

## Corporate Credit & Issue Rating

New  Update

Sector: Holding

Publishing Date: 29/12/2020

### Chief Analyst

Utku Karagülle  
 +90 212 352 56 73  
[utku.karagulle@jcrer.com.tr](mailto:utku.karagulle@jcrer.com.tr)

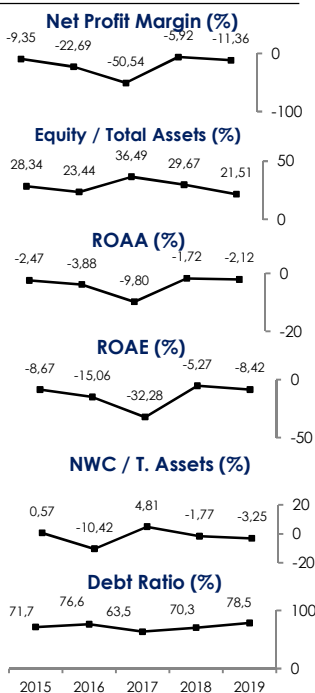
### Assistant Analyst

Furkan Ayaz  
 +90 212 352 56 73  
[furkan.ayaz@jcrer.com.tr](mailto:furkan.ayaz@jcrer.com.tr)

## RATINGS

		Long Term	Short Term	
International	Foreign Currency	BB+	B	
	Local Currency	BB+	B	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating	BB+	B	
National	Local Rating	BBB+ (Trk)	A-2 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB+ (Trk)	A-2 (Trk)	
Sponsor Support		2	-	
Stand-Alone		B	-	
Sovereign*	Foreign Currency	BB+	-	
	Local Currency	BB+	-	
	Outlook	FC	Negative	-
LC		Negative	-	

\*Assigned by JCR on April 10, 2020



## Global Yatırım Holding A.Ş.

JCR Eurasia Rating, in the periodic annual review, has evaluated “Global Yatırım Holding A.Ş.” and the “Outstanding Bond Issues” in an investment grade category on the national scale and has downgraded its Long Term National Rating from ‘A- (Trk)’ to ‘BBB+ (Trk)’ and Long Term International Rating from ‘BBB-’ to ‘BB+’ with ‘Stable’ outlooks.

‘Global Yatırım Holding A.Ş.’, (hereinafter referred to as ‘Global Investment Holdings’, ‘Global Investment’ or ‘the Holding’) commenced its operations in 1990 under the name of ‘Global Menkul Degerler A.S.’. The Company has played a significant role in the development of Turkish capital markets by paving the way for many of the country’s leading businesses to meet international businesses for the first time. In 2004, the Company transformed into an investment portfolio company, drawing on its appetite for growing investments and its strong experience. With interests in a variety of business sectors and traditional non-bank financial service providers, Global Investment Holdings has evolved into a dynamic investment entity. The Holding’s operations include financial brokerage, asset management, co/tri-generation, clean and renewable energy generation, CNG (Compressed Natural Gas) distribution, feldspar mining, operating port infrastructure (cruise ship terminals and commercial seaports), and real estate investment trusts.

The Holding stands as a roof to manage the issues of investment, financing, organization, and management of its affiliates and subsidiaries by participating in their capital and management. Global Investment Holdings’ shares have been traded on the Borsa Istanbul (BIST) since May 1995 (they were traded as ‘Global Menkul Degerler A.S.’ from May 1995 until October 1, 2004). Besides, The Holding completed its first IPO abroad, in London Stock Exchange on May 2017 with its affiliate named Global Ports Holding PLC.

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

### Strengths

- Long lasting growth pattern in EBITDA
- Natural hedging maintained through FX revenue generation capacity from port and energy operations
- Elastic investment strategy enables the Holding to continuously improve internal returns
- Successful usage of financial instruments to mitigate FX risks as well as having advantage of natural hedging
- Compliance with corporate governance principles

### Constraints

- Continuation of net losses on bottom line emanating from non-cash expenses such as depreciation and FX movements
- Deterioration in profitability metrics in the current year due to Covid-19 pandemic
- The uncertainties ahead for following periods that may cause severe deepening contraction on global and local economy, decreases the visibility of future revenues.

Considering the aforementioned points, the Company’s the Long Term National Rating has been downgraded by one notch from ‘A- (Trk)’ to ‘BBB+ (Trk)’ and assigned the outlooks of the ratings as ‘Stable’. The Holding’s cash generation ability from different sectors, strong plan of action, position in the business and operational profitability with possible negative impacts of the pandemic have been evaluated as significant indicators for the stability of the ratings. Sustainability of the Holding’s profitability performance, debt cycle, EBITDA, changes in market share, developments in the global economy, effects of the Covid-19 pandemic, volatilities in the exchange rates, equity and financial leverage are the main issues to be monitored by JCR Eurasia Rating in the upcoming period. The macroeconomic indicators at national and international markets, as well as market conditions will be continued to be monitored.

The major shareholders have the adequate willingness and experience to ensure long-term liquidity and equity within their financial capability when required and the Company’s Sponsor Support Grade has been determined as (2) in JCR Eurasia Rating’s notation.

Taking into account the Holding’s ability to fulfil the liabilities with its own resources, The Stand Alone grade has been determined as (B) in the JCR Eurasia Rating notation system, considering the Company’s activities in different sectors, income generation capacity and equity and indebtedness levels