

Corporate Credit Rating

New Update

Sector: Fleet Leasing

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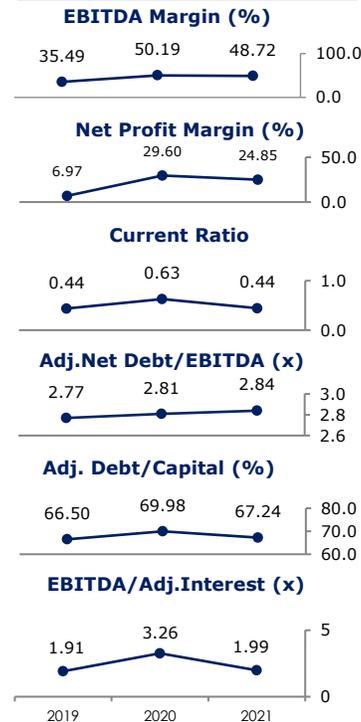
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R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB-(tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific 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



Osmanli Filo Yönetimi Araç Kiralama ve Alım Satım Gıda Sanayi ve Ticaret Anonim Şirketi

JCR Eurasia Rating, has evaluated "Osmanli Filo Yönetimi Araç Kiralama ve Alım Satım Gıda Sanayi ve Ticaret Anonim Şirketi" in the investment-level category and assigned the Long-Term National Issuer Credit Rating at 'BBB-(tr)' and the Short-Term National Issuer Credit Rating at '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' as parallel to international ratings and outlooks of Republic of Türkiye.

Osmanli Filo Yönetimi Araç Kiralama ve Alım Satım Gıda Sanayi ve Ticaret Anonim Şirketi (Osmanli Filo or "the Company") was established on March, 08 2013 in İzmir. The Company mainly operates in the field of operational fleet leasing and used-car sales under the brand name "Osmanli Filo". The Company provides operational leasing services to approximately 300 companies at the corporate level, with nearly 1600 vehicles in its portfolio of passenger, commercial and light commercial vehicles. The Company is headquartered in İzmir/Bornova and employed 16 employees as of FYE2021 (FYE2020: 12). All of the shares of the Company, which has been a sole shareholder since its establishment, belong to Ali Osman Eç. He also carries out the Company's management, and there is no other member on the board of directors.

The group, which continues its activities under the roof of the Osmanli Group, also has other businesses under the titles Osmanli Dağıtım, Osmanli Gıda, and Osmanli Gayrimenkul. Osmanli Dağıtım carries out distribution and logistics operations to 20k sales points of many local and global brands, especially in the Aegean Region. Osmanli Gıda continues its franchise activities of nearly 20 cafes, bar, pub, and restaurant brands. Ottoman Gayrimenkul carries out residential and commercial construction activities.

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

Strengths

- Improvement in sales revenues in FYE2021 and satisfactory EBITDA generation capacity,
- Satisfactory profitability indicators despite the pressure of financing expenses,
- Asset structure, capable of converting into cash rapidly supported by operational lease assets,
- Steady demand outlook in the fleet leasing sector due to the willingness of companies to prefer leased vehicles,

Constraints

- Increasing working capital deficit and relatively weak liquidity indicators during the review period due to increased financial liabilities, particularly short-term debt,
- Significant increase in non-operating real estate investments and financial liabilities in 2022,
- Exposure to price fluctuations in the used-car market which plays a crucial role in profitability,
- Global chip shortage stands out as a potential risk ahead for the Company and industry,
- Further improvement needs in corporate governance practices,
- Global Recession and Geopolitical Risks Stemming from the Russia-Ukraine Tension Increasing Uncertainty and Monetary Tightening Across the Globe Deteriorating Growth Projections

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned as 'BBB-(tr)'. Growth in sales revenue, sustainable EBITDA generation capacity, uptrend in equity, and increase in financial debts along with ongoing uncertainties arising from geopolitical tensions as well as the 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 determined as 'Stable'. The Company's profitability performance, cash level and cash generation capacity together with the trends in the industry 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.