

Corporate Credit Rating

New Update

Sector: Wholesale Trading

Publishing Date: Dec. 28 2023

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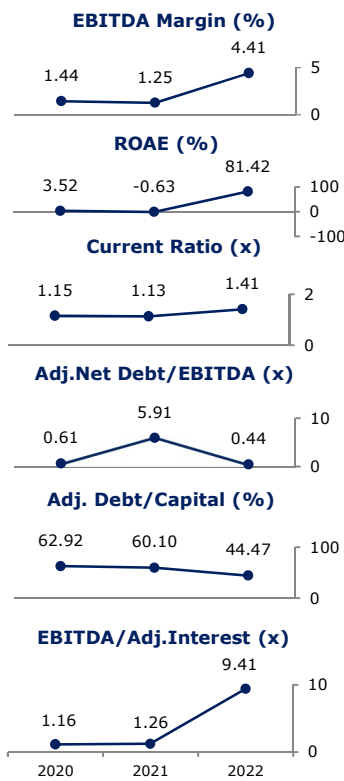
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB- (tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB-	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB-	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
*Sovereign	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

* Assigned by JCR on Aug 18, 2022



UZUN OTOMOTİV AKARYAKIT GIDA İNŞAAT SANAYİ VE TİCARET LİMİTED ŞİRKETİ

JCR Eurasia Rating, has evaluated "Uzun Otomotiv Akaryakit Gıda İnşaat Sanayi ve Ticaret Ltd. Şti." in the investment level category and assigned the Long-Term National Issuer Credit Rating as 'BBB- (tr)' and the Short-Term National Issuer Credit Rating as 'J3 (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-/Negative'.

Uzun Otomotiv Akaryakit Gıda İnşaat Sanayi ve Ticaret Ltd. Şti. (hereinafter referred to as "Uzun Otomotiv Akaryakit" or "the Company") primarily specializes in wholesale fuel sales, catering to the fuel requirements of numerous public and private entities across a broad geographical area. The Company's operational reach spans the entire Aegean Region and key cities such as Istanbul, Ankara, Samsun, Çanakkale, Bursa, Balıkesir, Bilecik, Sakarya, Eskişehir, Isparta, Antalya, Konya, Kayseri, Niğde, and Burdur.

Operating within the fuel sector, Uzun Otomotiv Akaryakit manages a fleet of 45 vehicles and holds 6 LPG (liquefied petroleum gas) and 13 fuel oil licenses. Beyond wholesale fuel sales, the Company is engaged in various other activities, including the acquisition, sale, and leasing of diverse motor vehicles, participation in construction projects, trade of petroleum and petroleum products, as well as the establishment and operation of fuel stations. The Company's management is centralized at its headquarters in Denizli. Alongside this main office, the Company operates five commercial branches in Denizli and maintains two warehouses located in Antalya and Izmir.

As of FYE2022, The Company's sole shareholder is Mustafa Uzun, and total of 138 staff members are employed.

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

Strengths

- Significant growth in sales revenues and EBITDA underpinned by increased fuel sales in FY2022,
- Improvement in leverage and coverage profile, characterized by moderate level of financial debt and strong EBITDA generation capacity in FY2022,
- Adequate level of net working capital and decent current ratio easing the liquidity management,
- Reasonable efficiency indicators supported by low cash conversion cycle and operating ratio,
- Low level of customer concentration providing stable revenue streams and financial flexibility.

Constraints

- Volatile profitability indicators depending on fluctuating oil prices within limited profit margins due to sector's nature,
- Relatively low level of equity in comparison to asset size, despite slight recovery in FYE2022,
- Improvement needs in the level of compliance with 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, the Company's Long-Term National Issuer Credit Rating has been assigned as 'BBB- (tr)'. Taking into account the Company's strong sales performance, enhancement in leverage and coverage profile, moderate liquidity position, reasonable efficiency indicators as well as, volatile and limited profitability indicators, low level of equity and 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 profit and equity indicators, market position, sustainability of domestic and international demands and economic conditions in Türkiye 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 also be monitored.