

Corporate Credit Rating

New Update

Sector: Investment Holding
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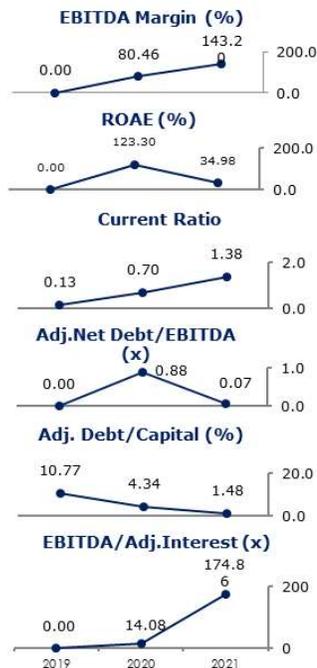
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RATINGS

| RATINGS | | Long Term | Short Term |
|---|-------------------------------|----------------|----------------|
| ICRs (Issuer Credit Rating Profile) | National ICR | AA-(tr) | J1+(tr) |
| | National ICR Outlooks | Stable | Stable |
| | International FC ICR | BB | J3 |
| | International FC ICR Outlooks | Stable | Stable |
| | International LC ICR | BB | J3 |
| ISRs (Issue Specific Rating Profile) | National ISR | AA-(tr) | J1+(tr) |
| | International FC ISR | - | - |
| | International LC ISR | - | - |
| Sovereign* | Foreign Currency | BB (Stable) | - |
| | Local Currency | BB (Stable) | - |

* Assigned by JCR on May 31, 2021



Inveo Yatırım Holding A.Ş.

JCR Eurasia Rating has evaluated **Inveo Yatırım Holding A.Ş.** in an investment level category and affirmed the Long Term National Issuer Credit Rating from **'AA-(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 were assigned as **'BB/Stable'** as parallel to international ratings and outlooks of Republic of Turkey.

Inveo Yatırım Holding A.Ş. ('the Holding' or 'Inveo') was established in 1998 under the name Gedik Yatırım Ortaklığı A.Ş. and transformed into an investment holding company in 2014 under the name Gedik Yatırım Holding A.Ş. In 2020, the Holding changed its name to Inveo Yatırım Holding A.Ş. The Holding focuses on private equity investments in innovative companies with the aim of capturing competitive and technological edge and benefiting from these companies' sound growth and profitability prospects. As of 1Q2022, the majority of the Holding's investment portfolio, 84.23%, are comprised of Gedik Yatırım Menkul Değerler A.Ş. (Gedik Yatırım).

The Holding's main investee company, Gedik Yatırım, have a good track record in Turkey's capital market ecosystem. Gedik Yatırım has operated as a broadly authorized intermediary institution providing comprehensive capital market services for over 30 years. Gedik Yatırım ranked 1st amongst non-bank owned intermediary institutions and 4th among all intermediary institutions regarding equity trading volume with a 5.94% (FYE2020: 6.12%) market share (together with the share of its subsidiary Marbaş) as of Q3 FYE2021. Gedik Yatırım and its subsidiaries employed a staff force of 553 (FYE2020: 447) and carried out its operations with a total network of 53 branches (including 9 branches of Marbaş) at FYE2021.

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

Strengths

- Noteworthy asset growth during the review period
- Low level of indebtedness
- Attaching efforts to diversification of investment portfolio including support platform for the startup ecosystem
- Solid position and sound performance of the main investment, Gedik Yatırım, in financial intermediary market
- Strengthened equity level through paid-capital increase in 2021 and improvement in retained earnings
- Compliance with corporate governance principles

Constraints

- High concentration on the investment in Gedik Yatırım Menkul Değerler A.Ş. among total assets
- Vulnerable nature of risk appetite and capital flows towards emerging markets depending upon potential macroeconomic and geopolitical risks

Considering the aforementioned points, the Holding's Long-Term National Issuer Credit Ratings has been affirmed as **'AA-(tr)'**. The Holding's remarkable asset growth, sound capital structure, and supporting market conditions for its main investee Gedik Yatırım have been evaluated as important indicators for the stability of the ratings and outlooks for Long and Short-Term National Issuer Credit Ratings **'Stable'**. The Holding's profitability and internal equity generation capacity, borrowing structure, and local and global financial conditions and risk appetite 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.