

Corporate Credit Rating

New Update

Sector:

Transportation and Rent a Car

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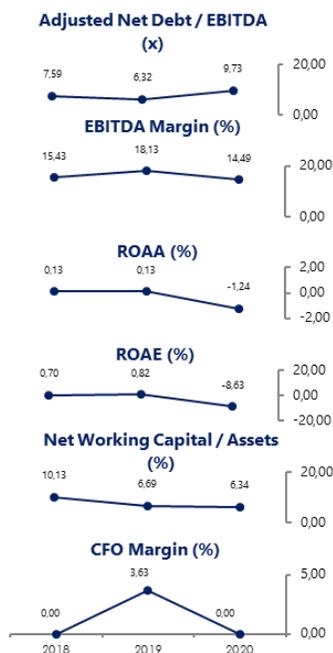
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RATINGS

		Long Term	Short Term
National	Local Rating	BBB-(Trk)	A-3 (Trk)
	Outlook	Stable	Stable
	Issue Rating	-	-
International	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	FC Stable LC Stable	Stable Stable
Sponsor Support	Stand-Alone	2	-
	Stand-Alone	B	-
Sovereign*	Foreign Currency	BB	-
	Local Currency	BB	-
	Outlook	FC Stable LC Stable	- -

*Assigned by JCR on May 31, 2021



Kaya Seyahat Turizm San. ve Dış Tic. Ltd. Şti.

JCR Eurasia Rating has evaluated “**Kaya Seyahat Turizm San. ve Dış Tic. Ltd. Şti.**” in an investment grade category at national level and assigned the ratings as “**BBB- (Trk)**” on the Long-Term National Scale and as “**A-3 (Trk)**” on the Short-Term National Scale with “**Stable**” outlooks. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as “**BB/Stable**”.

Kaya Seyahat Turizm San. ve Dış Tic. Ltd. Şti., (hereinafter referred to as “Kaya Seyahat” or “the Company”) was established in 2000. The Company’s roots are back to 1988 and It is a private enterprise belonging to Kaya Family. Kaya Seyahat operates in the fields of personnel and student shuttle transportation and long-term car rental services. The Company’s shareholders are Ahmet Kaya and Mehmet Kaya with the shares of 50.00%.

The Company operates with 100 transportation vehicles and approximately 10,000 rental vehicles in Ankara. Kaya Seyahat’s main costumers are public institutions and private corporate companies. The Company has established business partnerships with nationally well-known local players through its wide sectoral experience, know-how and network along with the ability to establish beneficial and co-operative partnerships. Kaya Seyahat services to approximately 90 institutions in Turkey, mainly public institutions in Ankara. The Company has business partners in other cities.

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

Strengths	Constraints
<ul style="list-style-type: none"> Client portfolio consisting of corporate companies and its long-term agreements supporting predictable cash flow, Maintaining high receivable quality, Expected positive outlook in the medium and long term of fleet leasing sector due to willingness of companies to prefer leased vehicles, Increasing scale of operations, Sustainable net working capital due to business model and capability of converting used-cars to cash rapidly. 	<ul style="list-style-type: none"> Current debt burden generating high finance expenses, Vulnerable structure of used-car prices in the market, Negative cash flow metrics in 2020 pressuring liquidity management, Downward trend of net profit leading insufficient equity level, Further improvement needs in the level of compliance with corporate governance practices.

Considering the aforementioned points, the Company’s the Long-Term National Rating has been assigned as “**BBB- (Trk)**”. Currently, operational fleet leasing sector as well as rent a car sector is expected to grow in Turkey due to increasing trend of using more leased vehicles by companies instead of buying. On the other hand, the capability of tangible assets to rapidly convert into cash and new labour agreements have been evaluated as important indicator for “**Stable**” outlooks of long and short-term national ratings. Fluctuations in used-car prices and legal frame about the sector are closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets will be monitored as well.

The operational strength and the expected support of the Company’s shareholder constitute the foundation for the Company’s sponsor support evaluation. The Sponsor Support notes and risk assessments carried out reflect the financial and nonfinancial standings and expected support of Kaya Family. It is assumed that the Company’s shareholders have the experience to provide efficient operational and financial support to Kaya Seyahat and the sufficient propensity to obtain long term liquidity or equity if needed. Taking into consideration the shareholder’s role in the sector and activities the Company’s Sponsor Support grade has been determined as **(2)** on JCR Eurasia Rating’s notation scale. This grade signifies an adequate external support to the Company.

The Stand Alone note of the Company has been constituted particularly with respect to the Company’s capability to access financing sources, being recognized in the sector, reputable brand name, experienced management team and know-how level. It is assumed that Company has sufficient experience and accumulation of infrastructure to manage risks incurred in the balance sheet without shareholder support. In this respect, the Stand-Alone rating of the Company has been assigned as **(B)** in JCR Eurasia Rating notation system, which signifies a strong company, good management and operating environment and future expectations.