

LDR Turizm

Rental and Leasing Activities

OUTSTANDING RESULTS ARE PRICED IN

Company Background

LDR Turizm A.S. provides long-term car rental services since 2010. It also sells used cars as well as offers professional and roadside assistance, backup vehicles, maintenance, repair, and insurance services. LIDER's head office is located in Istanbul, Turkey.

Recent Performance

After its poor performance in FY21-22, LIDER delivered an impressive performance for 4 consecutive quarters. 3Q revenue growth more than doubled, beating inflation, while the key margins consolidated on higher levels.

Debt-to-Assets ratio is at its lowest level (~27%), while negative Net Debt (Net Debt/EBITDA of -0.5x) and high liquidity ratios indicate strong financial condition.

- **Revenue** in 3Q23 totaled to TRY 367.8mn, strong 119.8% growth on a y/y basis.
- **EBITDA Margin** reached its all-time high of 69.6%, +0.9pp y/y. EBITDA demonstrates sustainable and continuous strengthening.
- **Net Profit**, backed by TRY 94.8mn of deferred tax income, reached TRY 356.6mn, 262.9% y/y growth. **Net Margin** of 96.9%.

Relative Valuation

LIDER's EV/EBITDA and P/E multiples of 11.14x and 9.80x are relatively expensive for the domestic (9.15x and 8.88x) and international markets (10.30x and 9.61).

Despite LIDER's expensive multiples, current figures are below their all-time averages (see supplementary materials): EV/EBITDA – 11.71x, P/E – 12.18x. A positive dynamic in shorter period 1Y Average multiples is spotted (13.98x and 13.25x).

Summary

Overall, we believe that LIDER's current valuation is derived from its recent outperformance. Moreover, LIDER's shares might experience further growth in the short term, fueled by the market's positive sentiment regarding the upcoming 4Q results.

However, we believe that the ability to maintain the current pace of revenue growth and existing margins is limited as well as the potential upside in real terms. It is reasonable to expect that LIDER's stock price growth will slow down, reverting multiples to industry medians as soon as the company will show signs of slow down.

Trive Research

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LIDER 16/01/2024

LDR Turizm	
Mcap (USD mn)	320
Mcap (TRY mn)	9,603
Share Price (TRY)	58.20
Avg. DT Vol. (TRY mn)	74
EV (TRY mn)	9,187
Free float	31%
Latest Report	2023/09
Weekly Return	6.01
Monthly Return	20.00
YY Return	63.59

Highlights	2022	TTM
Revenue, TRY mn	713	1,199
Revenue growth	50%	115%
EBITDA growth	81%	133%
Net Profit growth	258%	227%
EBITDA Margin	66%	69%
Net Profit Margin	70%	82%
ROA	36%	49%
ROE	80%	90%

Debt (TRY mn)	2022	2023/09
Total Debt	662	774
Cash & Equivalents	468	1,190
Net Debt	194	-416
Net Debt / EBITDA	0.41	-0.50

Valuation Multiples	2022	TTM
EV/Sales	8.91	7.66
EV/EBITDA	13.50	11.14
P/S	8.63	8.01
P/B	6.92	5.47
P/E	12.27	9.80

