

Corporate Credit Rating

New Update

Sector: Automotive

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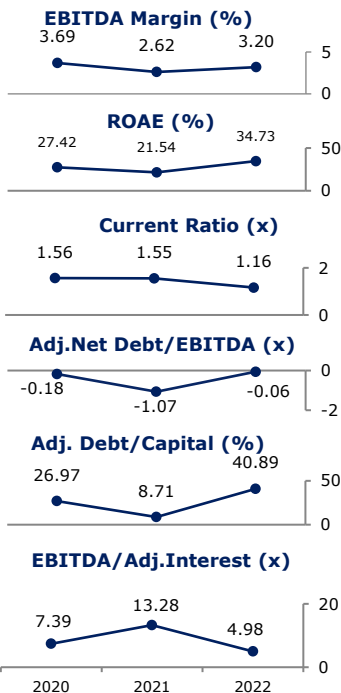
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific 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 Aug 18, 2022



BEYAZ FİLO OTO KİRALAMA ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated **Beyaz Filo Oto Kiralama A.Ş.** in the investment-level category on the national scales and assigned the Long-Term National Issuer Credit Rating at '**A+ (tr)**' and 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/Negative**' as parallel to international ratings and outlooks of Republic of Türkiye.

Beyaz Filo Oto Kiralama Anonim Şirketi ("Beyaz Filo" or "the Company") was established in 1993 under the name of Rapid Turizm Sanayi ve Tic. Ltd. Şti. The Company was providing operational leasing services until 2016. After 2016, The Company started to carry out new vehicle sales and after-sales services. Currently, the Company is the authorized dealer and service provider of Opel, Peugeot, Citroën, DS, Renault and Dacia brands. Also, the Company obtains second-hand vehicles from individuals, traders and fleet rental companies and sells them through retail and/or auction.

Beyaz Filo's registered address is located in Ankara, Türkiye whereas the Company employs 117 (FYE2022: 115 personnel) personnel as of June 2023.

The Company's shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "**BEYAZ**" since 2012.

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

Strengths

- Steady increase in sales revenue during the review period underpinned by increase in unit prices and sales volume
- Solid financial standing with net cash position over the analyzed periods
- Improvement in net working capital surplus over the analyzed years and operating with adequate level of current ratio
- Asset quality strengthened by high collection ability of receivables
- The advantage of being the authorized dealer of reputable brands with long-lasting presence in the industry
- High level of compliance with corporate governance practices as a company listed in BIST

Constraints

- Relatively low level of equity compared to asset size
- Limited and volatile EBITDA margin over the analyzed years coupled with a decline in net profit margin in 1H2023 period
- Limited pricing abilities due to tax items, sector specific regulations and the fluctuations of Turkish lira against hard currencies
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned at '**A+ (tr)**'. Increase in sales revenue, net cash position, net working capital surplus, adequate level of current ratio, high collection ability, level of equity, volatile EBITDA margin along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions 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 sustainability of profitability performance, sales growth, liquidity position, debt structure and asset quality 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.

1. Rating Rationale

Steady Increase in Sales Revenue During the Review Period Underpinned by Increase in Unit Prices and Sales Volume

Beyaz Filo's sales revenue showed a steady improvement during the analyzed periods. The Company generated TRY 2.98bn of sales revenue with a 102.58% YoY growth in 2022 (2021: TRY 1.47bn). The increase in the sales figure is mainly due to the increase in unit sales prices and sales volume. Upward trend of the sales revenue maintained during 1H2023 period and the Company's sales revenue realized as TRY 3.19bn by the end of June 2023.

Sales revenue of the Company is mainly comprised of new car sales. While the Company generated TRY 2.50bn from the new car sales in FY2022 which was increased from its previous level of TRY 1.10bn in FY2021, sales revenue from the second-hand car sales increased to TRY 435.26mn in FY2022 from the previously recorded level of TRY 349.59mn in FY2021. Moreover, the Company's sales revenue from new car sales and second-hand car sales realized as TRY 2.82bn and TRY 339.91mn by the end of June 2023, respectively.

Following table shows the sales volume of the Company over the years.

Sales Volume	1H 2023	FYE 2022	FYE 2021	FYE 2020
New Car	6,662	9,226	8,353	9,714
Second Hand Car	791	1,528	2,300	2,951
Total	7,453	10,754	10,653	12,665

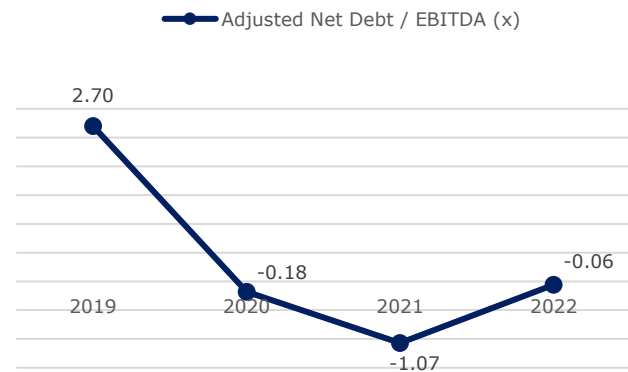
In addition, as it is declared by the Company Management that, by the end of August 2023, the Company's sales volume has exceeded its 2022 year-end sales volume.

Solid Financial Standing with Net Cash Position Over the Analyzed Periods

Beyaz Filo holds cash and cash equivalents amounting to TRY 219.73mn as of FYE2022 indicating 266.37% YoY growth. On the other hand, adjusted debt of the Company realized as TRY 214.29mn as of FYE2022. Excluding the cash and cash equivalent items from adjusted debt, net debt amounted to TRY -5.44mn in

FYE2022 which indicates that the Company can easily paid its financial debts with cash in hand. Net cash amount provides a significant advantage for the Company in such a volatile environment for Turkish Lira and shield for financials against shocks. As at June-end 2023, the Company has TRY 198.66mn cash and cash equivalents against TRY 197.62mn financial borrowings.

Accordingly, the Company's net debt to EBITDA ratio stayed at negative side thanks to the successful performance in EBITDA generation and low level of net financial debt. The Company's Net Debt/EBITDA ratio realized as -0.06x in FYE2022, which allows the Company to operate in a comfortable position in terms of indebtedness level (FYE2021: -1.07x). The Adjusted Net Debt to EBITDA multiplier measures the Company's ability to pay off its incurred debt and indication as to how long a company would need to operate at its current level to pay off all its debt.

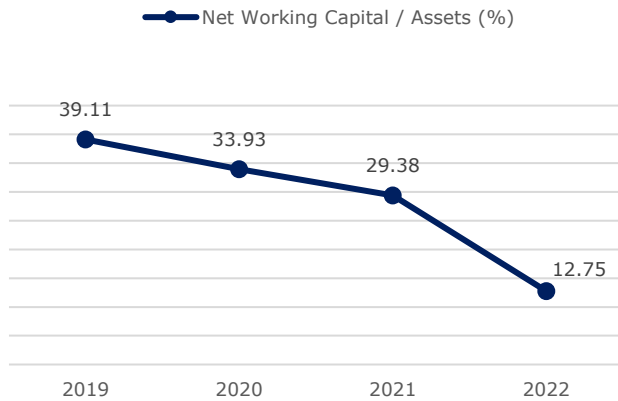


Improvement in Net Working Capital Surplus Over the Analyzed Years and Operating with Adequate Level of Current Ratio

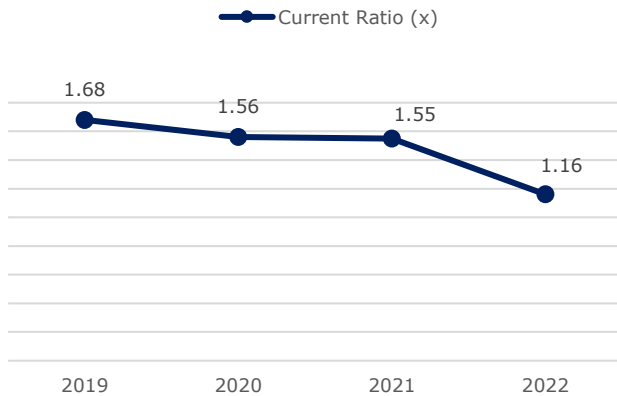
The Company's liquidity management consists of matching the maturities of financial assets and liabilities and monitors the cash flows generated from operations in order to maintain an effective liquidity management strategy. The Company monitors the cash flows, payment schedules and additional funding requirements regularly.

The Company has positive net working capital over the analyzed years. With the increase in current assets in the last year, mainly driven by increase in trade receivables and inventories, net working capital exhibited an improvement in 2022 and recorded as TRY 179.35mn as of FYE2022 (FYE2021: TRY 128.20mn).

Accordingly, net working capital (NWC) to total assets ratio has realized as 12.75% as of FYE2022 (FYE2021: 29.38%).



Even though a decline was experienced in 2022, Beyaz Filo still has adequate level of current ratio which realized as 1.16x as of FYE2022 (FYE2021: 1.55x). The calculated current ratio level presents the firm's ability to pay its short-term debts. The fact that the current ratio is below the expected level is a risk factor, on the other hand very high current ratio values indicate that there is more current asset element than the Company's necessity.



Inventory purchases are made on client request and orders so as to enhance the cost management.

