

Corporate Credit Rating

New Update

Sector: IT Products

Publishing Date: 24/10/2022

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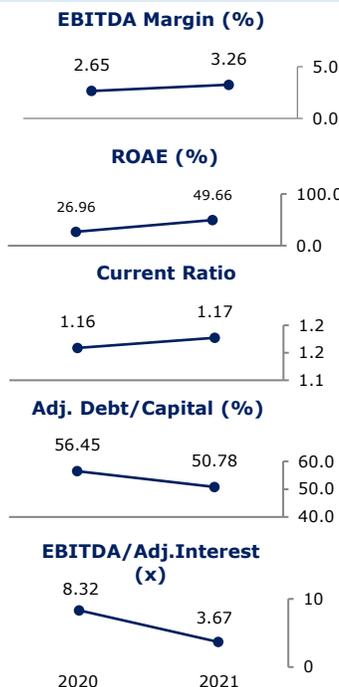
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)	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



İndeks Bilgisayar Sistemleri Mühendislik San. ve Tic. A.Ş.

JCR Eurasia Rating, has evaluated the "İndeks Bilgisayar Sistemleri Mühendislik San. ve Tic. A.Ş." in the high investment level category and revised the Long-Term National Issuer Credit Rating from 'AA (tr)' to 'AA+ (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 outlook of Republic of Türkiye.

İndeks Bilgisayar Sistemleri Mühendislik San. ve Tic. A.Ş. (hereinafter referred to as 'İndeks Bilgisayar' or 'the Company' or 'the Group') was established in 1989. İndeks Bilgisayar is a distributor that provides leading international brands in the IT sector with its dynamic structure and innovative perspective since 1989. The main activity of the Company is; to do wholesale trade by supplying all kinds of information products from domestic and abroad in the IT sector. The Company purchases the merchandise from domestic and international suppliers and through its distribution network sells them to the customers in domestic market. The Company has been quoted on the Borsa Istanbul Stock Exchange (BIST) since 2004 and 57,53% of its shares are publicly traded on the BIST with the ticker symbol "İNDES" as of the reporting date.

İndeks Bilgisayar carries out its operations via its headquarters in Istanbul along with two branches located in İzmir and Ankara, contact offices in Diyarbakır and Elazığ. The ultimate controlling shareholder of the Company is Nevres Erol Bilecik with shares of 40.10%.

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

Strengths

- Catering to local demand in line with acceleration of digitalization provides steady revenue growth,
- Ongoing cash surplus position providing financial resilience as of FYE2021 and 1H2022,
- Mitigating concentration risk through diversified client base and product range,
- Asset-light business model provides agility in operations,
- Providing a natural hedge in a certain extent through foreign currency-based revenue composition,
- Competitive advantages provided by distributorship agreements with globally known brands and wide distribution network,
- Reputable brand name with a proven successful track record and its long-lasting presence in the sector.
- High compliance with corporate governance practices owing to listed status.

Constraints

- Operating in a tough competitive market put pressure on profitability indicators in line with industry,
- Dependence on imports in the product range,
- The geopolitical risks stemming from the Russia-Ukraine tension and global recession concerns increasing uncertainties.

Considering the aforementioned points, together with such additional support factors equity structure, profitability, distribution network, market efficiency in the market, EBITDA generation capacity and past credentials, the Group's the Long-Term National Issuer Credit Rating has been upgraded to "AA+ (tr)". Trends of the existing risks in the markets and business environment 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 know-how track record, asset size and quality, liquidity profile, sales performance, equity-debt level 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.