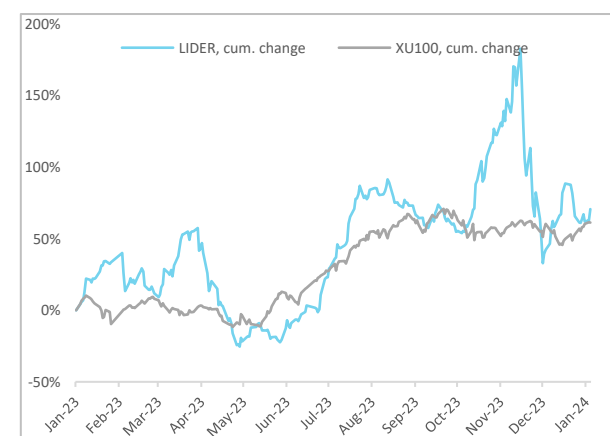
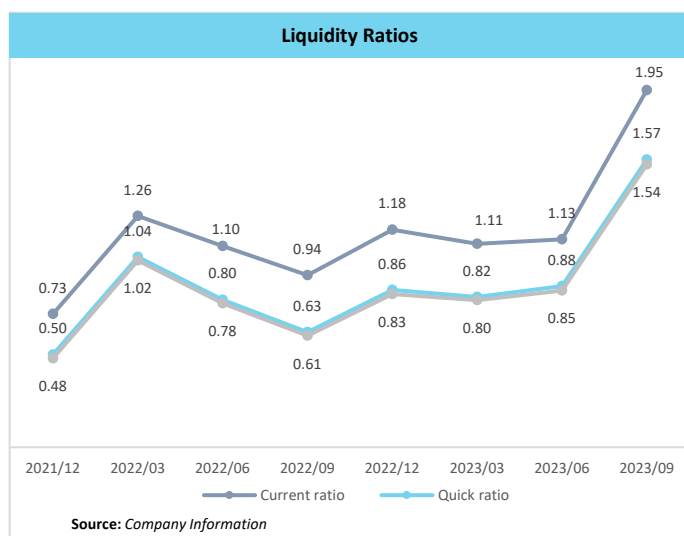
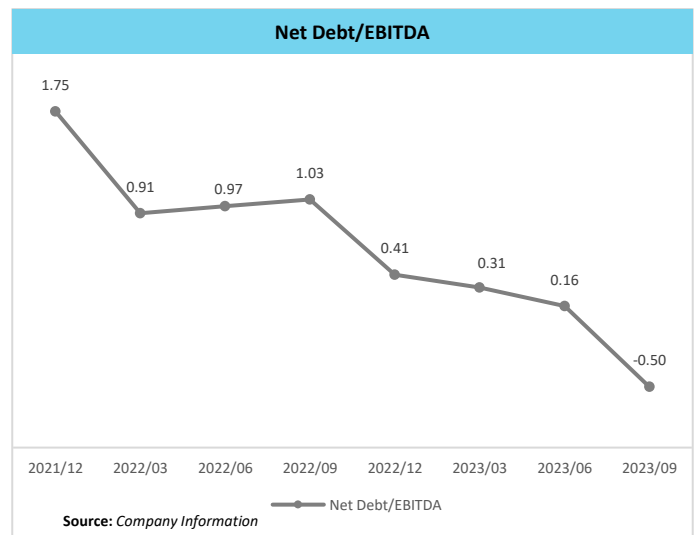
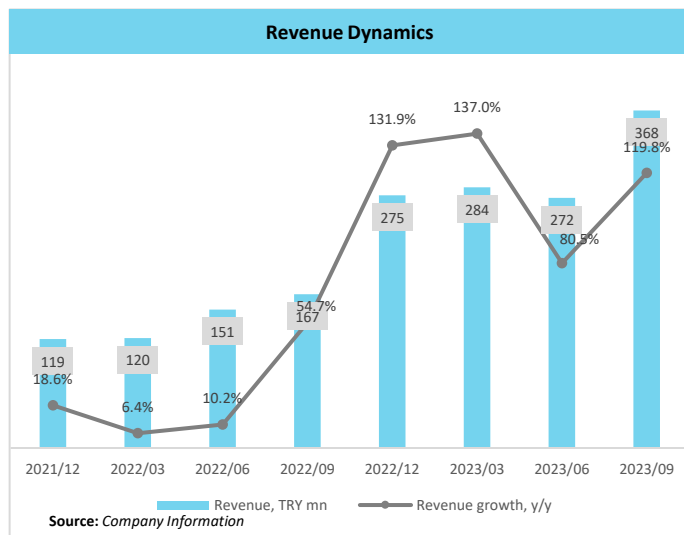
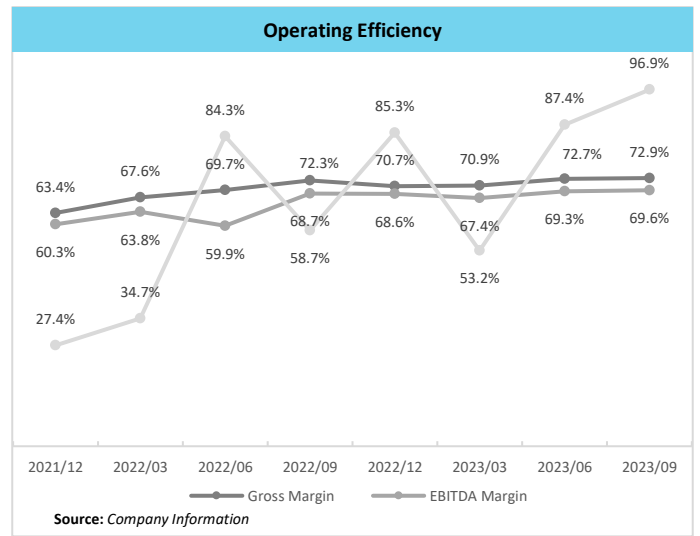
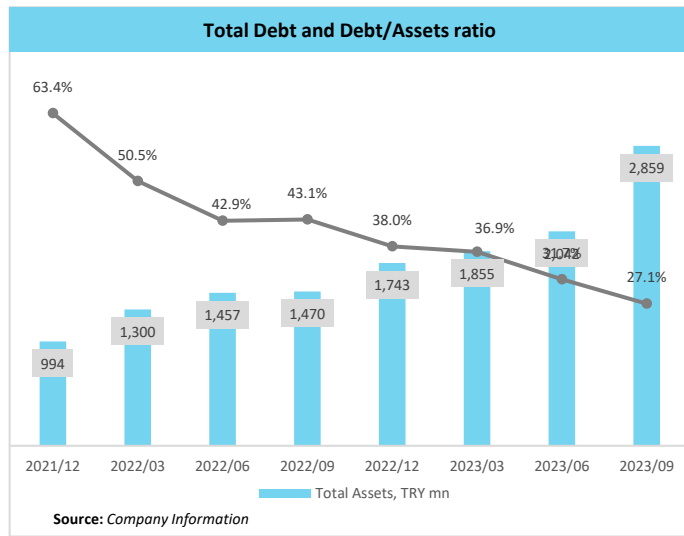


