

## Corporate Credit Rating

New  Update

**Sector:** Automotive Supply  
 (Tractor and Heavy Construction  
 Vehicle Cabins)

**Publishing Date:** 30/09/2024

### Team Leader

Cemil ERKÜRK  
 +90 212 352 56 73

[cemil.erkurk@jcrer.com.tr](mailto:cemil.erkurk@jcrer.com.tr)

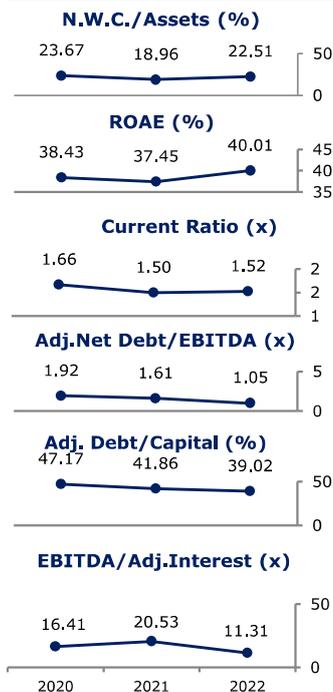
### Assistant Analyst

Gökçen Betül DURSUN  
 +90 212 352 56 73

[gokcenbetul.dursun@jcrer.com.tr](mailto:gokcenbetul.dursun@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	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
Sovereign*	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024



## Yarış Kabin Sanayi ve Ticaret Anonim Şirketi

JCR Eurasia Rating, has evaluated "Yarış Kabin Sanayi ve Ticaret Anonim Şirketi" in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA (tr)' and 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.

Yarış Kabin Sanayi ve Ticaret Anonim Şirketi (hereinafter referred to as 'Yarış Kabin' or 'the Company' or 'the Group') was established on November 15, 1982, in Balıkesir. The main activity of the Company is to produce cabins for tractors. In addition, Yarış Kabin also produces cabins for heavy construction equipment such as excavators, graders and canopies. The Company's headquarters and factory are located in Balıkesir. The Company continues its activities with an annual production capacity of 70k cabins in its production facility located in Balıkesir Organized Zone, which is established on 300k m<sup>2</sup>, of which 100k m<sup>2</sup> is a closed area. As of 2023, Yarış Kabin employed 1,400 personnel (2022: 1,342). The other company included in the consolidated financial statements was established in Hungary in 2018, with the title of Yarış Kabin Hungary. The company, based in Hungary, has the same field of activity and produces cabins. The current shareholders of Yarış Kabin are six real entities. The paid-in capital of the Company is TRY 180mn, and the names of the partners are Nazmi Yarış, Umut Sabri Yarış, Maide Yarış, Zehra Işıklı, Kübra Beşok and Hasan Yarış.

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

### Strengths

- Improvement in sales revenues supported by sales volumes according to the corporate tax return in FY2023,
- Reasonable balance sheet leverage and net debt-to-EBITDA multiplier,
- Sustainable FX income-generation capability provides a natural hedge mechanism to a certain extent, thanks to notable share of export in total sales revenue,
- Satisfactory level of equity supported by internal equity generation,
- High collectability of trade receivables thanks to strong collaborations, despite the high concentration risk,
- Long-standing experience in vehicle cabin production and a significant position in terms of economic scale,

### Constraints

- Absence of consolidated independent audit report for FY2023 limiting comprehensive analysis,
- Improvement needs in corporate governance practises,
- Potential operational and cyclical risks due to the nature of the automotive and agricultural industries,
- 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.

As of the reporting date, since the Company's independent audit report for 2023 has not been finalized, the credit rating process is based on the audit report for 2022 and corporate tax returns for 2022 and 2023.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'AA (tr)'. Sales revenue increase supported by sales volumes, sustainable export revenues, solid financial leverage metrics, sustainable financial outlook, along with long-standing experience in vehicle cabin production, 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 profitability performance, the number of products sold, cash level and cash generation capacity together with the trends in the industry 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 frame about the sector will be monitored as well.