

Corporate Credit Rating

New Update

Sector: Automotive Suppliers
 Industry

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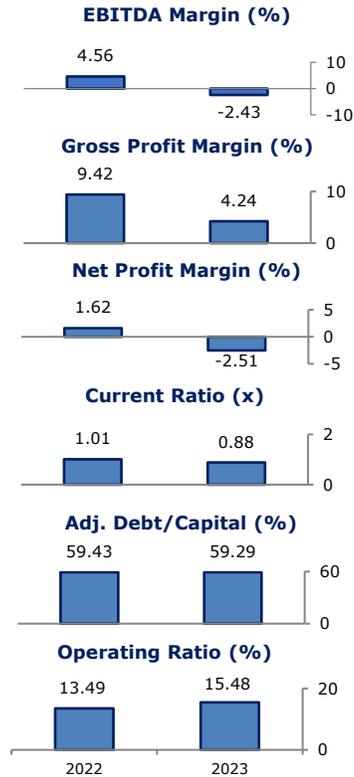
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB-(tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB-	-
	International LC ICR 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



Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş." in the investment grade category, revised the Long-Term National Issuer Credit Rating to 'BBB-(tr)' from 'BBB (tr)' and the Short-Term National Issuer Credit Rating to 'J3 (tr)' from 'J2 (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB-/Stable'.

"Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş." (hereinafter referred to as "Ditaş Doğan" or "the Group" or "the Company") was established in 1972 in Niğde, Türkiye. The Group operates in the production of steering and suspension system parts such as rod ends, ball joints, drag links, track control arms, torque rods, stabilizer links and v-torque rods.

As of September 30, 2024, the Company has two subsidiaries, "Profil San. ve Tic. A.Ş." ("Profil") in which Ditaş Doğan has 70% of the shares and "Profilsan GMBH" ("Profilsan"), operating in Germany, in which Ditaş Doğan has 70% of the shares.

As of December 3, 2021, the Company acquired 70% of the shares of "Profil San. ve Tic. A.Ş." and "3S Kalıp Aparat Makine San. ve Tic. A.Ş." ("3S Kalıp"). In addition, Profil and 3S Kalıp merged on September 30, 2022.

The Group has a total of 508 employees as of September 30, 2024 (FYE2023: 545).

As of September 30, 2024, the Group's controlling shareholder is **Doğan Şirketler Grubu Holding A.Ş.** with 68.24% share. Remaining 31.76% of shares are publicly traded on the Borsa Istanbul (BIST) with the ticker symbol "DITAS".

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

Strengths

- Manageable level of financial debt in the analyzed period and expected to continue in 2024 financials, despite short-term weighted structure,
- Reasonable cash cycle supporting efficiency indicators to a certain extent,
- Long-lasting presence in the sector dating back to 1972,
- Well-known brand name with a proven track record in various countries and operational strength of Doğan Holding,
- Compliance with corporate governance principles.

Constraints

- Negative EBITDA and deterioration in profitability margins in the analyzed period and expected to continue in 2024 financials,
- High level of operating ratio over the last two years,
- Negative cash flow metrics over the examined period,
- Net working capital deficit as of FYE2023 and continued in 3Q2024,
- Low level of paid-in capital compared to equity and asset size,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned factors, the Group's Long-Term National Issuer Credit Rating has been revised to 'BBB-(tr)' from 'BBB (tr)'. Manageable debt profile and operational strength driven by shareholding structure as well as deterioration in profitability margins, ongoing net working capital deficit and slowdown signal in the global economy 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 Group's debt and equity level, liquidity and profitability indicators 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.