Corporate Credit Rating

☐New ☒Update

Sector: Retail Trading
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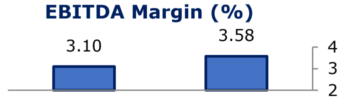
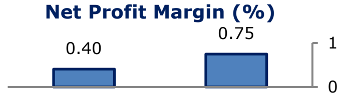
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA- (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Assigned by JCR on May 10, 2024*

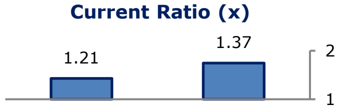
EBITDA Margin (%)



Net Profit Margin (%)

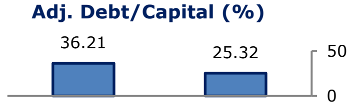


Current Ratio (x)

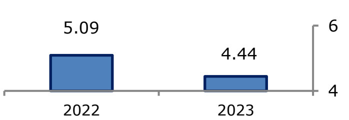


Adj.Net Debt/EBITDA (x)

Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



CS: Cash Surplus

BEYAZ FİLO OTO KİRALAMA ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of **"Beyaz Filo Oto Kiralama Anonim Şirketi"** in the investment grade category with very high credit quality and revised the Long-Term National Issuer Credit Rating to **'AA- (tr)'** from **'A+ (tr)'** and the Short-Term National Issuer Credit Rating to **'J1+ (tr)'** from **'J1 (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as **'BB/Stable'** as parallel to international ratings and outlooks of Republic of Türkiye.

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

The Group's shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "BEYAZ" since 2012. As of reporting date Beyaz Filo's shareholders are Flap Kongre Toplantı Hiz.Oto. Tur. A.Ş. (18.84%), Gürkan Gençler (27.05%), Gökhan Saygı (29.56%), Publicly Traded (24.55%).

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

Strengths	Constraints
• Notable growth in sales revenue driven by increase in sales volume, • Solid balance sheet with net cash position over the analyzed periods, • Increase in net working capital level and operating with satisfactory level of liquidity ratios, • Enhancement in cash flow metrics in FY2023, • Low collection risk contributing to receivable and asset quality, • Experience and brand awareness in the sector, leading to a competitive advantage, • Compliance with corporate governance principles as a company listed in BIST.	• Limited profitability metrics over the analyzed years due to nature of the sector, • Contractionary effect of quantitative tightening steps on the domestic side, expected to reduce total demand in the sector, • Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been revised to **'AA- (tr)'** from **'A+ (tr)'**. Taking into account, the Group's notable growth in sales revenue, net cash position, strong liquidity ratios, enhancement in cash flow metrics, low collection risk as well as limited profitability metrics 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 Group's profitability metrics, 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 also be monitored.

1. Rating Rationale

In accordance with the "Announcement on Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit" published by the Public Oversight Authority (in Turkish acronym KGK) on November 23, 2023, and the decision of the Capital Markets Board (in Turkish acronym SPK) dated December 28, 2023, and numbered 81/1820, the financial statements included in the independent audit report were subject to inflation adjustment within the scope of TAS 29 "Financial Reporting in Hyperinflationary Economies" standard. In this context, the financial statements for 2023 and the financial statements for 2022 in the annex of the independent audit report have been restated to include retrospective adjustments.

With respect to the factors mentioned below, JCR Eurasia Rating revised the Long-Term National Issuer Credit Rating of Beyaz Filo to **'AA- (tr)'** from **'A+ (tr)'** and the Short-Term National Issuer to **'J1+ (tr)'** from **'J1 (tr)'** in JCR Eurasia Rating's notation system which denotes the investment grade category with very high credit quality.

When the global and national scale rating matching published by JCR Eurasia Rating is considered, the Group's Long-Term International Issuer Credit Ratings have been determined as **'BB'**. Global and national scale rating matching methodology also published by JCR Eurasia Rating (available at www.jcrer.com.tr).

Notable Growth in Sales Revenue Driven by Increase in Sales Volume

Beyaz Filo is distributor of Opel, Peugeot, Citroēn, DS, Renault and Dacia brands. Also, the Group sells second-hand vehicles and provides after sales services.

The Group generated TRY 10.43bn sales revenue in FY2023 (FY2022: TRY 5.68bn), increased by 83.59% compared to previous year. Sales revenue of the Group is mainly comprised of new car sales. Details of the revenue breakdown over the analysed periods can be seen from the table below.

TRY mn	1Q2024	FY2023	FY2022
New Car Sales	2,733.25	9,329.39	4,776.94
Second Hand Car Sales	177.60	995.60	830.38
Service Revenue	34.17	94.16	77.67
Rental Income	7.56	17.10	2.89
Other Income	0.80	2.96	0.56

The main driver of the Group's revenue growth was the increase in sales volume. Especially in 2023, the Group reached to the highest sales volume in the analyzed periods due to the rise in demand. The Group sold totally 15,231 new cars with 65% increase in FY2023 in comparison to previous year.

Sales Volume	1Q2024	2023	2022	2021
New Car	4,663	15,231	9,226	8,353
Second Hand Car	286	1,403	1,528	2,300
Total	**4,949**	**16,634**	**10,754**	**10,653**

Solid Balance Sheet with Net Cash Position Over the Analyzed Periods

Beyaz Filo recorded low level of financial debt compared to cash and cash equivalent items over the analyzed periods. Total financial debt of the Group decreased to TRY 230.96mn as of FYE2023 (FYE2022: TRY 353.09mn). Additionally, when cash and cash equivalent items are excluded from adjusted debt, the Group's adjusted net financial debt amount realized as TRY -269.08mn as of FYE2023 meaning that the Group could pay off its financial debts at any desirable time frame with its cash in hand. In other words, owing to the sizable cash balance and low credit utilization, the Group has no net financial debt as of the analyzed years.

Low level of bank borrowings and net cash position, which provides a significant advantage for the Group in such a volatile environment and shield for financials against shocks.

Also, the Group has ongoing investment for a new plaza. Land will be purchased for this investment and will be financed with equity. No additional borrowing is foreseen for this investment.

On the other hand, as of September 11, 2024, the Beyaz Filo's cash risk decreased to TRY 115.81mn, according to the central bank records. Taking into consideration the Group's current debt level and cash amount it is observed that the Group has sustainable performance in terms of indebtedness and adequate level of leverage figures maintained during 2024.

Increase in Net Working Capital Level and Operating with Satisfactory Level of Liquidity Ratios

Net working capital (NWC) is the difference between the Group's current assets and current liabilities on its balance sheet. It is a measure of the Group's liquidity and its ability to meet short-term obligations, as well as fund operations of the business.

Beyaz Filo has operated with positive net working capital figures in the analyzed periods. As of FYE2023, the Group's current assets mainly consisted of cash and cash equivalents, trade receivables and inventories. The Group's current assets decreased to TRY 1.74bn as of FYE2023 from TRY 2.18bn as of FYE2022 down by 20.14% YoY basis. On the other hand, short-term liabilities which mainly comprised from trade payables decreased by 29.36% to TRY 1.27bn as of FYE2023 (FYE2022: TRY 1.80bn). Accordingly, net working capital of the Group increased to TRY 472.54mn as of FYE2023 (FYE2022: TRY 384.14mn).

In addition to the net working capital level, the Group has been operating with adequate level of current ratios which facilitated the management of the risk related to urgent cash needs to a certain extent. The current ratio of the Group slightly improved and realized as 1.37 (x) as of FYE2023 (FYE2022: 1.21 (x)). Also, net working capital to total assets ratio recorded as 23.54% as of FYE2023 (FYE2022: 15.71%).

Enhancement in Cash Flow Metrics in FY2023

Cash generation capacity, which is one of the important criteria for the financial strength of a company, has improved in FY2023. Cash flow from operating activities (CFO) indicates the amount of money a company brings in from its ongoing, regular business activities, such as manufacturing, selling goods or providing a service to customers. Beyaz Filo's cash from operations improved and recorded as TRY 494.97mn in FYE2023 (FYE2022: TRY 57.10mn).

