

Corporate Credit Rating

New Update

Sector: Holding

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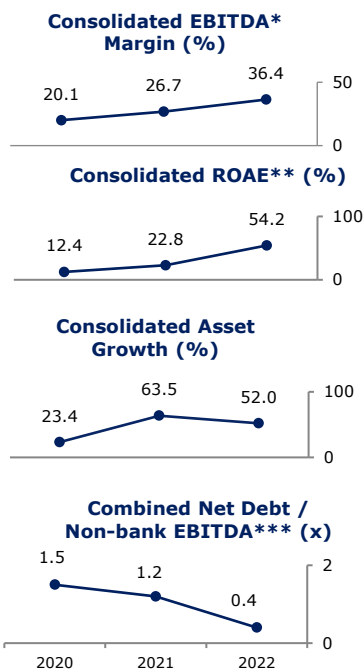
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	-	-
	International FC ICR Outlooks	-	-
	International LC ICR	-	-
ISRs (Issue Specific Rating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

* Assigned by JCR on Aug 18, 2022



* EBITDA= Gross Profit-OpEx (SG&A, Marketing and R&D expenses) + Depreciation & Amortization

** ROAE: Net Profit for the period(t) / [Equity (t) + Equity (t-1)]/2

***Non-bank; excludes Banking, net cash position of Financial Services, non-operational and non-recurring one-off items and IFRS16 impact in retail.

Hacı Ömer Sabancı Holding A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of "Hacı Ömer Sabancı Holding A.Ş.", in the highest investment level category and 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.

Hacı Ömer Sabancı Holding A.Ş. (hereinafter referred to as "Sabancı Holding", "Sabancı Group", "the Holding" or "the Group"), was established in 1967 and has rooted operational track record and diversified business activities in various fields such as banking, financial services, energy, industrials, advanced material technologies, retail and digital sectors to take advantage of globalization, international competition, and a global economic integration. Sabancı Group focuses on strengthening further its diversified business ecosystem by seizing the opportunities in new growth platforms while maintaining its strong position in core businesses. Sabancı Holding aims to double capital expenditures in the midterm to accelerate both organic and inorganic growth. The main investment areas to be focused on have been determined as climate technologies, advanced material technologies and digital technologies, which are described as the new economy in order to produce more foreign currency, reduce exposure to regulated industries and have a more sustainable ecosystem. Sabancı Group companies are operating in 14 countries and supplying their products to regions throughout the world. Sabancı Holding's multinational business partners include prominent global companies such as Ageas, Bridgestone, Carrefour, E.ON, Heidelberg Materials and Skoda.

Sabancı Holding is registered with the Capital Markets Board and its shares have been listed on the Borsa Istanbul under the ticker symbol 'SAHOL' since July 8, 1997. As of the reporting date, the Sabancı Family jointly controls Sabancı Holding as a majority shareholder, while 51.3% of the Holding's shares are publicly traded. Sabancı Holding employs 62,853 people through 13 subsidiaries and 5 joint ventures under its umbrella, as of September 30, 2023.

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

Strengths

- Ongoing improvement in EBITDA generation capacity and profitability,
- Decreasing trend in net debt to EBITDA multiplier together with maintaining improvement in cash flow from operations,
- Sustainable dividend income stream through well-positioned Group companies,
- Segmental and geographic diversification along with presence in strategic industries with high barriers to entry,
- Conformity to meet financing needs with national/international sources,
- Competitive advantages via its subsidiaries with high market shares and having partnerships with worldwide recognized powerful brands,
- High level of compliance regarding corporate governance & sustainability implementations and well-established risk management structure,
- Deep-rooted operating history and proven track record in banking and financial services industry.

Constraints

- Maintaining low level of equity compared to consolidated asset size,
- Concentration of banking and financial services industry in the portfolio to some extent, though expected to decrease with new economy investments including energy & climate, advanced materials and digital technologies,
- Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned factors, the Group's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. Maintenance of improvement in leverage metrics, successful EBITDA generation capacity and cash flow from operations, as well as ongoing uncertainties globally have been evaluated as important 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 debt and equity level, liquidity and profitability 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.