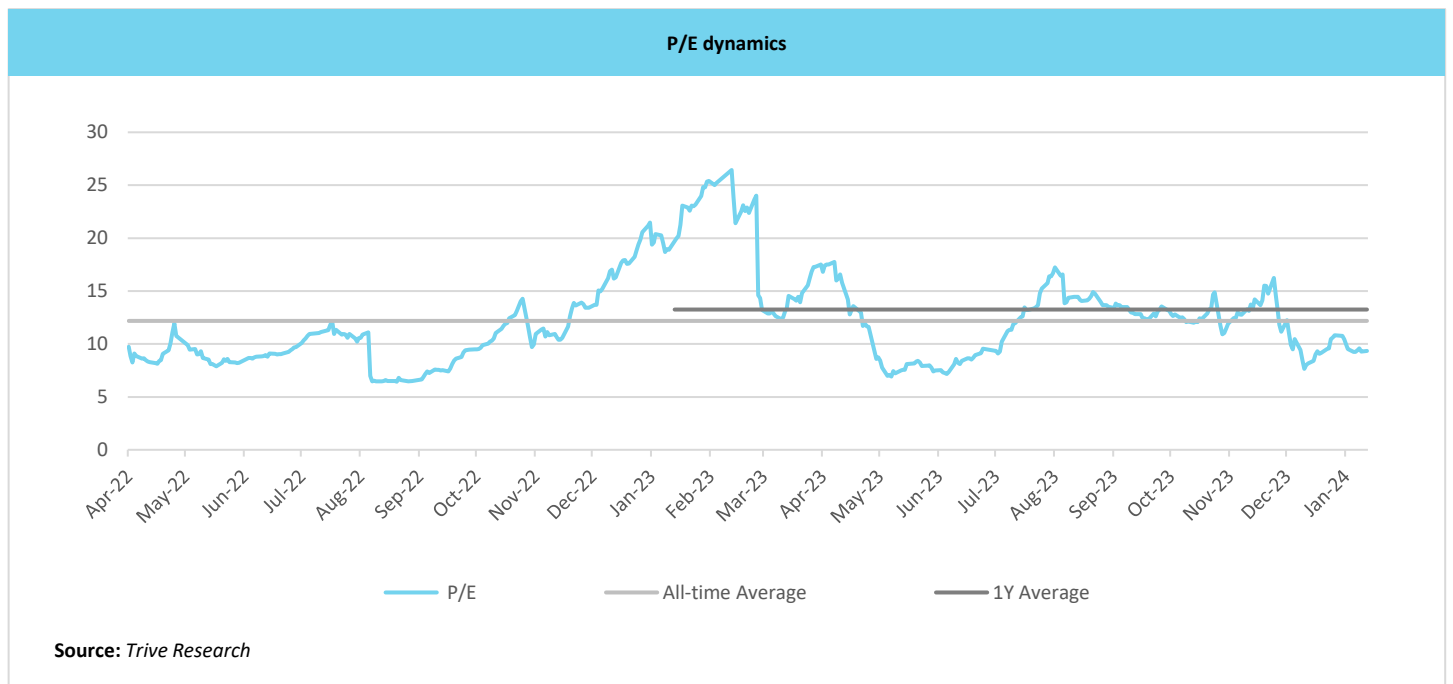
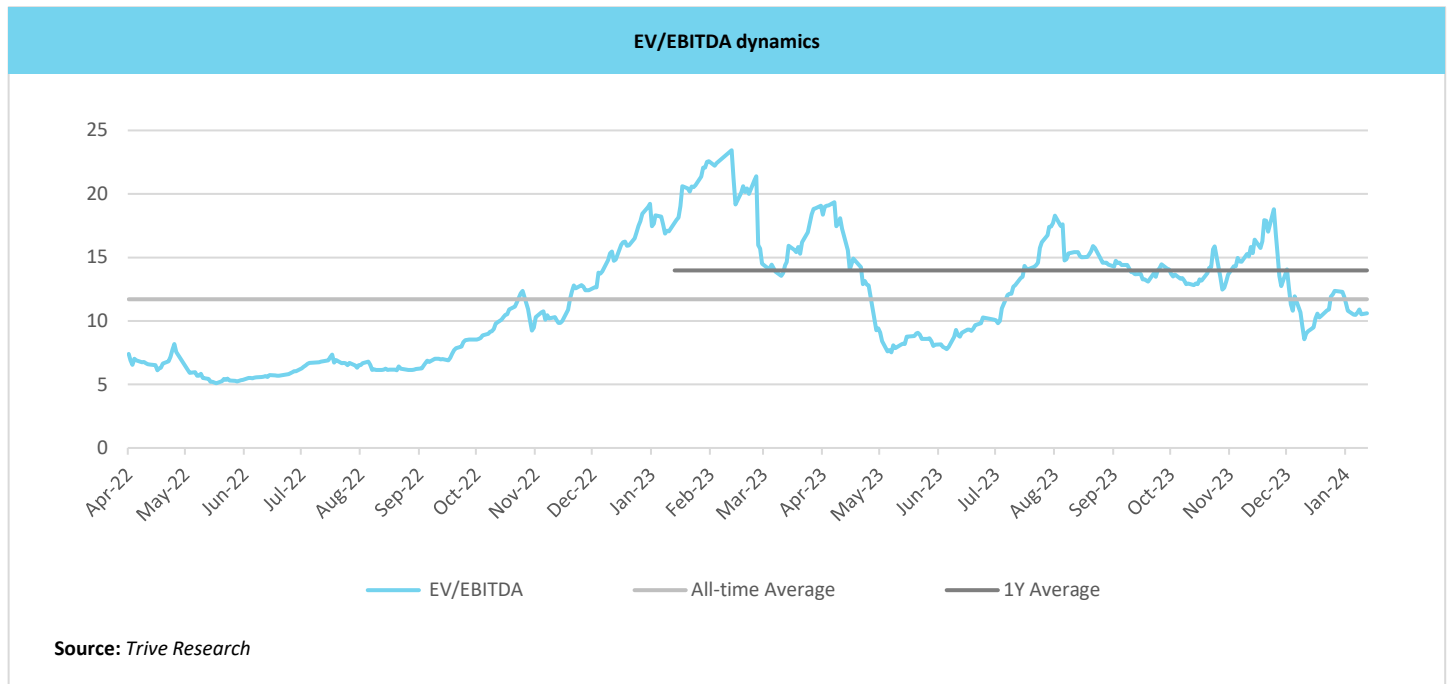
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A. Performance Graphs



