



12 July 2023

Credit Rating

Long-term (National):

**(TR) A**

Outlook:

**Stable**

Short-term (National):

**(TR) A1**

Outlook:

**Stable**

Expiry Date:

12 July 2024

### Beyaz Filo Oto Kiralama A.Ş.

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## Beyaz Filo Oto Kiralama A.Ş.

### Rating Summary

Beyaz Filo Oto Kiralama A.Ş. ("Beyaz Filo" or "the Company") was incorporated as the merger of Flap A.Ş. ("Flap") which was established in 1993 and Beyaz Oto Kiralama, Turizm ve Sigortacılık A.Ş. ("Beyaz Oto"), established in 2004. In 2006, Flap Kongre ve Toplantı Hizmetleri A.Ş. was established to carry out congress organization activities and the parent company with ongoing fleet rental services changed its title to Beyaz Filo Oto Kiralama A.Ş.

The Company offered "Fleet Leasing" services until 2016, after which it focused its operations on new and second-hand vehicles, spare parts sales and providing authorized service. A Peugeot Dealer (Balıkesir Branch) was purchased at the end of 2015, and an Opel Dealer (Ankara Branch) was added in 2016. Starting from 2019, "Citroen" brand vehicles were opened for sale. In 2021, Beyaz Filo started to carry out "Renault-Dacia" brand new vehicle sales and after-sales services by purchasing 100% of Edirne Servis ve Otomotiv A.Ş. shares.

With its registered auction brand "Beyaz Sistem Müzayedede", the Company provides retail and/or auction sales of second-hand vehicles supplied from end consumers, intermediaries and fleet leasing companies.

The Company went public in 2012 and initially 9.73% of its shares began to be traded on the stock exchange. The rate of the outstanding shares as of the date of our report is 24.52%.

Following our comparative analysis of the sector and examination of financial/operational risks carried by the Company, as well as its domestic market position, Beyaz Filo's long term-rating of **(TR) A** and its short-term rating of **(TR) A1** is hereby reconfirmed.

Previous Rating (September 19, 2022):

Long-term: (TR) A

Short-term: (TR) A1

### Outlook

As of March 2023, the Company realized an average of 85% of its sales to fleet leasing companies, its target audience. Out of 98,222 units of Stellantis group brands (Peugeot, Citroen and Opel) sold throughout Turkey in 2022, Beyaz Filo's share was 6.7% with 6,552 units. Renault Group (Renault Dacia ) brands, which the Company started to carry out sales and after-sales services in May 2021, reached to a sales figure of 135,639 units nationwide, of which 2,885 (2.1%) were sold by Beyaz Filo. The auction sales of second-hand vehicles at the Company premises covering an area of 37,000 m<sup>2</sup> amounted to 1,528 units in 2022. In the first half of 2023, the

Company sold a total of 6,662 "new vehicles" consisting of 5 brands of which Beyaz Filo is the authorized dealer, increasing its sales by 22.0% compared to the same period of the previous year (2022/06: 5,459).

As of the end of 2022, sales of the Company increased by 102.6% compared to the previous year, reaching TL 3.0 billion. In the same period, gross profit increased by 115.7% to TL132.2 million (2021: TL 61.3 million), operating profit by 134.3% to TL 77.7 million (2021: 3TL 3.2 million), and the net profit by 131.9% to TL 88.2 million (2021: TL 38.1 million). According to the 1<sup>st</sup> quarter data of 2023<sup>1</sup>, TL 1.2 billion of sales revenue and TL 10.5 million TL net profit were generated.

Since the Company only provides domestic service, with purchases and sales in local currency, there is no FX risk reflected in the financial statements. However, since the products sold are imported, fluctuations in exchange rates have an indirect effect on demand.

In addition to all these factors, considering Beyaz Filo's shareholding structure, industry experience and moderate growth targets along with economic consequences of the extraordinary developments in the global money and capital markets, both the short and long-term outlook of the Company is determined as **"Stable"**.

<sup>1</sup> The Company's data for the 1st quarter of 2023 has not yet been subject to limited audit.

## Macroeconomic Outlook

**World:** The most current and previous global growth projections of international organizations such as the International Monetary Fund (IMF), the World Bank and the Organization for Economic Development and Cooperation (OECD) for 2023 and 2024 are given below:

Organization	Source	2023		2024	
		(Current)	(Previous)	(Current)	(Previous)
IMF	April 2023 World Economic Outlook Report (prev.: January 2023)	2.8% ↓	2.9%	3,0% ↓	3,1%
World Bank	April 2023 World Economic Prospects Report (prev.: January 2023)	2.0% ↑	1.7%	2.7% ↓	3.0%
OECD	June 2023 Interim Report (prev.: March 2023 Interim Report)	2.7% ↑	2.6%	2.9% ↔	2.9%

The April 2023 "Global Economic Outlook Report" published by the IMF, stated that the tentative signs at the beginning of 2023 that the world economy could make a "soft landing" receded due to persistently high inflation and the recent turmoils in the financial sector. The report, pointed out that despite the fact that the increase in interest rates by the central banks and the decrease in food and energy prices slightly decreased inflation, in many economies the high levels in core inflation alongside tight labor markets continued to be "sticky". In the report, it was stated that the side effects of the rapid increase in policy rates became evident, revealing the fragilities in the banking sector while the fear that the contagion could spread to the wider financial sector, including non-bank financial institutions took hold.

According to the international credit rating agency Fitch Ratings' March Global Economic Outlook Report, the 2023 growth forecast for the global economy was revised to 2.0% from the 1.4% forecasted in its December report.