Asset Quality Strengthened by High Collection Ability of Receivables

Beyaz Filo's customer portfolio for vehicle sales consists of mainly fleet leasing companies. The Company makes approximately 80-85% of its new vehicle sales to fleet rental companies. Receivables are collected within 20 days. In sales transactions which are made to large

fleet companies no guarantee is taken. For smaller-scale fleet companies, checks and/or loan allocation letters are received from banks as collateral. Also, sales to individual customers are made in cash. For the second-hand cars sales are mainly done to individual customers and made in cash which supports the collection ability.

As of FYE2022, doubtful trade receivables of the Company amounted at TRY 6.59mn and the ratio of this amount to the total sales is 0.22%. The amount of the receivable, which is classified as doubtful trade receivables due to non-collection in 2022, is TRY 745k (2021: TRY 315k). The fact that the amounts of receivables that couldn't be collected in the last two years have a very small share in the total revenue shows that Beyaz Filo has high collection ability of receivables strengthening asset quality as well.

The Advantage of Being the Authorized Dealer of Reputable Brands with Long-Lasting Presence in The Industry

Beyaz Filo was established in 1993 in Didim Altinkum under the name of Rapid Turizm Sanayi ve Tic. Ltd. Şti. Although the Company was started its activities as an operational fleet rental company, after a while the Company expanded its activities to new and second-hand vehicle sales. Currently, Beyaz Filo operates car dealership of 6 reputable brands. The Company has been serving as the authorized dealer of Opel, Peugeot, Citroën, DS, Renault and Dacia. Brands represented by the Company, recorded successful retail sales performance in the local market. Also, the Company has sales championships of related brands due to its high sales performance.

Beyaz Filo has a proven track record throughout its history in sector of around 30 years. The Company has a strong position and strong customer relations due to operating in the same sector for long years.

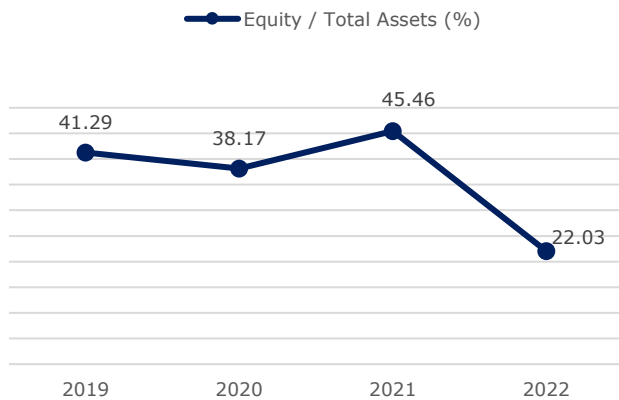
High Level of Compliance with Corporate Governance Practices as A Company Listed In BIST

Beyaz Filo has been a quoted company on Borsa İstanbul ("BIST") since 2012. The Company is subject to certain compliance requirements concerning corporate governance principles and framework identified by Capital Markets Board of Türkiye (CMB). As such, it has reached a high standard of compliance

with the Corporate Governance Practices such as a comprehensive risk management framework, high degree of transparency, quality of financial reporting along with an emphasis on sustainability and efficiency which contributes to its current set of ratings. The regulations ensure that the Company is more transparent and professional in terms of its operations, business structure, financial standing, and investor relations.

Relatively Low Level of Equity Compared to Asset Size

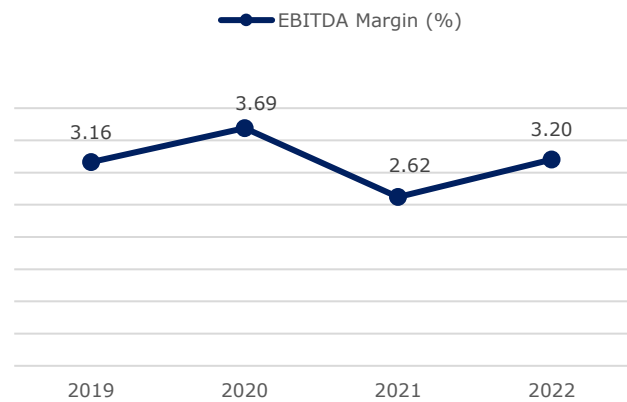
The Company’s total assets increased from TRY 436.37mn in FYE2021 to TRY 1.41bn in FYE2022, as a result of the Company's growing business volume and price hikes effecting inventory and sales revenue figures. Besides, revenue rose by 102.58% to TRY 2.98bn in 2022 (2021: TRY 1.47bn). Additionally, The Company’s equity level reached to TRY 309.76mn as of FYE2022 from TRY 198.38mn as of FYE2021. Even though retained earnings are kept in balance sheet and contributed to total equity level, total equity of the Company did not rise as much as its asset size. Compared to the Company’s business volume and asset size the paid in capital remains at low level. The Company has TRY 99.69mn paid-in capital as of FYE2022. In addition, no capital increase has taken place recently. Furthermore, the Company's equity to total assets ratio decreased to 22.03% as of FYE2022 (FYE2021: 45.46%).



According to unaudited financial statements dated June-end 2023, equity to total assets ratio is calculated as 25.7%. On the other hand, the Company made a dividend payment to its shareholders that amount to TRY 16.95mn, as stated in its cash flow statement in FY2022.

Limited and Volatile EBITDA Margin Over the Analyzed Years Coupled with A Decline in Net Profit Margin In 1H2023 Period

Beyaz Filo was able to generate EBITDA over the years. The Company’s EBITDA generation increased to TRY 95.24mn in FY2022 from TRY 38.47mn in FY2021. EBITDA margin of the Company, which reflect the Company’s operational profitability, realized as 3.20% in FY2022 that was 2.62% in FY2021. Although the slight increase in EBITDA margin was recorded in 2022, it is still remaining at low level. Profit margins are at low level due to the nature of the sector and the Company's sales mainly to fleet rental companies. The Company's EBITDA margin fluctuated between 2.62% and 3.69% in the analyzed years.



In addition, while the Company's net profit margin was 2.96% in FY2022 and 2.71% in 1H2022 period, net profit margin decreased and realized as 1.96% by the end of June 2023. The main reason for the decrease in net profit margin is due to the Special Consumption Tax and VAT expenses of the new vehicles purchased by the Company in 2023.

Limited Pricing Abilities Due to Tax Items, Sector Specific Regulations and the Fluctuations of Turkish Lira Against Hard Currencies

Taxes constitute a significant portion in the composition of car prices in Türkiye. The Excise Duty, which is determined according to the engine size and net price base, is applied as at least 45% for the cars that have less than TRY 184,000 tax-free sale price. The tax rate increases gradually and is applied as 80% for vehicles with a tax-free sales price exceeding TRY 280,000. Excise Duty rates also increase for vehicles with an engine volume of more than 1600 cc. This situation

puts the automotive industry into difficulties in terms of pricing with the Excise Duty rates up to 220%.

When considering the current demand for the vehicles in the market, there are taxes up to 100% with the addition of VAT. This situation restricts the pricing freedom of automobile distributors. Moreover, the fact that prices are Euro-indexed throughout the market causes price fluctuations depending on the movements in the Turkish Lira and leads to imbalance in vehicle demand. These challenges faced by industry affects all automobile distributors, including the Company. With the "Motor Vehicles Tax General Communiqué", which entered into force on Dec 21, 2021, tax rates, which are an important variable of the automotive sector, were increased by the revaluation rate. This development is expected to cause an increase in automotive prices.

Additionally, with the "Regulation Amending the Regulation on the Trade of Second-Hand Motor Vehicles", which entered into force on Aug 15, 2020, the procedures and principles regarding the sale of second hand automotive were regulated. With this regulation, second hand vehicle sales are expected to be realized mostly within corporate companies. This issue stands out as an opportunity for the Company.

On the other hand, the new application planned for zero-kilometer vehicle sales has been announced by the administration in order to forestall price increases in the automotive sector. According to the regulation that is expected to be implemented, companies, galleries, car rental companies will not be able to sell the new vehicles they purchased before 6 months and 6 thousand kilometers from the first registration date. Therefore, it should be noted that the aforementioned regulation may affect the both the sector and the company adversely in terms of sales volume.

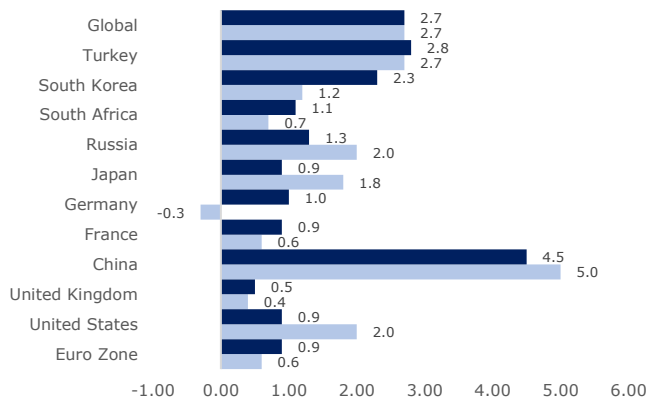
Global Economic Growth Slows Down Evidenced by Commodity Prices and Trade Figures on The Back of Rapid Monetary Tightening, Whereas Domestic Restrictive Financial Conditions Limit Access to Finance

Several headwind face companies based in Türkiye, stemming from both global and domestic conditions; rapid monetary tightening, restrictive financial conditions and export-focused growth policies of China in the former scale and selective access to finance,

policy rate hike expectations and FX regulations in the latter.

The tightening actions of major central banks (increasing interest rates and quantitative tightening), especially the Fed, in order to fight inflation, increased global recession concerns. In addition to ongoing geopolitical risks, concerns that the slowdown of the global economy is still on the agenda.

