

## Corporate Credit Rating

New  Update

**Sector:** Holding

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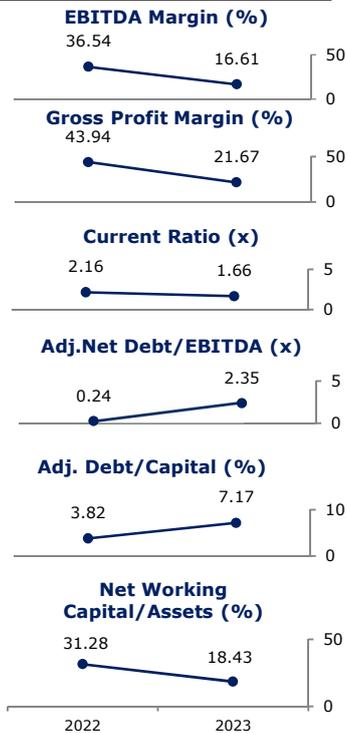
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA-(tr)	J1+(tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating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

\* Assigned by JCR on May 10, 2024



## Kiler Holding A.Ş.

JCR Eurasia Rating has evaluated **Kiler Holding 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 Holding A.Ş.** (hereinafter referred to as "Kiler Holding" or "the Company" or "the Group") was established in 2007 by Kiler Family in İstanbul. Kiler Holding group companies mainly operate in the fields of construction, real estate, energy, transportation, textile and food 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, energy, transportation and textile sector by the Group. As of 3Q2024, the vast majority of the consolidated revenue of Kiler Holding 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 underwent an IPO on July, 2022 and currently 15% of the shares are trading on Borsa İstanbul. As of 3Q2024, the total number of employees of the Group is 1,271 (FYE2023: 1,229).

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

### Strengths

- Satisfactory level of equity to total assets ratio in analysed years,
- Contribution of ongoing construction projects, revaluation gains on investment properties and equity investments to the asset growth,
- Positive impact of the investments that started operations at the end of 3Q2024 on sales and profitability in the upcoming years,
- Ensuring income diversification by operating in construction, real estate, energy, transport, textile and food industries,
- Successful commercial history of Group,
- Compliance with corporate governance practices as a publicly traded company.

### Constraints

- Suppressed cash flow metrics and declining profit margins in FY2023 and 3Q2024, which led to an increased need for external financing, caused a deterioration in financial leverage metrics,
- 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, experience in the industry, income diversification, profitability 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.