

Corporate Credit Rating

New Update

Sector: Media Industry
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Team Leader

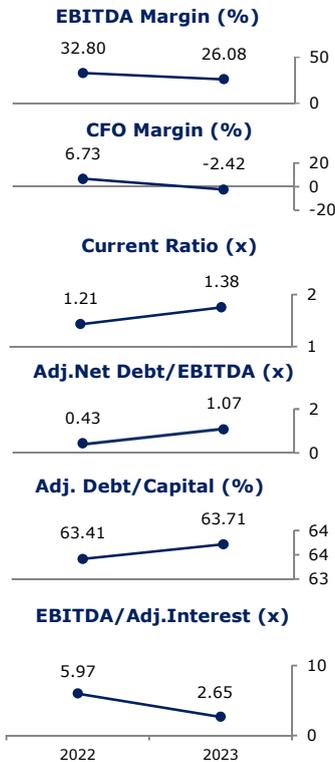
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific 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



TV8 TV Yayıncılık A.Ş.

JCR Eurasia Rating, has evaluated "TV8 TV Yayıncılık A.Ş." in the investment grade category on the national scales and assigned the Long-Term National Issuer Credit Rating as 'BBB+ (tr)' and the Short-Term National Issuer Credit Rating as 'J2 (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.

TV8 TV Yayıncılık A.Ş. (referred to as "TV8" or "the Company") started its operations in 1999 and was acquired by MNG Reklam Pazarlama ve Prodüksiyon A.Ş. (hereinafter MNG Reklam) in 2013 and became a part of Acun Medya Holding A.Ş. (hereinafter: Acun Medya). Since the acquisition, it has been operating as an entertainment channel. TV8's leading programs are Survivor and MasterChef, having high ratings since their commencement. The content creation in TV8 programs is mainly performed by Acun Medya Prodüksiyon ve Reklam Hizmetleri A.Ş. (hereinafter: Acun Medya Prodüksiyon) which is its own group company. Approximately 15-20% of all contents is produced by external media production companies. The main customers are advertising agencies, which functions as an intermediary between TV8 and brands. TV8 directly charge the price to the agencies, and agencies have direct contact with brands. The company's sole shareholder is MNG Reklam. The main shareholder of MNG Reklam (90%) is Sekiz Televizyon Yayıncılık A.Ş., and its sole shareholder is Acun Medya Holding A.Ş. The Company had 225 employees as of FYE2023 (FYE2022: 207).

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

Strengths

- Sustained revenue and EBITDA generation, which is maintained in 1H2024 period
- Operating with comfortable level of financial leverage metrics in FY2023 which continued in 1H2024 despite upward trend in financial debts
- Operating with net working capital surplus and adequate level of current ratio
- Enhanced viewer experiences and high ratings, facilitated by the creation of unique contents
- Long-lasting presence in the sector and experienced shareholders

Constraints

- Declining interest coverage ratio in FY2023 and 1H2024
- High level of customer concentration due to unique characteristics of the business model and market dynamics
- Other receivables from related parties at significant levels as of FYE2023 and 1H2024 period, distorting balance sheet integrity
- Long cash conversion cycle increasing the external funding needs
- User-generated content (UGC) platforms emerging as a competitor by offering interactive, on-demand, and diverse content against linear TV's scheduled programming and passive format
- 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 Rating has been assigned as 'BBB+ (tr)'. Sustained revenue and EBITDA generation, comfortable level of financial leverage metrics, enhanced viewer experiences, liquidity metrics, and sector experience along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions have been evaluated as important indicators and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's revenue and profitability performance, financial leverage indicators, liquidity position, debt structure and asset quality 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.