

Corporate Credit Rating

New Update

Sector: Roadway Passenger Transportation

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Senior Analyst

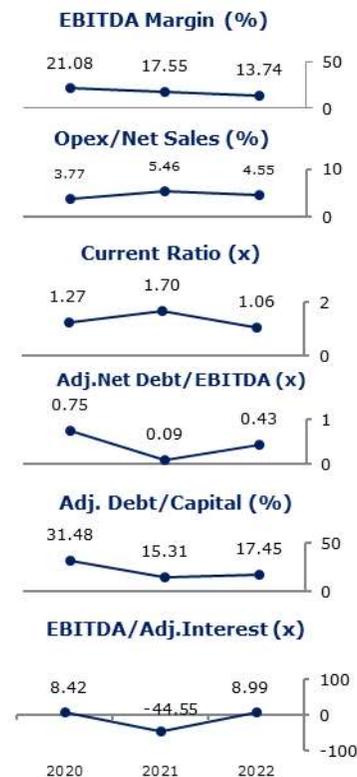
Nazim Candan

+90 212 352 56 73

nazim.candan@jcrer.com.tr

RATINGS		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	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

* Assigned by JCR on August 18, 2022



Tureks Turizm Taşımacılık A.Ş.

JCR Eurasia Rating has evaluated **Tureks Turizm Taşımacılık A.Ş.** in the investment level category and assigned 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 and Local Currency Issuer Credit Ratings and outlooks were assigned as '**BB/Negative**' in line with the sovereign ratings and outlooks of the Republic of Türkiye.

Tureks Turizm Taşımacılık A.Ş. (hereinafter referred to as "Turex Turizm" or "the Company") started its activities in 2002 and personnel transportation is the main field of activity of the Company. Turex Turizm mainly carries out personnel transportation operations by roadway of public and private companies. Additionally, the Company carries out the service organizations for municipalities and private companies such as providing funeral services, ambulance services, earth moving equipment, touristic services, and fleet leasing services with or without chauffeurs.

The Company is headquartered in İstanbul and the number of personnel as of 1H2023 is 1,302 (FYE2022: 1,248 personnel). The main shareholders of Turex Turizm are Kiler Holding A.Ş., Ersan Family, and Celal Kalkan. Turex Turizm was listed on Borsa Istanbul in 2021 with a ticker-name of "TUREX". As of 1H2023, 20.83% of the Company is publicly traded.

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

Strengths

- Improvement in profitability indicators in 1H2023 despite the cost volatility, thanks to ability to reflect increases to the customers to a certain extent while the subcontractors' contract prices are rigid
- Satisfactory level of net debt to EBITDA multiplier supported by low level of indebtedness
- Low level of sales concentration risk provided by diversified customer base through services of more than 200 customers in 37 cities
- Utilizing the low level of collection risk as a consequence of personnel transportation as one of the most essential operation for the customers
- Financially strong shareholders stand as a risk mitigating factor for its debt services which already remains at a satisfactory level as of reporting date and may provide a sheltered structure against possible funding needs
- Long lasting presence and deep experience in the sector

Constraints

- Although the majority of the operations carries out through subcontractors, potential increase in the indebtedness level due to renovation needs of its own fleet according to the contracts with customers in the following periods
- Operational risks arising from nature of roadway passenger transportation business
- 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 Ratings has been assigned as '**AA- (tr)**'. The Company's EBITDA generation capacity, deep experience in the industry, diversified client structure, financially strong shareholders, and global interest rate hiking cycle have been evaluated as important indicators for the stability of the ratings, and outlooks for Long and Short-Term National Issuer Credit Ratings are assigned as '**Stable**'. The Company's profitability performance, borrowing structure, equity level, and liquidity level 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.