B. Historical Valuation Multiples

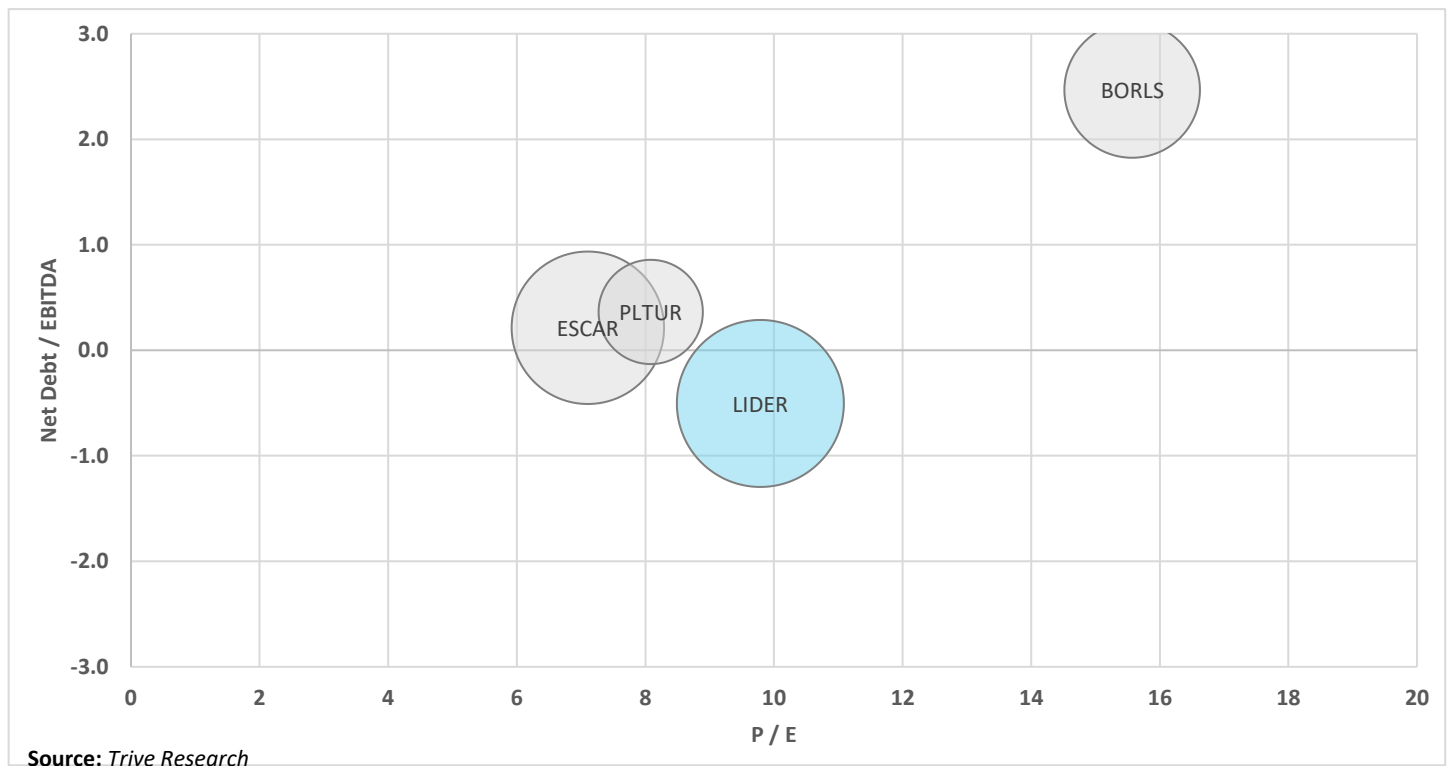
