

Corporate Credit Rating

New Update

Sector: Holding

Publishing Date: 18/11/2024

Senior Analyst

Ezgi Çiçek YILMAZ

+90 212 352 56 73

ezgi.yilmaz@jcrer.com.tr

Senior Analyst

Hayrettin ÇELİK

+90 212 352 56 73

hayrettin.celik@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB+	-
ISRs (Issue Specific Rating 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

EBITDA Margin (%)



Operating Ratio (%)



Current Ratio (x)



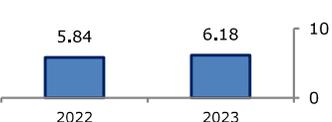
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



AG ANADOLU GRUBU HOLDİNG A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "AG Anadolu Grubu Holding A.Ş." in the investment grade category with the highest credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AAA (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 have been affirmed at 'BB+/Stable' above the sovereign ratings and outlooks of Republic of Türkiye.

"AG Anadolu Grubu Holding A.Ş." (hereinafter referred to as "AGHOL" or "the Group" or "the Company") was founded by Yazıcı and Özilhan families in 1950. The Group maintains its activities mainly under beer, soft-drinks, retail, automotive, energy, agriculture and stationery sectors together with social organizations in 20 countries with 72 subsidiaries, 3 joint-ventures, 3 associates, 90 production facilities, 6 R&D centers and more than 100,000 employees as of 3Q2024.

With over 70 years of activity history, the Group has established beneficial and collaborative partnerships with internationally well-known domestic and foreign institutions thanks to know-how and network presence. It acts in accordance with its mission of being a multinational and entrepreneurial group through its partnerships with leading brands and companies of the world such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, Honda Power Products, Honda Marine, Kohler, Johns Hopkins Medicine, OXE Marine AB.

As of 3Q2024, the main ultimate controlling shareholder of the Group is "AG Sınai Yatırım ve Yönetim A.Ş." with 48.65% share. The remaining 51.35% of the shares are publicly traded on the BIST with the ticker symbol "AGHOL".

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

Strengths

- Strong sales revenue and moderate core profitability margins in the analyzed periods and expected to continue in 2024 financials,
- Solid leverage indicators in FY2023 supporting the Group's financial structure,
- Positive cash flow metrics and net working capital in the analyzed periods,
- Having alternative funding opportunities including debt issuance through tailored financial instruments, easing liquidity management,
- Diversified income stream thanks to geographical prevalence,
- Advantages of owning subsidiaries with high market shares and partnerships with worldwide recognized powerful brands,
- Compliance with corporate governance principles and sustainability implementations.

Constraints

- High level of operating ratio pressuring efficiency indicators in the last two-year period,
- Potential sectoral concentration risk due to having FMCG concentrated investment portfolio,
- 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 Group's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. The Group's strong sales revenue and EBITDA generation capacity, moderate core profitability margins, solid leverage indicators, positive cash flow metrics and NWC as well as high operating ratio and slowdown signal in the global economy 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 Group's financial structure, sales and profitability performance, liquidity and leverage indicators will be closely monitored by JCR Eurasia Rating in the 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.