The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1 percent in May on a seasonally adjusted basis, after increasing 0.4 percent in April, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 4.0 percent before seasonal adjustment.

In its June meeting, the FED kept its policy rate fixed in the range of 5-5.25 percent, the highest level in 16 years, in line with expectations.

According to the "third" forecast released by the US Bureau of Economic Analysis, real gross domestic product (GDP) increased by 2.6% in the last quarter of 2022 and 2.0% in the first quarter of 2023.

In the 2023 Spring Economic Expectations Report published by the European Commission, the inflation expectation for the Eurozone has been increased from 5.6% to 5.8% for 2023. In the report, it was predicted that the EU economy will grow by 1.0% in 2023, 1.7% in 2024, and the Eurozone economy by 1.1% in 2023 and 1.6% in 2024.

In September 2022, the European Central Bank (ECB) increased its rates by 75 basis points for the first time in its history, giving the signal that rate increases would continue in the upcoming meetings. In 2022, it increased its policy rate to a total of 2.5% after consecutive increases of four times in a row. In 2023, after increasing its policy rate by 50 basis points each in the first two meetings, the ECB increased the interest rate further by 25 basis points in May to a total of 3.75%. In June, the bank increased the overnight deposit rate to 3.50% in line with expectations, the highest level in more than 20 years. The refinancing rate was increased to 4% and the marginal funding rate to 4.25%. Thus, the bank continued its interest rate increase cycle in the 8th meeting as part of the fight against high inflation.

**Turkey:** The table below gives the last official growth forecasts of the IMF, OECD and World Bank for 2023-2024 for Turkey, which grew by 5.6% in 2022. The World Bank stated in its Global Economic Prospects report that the 2023 growth forecast for Turkey is 3.2%, 4.3% for 2025 and 4.1% for 2024. In the OECD Economic Outlook report, the GDP growth forecast for Turkey for 2023 was increased from 2.8% to 3.6% and decreased from 3.8% to 3.7% for 2024. In the IMF's Global Economic Outlook report for April, it has estimated that the Turkish economy will grow by 2.7% this year and 3.6% in 2024.

Organization	Source	2023		2024	
		(Current)	(Previous)	(Current)	(Previous)
IMF	January 2023 World Economic Outlook Report (prev October 2022)	3.0% ↔	3.0%	3.0% ↔	3.0%
World Bank	June 2023 Economic Update Report (prev.: January 2023)	3.2% ↑	2.7%	4.3% ↑	4.0%
OECD	June 2023 Interim Report (prev.: March 2023 Interim Report)	3.6% ↑	2.8%	3.7% ↓	3.8%

The Central Bank of Turkey (CBT) Money Market Board, after keeping the policy rate steady at 14% in the first 7 meetings of 2022, decided to reduce the policy rate by 100 basis points in each consecutive meeting in August and September. Stating the

importance to support financial conditions by maintaining the momentum achieved in industrial production and the upward trend in employment at a time when uncertainties and geopolitical risks for global growth are increasing, declared its decision to lower the funding rate to 12%. In the October and November meeting, the Board decided to further reduce its policy rate by 150 basis points in each meeting lowering it to 9%. Thus, the policy rate was reduced to single digits after 2 years. After lowering the policy rate by 50 basis points and bringing it down to 8.5% in its February 2023 meeting, the Board kept the policy rate constant in the following March, April and May meetings. After the appointment of a new governor In June, the CBT increased its policy rate by 650 basis points to 15%. Thus, interest rates were increased for the first time since March 2021.

Turkey's five-year credit default swap (CDS) premium dropped to 493 basis points in June 2023, reaching its lowest level since 2021. Turkey's CDS premium which briefly hiked from 494 to 700 after the recent elections, with the appointment of a new CBT governor, is continuing its decreasing trend.

Within the framework of the 2023 external financing program, 2.5 billion USD worth of treasury bonds with a maturity of 2030, were issued in April, with a coupon rate of 9.3%. With this bond issuance, a total of 7.5 billion dollars financing was obtained from international capital markets in 2023.

According to the results of the Foreign Trade Expectation Survey performed quarterly by the Ministry of Commerce, the Export Expectation Index for the 2<sup>nd</sup> quarter of 2023 increased by 9.3 points compared to the previous quarter, to 105.3. The Import Expectation Index, on the other hand, decreased by 23.8 points compared to the previous quarter to 102.3.

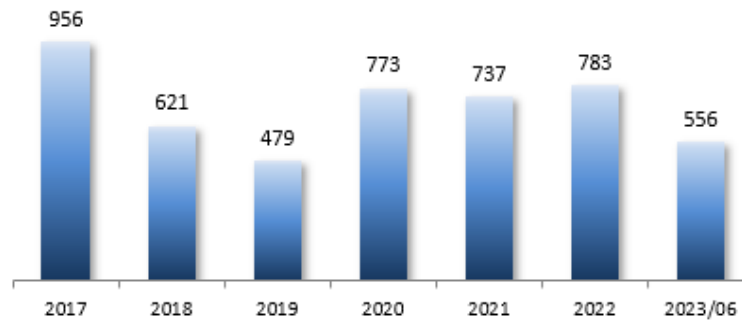
The main macroeconomic developments in Turkey as of our reporting date can be summarized as follows:

