

## Corporate Credit Rating

New  Update

**Sector:** Energy Distribution & Fleet Leasing

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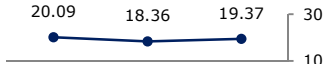
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB	-
	Currency (Negative)	(Negative)	-

\* Assigned by JCR on Aug 18, 2022

### EBITDA Margin (%)



### ROAE (%)



### Current Ratio (x)



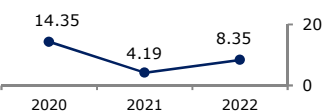
### Adj.Net Debt/EBITDA (x)



### Adj. Debt/Capital (%)



### EBITDA/Adj.Interest (x)



## AKMERCAN TURİZM TAŞ. İNŞ. GÜV. SİS. TEM. VE GIDA SAN. DIŞ TİC. LTD. ŞTİ.

JCR Eurasia Rating, has evaluated 'Akmercan Turizm Taş. İnş. Güv. Sis. Tem. ve Gıda San. Dış Tic. Ltd. Şti.' in the investment level category and assigned the Long-Term and Short-Term National Issuer Credit as 'BBB+ (tr)' and 'J2 (tr)' with 'Stable' outlooks, respectively. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

**Akmercan Turizm Taş. İnş. Güv. Sis. Tem. ve Gıda San. Dış Tic. Ltd. Şti.** (hereinafter referred to as 'Akmercan Turizm', 'the Company' or 'the Group') was established in 1997, and changed to current name in 2010. The Company's main activity is about vehicle leasing mostly for public entities. In addition, as of reporting date the Company has 5 subsidiaries (hereinafter referred to as 'Akmercan Adıyaman', 'Akmercan Gepa', 'Akmercan Mardin', 'Akmercan Muğla', 'Akmercan Hakkari-Şırnak') that operate in natural gas distribution in Adıyaman, Sakarya, Mardin, Muğla, Hakkari and Şırnak.

As of FYE2022, Gazi Akmercan is the only shareholder of Akmercan Turizm and the Company is the ultimate shareholder of natural gas distribution companies. The Group's head office located in Esenler/İstanbul and maintains 544 personnel within its structure as of FYE2022 (FYE2021: 489 personnel).

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

### Strengths

- Significant revenue and EBITDA growth supported with volume-based sales in FY2022 despite diminishing quantity in FY2023
- Noteworthy contribution of subsidiaries' natural gas distribution operations to the cash conversion cycle, easing liquidity management
- Manageable debt and adequate interest coverage metrics
- Favorable operational expenses and doubtful receivables compared to revenue

### Constraints

- Diminished profitability margins in FY2022 continue to decline in 3Q2023 according to provisional tax return
- Decreasing equity portion along with low paid-in capital compared to asset size
- Improvement needs in the level of compliance with corporate governance practices
- 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 Long-Term National Issuer Credit Ratings has been assigned as 'BBB+ (tr)'. The Group's ability to generate revenue and EBITDA despite slight volume-based decline in 2023, collection ability that backs asset quality, efficient cash conversion cycle, favorable indebtedness profile, low operational costs, and accessibility to public tenders have been evaluated as important indicators for the stability of the ratings and outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Group's sales growth trend, quantity-based sales, profitability metrics, leverage profile, liquidity structure, and efficiency ratios 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.