

## Corporate Credit Rating

New  Update

**Sector:** REIT

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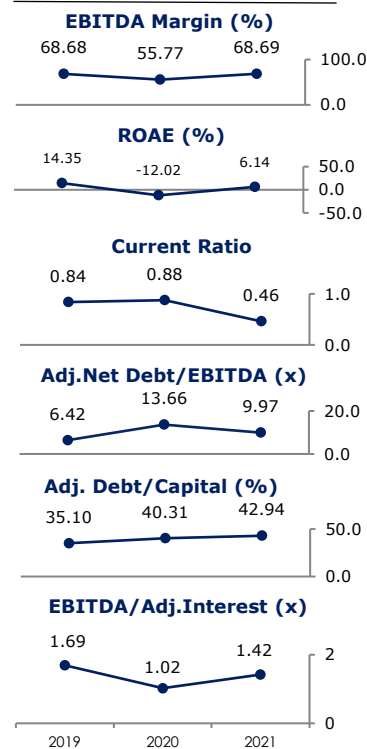
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## RATINGS

R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
	National ISR	-	-
Sovereign*	International FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on August 18, 2022



## AKIŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

JCR Eurasia Rating, has evaluated the "Akış Gayrimenkul Yatırım Ortaklığı A.Ş." in investment-level category and affirmed the Long-Term National Issuer Credit Rating as 'A (tr)' and assigned 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.

Akiş Gayrimenkul Yatırım Ortaklığı A.Ş. (hereinafter referred to as "the Company", "the Group" or "Akış GYO") was established on November 22, 2005 in Istanbul, under the name of Akış Gayrimenkul Yatırımı A.Ş. Akış GYO assumed the title of Real Estate Investment Trust on May 18, 2012, upon application to the Capital Markets Board. Subsequently, Akış GYO was listed on Borsa Istanbul on January 9, 2013. In 2017, Akış GYO completed the merger process with SAF GYO. The main field of activity of the Company; real estate, real estate-based capital market instruments, real estate projects, real estate-based rights and investing in capital market instruments, is to engage in the purposes and matters written in the regulations of the Capital Markets Board regarding real estate investment trust.

The Company, included in the Akkök Group, is a subsidiary of Akkök Holding A.Ş. which is the dominant partner in the Group. As of 3Q2022, the number of employees of the Group is 237 (FYE2021: 241).

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

### Strengths

- High level of EBITDA generation capacity over the periods reviewed,
- Strong equity structure supported by retained earnings, mainly stemming from valuation of investment properties,
- Robust increase in net profit mainly thanks to the value increases of investment properties in 3Q2022,
- Decrease in loan-to-value (LTV) ratio, evaluated as a sector-specific leverage metric,
- High occupancy rates of real estates in the portfolio,
- Customer portfolio consisting of high recognized and diversified brands,
- Studies carried out within the scope of sustainability,
- High level of compliance with the corporate governance practices as a publicly listed company.

### Constraints

- Financial leverage still stands high side despite the downward trend over the past two years,
- Highly concentrated investment portfolio,
- Net working capital deficit pressuring liquidity management,
- High level of foreign currency risk exposure due to FX based financial debt amount,
- Currency mismatch between FX financing and lease income, due to regulations enforcing local currency contracts,
- Global recession and geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainty and monetary tightening across the globe deteriorating growth projections.

Considering the aforementioned points together the Company's the Long-Term National Issuer Credit Rating has been affirmed as 'A (tr)'. Asset quality, high occupancy rates, predictable cash flow, access channels to the financial markets, strong equity structure by internal generation capacity, level of indebtedness 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, level of indebtedness, occupancy rates 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.