

Corporate Credit Rating

New Update

Sector: Electrical Equipment Industry

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R A T I N G S		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 LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

YİĞİT AKÜ MALZ. NAKLİYAT TURZ İNŞ. SAN. VE TİC. A.Ş.

JCR Eurasia Rating, has evaluated "Yiğit Akü Malz. Nakliyat Turz İnş. San. ve Tic. A.Ş." 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' according to JCR-ER's national-global mapping methodology.

"Yiğit Akü Malz. Nakliyat Turz İnş. San. ve Tic. A.Ş." (hereinafter referred to as "Yiğit Akü" or "the Company") was established in 1984 in Ankara. Yiğit Akü provides batteries to a diverse range of sectors and sub-sectors, including tractors, heavy vehicles, passenger cars, commercial vehicles, defense industry vehicles, and industrial companies. The Company exports to more than 100 countries in 5 continents; including Europe, Africa, Asia, America and Middle East countries. Yiğit Akü provides service with its brands "platin, tunç, macpower, and helden" as well as with more than 60 main dealers in the country and 6,000 sub-dealers. As of March 31, 2024; the number of employees of the Company was 1,181 (2023: 1,202).

The Company was ranked as the 331th largest industrial corporation in Türkiye in terms of revenues generated from production according to the İstanbul Chamber of Industry's First Top 500 List as of 2023 (According to the İstanbul Chamber of Industry's First Top 500 List as of 2022: 299th)

Yiğit Akü's shares have been listed on İstanbul Stock Exchange under the ticker "YIGIT" since June 2024. The Company's stock is traded on the BIST All Shares, BIST All-100, BIST Industrials, BIST Metal Prod., BIST Stars, BIST Ankara, BIST IPO, BIST 500. The proportion of shares in circulation is 24.96%.

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

Strengths

- Improved profitability metrics in FY2023 and despite operating and net losses in 1Q2024, as in 1Q2023, due to the seasonality effect,
- Strong equity base mainly fed by internal fund generation,
- Satisfactory leverage indicators as of FYE2023,
- Fund obtained from the IPO held in the 2Q2024 is expected to contribute to liquidity management,
- Asset quality strengthened by low level of doubtful trade receivables thanks to mostly collateralized structure and widespread customer base,
- Long-lasting experience and successful track-record in the sector,
- Compliance with the corporate governance practices as a publicly listed company.

Constraints

- Geopolitical risks in export markets, and transport issues caused a decline in sales volume and revenue in 2023,
- Changing dynamics of the sector, within the scope of ESG sensitivities, creates a need for CapEx and indebtedness, accordingly causing negative FOCF figures,
- Leading economic indicators signal global economic slowdown while quantitative tightening actions aiming 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 affirmed at 'AA- (tr)'. The Company's increased profitability indicators, satisfactory leverage metrics, high equity level, low level of doubtful trade receivables, sector experience as well as declining sales volumes, negative FOCF metrics and ongoing geopolitical uncertainties 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 affirmed as 'Stable'. The Company's profitability metrics, sales volume, IPO's effect on cash management and governance capacity, global uncertainties and sector regulations 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.