GDP Outlook for 2023-24 (Annual Average Growth, %)
2023 2024



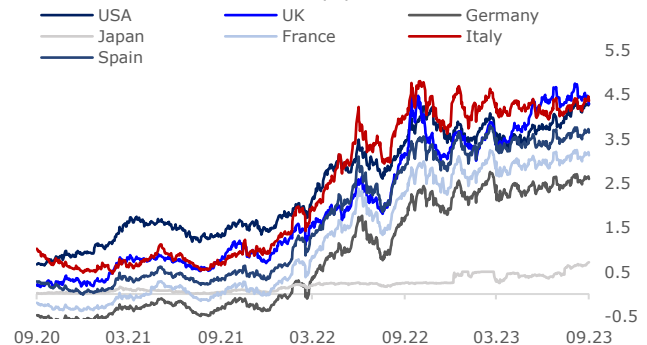
Source: Refinitiv Datastream, Reuters Poll (Median Forecast)

*As of 09-15-2023

Unprecedented pace of tightening severely limited the risk appetite towards emerging markets while the flow of funds to emerging markets weakened. Funds instead flowed to safe instruments such as the dollar and gold, fueled partly by the fear of credit/counterparty risk.

Although the monetary tightening process has come to an end, major central banks are not expected to initiate monetary expansion process until the second half of 2024.

10Y Government Bond Yield (%)

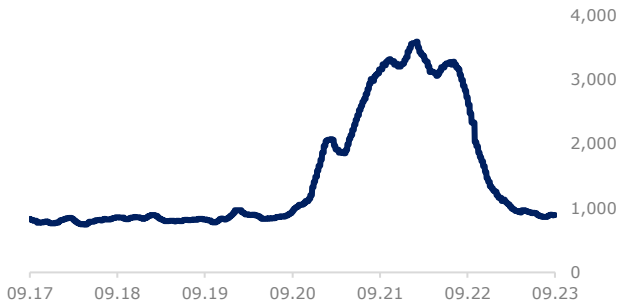


Source: Refinitiv Datastream

On the other hand, supply chain dislocations due to lockdowns and mobility restrictions had severely hampered international trade in 2020 and in 2021 to a lesser extent. Chinese authorities had implemented probably the most-strict of such restrictions, at times effectively shutting down total neighborhoods, manufacturing districts and cities due to a single occurrence of a positive case.

Additionally, aforementioned bottle-necks had resulted in disrupted sea trade and significantly increased the costs of sourcing goods from overseas and particularly China. This had led the manufacturing countries to search for low final cost of goods, effectively incentivizing them to source their inputs from nearby locations.

**Freight costs have been falling to pre-pandemic levels
 China containerized freight index**

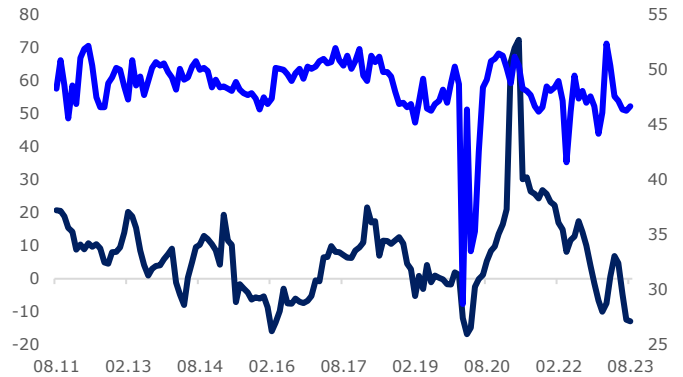


Source: Refinitiv Datastream

As a result, Chinese manufacturing capabilities had suffered and certain sectors had lost market share to more flexible and geographically advantageous countries. Among these countries was Türkiye, which had benefitted greatly from its proximity to Europe, Middle East and Africa. In fact, coupled with a highly competitive exchange rate, close proximity, strict lockdown practices in China, Türkiye exports had risen strongly.

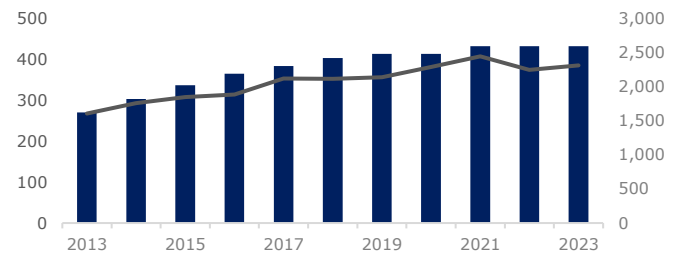
However, Chinese authorities had sharply reversed their Zero-Covid policy in the beginning of 2023. Contrary to expectations, China's reopening has not yet shown a positive impact on the export and manufacturing industry. Given the chronically weak domestic demand in China, we expect the administration to further focus on increasing exports in order to achieve their growth targets.

**NBS PMI: new export orders
 Export Growth (12M % Change, 3 MMA)**



Source: Refinitiv Datastream

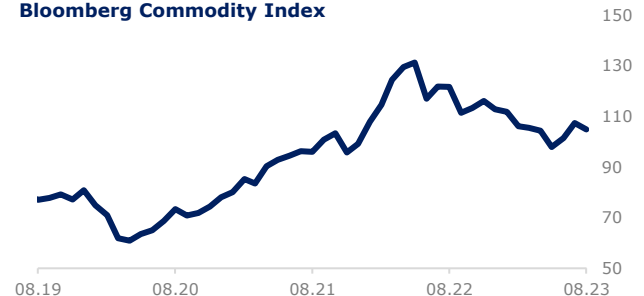
**Minimum wage in China is more stable, crawling steadily
 Shanghai Minimum Wage (CNY/Month)
 Minimum Wage in USD (monthly, left axis)**



Source: Ministry of Human Resources and Security, China

This strong commitment to supporting exports is coupled with normalizing freight rates, which effectively helps Chinese manufacturers to compete more easily with exporters close to their trade partners geographically.

**Commodity prices slump, as global economy slows down
 Bloomberg Commodity Index**



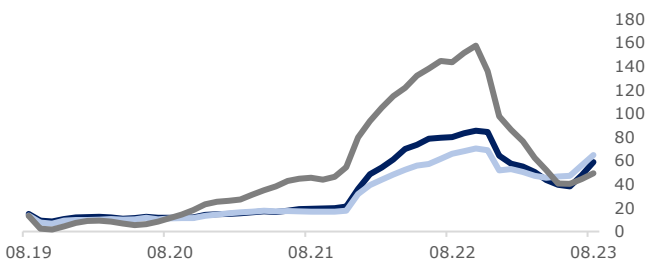
Source: Refinitiv Datastream

Spillovers to Türkiye

Recently, main theme affecting Turkish corporates is the exchange rate path and access to financing, the cost of the loans notwithstanding. While the current economic policy mix is not fully revealed, market developments and statements so far indicate an exchange level supporting export competitiveness, limiting imports and finally a normalized interest rate curbing loan growth.

These developments have been affecting the Turkish economy through many channels. At first, rising energy prices have pressured the current account balance in Türkiye, and the increase in food and energy prices has been a factor of inflationary pressure, as well as on the global side.

Türkiye Inflation (y.o.y)
CPI Core CPI PPI



Source: Turkstat

Although the trade channel (especially energy and food supply) was not adversely affected by Türkiye's moderator role between Russia and Ukraine, the construction/contracting sector was adversely affected by the developments. According to the Turkish Contractors Association (TMB), the Turkish contracting companies undertook 413 projects in 69 countries amounting to USD 30.7bn and the leading market was again Russia with a share of 36% in 2021. Ukraine was also ranked 4th with a share of 5%. At FY2022, the Turkish contracting companies undertook projects amounting to USD of 18.71bn and Russia accounted for only USD 2.34bn of this amount.

Türkiye's International Contracting Services (in billion USD)

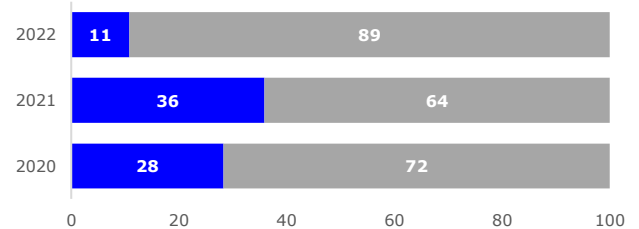
FY2021		FY2022	
1. Russia	11.02	1. Russia	2.34
2. Iraq	3.62	2. Azerbaijan	1.77
3. Tanzania	1.91	3. Iraq	1.58
4. Ukraine	1.64	4. Romania	1.49
5. Zambia	1.35	5. Uzbekistan	1.32
Other	11.23	Other	6.29
Total	30.77	Total	18.71

Source: Ministry of Trade of Türkiye, TMB

Russia's share in total international contracting projects amount declined due to the war between Russia and Ukraine.

Russia's share in total international contracting projects amount declined due to the war between Russia and Ukraine

Russia Others (%)



Source: Ministry of Trade of Türkiye, TMB

Although the ongoing war between Russia and Ukraine continue to affect the international contracting business' breakdown, Turkish contractors undertook projects worth of USD 7.5 billion in the first half of the current year on account of entering into new markets.

