

## Corporate Credit Rating

New  Update

**Sector:** Automotive Supply Industry

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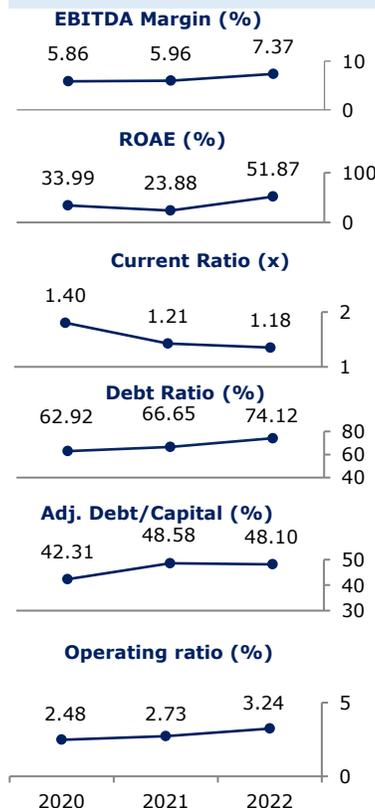
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R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific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

\* Assigned by JCR on August 18, 2022



## Genckaya Otomotiv Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating has evaluated "Genckaya Otomotiv Sanayi ve Ticaret A.Ş." in the investment level category and assigned the Long-Term National Issuer Credit Rating at 'A (tr)' and the Short-Term National Issuer Credit Rating at 'J1 (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', as parallel to international ratings and outlooks of Republic of Türkiye.

**Genckaya Otomotiv Sanayi ve Ticaret A.Ş.** (hereinafter referred to as 'Genckaya Otomotiv', or 'the Company') which has been operating as an authorized Bosch service in diesel fuel systems testing and repair, was established in 1999. The Company, which strengthened its commercial activities with Bosch diesel and electrical spare parts dealership, took its first step towards becoming a spare parts wholesaler company in this way. It has become one of the important suppliers of Bosch brand in Türkiye. The Company sells spare parts to every region of Türkiye and abroad. The Company also distributes world brands such as VDO (Continental), Hella, Sachs, Swag, Trw, Valeo, HC Cargo, Norma. Domestic brands Yenmak and YTT brands have also been added to the product portfolio. Genckaya Otomotiv has no production activities. An important part of the Company's core activities is the domestic and international marketing of products.

The Company's main shareholder is Mehmet Çetinkaya with a share of 100% as of FYE2022. Genckaya Otomotiv had a staff force of 48 as of December 31, 2022.(FYE2021: 41) The Company is headquartered in Ankara.

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

### Strengths

- Sustainable sales performance supported by diversified product range,
- Hard currency denominated revenue stream with geographical diversification mainly driven by export-oriented business model,
- Low operating ratio and short cash cycle supporting efficiency indicators,
- Growth in equity size thanks to internal resource generation capacity though visible non-cash contribution of revaluation gains in 1H2023,
- Long-lasting track record and experience in the sector dating back to 1999.

### Constraints

- Sector-specific low level of operating profitability indicators,
- Increasing net debt to EBITDA multiplier in 1H2023 according to provisional tax return,
- Having supplier concentration although long-term cooperation,
- Need for further improvement in the level of compliance with Corporate Governance Practices,
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned at 'A (tr)'. The Company's sustainable sales performance, export-oriented business model, short cash cycle, experience in the sector as well as sector wide issue of low level of operating profitability indicators and slowing global economic growth 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 asset quality, liquidity and cash generation capacity, profitability figures and leverage 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 business will be monitored as well.