Another important cash flow metric, Free Operating Cash Flow (FOCF) is the cash that a company generates from its normal business operations after subtracting any money spent on capital expenditures. Beyaz Filo's Free Operating Cash Flow (FOCF) also improved and increased to TRY 494.76mn in FY2023 (FY2022: TRY 2.83mn). The Group's key cash flow metrics are provided below.

Cash Flow Metrics (TRY mn)	FY2022	FY2023
FFO (Funds from Operations)	133.51	321.74
CFO (Cash from Operations)	57.10	494.97
FOCF (Free Operating Cash Flow)	2.83	494.76

Low Collection Risk Contributing to Receivable and Asset Quality

Beyaz Filo's customer portfolio for vehicle sales consists of fleet leasing companies and individual customers. The Group makes approximately 80-85% of its new vehicle sales to fleet leasing 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 FYE2023, doubtful trade receivables of the Group amounted at TRY 7.90mn (FYE2022: TRY 10.85mn) and mainly come from previous years. The level of non-performing receivables was negligible in relation to the Group's asset and equity size. The ratio of the Group's doubtful trade receivables to its total trade receivables was 1.43% in FYE2023 (FYE2022: 1.05%).

Experience and Brand Awareness in the Sector, Leading to a Competitive Advantage

Beyaz Filo was established in 1993 in Didim Altınkum under the name of Rapid Turizm Sanayi ve Tic. Ltd. Şti. Although the Group was started its activities as an operational fleet rental company, after a while the Group expanded its activities to new and second-hand vehicle sales. Beyaz Filo has been involved in automotive sector and has a long-track record dating 30 years allowing the Group to build a strong capital base. The Group has a strong position and strong customer relations due to operating in the same sector for long years.

Currently, Beyaz Filo operates car dealership of 6 reputable brands. The Group has been serving as the authorized dealer of Opel, Peugeot, Citroēn, DS, Renault and Dacia. Brands represented by the Group, recorded successful retail sales performance in the local market. Also, the Group has sales championships of related brands due to its high sales performance.

The trust relationship established with customers in the industry plays an important role. The quality and the standards of the services by the Group have been effective in taking an important position in the sector.

Compliance with Corporate Governance Principles as a Company Listed in BIST

Beyaz Filo has been a quoted company on Borsa İstanbul ("BIST") since 2012. The Group 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 Group is more transparent and professional in terms of its operations, business structure, financial standing, and investor relations.

Limited Profitability Metrics Over the Analyzed Years Due to Nature of the Sector

Beyaz Filo generated TRY 373.16mn EBITDA in FY2023 (FY2022: TRY 175.89mn) and EBITDA margin did not show a significant change and recorded as 3.58% in FY2023 (FY2022: 3.10%). Although the slight increase in EBITDA margin was recorded in FY2023, it is still remaining at low level. The Group operates as a distributor, so does not have the power of determining the sales price. Sales prices and profit margins are mainly determined by main distributor company therefore EBITDA and profitability margins are suppressed by external conditions and competition in the sector. Also, market dynamics is another important factor for pricing and the Group's pricing policy varies according to competition in the sector.

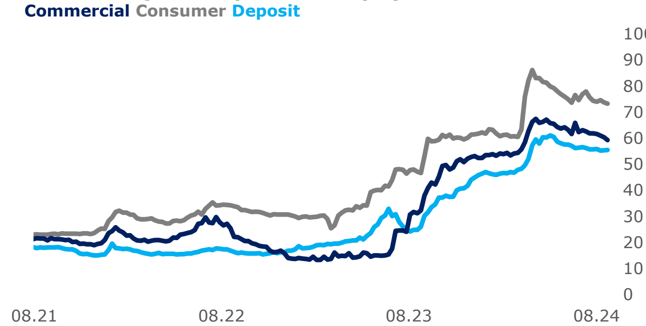
In addition, the Group's profitability metrics are also remaining at low level. In this regard, fundamental profitability margins such as gross profit, operating profit and net profit margins have actualized as 4.65% (FY2022: 4.41%), 2.73% (FY2022: 2.61%) and 0.75% (FY2022: 0.40%), respectively.

Contractionary Effect of Quantitative Tightening Steps on the Domestic Side, Expected to Reduce Total Demand in the Sector

Companies based in Türkiye face several headwinds, stemming from both global and domestic conditions. Major central banks have been hiking rates at the most rapid pace in near history and net lending standards have been tightening as well. In Türkiye, Central Bank of Republic of Türkiye (CBRT) also joined the hiking central banks in June 2023, at a rapid pace as well. CBRT hiked the rates from 8.5% to 50% in a quick succession targeting ex-ante real interest and gradually lifted previously implemented macroprudential measures affecting bank lending. The aim of administration is to achieve a soft landing via curbing consumption, though selective lending to support exports & investments persist.

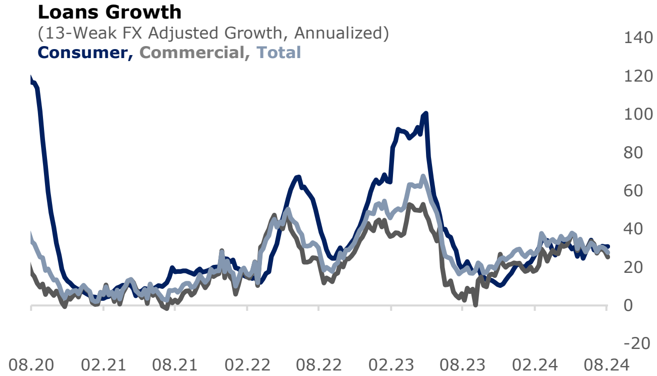
Current economic program entails high interest rates at a level that would curb leveraged consumption and inventory hoarding as carrying costs rise. On the fiscal side, tax regulations and additional tightening measures aim to support the efforts to limit consumption. Moreover, long list of previously announced macroprudential regulations in the banking system are lifted, liberating banks to pursue more independent asset-liability management. This resulted in much higher credit interest rates.

TRY Lending and Deposit Rates (%)



Source: CBRT, JCR-ER

Current economic program has affected loan growth and the growth rate is not as high as the excessive pace observed in the first half of 2023, as intended by the administration. Thus, firms which had relied on easy access to finance at low rates face significant financing costs and might need to rapidly deleverage.



Source: BRSA, JCR-ER

Tightening financial conditions, expected slowdown in consumer spending and weak outlook in major export markets will likely result in a lower growth rate in 2024 compared to last year. In fact, economic administration expects a negative output gap in 2024, implying an annual growth rate of 2-2.5%. On the other hand, government expenditures and still relatively resilient consumption might push the growth a bit higher.

In line with the data obtained from automotive distributors and mobility association, passenger car and light commercial vehicle market increased by 0.1% in January-July, 2024 in comparison to same previous interim period. On the other hand, passenger car and light commercial vehicle market decreased by 17.5%, passenger car market decreased by 16.04% and light commercial vehicle market decreased by 22.2% in July, 2024. Passenger car sales were 73,396 units while light commercial vehicle sales were 20,641 units in July, 2024.

