Corporate Credit Rating

☐New ☒Update

Sector: Automotive Suppliers Industry

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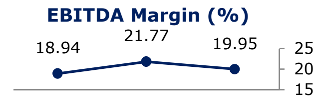
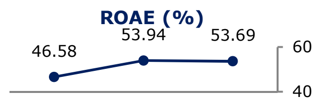
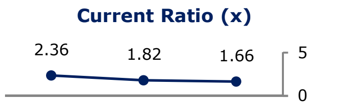
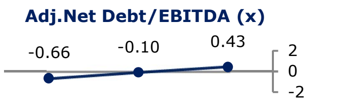
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**AA+ (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific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

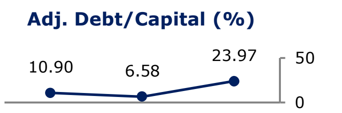
** Assigned by JCR on Aug 18, 2022*

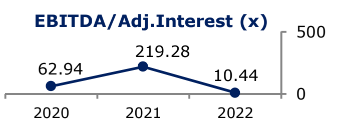












Jantsa Jant Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated **"Jantsa Jant Sanayi ve Ticaret A.Ş."** in the investment level category and revised the Long-Term National Issuer Credit Rating from **'AAA (tr)'** to **'AA+ (tr)'** and affirmed 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 assigned as **'BB/Negative'** as parallel to international ratings and outlooks of Republic of Türkiye.

Jantsa Jant Sanayi ve Ticaret A.Ş. (referred to as 'the Company' or 'Jantsa Jant) was established in 1977 to address the customers' needs with wheels. The Company supplies wheels for commercial, agricultural, industrial and military applications. The head office of the Company is located in Aydın. Jantsa Jant continues its activities in Aydın Umurlu Organized Industrial Zone in two separate factories, one of which is the administrative building with an area of 9,728 m², the social facility and factory building, and the other is the factory and warehouse building with an area of 68,070 m². Jantsa Jant is one of the largest European manufacturers of steel wheels for commercial, industrial, and agricultural machinery as a family-owned company that employs over 1,000 associates and boasts 2.8 million wheels annual manufacturing capacity. Jantsa Jant supplies its products to OEM and aftermarket customers, with 75% of output exported to 90 countries worldwide.

In 2012 Jantsa Jant's shares were listed on Istanbul Stock Exchange under the ticker "JANTS". The Company's stock is traded on the BIST 100, BIST Metal Products, Machinery, BIST Industrials. 20.94% of the Company's shares are publicly traded.

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

Strengths	Constraints
• Satisfactory leverage indicators thanks to EBITDA generation capacity and a reasonable level of loan utilization, though partially increased in FYE2022, • Robust equity base mainly supported by bottom line performance, despite a partial share of revaluation gains, dividend distribution policy, and low level of paid-in capital, • Wholesome growth strategy with simultaneous investments in capacity increase and in cost containment, • Geographic diversity and broad customer base diminish collection and potential revenue disruption risk, • Reasonable liquidity indicators, considering the share of cash and cash equivalents, despite the regress in the 'current ratio', • Almost semicentennial experience in the industry, • Conformity with corporate governance implementations as a publicly traded company.	• Partial contraction in profit margins in FY2022, which has become more noticeable by diminishing production numbers in 1Q2023, • As China's reopening generate significant headwinds to Türkiye's exporters, global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, • Global chip shortages and supply-chain bottlenecks stand out as a potential risk ahead for the industry.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been revised from **'AAA (tr)'** to **'AA+ (tr)'.** The Company's wide range of product portfolio in wheel industry, ongoing investments, moderate financial leverage, competitive advantages through geographical divergence with wide range of products, profitability indicators, net working capital metrics and ongoing uncertainties due to the Russia Ukraine tension and global growth concerns have been evaluated as important indicators for **'Stable'** outlooks of long and short-term national ratings. On the other hand, The Company's cash flow and liquidity level, EBITDA margin and net profit indicators, equity and debt level, financial structure, and the generation of internal resources and cash flows to meet debt payments 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.