Türkiye's International Contracting Services (in million USD)

1H2022		1H2023	
1. Romania	1,298	1. Spain	1,039
2. Iraq	439	2. Libya	941
3. Russia	396	3. Turkmenistan	810
4. Qatar	392	4. Macedonia	699
5. Iran	326	5. Russia	626
Other	1,776	Other	3,383
Total	4,627	Total	7,498

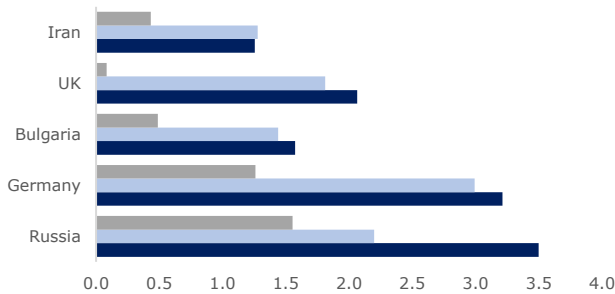
Source: Ministry of Trade of Türkiye, TMB

Russian and Ukrainian visitors are also important in terms of the local tourism industry. With regards to foreigners' composition, Ukraine and Russia drew attention from both countries increased their shares in the visitor pool during 2019 and 2021. Although, the military invasion of Russia's on Ukraine worsened tourism expectations, but surprisingly, Russian visitors realized as 5.23 million as of FY2022 and surpassed the level in the same period of the previous year. However, it still stood below the 2019 level of 7.02 million. The

number of Ukrainian visitors felt sharply from 2.06 million to 675K in 2022.

As of first seven months of 2023, 26.8 million of foreign visitors (3.5 million of them were Russian visitors) came to Türkiye which was 23.03 million in the same period of the previous year.

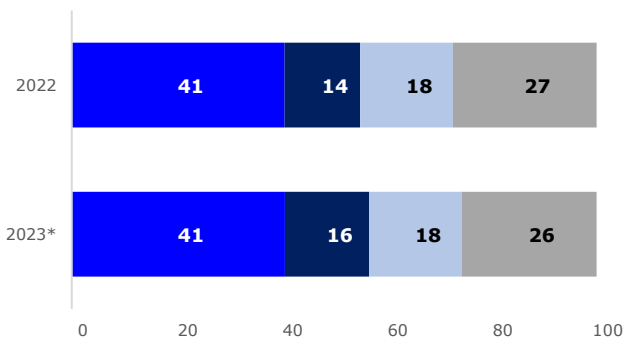
In the January-July period, the number of foreign visitor
2023 2022 2021



Source: Republic of Türkiye Ministry of Culture and Tourism

Besides all these effects, it is quite possible that the slowdown in economic activity as a result of the tightening measures in Europe (especially Germany), our largest trade partner, will adversely affect the Turkish economy through the trade channel. As of June 2023, last twelve months of Turkish export to EU realized as USD 102.87bn which was USD 103.05bn in FY2022.

Turkish Export Composition (As of July, 2023)
EU Other European Countries
Near and Middle Eastern Others (%)



*Last twelve observations

Source: Turkstat

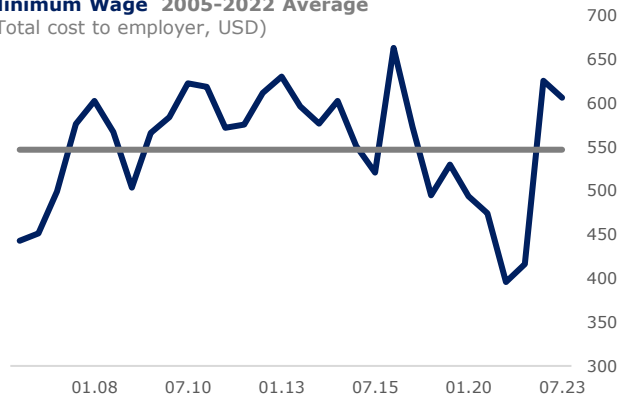
Top 5 Export Market Manufacturing PMI

	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23
Russia	52.60	53.60	53.20	52.60	53.50	52.60	52.10	52.70
USA	46.90	47.30	49.20	50.20	48.40	46.30	49.00	47.90
UK	47.00	49.30	47.90	47.80	47.10	46.50	45.30	43.00
Italy	50.40	52.00	51.10	46.80	45.90	43.80	44.50	45.40
Germany	47.30	46.30	44.70	44.50	43.20	40.60	38.80	39.10

Source: Refinitiv Datastream

Further pressurizing the Turkish exporters are cost factors, mainly in terms of wages and energy prices. 2023 hike of minimum wage to TRY 15,762.04, including total costs to the employer (gross: TRY 13,414, net: TRY 11,402). The latest increase in minimum wage effective July 2023 pushed the total cost to employers to USD 670, using average USDTRY rate for June 2023. Therefore, assuming a gradual depreciation for the rest for 2023, circa 20% yet barring a notable depreciation of Turkish Lira rest of the year (exceeding 20%), a minimum wage of USD 550 seems to be the lower bound. This level would be comparable to the long running average of the total cost to employer, therefore could potentially alleviate pressures to the sectors operating with high labour intensity.

Increases in minimum wage has pushed employment cost
Minimum Wage 2005-2022 Average
 (Total cost to employer, USD)

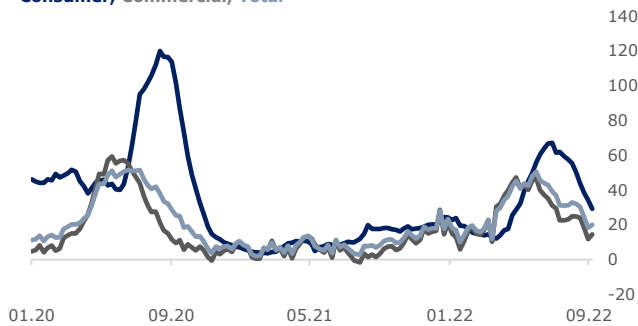


There have been critical changes in monetary policy since June 2023. In addition to gradually increasing policy rate, a series have changes to macroprudential measures have been implemented. The changes in the regulations regarding the TRY deposit share, which directly affected the banking sector, the decision to convert TRY FDP accounts to standard TRY deposits, and the interest rate increases that were above market expectations changed the expectations regarding the banking sector.

The new regulations were aimed at increasing the TRY deposits and supporting the credit tightening.

The CBRT's move to limit credit growth and tighten monetary conditions was realized with the regulation on the allocation of securities against credit growth. It was decided to reduce the monthly growth limit to 2.5% for TRY commercial loans, which was 3% within the scope of security facility purchase mandate. Export, investment, agricultural and artisan credits were excluded from this limitation. In addition, the interest rate limit for commercial loans was reduced to a single level, allowing banks to charge higher rates.

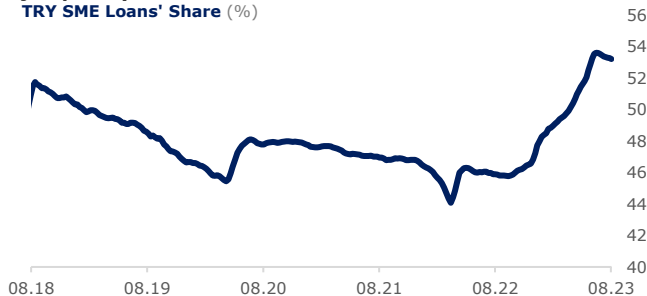
Loans growth started to ease down
 (13-Week FX Adjusted Growth, Annualized)
Consumer, Commercial, Total



Source: BRSA, JCR-ER

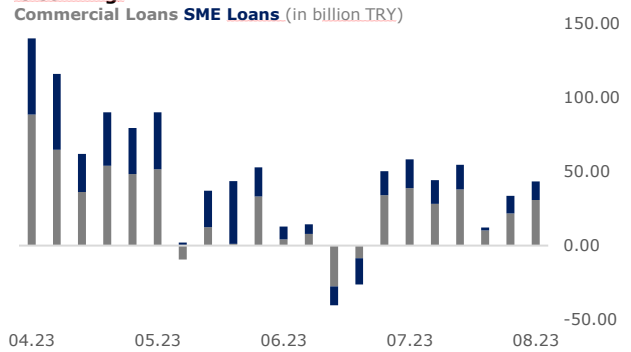
In addition to the CBRT, the BRSA continued to take tightening measures, especially in the credit cards and retail segments, to reduce household demand. In this perspective, BRSA increased the risk weight of all individual loans (including overdraft and credit cards) except housing to 150 percent. In the latest regulation, a 150% risk weight was instructed to be applied to loans extended to borrowers who will purchase a second house as well as loan amount were reduced by 75% of the house's appraised value. BRSA also banned instalment option with credit cards for overseas tourism expenditures. Expenditures abroad related to airlines, travel agencies and accommodation, which also cause foreign exchange outflow, will now be made without installment.

SME loans' share in total commercial loans jumped by selective loans.
TRY SME Loans' Share (%)



Source: BRSA, JCR-ER

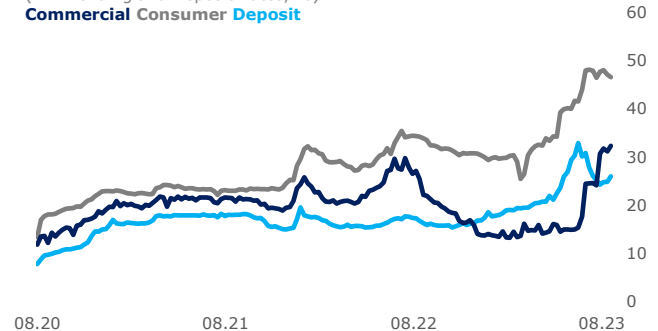
The decline in loans given to the commercial sector is striking



Source: BRSA, JCR-ER

All the aforementioned changes increased the interest rates on both the deposit and loan side. While the increase in policy rate expectations decreased the spending tendencies, it also increased the interest rates.