Leading Economic Indicators Signal Global Economic Slowdown Whereas Quantitative Tightening Actions Aim to Restrict Consumption Growth and Achieve a Soft-Landing in the Domestic Side

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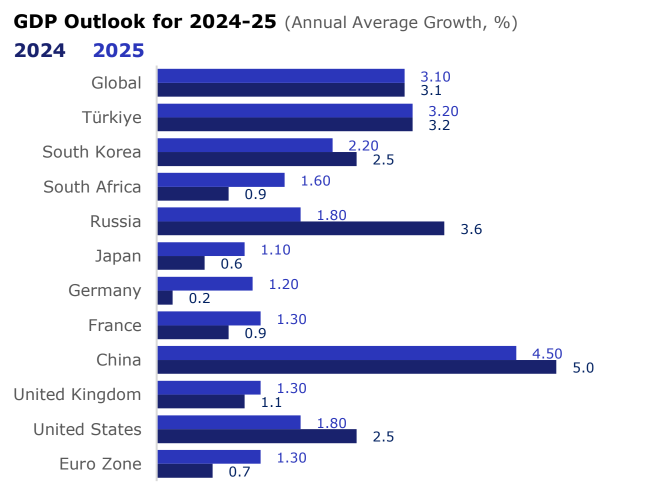
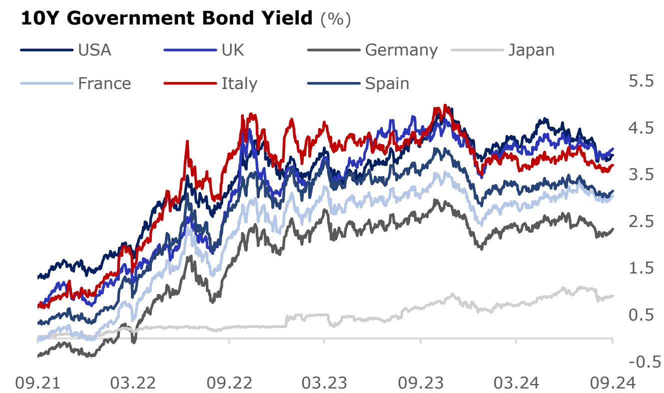
The tightening actions of major central banks (increasing interest rates and quantitative tightening), especially the Fed, in order to fight inflation, increased global recession concerns. Accompanied by tightening financial conditions, a weak growth outlook emerged in 2023, especially in Europe and Euro Zone completed next year with only annual growth of 0.4% (2022: 3.4%). The weak growth outlook for Europe is still expected for 2024 (especially in Germany). In addition, ongoing geopolitical risks are still on the agenda. The escalation of tensions in Middle East is of particular note as its could distort supply chains, affect oil prices and hinder global trade.



Source: Refinitiv Datastream, Reuters Poll (Median Forecast)
*As of 03-09-2024

Unprecedented pace of tightening and geopolitical risks 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. With these expectations and central banks' guidance, government bond's yields were at record high level almost all over the world until last quarter of 2023. At the beginning of 2024, pullback in inflation, especially with the support of energy prices, has changed market expectations towards monetary expansion at an earlier date than expected before. Thus, global government bond yield has been starting to decrease from record high level.



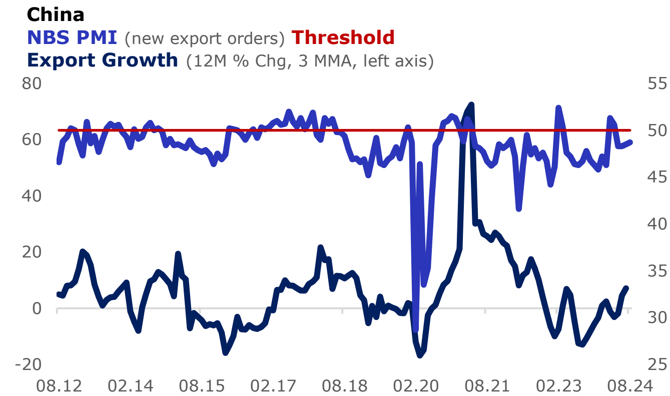
Source: Refinitiv Datastream

Recently, in line with the major central banks' guidance and the announced macroeconomic data, the first easing step came from ECB in June. A first cut from Fed is expected on September's FOMC meeting. As JCR-ER, we expect major central banks to continue monetary expansion in the last quarter of 2024. With the monetary easing steps expected to be taken as of the second half of the 2024 (provided that rising oil prices due to possible geopolitical tension do not pose a risk on inflation), it is expected that the global demand outlook will recover compared to the 2023.

On the other hand, the Bank of Japan hiked its benchmark interest rate from -0.10% to 0.25% in March and July, 2024 and committed to raising interest rates. With major central banks moving in opposite directions, the Bank of Japan's shift towards a tighter monetary policy has been narrowing the interest rate gap that has led to a record weakness in the yen.

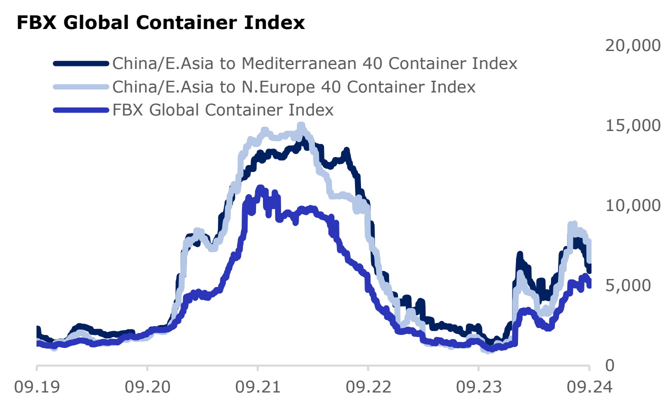
Following post-pandemic reopening, China took full advantage of its massive and integrated manufacturing sector, government subsidies to boost exports. On the other hand, domestic consumption is still weak after decades of investment/manufacturing focused policies. Therefore, for Chinese economy, the way forward is through shifting manufactured goods abroad, its long-term and global implications notwithstanding.

In this sense, we would expect China to double-down on any obstacle to its exports, as boosting domestic consumption requires a long and painful adjustment whereas boosting investment and consumption is more straightforward in the short run. In fact, as leading export indicators for China deteriorate, we would expect more aggressive policies to compensate for this. Therefore, Turkish companies face significant export competition from a global powerhouse.



Source: Refinitiv Datastream

This strong commitment to supporting exports were coupled with freight rates which had normalized in 2023. This reversion of freight costs had helped Chinese manufacturers to compete more easily with exporters close to their trade partners geographically.

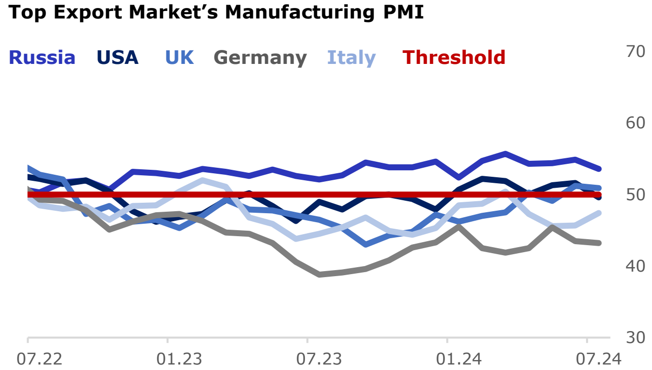


Source: Refinitiv Datastream

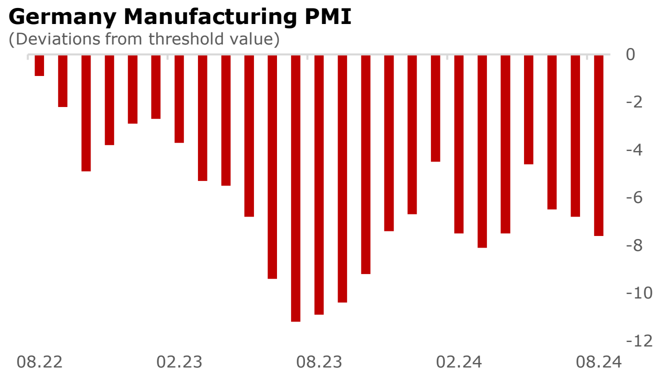
On the other hand, a new geopolitical risk is added to existing tensions created by Israel-Hamas conflict. Following the Houthi attacks to shipping vessels passing through the Red Sea, certain shipping companies suspended trade through the Suez Canal, increasing shipping costs and distressing the global supply chain. Additionally, tension between Iran/Lebanon and Israel should be followed closely in the context of geopolitical risks. However, the currently elevated levels are still lower than the spikes experienced during the supply chain shocks.

Global slowdown's impact on Türkiye

As of July, 2024, Turkish exports in the last twelve months to EU realized as USD 106.3bn which was USD 104.3bn in FY2023. Besides all these effects mentioned before, with the tightening conditions in Europe, economic activity remained weak in the first half of the year (especially in Germany, our still largest trade partner).

