## Corporate Credit Rating

☒New ☐Update

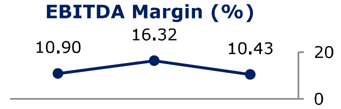
**Sector:** Automotive Suppliers Industry
**Publishing Date:** 29/11/2023

**Senior Analyst**
Ezgi Çiçek YILMAZ
+90 212 352 56 73
ezgi.yilmaz@jcrer.com.tr
**Analyst**
Hayrettin ÇELİK
+90 212 352 56 73
hayrettin.celik@jcrer.com.tr

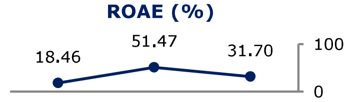
| RATINGS | | Long Term | Short Term |
|---|---|---|---|
| ICRs (Issuer Credit Rating Profile) | **National ICR** | **BBB (tr)** | **J2 (tr)** |
| | National ICR Outlooks | Stable | Stable |
| | International FC ICR | BB | - |
| | International FC ICR Outlooks | Negative | - |
| | International LC ICR | BB | - |
| | International LC ICR Outlooks | Negative | - |
| ISRs (Issue Specific Rating Profile) | National ISR | - | - |
| | International FC ISR | - | - |
| | International LC ISR | - | - |
| Sovereign* | Foreign Currency | BB (Negative) | - |
| | Local Currency | BB (Negative) | - |

** Assigned by JCR on Aug 18, 2022*

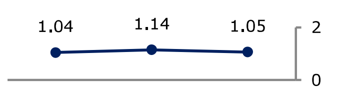
**EBITDA Margin (%)**



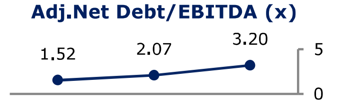

**ROAE (%)**



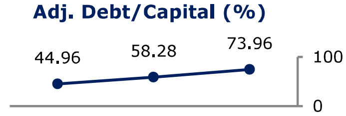

**Current Ratio (x)**



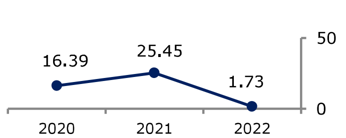

**Adj.Net Debt/EBITDA (x)**




**Adj. Debt/Capital (%)**




**EBITDA/Adj.Interest (x)**




# DİTAŞ DOĞAN YEDEK PARÇA İMALAT VE TEKNİK A.Ş.

JCR Eurasia Rating has evaluated **"Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş."** in the investment level category, 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 determined as **'BB/Negative'** in line with the international ratings and outlooks of Republic of Türkiye.

**"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 3Q2023, the Company has two subsidiaries, **"Profil San. ve Tic. A.Ş."** (hereinafter referred to as **''Profil''**) in which the Company has 70% of the shares and **"Profilsan GMBH"** (hereinafter referred to as **''Profilsan''**) operating in Germany in which the Company 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." (hereinafter referred to as **''3S Kalıp''**). In addition, Profil and 3S Kalıp merged on September 30, 2022.

The Group has a total of 610 employees as of FYE2022 (FYE2021: 619).

As of 3Q2023, the Group's main ultimate 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 | Constraints |
|---|---|
| • Significant increase in sales revenues in FY2022 with the effect of merger and expected to continue in 2023 financials,<br>• Reasonable cash cycle supporting efficiency indicators,<br>• Well-known brand name with a proven track record in various countries and operational strength of Doğan Holding,<br>• High level of compliance regarding corporate governance implementations,<br>• Long-lasting presence in the sector dating back to 1972. | • Decreasing in core profitability margins in FY2022 mainly arising from high CoGS and OpEX level and expected to continue in 2023 financials,<br>• Increasing financing expenses pressuring bottom-line results in FY2022,<br>• Increasing trend in net debt to EBITDA multiplier due to increasing external funding needs,<br>• High level of operating ratio in the analyzed periods despite improvement in FY2022,<br>• Low level of equity relative to asset size and decreasing further over the years,<br>• Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side. |

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been assigned as **'BBB (tr)'**. The Group's increasing sales performance, reasonable cash cycle, long-lasting presence in the sector as well as decreasing core profitability margins, increasing net debt to EBITDA multiplier, high level of operating ratio 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 financial structure, sales and profitability performance, continuity of EBITDA generation capacity and debt structure 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.