

## Corporate Credit Rating

New  Update

**Sector:** Investment Holding  
**Publishing Date:** 26.08.2024  
**Senior Analyst**

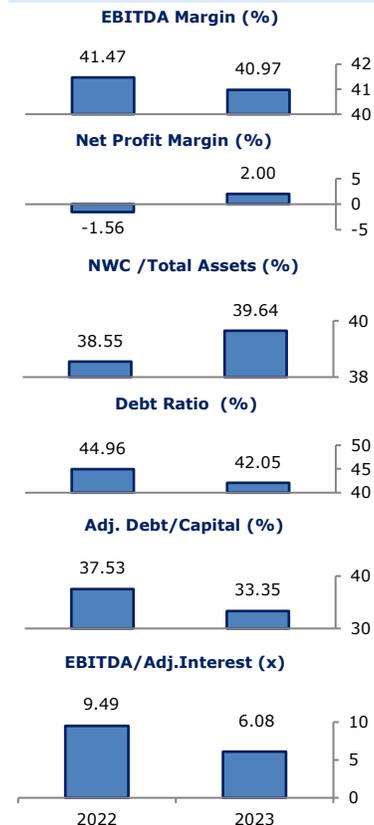
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific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



## ÜNLÜ YATIRIM HOLDİNG A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of "Ünlü Yatırım Holding A.Ş." in the investment grade category with very high level of credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AA+ (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' as parallel to sovereign ratings and outlooks of Republic of Türkiye.

The operating history of Ünlü Yatırım Holding A.Ş. (hereinafter referred to as "the Company", "the Holding" or "Ünlü & Co") goes back to 1990s with the foundation of Dundas Ünlü & Co. Ltd. in 1996. As a legal entity; Ünlü Finansal Yatırımlar A.Ş. was established in FY2011 and changed its commercial title as 'Ünlü Yatırım Holding A.Ş.' in 2015. Since 2015, the operations of the Holding became diversified via several business segments and Ünlü & Co consolidated nine subsidiaries and two investments (via the equity method) -which operate in the fields of corporate finance, corporate sales and research, investment advisory and portfolio management, NPLs management, treasury and alternative investments- under its corporate body, as of the report date. As of FYE2023, total asset and equity size of the Holding were TRY 2,703.42mn and TRY 1,566.50mn, respectively (FYE2022: TRY 3,031.93mn and TRY 1,668.74mn, respectively).

Mr. Mahmut Levent Ünlü is the controlling shareholder of Ünlü & Co with 64.71% shares and 84.38% voting right ratio as of the report date. Furthermore, 'The Wellcome Trust Ltd. as Trustee of the Wellcome Trust' was among other shareholder with 7.71% shares in paid-in capital as of FYE2023. 7.71% shares of The Wellcome Trust indicate a controlling ratio of 3.41%. According to the investor presentation of 1Q2024, Mr. Mahmut Levent Ünlü had 64.71% shares in the paid-in capital, 34.14% was publicly traded and 1.15% others as of 31.03.2024. However, as of 01.02.2024, The Wellcome Trust Ltd. as Trustee of the Wellcome Trust has no share in the partnership.

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

### Strengths

- Sustainable revenue and EBITDA generation capacity in the analyzed periods,
- Maintaining liquidity profile supporting financial position along with positive cash flow metrics in FY2023,
- Consistent recurring income stream through well-positioned Group companies,
- Satisfactory equity level in the analyzed periods,
- Healthy receivables portfolio supported by collateral in the form of common stocks, combined with the absence of non-performing receivables,
- Diversified funding structure through debt security issuances providing financial flexibility,
- Reputable shareholder structure and deep-rooted relations with domestic and foreign individual and corporate clients,
- As an institution subject to Capital Market Law, compliance with corporate governance principles together with sustainability implementations.

### Constraints

- Vulnerability of risk appetite towards EMs to potential economic and geopolitical risks,
- Relatively higher susceptibility of NPL servicing to legislative regulations,
- Short-term borrowing profile in parallel with the sector,
- 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 Holding's Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. The Holding's diversified business operations, extensive operating history, and established track record, along with well-positioned subsidiaries in the financial advisory sector, demonstrating strong revenue and EBITDA generation capacity, as well as intense competition in the intermediary sector, high susceptibility to legislative regulations and uncertainties stemming from geopolitical risks globally 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 Holding's funding structure, solvency performance, liquidity profile, revenue generation capacity, profitability metrics and the uncertainties driven by geopolitical risks 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.