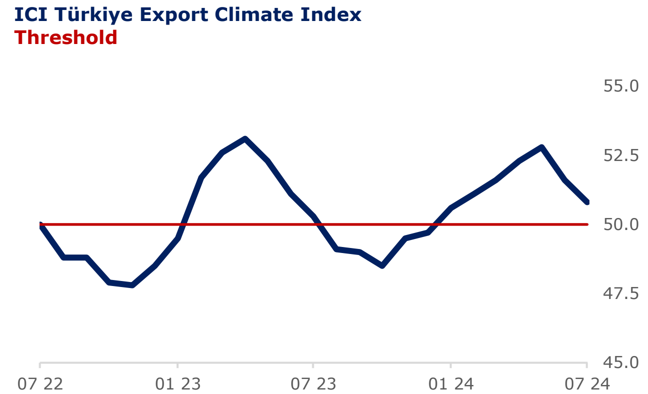


Source: Refinitiv Datastream



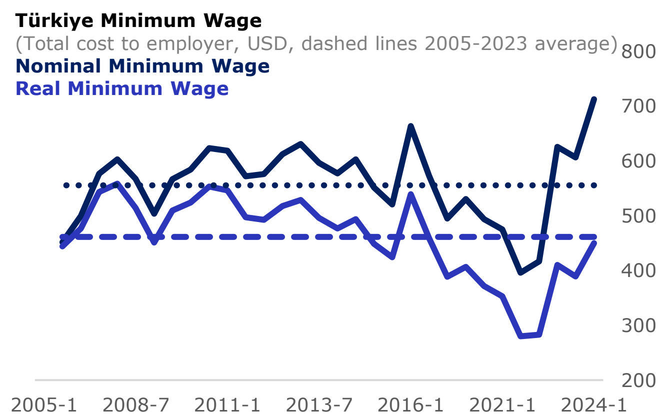
Source: Refinitiv Datastream

On the other hand, Türkiye's exports has exhibited recovery signs for first quarter of 2024 and it made a positive contribution to growth after a long break. According to the ICI, in January, 2024, Türkiye Climate Index rose above threshold for the first time since July 2023. In May 2024, the index reached to its highest value of last thirteen months with 52.8. Despite of weak growth outlook of Germany, most European countries' outlook recovered on a large scale and export to Middle East remained robust in first half of current year. Thus, demand conditions for Turkish manufacturing industry exporters have improved.



Source: The Istanbul Chamber of Industry (ICI)

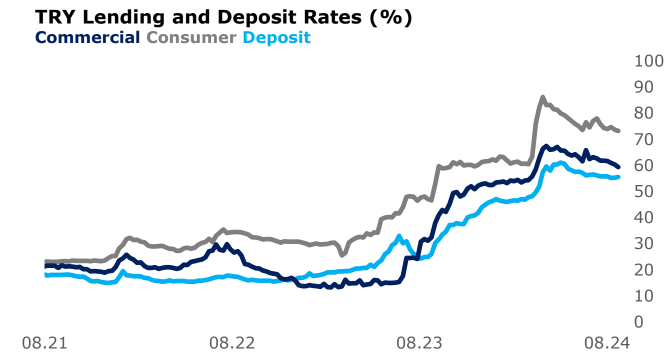
Further pressurizing the Turkish exporters are cost factors, mainly in terms of wages and energy prices. Minimum wage increased to TRY 23,502.94, including total costs to the employer (gross: TRY 20,002.50, net: TRY 17,002.12) for 2024. The latest increase in minimum wage pushed the total cost to employers to USD 610, using expected average USDTRY for the aforementioned year. Therefore, the expected level of minimum wage would realize above the average and would pressurize small scale businesses with labor intensive manufacturing and domestic focus. On the other hand, adjusting for US CPI, real minimum wage in USD terms is actually below the average, implying export focused companies should be able to manage these levels of increasing minimum wage.



Source: Ministry of Labor and Social Security, Refinitiv, JCR-ER Research
Nominal minimum wage for 2024 is calculated using expected average USDTRY for the given year.

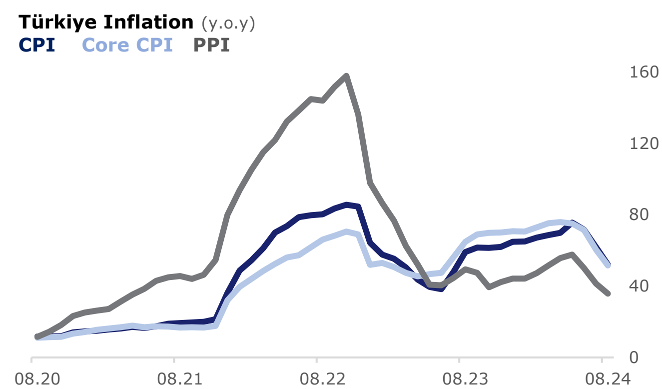
Domestic financial conditions are tightening, particularly in credit costs

Current economic program entails high interest rates at a level that would curb leveraged consumption and inventory hoarding as carrying costs rise. On the fiscal side, tax regulations and additional tightening measures aim to support the efforts to limit consumption. Moreover, long list of previously announced macroprudential regulations in the banking system are lifted, liberating banks to pursue more independent asset-liability management. This resulted in much higher credit interest rates.



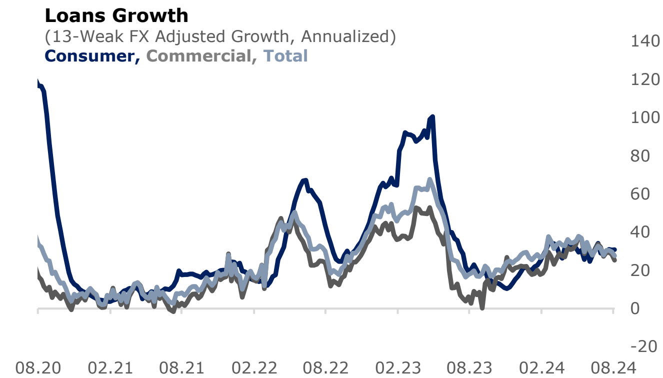
Source: CBRT, JCR-ER

In June 2024, in line with the CBRT's realistic projection, annual inflation realized as 71.6%, marking its first decline after 13 months and continued its decreasing trend with 51.97% in August, 2024. CBRT still expects a gradual decline from this level to 38% at the end of year. We note that most firms had been able to pass through the production costs to the consumers in the previous quarters, though efforts to limit consumption and suppress real income appears to have broken this mechanism in particularly 2024Q2 and onwards. In fact, there are signs of this in discretionary sectors. However, services inflation is still resilient.

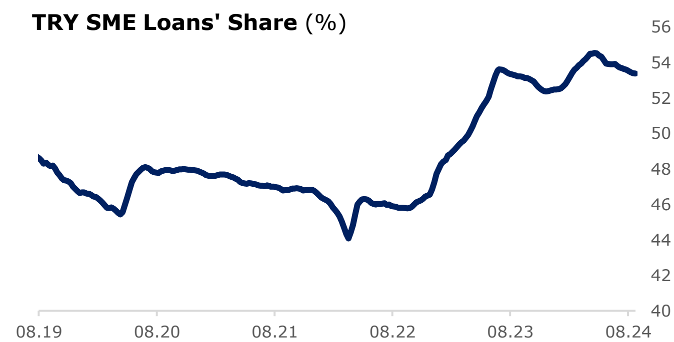


Source: Turkstat

Current economic program has affected loan growth and the growth rate is not as high as the excessive pace observed in the first half of 2023, as intended by the administration. Thus, firms which had relied on easy access to finance at low rates face significant financing costs and might need to rapidly deleverage.