Loans-Deposit gap widened
 (TRY Lending and Deposit Rates, %)
Commercial Consumer Deposit



Source: CBRT, JCR-ER

In sum, access to finance is substantial topic affecting Turkish corporates, as the selective lending policies aimed to supporting exports, agricultural production, investments and SMEs have resulted in a divergence in financial conditions. Current outlook is more accommodative for export-oriented firms, particularly those in selected sectors with SME scale. In the second half of 2023, increasing loan rates and slowing down credit growth would translate into tighter credit standards. Considering the relationship between financial conditions and growth, expected slowdown in consumer spending with tightening conditions as well as the weak outlook in major export markets, a gradual slowdown could be expected. All developments will be observed by JCR-ER for the upcoming period.

With respect to the factors mentioned above, JCR Eurasia Rating has assigned the Long-Term National

Issuer Credit Rating of Beyaz Filo Oto Kiralama A.Ş. at '**A+ (tr)**' and the Short-Term National Issuer Credit Rating at '**J1 (tr)**' in JCR Eurasia Rating's notation system.

When the global and national scale rating matching published by JCR Eurasia Rating is considered, the Company's Long-Term International Issuer Credit Rating is assigned at '**BB**'. Global and national scale rating matching methodology also published by JCR Eurasia Rating (available at www.jcraer.com.tr).

2. Rating Outlook

Increase in sales revenue, net cash position, net working capital surplus, adequate level of current ratio, high collection ability, level of equity, volatile EBITDA margin along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions have been evaluated as important indicators for the stability of the ratings and the outlooks for Long- and Short-Term National ratings are determined as '**Stable**'.

Additionally, the outlooks on the International Long-Term Issuer Credit Rating perspectives of the Company have been assigned as '**Negative**' in line with the sovereign rating outlooks of Republic of Türkiye.

Significant factors that may be taken into consideration for any future change in ratings and outlook status:

Factors that Could Lead to an Upgrade

- Notable improvement in sales performance and profitability indicators
- Noteworthy growth in market shares and market power of the Company
- Rapid improvements in global market volatility and outlook that positively impact macroeconomic growth rates and consumer confidence

Factors that Could Lead to a Downgrade

- Considerable decline in EBITDA generation capacity, sales revenues, profitability and/or profit margins
- Deterioration in financial leverage ratios
- Significant deterioration in liquidity metrics
- Sharp deterioration in demand

- Further pricing and sector specific limitations regarding the automotive industry
- Sharp downfall in the domestic and international markets due to political, economic and other related local, regional and global factors

JCR Eurasia Rating will monitor developments in the periods to come by the Company management including particularly improvement in profitability and possible changes in regulations.

3. Projections & Debt Instruments

Beyaz Filo's income statement forecast throughout for 2023 and 2024 is given as below. These figures have been provided by the Company considering sales demand and general business environment.

Income Statement Projections (TRY mn)	FY2023	FY2024
Net Sales	6,188.33	12,231.48
Cost of Sales	6,566.32	11,806.06
Gross Profit	277.02	425.42
Operating Expenses	65.00	83.85
Operating Profit	212.02	341.57
Financing Income	36.00	46.44
Financing Expenses	41.00	52.89
Net Profit for the Period	124.51	211.67

In the projection and budget studies for the upcoming period, the Company expects to generate TRY 6.19bn sales revenue and TRY 124.51mn net profit for FY2023 by doubling the revenue figure of FY2022. The results of the upcoming periods will be monitored by JCR Eurasia Rating to evaluate if the projections will be aligned with the realized values.

As of reporting date, Beyaz Filo has no issued debt instrument in financial markets.

4. Company Profile & Industry

a. History and Activities

Beyaz Filo Oto Kiralama Anonim Şirketi was established in 1993 under the name of Rapid Turizm Sanayi ve Tic. Ltd. Şti. The Company was providing operational leasing services until 2016. After 2016, The Company started to carry out new vehicle sales and after-sales

services. Currently, the Company is the authorized dealer and service of Opel, Peugeot, Citroën, DS, Renault and Dacia brands. Also, the Company obtains second-hand vehicles from individuals, traders and fleet rental companies and sells them through retail and/or auction.

Beyaz Filo's registered address is located in Ankara, Türkiye whereas employs 117 (FYE2022: 115 personnel) personnel as of June 2023.

b. Shareholders, Subsidiaries & Affiliates

The Company's paid-in capital is TRY 99.69mn as of June 2023. The Company's shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "BEYAZ" since 2012.

The Company's shareholder structure is given below;

Beyaz Filo's Shareholder Structure				
	June, 2023		December, 2022	
	Amount-TRY	%	Amount-TRY	%
Flap Kongre Toplantı Hiz.Oto.Tur. A.Ş.	18,776,754	18.84	18,776,754	18.84
Gürkan Gençler	26,963,400	27.05	29,672,247	29.77
Gökhan Saygı	29,472,248	29.56	29,672,248	29.77
Others (Publicly Traded)	24,475,099	24.55	21,566,252	21.63
Total	99,687,500	100.0	99,687,500	100.0

As of the reporting date, the Company's Board of Directors is as follows.

Board of Directors	Duty
Gürkan Gençler	Chairman
Gökhan Saygı	Vice Chairman
Murat Nadir Tansel Saraç	Member
Metin Ersin	Member
Mehmet Levent Erdemir	Independent Member
Mahmut Kaan Doğan	Independent Member

As of reporting date, the Company has 1 subsidiary that provides Renault and Dacia brand new vehicle sales and

after-sales services under the name of Edirne Servis ve Otomotiv A.Ş.

Flap Kongre Toplantı Hizmetleri Otomotiv ve Turizm A.Ş., one of the shareholders of Beyaz Filo was established in 1993. Flap Kongre carries out congresses, meetings, seminars, symposiums, councils, training and facility openings, and travel agency activities at national and international levels. Shareholder structure of Flap Kongre is given below;

Flap Kongre's Shareholder Structure				
	June, 2023		December, 2022	
	Amount-TRY	%	Amount-TRY	%
Gürkan Gençler	10,056,840	10.73	10,056,840	10.73
Gökhan Saygı	10,056,840	10.73	10,056,840	10.73
Others (Publicly Traded)	73,636,320	78.55	73,636,320	78.55
Total	93,750,000	100.0	93,750,000	100.0

c. Industry Assessment

Automotive Industry:

The automotive industry is an important economic power and capital-intensive sector globally. The sector, which plays an important role in the development of countries, also supports the global economy. In this context, the automotive industry is not only producing products that meet the transportation needs of people but also plays a key role in many technological and social developments. The automotive industry consumes the production of industries such as iron, petrochemical, aluminum, steel, glass, carpet, textile, plastic and rubber. Therefore, any problem that may occur in the sector is of strategic importance due to the possibility of rapidly spreading to other sectors. China, USA, Japan, India and Germany stand out as the main markets in the world automotive production.

The industry had been pressured due to the weakening global economy, constraints on supply delivery logistics challenges, Covid-19 concerns and chip inadequacy for three years. The industry still has not fully recovered from the difficulties in supplying raw materials/products. In addition, large increases in commodity and energy prices had a negative impact on the manufacturing industry.

The world automotive industry, which contracted in 2020 due to the pandemic, also spent 2021 under the shadow of the chip (semiconductor) crisis. The inability of China, the world's largest silicon producer, to supply enough silicon to the manufacturers and the inability of chip manufacturers to provide sufficient supply, has caused a major bottleneck in the supply of chips, which is vital for the automotive industry. While many automotive companies had to limit production due to the chip crisis, difficulties and delays arose in the supply of vehicles. Despite the lingering challenges in chip supply, the total world production increased by 6.1% in 2022 compared to the previous year.

World Automotive Production in 2022 (Units)

Country	Passenger	Commercial	Total
China	23,836,083	3,184,532	27,020,615
USA	1,751,736	8,308,603	10,060,339
Japan	6,566,356	1,269,163	7,835,519
India	4,439,039	1,017,818	5,456,857
South Korea	3,438,355	318,694	3,757,049
Germany	3,480,357	197,463	3,677,820
Mexico	658,001	2,851,071	3,509,072
Total	61,598,650	23,418,078	85,016,728

Source: International Organization of Motor Vehicle Manufacturers (OICA)

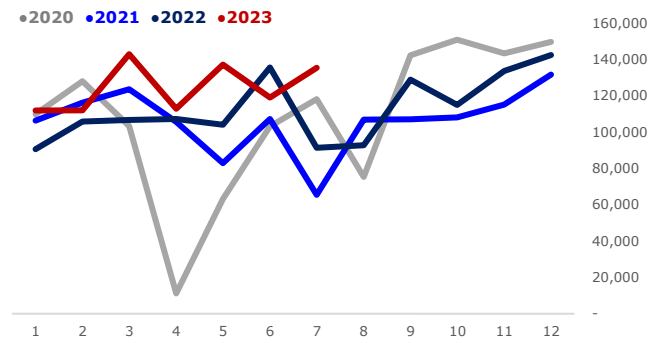
According to the International Organization of Motor Vehicle Manufacturers (OICA), Türkiye is at the Top-15 in 2022 in world production statistics. According to Automotive Manufacturers Association's (OSD) data, Türkiye produced 1.35mn units of passenger vehicles and commercial vehicles in 2022. In the first seven months of 2023, passenger vehicle production realized 551k, commercial vehicle production realized 320k and total passenger and commercial vehicle production realized 871k with an annual increase of 17.6%.

