

Corporate Credit Rating

New Update

Sector: Foreign Trade
Publishing Date: 29.12.2022

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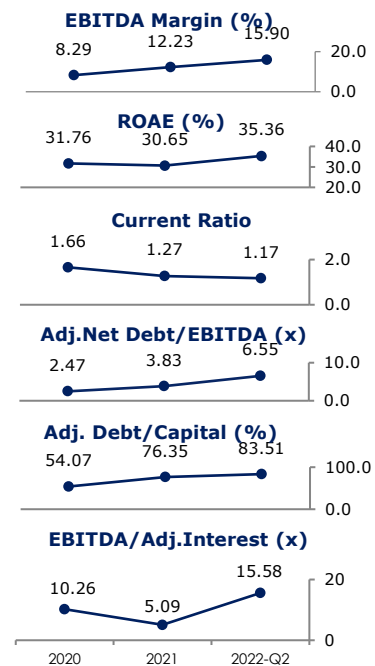
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)	International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

* Assigned by JCR on August 18, 2022



DOĞAN DIŞ TİCARET VE MÜMESSİLLİK A.Ş.

JCR Eurasia Rating has evaluated "Doğan Dış Ticaret ve Mümessillik A.Ş." in the high investment-level category and affirmed the Long-Term National Issuer Credit as 'A (tr)' and assigned 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' in parallel to international ratings and outlooks of Republic of Türkiye.

Doğan Dış Ticaret ve Mümessillik A.Ş. (referred to as 'the Company' or 'Doğan Dış Ticaret') was founded in Istanbul in 1978 in the name of Doğu Otomotiv Sanayi ve Ticaret A.Ş. which subsequently acquired its current title in 1990. The Company operates in field of import, export, agency operations, sourcing, sales and marketing services. In this context, the product supply portfolio consists of particularly cardboard products, newsprint, magazine paper and printing materials, as well as, raw materials such as wire rod and polyethylene and retail products such as furniture, camping & sporting goods.

The Company's solo controlling shareholder is Doğan Şirketler Grubu Holding A.Ş. (referred to as 'Doğan Holding' or 'Doğan Group') with 100% share ownership as of FYE2021. The Company has a strong shareholder structure with the ownership of Doğan Şirketler Grubu Holding A.Ş. which adds credibility, managerial and financial expertise to the Company.

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

Strengths

- Diversified product range underpinning revenue stream,
- Increasing gross profit margin and EBITDA generation capacity,
- Low level of credit and foreign risks exposures due to business model mostly composed of intermediating to imports,
- Doğan Group's operational support and the synergy created within the Group companies,

Constraints

- Concentration in customer portfolio,
- Increasing cash conversion cycle due to decreasing inventory turnover rate,
- Steady dividend payout and decrease in the share of equity in assets,
- Relatively high debt level mainly dominated by short term borrowings,
- Global recession and geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainty and monetary tightening across the globe deteriorating growth projections,

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed as 'A (tr)'. Increasing gross profit and EBITDA generation capacity, maintaining of asset quality, reputable shareholder structure 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 Company's equity level, the level of debt ratio, cash conversion cycle, domestic demand 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.