Indicator	Current Value	Previous Value	Summary
<b>Growth</b> (TUIK)	<u>2023-Q1</u> <b>4.0%</b>	<u>2022-Q4</u> <b>5.6%</b>	GDP with chain linked volume index increased by 4.0% compared with the same quarter of the previous year in the first quarter of 2023. When the activities which constitute gross domestic product were analyzed; the value added increased by 12.4% in services, 12.0% in professional, administrative and support service activities, 11.2% in financial and insurance, 8.1% in information and communication, 7.8% in other service activities, 5.1% in construction, 3.6% in public administration, education, human health and social work activities and 1.4% in real estate activities. Industry sector and agriculture, forestry and fishing decreased by 0.7% and 3.8%, respectively.
<b>Unemployment</b> (TUIK)	<u>2023/04</u> <b>10.2%</b>	<u>2023/03</u> <b>10.1%</b>	15 years old and over increased by 74 thousand to 3 million 585 thousand persons in April 2023 compared to the previous month. As the unemployment rate estimated 10.2% with 0.1 percentage point increase compared to the previous month. The number of employed persons increased by 521 thousand to 31 million 610 thousand persons in April 2023 compared to the previous month. The employment rate occurred as 48.4% with 0.8 percentage point increase.
<b>Inflation</b> <b>CPI</b> <b>PPI</b> (TUIK)	<u>2023/06</u> <b>38.2%</b> <b>40.4%</b>	<u>2023/05</u> <b>39.6%</b> <b>40.8%</b>	The rise in CPI on the previous month by 0.04%, on December of the previous year by 15.26%, on same month of the previous year by 39.59% and on the twelve months moving averages basis by 63.72% in May 2023. PPI increased by 0.65% on monthly basis, by 7.81% on December of the previous year basis, by 40.76% on same month of the previous year basis and by 95.80% on the twelve months moving averages basis in May 2023.
<b>Industrial Production Index</b> (TUIK)	<u>2023/04</u> <b>-1.2%</b>	<u>2023/03</u> <b>-0.1%</b>	Industrial production decreased by 1.2% annually in April 2023. When the subsectors of the industry were examined, mining and quarrying index decreased by 12.2%, manufacturing index remained same and electricity, gas, steam and air conditioning supply index decreased by 4.3% in April 2023, compared with same month of previous year.
<b>Car &amp; Light Commercial Vehicle Sales</b> (ODD)	<u>2023/06</u> <b>555,867</b>	<u>2023/05</u> <b>445,066</b>	In the January-June period of 2023, Turkey's passenger car and light commercial vehicle total market increased by %55.3 compared to previous year, to 555,867 units. Passenger car and light commercial vehicle market increased by %37.5 compared to June 2022, to 110,861 units.
<b>Housing Sales</b> (TUIK)	<u>2023/05</u> <b>113,276</b>	<u>2023/04</u> <b>85,652</b>	In May, house sales decreased by 7.7% compared to the same month of the previous year and became 113,276. Istanbul got the highest share with 18,435 units sold (16.3%).
<b>Turkish PMI</b> (ISO-IHS Markit)	<u>2023/06</u> <b>51.5</b>	<u>2023/05</u> <b>51.5</b>	The headline PMI posted at 51.5 for the third month running in June, signalling a further modest improvement in the health of the manufacturing sector. Business conditions have now strengthened in each of the past six months.
<b>Eurozone PMI</b> (IHS Markit)	<u>2023/06</u> <b>43.4</b>	<u>2023/05</u> <b>44.8</b>	Eurozone Manufacturing Purchasing Managers Index (PMI), announced by IHS Markit, decreased to 43.4 points in June from 44.8 points in May.

Indicator	Current Value	Previous Value	Summary
<b>Consumer Confidence Index</b> (TUIK, CBT)	<u>2023/06</u> <b>85.1</b>	<u>2023/05</u> <b>91.1</b>	Consumer confidence index, calculated from the results of the consumer tendency survey carried out in cooperation with the Turkish Statistical Institute and Central Bank of the Republic of Türkiye, which was 91.1 in May decreased by 6.5% in June to 85.1.
<b>Banking Sector NPL Ratio</b> (BRSA)	<u>2023/05</u> <b>1.75%</b>	<u>2023/04</u> <b>1.86%</b>	The asset size of the Turkish Banking Sector in May 2023 increased by 17.4% compared to the end of 2022 reaching TL 16,846,448 million, loans increased by 21.9% to TL 9,237,332 million and securities increased by 20.4% to TL 2,854,936 million. In this period, the NPL ratio of loans was 1.75%.
<b>Budget Balance</b> (TL Billion) (Min. of Treasury and Finance)	<u>2023/05</u> <b>118.9</b>	<u>2023/04</u> <b>-132.5</b>	In May 2023, the central government budget expenditures were TL 430.5 billion, budget revenues were TL 549.4 billion and the budget surplus was TL 118.9 billion. The primary budget expenditures were realized as TL 327.8 billion and the primary deficit was TL 221.6 billion.
<b>Current Account Balance</b> (\$ Million) (CBT)	<u>2023/03</u> <b>-4,484</b>	<u>2023/02</u> <b>-8,783</b>	In March, current account recorded deficit of USD 4,484 million. Gold and energy excluded current account indicated net surplus of USD 1,372 million.

According to the Automotive Manufacturers Association (“OSD”) data, total production increased by 6% (1,352,648 units), and the automobile production by 4% (810,889 units) in the January-December period of 2022 compared to the same period of the previous year. In the January-December period of 2022, the total market increased by 7% compared to the same period of the previous year and reached 827,147 units. In this period, the automobile market decreased by 6%, amounting to 592,660 units. In the January-May period of 2023, total production increased by 20% and automobile production increased by 30% compared to the same period of the previous year. Total production was 616,342 units of which 386,427 were automobiles within this period. In the January-May period of 2023, the total market increased by 60% compared to the same period of the previous year and reached 466,379 units, and the increase in the automobile market was 59% with 340,037 units.