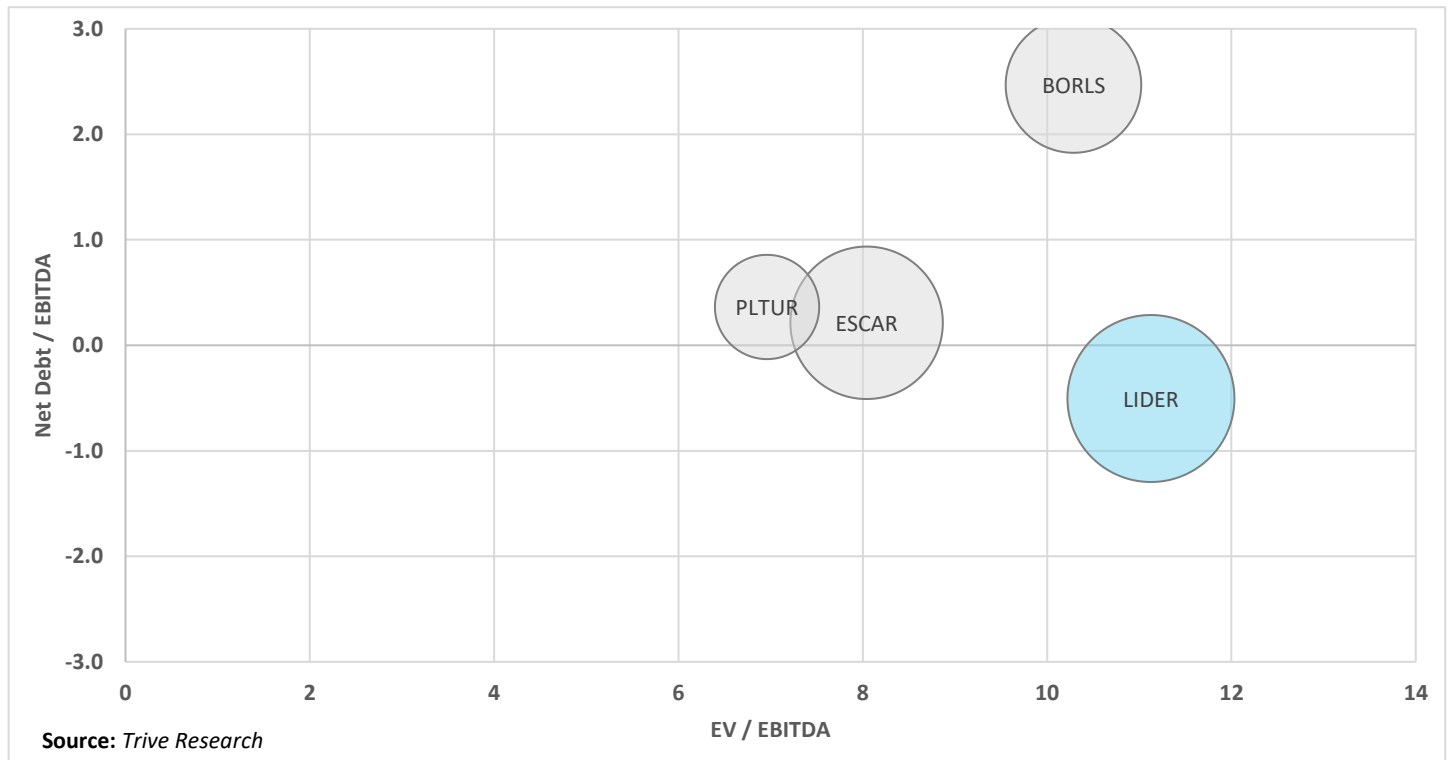


