

Corporate Credit Rating

New Update

Sector: Automotive Suppliers Industry

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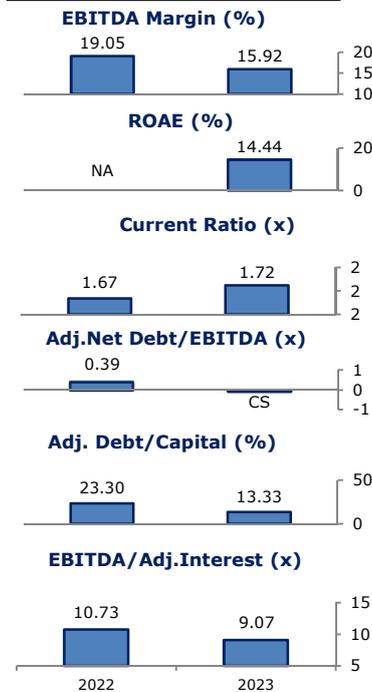
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific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

* Assigned by JCR on May 10, 2024



JANTSA JANT SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated "Jantsa Jant Sanayi ve Ticaret A.Ş." in the investment grade category with high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA+ (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 assigned as 'BB/Stable' according to JCR-ER's national-global mapping methodology.

"Jantsa Jant Sanayi ve Ticaret A.Ş." (hereinafter referred to as "Jantsa Jant" or "the Company") was established in 1977 in Atca, Aydın 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 64.02% of output exported to nearly 90 countries worldwide.

Jantsa Jant's shares have been listed on Istanbul Stock Exchange under the ticker "JANTS" since 2012. The Company's stock is traded on the BIST Dividend, BIST All Shares, BIST All-100, BIST Industrials, BIST Metal Prod., BIST Stars, BIST Partic. All Shares, BIST Participation 100, BIST 500. The proportion of shares in circulation is 16.74% as of FYE2023. The Company's main ultimate controlling shareholders are Çerçioğlu Family with 79.06% share.

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

Strengths

- Robust leverage and coverage metrics thanks to cash surplus position in FY2023,
- Solid equity base through internal resource generation despite dividend distributions,
- Moderate liquidity outlook backed by cash & cash equivalents,
- Low level of doubtful receivables, despite uncollateralized structure,
- Long-standing industry experience,
- High level of compliance with the corporate governance practices as a publicly listed company.

Constraints

- Price-oriented competition due to increasing inter/national players partially suppressed profit margins in FY2023,
- Geopolitical risks in target markets where growth is expected through ongoing investments may cause idle capacity, considering the volume decrease in 2023,
- Domestic market is expected to accompany the slim demand environment as in the foreign market as of 2H2024, amidst quantitative tightening actions aiming to restrict consumption growth.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. The Company's robust leverage and coverage indicators, solid equity level, low level of doubtful trade receivables, sector experience as well as profitability indicators, and declining sales volumes 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 affirmed as 'Stable'. The Company's profitability metrics, effects of the cost-reduction and capacity expansion investments, course of trade receivables quality, capacity utilization rate after the commissioning of the new investment, dividend policy, and demand outlook in the sector 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.