

Corporate Credit Rating

☐ New ☒ Update

Sector: Non-Food Retail (Watch)

Publishing Date: 23/10/2026

Team Leader

Hulusi Girgin

+90 212 352 56 73

hulusi.girgin@jcrer.com.tr

Analyst

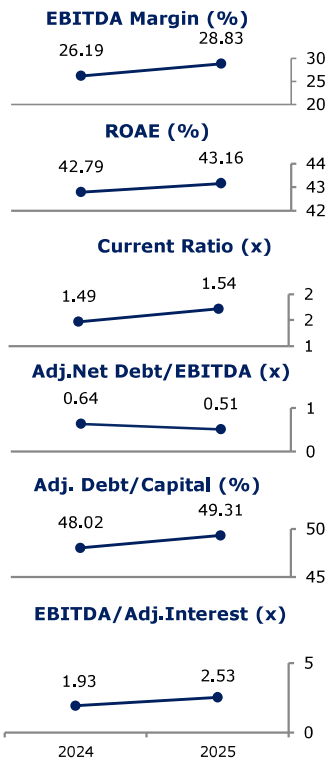
Nida Topçam

+90 212 352 56 73

nida.topcam@jcrer.com.tr

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

* Affirmed by JCR on August 21, 2026



SAAT VE SAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated "Saar ve Saat Sanayi ve Ticaret Anonim Şirketi" in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating from 'A- (tr)' to 'A (tr)' and the Short-Term National Issuer Credit Rating from 'J2 (tr)' to 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed at 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Saar ve Saat Sanayi ve Ticaret Anonim Şirketi (hereinafter referred to "Saar ve Saat", "the Group" or "the Company") was established in 1994 and is engaged in retailing watches and jewelries. The Company distributes a portfolio of 35 watch and jewelry brands, including Maurice Lacroix, U-Boat, Salvatore Ferragamo, Roberto Cavalli by Franck Muller, Emporio Armani, GC, etc. As of June 30, 2026, the Group operates with a total of 172 retail stores, 10 franchise stores (including 3 abroad and 7 in Türkiye), 10 shop-in-shop or outlet points of sale located in Boyner stores, and an e-commerce website across Türkiye. In addition, the Group has 477 wholesale sales points, comprising 392 direct wholesale points and 85 stores belonging to chain textile companies. In addition, the Group sells its six patented watch brands through outsourced production in China and Switzerland and distributes these products through wholesale channels. Approximately 22% of the Group's 2025 revenue is attributed to sales of its own brands. The labor force of the Company was 1,158 as of 2Q2026 (FYE2025: 1,138).

The Company's shares are held by Nurullah Dönmez (37.0%), Ramazan Kaya (27.9%), Hamza Kaya (28.0%), while the remaining 7.1% of the Company's shares have been publicly traded on Borsa İstanbul (BIST) with the ticker of 'SSAAT' since July 2026.

As of 2Q2026, the consolidated financial statements for the accounting period-end include the Company and its subsidiaries which are "Saar ve Saat Mağazacılık A.Ş.", "Saar ve Saat Teknik Servis Hizmet Ticaret Ltd. Şti.", "Saar ve Saat Limited Hong Kong" and "Saar ve Saat Romanya" are active in watch distributorship and technical service and retail sales, respectively. The Group's headquarter is in Maslak/Istanbul.

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

Strengths

- Maintained reasonable profitability margins over the analyzed periods,
- Sustained sales growth supported by the expanding retail footprint, strong market presence, and a diversified portfolio of well-recognized brands,
- Satisfactory leverage metrics in 2025 and 2Q2026, supported by a strong cash position and EBITDA generation capacity, alongside a decline in financial indebtedness as of 10M2026 funded by IPO proceeds,
- Adequate equity-to-assets ratio, predominantly supported by retained earnings and capital adjustment differences throughout the analyzed periods, despite recurring dividend payments,
- Reasonable cash flow metrics in 2025 and 2Q2026,
- Low collection risk underpinned by large share of retail sales and collateralized dealer receivables.

Constraints

- Lengthy cash conversion cycle driven by low inventory turnover stemming from business model,
- High financial expenses continued to partially weigh on bottom-line profitability throughout the analyzed periods, and weak interest coverage ratio,
- Relatively high operating expense base inherent to the nature of the sector,
- Geopolitical tensions intensify inflationary pressures, constraining the easing of global financial conditions.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised from 'A- (tr)' to 'A (tr)'. The Company's reasonable profitability indicators, satisfactory leverage metrics, decline in financial debt in 10M2026, strong sales performance, asset quality, and satisfactory equity level as well as high OpEx, constrained interest coverage ratio, and long cash conversion cycle 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 affirmed at 'Stable'. The Company's profitability margins, equity level, market position, leverage and coverage ratios, receivables management, cash flow metrics, funding structure, and economic conditions in Türkiye 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 also be monitored.