

Corporate Credit Rating

New Update

Sector: Electronic and Optical Products Manufacturing

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R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (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)	-
	Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

REEDER TEKNOLOJİ SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated "Reeder Teknoloji Sanayi ve Ticaret A.Ş." in the investment grade category with high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'A+ (tr)' 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'.

Reeder Teknoloji Sanayi ve Ticaret A.Ş. (referred to as "the Company" or "the Group" or "Reeder Teknoloji") was established on 19.02.2010 in İstanbul. The headquarter of the Group transferred to Samsun in 2018. The Company started by producing e-book readers, and its core business currently includes the production and trade of smartphones, tablet computers, vacuum cleaners, smart watches, televisions, computers, computer peripherals, and electric vehicles. The Company currently operates in 2 main locations: 19 Mayıs Campus; in line with the Company's strategy to increase its production capacity, the Company has rented 8 old tobacco hangars at Samsun University Ballica Campus with a total area of more than 18,000 m² and converted them into a technology production area. The Company carries out all production activities and after-sales services at the 19 Mayıs Campus. İncesu Campus is the operation center and is also used as a storage area. The Company also carries out its R&D activities at the İncesu Campus. As of the date of the report, Reeder Teknoloji has more than 200 sales stores across Türkiye. The Company employs 1,294 personnel as of September 2024 (FYE2023: 1,084).

According to the Company's PDP disclosure dated January 30, 2024, the ReeV Fancy model certification process produced within the scope of Reeder Technology's electric vehicle production project has been concluded, and the system registrations required for traffic registration procedures have been completed. The customer delivery of the first ReeV Fancy model electric vehicle produced was realized on January 28, 2025.

Reeder Teknoloji's shares have been traded on Borsa İstanbul since September, 2023. The Saral family is the ultimate controlling shareholder. The Saral family owns 43.98% of the Company, and 38.13% is publicly traded as of report date.

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

Strengths

- Strong leverage metrics expected to continue as of YE2024 with significant loan closures in 4Q2024 with the funds obtained through share sales in a subsidiary,
- Robust equity contribution compared to asset size, mainly fed by share premiums and retained earnings,
- Mitigating the collection risk via overweighting retail sales through fixed sales points,
- Adequate liquidity metrics during the reviewed periods,
- Expectation of revenue growth from the completed electric car investment along with new collaboration in software industry,
- Compliance with the corporate governance practices as a publicly listed company.

Constraints

- Declined sales volume, revenue and, profitability in 3Q2024 as a result of tightening actions in the domestic side,
- Capital expenditures in addition to net loss in 3Q2024 caused negative cash flow metrics,
- High level of OpEx pressuring efficiency mainly due to personnel expenses,
- High financing expenses and net monetary position losses caused net loss in 3Q2024,
- Exposure to FX risk due to high import dependency on raw materials,
- Existence of large-scale companies as rivals in the national and international market intensifying the competition,
- 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)'. Reeder Teknoloji's significant reduction of financial debt, diversified sales channels, declined sales performance and profitability margins, solid equity structure, completed and continued investments, high level of OpEx and import dependency are important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are affirmed at 'Stable'. The Company's high dependence on imports, presence in the sector via wholesale and retail channels considering the competition in the sector, management structure, impact of ongoing investment's on FOCF and cash loan exposure, and OpEx level considering the high marketing needs on profitability 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.

