

Corporate Credit Rating

New Update

Sector: ICT Products Distribution

Publishing Date: 18/10/2024

Team Leader

Deniz Ustabas
 +90 212 352 56 73
deniz.ustabas@jcrer.com.tr

Analyst

Melda Narin
 +90 212 352 56 73
melda.narin@jcrer.com.tr

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	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

Adj.Net Debt/EBITDA (x)



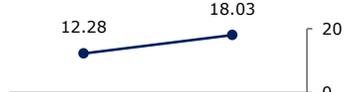
EBITDA Margin (%)



Operating Profit Margin (%)



Net Working Capital / Total Assets (x)



CFO Margin (%)



Bilkom Bilişim Hizmetleri A.Ş.

JCR Eurasia Rating has evaluated "Bilkom Bilişim Hizmetleri A.Ş." in the investment level category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA+ (tr)' and 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/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Bilkom Bilişim Hizmetleri Anonim Şirketi (hereinafter referred to as 'Bilkom' or 'the Company') was established in 1984. In 2000, the Company shares were transferred to Koç Holding A.Ş. and to companies owned by the Koç Family. As of 30.06.2024, Koç Holding holds all shares of the Company.

Bilkom is one of the leading distributors of Information and Communication Technologies (ICT), distributing products of leading global brands directly and indirectly to over 4,000 different points spread throughout Türkiye. Among the brands that the Company makes distributorship are Apple, Huawei, TCL, Playstation, Segway-Ninebot, Aqara, Razer, DJI Enterprise, Meross and etc. brand products.

Ranked 75th in Fortune Türkiye 500 list, Bilkom is placed 1st in "Distributor Hardware-Tablet and Portable Computers" categories in the Bilişim 500 (ICT 500) list according to 2023 data.

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

Strengths

- Well-positioned business avenue strengthened by new brands added to portfolio reflecting expanding sales units and revenue growth in FY2023 and 1H2024,
- Favorable net debt to EBITDA multiplier in the reviewed periods,
- Short cash conversion cycle contributes to improved liquidity ratios in FY2023,
- Diversified fund resources with bond issuances in reviewed periods,
- Strong relationship with globally known brands supporting asset quality,
- Being a subsidiary of one of the Türkiye's leading investment holding companies; Koç Holding.

Constraints

- Suppressed profitability margins in line with highly competitive market conditions, despite partial recovery in FY2023 and 1H2024,
- Dependence on imports in the product range,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. Considering the Company's capacity of internal equity generation, equity structure, profitability, asset quality, distribution network, competition in the market and market efficiency, EBITDA generation capacity and experience in the sector and past credentials as well as geopolitical risks-driven uncertainties and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The macroeconomic indicators at national and international markets, as well as market conditions and legal frame about the sector will be continued to be monitored. JCR Eurasia Rating has maintained its opinion that Koç Holding, the parent Company of Bilkom, has the capacity to provide financial as well as effective operational support should such a need arise considering its proven track record and investments and operations in diverse sectors.