

Corporate Credit Rating

New Update

Sector: Holding

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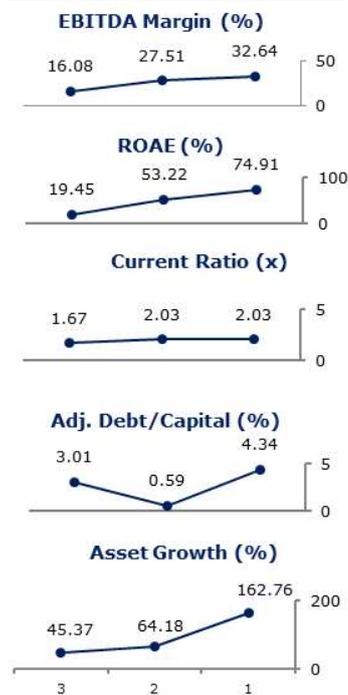
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Positive	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific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

JCR Eurasia Rating has evaluated **Kiler Holding A.Ş.** in the investment level category and affirmed the Long-Term National Issuer Credit Rating as '**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 Holding A.Ş. (hereinafter referred to as "Kiler Holding" or "the Group") was established in 2007 by Kiler Family in İstanbul. Kiler Holding group companies mainly operate in the fields of construction and real estate, energy, manufacturing, and service industries in Türkiye.

The foundations of Kiler Holding were laid in 1983 by Kiler Family. The Group started its operations in food retailing sector with dozens of supermarkets in various locations in Türkiye. In addition to retailing and investments in the food sector, the investments made in the construction, real estate, retail, energy, tourism, transportation, and textile sector by the Group. As of 3Q2023, the vast majority of the consolidated revenue of Kiler Holding A.Ş. is generated from construction and real estate activities.

The ultimate shareholder of the Company is Kiler Family, owns 85% shares of Kiler Holding. The remaining shares are publicly traded. Kiler Holding A.Ş. underwent an IPO on July, 2022 and currently 15% of the shares are trading on Borsa İstanbul. As of 3Q2023, the total number of employees of the Group is 1,167 (FYE2022: 1,140 employees).

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
- Increase in size of total assets mainly provided through enlargement of ongoing constructions, revaluation gains on investment properties, and equity investments
- Diversified structure of field of activities includes construction, real estate, energy, tourism, textile, food industries
- Deep-rooted operating history of the 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.