**Passenger Car and Light Commercial Vehicle Sales  
(Thousand Units)**



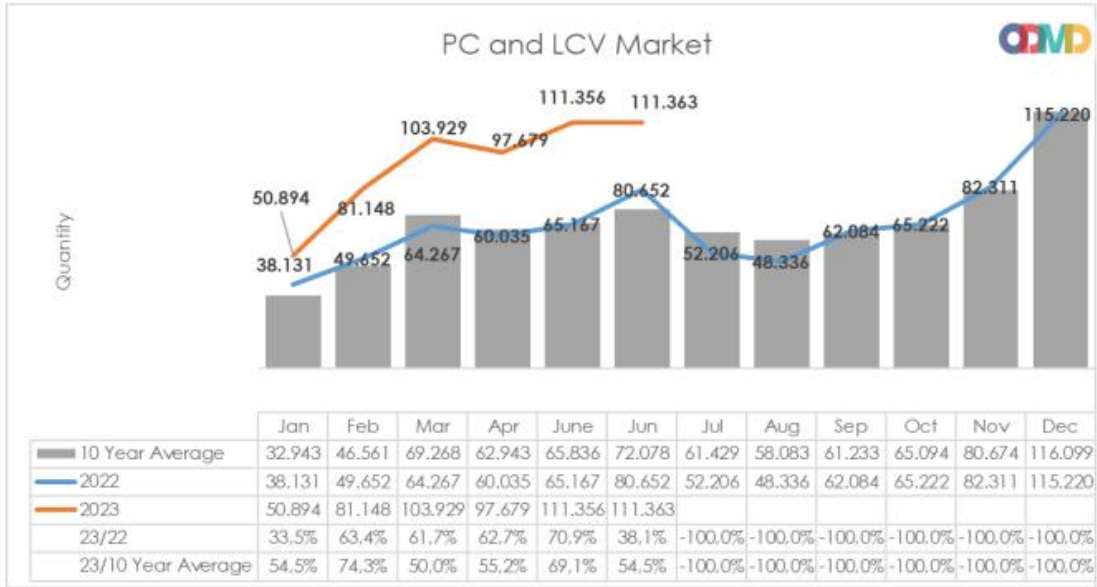
Based on the Automotive Distributors Association (“ODD”) data, the chart on the left shows the sales figures of cars and light commercial vehicles in Turkey. As is seen, following the decline in 2018 and 2019, vehicle sales have recovered as of 2020 and decreased again by 4.6% in 2021 with 737,000 units. As of end-2022 an increase of 6.2% was registered with 783,000 units. The decline witnessed in 2019 was the lowest since 2008, which was 494,000 units. The number of automobile and light commercial vehicle sales realized in the January-June period of 2023 was 555,867, well above the January-June sales average of the last 5 years (311,033).

Passenger Car and Light Commercial Vehicle Market						
	2018	2019	2020	2021	2022	2023
January	35,076	14,373	27,273	43,728	38,131	50,894
February	47,009	24,875	47,122	58,504	49,652	81,148
March	76,345	49,221	50,008	96,428	64,267	103,929
April	71,126	30,971	26,457	61,488	60,035	97,679
May	72,755	33,016	32,235	54,734	65,167	111,356
June	51,037	42,688	70,973	79,819	80,652	110,861
July	52,734	17,927	87,401	47,849	52,206	-
August	34,346	26,246	61,533	58,454	48,336	-
September	23,028	41,992	90,619	57,141	62,084	-
October	21,571	49,075	94,733	56,746	65,222	-
November	58,204	58,176	80,141	60,216	82,311	-
December	77,706	90,500	104,293	62,243	115,220	-
<b>Total</b>	<b>620,937</b>	<b>479,060</b>	<b>772,788</b>	<b>737,350</b>	<b>783,283</b>	<b>555,867</b>

Source: Automotive Distributors Association

Between January and June of 2023, the total Turkish automobile and light commercial vehicle market increased by 55.3% compared to the same period of the previous year, to 555,867 units. In June 2023 sales increased by 37.5% compared to June of 2021, to 110,861 units.

The annual sales of the automobile and light commercial vehicle market with the 10-Year Average figures:



Kaynak: Otomotiv Distribütörleri Derneği

## Company Overview

The Company was established in 1993 under the title Flap A.Ş. to carry out two main activities, congress organization and fleet rental. In 2006, Flap Kongre ve Toplantı Hizmetleri A.Ş. was established to carry out congress organization activities and the parent company offering fleet rental services changed its title to Beyaz Filo Oto Kiralama A.Ş.

The shareholding structure as of our report date is as follows:

Shareholders	Share in Paid-in Capital (TL)	Share in Total Equity (%)
Gürkan Gençler	26,963,400.0	27.05
Gökhan Saygı	29,472,247.5	29.56
Flap Kongre Toplantı Hizmetleri A.Ş.	18,776,753.6	18.84
Other	24,475,098.9	24.55
<b>Paid-in Capital</b>	<b>99,687,500.0</b>	<b>100.00</b>

In 2018, a capital increase of TL 54.4 million TL was realized, partially covered from the distributable profit of the previous year, and from the premium on issued shares and retained earnings. As of our report date, the total paid-in capital is TL 99.7 million (end-2017: TL 45.3 million).

The Company shares are traded under "BEYAZ" code at Borsa Istanbul Main Market and is a constituent of BIST PARTICIPATION ALL SHARES / BIST SERVICES / BIST DIVIDEND / BIST MAIN / BIST PARTICIPATION DIVIDEND / BIST BALIKESIR / BIST TRANSPORTATION / BIST ALL SHARES and BIST ALL SHARES-100 indices.

