DİNÇER LOJİSTİK A.Ş.

Corporate Credit Rating

☐ New ☒ Update

Sector: Logistics
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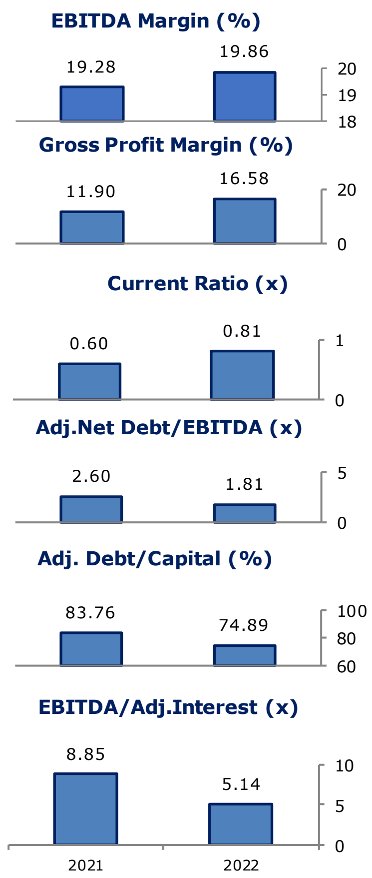
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**BBB+ (tr)**	**J2 (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific 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*



JCR Eurasia Rating has evaluated **"Dinçer Lojistik A.Ş."** in the good investment level category and affirmed the Long-Term National Issuer Credit Rating at **'BBB+ (tr)'** and the Short-Term National Issuer Credit Rating at **'J2 (tr)'** with **'Stable'** outlooks. The Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were also determined as **'BB/Negative'** as parallel to international ratings and outlooks of the Republic of Türkiye.

Dinçer Lojistik A.Ş. (hereinafter referred to as **"Dinçer Lojistik"** or **"the Company"**) was founded on August 5, 2003, in İstanbul, by Mustafa Dinçer. Dinçer Lojistik started its activities in the food logistics sector, however, the Company specialized in transporting chemical and hazardous chemical products afterwards. Currently, the Company provides logistics, warehouse and value-added services (product and powder packing, co-packing, mixed cases and stand production and etc) to various sectors ranging from chemicals to automotive sectors.

Furthermore, in 2015, Dinçer Lojistik started operating in retail logistics and became the sole warehouse service provider of Getir Perakende Lojistik A.Ş. (hereinafter referred to as "Getir"), Türkiye's one of the most successful start-up company that offers on-demand delivery services for grocery items and a courier service for restaurant food deliveries. Dinçer Lojistik, which has grown rapidly in recent years as a result of its cooperation with Getir, has expanded abroad with Getir and currently operates in 8 countries in Europe.

As of reporting date, 100% of the shares of the Company, which has 35 warehouses and nearly 460 vehicles, are owned by Mustafa Dinçer. As of FYE2022, the number of employees in the Company was 1,577 (FYE2021: 1,056).

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

Strengths	Constraints
• Robust increase in revenue in FY2022, expected to continue in FY2023, • Improvement in Net Debt to EBITDA multiplier due to solid EBITDA generation capacity, • Expected contribution of the investments abroad and related incentive mechanism, • Strong cash flow metrics from operating activities in FY2022, • Low level of impaired receivables through a well-known customer base supporting asset quality, • Asset light business model providing resilience and flexible customer portfolio • Over 20 years of experience in the sector and a successful track record.	• High level of external debt and NWC deficit due to the business model, • Limited equity level relative to asset growth despite paid-in capital increase in FY2023 through internal equity generation, • Concentration risk in revenue, • Intense competition in the market due to the highly fragmented sectoral structure, • Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at **'BBB+ (tr)'**. The Company's sales performance, abroad operations' contribution, healthy cash flow metrics, satisfactory collection capacity and business model as well as the high level of financial leverage metrics, competitiveness in the sector and risks in the markets and the business environment 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 attainability of the budgeted projections, indebtedness indicators, cash flow metrics, profitability margins and sustainability of demand in the market will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators in national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.