Corporate Credit Rating

☐New ☒Update

Sector: Non-Food Retail
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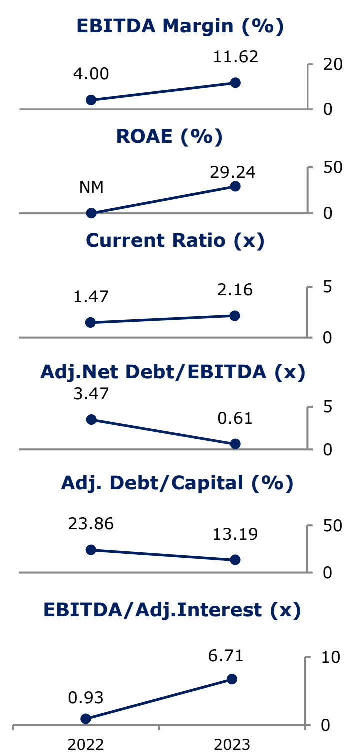
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Assigned by JCR on May 10, 2024*



NM: Not Meaningful

ASF OTOMOTİV A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of **"ASF Otomotiv A.Ş."** in the investment-level category and affirmed the Long-Term National Issuer Credit Rating as **'BBB+ (tr)'** and the Short-Term National Issuer Credit Rating as **'J2 (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/Stable'** as parallel to international ratings and outlooks of the Republic of Türkiye.

ASF Otomotiv A.Ş. ("ASF Otomotiv" or "the Company") was founded on 30 May 1989 in İstanbul, Türkiye as a distributor of Renault, Dacia and Fiat and its activities also include leasing vehicles, buying/selling second-hand vehicles, purchasing and selling spare parts through its dealership. The Company completed new plaza investment in 2024 and also became a distributor for Toyota and Ford since then. The Company carries out motor vehicle purchases, sales and service activities under the ASF Otomotiv brand and provides short-term car rental services under Europcar and Interrent brands. ASF Otomotiv is also the representative of the Türkiye organization of Europcar, a global car rental company headquartered in France. ASF Otomotiv operates a total of seven showrooms, with five located in Kartal and the remaining two in Gebze. Of these, five showrooms are owned by the company, while the other two are rented. According to the sales revenue announced by the Fortune Türkiye, the Company ranked 333rd in 2023. The Company currently operates with an average staff count of 276 as of the end of 2023.

The Company's main ultimate controlling shareholders are Fidan Family members with 100% share. Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
• Growth in sales revenue, mainly driven by increase in sales volume over the analyzed periods, • Positive net working capital and adequate level of liquidity structure in periods reviewed, • Expected revenue growth due to cooperation with new brands, • Strong equity level underpinned by retained earnings in periods analyzed, • Long-lasting presence of the Company.	• Notable increase in financial indebtedness level and expected deterioration in leverage metrics in 2024, despite favourable results in 2023, • Fluctuations in profit margins as of reviewed periods, • Contractionary effect of quantitative tightening steps on the domestic side, expected to reduce total demand in the sector, • Improvement needs in the level of compliance with corporate governance practices and risk management, • 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.

The Company's audited financial statements include inflation adjustments. Adjustments have been made in accordance with the terms of IAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the changes in the general purchasing power of the Turkish Lira as of 31 December 2023. Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed as **'BBB+ (tr)'**. The Company's experience in the sector, sales volume, equity level, liquidity structure, profit indicators, business environment as well as geopolitical risks-driven uncertainties have been evaluated as important indicators for the outlook and the outlooks for the Long and Short-Term National Issuer Credit Ratings are determined as **'Stable'**. The Company's revenue generation performance, leverage profile, liquidity metrics, profitability margins 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.