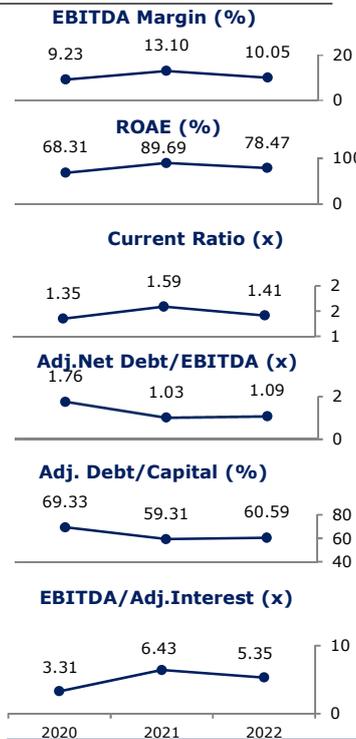
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR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

* Assigned by JCR on May 10, 2024



AKTEM ELEKTRİK SANAYİ VE TİCARET LİMİTED ŞİRKETİ

JCR Eurasia Rating, has evaluated "Aktem Elektrik Sanayi ve Ticaret Limited Şirketi" in the investment grade category and assigned the Long-Term National Issuer Credit Rating as 'BBB+ (tr)' and the Short-Term National Issuer Credit Rating as 'J2 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been determined as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Aktem Elektrik Sanayi ve Ticaret Limited Şirketi (hereinafter referred to as "the Company" or "Aktem Elektrik") started operating in the field of sales of electrical materials and electrical contracting in 1972 as a sole proprietorship company. In 1990, the Company continued its activities as a limited company. In the same year, activities in the field of electrical contracting were terminated and the Company started to operate entirely in the field of trade of electrical cable. The Company is the distributor of many large companies.

The Company's shareholders are Tamer Tuğlu (30%), Tuğrul Tuğlu (30%), Şerife Tuğlu (20%), Füsun Söğüt (20%) as of FYE2022.

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

Strengths

- Upward trend in sales revenue over the analyzed years mainly underpinned by increase in sales volume which is maintained in 2023 financials,
- Adequate level of adjusted net debt to EBITDA multiplier during the analyzed years and remained at acceptable level in 2023 financials,
- Increase in EBITDA generation capacity and adequate level of profitability margins which is maintained in 2023 financials,
- Improvement in net working capital and satisfactory level of liquidity metrics during the reviewed periods,
- Prudent collection policy supporting the asset quality through insured receivables,
- Long track record in the sector.

Constraints

- Having exposure to fluctuations in global raw material prices and FX fluctuations,
- Relatively high level of cash conversion cycle over the analyzed years despite the slight improvement in FY2022,
- Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as 'BBB+ (tr)'. Taking into account, the Company's upward trend in sales revenue, adequate level of adjusted net debt to EBITDA multiplier, increase in EBITDA generation capacity, satisfactory level of liquidity metrics, prudent collection policy, as well as relatively high level of cash conversion cycle have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's profitability metrics, sales growth, liquidity position, debt structure and asset quality will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will also be monitored.