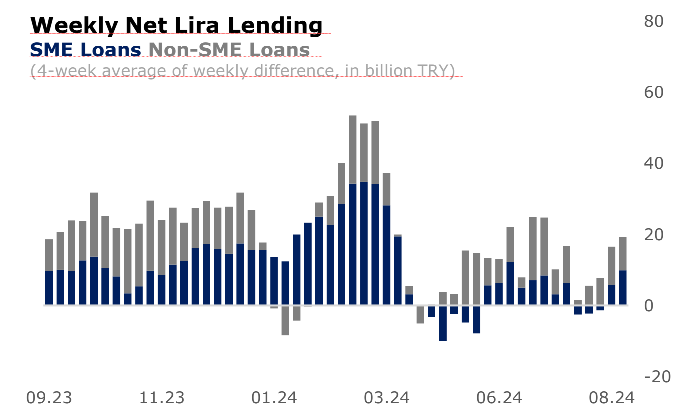


Source: BRSA, JCR-ER

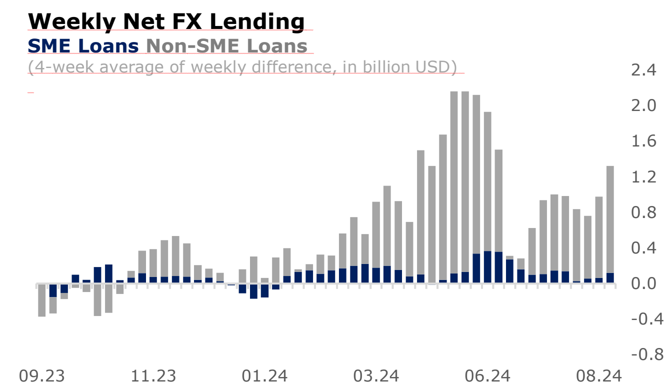


Source: BRSA, JCR-ER

In recent weeks, due to the effect of monetary tightening and historically high interest rates, there has been a decrease in commercial TRY lending. On the other hand, firms with access to FX financing had been using FX loans in an accelerated pace as the prospect of "real appreciation" of Lira is appealing to reduce funding costs.



Source: BRSA, JCR-ER



Source: BRSA, JCR-ER

Determined to fight inflation, CBRT has taken the measures in order to preserve macrofinancial stability, support the monetary transmission mechanism, and sterilize excess liquidity while keeping interest rates at high levels. Therefore, the slowdown in both FX and LCY lending and prohibitively high TL interest rates will likely keep fresh liquidity flows to the non-financial corporates at a very low level.

Access to finance and the cost of financing are still substantial topics affecting Turkish corporates, as the selective lending policies aimed to supporting exports, agricultural production, investments and high-tech have resulted in a divergence in financial conditions. In this sense, current outlook is more accommodative for export, technology and investment-oriented firms. On the other hand, for other companies, high loan rates (especially considering expected inflation trend) and moderating credit growth would translate into tighter credit standards. In fact, BRSA loan data underpins the net tightening of Lira loans where most SMEs face significant difficulties in obtaining liquidity. However, export-oriented and large-scale firms with FX loan access are currently in a more favorable position.

Tightening financial conditions, expected slowdown in consumer spending and weak outlook in major export markets will likely result in a lower growth rate in 2024 compared to last year. In fact, economic administration expects a negative output gap in 2024, implying an annual growth rate of 2-2.5%.

2. Rating Outlook

Taking into account, the Group's notable growth in sales revenue, net cash position, strong liquidity ratios, enhancement in cash flow metrics, low collection risk as well as limited profitability metrics have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National are determined as **'Stable'**.

Additionally, the outlooks on the International Long-Term Issuer Credit Rating perspectives of the Group determined as **'Stable'** in line with the sovereign rating outlooks of the 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

- Further increase in sales volume, sales revenue and EBITDA generation capacity,
- Continued deleveraged financial structure,
- Noteworthy growth in market shares and market power of the Group,
- Sustained recovery in the domestic economy along with global market conditions.

Factors that Could Lead to a Downgrade

- Considerable decline in sales revenue and EBITDA margin,
- The increase in indebtedness level and deterioration in debt service coverage metrics,
- Deterioration in liquidity metrics,
- Unexpected decreases in demands,
- Worsening of asset and receivables quality,
- Serious and deepened concerns on global macroeconomic indicators.

The Group's sectorial regulations, capital adequacy, financial structure, liquidity ratios, profitability ratios indicators and cash flow generation are the main factors that 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 also be monitored.

3. Projections

Projections for the year 2024 and 2025 are based upon the assumptions and plans submitted by the Group are provided in the table below. Projections of the Group were not subject to inflation adjustment within the scope of TAS 29 "Financial Reporting in Hyperinflationary Economies" standard.

TRY mn	P2024	P2025
Net Sales	14,875.25	23,852.23
Gross Profit	403.85	610.80
Net Profit	148.85	237.80

As observed from the table presented above, the Group expects its net sales as TRY 14.88bn and TRY 23.85bn in 2024 and 2025, respectively. In addition, net profit forecasted as TRY 148.85mn and TRY 237.80mn in 2024 and 2025 financials, respectively. Also, the Group expects to sell 17,730 cars by the end of 2024.

As of reporting date, the Group has no issued debts instruments in financial markets.

4. Company Profile & Industry

a. History and Activities

Beyaz Filo was established in 1993 under the name of Rapid Turizm Sanayi ve Tic. Ltd. Şti. The Group was providing operational leasing services until 2016. After 2016, the Group started to carry out new vehicle sales and after-sales services. Currently, the Group is the authorized dealer and service of Opel, Peugeot, Citroēn, DS, Renault and Dacia brands. Also, the Group 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 (FYE2023: 87 personnel) personnel as of March 2024.

b. Shareholders, Subsidiaries & Affiliates

The Group's paid-in capital is TRY 99.69mn as of FYE2023. The Group's shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol **"BEYAZ"** since 2012. The shareholder structure of the Group is as follows:

Beyaz Filo's Shareholder Structure

	March, 2024		December,2023	
	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	26,963,400	27.05
Gökhan Saygı	29,472,248	29.56	29,472,248	29.56
Others (Publicly Traded)	24,475,099	24.55	24,475,099	24.55
Total	**99,687,500**	**100.0**	**99,687,500**	**100.0**

As of the reporting date, the Group' 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, Beyaz Filo 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				
	March, 2024		December,2023	
	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. The total world's motor vehicle production increased by 10.0% in 2023 compared to the previous year owing to Asia-Oceania's production growth.

World Automotive Production in 2023 (Units)

Country	Passenger	Commercial	Total
China	26,123,757	4,037,209	30,160,966
USA	1,745,171	8,866,384	10,611,555
Japan	7,765,428	1,232,012	8,997,440
India	4,783,628	1,067,879	5,851,507
South Korea	3,908,747	334,850	4,243,597
Germany	4,109,371	-	4,109,371
Mexico	903,753	3,098,294	4,002,047
Spain	1,907,050	544,171	2,451,221
Total	**68,020,265**	**25,526,335**	**93,546,599**

Source: International Organization of Motor Vehicle Manufacturers (OICA)
*In Passenger Vehicle segment: Audi, BMW,JLR, Mercedes and Commercial Vehicle segment: Scania, Daimler, Volvo were not reported.

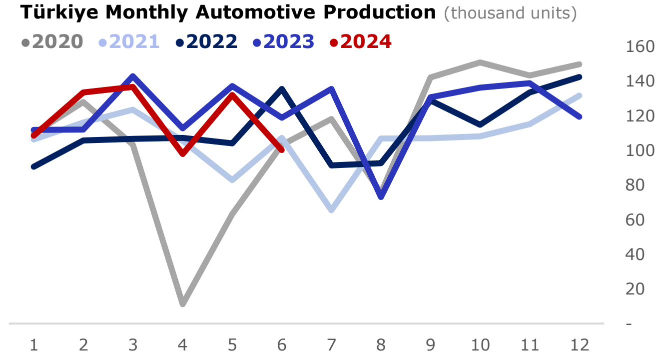
According to the International Organization of Motor Vehicle Manufacturers (OICA), Türkiye is at the Top-15 in 2023 in world production statistics. According to Automotive Manufacturers Association's (OSD) data, Türkiye produced 1.47mn units of passenger vehicles and commercial vehicles in 2023. As of the first half of 2024, passenger vehicle production realized 461k, commercial vehicle production realized 248k and total passenger and commercial vehicle production realized 708k with an annual decrease of 3.6%.

