

## Corporate Credit Rating

New  Update

**Sector:** Wholesale Trade

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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	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on Aug 18, 2022

## Opet Petrolçülük A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Opet Petrolçülük A.Ş." in an 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/Negative', parallel to international ratings and outlooks of the Republic of Türkiye.

**Opet Petrolçülük A.Ş.** (hereinafter referred to as "Opet" or "the Company" or "the Group") was established by Öztürk Family in 1992. Opet has been jointly managed by the Öztürk Group and the Koç Group since 2002. The main activities of the Company are retail sales, commercial and industrial fuel sales, storage and international product trade in the fuel distribution sector. With more than 1,000 employees, 1,874 stations including the Sunpet brand and 1.1 million m3 of storage capacity, Opet manages an extensive service network throughout Türkiye with 5 terminals and provides high-quality products and services to its customers. Opet manufactures and markets lubricants through its subsidiary Opet-Fuchs, a 50-50% partnership with the German mineral oil company, Fuchs. It also supplies and sells jet fuel via THY-Opet, a 50-50% partnership with Turkish Airlines, and EV charging station operation via WAT Mobilite in which it holds 24% stake. Opet's subsidiary THY Opet, which serves a number of domestic and international airlines in all airports throughout Türkiye, reached jet fuel sales of 765,360 m3 in 2022.

The consolidated assets of the Company were TRY 33.08bn and TRY 29.73bn as of 1H2023 and FYE2022, respectively, and revenues were TRY 179.99mn in FY2022. The average number of personnel employed across operations in the Group was 1,012 as of June 30, 2023 (December 31, 2022: 996). Opet is a member of Koç Group of Companies and a joint venture of Koç Holding. The Koç Group is Türkiye's largest industrial and services group in terms of revenues, exports, number of employees and market capitalization. The Koç Group has leading brands in energy, automotive, consumer durables and finance sectors. As of 2022 fiscal year-end, consolidated revenues of the Koç Group correspond to around 9% of Türkiye's GDP\* and Group's exports account for approximately 7% of Türkiye's total exports\*.

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

### Strengths

- Significant increase in revenues in FY2022, despite slowdown in growth as per 1H2023 figures
- Despite fluctuation pattern, maintained the favourable level of EBITDA generation capacity in the analyzed period
- Satisfactory equity level backed by internal generating capacity
- Diversified borrowing sources via corporate bond issuances
- Extensive distribution network owing to its stations and terminals
- Expertise and robust position in the fuel distribution sector together with brand perception
- Being a joint venture of one of the Türkiye's leading investment holding companies; Koç Holding

### Constraints

- Contraction in profitability in FY2022 distorting leverage metrics, though improvement signals attained according to 1H2023 results
- Bargaining power of dealers creating intense competition in the market
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed as 'AA+ (tr)'. Considering increase in revenues in FY2022 despite slowdown in growth as per 1H2023 figures, maintained the favourable level of EBITDA generation capacity, satisfactory equity level as well as intense competition in the market and global economic slowdown; the outlooks for Long and Short-Term National Issuer Credit Ratings have been determined as 'Stable'. The Company's revenue and EBITDA generation performance, profitability ratios, indebtedness structure, liquidity profile, equity level and sovereign risk exposure 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.

(\*) Koç Holding 2022 Annual Report, based on Turkish Statistical Institute's 2022 data.

(\*\*) Income statement prepared in accordance with tax procedure law (VUK)

