

## Corporate Credit Rating

New Update

**Sector:** Operational Fleet Leasing

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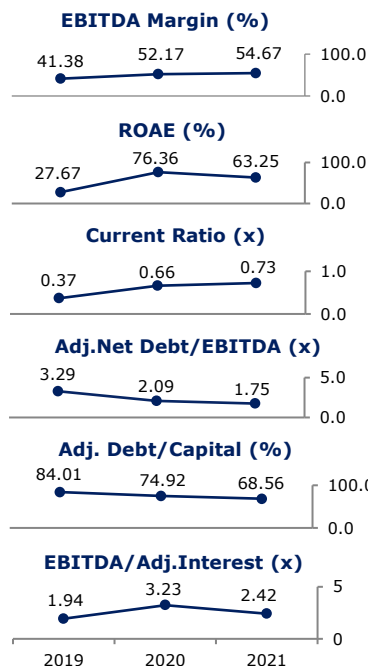
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Positive	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific 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



## LDR Turizm A.Ş.

JCR Eurasia Rating has evaluated "LDR Turizm A.Ş." in the high investment-grade category, assigned the Long-Term National Issuer Credit Rating as 'A (tr)' with 'Positive' outlook and assigned the Short-Term National Issuer Credit Rating as 'J1 (tr)' with 'Stable' outlook. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as 'BB / Negative' as parallel to international ratings and outlooks of Republic of Turkey.

"LDR Turizm A.Ş." (hereinafter referred to as 'Lider Filo' or 'the Company') was established on August 10, 2010 under the name of "LDR Turizm Dış Ticaret LTD. ŞTİ" before changing its title to "LDR Turizm A.Ş." on December 20, 2012. The Company mainly operates in the field of operational fleet leasing and second-hand car sales under the brand name 'Lider Filo'. While the brand name 'Lider Filo' had been registered by the Turkish Patent Institute in the name of the Company's main shareholder Metin Barokas, it was transferred to the Company on August 19, 2021 with a trademark transfer agreement.

70.45% of the Company shares are owned by Metin Barokas and 29.55% of the Company shares are publicly traded on the Borsa Istanbul (BIST STAR) under the symbol "LIDER" since 04.04.2022. As of 1H2022, total paid in capital of the Company is TRY 66mn and authorized capital is TRY 265mn. The Company's headquarter is located in Sarıyer, İstanbul, Turkey and the Company employed a staff force of 42 (FYE2021: 39) as of 1H2022. As of 1H2022, the number of vehicles of the Company is 4,049 and the number of boats is 1 (FYE2021: 3,843 vehicles and 1 boat).

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

### Strengths

- Maintaining of EBITDA generation capacity and profitability indicators underpinned by sound operational performance,
- Sustainable improvement in financial leverage metrics though increase in debt level,
- Low level of collection risk supported by diversified client portfolio,
- Multiyear contracts providing predictability in operational performance,
- Asset structure, capable of converting into cash rapidly supported by operational lease assets,
- Enhanced practice of corporate governance principles thanks to public offering process,
- Steady demand outlook in fleet leasing sector due to willingness of companies to prefer leased vehicles.

### Constraints

- Limited market influence together with decrease in the share of fleet leasing revenue,
- External funding needs due to business model of the sector,
- Exposure to fluctuations in used-car prices in the market,
- Possible fluctuations in demand due to sector-specific regulations and high correlation with macroeconomic dynamics,
- Uncertainties for the Company and industry due to ongoing global chip shortage and geopolitical risks.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as 'A (tr)'. The Company's sales and EBITDA performance, diversified customer structure, profitability indicators, experienced management team together with successful track record in the sector have been evaluated as important indicators for the stability of the ratings and the outlook for the Short-Term National Issuer Credit Rating is determined as 'Stable'. Considering the Company's equity base strengthened by the fund inflow through the public offering process held on March 29-30, 2022, the outlook for the Long-Term National Issuer Credit Rating is determined as 'Positive'. The Company's financial structure, attainability of the Company's budgeted projections, efficiency of investments, the possible impacts of the Russia-Ukraine War on the global and Turkey's economy and its effects on the Company's activities will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators in national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.