

## Corporate Credit Rating

New  Update

**Sector:** Tire

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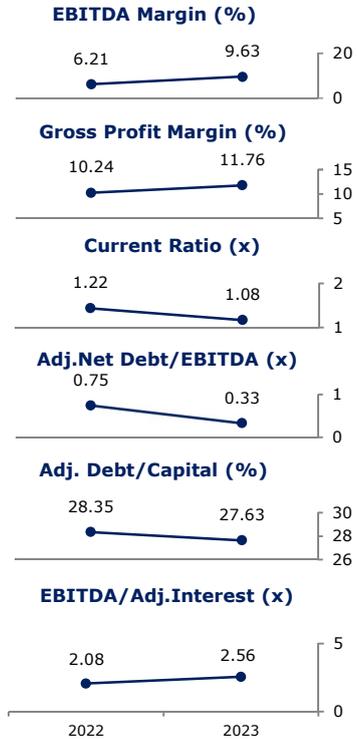
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific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

\* Assigned by JCR on May 10, 2024



## GOODYEAR LASTİKLERİ TÜRK ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated "Goodyear Lastikleri Türk Anonim Şirketi" in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating as 'AA+ (tr)' and 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 have been assigned as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

**Goodyear Lastikleri Türk Anonim Şirketi** ("Goodyear" or "the Company") was officially established in 1961. The Company continues its activities in the production and sale of radial passenger car, light truck, minibus, truck and bus tires under the brands of Goodyear, Fulda, Sava, Debica, and Kelly. Moreover, it operates in Türkiye as a subsidiary of "The Goodyear Tire & Rubber Company" and maintains 1,433 average number of personnel as of 30 September, 2024 (FYE2023: 1,558).

Adedly, registered address of Goodyear is located in Sarıyer, Istanbul. Moreover, paid in capital of the Company amounts to TRY 270mn (Registered capital: TRY 400mn) in which Goodyear S.A. is the controlling shareholder with its 74.60% shares. The remaining 25.40% of the shares are traded in Borsa Istanbul ("BIST") under the ticker-name of "GOODY".

Furthermore, ultimate shareholder, The Goodyear Tire & Rubber Company, maintains 55 factories in 22 different countries along with two innovation centers positioned in USA and Luxembourg and has approximately 71,000 employees within its structure, having more than 100 years of experience in the sector since its establishment in 1898. The Goodyear Tire & Rubber Company also possesses 100% of Goodyear S.A.'s shares.

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

### Strengths

- A broad product portfolio, including the manufacture of tires under the Goodyear, Fulda, Sava, Debica and Kelly brands and long-lasting experience in the sector,
- Satisfactory level of financial leverage indicators thanks to decreasing net debt structure along with accessing to loans from group company,
- Ongoing low doubtful trade receivables compared to trade receivables size, demonstrating low collection risk,
- Compliance with corporate governance practices,
- Having reputable rankings over the years in the lists such as ISO 500 and TIM first 1,000 exporters contributing to the Company value.

### Constraints

- Contraction in sales volume due to weakening demand conditions in 3Q2024,
- Deterioration in EBITDA and coverage indicators in 3Q2024, especially with increasing financing expenses,
- Fluctuations in demand in the global automotive sector together with rising costs may put potential pressure on the Company's profit margins,
- Intense competitive environment of the tire industry, including multinational players,
- 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 points, the Company's Long-Term National Issuer Credit Rating has been affirmed as 'AA+ (tr)'. The Company's long lasting industry know-how, significant developments in cash metrics according to 3Q2024 financial results, ongoing sufficient financial leverage indicators, minimal collection risk, high transparency in terms of corporate governance compliance, successful track record in terms of manufacturing and export volumes, along with ongoing uncertainties arisen from geopolitical tensions as well as global interest rate hiking cycle, 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 profitability performance, asset quality and equity structure 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.