

Corporate Credit Rating

New Update

Sector: Holding

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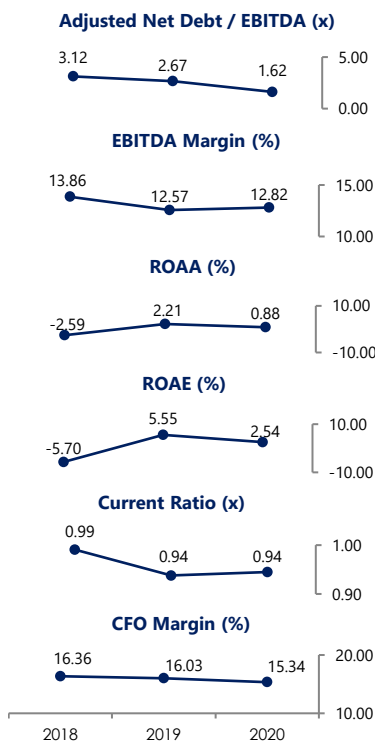
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RATINGS

		Long Term	Short Term	
National	Local Rating	AA+ (Trk)	A-1+ (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	-	-	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Sponsor Support	1	-		
Stand-Alone	A	-		
Sovereign*	Foreign Currency	BB	-	
	Local Currency	BB	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by JCR on May 31, 2021



AG Anadolu Grubu Holding A.Ş.

JCR Eurasia Rating evaluated “AG Anadolu Grubu Holding A.Ş.” in a high investment grade category and assigned the ratings on the Long and Short-Term National Scales as ‘AA+ (Trk)’ and ‘A-1+ (Trk)’, respectively along with the ‘Stable’ outlooks. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as ‘BBB-’ with ‘Stable’ outlooks.

AG Anadolu Grubu Holding A.Ş. (hereinafter referred to as ‘AGHOL’ or ‘the Group’ or ‘the Company’), was founded by Yazıcı and Özilhan families in 1950. The Group maintains its activities under beer, soft drink, retail, agriculture, automotive, stationery, quick service restaurant, real estate and energy sectors together with social organizations in 19 countries with 64 subsidiaries and 5 joint-ventures, 86 production facilities, 6 R&D centers and 63,437 employees as of September 30, 2021.

With over 70 years of activity history, the Group has established beneficial and collaborative partnerships with internationally well-known domestic and foreign institutions thanks to know-how and network presence. It acts in accordance with its mission of being a multinational and entrepreneurial group through its partnerships with leading brands and companies of the world such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, McDonald’s, Honda, Honda Marine, Kohler, Johns Hopkins Medicine. As of September 30, 2021, the major shareholder of the Group is **AG Sınai Yatırım ve Yönetim A.Ş.** with holding 48.65% of the shares and 51.35% of the shares are traded on the Borsa Istanbul (BIST) under the ticker symbol **AGHOL**.

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

Strengths

- Sustainable revenue and EBITDA generation capacity via strong subsidiaries,
- Resilient operating cash flow performance supporting risk metrics,
- Decreasing trend of Adjusted net debt/EBITDA multiplier,
- Risk diversification through operations in different business lines and geographies,
- Advantages of owning subsidiaries with high market shares through strong partnerships with worldwide recognized powerful brands,
- High level of compliance regarding corporate governance implementations.

Constraints

- Exposure to foreign currency position mainly stemming from long-term weighted liabilities,
- Competitive market structure in FMCG sector pressuring profitability indicators,
- Covid-19 outbreak creating vagueness on global and local economic activities.

Considering the aforementioned points, the Company’s Long-Term National Rating has been assigned as ‘AA+ (Trk)’. The competitive advantage obtained through its diversified investment portfolio, strong revenue and EBITDA generation capacity, asset quality, equity level, profitability and liquidity indicators have been evaluated as important indicators for the stability of the ratings and the outlooks for Long- and Short-Term National ratings are determined as ‘Stable’. The economic impact of Covid-19 outbreak on the Company, asset quality, debt and equity level, cash flow and liquidity metrics, profitability indicators and sectoral regulations are the priority issues to be followed by JCR Eurasia Rating in the upcoming period. The macroeconomic indicators at national and international markets, as well as market conditions and legal frame about the sector will be continued to be monitored.

AGHOL’s main shareholder, **AG Sınai Yatırım ve Yönetim A.Ş.** is considered to have the willingness and experience to ensure long-term liquidity and equity within their financial capability when required and to provide efficient operational support to AGHOL. In this regard, the “Sponsor Support” Grade of the Company has been assigned as **(1)** in JCR Eurasia Rating’s notation system, indicating the highest level.

Considering the Group’s sustainable revenue and EBITDA generation capacity, diversified investment portfolio, strong market positions and risk management practices, we, as JCR Eurasia Rating, state the opinion that the Company has reached the level of sufficient experience and facilities to manage the incurred risks on its balance sheet regardless of any assistance from the shareholders, if it preserves its current customer level, efficiency and existing macroeconomic level in the market. Within this context, the “Stand-Alone” Grade of the Company has been assigned as **(A)** in the JCR Eurasia Rating notation system, indicating the highest level.