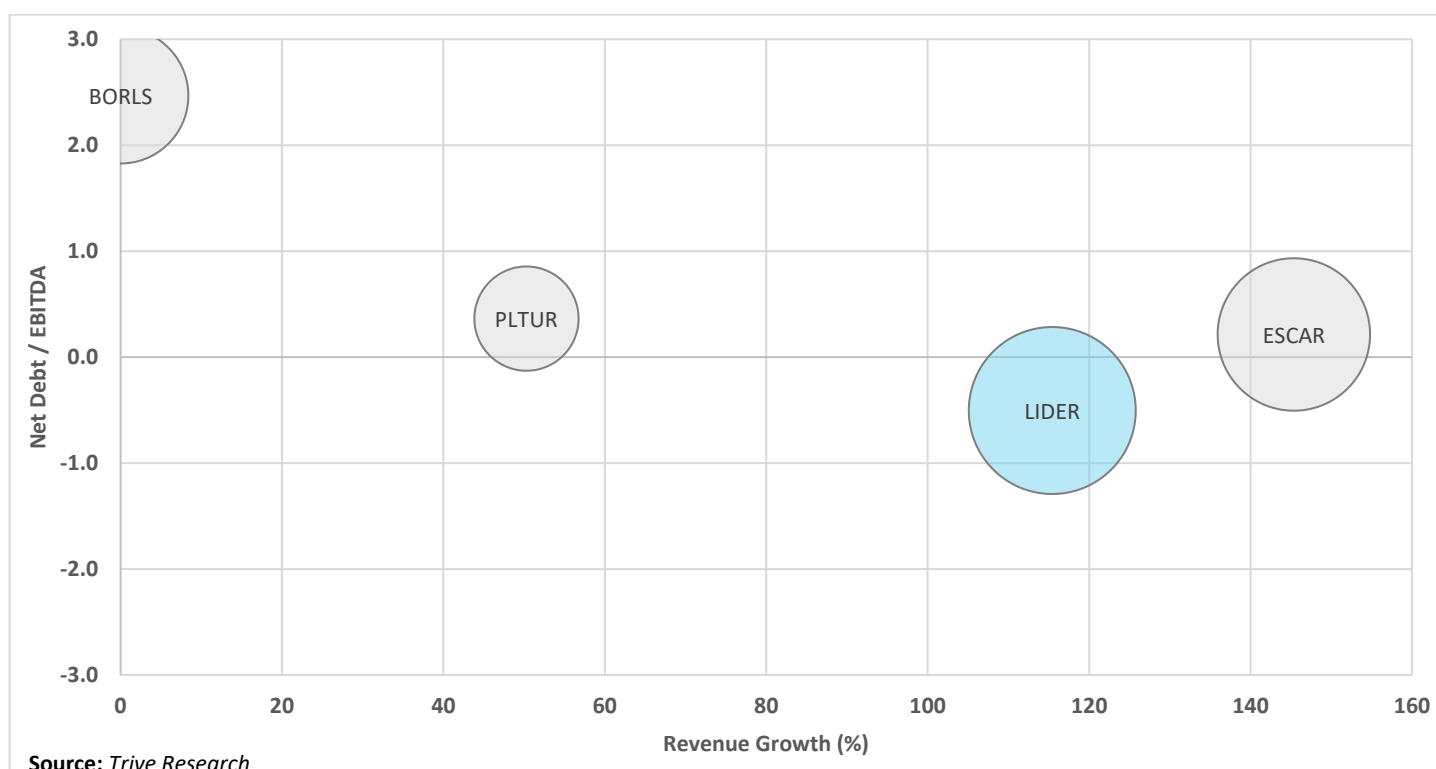
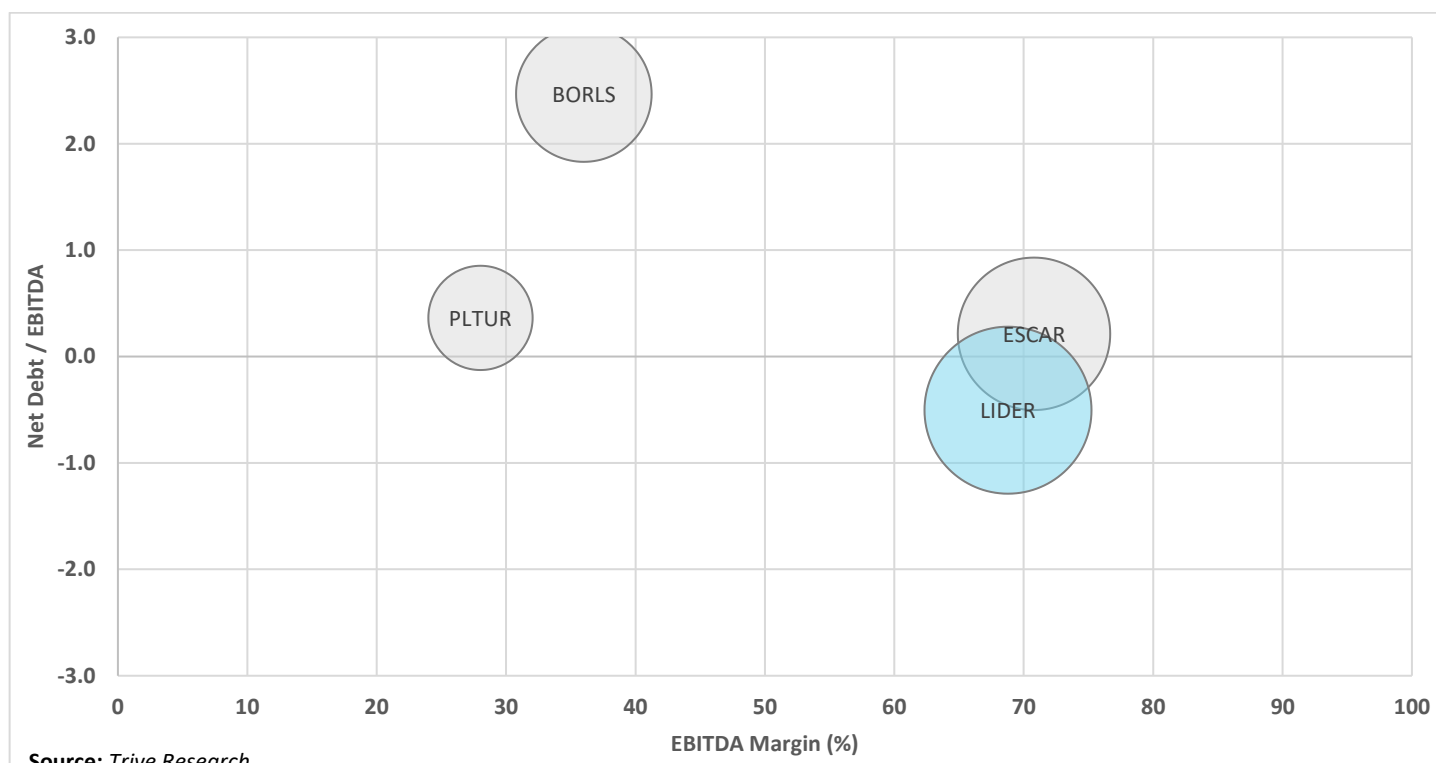
C. Relative Valuation

