

## Corporate Credit Rating

New  Update

**Sector:** Automotive

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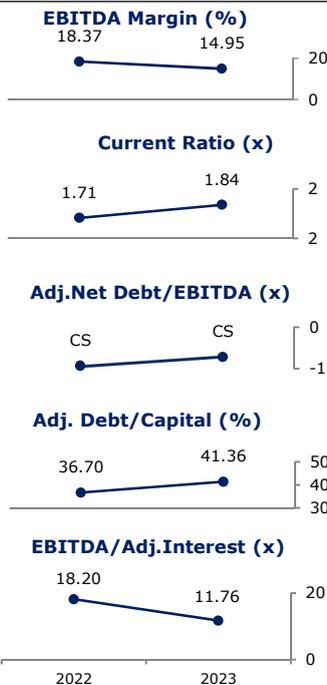
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	International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

\* Assigned by JCR on May 14, 2023



CS: Cash surplus

## Özmutlubaş Otomotiv Sanayi ve Ticaret Limited Şirketi

JCR Eurasia Rating, has evaluated "Özmutlubaş Otomotiv Sanayi ve Ticaret Limited Şirketi" in the investment level category with high credit quality on the national scales and revised the Long-Term National Issuer Credit Rating to 'A+ (tr)' from '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/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Özmutlubaş Otomotiv Sanayi ve Ticaret Limited Şirketi (hereinafter referred to as 'Özmutlubaş Otomotiv' or 'the Company') was established in İzmir in 1999 and the authorized dealer and service provider of Volvo Trucks and Renault Trucks. The Company also provides sales of spare parts and after sale services of related brands also provides second-hand vehicle sales. The Company's head office and one showroom is located in İzmir and there are two showrooms in Antalya and Denizli. In 2023 The Company's heavy vehicles sales numbers reached to total of 827 trucks, 159 of which were second-hand trucks (2022: 853). In the first 11 months of 2024, total sales number realized 472 trucks, 74 of total sales which were second-hand.

Özmutlubaş Otomotiv's main controlling shareholders are Ali Mutlubaş ve Ahmet Mutlubaş.

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

### Strengths

- Solid leverage profile strengthened by cash surplus against financial liabilities during review periods
- Adequate EBITDA generation capacity over the years, despite the deterioration experienced in FY2023
- Positive net working capital and satisfactory level of current ratio
- Relatively short cash conversion cycle achieved by cash sales to a large extent
- The advantage of being the authorized dealer of reputable brands

### Constraints

- Notable contraction in sales volume leading to a deterioration in revenue generation and profitability indicators in 9M2024 according to statutory results
- Improvement needs in corporate governance practices
- 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, Company's the Long-Term National Issuer Credit Rating has been revised to 'A+ (tr)'. The Company's sales performance, comfortable level of financial leverage metrics, long lasting dealership of reputable brands, experience in the sector along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions 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 liquidity position, sales and profitability performance, EBITDA generation capacity, asset quality, equity level and debt structure will be closely monitored by JCR Eurasia Rating in the 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.