

Corporate Credit Rating

New Update

Sector: Liquid Petroleum Gas

Publishing Date: 13/06/2025

Team Leader

Elif Kırılgaç Keçeli

+90 212 352 56 73

elif.keceli@jcrer.com.tr

Senior Analyst

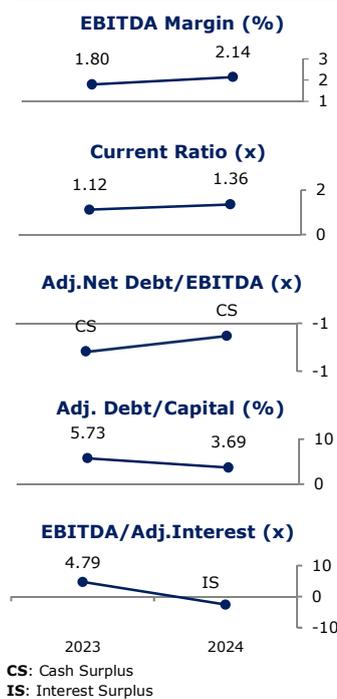
Selim Gökberk Boldemir

+90 212 352 56 73

gokberk.boldemir@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024



Aygaz A.Ş.

JCR Eurasia Rating has evaluated "Aygaz A.Ş." (Aygaz/the Company) in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA+ (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Aygaz, founded in 1961 as Koç Group's first company in the energy sector, operates in the LPG industry with activities including the procurement, storage, filling and sale of LPG, as well as production and sales of pressurized containers and LPG equipment. Aygaz is also engaged in maritime transportation of LPG through its own vessel fleet operating companies. Aygaz operates with five filling plants, eight distribution centers, five sea terminals and a pressurized container and accessory manufacturing plant at the Company's disposal. The Company manufactures the products such as cylinders, valves, regulators, bulk gas and autogas station tanks at the Gebze Plant. Aygaz has distribution network consisting of nearly 2,010 cylinder gas dealers and 1,874 autogas stations across Türkiye at the end of 2024. Aygaz shares have been traded on Borsa Istanbul since 1988 with ticker symbol "AYGAZ" and 24,27% of its shares have been quoted at Borsa Istanbul. The Company is included in the BIST Corporate Governance and Sustainability Index.

Aygaz is a subsidiary of Koç Holding which is the Türkiye's largest industrial and services group in terms of revenues, exports, number of employees and total market capitalization on Borsa Istanbul. Koç Holding is the only Turkish company to be listed in Fortune Global 500 list as per 2024 report. Koç Group has leading brands in energy, automotive, consumer durables, finance sectors. Combined revenues of the Koç Group correspond to ~7% of Türkiye's GDP and Group's exports account for ~7% of Türkiye's total exports. As of FYE2024, Koç Holding and publicly traded companies of the Group at BIST 100 accounted for ~19% of the total market capitalization of the companies listed on BIST 100.

Strengths

- Strong financial leverage metrics and sustaining net cash position as of FYE2024 supported by cash flow from operations and significant level of received dividends
- Robust equity share in the funding structure
- Competitive advantages provided through strong supply chain, sales & distribution network and having one of the few R&D centers in Türkiye's LPG sector
- Maintained leading profile in LPG industry with dominant market share in the sector and strong brand recognition through long lasting presence
- High level of compliance regarding corporate governance implementations
- Being a subsidiary of one of the Türkiye's leading investment holding companies; Koç Holding

Constraints

- Limited EBITDA margins in analyzed periods as a nature of the sector along with ongoing partial negative effect of Sendeo investment in FY2024 though at a diminished level
- Decline in sales volume in FY2024 despite the preserved market shares
- Import dominance in commodity supply and fluctuation of commodity prices
- As actions for a global soft landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. The Company's maintained leading profile in the LPG sector and market shares, proven successful track record with high experience, sustained net cash position and capability to access funding resources as well as geopolitical risks-driven uncertainties and global tight financial conditions 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 sales and profitability performance, cash flow generation capacity, trend of financial indebtedness, asset and equity growth, FX position, regulation's effect on the performance, asset quality will be closely 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.