

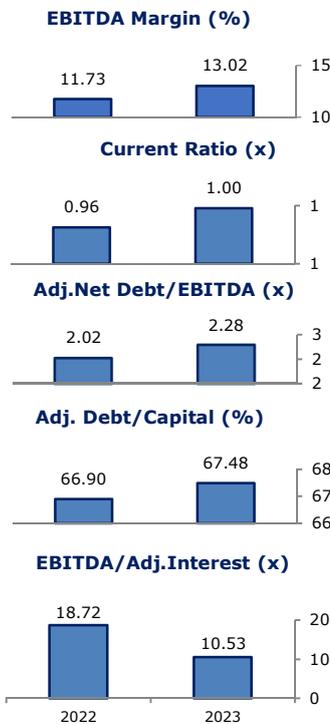
Corporate Credit Rating

New Update

Sector: Transportation
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB+	-
	International FC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BB+	-
	International LC ICR Outlooks	Stable	-
	National ISR	-	-
Sovereign *	International FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Revised by JCR on May 10, 2024



NETLOG LOJİSTİK HİZMETLERİ A.Ş.

JCR Eurasia Rating has evaluated "Netlog Lojistik Hizmetleri A.Ş." in the investment level category with high credit quality and revised the Long-Term National Issuer Credit Rating to 'A+ (tr)' from 'A (tr)' and Short-Term National Issuer Credit Rating to 'J1+ (tr)' from 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Ratings have been determined as 'BB+' with 'Stable' outlooks.

Netlog Lojistik Hizmetleri A.Ş. (hereinafter referred to as 'Netlog Lojistik', 'the Company' or 'the Group') is a significant Türkiye based logistics group with roots dating back to 1981. The Group adopted its current name in 2005 from the parent company of the Group which is a full-scale integrated logistics service provider with a dominant market position in Türkiye and expanding presence in Europe. The Group operates in a wide range of sectors, such as food and beverages, fashion & fashion merchandising, automotive and industrial goods, consumer electronics, and provides integrated logistics, worldwide freight, procurement and leasing services. The Group encompasses a major position within the European textile/retail logistics division through Bleckmann, holding its 76,31% shares, and is one of the pioneers within the temperature-controlled logistics.

Şahap ÇAK is the Chairman/CEO of the Group and ÇAK Family continues to be the controlling shareholder with 76.97% shares, whilst Turk Logistics B.V. holds the remaining 23.03% shares. The Group is headquartered in Esenyurt, İstanbul and operates with more than 4,000 own-vehicles, 110 storage units and 15,000 employees from 29 different nationalities.

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

Strengths

- Sustainable sales revenue stream braced by consolidated operations and consistent EBITDA generation capacity with steady profitability metrics in the reviewed period,
- Solid cash flow metrics in the analyzed period,
- Prospering financial leverage metrics proven by adjusted net debt to EBITDA multiplier in FYE2023,
- Successful level of coverage ratios despite decrease in FYE2023,
- Low collection risk supporting assets,
- Strengthening equity structure supported by internal equity generation and paid-in capital increase in 2023 despite noteworthy contribution of non-cash revaluation gains,
- Having well-known customer portfolio thanks to strong operational capabilities and long track record.

Constraints

- Despite improvement, negative net working capital in the last two-years as a result of business dynamics,
- Increasing financing expenses suppressing bottom-line results,
- Sector wide issue of volatility in fuel prices might effect profitability,
- 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 such as increasing sales revenue, upward trend in EBITDA generation capacity, robust cash flow metrics, improvement in net debt to EBITDA ratio, improving equity and successful track record, the Company's the Long-Term National Issuer Credit Rating has been revised to 'A+ (tr)' from 'A (tr)'. The Company's asset quality, growth performance, market position, sectoral developments and risk factors in the markets 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, tight economic conditions and Türkiye's economy and its effects on the Company's activities 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 be monitored as well.