Automobile Production (Units)

Date	Passenger		Commercial	
	12M	YoY (%)	12M	YoY (%)
2014	733,439	15.8	437,006	-8.8
2015	791,027	7.9	567,769	29.9
2016	950,839	20.2	535,043	-5.8
2017	1,120,860	17.9	552,824	3.3
2018	1,026,438	-8.4	523,681	-5.3
2019	982,642	-4.3	478,679	-8.6
2020	854,913	-13.0	442,708	-7.5
2021	782,212	-8.5	492,962	11.4
2022	810,889	3.7	541,769	9.9
07-2023	927,762	21.3	554,951	2.0

Source: OSD, JCR-ER, Last Twelve Months

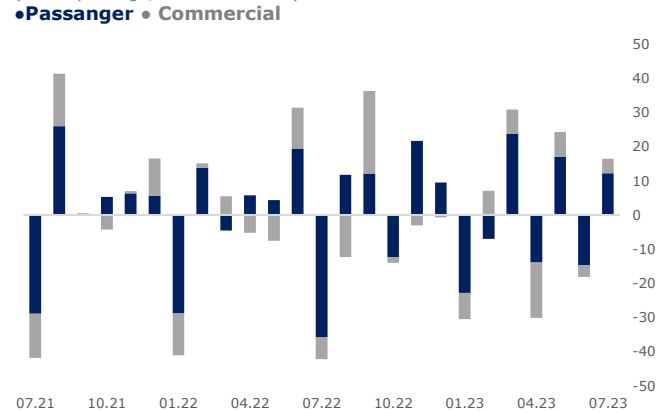
Türkiye Monthly Automotive Production (units)



Source: OSD, JCR-ER

Türkiye Automobile Production Trend

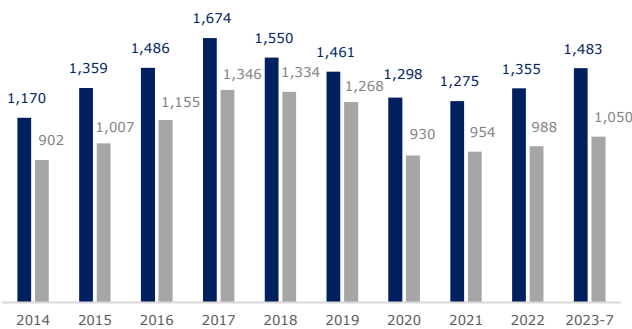
(Monthly change, Thousands Units)



Source: OSD, EVDS, JCR-ER

Briefly, despite a 6.3% increase in automotive production in 2022 compared to the previous year, Türkiye's automotive production, which had been contracting since 2018 until 2021, still falls short of its peak in 2017. Automotive exports have been at the top of Türkiye's total exports for more than 10 years. Thus, automotive production and exports are considerable ingredients for the industry. As of FYE2022, Türkiye produced 1.35mn units of vehicles. Besides the total production of vehicles and exported 988 thousand units, constituting 73% of the total production. In addition, in the last 5 years, Türkiye's exports constitute approximately 70% of the production.

Türkiye Automotive Production & Exports (in thousand units)
 • Production • Exports

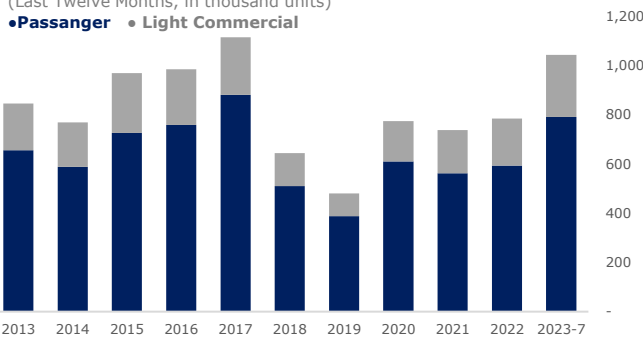


Source: OSD, JCR-ER, Year-ends, Last Twelve Months

*Automotive production comprises passenger, light and heavy commercial vehicles. Automotive exports comprise passenger, light, heavy and tractor vehicles.

The Turkish automotive market, which grew above expectations in 2022, made a strong start to 2023, especially in automobile sales. During the first seven months of the year, Türkiye achieved its highest sales figures in the past 10 years, particularly in the months of March to July, driven by strong demand.

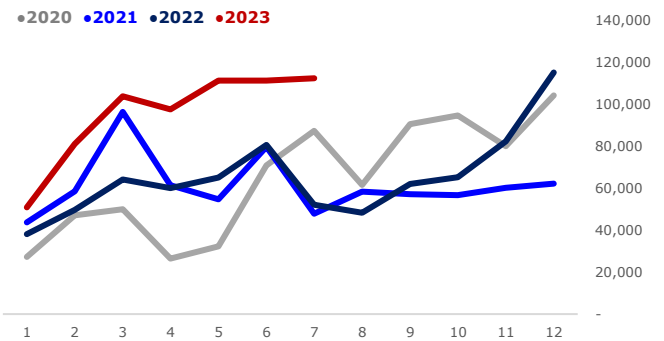
Türkiye Automotive Sales
 (Last Twelve Months, in thousand units)
 • Passenger • Light Commercial



Source: ODD, JCR-ER, Year-ends, Last Twelve Months

The overall demand for automobiles and light commercial vehicles grew in 2022 by 6.2% compared to the previous year, reaching 783,283 units. In this growth, the increase in individual mobility needs due to the pandemic as well as the delay in demand from previous years and the inflation concerns played an important role. As of FYE2022 passenger and light commercial vehicle sales increased by 5.5% and 8.6% respectively.

Monthly Passenger & LCV Sales (units)



Source: OSD, JCR-ER

As of FYE2022, a total of 592,660 passenger vehicles and 190,623 light commercial vehicles were sold in Türkiye. In automobile sales, more than 88% of the market was composed of vehicles in the A, B and C segments with low tax rates. While the trend towards gasoline vehicles increased, the decline in diesel vehicles continued. Electric car sales in 2022, on the other hand, increased by 171.7% compared to the previous year. In 2022, 7,733 electric cars were sold in Türkiye. On the other hand, Hybrid automobile sales took an 10.9% share of the market with 64,387 units.

Domestic Automotive Sales

(in units)	Passenger	LCV	Total
2012	525,251	200,878	726,129
2013	655,545	188,723	844,268
2014	587,461	180,350	767,811
2015	725,596	242,421	968,017
2016	756,938	226,782	983,720
2017	879,233	233,435	1,112,668
2018	509,102	134,616	643,718
2019	387,256	91,804	479,060
2020	610,109	162,679	772,788
2021	561,853	175,497	737,350
2022	592,660	190,623	783,283
2023-1	600,928	195,118	796,046
2023-2	622,194	205,348	827,542
2023-3	651,247	215,957	867,204
2023-4	683,081	221,767	904,848
2023-5	718,549	232,488	951,037
2023-6	744,750	236,998	981,748
2023-7	789,635	252,366	1,042,001

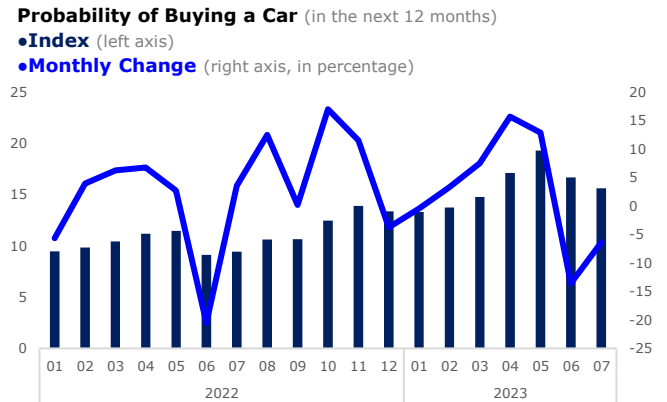
Source: ODD, JCR-ER, Year-ends, Last Twelve Months

In the January-July period of 2023, the Turkish automobile and light commercial vehicle total market increased by 63.1% compared to the same period of the previous year and amounted to 668,828 units. Passenger vehicle sales increased by 61.7% to 516,288 units in the January-July period of 2023 compared to the previous year, while the light commercial vehicle market increased by 68.0% to 152,540 units. In the

mentioned period, vehicles in the A, B and C segments with low tax rates constituted 89.5% of the market. When evaluated according to body types, SUV cars were the most preferred body type (48.5% share as of July 2023). Sedans followed SUV's with a 27.9% share. Gasoline-powered automobile sales took a 68.9% share with 355,927 units, diesel automobile sales took a 16.3% share with 84,336 units, Hybrid automobile sales took a 10.3% share with 53,049 units, and Autogas automobile sales took a 1.1% share with 5,669 units. In addition, 17,307 electric cars were sold in the first seven months of 2023.

