

Corporate Credit Rating

New Update

Sector: Holding

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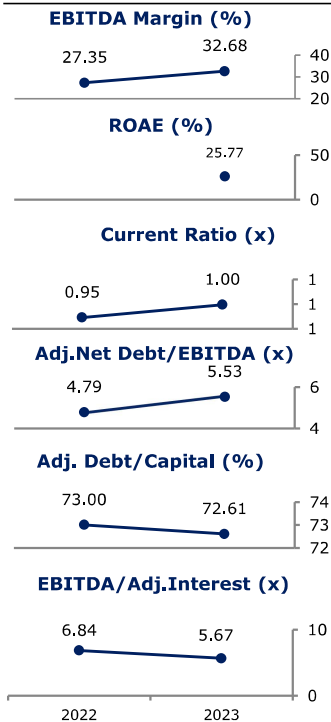
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issuer Specific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

* 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 with high credit quality on the national scales and affirmed the Long-Term National Issuer Credit Rating at '**A- (tr)**' and the Short-Term National Issuer Credit Rating at '**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.

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).

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

Strengths

- Steady improvement in EBITDA and operating profitability margins
- Sustained business volume supported by an increase in passenger numbers and the expansion of the portfolio in port management, despite the decline in sales revenue in FY2023 due to the impact of price fluctuations across segments
- Additional revenue expectations with the expansion of the port network and the newly awarded tenders abroad in the power division
- Ability to reach alternative financial sources in both local and international markets
- Partially foreseeable cash flow due to business model mainly driven by port and power generation divisions
- Hard currency cash flow stream provides resilience to the Company
- Diversified sales revenue across different sub-divisions and geographies decreasing the concentration risk to a certain extent
- Compliance with the corporate governance practices

Constraints

- Despite the long-term weighted maturity structure and short-term net cash position as of 9M2024, upward trend in financial borrowings weakening leverage indicators
- High level of operating ratio due to the inherent nature of the brokerage and asset management division, putting pressure on efficiency
- Significant amount of pledged and mortgaged tangible assets for borrowings decreases the elasticity of assets
- Despite the notable contribution of bottom line in 2023, relatively low level of equity compared to growing asset size
- 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 Holding's Long-Term National Issuer Credit Rating has been affirmed at '**A- (tr)**'. The Holding's sustained business volume, profitability margins, ability to reach alternative financial sources, diversified sales revenue, leverage indicators 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 revenue and profitability performance, cash generation capacity, 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.