The Company has 82 personnel as of March 30, 2023 (December 31, 2022: 84).

The current Board structure of Beyaz Filo:

Members of the Board	Title
Gürkan Gençler	Chairman
Gökhan Saygı	Vice-chairman / General Manager
Murat Nadir Tansel Saraç	Board Member
Metin Ersin	Board Member
Mehmet Levent Erdemir	Independent Board Member
Mahmut Kaan Doğan	Independent Board Member

Subsidiary of Beyaz Filo:

Subsidiary			
Title	Scope of Activity	Country of Operation	Participation Rate
Edirne Servis ve Otomotiv A.Ş.	Automotive	Turkey	100%

In 2021, the Company was ranked 378<sup>th</sup> in the "Fortune 500" list, where Turkey's top 500 companies were selected and published by Fortune Magazine.

Since 2022, the Company has issued the following financing bills to be sold to qualified investors in Turkey without public offering.

Issue Date	Value	Redemption Date	Interest Rate Annual Compound (%)	ISIN CODE
October 12, 2022	TL 30,000,000	April 12, 2023	42.81	TRFBFOK42310
October 12, 2022	TL 33,000,000	February 1, 2023	39.44	TRFBFOK22312
June 22, 2022	TL 25,000,000	October 12, 2022	39.44	TRBFOKE2213

## Key Financial Indicators

(TL '000')

Balance Sheet	2020/12	2021/12	2022/12	2022 %		2022/3	2023/3	2023 %	
<b>Current Assets</b>	<b>381,586</b>	<b>360,388</b>	<b>1,270,132</b>	<b>252.4%</b>	▲	<b>621,167</b>	<b>903,549</b>	<b>45.5%</b>	▲
Cash and Financial Investments	65,707	59,974	219,730	266.4%	▲	100,979	281,944	179.2%	▲
Trade Receivables	135,239	111,176	629,111	465.9%	▲	261,799	129,299	(50.6%)	▼
Other Receivables	563	631	574	(8.9%)	▼	341	602	76.3%	▲
Inventories	168,123	171,315	406,884	137.5%	▲	250,848	483,246	92.6%	▲
Other Current Assets	11,954	17,293	13,832	(20.0%)	▼	7,200	8,459	17.5%	▲
<b>Non-current Assets</b>	<b>24,349</b>	<b>75,977</b>	<b>136,201</b>	<b>79.3%</b>	▲	<b>77,411</b>	<b>142,200</b>	<b>83.7%</b>	▲
Tangible Assets	18,376	58,866	112,151	90.5%	▲	61,618	115,695	87.8%	▲
Intangible Assets	458	15,651	15,451	(1.3%)	▼	15,598	15,405	(1.2%)	▼
Other Non-current Assets	5,514	1,460	8,598	488.9%	▲	194	11,101	5,609.4%	▲
<b>Total Assets</b>	<b>405,934</b>	<b>436,365</b>	<b>1,406,332</b>	<b>222.3%</b>	▲	<b>698,578</b>	<b>1,045,750</b>	<b>49.7%</b>	▲
<b>Shor-term Liabilities</b>	<b>243,860</b>	<b>232,192</b>	<b>1,090,777</b>	<b>369.8%</b>	▲	<b>484,983</b>	<b>717,221</b>	<b>47.9%</b>	▲
Short-term Borrowings	3,000	13,000	101,574	681.3%	▲	66,210	77,089	16.4%	▲
ST Portions of LT Borrowings	4,143	4,477	16,126	260.2%	▲	4,565	6,295	37.9%	▲
Trade Payables	132,884	189,813	596,052	214.0%	▲	352,090	440,419	25.1%	▲
Other Financial Liabilities	44,187	40	95,150	238,424.3%	▲	51	90,578	176,255.7%	▲
Other Short-term Liabilities	59,646	24,862	281,875	1,033.7%	▲	62,066	102,840	65.7%	▲
<b>Long-term Liabilities</b>	<b>7,124</b>	<b>5,794</b>	<b>5,800</b>	<b>0.1%</b>	▲	<b>4,201</b>	<b>7,757</b>	<b>84.6%</b>	▲
Long-term Borrowings	5,880	1,405	981	(30.2%)	▼	230	241	4.7%	▲
Long-term Provisions	-	-	456	-	—	-	1,435	-	—
<b>Total Equity</b>	<b>1,244</b>	<b>4,389</b>	<b>4,362</b>	<b>(0.6%)</b>	▼	<b>3,971</b>	<b>6,081</b>	<b>53.2%</b>	▲
Share Capital	<b>154,950</b>	<b>198,379</b>	<b>309,756</b>	<b>56.1%</b>	▲	<b>209,394</b>	<b>320,771</b>	<b>53.2%</b>	▲
Other Equity	99,688	99,688	99,688	0.0%	—	99,688	99,688	0.0%	—
Restricted Reserves	(813)	12,236	52,318	327.6%	▲	13,496	52,792	291.2%	▲
Retained Earnings	3,848	6,503	9,317	43.3%	▲	6,440	9,317	44.7%	▲
Net Profit for the Year	14,480	41,899	60,191	43.7%	▲	77,484	148,433	91.6%	▲
<b>Total Liabilities and Equity</b>	<b>37,748</b>	<b>38,053</b>	<b>88,242</b>	<b>131.9%</b>	▲	<b>12,287</b>	<b>10,541</b>	<b>(14.2%)</b>	▼
<b>Current Assets</b>	<b>405,934</b>	<b>436,365</b>	<b>1,406,332</b>	<b>222.3%</b>	▲	<b>698,578</b>	<b>1,045,750</b>	<b>49.7%</b>	▲

