

## Corporate Credit Rating

New  Update

**Sector:** Wholesale Trading  
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)	National ISR	A(tr) (Stable)	J1(tr) (Stable)
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on Aug 18, 2022

## AYTEMİZ AKARYAKIT DAĞITIM ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated "Aytemiz Akaryakit Dağıtım Anonim Şirketi" in the high investment level category, and revised the Long-Term National Issuer Credit Rating from 'A- (tr)' to 'A (tr)' and the Short-Term National Issuer Credit Rating as '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/Negative' as parallel to the international ratings and outlooks of Republic of Türkiye.

**Aytemiz Akaryakit Dağıtım Anonim Şirketi** (hereinafter "the Company" or "Aytemiz Akaryakit") began its operations in 2009 as the last firm of the Aytemiz family in the fuel distribution sector. The Aytemiz family, who has a long history in the industry dating back to the 1960s, founded Aytemiz Akaryakit just one year after the sales of their previous company -Akpet Akaryakit Dağıtım A.Ş.- to the Russian oil giant Lukoil Group. Aytemiz Akaryakit has enjoyed a rapid growth regarding the number of its contracted dealers, sales volume and asset size since its debut by the help of the family's extensive network and experience in the sector. In 2015, 50% of the Company's shares were acquired by Doğan Enerji Yatırımları San. ve Tic. A.Ş. ('Doğan Enerji'). In addition, main shareholder of Doğan Enerji, Doğan Şirketler Grubu Holding A.Ş. ('Doğan Holding') merged with on March 2, 2021. Aytemiz Akaryakit employs approximately 851 people through under its umbrella as of FYE2022. (FYE2021: 894).

Aytemiz Akaryakit has now a strong shareholder structure with the equal ownership of the Aytemiz family and Doğan Şirketler Grubu Holding A.Ş. In addition to the family's prominent role in the local industry, Doğan Holding adds credibility, managerial and financial expertise to the Company. With over 60 years of activity history, Doğan Holding has established beneficial and collaborative partnerships with internationally well-known domestic and foreign institutions thanks to know-how and network presence. Doğan Holding employs approximately 7,991 people through 52 subsidiaries and 9 joint ventures under its umbrella as of September 30, 2022. Doğan Holding consists of app. 61 companies (including subsidiaries and joint ventures) operating in various sectors such as industry & trading, electricity generation & trading, internet & entertainment, energy, vehicle sales, finance & investment and tourism in Turkey and abroad.

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

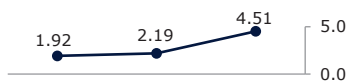
### Strengths

- Strong improvement in sales revenues and EBITDA generation capacity during FY2021 and 3Q2022 thanks to advantageous locations and price increase,
- Steady improvement in leverage ratios and coverage metrics strengthening funding structure,
- Maintaining of equity level thanks to the internal equity generation capacity,
- Earning potential in the Company's operations together with the sector,
- Limited collection risk through collateralized dealer network,
- Experience and extensive know-how in the fuel distribution sector,
- Synergy and operational support created by Doğan Holding.

### Constraints

- Short term funding structure pressuring liquidity management,
- Limited profit margins inherent in the industry,
- High competition in the market due to the strong bargaining power of the dealers and its impacts on cost management,
- Growing uncertainties along with geopolitical tensions and recession concern in Europe, affecting commodity prices, supply and demand.

### EBITDA Margin (%)



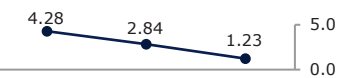
### ROAE (%)



### Current Ratio (x)



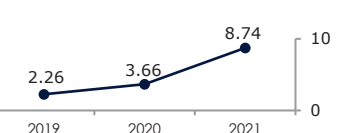
### Adj.Net Debt/EBITDA (x)



### Adj. Debt/Capital (%)



### EBITDA/Adj.Interest (x)



Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised from 'A- (tr)' to as 'A (tr)'. No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Company's balance sheet and has been subject to analysis in the corporate credit rating report. The planned bond issue carries no difference in comparison to the Company's other liabilities with respect to its legal standing and collateralization. As such, the notations outlined in the corporate credit rating report also reflect the issue rating but do not cover any structured finance instruments. Issue ratings are assigned for both outstanding and prospective debt instruments and incorporate assessments until their maturities. Additionally, widening sales network through the increase in the number of its contracted dealers, market share, brand identity, in sales volume and EBITDA generation capacity, maintaining of asset quality, leverage level, as well as, vulnerability of the sector to macroeconomic 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 affirmed as 'Stable'.

The Company's financial structure, attainability of the Company's budgeted projections, the possible impacts of the Russia-Ukraine War on the global and Türkiye's economy and its effects on the Company's activities will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators in national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.