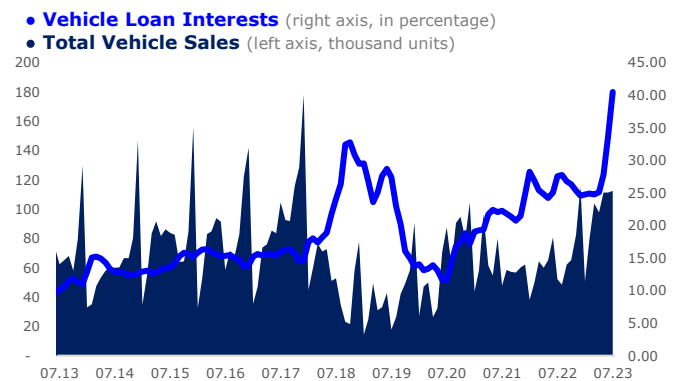
Electric vehicles, which hold the future of the industry and grow in importance every day, have started to integrate into consumers' lives to a greater extent. Almost every brand has begun manufacturing and launching their electric models. In order to support this, the Banking Regulation and Supervision Agency (BDDK) has introduced a new decision. According to this decision, electric vehicles with a final invoice value of TRY 900 thousand or less can now be purchased with a credit facility of up to 70% of the vehicle price, with a repayment period of 48 months. In the first seven months of 2023, a total of 17,307 electric vehicles were sold, indicating an impressive increase of 583.5% compared to the previous year. It is predicted that the demand for electric vehicles will continue to rise due to factors such as green transformation, sustainability, ease of use in urban areas, and the advantage of lower tax rates.

There is a strong relationship between consumer confidence and automotive sales. According to the Turkstat consumer confidence index, the probability of buying a car over the next 12 months decreased significantly from September 2021. Besides, the mentioned decrease extended to the first month of 2022 and the index realized 9.1 in June 2022 which is the lowest level throughout the beginning of 2021. The probability of buying a car over the next 12 months progressively increased from the beginning of 2023 until the month of April. While the average index realized as 11.0 as of FYE2022 (13.3 as of FYE2021), the average index is 14.7 in the first 4 months of 2023.



Source: Turkstat

In addition, interest rates play a critical role in automotive sales. After vehicle sales were at the highest level in 2017. As it can be seen from the table below, due to the increase observed in vehicle loan interest rates pertaining to the related periods, sales are also decreased. While the total stock of vehicle loans was TRY 47.49bn as of FYE2018, the mentioned figure was realized as TRY 104.68bn as of FYE2021 and TRY 230.90bn as of FYE2022. The total stock of vehicle loans increased to 270.51bn in July 2023. Behind the rapid rise in the loan stock are the increased vehicle prices due to the chip crisis and the depreciation of TRY.



Source: EVDS, ODD

On the other hand, the Government of Türkiye made a regulation on the excise tax base on passenger vehicles in November 2022. It is envisaged that the regulation will be reflected in some automobile prices as a discount. Details about the excise tax base on special consumption tax updated on November 24, 2022 are given in the table below.

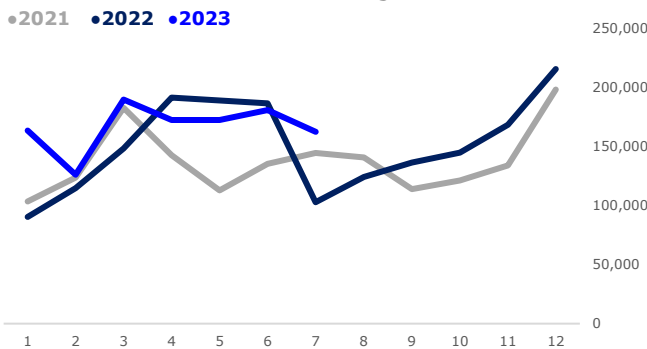
SCT Base Updated on November 24, 2022 Passenger Vehicle Engine Displacement	SCT Bracket Rate (%)	Basis Bracket (Thousand, TRY)	
		Old	New
<1600cc	45	0-120	0-184
	50	120-150	184-220
	60	150-175	220-250
	70	175-200	250-280
	80	>=200	>=280
1600cc-1800cc (hybrid motor > 50 kW)	45	0-130	0-228
	50	130-210	228-350
	80	>=210	>=350

Source: Official Gazette, JCR-ER

The shortage of availability in the first-hand market keeps the second-hand market alive, and despite the difficult economic conditions, the inflationist environment ensures that the automotive demand maintains its strength to some extent.

According to the Indicata data, 1,167,069 second-hand passenger and light commercial vehicles were sold in the online market in the seven months period of 2023. Sales in the January-July period increased by 14% compared to the same period of the previous year.

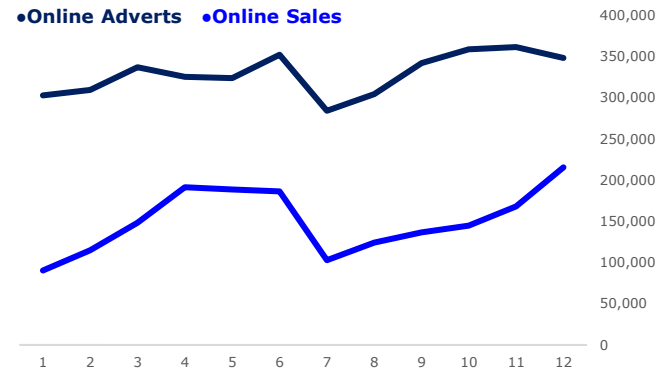
2nd Hand Online Market Passenger & LCV Sales



Source: Indicata, Monthly 2nd Hand Online Market Report

As of July 2023, the number of vehicles advertised in the second-hand online passenger and light commercial market was 2,315,098 in the seven-month period. While there was a 4% increase in the number of ads compared to the same period last year, 50% of the advertised vehicles were sold.

Sales of Vehicles in the 2nd Hand Online Market 2022



Source: Indicata, Monthly 2nd Hand Online Market Report

* Vehicles that have been completely removed from the ad are considered to have been sold.

To sum up, the chip crisis, raw material and spare parts supply problems, as well as the ongoing logistics problems affect the global automotive industry negatively and these problems reduce vehicle availability. For this reason, considering the ongoing problems, it is expected that the global recovery in the automotive sector, which was expected in 2023, will extend to 2024. On the other hands, macroprudential steps taken to reduce domestic demand may suppress automobile demand in the upcoming period.

5. Additional Rating Assessments

Credit, market, operational, and liquidity risks represent the major risk categories of Beyaz Filo resulting from its operations.

The risk management program focuses on the unpredictability of financial markets and targets to minimize the potential negative effects on the financial performance of the Company. Credit, market, liquidity, and operational risks are monitored by the Company. The principal financial risks of the Company will be examined in greater detail in the following section.

Credit Risk

Credit risk refers to the inability of the parties involved in a transaction to carry out their financial obligations. It arises principally from the Company’s receivables from customers and investment securities. The Company’s principal financial assets are cash and cash equivalents, financial investments, trade receivables, and other receivables. The Company’s management mitigates this risk through limitations on the contracts

made with counterparties and obtaining sufficient collaterals where appropriate.

The Company management evaluates its trade receivables by considering past experiences and current economic situation. Beyaz Filo carried out new and used vehicle sales to individual customers in cash. Also, The Company receives its receivables in 20 days in sales to large-scale fleet companies and does not receive any collaterals. For small-scale fleet companies, checks or loan allocation letters are received from banks as collateral.

As stated in the audit report, the principle items exposed to credit risk includes trade, related party and other receivables and bank deposits which collectively amounted TRY 842.994mn as of FYE2022 (FYE2021: TRY 168.208mn), indicating an increase of 401.16% compared to FYE2021 mainly due to increase in bank deposits and trade receivables. Additionally, as of 2022 year-end, total doubtful trade receivables were TRY 6.59mn that was fully provisioned (2021: TRY 5.93mn). The Company's doubtful trade receivables mainly comes from previous years. The Company's doubtful trade receivables realized as TRY 745k for the period of 2022 which is at very low level.

Market Risk

Market risk refers to the risk that changes in foreign exchange rates and interest rates affect the Company's income and financial instruments it holds. The purpose of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing earnings.

The Company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the TRY. Since the Company does not have any assets and liabilities other than TRY, Beyaz Filo does not expose the credit risk.

Liquidity Risk

Liquidity risk refers to the possible inability to fund payment obligations. It arises in the general funding of the company's activities and in the management of positions. Liquidity risk refers to a company's inability to meet short-term funding needs. To assess the liquidity risk of a company, it is important to track net working capital level, total cash credit lines, maturity profile of liabilities, cash and equivalents.

Net working capital provides important information on behalf of the Company's liquidity, operational efficiency and its short-term financial health. The Company's net working capital amounted to TRY 179.36mn as of FYE2022, increasing from the level of TRY 128.20mn attained at FYE2021.

The Company's key cash metrics are provided below.

Cash Metrics (TRY, Mn)	2022	2021
FFO (Funds from Operations)	72.09	34.19
CFO (Cash from Operations)	-22.86	71.41
FOCF (Free Operating Cash Flow)	-32.12	32.55

Key Liquidity Ratios	2022	2021
Current Ratio (x)	1.16	1.55
Net Working Capital / Assets (%)	12.75	29.38
FFO Debt Service Coverage (x)	0.39	1.82

According to the Findeks Risk Report, dated 4 August 2023, the Company - had total cash limits of TRY 891.99mn with TRY 58.16mn of cash loan risk and total non-cash limits of TRY 667.69mn including TRY 393.65mn of non-cash loan risk. It has available credit lines in 20 banks. The Company's free lines specify the financial strength and capability of the Company with respect to accessing credit lines when necessary.

The Company's maturity composition of funding structure has been predominantly constituted of short-term liabilities over the analysed periods. The short-term liabilities among total assets increased to 99.47% as of FYE2022 while equity's share among total assets realized as 22.03% as of FYE2022 down from the level of 45.46% in previous year.

