

## Corporate Credit Rating

New  Update

**Sector:** Road Freight  
Transportation

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

\* Assigned by JCR on May 10, 2024

## ALP ÖZLER LOJİSTİK ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated "Alp Özler Lojistik Anonim Şirketi" in the investment grade category and revised the Long-Term National Issuer Credit Rating to 'BBB (tr)' from 'BBB- (tr)' and the Short-Term National Issuer Credit Rating to 'J2 (tr)' from 'J3 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/Stable' in line with the sovereign ratings and outlooks of Republic of Türkiye.

**Alp Özler Lojistik Anonim Şirketi** (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.

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 417 as of FYE2022 (FYE2021: 339).

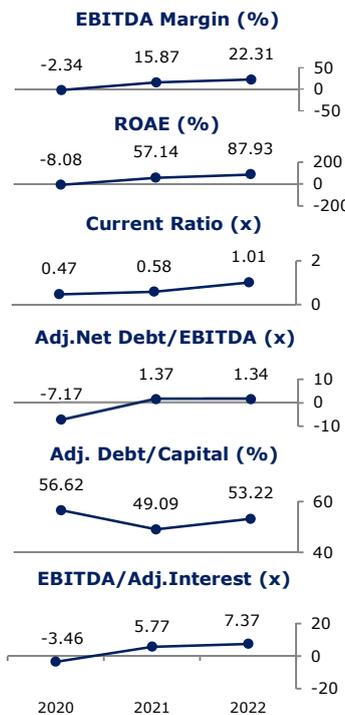
Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Upward trend of profitability margins supported by EBITDA generation capacity due to the expanding vehicle fleet and anticipated to continue in 2023 financials,
- Reasonable level of Adjusted Net Debt to EBITDA multiplier in analyzed years albeit expected partial deterioration due to notable increase in financial debts in 2023,
- Low level of doubtful receivables and efficient collection processes enhancing asset quality,
- Relatively low level of operating ratio and cash conversion cycle pointing to operational efficiency,
- Established market presence and long-term contracts with reputable clients providing predictable and consistent income streams.

### Constraints

- Significant increase in financial debts in 2023 due to vehicle purchases may exert pressure on liquidity management,
- Possible negative impact on transportation activity due to fluctuations on fuel prices,
- High level of customer concentration,
- Intense competition due to highly fragmented structure of the market and exposed to operational risks stemming from the nature of business,
- Improvement needs in the level of compliance with corporate governance practices,
- 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 Company's the Long-Term National Issuer Credit Rating has been revised to 'BBB (tr)' from 'BBB- (tr)'. Taking into account the Company's sustainable profitability profile along with EBITDA generation performance, receivable collection ability and operating on the basis of long-term contracts with reputable customers, as well as increasing financial debts, volatility in oil prices, customer concentration and global economic slowdown 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.