Company	Ticker	Country	Market Cap. (USD mn.)	EV / Revenue	EV / EBITDA	P/B	P/S	P/E	EBITDA Margin (%)	Net Margin (%)	Net Debt / EBITDA	Revenue Growth (%)	ROA (%)	ROE (%)
Foreign Median				2.96	10.30	1.40	0.96	9.61	45.25	9.97	6.40	23.42	2.81	14.10
Domestic Median				4.70	9.16	4.79	4.18	8.94	52.39	50.44	0.29	115.44	27.88	89.08
Rental and Leasing Sector Median				3.46	9.16	2.21	2.33	9.28	45.25	18.47	2.71	32.25	12.26	25.21
International														
ALD SA	ALD:FR	France	5,180	2.70	6.01	0.43	0.37	4.16	44.85	9.02	5.17	28.42	2.67	14.893
ELEMENT FLEET MANAGEMENT	EFN:CAT	Canada	6,519	7.92	14.59	2.22	3.63	20.29	54.28	18.87	7.62	32.25	2.87	11.385
SG FLEET GROUP LTD	SGF:AU	Australia	520	3.22	16.76	1.37	1.11	10.45	19.23	10.62	19.74	-19.63	2.76	13.305
SIXT SE	SIX2:DEX	Germany	3,109	1.86	4.07	1.42	0.82	8.77	45.64	9.33	2.96	18.42	5.42	16.634
Domestic														
Escar Filo	ESCAR	Turkey	267	5.69	8.04	4.11	5.54	7.10	70.79	78.00	0.21	145.37	34.76	88.53
LDR Turizm	LIDER	Turkey	319	7.65	11.13	5.47	8.00	9.79	68.78	81.73	-0.50	115.44	49.17	89.62
Platform Turizm	PLTUR	Turkey	126	1.95	6.96	2.21	1.85	8.08	28.02	22.87	0.36	50.29	19.10	33.79
Borlease Otomotiv	BORLS	Turkey	211	3.70	10.29	7.25	2.82	15.57	36.01	18.08	2.47	0.00	21.01	94.99

