

Corporate Credit Rating

New Update

Sector: Logistic Support Services
Publishing Date: 27.02.2025

Team Leader

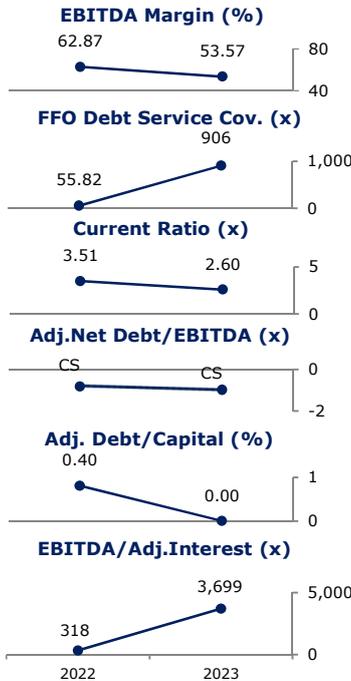
Cemil ERKÜRK
+90 212 352 56 73
cemil.erkurk@jcrer.com.tr

Assistant Analyst

Yusuf OKCU
+90 212 352 56 73
yusuf.okcu@jcrer.com.tr

R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Positive	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Positive	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency Local Currency	BB (Stable) BB (Stable)	-

* Assigned by JCR on May 10, 2024



TOBB UND LOJİSTİK YATIRIM ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated **'TOBB UND Lojistik Yatırım A.Ş.'** in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating as **'AA+ (tr)'** and the Short-Term National Issuer Credit Rating as **'J1+ (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign, Local Currency Issuer Credit Ratings, and outlooks have been assigned as **'BB/Positive'**.

TOBB UND Lojistik Yatırım A.Ş. (hereinafter referred to as **'the Company'**, or **'TOBB UND'**) was established on September 27, 2010 in Ankara. The Company's main operating field is logistic support services by providing collaterals to border crossing activities of customers who are engaged in international transport within the scope of common transit regime. In this regard, TOBB UND provides digital services for T1, T2 and TR declarations, Entry Summary Declaration (ENS) through NCTS Hub. Moreover, TOBB UND has implemented the first step of the Transit Facilitation Center (TFC) project in Edirne which allows customers to complete their transit declaration with the authorized sender's permission of TOBB UND at Hamzabeyli and Ipsala border crossings without spending time in transit at internal customs in 2022. Besides, the Company has Border Pass Card service to its customers for fuel purchases from POAŞ fuel stations without taxes and option of deferred payment in Kapıkule and Ipsala Border Gates.

The Company's paid in capital as of reporting date is TRY 67.50mn and ultimate shareholder is Türkiye Odalar ve Borsalar Birliği ('TOBB') with 57.50% share, which is followed by Uluslararası Nakliyeciler Derneği ('UND') with 40.00% share. Rest of the shares belong to three legal entities with equal portions. The Company is headquartered in Çankaya/Ankara and the Company has 75 personnel as of FYE2023 (FYE2022: 77 personnel).

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

Strengths

- Improvement in sales revenues as of 3Q2024 YoY according to the provisional tax return
- Sustained core profitability metrics along with EBITDA generation capacity in FY2023, despite moderate decline in margins
- Zero-sum bank loans along with solid cash and cash equivalents facilitating liquidity management
- Satisfactory equity level compared to asset size thanks to internal resource generation capability, along with enhanced paid-in capital through transfer of retained earnings, despite regular dividend payments
- High brand value thanks to its shareholder structure, and competent widespread service network
- Operational risks mitigating to some extent by common transit declaration insurance, and favourable cash conversion cycle offering to generate free operating cash flow
- Strategical location of Türkiye promises positive outlook for logistics sector

Constraints

- Improvement needs in compliance with corporate governance practices
- 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 affirmed as **'AA+ (tr)'**. The Company's revenue growth, EBITDA generation capability and favorable profit margins, high amount of cash stock against negligible financial debts, satisfactory cash generation capability along with cash cycle, satisfactory equity level supported by internal resource generation capacity, paid-in capital increase policy, strong shareholder structure along with widespread service network 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 revenue trend and profitability performance, declaration quantities, net cash position, liquidity metrics, equity progression, results of TFC (Transit Facilitation Center) investments to both operation and its financials, and impact of dividend payments to balance sheet leverage 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 framework about the sector will be monitored as well.