

Corporate Credit Rating

New Update

Sector: REIT

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Team Leader

Cemil Erkök

+90 212 352 56 73

cemil.erkok@jcrer.com.tr

Senior Analyst

Tuğçe Çantal

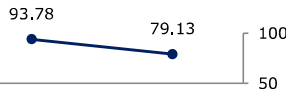
+90 212 352 56 73

tugce.cantal@jcrer.com.tr

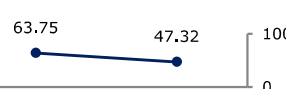
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA-(tr)	J1+(tr)
	National ICR Outlooks	Negative	Negative
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC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

* Affirmed by JCR on September 01, 2025

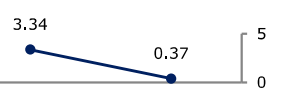
Gross Profit Margin (%)



EBITDA Margin (%)



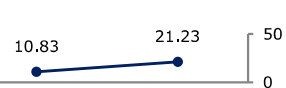
Current Ratio (x)



Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



Operating Ratio (%)



ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

JCR Eurasia Rating has evaluated **Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.** in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating from **'AA-(tr)'** and the Short-Term National Issuer Credit Rating as **'J1+(tr)'** with **'Negative'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed as **'BB/Stable'** as parallel to sovereign ratings and outlooks of Republic of Türkiye.

Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. (hereinafter referred to as "Alarko GYO" or "the Company" or "the Group") was established in 1978 under the trade name Aletim Alarko Elektrik Tesisat ve İnşaat Malzemeleri Anonim Şirketi. On August 6, 1996, the Company was converted into a 'Real Estate Investment Trust', and changed its trade title to Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi. Alarko GYO's shares have been listed on the Borsa İstanbul (BIST) index with the ticker-name of 'ALGYO' since December, 1996. Together with the acquisition of REIT status, the Company operates as a real estate partnership in accordance with the statements and regulations of the Capital Markets Board (CMB). Alarko GYO's current portfolio includes a holiday village, factory building, shops, business centres, investment lands, offices and a hotel project under construction. As of the credit rating report date, the two key assets in Alarko GYO's real estate portfolio are the Hillside Beach Club Holiday Village in Fethiye, Muğla, and the ongoing hotel project in Bodrum, Muğla.

As of FYE2025, the shareholder structure of the Company is Alarko Holding A.Ş. (16.42%), Alsim Alarko Sanayi Tesisleri ve Tic. A.Ş. (34.78%), publicly offering (%48.77), and others (0.03%). The head office of the Company is located in Beşiktaş, İstanbul, and the average number of employees of the Group is 20 as of FYE2025 (FYE2024: 18).

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

Strengths

- Substantially maintained satisfactory level of Loan-to-Value (LTV) ratio as of FYE2025 through growth in real estate values, particularly in ongoing Bodrum Hotel project
- Predictable revenue generation capacity through rentable real estate portfolio
- Satisfactory level of equity to assets ratio during the review periods, despite the contraction in equity due to bottom-line loss as of FY2025
- Operating under Alarko Holding which has long-standing and proven track record across numerous sectors
- Compliance with the corporate governance practices as a publicly listed company

Constraints

- Funding requirements for ongoing Bodrum Hotel investment increasing financial indebtedness and deepening negative free operating cash flow (FOCF) along with weakening core liquidity indicators
- High FX short position on the balance sheet as of FYE2025, due to increase in utilization of foreign currency bank loans
- As actions for a global soft landing gain prominence, geopolitical risks and decisions with the potential to adversely affect global trade are engendering considerable uncertainty

Considering the aforementioned points, together the Company's Long-Term National Issuer Credit Rating has been affirmed as **'AA-(tr)'**. The Company's Loan-to-Value ratio, predictable and recurring rental income supported by long-term lease agreements, occupancy levels, high sector knowledge of Alarko Group, experience in the sector, level of indebtedness and leverage ratio have been evaluated as important indicators for the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as **'Negative'**. The Company's leverage metrics, asset structure, revenue streams, and developments regarding the macro conditions 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.