

Corporate Credit Rating

New Update

Sector: Holding

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RATINGS	Long Term		Short Term
	National ICR	A-(tr)	J2 (tr)
ICRs (Issuer Credit Rating Profile)	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	A-(tr) Stable	J2(tr) Stable
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB	-
	Local Currency	Negative	-
	Local Currency	BB	-

* Assigned by JCR on August 18, 2022

Global Yatırım Holding A.Ş.

JCR Eurasia Rating, has evaluated consolidated structure of **Global Yatırım Holding A.Ş.** in the investment-level category on the national scales and upgraded its Long-term National Issuer Credit Rating to '**A- (tr)**' from '**BBB+ (tr)**' and assigned the Short-Term National Issuer Credit Rating at '**J2 (tr)**' with '**Stable**' outlook. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as '**BB/Negative**' as parallel to international ratings and outlooks of Republic of Türkiye.

Global Yatırım Holding A.Ş. (referred to as 'Global Investment Holdings', 'the Company' or 'the Holding') commenced its operations in 1990 under the name of 'Global Menkul Degerler A.Ş.'. The Holding has played a significant role in the development of Turkish capital markets by paving the way for many of the country's leading businesses to meet international businesses for the first time. In 2004, Global Investment Holdings transformed into an investment portfolio company, drawing on its appetite for growing investments and its strong experience. With interests in a variety of business sectors and traditional non-bank financial service providers, Global Investment Holdings has evolved into a dynamic investment entity. The Holding's operations include financial brokerage, asset management, co/tri-generation, clean and renewable power generation, natural gas (CNG: Compressed Natural Gas / LNG: Liquefied Naturel Gas) distribution, feldspar mining, operating port infrastructure (cruise ship terminals and a commercial seaport) and real estate.

The Holding stands as a roof to manage the issues of investment, financing, organization, and management of its affiliates and subsidiaries by participating in their capital and management. Global Investment Holdings' shares have been traded on the Borsa Istanbul (BIST) with the ticker "GLYHO" since May 1995 (they were traded as 'Global Menkul Degerler A.S.' from May 1995 until October 1, 2004). Besides, The Holding completed its first IPO abroad, in London Stock Exchange in May 2017 with its affiliate named Global Ports Holding PLC.

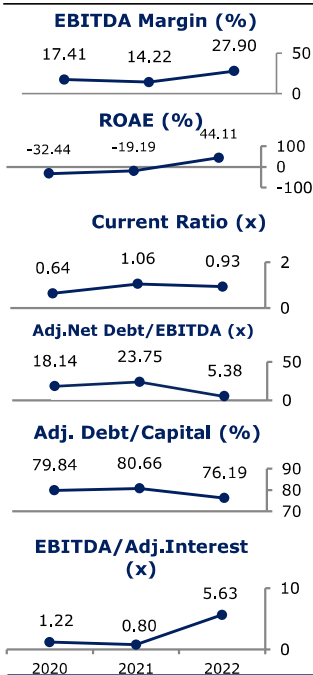
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Significant growth in sales revenue mainly driven by port management, natural gas and finance segments in both 2022 and 9M2023 period
- Notable improvement in EBITDA generation capacity in 2022 which is also maintained during 9M2023 period
- Additional revenue expectation with the enlargement of concession duration in currently operated ports and newly signed concession agreements in port management segment
- Partially foreseeable cash flow due to business model mainly driven by port and power generation divisions
- Diversified portfolio mitigates concentration risk in a certain extent
- Hard currency cash flow stream provides resilience to the Company
- Prominent positions in sub-divisions
- High level of compliance with the corporate governance practices

Constraints

- Despite the long-term weighted maturity structure of financial borrowings and improvement in net debt to EBITDA ratio in 2022, relatively high level of financial leverage metrics
- Fluctuations in commodity prices may put pressure on profitability margins of energy and natural gas segment
- High level of pledged and mortgaged assets for borrowings that decreases the elasticity of assets
- Despite the notable contribution of bottom line in 2022, relatively low level of equity compared to growing asset size
- 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 upgraded to '**A- (tr)**'. The Holding's growth in sales revenue growth, improvement in EBITDA generation capacity, diversified portfolio, prominent positions in sub-segments, partially foreseeable cash flow and FX revenue generation capacity, leverage structure along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions 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 sustainability of profitability performance, sales growth and cash generation capacity, financial leverage indicators 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.