

Corporate Credit Rating

New Update

Sector: Wholesale Trading
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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	-
	International LC ICR	BB-	-
	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

DCT TRADING DIŞ TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated the consolidated structure of "DCT Trading Dış Ticaret A.Ş." in the investment level 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 were assigned as 'BB-/Stable'.

DCT Trading Dış Ticaret A.Ş. ("DCT Trading" or "the Company") was established in 2007 in İstanbul. The Company specializes in the trading of agricultural commodities, primarily cotton, as well as corn, rice, and wheat. Although the Company was officially established in 2007, its commercial roots trace back to 2002, when Levent Sadık Amet, the Company's main shareholder, commenced cotton trading activities. As of FYE2024, the Company's revenues are predominantly derived from cotton trading, with cotton sourced both domestically and internationally and sold to textile manufacturers in local and foreign markets. In the last quarter of 2024, the Company initiated construction material trading activities as part of its revenue diversification strategy. As of FYE2024, the financial statements of the Company encompass its three subsidiaries—two in Greece and one in Türkiye. DCT Trading generated approximately 96% of the Group's consolidated turnover. DCT Trading and its subsidiaries are referred to as the "Group."

DCT Trading was listed on Borsa İstanbul's Main Market under the ticker symbol "DCTTR" following the completion of its initial public offering on July 31, 2024. As FYE2024, the Company's free float stood at 28.85%. The main controlling shareholder is Levent Sadık Amet (Sadık Ahmet) with 67.31% shares as of FYE2024.

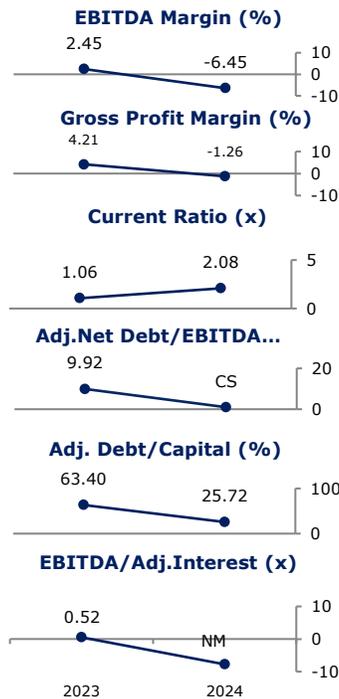
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Revenue growth driven by increased cotton trade volume in 2024 as well as income diversification in a certain extent,
- Enhanced liquidity metrics and cash surplus position, alongside satisfactory equity levels as of FYE2024, driven by IPO proceeds,
- Recovery in cash flow metrics in 2024,
- Compliance with corporate governance practices as a publicly traded Company.

Constraints

- Increase in Opex coupled with gross loss further exacerbates EBITDA in 2024,
- Negative profitability metrics in 2024 due to high inventory levels and weakened global cotton prices,
- High leverage in 2023 driven by significant loan burdens and inadequate EBITDA performance,
- Exposure to volatile cotton prices effected by global supply and demand conditions,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade engender considerable uncertainty.



CS: Cash Surplus, NM: Not Meaningful

The Company's consolidated audited financial statements include inflation adjustments. Adjustments have been made in accordance with the terms of IAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the changes in the general purchasing power of the Turkish Lira as of 31 December 2024.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned as 'BBB- (tr)'. The Company's revenue diversification, elevated liquid assets as well as market conditions, and declining profitability margins have been evaluated as important indicators for the outlook of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's debt ratio, profit margins and sustainability of domestic demands, as well as market conditions regarding the sector 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.