

Corporate Credit Rating

New Update

Sector: Automotive

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Team Leader

Cemil ERKÜRK

+90 212 352 56 73

cemil.erkurk@jcrer.com.tr

Senior Analyst

Ömer Faruk ÇAĞLAR

+90 212 352 56 73

omer.caglar@jcrer.com.tr

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	-
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 10, 2024

Suzuki Motorlu Araçlar Pazarlama A.Ş.

JCR Eurasia Rating, has evaluated **Suzuki Motorlu Araçlar Pazarlama A.Ş.** in investment-level 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 were assigned at '**BB/Stable**' as parallel to international ratings and outlooks of Republic of Türkiye.

Suzuki Motorlu Araçlar Pazarlama A.Ş. ("Suzuki Motorlu Araçlar" or "the Company") commenced its operations in mid-2015 under the roof of Doğan Şirketler Grubu Holding A.Ş. and the Company is engaged in the sales, spare parts and service of automobiles, motorcycles and marine engines. Suzuki vehicles were imported to Türkiye for the first time in 1984 and have a certain brand awareness and customer base in domestic market. Following the kickoff of the Company's operations, Suzuki vehicles have begun to increase its influence in the market. In addition, the Company also enlarged its sales base and market share in motorcycles and marine engines market, and displayed a significant volume increase in second hand vehicle sales and car rental operations.

Suzuki Motorlu Araçlar is owned by Doğan Trend Otomotiv and has TRY 67mn paid in capital. As of FYE2023 the Company has 51 employees (FYE2022: 31).

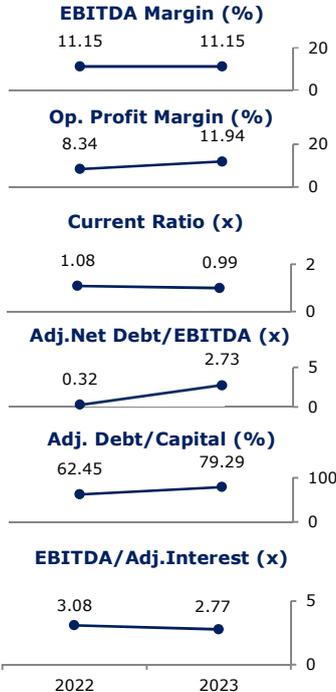
Key rating drivers, as strengths and constraints, are provided below:

Strengths

- Growth in sales revenue backed by sales volume in FY2023
- Quality asset outlook with high cash conversion capability and low collection risk
- Sustainable EBITDA generation capacity along with core profitability metrics
- Diversified revenue stream thanks to business model
- Establishment of Doğan Holding, one of the leading investment groups in Türkiye

Constraints

- Negative figures in cash flow metrics leading increase in indebtedness resulting in deterioration of short term financial leverage as of FYE2023
- Intense pressure on bottom line results owing to rising financing expenses in FY2023
- FX short position in the balance sheet due to increasing FX-based obligations in FYE2023
- High exposure to tax regulations and exchange rate fluctuations that directly affect the vehicle market
- Leading economic indicators signal global economic slowdown whereas 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 Credit Rating has been affirmed as '**AA (tr)**'. The Company's growth in sales revenue backed by sales volume in FY2023, quality asset outlook with high cash conversion capability and low collection risk, sustainable EBITDA generation capacity along with core profitability metrics, diversified revenue stream thanks to business model and establishment of Doğan Holding, one of the leading investment groups in Türkiye as well as the global interest rate hiking cycle have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Credit Ratings are determined as '**Stable**'. The Company's, revenue and profitability performance, adequacy of liquidity, indebtedness level, market position and regulations in the sector are the main factors that 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.