Automobile Production (thousand units)

	Passenger		Commercial	
Date	12M	YoY (%)	12M	YoY (%)
2014	733	15.8	437	-8.8
2015	791	7.9	568	29.9
2016	951	20.2	535	-5.8
2017	1,121	17.9	553	3.3
2018	1,026	-8.4	524	-5.3
2019	983	-4.3	479	-8.6
2020	855	-13.0	443	-7.5
2021	782	-8.5	493	11.4
2022	811	3.7	542	9.9
2023	953	17.5	516	-4.8
2024-6	951	6.8	491	-10.5

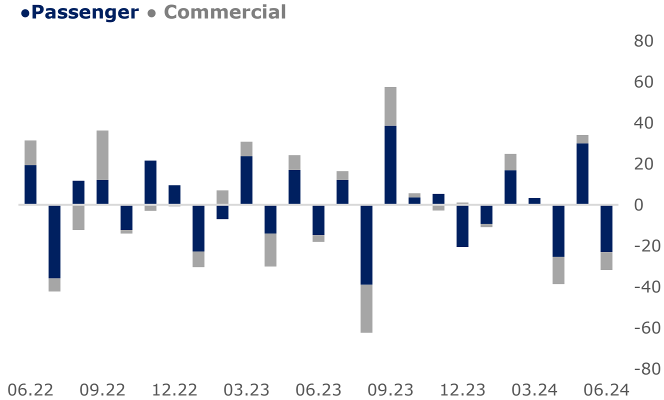
Source: OSD, JCR-ER, Last Twelve Months

Türkiye Monthly Automotive Production (thousand units)



Source: OSD, JCR-ER

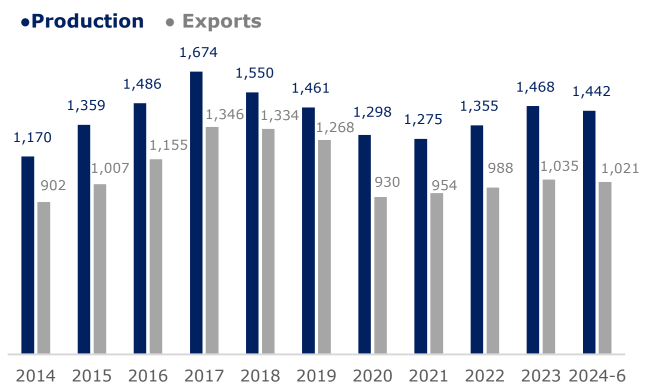
Türkiye Automobile Production Trend
(Monthly change, Thousands Units)



Source: OSD, JCR-ER

Briefly, despite an 8.6% increase in automotive production in 2023 compared to the previous year, Türkiye's automotive production, which had been contracting since 2018 until 2022, 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 FYE2023, Türkiye produced 1.47mn units of vehicles. Besides the total production of vehicles, Türkiye exported 1.03mn units, constituting 70% of the total production. In addition, in the last 5 years, Türkiye's exports constitute more than 70% of the production.

Türkiye Automotive Production & Exports (in thousand units)



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.

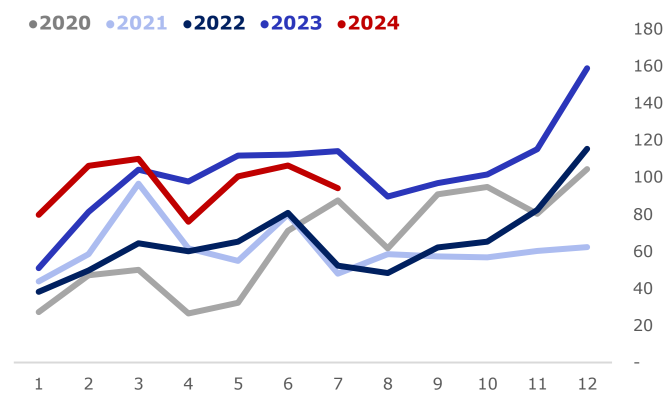
The Turkish automotive market, which grew above expectations in 2022, made a strong start to 2023, especially in automobile sales. Throughout the year, Türkiye achieved its highest sales figures in the past 10 years driven by strong demand and passed 1 million units in total automotive sales for the first time in Türkiye's history.

Türkiye Automotive Sales
(Last Twelve Months, in thousand units)

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

The overall demand for automobiles and light commercial vehicles grew in 2023 by 57.4% compared to the previous year, reaching 1,232,635 units according to Automotive Distributors' and Mobility Association (ODMD). 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 FYE2023 passenger and light commercial vehicle sales increased by 63.2% and 39.2% respectively. In the seven months of 2024, the total automotive sales reached 672.0k units, representing a 0.1% increase compared to the same period of the previous year. However, in April 2024 automotive sales fell below the levels seen in 2023 for the first time due to increasing vehicle loan interest rates and the actions on tightening monetary policy.

Monthly Passenger & LCV Sales (thousand units)



Source: ODMD, JCR-ER

As of FYE2023, a total of 967,341 passenger vehicles and 265,294 light commercial vehicles were sold in Türkiye. In automobile sales, more than 89% of the market was composed of vehicles in the A, B and C segments with low tax rates. While the trend towards gasoline powered and electric vehicles increased, the decline in diesel vehicles continued. In 2023, 72,179 units of electric vehicles were sold in Türkiye while the mentioned amount was 7,733 in 2022. Electric cars market share realized as 7.5% in 2023. On the other hand, Hybrid automobile sales took a 10.8% share of the market with 104,804 units.

Domestic Automotive Sales

(in thousand units)	Passenger	LCV	Total
2013	665	189	853
2014	587	180	768
2015	726	242	968
2016	757	227	984
2017	723	233	956
2018	486	135	621
2019	387	92	479
2020	610	163	773
2021	562	175	737
2022	593	191	783
2023	967	265	1,233
2024-7	985	248	1,233

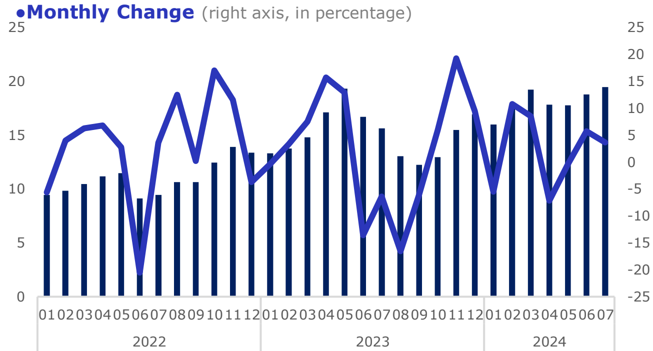
Source: ODMD, JCR-ER, Year-ends, Last Twelve Months

In the January-July period of 2024, the Turkish automobile and light commercial vehicle total market increased by 0.1% compared to the same period of the previous year and amounted to 672,018 units. Passenger vehicle sales increased by 3.4% to 536,351 units in the January-July period of 2024 compared to the previous year, while the light commercial vehicle market decreased by 11.1% to 135,667 units. In the mentioned period, vehicles in the A, B and C segments with low tax rates constituted 87.3% of the market. When evaluated according to body types, SUV cars were the most preferred body type (55.3% share as of July 2024). Sedans followed SUV's with a 26.3% share. On the other hand, gasoline-powered automobile sales took a 65.2% share with 349,583 units, hybrid automobile sales took a 14.8% share with 79,525 units, diesel automobile sales took an 10.9% share with 58,334 units, electric vehicle sales took a 8,5% share with 45,342 units, and Autogas automobile sales took a 0.7% share with 3,567 units.

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 twelve months of 2023, a total of 72,179 electric vehicles were sold, indicating an impressive increase of 833.4% 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.

