

Corporate Credit Rating

New Update

Sector: FMCG

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

* Assigned by JCR on May 10, 2024

MİGROS TİCARET A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Migros Ticaret A.Ş." in the investment grade category with the highest credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AAA (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 determined as 'BB/Stable' in line with the sovereign ratings and outlooks of Republic of Türkiye.

"Migros Ticaret A.Ş." (hereinafter referred to as "Migros" or "the Group" or "the Company") was established on July 26, 1954 as a joint venture of Switzerland the Federation of Migros Cooperatives and the Istanbul Municipality, and 40.25% of its shares were acquired by "AG Anadolu Grubu Holding A.Ş." ("Anadolu Group") in 2015 and Anadolu Group's share reached 50% in 2017.

The Group's principal activity is the retail and wholesale of all kinds of food and consumer goods for retail consumption. The Group also operates in online food retailing, payment and electronic money services, logistics services (motorcycle delivery) and retail media (marketing of media assets).

As of FYE2024, the Group's store portfolio consists of 3,621 stores in 81 provinces, including 1,355 M, 539 MM, 159 MMM, 1,186 Migros Jet, 123 Macrocenter, 76 Macrokiiosk, 54 hypermarket, 29 wholesale and 100 Mion stores. In addition to Migros Sanal Market, which was established in 1997 as Türkiye's first food retail e-commerce website and today operates in 1,288 stores in 81 cities, the Group is expanding its network of privileged services to its customers through online channels with Macroonline, the online service channel of Macrocenter, Migros Hemen, Migros Yemek, Migros One Kitchen, Migros Ekstra and Tazedirekt, whose priority is natural nutrition.

The Group has a total of 53,748 employees as of 1Q2025 (FYE2024: 53,328).

As of 1Q2025, the Group's shareholders are "MH Perakendecilik ve Ticaret A.Ş." with 49.18% share and "Migros Ticaret A.Ş." with 1.64% share. Remaining 49.18% of shares are publicly traded on the Borsa Istanbul (BIST) with the ticker symbol "MGROS".

The Group is controlled by "AG Anadolu Grubu Holding A.Ş.", its parent company. Anadolu Group is controlled by "AG Sınai Yatırım ve Yönetim A.Ş.", and "AG Sınai Yatırım ve Yönetim A.Ş." is a management company that ultimately manages, with equal representation of and by way of equal management by the Yazıcı Family and the Özilhan Family, the affiliates of Anadolu Group. Anadolu Group holds a 50% indirect share in Migros.

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

Strengths

- Strong and increasing sales revenue and EBITDA generation capacity with increasing number of branches and customer traffic in FY2024,
- Solid leverage and coverage indicators thanks to net cash position in the last two-year period,
- Low collection risk thanks to a diversified customer portfolio supporting asset quality,
- Robust cash flow metrics easing liquidity management in the analyzed periods,
- Rapid cash conversion cycle underpinning efficiency indicators,
- Omni-channel capability supported by a well-established online presence,
- Sustainable growth and technological investments provide the power to create new products and brands,
- Strong partnership structure, compliance with corporate governance and sustainability implementations.

Constraints

- Operating loss in the last two-year period mainly due to the effect of TAS 29,
- Relatively low level of paid-in capital, despite reasonable equity level mainly supported by accumulated profit arising from TAS 29 effect,
- Changing consumer preferences due to price volatility and competitive market structure in the FMCG sector, put potential pressure on profitability indicators,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. The Group's strong sales revenue, solid leverage and coverage indicators, low collection risk and positive cash flow metrics as well as operating loss and uncertainties in the global economy have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Group's financial structure, sales and profitability performance, liquidity and leverage indicators will be closely monitored by JCR Eurasia Rating in the 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.

