

## Corporate Credit Rating

New  Update

**Sector:** Transportation Support Services

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB-	-
	International FC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BBB-	-
	International LC ICR Outlooks	Stable	-
	National ISR	-	-
Sovereign*	International FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on Aug 18, 2022

## Çelebi Hava Servisi Anonim Şirketi

JCR Eurasia Rating has evaluated the consolidated structure of "Çelebi Hava Servisi A.Ş." in the investment level category 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 have been affirmed at 'BBB-/Stable' above the sovereign ratings and outlooks of Republic of Türkiye.

**Çelebi Hava Servisi A.Ş.** (hereinafter referred to as "CHS" or "the Group") was established in 1958 as the first private ground handling company of Turkish air transportation. The main shareholder is Çelebi Havaçılık Holding A.Ş. (hereinafter referred to as "the Holding" or "CHH") which is jointly controlled by the Çelebioğlu Family and Zeus Aviation Services Investments B.V. with a share of 89.91% as of FYE2023. In addition, CHS went public in 1996 and currently 10.09% of its shares are traded on Borsa İstanbul (BIST) under the code "CLEBI".

The main activities of the Group are to provide ground handling services (representation, traffic, ramp, cargo, flight operation, aircraft maintenance and etc.), cargo, warehouse services and general aviation services to domestic and foreign airlines and private cargo companies. The Group operates 32 airports in Türkiye, 9 airports in India and one each in Hungary and Tanzania as well as provides cargo and warehousing services in Germany. CHS also strengthened its presence in the Asian market by acquiring a company operating in 26 airports in Indonesia in 2024.

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

### Strengths

- Ongoing revenue growth thanks to increase in ground handling and cargo operations in FY2023,
- Maintaining robust EBITDA generation capacity along with reasonable profitability margins in FY2023,
- Steadily increasing cash flows and growing cash reserves easing liquidity management,
- Solid financial standing backed by strong leverage and coverage indicators,
- Diversified customer base and income stream thanks to geographical prevalence contributing risk mitigation,
- Continued improvement in PAX and ATM figures and high market share in the regions of operation,
- Competitive advantage of Turkish tourism industry supports aviation sector,
- High level of compliance with corporate governance practices.

### Constraints

- Remarkably low level paid in capital and substantial contribution of foreign currency translation differences to equity,
- High dividend pay-out ratio,
- Operating in a highly sensitive industry vulnerable to geopolitical, environmental and other challenges,
- 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 Group's Long-Term National Issuer Credit Rating has been affirmed at 'AA (tr)'. The Group's steadily increasing net profit, FX based income structure, high asset quality, decent liquidity indicators, long track record, experienced and qualified organizational structure have been evaluated as important indicators for the stability of the ratings, and the outlooks for Long and Short-Term National Issuer Credit Ratings have been determined as 'Stable'. The Group's profitability indicators, leverage and coverage metrics, sustainability of demands, market position and economic conditions in Türkiye as well as geopolitical risks-driven uncertainties 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.

