Corporate Credit Rating

☐New ☒Update

Sector: Automotive Suppliers Industry
Publishing Date: 26.05.2025

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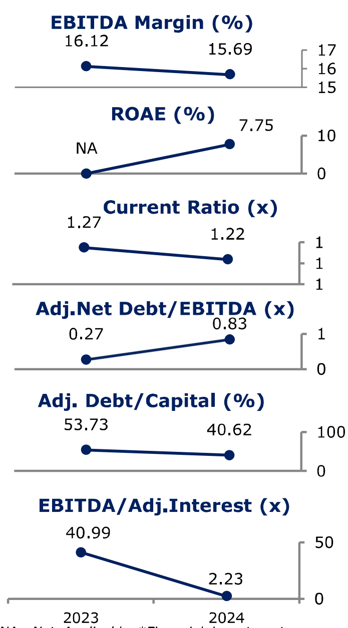
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**AAA (tr)**	**J1+ (tr)**
	National ICR Outlooks	Negative	Stable
	International FC ICR	BBB+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB+	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific 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*



*NA: Not Applicable *Financial investments were considered as cash and cash equivalents in net debt calculation.*
EBITDA = Gross Profit – OpEx (SG&A, Marketing and R&D expenses) + Depreciation & Amortization

Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş.

JCR Eurasia Rating, has evaluated **"Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş."** in the investment grade category with the highest credit quality and affirmed the Long-Term National Issuer Credit Rating as **'AAA (tr)'** and the Short-Term National Issuer Credit Rating as **'J1+ (tr)'**. Whereas the Long-Term National Issuer Credit Rating outlook is revised from **'Stable'** to **'Negative',** and Short-Term National Issuer Credit Rating outlook affirmed as **'Stable'**. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned at **'BBB+/Stable'**.

Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (referred to as "**Brisa**" or "**the Company**" or "**the Group**") was established in 1974 as a subsidiary of Hacı Ömer Sabancı Holding A.Ş. ("**Sabancı Holding**") with the aim of tyre production. The Company signed a partnership with Bridgestone Corporation in 1988, started to produce and sell Bridgestone and Lassa brand tyres. Currently comprising many major brands Bridgestone, Lassa, Dayton, Firestone, Kinesis and Bandag, the Company conducts its manufacturing operations through 2 plants located in İzmit and Aksaray, Türkiye. In addition to the İzmit plant spanning over 361k m² covered area, Brisa completed its second manufacturing plant in Aksaray with a 146k m² covered area with an investment of USD 300mn in January 2018. İzmit plant has an annual production capacity of 11mn units while Aksaray plant has 3.6mn units production capacity.

Brisa exports its products to geographically diversified countries and has over 6,000 sales points. The Company is jointly controlled by Sabancı Holding (43.63%) and Bridgestone Corporation (43.63%) as of reporting date. Brisa shares have been traded on Borsa İstanbul Index (BIST) since 1986 with a free-float rate of 10.2% under the ticker name "BRISA".

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

Strengths	Constraints
• Solid leverage metrics in reviewed periods, despite slight attrition in 1Q2025, • Sufficient equity contribution albeit sizeable dividend distributions and low level of paid-in capital, • Moderate liquidity metrics supported by solid cash balance, positive cash flow metrics and utilization of various borrowing instruments, • Insignificant level of doubtful trade receivables, thanks to broad dealer network, dispersed exports and sales to pioneer brands, • Sustained presence in the sector with brand and service diversification, along with distinguished partnership structure including Sabancı Holding and Bridgestone, • High level of compliance with the corporate governance practices as a publicly traded company.	• Reduced sales volume and revenue driven by domestic market slowdown in 1Q2025, • Pressured operational profitability margins in 1Q2025, mainly attributable to elevated domestic costs against FC based sales, • Notable decline in coverage metrics in FY2024 due to increasing financing expenses which sustained and caused net loss in 1Q2025, • Intense competition in the tyre industry in addition to the sensitivity to developments in the inter/national automotive market, • 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 Long-Term National Issuer Credit Rating has been affirmed at **'AAA (tr)'**. Declined sales volume and revenue, pressured operational profitability margins and net loss in 1Q2025, notable decline in coverage metrics in FY2024, intense competition in the tyre industry have been evaluated as important indicators and the outlook for Long-Term National Issuer Credit Rating is revised from **'Stable'** to **'Negative'.** Considering the solid leverage metrics, sufficient equity contribution, moderate liquidity metrics supported by solid cash balances, positive cash flow metrics and utilization of various borrowing instruments, insignificant level of doubtful trade receivables, sustained presence in the sector with partnership structure including Bridgestone and Sabancı Holding; outlook for Short-Term National Issuer Credit Rating is affirmed as **'Stable'**. The Company's sales volume, profitability performance, asset quality and equity structure 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 be monitored as well.