

Corporate Credit & Issue Rating

New Update

Sector: Operational Leasing

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RATINGS

		LT	ST
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC Negative	Negative
		LC Negative	Negative
	Issue Rating	-	-
National	Local Rating	BBB (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
	Issue Rating	BBB (Trk)	A-3 (Trk)
Sponsor Support	3	-	-
Stand-Alone	BC	-	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC Negative	-
		LC Negative	-

*Affirmed by JCR on August 14, 2018

LDR TURIZM A.Ş.

Financial Data	1H2018	2017*	2016*	2015*	2014*
Total Assets (000 USD)	105,458	111,988	85,103	68,735	60,001
Total Assets (000 TRY)	480,962	422,409	299,496	199,854	139,137
Equity (000 TRY)	53,267	53,816	50,331	43,692	42,571
Net Profit (000 TRY)	329	3,552	6,639	1,649	9,619
Sales (000 TRY)**	51,210	76,735	49,488	36,693	27,254
Vehicle Sales Revenue (000 TRY)	44,010	56,460	47,388	37,500	24,343
Net Profit Margin (%)	0.64	4.63	13.42	4.49	35.29
ROAA (%)	n.a	1.37	3.35	1.26	9.33
ROAE (%)	n.a	9.51	17.78	4.94	29.77
Equity / Total Assets (%)	11.08	12.74	16.81	21.86	30.60
Net Working Capital / T. Assets (%)	39.83	39.33	46.87	49.81	45.68
Asset Growth Rate (%)	13.86	41.04	49.86	43.64	38.42
Fleet Market Share (%)	1.30	1.20	1.08	1.03	1.05

*End of year **Including only rental revenues

Company Overview

LDR Turizm A.Ş. (hereinafter referred to as **Lider Filo** or the **Company**) was founded in 2010 under the name “LDR Turizm Dış Ticaret LTD. ŞTİ” before changing its title to “LDR Turizm A.Ş.” in 2012. The brand ‘LİDER FİLO’ was registered by the Turkish Patent Institute in 2011 to LDR Turizm A.Ş.

The sole owner of LDR Turizm A.Ş. is Metin Barokas over the five-year period. The Company mainly operates in the field of operational leasing under the brand name **Lider Filo** with a fleet of 4,325 vehicles as of October 31, 2018. The Company, currently sustains its country-wide operations with a workforce of 43 as of October 31, 2018 (FYE2017:57) through its head office in Istanbul .

Strengths

- Enhanced funding profile and resource mix through new bond issuances and other type of external funds
- Strong growth rate
- Tailormade service with a broad customer base concept that delivers high customer contentment
- Easily adopt new technology assisting effective utilization
- Improved corporate governance principles with regards to its scale
- Presence of a professional management team with specialized knowledge of the operational leasing sector

Constraints

- Downward pressure on profitability ratios
- Decreasing net profit
- Increasing financial expenses due to interest payments and FX movements
- Reduced debt service capacity of the real sector, increasing risk in the market due to volatilities in foreign exchange rates and depreciation of TRY
- Absence of sector-specific laws, regulations and supervisory public authorities to provide the Company and the sector in general with financial relief and to eliminate the possible systemic risks to arise
- Strong competition in the market leading to margin pressure considering pricing strategy