Income Statement	2020/12	2021/12	2022/12	2022 %		2022/3	2023/3	2023 %	
Sales	<b>1,300,047</b>	<b>1,470,676</b>	<b>2,979,266</b>	<b>102.6%</b>	▲	<b>645,223</b>	<b>1,218,325</b>	<b>88.8%</b>	▲
COGS	1,236,927	1,409,398	2,847,063	102.0%	▲	629,744	1,175,413	86.6%	▲
<b>Gross Profit</b>	<b>63,120</b>	<b>61,278</b>	<b>132,204</b>	<b>115.7%</b>	▲	<b>15,480</b>	<b>42,912</b>	<b>177.2%</b>	▲
Op. Exp. (R&D+Marketing+Gen. Exp)	16,127	24,129	40,663	68.5%	▲	6,992	15,670	124.1%	▲
<b>Net Real Operating Profit</b>	<b>46,993</b>	<b>37,149</b>	<b>91,540</b>	<b>146.4%</b>	▲	<b>8,488</b>	<b>27,242</b>	<b>221.0%</b>	▲
Other Real Operating Income/Loss	562	(3,999)	(13,879)	(247.0%)	▼	499	(14,446)	(2,992.5%)	▼
<b>Real Operating Income</b>	<b>47,555</b>	<b>33,150</b>	<b>77,662</b>	<b>134.3%</b>	▲	<b>8,987</b>	<b>12,795</b>	<b>42.4%</b>	▲
Net Income Loss on Investments	2,658	102	3,560	3,390.9%	▲	764	1,926	152.0%	▲
<b>Pre-financing Operating Profit</b>	<b>50,213</b>	<b>33,252</b>	<b>81,222</b>	<b>144.3%</b>	▲	<b>9,751</b>	<b>14,721</b>	<b>51.0%</b>	▲
Financing Income	4,207	21,120	33,232	57.4%	▲	4,759	10,996	131.1%	▲
Financing Loss	6,624	3,230	19,512	504.1%	▲	1,469	14,255	870.6%	▲
<b>Pre-tax Profit</b>	<b>47,796</b>	<b>51,142</b>	<b>94,942</b>	<b>85.6%</b>	▲	<b>13,041</b>	<b>11,462</b>	<b>(12.1%)</b>	▼
Tax	10,049	13,089	6,699	(48.8%)	▼	1,954	921	(52.9%)	▼
<b>Net Profit/Loss</b>	<b>37,748</b>	<b>38,053</b>	<b>88,242</b>	<b>131.9%</b>	▲	<b>11,087</b>	<b>10,541</b>	<b>(4.9%)</b>	▼

(Source: Finnet)

Although the supply problems caused by the chip crisis, which emerged in the conjuncture with the global epidemic, adversely affected the automotive industry, the sector started to recover as of 2020 with the effect of the preference of private vehicles instead of public transportation vehicles due to the epidemic and the accumulated demand in the previous year. According to the evaluation of the Automotive Distributors Association, new automobile sales in EU countries increased by 18.5% in June 2023

compared to the same period of 2022 and reached 939,000 units. New vehicle registrations in Union member countries increased by 18% to 4.4 million in January-May 2023 compared to the same period of the previous year.

In 2022, the Company succeeded in selling 6,552 Stellantis Group vehicles with a 6.67% share and 2,885 Renault Group vehicles with a 2.13% share in total Renault sales.

As of the end of 2022, sales increased by 102.6% compared to the previous year, reaching TL 3.0 billion. In the same period, gross profit increased by 115.7% to TL132.2 million (2021: TL 61.3 million), operating profit by 134.3% to TL 77.7 million (2021: 3TL 3.2 million), and the net profit by 131.9% to TL 88.2 million (2021: TL 38.1 million). According to the 1<sup>st</sup> quarter data of 2023<sup>2</sup>, TL 1.2 billion of sales revenue and TL 10.5 million TL net profit were generated.

Out of 98,222 units of Stellantis group brands (Peugeot, Citroen and Opel) sold throughout Turkey in 2022, Beyaz Filo's share was 6.7% with 6,552 units sold. Renault Group (Renault Dacia ) brands, which the Company started to carry out sales and after-sales services in May 2021, reached to a sales figure of 135,639 units, of which 2,885 (2.1%) were sold by Beyaz Filo. The auction sales of second-hand vehicles at the Company premises covering an area of 37,000 m<sup>2</sup> amounted to 1,528 units in 2022. In the first half of 2023, the Company sold a total of 6,662 "new vehicles" consisting of 5 brands of which Beyaz Filo is the authorized dealer, and increased its sales by 22.0% compared to the same period of the previous year (2022/06: 5,459).

Having started to provide new and second-hand vehicle sales, terminating fleet rental services since the end of 2015, the Company's equity has steadily increased. The increase was 56.1% in 2022, reaching TL 309.8 million (2021: TL 198.4 million).

The ratio of Current Assets to Short Term Liabilities has been 143% on average in the last 3 years, which indicates that the Company is within normal limits in terms of liquidity.

Since the Company only provides domestic service, realizing purchases and sales in local currency, there is no currency risk reflected in the financial statements. However, since the products sold are imported, fluctuations in exchange rates have an indirect effect on demand.

Inventories increased by 137.5% in 2022 and reached TL 406.9 million, and as of March 2023, the increase was 92.6% compared to the same period of the previous year with TL 483.2 million. Having experienced an increase in inventory from time to time, the Company declared that it purchases from the distributor following the incoming demand, and shortly after carries out the transfer transactions and sells them out.