Source: Trive Research

D. Market Mapping (Bubble Charts)





E. Financial Summary

	2021/12	2022/03	2022/06	2022/09	2022/12	2023/03	2023/06	2023/09
Quarterly Operations (TRY mn)								
Revenue	119	120	151	167	275	284	272	368
Gross Profit	75	81	105	121	194	201	198	268
EBITDA	72	76	90	115	189	192	189	256
Core Oper. Profit	72	76	90	115	189	191	189	256
Operating Profit	70	77	93	114	185	195	188	250
Net Profit	33	42	127	98	235	151	238	357
Quarterly Margins								
Gross Margin	63.4%	67.6%	69.7%	72.3%	70.7%	70.9%	72.7%	72.9%
EBITDA Margin	60.3%	63.8%	59.9%	68.7%	68.6%	67.4%	69.3%	69.6%
Core Oper. Margin	60.3%	63.7%	59.9%	68.6%	68.5%	67.4%	69.2%	69.6%
Operating Margin	59.2%	64.1%	61.3%	68.1%	67.3%	68.7%	68.9%	68.1%
Net Margin	27.4%	34.7%	84.3%	58.7%	85.3%	53.2%	87.4%	96.9%
Quarterly Growth, Q/Q								
Revenue	9.7%	1.0%	25.9%	10.9%	64.5%	3.2%	-4.1%	35.0%
Gross Profit	18.2%	7.7%	29.7%	15.0%	60.8%	3.5%	-1.6%	35.4%
EBITDA	17.5%	6.7%	18.4%	27.1%	64.2%	1.5%	-1.5%	35.7%
Core Oper. Profit	17.6%	6.6%	18.4%	27.1%	64.3%	1.5%	-1.5%	35.7%
Operating Profit	16.7%	9.2%	20.5%	23.2%	62.4%	5.4%	-3.8%	33.4%
Net Profit	-13.6%	27.8%	205.7%	-22.8%	138.8%	-35.6%	57.4%	49.8%
Quarterly Growth, Y/Y								
Revenue	18.6%	6.4%	10.2%	54.7%	131.9%	137.0%	80.5%	119.8%
Gross Profit	30.2%	27.0%	52.1%	89.9%	158.4%	148.3%	88.4%	121.8%
EBITDA	30.2%	23.0%	37.6%	88.6%	163.5%	150.7%	108.7%	122.7%
Core Oper. Profit	30.3%	23.1%	37.4%	88.6%	163.5%	150.8%	108.7%	122.8%
Operating Profit	28.2%	27.8%	38.5%	89.3%	163.5%	154.1%	102.9%	119.6%
Net Profit	4.5%	14.2%	278.3%	160.7%	620.7%	263.3%	87.1%	262.9%
TTM Operations (TRY mn)								
Revenue	476	484	498	557	713	877	999	1,199
Gross Profit	272	289	325	382	502	622	715	862
EBITDA	260	275	299	353	470	586	684	825
Core Oper. Profit	260	275	299	353	470	585	683	824
Operating Profit	257	274	300	354	468	587	682	818
Net Profit	140	145	239	300	502	611	722	980
TTM Margins								
Gross Margin	57.1%	59.8%	65.3%	68.7%	70.3%	70.9%	71.6%	71.9%
EBITDA Margin	54.7%	56.8%	60.2%	63.5%	66.0%	66.7%	68.5%	68.8%
Core Oper. Margin	54.6%	56.8%	60.1%	63.4%	65.9%	66.7%	68.4%	68.7%
Operating Margin	54.0%	56.7%	60.2%	63.5%	65.7%	66.9%	68.3%	68.2%
Net Profit Margin	29.5%	30.1%	48.0%	53.8%	70.3%	69.7%	72.3%	81.7%
TTM Growth, Y/Y								
Revenue	30.0%	0.0%	0.0%	21.6%	49.7%	81.4%	100.8%	115.4%
Gross Profit	36.3%	▲ #DIV/0!	▲ #DIV/0!	50.3%	84.5%	115.1%	119.8%	125.4%
EBITDA	36.2%	▲ #DIV/0!	▲ #DIV/0!	44.9%	80.7%	113.2%	128.4%	133.4%
Core Oper. Profit	36.3%	▲ #DIV/0!	▲ #DIV/0!	44.9%	80.7%	113.2%	128.5%	133.5%
Operating Profit	-27.2%	-22.5%	-15.2%	0.0%	32.5%	66.0%	92.9%	131.4%
Net Profit	63.5%	▲ #DIV/0!	▲ #DIV/0!	115.7%	257.6%	320.2%	202.0%	227.2%
Indebtedness								
Total Debt	630	656	625	634	662	685	648	774
ST Debt / Total Debt	53.6%	56.5%	58.5%	66.7%	75.4%	79.1%	84.5%	87.8%
LT Debt / Total Debt	46.4%	43.5%	41.5%	33.3%	24.6%	20.9%	15.5%	12.2%
Total Assets	994	1,300	1,457	1,470	1,743	1,855	2,042	2,859
Total Debt / Total Assets	63.4%	50.5%	42.9%	43.1%	38.0%	36.9%	31.7%	27.1%
Cash & Cash Equivalents	175	405	334	271	468	504	541	1,190
Net Debt	455	251	291	363	194	181	107	-416
Net Debt / EBITDA	1.75	0.91	0.97	1.03	0.41	0.31	0.16	-0.50
Liquidity								
Current ratio	0.73	1.26	1.10	0.94	1.18	1.11	1.13	1.95
Quick ratio	0.50	1.04	0.80	0.63	0.86	0.82	0.88	1.57
Cash ratio	0.48	1.02	0.78	0.61	0.83	0.80	0.85	1.54

Source: Trive Research

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