Operational, Legal Regulatory & Other Risks

Operational risk refers to direct or indirect loss arising from a wide variety of causes associated with the Company's operational processes, employees, technology and infrastructure. In the event that necessary precautions are not taken in time, these risks cause a loss and may dampen the brand value of the institutions. The senior management carries out duties to avoid probable operational risks when required as well as with a specific unit. Beyaz Filo has an operational risk control mechanism which has been managed by computerized and manual controls are

effective to mitigate operational risks and minimize unexpected losses for the Company.

Beyaz Filo has been a quoted company on Borsa İstanbul ("BIST") since 2012. The Company is subject to certain compliance requirements concerning corporate governance principles and framework identified by Capital Markets Board of Türkiye (CMB). As such, it has reached a high standard of compliance with the Corporate Governance Practices such as a comprehensive risk management framework, high degree of transparency, quality of financial reporting along with an emphasis on sustainability and efficiency which contributes to its current set of ratings.

BEYAZ FİLO OTO KİRALAMA ANONİM ŞİRKETİ (Consolidated Financials)

Balance Sheet (000' TRY)

	6M2023	2022	2021	2020
TOTAL ASSETS	1,326,799	1,406,332	436,365	405,934
CURRENT ASSETS	1,182,161	1,270,132	360,388	381,586
Cash and Cash Equivalents	198,660	219,730	59,974	65,707
Trade Receivables	317,966	629,111	111,175	135,239
Other Receivables	1,297	574	631	563
Inventories	659,627	406,884	171,315	168,123
Prepaid Expenses	3,179	1,819	748	5,810
Current Tax Assets	1,076	11,552	12,531	5,914
Other Current Assets	356	462	4,014	230
FIXED ASSETS	144,638	136,200	75,977	24,348
Investments in Affiliates, Joint Ventures and Subsidiaries	1	1	1	1
Other Receivables	185	185	176	185
Tangible Fixed Assets	120,905	112,151	58,866	18,376
Right-of-Use Assets	1,892	460	0	0
Intangible Fixed Assets	15,363	15,451	15,651	458
Prepaid Expenses	6,292	4,400	1,283	3,636
Deferred Tax Asset	0	3,552	0	1,692
TOTAL LIABILITIES & EQUITY	1,326,799	1,406,332	436,365	405,934
SHORT TERM LIABILITIES	978,620	1,090,777	232,192	243,860
Short Term Borrowings	185,023	196,724	13,040	47,187
Short Term Portion of Long Term Borrowings	11,160	16,126	4,477	4,143
Trade Payables	449,993	596,052	189,813	132,884
Employee Benefits	2,629	1,951	536	264
Other Payables	1,106	1,026	1,006	967
Deferred Income	125,058	77,348	3,790	8,418
Current Tax Liabilities	10,742	14,946	12,531	9,745
Short Term Provisions	2,127	1,514	848	404
Other Short Term Liabilities	190,782	185,090	6,151	39,848
LONG TERM LIABILITIES	7,340	5,799	5,794	7,124
Long Term Borrowings	1,435	1,437	1,405	5,880
Deferred Tax Liabilities	1,198	0	2,438	0
EQUITY	340,839	309,756	198,379	154,950
Controlling Interest	340,839	309,756	198,379	154,950
Share Capital	99,688	99,688	99,688	99,688
Share Premium (Discount)	0	0	0	1,332
Other Accumulated Comprehensive Income (Expenses) That Will Not Be Reclassified To Profit or Loss	46,322	52,318	12,236	-2,146
Restricted Reserves	14,806	9,317	6,503	3,848
Previous Years Profits or Losses	117,656	60,191	41,899	14,480
Net Profit or Loss	62,367	88,242	38,053	37,748

- Including JCR Eurasia Rating's adjustments where applicable,

BEYAZ FİLO OTO KİRALAMA ANONİM ŞİRKETİ (Consolidated Financials)

Income Statement (000' TRY)

	6M2023	2022	2021	2020
Revenue	3,186,187	2,979,266	1,470,676	1,300,047
Cost of Sales	-3,044,426	-2,847,062	-1,409,398	-1,236,927
GROSS PROFIT (LOSS)	141,761	132,204	61,278	63,120
General and Administrative Expenses	-19,720	-22,011	-11,859	-7,094
Marketing Expenses	-16,166	-18,652	-12,270	-9,033
Other Operating Income	6,315	3,589	4,463	2,156
Other Operating Expenses	-43,425	-17,468	-8,462	-1,594
OPERATING PROFIT (LOSS)	68,765	77,662	33,150	47,555
Income from Investment Activities	4,693	3,560	102	2,658
OPERATING PROFIT (LOSS) BEFORE FINANCING ACTIVITIES	73,458	81,222	33,252	50,213
Financing Income	34,830	33,232	21,120	4,207
Financing Expenses	-30,279	-19,512	-3,230	-6,624
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	78,009	94,942	51,142	47,796
Tax Income Expense from Continuing Operations	-15,642	-6,700	-13,089	-10,048
Current Tax (Expense) Income	-10,742	-14,946	-12,531	-9,745
Deferred Tax (Expense) Income	-4,900	8,246	-558	-303
NET PROFIT FROM CONTINUING OPERATIONS	62,367	88,242	38,053	37,748
NET PROFIT (LOSS) FOR THE PERIOD	62,367	88,242	38,053	37,748

- Including JCR Eurasia Rating's adjustments where applicable,

BEYAZ FİLO OTO KİRALAMA ANONİM ŞİRKETİ (Consolidated Financials)

Key Ratios & Metrics

	2022	2021	2020
PROFITABILITY			
EBITDA Margin (%)	3.20	2.62	3.69
EBIT Margin (%)	3.07	2.53	3.61
CFO Margin (%)	-0.77	4.86	6.73
Return on Average Assets (ROaA) (%)	9.58	9.04	10.83
Return on Average Equity (ROaE) (%)	34.73	21.54	27.42
Net Profit Margin (%)	2.96	2.59	2.90
Operating Profit Margin (%)	2.61	2.25	3.66
Gross Profit Margin (%)	4.44	4.17	4.86
LIQUIDITY			
FFO Debt Service Coverage (x)	0.39	1.82	1.45
Current Ratio (x)	1.16	1.55	1.56
Net Working Capital / Assets (%)	12.75	29.38	33.93
LEVERAGE			
FFO / Adjusted Net Debt (%)	CS	CS	CS
Adjusted Net Debt / EBITDA (x)	CS	CS	CS
FOCF / Adjusted Net Debt (%)	CS	CS	CS
Adjusted Debt / Capital (%)	40.89	8.71	26.97
Adjusted Short-Term Net Debt / EBITDA (x)	CS	CS	CS
EFFICIENCY			
RoC (Return on Capital) = EBIT / Avg. Capital (%)	24.70	17.30	21.07
Working Capital Turnover Ratio (x)	19.37	11.06	10.33
Operating Ratio (%) = OPEX / Net Sales	1.36	1.64	1.24
Equity Turnover (x)	11.73	8.32	9.45
Cash Conversion Cycle (days)	32	33	46
Account Receivables Turnover (x)	8.05	11.94	7.96
Inventory Turnover (x)	9.85	8.30	13.90
Payables Turnover (x)	7.25	8.74	14.07
COVERAGE			
EBITDA / Adjusted Interest (x)	4.98	13.28	7.39
FFO Interest Coverage= (FFO + Adjusted Interest Paid) / Adjusted Interest Paid (x)	4.77	12.81	12.90
CFO / Capex (x)	-2.47	1.84	6.78
FOCF Dividend Coverage=FOCF (t-1) / Dividends Paid (t) (x)	1.92	8.28	-19.44
GROWTH			
Sales Growth (%)	102.58	13.12	67.62
EBITDA Growth (%)	147.54	-19.77	95.57
Asset Growth (%)	222.28	7.50	39.29

- Including JCR Eurasia Rating's adjustments where applicable,

- CS: Cash Surplus

Rating Info

Rated Company:	BEYAZ FİLO OTO KİRALAMA ANONİM ŞİRKETİ Birlik Mahallesi, Podgoritsa Caddesi No:1 Çankaya / Ankara Telephone: 0 (312) 454 20 00
Rating Report Preparation Period:	01.09.2023-20.09.2023
Rating Publishing Date:	21.09.2023
Rating Expiration Date:	1 full year after publishing date, unless otherwise stated
Audited Financial Statements:	6M2023-FYE2022-FYE2021-FYE2020-FYE2019 / Consolidated
Previous Rating Results:	First Report
Rating Committee Members:	Z. M. Çoktan (<i>Executive Vice President</i>), Ö. Sucu (<i>Manager</i>), F. Tunç (<i>Team Leader</i>)

Disclaimer

The ratings assigned by JCR Eurasia Rating are a reflection of the Company's independent audit reports prepared in conformity with Turkish Financial Reporting Standards (TFRS) and International Financial Reporting Standards (IFRS), on and off-balance sheet figures, general market conditions in its fields of activity, unaudited financial statements, information and clarifications provided by the Company, and non-financial figures. Certain financial figures of the Company for previous years have been adjusted in line with the JCR Eurasia Rating's criteria.

The Company's balance sheet composition, asset quality, risk management practices, business profile, liquidity management, history in the sector, profitability figures, revenues, debt structure, growth rates, off-balance sheet commitments, and the financial and non-financial positions of the main shareholders were taken into consideration while determining the risk assessment of the long-term international local currency and foreign currency ratings as well as national ratings.

Considering the fact that there are no additional legal or financial collateral guarantees provided separately for the repayment of the bonds issued, the note assigned for the TRY dominated bond issuance is assigned as the same as the Company's Long and Short Term National Local Ratings, unless otherwise stated.

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This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Türkiye), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations.

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