

## Corporate Credit Rating

New  Update

**Sector:** Holding

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (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)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on Aug 18, 2022

## AG ANADOLU GRUBU HOLDİNG A.Ş.

JCR Eurasia Rating has evaluated "AG Anadolu Grubu Holding A.Ş." in the highest investment level category, revised the Long-Term National Issuer Credit Rating from 'AA+ (tr)' to 'AAA (tr)' and affirmed 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 have been affirmed at 'BB+/Stable' above the international ratings and outlooks of Republic of Türkiye.

"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 mainly under beer, soft-drinks, retail, automotive, energy, agriculture and stationery sectors together with social organizations in 19 countries with 69 subsidiaries, 4 joint-ventures, 2 associates, 86 production facilities, 6 R&D centers and 95,000 employees as of September 30, 2023.

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, Honda, Honda Marine, Kohler, Johns Hopkins Medicine, OXE Marine AB. As of September 30, 2023, the main ultimate controlling shareholder of the Group is "AG Sınai Yatırım ve Yönetim A.Ş." with 48.65% share. The remaining 51.35% of the shares are publicly traded on the BIST with the ticker symbol "AGHOL".

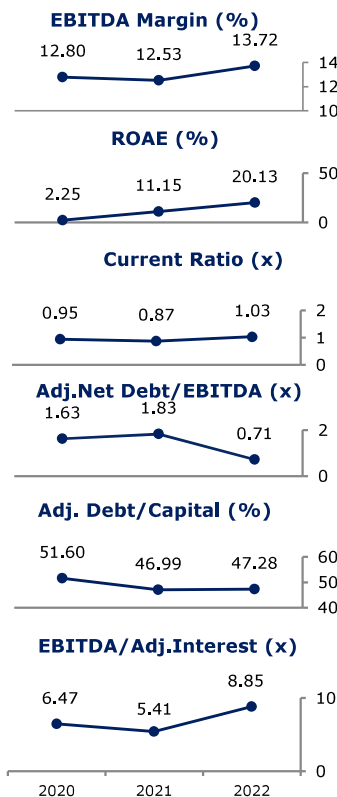
Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Significant increase in sales performance in FY2022 and as of 3Q2023, also expected to continue in 2023 financials,
- Sustainable gross profit and EBITDA generation capacity along with other profitability indicators in the analyzed periods,
- Low level of financial leverage indicators,
- Visible improvement in cash flow metrics in FY2022,
- Having alternative funding opportunities including debt issuance through tailored financial instruments, easing liquidity management of the Group,
- Diversified income stream thanks to geographical prevalence,
- Advantages of owning subsidiaries with high market shares and partnerships with worldwide recognized powerful brands,
- High level of compliance regarding corporate governance and sustainability implementations.

### Constraints

- High level of operating ratio pressuring efficiency indicators despite improvement in FY2022,
- Potential sectoral concentration risk due to having FMCG concentrated investment portfolio,
- 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 Group's Long-Term National Issuer Credit Rating has been revised from 'AA+ (tr)' to 'AAA (tr)'. The Group's increasing sales performance, EBITDA generation capacity, low level of leverage indicators, improvement in cash flow metrics as well as high operating ratio and slowdown signal in the global economy 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 Group's financial structure, sales and profitability performance, continuity of EBITDA generation capacity and debt structure 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.