

## Corporate Credit Rating

New  Update

**Sector:** IT Products

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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	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BB	-
	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

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

JCR Eurasia Rating has evaluated "İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret 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 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/Stable' as parallel to international ratings and outlooks 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 incorporated in 1989. The Company, which has been a distributor since its establishment, offers leading international brands in the IT sector to its customers with its innovative perspective and dynamic structure. The Company's main activity is to wholesale distribution of all kinds of IT products to the IT sector by procuring them from domestic and foreign suppliers. Through its distribution network, the Company offers the products it has acquired from both domestic and international suppliers to its clients in the local 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 Diyarbakır and Ankara. 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

- Improvement in EBITDA generation in FY2023 and 1H2024,
- Ongoing cash surplus position providing financial flexibility in the reviewed periods,
- FX-indexed revenue generation providing natural hedge in a certain extent,
- Favorable OPEX/Net Sales ratio contributing to efficiency in the analyzed period,
- Low level of collection risk supported by a diversified customer portfolio through largely insurance and collaterals,
- Compatibility with the corporate governance practices as a publicly listed company,
- Long-term experience in the sector and distributorship agreements with globally recognized brands,

### Constraints

- Relatively low profitability margins as a nature of its business and competition in the sector,
- High reliance on import in 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)'. The Company's broad sectoral experience, improvement in EBITDA generation, ongoing cash surplus position, diversified product/services, strong shareholder structure along with as well as tight competition and geopolitical and sectoral risks-driven uncertainties have been evaluated as important indicators for 'Stable' outlook of the Long and Short-Term National Issuer Credit Ratings. The Company's revenue and profitability performance, liquidity and financial leverage 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.