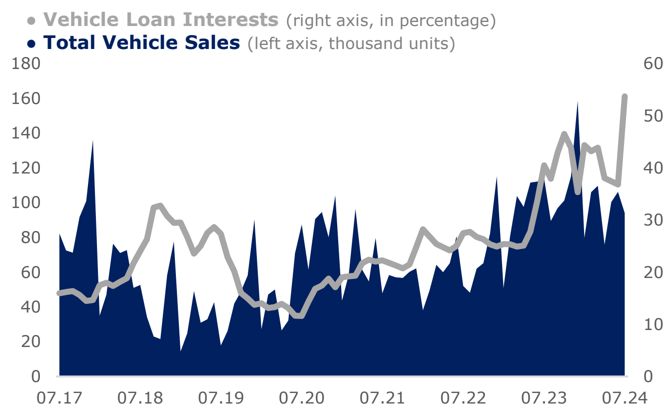
According to the Turkstat consumer confidence index, the probability of buying a car over the next 12 months progressively increased from the beginning of 2023 to the first half. In the second half of 2023, following the CBRT's monetary tightening policies, increasing interest rates on vehicle loans caused to slow down the consumers' demand in the June-August period. However, in the final quarter of 2023, the automotive demand stood strong due to inflation concerns and TRY's depreciation.

Probability of Buying a Car (in the next 12 months)
●**Index** (left axis, seasonal and calendar adjusted)
●**Monthly Change** (right axis, in percentage)



Source: Turkstat, JCR-ER

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 344.37bn in FYE2023 and 400.82bn in the seven months of 2024. Behind the rapid rise in the loan stock are the increased vehicle prices due to the issues in the supply chain, increase in demand and the depreciation of TRY.



Source: EVDS, ODMD, JCR-ER

The Motor Vehicle Tax was increased by 58.46% for 2024 at the revaluation rate. 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 based on Special Consumption Tax (SCT) updated on November 24, 2022 are given in the table below.

SCT Base Updated on November 24, 2022	SCT Bracket	Basis Bracket (Thousand, TRY)	
Passenger Vehicle Engine Displacement	**Rate** (%)	**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

In addition, as of November 2023, with the adjustment to the SCT brackets for electric vehicles, the threshold for the basis amount, applied to vehicles with an engine power below 160 kW and a 10% SCT rate, was increased from TRY 1,250mn to TRY 1,450mn. The mentioned decision will be beneficial in terms of encouraging the demand for electric vehicles and promoting the use of environmentally friendly technologies.

Electric Vehicles SCT Rates		
Engine Displacement	**Base Price** (TRY)	**SCT** (%)
< 160 kW	< 1,450,000	10
	> 1,450,000	40
> 160 kW	< 1,350,000	50
	> 1,350,000	60

Source: Official Gazette, JCR-ER

Also, for plug-in (rechargeable) hybrid vehicles a decision was announced to reduce the Special Consumption Tax (SCT) rate as of July 2024. Accordingly, the SCT rates for plug-in hybrid vehicles with carbon dioxide emissions below 25 grams and an electric range of 70 km or more have been updated as follows;

Plug-in Hybrid Vehicles SCT Rates		
Engine Displacement	**Base Price** (TRY)	**SCT** (%)
< 1.6 lt	< 1,350,000	30
	> 1,350,000	60
1.6 lt - 1.8 lt	< 1,350,000	70

Source: Official Gazette, JCR-ER

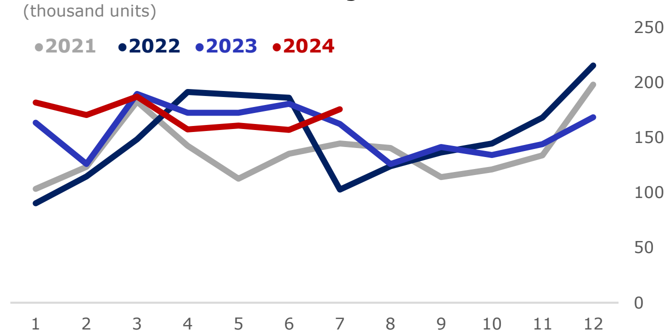
The Ministry of Commerce's official announcement for 2024 regarding the importation of electric vehicles has been released in the Official Gazette. Electric cars originating outside the European Union and countries signatory to Free Trade Agreements will necessitate the acquisition of a "permission receipt." Importers of each brand are mandated to establish a Turkish Call Center service in Türkiye with a minimum of 40 personnel, and the manufacturer is required to act as an authorized representative within the country. In addition, importers of the aforementioned electric vehicles will be obliged to establish authorized service centers in Türkiye's 7 regions and more than 20 provinces.

The "General Safety Regulation" (GSR), which will be applied to all automobiles and commercial vehicles to reduce fatalities and injuries in traffic accidents, became valid in Europe and Türkiye from July 7th, 2024. According to this mandatory GSR regulation, some safety features include: an emergency braking assistant, a driver fatigue detection system, automatic flashing hazard lights when braking suddenly, a windshield with safety glass features, adaptive speed assistance, a speed control system that provides feedback according to the road speed limit, lane keeping assistant. Not just a warning, but steering intervention is required, rear view camera or rear parking distance sensor, etc. Vehicles not equipped with these features will not be registered or sold from July 7th,2024 onwards. The prices of vehicles sold with these features will increase.

The shortage of availability in the first-hand market kept the second-hand market alive, and despite the difficult economic conditions, the inflationist environment ensured that the automotive demand maintained its strength to some extent until the second half of 2023. On the other hand, the enhanced accessibility of vehicles, coupled with a decrease in inflation, and rising interest rates rendered automobiles less effective as a hedge against inflation lately.

According to the Indicata data, 1,881,097 second-hand passenger and light commercial vehicles were sold in the online market in FY2023. Sales in 2023 increased by 3.8% compared to the previous year. Sales in the January-July period increased by 2.0% compared to the same period of the previous year. Despite the increase in cumulative sales in 2024, the sales figures in second-hand online market started to decline in a monthly basis as of March 2024.

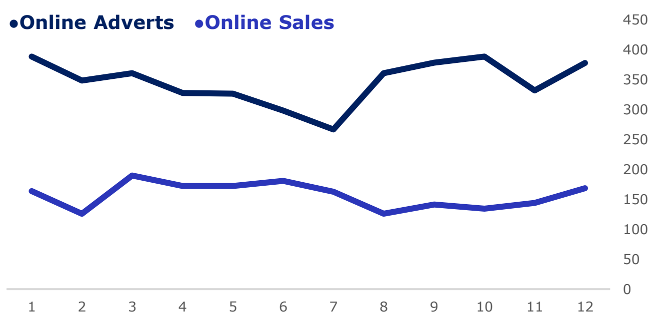
2nd Hand Online Market Passenger & LCV Sales
(thousand units)



Source: Indicata, Monthly 2nd Hand Online Market Report, JCR_ER

As of FY2023, the number of vehicles advertised in the second-hand online passenger and light commercial market was 4,151,644 units. While there was a 5% increase in the number of ads compared to the same period last year, the number of sales increased by 4%. As of the January-July period of 2024, the online adverts realized 2,575,421 units which is 11.2% higher compared to the same period of the previous year.

Sales of Vehicles in the 2nd Hand Online Market 2023 (thousand units)



Source: Indicata, Monthly 2nd Hand Online Market Report, JCR_ER
* 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 affected the global automotive industry negatively and these problems reduced vehicle availability after pandemic.

Although automotive market conditions exhibit a solid outlook throughout 2023, tightening financial conditions on the domestic side and issues with logistics on the global side may cause a reduction in domestic demand in the upcoming period. The developments of the industry will be monitored by JCR-ER.

5. Additional Rating Assessments

The principal financial risks Beyaz Filo is exposed to include credit, market (currency and interest rate risks) and liquidity risks along with operational risks which will be examined in greater detail in the following sections. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Credit Risk

Credit risk is the risk of a financial loss which may occur due to the inability to honour their outstanding commitments of either parties of a financial instrument. Credit risk mainly derives from deposits in banks, trade and other receivables.

The Group 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 Group 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, total monetary value of receivables exposed to credit risk amounted to TRY 1.02bn as of FYE2023 (FYE2022: TRY 904.44mn), indicating an increase by 13.20% compared to FYE2022 mainly due to increase in bank deposits. In addition, items exposed to credit risk comprised 51.01% of total asset and 150.33% of total equity as of FYE2023.

As of FYE2023, the Group's total doubtful trade receivables were TRY 7.90mn (FYE2022: TRY 10.85mn). The Group's doubtful trade receivables mainly comes from previous years. The Group recorded TRY 1.31mn doubtful trade receivables for the period of 2023. In this sense, the receivable quality of the Group is resilient.

