

Corporate Credit Rating

New Update

Sector: Press & Media

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)	International FC ISR	-	-
	International LC ISR	-	-
	Local Currency	BB (Stable)	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

EBITDA Margin (%)



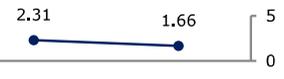
Gross Profit Margin (%)



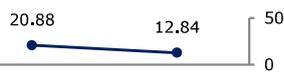
Current Ratio (x)



Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



MobilTel İletişim Hizmetleri Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of “**MobilTel İletişim Hizmetleri Sanayi ve Ticaret A.Ş.**” in investment grade category with high credit quality and affirmed the Long-Term National Issuer Credit Rating at ‘**A- (tr)**’ and revised the Short-Term National Issuer Credit Rating to ‘**J2 (tr)**’ from ‘**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**’ as parallel to international ratings and outlooks of Republic of Türkiye.

MobilTel İletişim Hizmetleri Sanayi ve Ticaret A.Ş. (hereinafter referred to as ‘MobilTel’ or ‘the Company’ or ‘the Group’) was established in 2001 in Istanbul. As a flagship company of the Mıstaçoğlu Group, MobilTel, operates as one of the biggest distributors of mobile phones and other devices in Türkiye. MobilTel, one of the main distributors of Türk Telekom since 2010, has sold and distributed millions of mobile phones and SIM cards in more than 20 years. The capacity to generate stable income continues with the distributorship agreement signed with Türk Telekom, which stipulates sales in the authorized region. MobilTel collaborates with powerful brands such as Apple, Samsung, Xiaomi, Oppo, Realme, Huawei, Honor, TCL, Alcatel, LG, General Mobile, Reeder, Casper and Sony in the device market. The Company employed a total workforce of 182 as of FYE2024 (FYE2023: 190).

The Company shares started to be trading on the Borsa Istanbul as of 25.11.2021, with the ticker symbol “MOBTL”. Aydın Mıstaçoğlu is the main controlling shareholder with 70.24% share while 20.30% of the shares are publicly traded as of December, 2024.

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

Strengths

- Improvement in financial leverage indicators along with a decrease in debt level as of FYE2024
- Prudent and well-maintained equity base, strengthened by retained earnings besides the non-cash contribution of capital adjustment differences
- Strategic engagements with distinguished industry players
- Margin accretive real estate segment supporting profitability indicators
- Low level of doubtful receivable ratio supporting asset quality despite the high level of customer concentration
- Decline in parallel import and unauthorized mobile phone usage due to tax regulations and limited warranty coverage
- Compliance with corporate governance practices as a publicly listed company

Constraints

- Increasing financing expenses pressuring bottom line and interest coverage metrics in FY2024
- Dependency on imports in the product range and supply conditions of leading manufacturers determining the market dynamics
- Pressure on profitability indicators due to intensely competitive sector conditions
- Regulatory authorities' actions regarding imports and consumption (taxes, installment restrictions, etc.) may dampen demand
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty

Considering the aforementioned points, the Company’s Long-Term National Issuer Credit Rating has been affirmed at ‘**A- (tr)**’. The Company’s satisfactory equity level, high receivable quality, risk management practices, strong brand distributorship agreements, import dependence of the product range and global soft-landing actions along with ongoing uncertainties with potential to adversely affect global trade 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 growth strategy, profitability indicators, financial leverage and asset quality 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.