Due to the investment in the construction of the plaza in Balıkesir to perform sales of Stellantis group vehicles and provide after-sales services, the tangible fixed assets increased by 213.5% compared to the previous year and reached TL 18.5 million. Upon the completion of the investment in 2021, such assets increased by 220.3% to TL 58.9 million, and by 90.5% as of end-2022 to TL 112.2 million.

The Company announced to the public through the Public Disclosure Platform that it received the "Carbon Neutral Certificate" issued in accordance with the ISO 14064-1:2018 standard, which indicates that the corporate carbon footprint of Balıkesir Plaza, which it had built on an area of 7,335 m<sup>2</sup>, was calculated and the neutralization process was completed with the carbon balancing operation.

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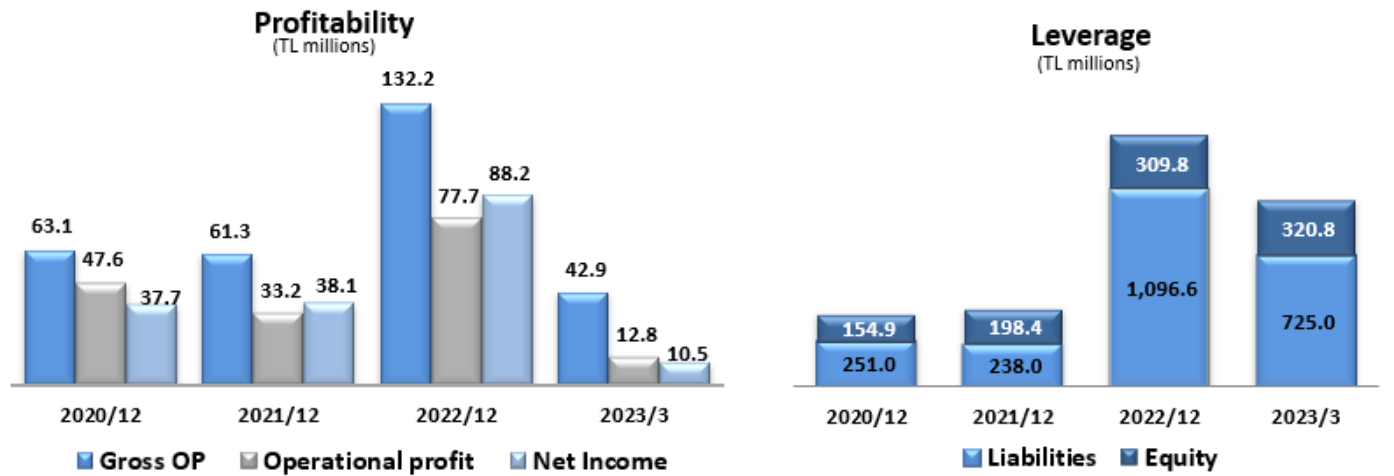
<sup>2</sup> The Company's data for the 1st quarter of 2023 has not been subject to limited audit.



## Financial Ratios

Main Financial Ratios	2020/1	2021/1	2022/1	2022/3	2023/3
<b>Liquidity</b>					
Net working capital / Total Assets	33.9%	29.4%	12.8%	19.5%	17.8%
Current ratio - Current assets / Short-term liabilities	156.5%	155.2%	116.4%	128.1%	126.0%
Acid-test ratio - (Current assets-Inventories) / Short-term liabilities	87.5%	81.4%	79.1%	76.4%	58.6%
Cash ratio - Cash & equivalents / Short-term liabilities	26.9%	25.8%	20.1%	20.8%	39.3%
Inventories / Current Assets	44.1%	47.5%	32.0%	40.4%	53.5%
Inventories / Total Assets	41.4%	39.3%	28.9%	35.9%	46.2%
<b>Financial structure</b>					
Leverage ratio - Liabilities / Equity	1.62	1.20	3.54	2.34	2.26
Debt ratio - Liabilities / Total Assets	61.8%	54.5%	78.0%	70.0%	69.3%
Short-term liabilities / Liabilities	97.2%	97.6%	99.5%	99.1%	98.9%
Short-term liabilities / Total Assets	60.1%	53.2%	77.6%	69.4%	68.6%
Short-term financial liabilities / Short-term liabilities	21.0%	7.5%	19.5%	14.6%	24.3%
Financial debt / Total Assets	14.1%	4.3%	15.2%	10.2%	16.8%
Net Finansal Borç/Özkaynak	-5.5%	-20.7%	-1.8%	-14.3%	-33.1%
<b>Operational ratios</b>					
Receivables turnover rate - Revenues / Trade Receivables	9.61	13.23	4.74	2.46	9.42
Inventories turnover rate - COGS / Inventories	7.36	8.23	7.00	2.51	2.43
Trade payables turnover rate - COGS / Trade payables	9.31	7.43	4.78	1.79	2.67
Current assets turnover rate - Revenues / Current assets	3.41	4.08	2.35	1.04	1.35
Working capital turnover rate - Revenues / Net working capital	9.44	11.47	16.61	4.74	6.54
Tangible assets turnover rate - Revenues / Tangible assets	70.75	24.98	26.56	10.47	10.53
Equity turnover rate - Revenues / Equity	8.39	7.41	9.62	3.08	3.80
Asset turnover rate - Revenues / Total Assets	3.20	3.37	2.12	0.92	1.17
<b>Profitability</b>					
Gross operating profit margin - GOP / Revenues	4.9%	4.2%	4.4%	2.4%	3.5%
EBITDA Margin (1) - (Operational profit + Depreciation) / Revenues	3.7%	2.3%	2.5%	1.5%	1.2%
EBITDA Margin (2) - (GOP - Oper. Costs + Depreciation) / Revenues	3.7%	2.6%	2.9%	1.4%	2.4%
Operational profit margin - Operational profit / Revenues	3.7%	2.3%	2.6%	1.4%	1.1%
Net profit margin - Net Income / Revenues	2.9%	2.6%	3.0%	1.7%	0.9%
COGS / Revenues	95.1%	95.8%	95.6%	97.6%	96.5%
Operational Costs / Revenues	1.2%	1.6%	1.4%	1.1%	1.3%
Asset profitability - Net Income / Total Assets	9.3%	8.7%	6.3%	1.6%	1.0%
Equity profitability - Net Income / Equity	24.4%	19.2%	28.5%	5.3%	3.3%

\* The Company's data for the 1st quarter of 2023 has not been subject to limited audit.



