

Corporate Credit Rating

New Update

Sector: REIT

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Team Leader

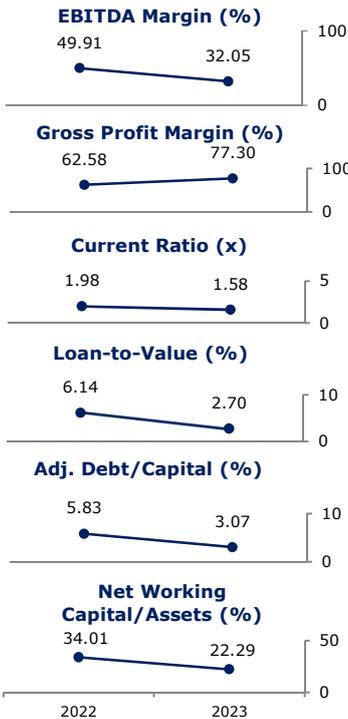
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA-(tr)	J1+(tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating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



Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.

JCR Eurasia Rating has evaluated **Kiler Gayrimenkul Yatırım Ortaklığı A.Ş.** in the investment grade category with very high credit quality and revised the Long-Term National Issuer Credit Rating from '**AA (tr)**' to '**AA- (tr)**' and affirmed 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 assigned as '**BB/Stable**' 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 (REIT) on March 13, 2008, and changed its name to Kiler Gayrimenkul Yatırım Ortaklığı, 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

- Satisfactory level of equity to total assets ratio in analysed years,
- The contribution of ongoing projects to the sales volume to be achieved in the upcoming years,
- Sustained low level of loan-to-value (LTV) ratio evaluated as a sector-specific leverage metric,
- Successful commercial history within Kiler Group,
- Compliance with corporate governance practices as a publicly traded company.

Constraints

- Decline in profit margins along with turning negative of EBITDA and cash flow metrics mainly due to TMS 29 in 3Q2024,
- Increasing construction costs and high mortgage interest rates may put pressure on profitability margins and sales figures,
- 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 Company's Long-Term National Issuer Credit Ratings has been revised from '**AA (tr)**' to '**AA- (tr)**'. The Company's satisfactory level of equity, level of LTV, experience in the industry and high interest rates 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.