

## Corporate Credit Rating

New Update

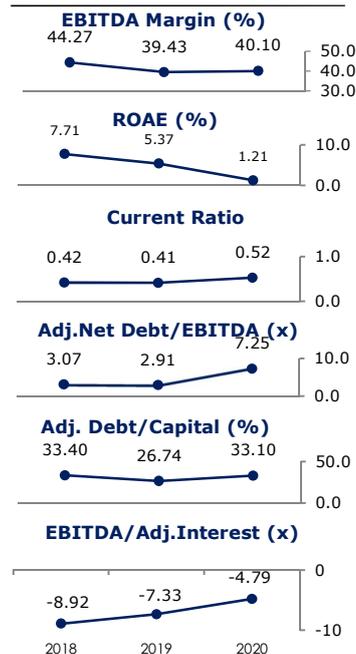
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	J3
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	J3
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 31, 2021



## Voyag Turizm Otelcilik İşletmeleri ve İnşaat Ticaret A.Ş.

JCR Eurasia Rating, has evaluated the "Voyag Turizm Otelcilik İşletmeleri ve İnşaat Ticaret A.Ş." in the investment level category and upgraded the Long-Term National Issuer Credit Rating from 'BBB (tr)' to 'A- (tr)' and the Short-Term National Issuer Credit Rating at 'J2 (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 Turkey.

**Voyag Turizm Otelcilik İşletmeleri ve İnşaat Ticaret A.Ş.** (Voyag Turizm or "the Company") mainly engages in the hotel/lodging industry, serves with the brands, "Voyage" and "Maxx Royal", has 8 hotels in total an affiliate wholly owned by the Company. While 4 of hotels located in Muğla in southwest part of Turkey, remaining 4 hotels located in Antalya in south part of Turkey. As of reporting date, the Company has approximately 3,131 rooms with 7,129 bed capacity, including Voyage Göltürkbükü which has been run through MRA Turizm ve Otel İşletmeciliği A.Ş., an indirect affiliate of the Company. Last but not least, the Company operates Sirakonaklar HEPP and Şavşat HEPP, hydroelectric power plants with and Kütahya SEPP, Poyra SEPP, solar energy power plants a total installed capacity of 161.1 MWe. As of 2021, the Company generated TRY 1,193 million of sales revenue, indicating 22.26% YoY growth. The Company was founded in 1999 and is headquartered in Istanbul.

The Company's main ultimate controlling shareholder is Mehmet Nuri ERSOY with 100% share.

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

### Strengths

- Comfortable cash conversion cycle level thanks to cash sales and high receivable turnover
- Partial recovery in tourism industry figures as well as guest number of the Company in 2021
- Diversification of revenues through segmentation
- Hard currency revenue stream supports the operating profit margins
- Having operating profitability above sector references
- Strong occupancy rate above the average rate of sector
- Diversified customer base and location of entities
- Attractive hotel prices in the region

### Constraints

- Decline of sales revenue and profitability due to the Covid-19 pandemic
- Relatively slow growth path in bottom line compared to the operating profit level
- Low level of liquidity metrics
- High level of illiquid items in balance sheet decreases the elasticity of assets
- The geopolitical risks stemming from the Russia-Ukraine tension leading uncertainty and may decline revenue

Considering the aforementioned points together, the Company's the Long-Term National Issuer Credit Rating has been upgraded as 'A- (tr)'. Reputable shareholder, cash sales and high receivable turnover stimulate the cash generation capacity, KPI's above the industry average 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'. Implementation and effect of Russia and Ukraine war to both the industry and the Company's including profitability performance 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 framework about the sector will be monitored as well.