Market Risk

Market risks arise from the utilization of financial instruments and any changes in their value carry the potential to impact the Group's future cash flows. The principal types of risks that can be classified under market risks include foreign currency, interest rate and risks relating to changes in the prices of financial instruments and commodities.

Currency risk is the risk arising from the change of the value of any monetary asset depending on the change in the exchange rate. Since the Group 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 Group's activities and in the management of positions. The Group targets for flexibility in funding due to the dynamic nature of the business environment. Considering its short- and long-term liabilities, the Group continues its operations within the framework of its proactive approach.

The Group's key liquidity ratios are provided below.

Cash Flow Metrics ('000 TRY)	FY2022	FY2023
FFO (Funds from Operations)	133,512	321,735
CFO (Cash from Operations)	57,097	494,970
FOCF (Free Operating Cash Flow)	2,834	494,755

Key Liquidity Ratios	FYE2022	FYE2023
Current Ratio (x)	1.21	1.37
Net Working Capital / Assets (%)	15.71	23.54
FFO Debt Service Coverage (x)	0.35	1.06

The Group's liquidity profile was assessed by evaluating constituents and terms of liabilities, asset turnovers, working capital indicators and level of cash flow metrics. The Group's net working capital improved and realized as TRY 472.54mn as of FYE2023 (FYE2022: TRY 384.14mn). Accordingly, net working capital (NWC) to total assets ratio has realized as 23.54% as of FYE2023 (FYE2022: 15.71%).

Operational, Legal Regulatory & Other Risks

Operational risk is concerned with ensuring the sustainability of operating efficiency in the field of meeting performance targets. The operational risk stems from operations and other administrative activities. It is controlled by the internal mechanisms and reviewed by the Group on a regular basis.

The Group's risk management framework focuses also on operational risk or risk resulting in unexpected loss. The Group takes necessary actions to ensure security and maintenance and security of physical facilities. In addition, compulsory precautions and regulatory controls are in place to align with regulations.

Beyaz Filo has been a quoted company on Borsa İstanbul ("BIST") since 2012. The Group 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)

	2023	2022
TOTAL ASSETS	**2,007,048**	**2,445,565**
CURRENT ASSETS	**1,742,378**	**2,181,822**
Cash and Cash Equivalents	499,974	362,055
Trade Receivables	551,969	1,036,605
Other Receivables	1,014	993
Inventories	652,462	759,377
Prepaid Expenses	5,141	2,997
Current Tax Assets	31,258	19,034
Other Current Assets	560	761
FIXED ASSETS	**264,670**	**263,743**
Investments in Affiliates, Joint Ventures and Subsidiaries	6	6
Other Receivables	50	305
Tangible Fixed Assets	210,857	202,516
Right-of-Use Assets	1,308	757
Intangible Fixed Assets	52,346	52,908
Prepaid Expenses	103	7,251
TOTAL LIABILITIES & EQUITY	**2,007,048**	**2,445,565**
SHORT TERM LIABILITIES	**1,269,834**	**1,797,679**
Short Term Borrowings	198,408	167,367
Short Term Portion of Long Term Borrowings	21,718	26,570
Other Financial Liabilities	448	156,781
Trade Payables	548,811	982,507
Employee Benefits	4,136	3,215
Other Payables	1,081	1,691
Deferred Income	28,738	127,449
Current Tax Liabilities	55,131	24,626
Short Term Provisions	2,341	2,495
Other Short Term Liabilities	409,022	304,978
LONG TERM LIABILITIES	**56,180**	**25,822**
Long Term Borrowings	9,492	1,617
Other Financial Liabilities	890	752
Long Term Provisions	7,333	7,188
Deferred Tax Liabilities	38,465	16,265
EQUITY	**681,034**	**622,064**
Controlling Interest	681,034	622,064
Share Capital	99,688	99,688
Capital Adjustment Differences	671,618	671,618
Other Accumulated Comprehensive Income (Expenses) That Will Not Be Reclassified To Profit or Loss	19,266	22,232
Restricted Reserves	61,639	53,789
Previous Years Profits or Losses	-249,077	-248,209
Net Profit or Loss	77,900	22,946

- *Including JCR Eurasia Rating's adjustments where applicable,*

BEYAZ FİLO OTO KİRALAMA ANONİM ŞİRKETİ (Consolidated Financials)
Income Statement (000' TRY)

	2023	**2022**
Revenue	10,431,117	5,681,817
Cost of Sales	-9,945,848	-5,430,983
GROSS PROFIT (LOSS)	**485,269**	**250,834**
General and Administrative Expenses	-73,196	-46,696
Marketing Expenses	-53,410	-35,728
Other Operating Income	17,746	13,650
Other Operating Expenses	-91,683	-33,708
OPERATING PROFIT (LOSS)	**284,726**	**148,352**
Income from Investment Activities	10,856	5,866
OPERATING PROFIT (LOSS) BEFORE FINANCING ACTIVITIES	**295,582**	**154,218**
Financing Income	101,247	55,522
Financing Expenses	-86,231	-35,421
Net Monetary Position Gains (Losses)	-179,059	-140,334
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**131,539**	**33,985**
Tax Income Expense from Continuing Operations	**-53,639**	**-11,039**
Current Tax (Expense) Income	-55,131	-24,626
Deferred Tax (Expense) Income	1,492	13,587
NET PROFIT FROM CONTINUING OPERATIONS	**77,900**	**22,946**
NET PROFIT (LOSS) FOR THE PERIOD	**77,900**	**22,946**

- *Including JCR Eurasia Rating's adjustments where applicable,*

BEYAZ FİLO OTO KİRALAMA ANONİM ŞİRKETİ (Consolidated Financials)

Key Ratios & Metrics

	2023
PROFITABILITY	
EBITDA Margin (%)	3.58
EBIT Margin (%)	3.44
CFO Margin (%)	4.75
Return on Average Assets (ROaA) (%)	3.50
Return on Average Equity (ROaE) (%)	11.96
Net Profit Margin (%)	0.75
Operating Profit Margin (%)	2.73
Gross Profit Margin (%)	4.65
LIQUIDITY	
FFO Debt Service Coverage (x)	1.06
Current Ratio (x)	1.37
Net Working Capital / Assets (%)	23.54
LEVERAGE	
FFO / Adjusted Net Debt (%)	CS
Adjusted Net Debt / EBITDA (x)	CS
FOCF / Adjusted Net Debt (%)	CS
Adjusted Debt / Capital (%)	25.32
Adjusted Short-Term Net Debt / EBITDA (x)	CS
EFFICIENCY	
RoC (Return on Capital) = EBIT / Avg. Capital (%)	38.01
Working Capital Turnover Ratio (x)	24.35
Operating Ratio (%) = OPEX / Net Sales	1.21
Equity Turnover (x)	16.01
Cash Conversion Cycle (days)	26
Account Receivables Turnover (x)	13.13
Inventory Turnover (x)	14.09
Payables Turnover (x)	12.99
COVERAGE	
EBITDA / Adjusted Interest (x)	4.44
FFO Interest Coverage= (FFO) / Adjusted Interest Paid (x)	3.83
CFO / Capex (x)	2,302.19
FOCF Dividend Coverage=FOCF (t-1) / Dividends Paid (t) (x)	0.09
GROWTH	
Sales Growth (%)	83.59
EBITDA Growth (%)	112.16
Asset Growth (%)	-17.93

CS: Cash Surplus

- *Including JCR Eurasia Rating's adjustments where applicable,*

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:	02.09.2024-17.09.2024
Rating Publishing Date:	20.09.2024
Rating Expiration Date:	1 full year after publishing date, unless otherwise stated
Financial Statements:	1Q2024-FYE2023-FYE2022	Consolidated Audit Reports
Previous Rating Results:	‘A+ (tr)’ / Long Term National Scale / 21.09.2023
Rating Committee Members:	Z. M. Çoktan *(Executive Vice President),* M. Hayat *(Manager)*, Ö. Sucu *(Manager)*

Disclaimer

The ratings revised 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.

Previous rating results and other relevant information can be accessed on www.jcrer.com.tr

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.

JCR Eurasia Rating
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