## Corporate Governance

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Compared to the previous year, Beyaz Filo has achieved significant improvements in its corporate governance practices. Being publicly traded, the Company has provided substantial compliance with the Capital Markets Board's (CMB) Corporate Governance Principles and has implemented most of the necessary policies and measures. Even though a small number of improvements are needed, management and internal control mechanisms have been created effectively and are in operation. Majority of the corporate governance risks are identified and managed actively. The rights of shareholders and stakeholders are respected in a fair manner, public disclosure and transparency is at sufficient levels and structure and operation of the board of directors is built on sound basis.

## Methodology

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SAHA's credit rating methodology is composed of quantitative and qualitative sections to affect the final note with specific weights. Quantitative analysis components consist Company's performance compared to the sector, analysis of the financial risks, and the assessment of cash flow projections. Default point analysis measures the distance from the point of default and it is based on relevant sector firms' past financial performances, ratios derived from a distinctive default statistics, and statistically derived coefficients. This analysis is based on genuine statistical study of SAHA, covering companies in Turkey. Comparative performance analysis of the sector determines the position of the company concerned in comparison with the sector firms' recent financial performances. Financial risk analysis covers the evaluation of the company's financial ratios on the basis of objective criteria. Liquidity, leverage, asset quality, profitability, volatility and concentration are treated as sub-headings in this analysis. Finally, scenario analysis tackles the company's future base and stress scenario projections subject to scrutiny in the context of the firm's financing tool and assesses the risks of fulfillment of obligations.

Qualitative analysis covers operational issues such as sector and company risks as well as administrative risks in the context of corporate governance practices. Sector analysis evaluates the nature and rate of growth of the sector, its competitive structure, structural analysis of customers and creditors, and sensitivity of the sector to risks at home and abroad. Company analysis discusses market share and efficiency, growth trend, cost structure, service quality, organizational stability, access to domestic and foreign funding sources, off-balance sheet liabilities, accounting practices, and reputation of main partners..

Corporate governance plays an important role in our methodology. Our methodology consists of four main sections; shareholders, public disclosure and transparency, stakeholders, and board of directors. The corporate governance methodology of SAHA can be accessed at [www.saharating.com](http://www.saharating.com).

## Rating Definitions

Our long-term credit ratings reflect our present opinion regarding the mid to long term period of one year and above; Our short-term credit ratings reflects our opinion regarding a period of one year. Our long-term credit rating results start from AAA showing the highest quality grade and continue downward to the lowest rating of D (default). Plus (+) and minus (-) signs are used to make a more detailed distinction within categories AA to CCC.

Companies and securities rated with long-term AAA, AA, A, BBB and short-term A1 +, A1, A2, A3 categories should be considered “investment worthy” by the market.

Short Term	Long Term	Rating Definitions
(TR) A1+	(TR) AAA (TR) AA+ (TR) AA (TR) AA-	The highest credit quality. Indicates that ability to meet financial obligations is extremely high. For securities, it is an indication of no more than a slight additional risk as compared to risk-free government bonds.
(TR) A1	(TR) A+ (TR) A	Credit quality is very high. Very high ability to fulfill financial obligations. Sudden changes at the company level and/or economic and financial conditions may increase investment risk, but not significantly.
(TR) A2	(TR) A- (TR) BBB+	High ability to fulfill financial obligations, but may be affected by adverse economic conditions and changes.
(TR) A3	(TR) BBB (TR) BBB-	Sufficient financial ability to fulfill its obligations, but carries more risk in adverse economic conditions and changes. If securities; has adequate protection parameters, but issuer’s capacity to fulfill its obligations may weaken in face of adverse economic conditions and changes.

Companies and securities rated with long-term BB, B, CCC, and short-term B1, B2, C categories should be considered “speculative” by the market.

(TR) B1	(TR) BB+ (TR) BB (TR) BB-	Carries minimum level of speculative features. Not in danger in the short term, but faces negative financial and economic conditions. If securities; below investment level, but on-time payments prevail, or under less danger than other speculative securities. However, if the issuer’s capacity to fulfill its obligations weakens, serious uncertainties may unfold.
(TR) B2	(TR) B+ (TR) B (TR) B-	Currently has the capacity to fulfill financial obligations, but highly sensitive to adverse economic and financial conditions. If securities; there is a risk in due payment. Financial protection factors can show high fluctuations depending on the conditions of the economy, the sector, and the issuer.
(TR) C	(TR) CCC+ (TR) CCC (TR) CCC-	Well below investment grade. In considerable danger of default. Fulfillment of its financial obligations depends on the positive performance of economic, sectoral and financial conditions. If securities; there are serious uncertainties about the timely payment of principal and interest.
(TR) D	(TR) D	Event of default. The company cannot meet its financial obligations or cannot pay the principal and/or interest of the relevant securities.

## Disclaimer

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