

## Corporate Credit Rating

New  Update

**Sector:** Fleet Leasing

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
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 August 18, 2022

## Zeplin Turizm Taş. Yat. San. ve Tic. Ltd. Şti.

JCR Eurasia Rating has evaluated **Zeplin Turizm Taş. Yat. San. ve Tic. Ltd. Şti.** in the investment level category and revised the Long-Term National Issuer Credit Rating from '**BBB- (tr)**' to '**A- (tr)**' and the Short-Term National Issuer Credit Rating from '**J3 (tr)**' to '**J2 (tr)**' with '**Stable**' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were revised to '**BB-/Negative**' to '**BB/Negative**'.

**Zeplin Turizm Taş. Yat. San. ve Tic. Ltd. Şti.** (referred to as "the Company" or "Zeplin") operates in the fields of car rental services and headquartered in Antalya, Türkiye. The Company's has 47 branch office in İstanbul, İzmir, Ankara, Antalya, Kocaeli, Balıkesir, Manisa, Tekirdağ, Denizli, Muğla, Sakarya, Düzce, Eskişehir, and Burdur as well as 40 agencies in country wide as of reporting date. The Company, mainly focuses on daily car rental services. In addition to car rental services, the Company has also long-term leasing operations to corporate clients. Additionally, the Company closely monitors sectoral developments and chases the investment opportunity in the fields of "hourly car sharing" operations. As of FYE2023, the number of vehicles of the fleet is reached approximately 16,809 vehicles.

Hakan Sevim owns the total share of the Company as of reporting date. The Company has no subsidiary or affiliate as of reporting date.

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

### Strengths

- Robust growth in EBITDA generation capacity along with enlarging fleet size and inflated prices of second-hand cars during the review period
- Improving trend of net debt to EBITDA multiplier and interest coverage ratio
- Majority of the assets consist of second-hand cars, capable of converting into cash rapidly
- Low level of concentration and collection risk due to nature of business
- Possessing high number of rental offices provides diversification and efficiency in operations

### Constraints

- Need for improvement in the level of compliance with corporate governance practices and lack of disclosure in the audit report
- Increasing fleet renewal costs may create high external financing needs
- Potential volatility in second-hand car prices in the market may put pressure on profitability
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Ratings has been revised to '**A- (tr)**'. The Company's upward trend in revenue and EBITDA generation performance, profitability indicators, satisfactory level of financial leverage and liquidity ratios have been evaluated as important indicators for the stability of the ratings and outlooks for Long and Short-Term National Issuer Credit Ratings '**Stable**'. The Company's sales performance, return on investments, profit margins, 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.

