

Corporate Credit Rating

New Update

Sector: Construction

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Team Leader

Alperen Adanır

+90 212 352 56 73

alperen.adanir@jcrer.com.tr

Assistant Analyst

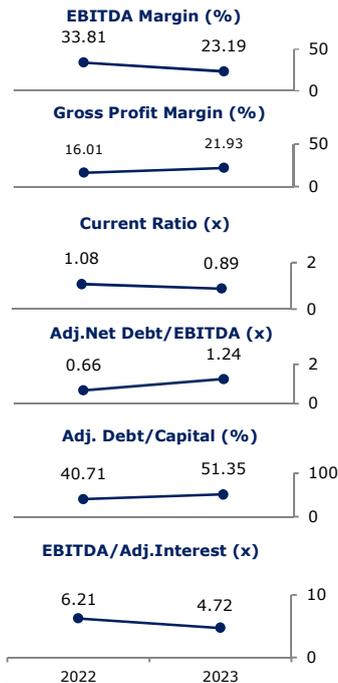
Muhammet Ödemis

+90 212 352 56 73

muhammet.odemis@jcrer.com.tr

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 FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
Sovereign*	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024



CENGİZHAN LOJİSTİK TİC. LTD. ŞTİ.

JCR Eurasia Rating, has evaluated "Cengizhan Lojistik Tic. Ltd. Şti." in investment grade category and assigned the Long-Term National Issuer Credit Rating as 'BBB+ (tr)' and the Short-Term National Issuer Credit Rating as '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 Türkiye.

Cengizhan Lojistik Tic. Ltd. Şti. (referred to as "Cengizhan Lojistik" or "the Company") was established in Denizli in 1975. Since 2006, the Company has been operating as a corporate logistics service provider in the fields of Türkiye logistics services, port logistics services, warehousing logistics services and partial freight transportation with deadlines. The Company provides services from one point to one point or from one point to every city in Türkiye with distribution on the determined route. It also carries out container transportation operations by providing liaison and coordination with customs companies for import and export purposes to the ports of Türkiye. Cengizhan Lojistik is based in Denizli and has branches in İstanbul, İzmir, Kocaeli, Bursa, Antalya and Aydın.

According to the audit report, as of FY2023, the Company employed an average of 174 personnel (FY2022: 233). The Company's current shares belong to Veli Cengiz at 50%, and Kemal Cengiz at 50%.

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

Strengths

- Revenue growth in FY2023, driven by investments to increase capacity, was maintained in the FY2024 corporate tax return,
- Maintained reasonable leverage and coverage metrics over the analyzed periods, despite the increase in external borrowing in FY2023,
- Satisfactory operational profitability margins thanks to cost control over the analyzed periods,
- Fixed assets structure strengthened with the large-scale vehicle fleet investment as of FYE2023,
- Asset quality strengthened by low level of doubtful receivables as of FYE2023,
- Long-lasting presence and deep experience in the sector.

Constraints

- Concentrated customer base may adversely impact financial stability in case of client loss,
- Possible negative impact on transportation activities profitability due to fluctuations in fuel prices,
- Severe competition environment due to highly fragmented structure of the market,
- Improvement needs regarding corporate governance compliance policies,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as 'BBB+ (tr)'. The Company's sales revenues thanks to investments increase capacity, level of indebtedness and leverage ratios, equity structure, liquidity metrics, along with ongoing uncertainties arisen from geopolitical tensions as well as global interest rate hiking cycle 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 assigned as 'Stable'. The Company's profitability performance, borrowing structure, equity level and leverage metrics 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 frame about the sector will be monitored as well.