

Corporate Credit Rating

☑ New ☐ Update

Sector: Road Freight

Transportation

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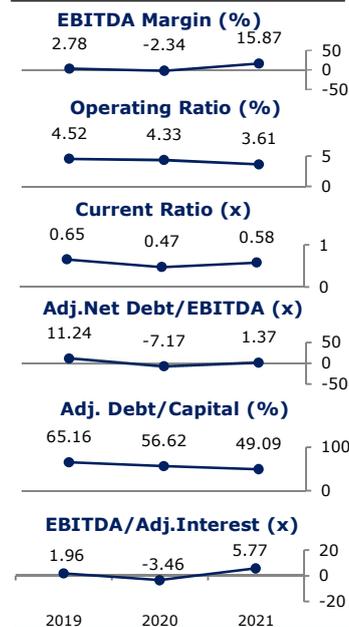
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| RATINGS | | Long Term | Short Term |
|--------------------------------------|-------------------------------|---------------|------------|
| ICRs (Issuer Credit Rating Profile) | National ICR | BBB- (tr) | J3 (tr) |
| | National ICR Outlooks | Stable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

* Assigned by JCR on Aug 18, 2022



ALP ÖZLER ULUSLARARASI NAKLİYAT TAAHHÜT TİCARET LİMİTED ŞİRKETİ

JCR Eurasia Rating, has evaluated "Alp Özler Uluslararası Nakliyat Taahhüt Ltd. Şti." in the investment level category and assigned the Long-Term National Issuer Credit Rating as 'BBB- (tr)' and the Short-Term National Issuer Credit Rating as 'J3 (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-/Negative'.

Alp Özler Uluslararası Nakliyat Taahhüt Ltd. Şti (hereinafter referred to as "Alp Özler" or "the Company") was established in 1990 in Ankara, Türkiye. The main field of the Company is to carry out domestic and international transportation activities. Alp Özler primarily emphasizes in road transportation; however, it also engages in other transportation segments including maritime, airline and project transportation. The Company is headquartered in Ankara and has branches in İstanbul, Mersin and Elazığ. Moreover, Alp Özler Nakliyat has a group company named Alp Özler Filo Hizmetleri Ve Taşımacılık Limited Şirketi, specialized in providing fleet services.

Alp Özler is controlled by Gece Family and the Company's main ultimate controlling shareholder is Dursun Gece with a share of 55%. The Company employed a staff force of 210 as of FYE2021 (FYE2020: 285).

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

Strengths

- Predictability and consistency of sales revenues via long-term contracts with well-known clientele,
- Recovery in EBITDA generation capacity is expected to continue in FY2022 financials due to the increased vehicle fleet,
- Low level of doubtful receivables supporting asset quality,
- Reasonable efficiency indicators underpinned by low cash conversion cycle and operating ratio.

Constraints

- Audit report suppressing the ability to analyze,
- Notable increase in bank loans in FY2022 financials, arising from the funding of vehicle purchases,
- Operations in capital-intensive industries squeezing net working capital indicators,
- Negative effect of volatility in fuel prices as a result of fuel related costs,
- High level of customer concentration,
- Intense competition due to highly fragmented structure of the market,
- Improvement needs in the level of compliance with corporate governance practices.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned as 'BBB- (tr)'. Taking into account sustainable revenue growth, EBITDA generation performance, receivable collection ability, as well as debt structure, liquidity profile, volatility in oil prices and geopolitical risks 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'. The Company's financial structure, financing expenses, term structure of existing financial debt, profitability ratios, cash flow and liquidity indicators, leverage profile will be closely monitored by JCR Eurasia Rating in the 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.