

Corporate Credit Rating

New Update

Sector: Roadway Passenger Transportation

Publishing Date: 18.10.2024

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

* Assigned by JCR on May 10, 2024

Tureks Turizm Taşımacılık Anonim Şirketi

JCR Eurasia Rating, has evaluated the "Tureks Turizm Taşımacılık Anonim Şirketi" in the investment grade category with very high credit quality and revised the Long-Term National Issuer Credit Rating from 'AA- (tr)' to 'AA (tr)' and affirmed the Short-Term National Issuer Credit Rating at '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/Stable', as parallel to international ratings and outlooks of Republic of Türkiye.

Tureks Turizm Taşımacılık Anonim Şirketi (hereinafter referred by "the Company" or "Turex Turizm") was established in 2002. The main activity of the Company is personnel transportation. The Company operates this service by roadway for public and private companies. In addition, Turex Turizm also has operations in the rental of individual and fleet cars, earth moving equipments and caravans.

The Company is headquartered in İstanbul and the number of personnel as of 1H2024 is 1,312 (FYE2023: 1,289). The main shareholders of Turex Turizm are Kiler Holding A.Ş., Ersan Family, and Celal Kalkan. Turex Turizm was listed on Borsa İstanbul in 2021 with a ticker-name of "TUREX". As of 1H2024, 20.83% of the Company is publicly traded.

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

Strengths

- Maintaining revenue growth in FY2023 and 1H2024 along with satisfactory profit margins despite partially decline in 1H2024, thanks to the business model that allows the Company to reflect costs to its customers to a certain extent,
- Solid financial leverage and coverage ratios backed by low level of net debt figure,
- Exposing low level of concentration risk thanks to diversified customer base,
- Low level of collection risk as a result of personnel transportation as one of the most necessity operation for the customers,
- Being a subsidiary of Kiler Holding as risk mitigating factor may act as a buffer against possible funding needs,
- Long lasting presence and deep experience in the sector.

Constraints

- Potential pressure on profitability due to factors such as financing need that may arise for fleet renovation, having limited number of spare part suppliers and second-hand sales values of vehicles in the Company's fleet,
- Operational risks arising from nature of roadway passenger transportation business,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised to 'AA (tr)'. The Company's satisfactory profit margins, solid financial profile, diversified customer structure with low collection risk, strong shareholder base, long lasting sectoral experience as well as operational risks arising from nature of the business, global economic slowdown and ongoing uncertainties arisen from geopolitical tensions 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 sales growth, profitability margins, asset quality, leverage and coverage profile, equity structure, liquidity and cash flow metrics 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.

