

## Corporate Credit Rating

New Update

**Sector:** Consumer Electronics  
 Retailing – TSS Channel  
**Publishing Date:** 09/06/2023

### Manager

Abdullah Demirer  
 +90 212 352 56 73  
[abdullah.demirer@jcrer.com.tr](mailto:abdullah.demirer@jcrer.com.tr)

### Senior Analyst

Yunus Katranci  
 +90 212 352 56 73  
[yunus.katranci@jcrer.com.tr](mailto:yunus.katranci@jcrer.com.tr)

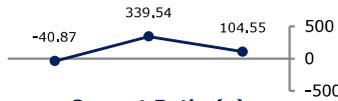
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)	International FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
Sovereign*	Local Currency	BB (Negative)	-

\* Assigned by JCR on August 18, 2022

### EBITDA Margin (%)



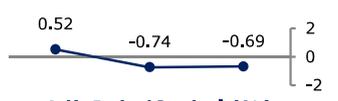
### ROAE (%)



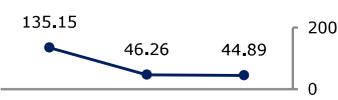
### Current Ratio (x)



### Adj.Net Debt/EBITDA (x)



### Adj. Debt/Capital (%)



## Teknosa İç ve Dış Ticaret A.Ş.

JCR Eurasia Rating, has evaluated **Teknosa İç ve Dış Ticaret A.Ş.** in investment-level category and upgraded the Long-Term National Issuer Credit Rating from '**AA- (tr)**' to '**AAA (tr)**' and affirmed 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 outlooks of Republic of Türkiye.

**Teknosa İç ve Dış Ticaret A.Ş.** (hereinafter referred to as 'Teknosa' or 'the Company') was engages in retail sales of consumer electronics through its stores and website and air conditioners and white goods through its dealers. Moreover, the Company launched tech-focused marketplace project in early 2022. As of March, 2023, the Company operates in 189 stores with a retail sales area of 102,503 square meters in Türkiye. The Company generated TRY 17.44bn of sales revenue in 2022, shares of retail and e-commerce in total recorded as 82.9% and 11.2% respectively, followed by dealer segment with 6.0% share. The Company shares has been trading on the Borsa Istanbul since 2012, with the ticker symbol "TKNSA". The Company was founded in 2000 and is headquartered in Istanbul with a staff force of 2,458 as of 2022 (FYE2021: 2,303).

As of the reporting date, the major shareholder of Teknosa is Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding) with slightly more than 50% share while remaining part of its shares were publicly traded. The main shareholder, Sabancı Holding, is one of Türkiye's leading conglomerates with operations in the fields of banking, financial services, energy, industrials, building materials and retail through its subsidiaries and affiliates with high experience lasting around 55 years.

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

### Strengths

- Solid financials with ongoing net cash position
- Robust sales revenue growth in FY2022 and maintained in 1Q2023 driven by both unit sales prices and sales volume
- Sustained profitability and EBITDA generation capacity alongside with steady improvement of OPEX margin
- Credit card & cash sales and high receivable quality stimulate the cash generation capacity
- Improvement in liquidity indicators in the analyzed terms
- Omnichannel business model as well as market place segment provides resilience for the Company
- Tough demand to technology products within the digitalization environment
- Long-lasting presence in the sector and successful track-record
- Backed by Sabancı Group one of the most experienced brands in Türkiye
- High level of compliance with corporate governance principles as a publicly listed company

### Constraints

- Ongoing global chip shortage stands out as a potential threat for the Company and industry
- Import dependence of product range
- Measures on imports and consumption (tax, installment restrictions, etc.) taken by the regulatory authorities
- 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 together with synergy generated within Sabancı Group, the Company's Long-Term National Issuer Credit Rating has been upgraded to '**AAA (tr)**'. The Company's sales revenue growth, satisfactory liquidity level, strong cash generation capacity coupled with low credit risk and strong shareholder structure along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions 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 growth strategy, profitability indicators, financial leverage and asset quality 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.