

## Corporate Credit Rating

New  Update

**Sector:** REIT

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**Senior Analyst**

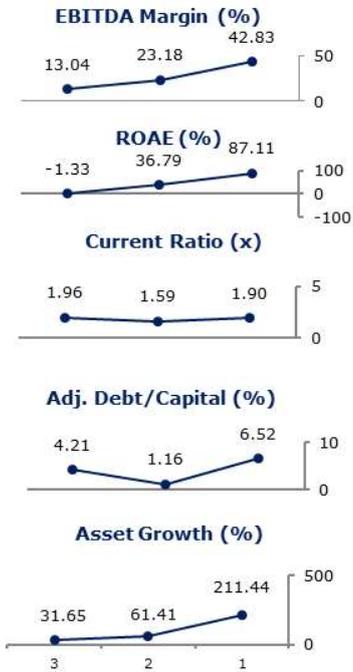
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Positive	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific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

\* Assigned by JCR on August 18, 2022



## Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.

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

**Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.** (hereinafter referred to as "Kiler GYO" or "the Company") was established in 2005 by Kiler Family under the name of Kiler İnşaat Sanayi ve Ticaret A.Ş. The Company, converted into "Real Estate Investment Trust" on March 13, 2008, and changed its name to Kiler Gayrimenkul Yatırım Ortaklığı in 2008, was listed on Borsa İstanbul in 2011 with a ticker-name of "KLGYO". Together with obtaining the REIT status of the Company, its main field of activity is to invest in real estate and real estate projects.

The ultimate shareholder of the Company is Kiler Family. As part of its construction activities, which started with the management of real estate development and construction works required by the group companies, Kiler Group has gained extensive experience in the construction and real estate area.

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

### Strengths

- Strong liquidity and leverage metrics underpinned by high level of cash equivalents and high share of advances received as a financing component of the projects
- Upward trend of net profit figure with a high margin mainly supported by income from investing activities as a result of strong liquidity structure
- Sustained low level of loan-to-value (LTV) ratio evaluated as a sector-specific leverage metric
- Proven successful track record as a part of Kiler Group
- High level of compliance with corporate governance practices

### Constraints

- Increasing construction costs and increasing mortgage interest rates may put pressure on profitability margins and sales figures
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Ratings has been affirmed as '**AA (tr)**'. The Company's cash surplus position, satisfactory level of leverage indicators, large experience in the industry, and global interest rate hiking cycle have been evaluated as important indicators for the stability of the ratings, and outlooks for Long and Short-Term National Issuer Credit Ratings are affirmed as '**Stable**'. The Company's indebtedness level, return on investments, profit margins, and liquidity level 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.