

## Corporate Credit Rating

New Update

**Sector:** Automotive

**Publishing Date:** 23/08/2023

**Manager**

Fatih LAP

+90 212 352 56 73

[fatih.lap@jcrer.com.tr](mailto:fatih.lap@jcrer.com.tr)

**Team Leader**

Çetincan TOPÇU

+90 212 352 56 73

[çetincan.topcu@jcrer.com.tr](mailto:çetincan.topcu@jcrer.com.tr)

**Assistant Analyst**

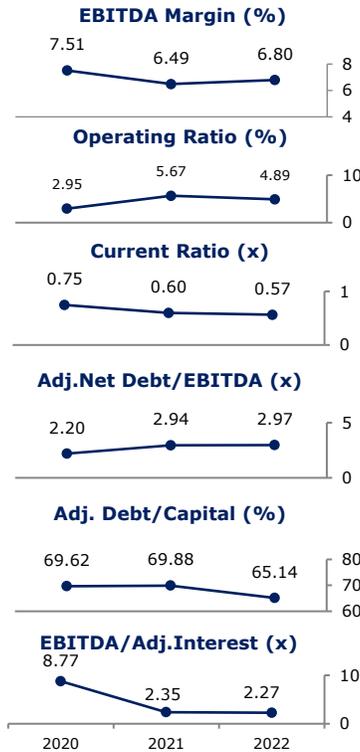
Abdullah Enes GÜNGÖRDÜ

+90 212 352 56 73

[abdullah.gungordu@jcrer.com.tr](mailto:abdullah.gungordu@jcrer.com.tr)

R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB- (tr)	J3 (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 FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
Sovereign*	Local Currency	BB (Negative)	-

\* Assigned by JCR on Aug 18, 2022



## İnallar Otomotiv San. ve Tic. A.Ş.

JCR Eurasia Rating, has evaluated "İnallar Otomotiv San. ve Tic. A.Ş." (hereinafter referred to as 'İnallar Otomotiv or 'the Company') in the investment-level category and assigned the Long-Term National Issuer Credit Rating as 'BBB- (tr)' and the Short-Term National Issuer Credit Rating as 'J3 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Ratings of the Company were assigned as 'BB-' with 'Negative' outlook.

İnallar Otomotiv which was founded in 1990 in Bursa operates in automotive industry through sales of new/used automobiles, car rental and services. Within its activities in automotive industry, the Company collaborates with brands, namely Honda, Mazda, Kia, Citroen, Hyundai and Mitsubishi. İnallar Otomotiv currently has three showrooms and service centers. Besides, the Company also operates in construction, real-estate investments and machine oil export activities. Within its construction activities, the Company completed three residential and one office projects and, continues a new project having both residential and commercial units.

Since 2019, the Company has issued Private Sector Bonds. Thus, the Company is obliged to form its governance in compliance with Capital Markets Board of Türkiye ('CMB').

The shareholder structure of İnallar Otomotiv is composed solely by Turgut İnal. The Company employed a staff force of 261 as of 2Q2023 (FYE2022: 254).

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

### Strengths

- Consistent EBITDA and internal resource generation ability
- Solid operating ratio by years
- Low collection risk supporting the asset quality
- Long track record in business dating back to 1990s

### Constraints

- High short-term leverage pressuring liquidity metrics
- Potential price volatility and tax regulations in automobile prices in the market may put pressure on profitability margins
- 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 as 'BBB- (tr)'. The Company's short-term leverage metrics in spite of the steady EBITDA generation capacity and low collection 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 profitability performance, predictability of cash generation and financial indebtedness together with the trends in the industry 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 frame about the sector will be monitored as well.