

## Corporate Credit Rating

New  Update

**Sector:** Beverages Industry  
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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	BBB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB	-
	International LC ICR Outlooks	Stable	-
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

## COCA-COLA İÇECEK ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated the consolidated structure of "Coca-Cola İçecek Anonim Şirketi" in the investment-grade category with the highest credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AAA (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 'BBB/Stable' above the sovereign ratings and outlooks of Republic of Türkiye.

**Coca-Cola İçecek Anonim Şirketi** (hereinafter referred to as "CCI" or "the Group") was established in 1988 in Türkiye and its roots go back to 1964. Its shareholders are Anadolu Efes Biraçılık ve Malt Sanayi A.Ş. (40.12%), The Coca-Cola Export Corporation (20.09%), Efes Pazarlama ve Dağıtım Ticaret A.Ş. (10.14%) and Özgörküy Holding A.Ş. (0.79%) as of FYE2023. In addition, CCI's shares have been listed in Borsa İstanbul (BIST) since 2006 with the ticker 'COLLA'. As of FYE2023, 28.86% of CCI's shares are publicly traded. The main shareholder of Anadolu Efes and Efes Pazarlama which are the shareholders of the Group is AG Anadolu Group. AG Anadolu Group is indirectly the main shareholder of CCI.

The Group is bottling, selling and distributing of the Coca-Cola Company (TCCC) branded products in 12 countries. The Group has 33 production plants and 3 fruit processing plants in Türkiye, Jordan, Kazakhstan, Uzbekistan, Bangladesh, Azerbaijan, Pakistan, Kyrgyzstan, Tajikistan, Turkmenistan and Iraq. CCI provides services with TCCC brands in the industry. The Group is the market leader in most of the countries in which it operates. The sparkling category has the largest share among the products of the Group with over 80% volume share. The Group derives approximately over 80% of its EBITDA from operations in Türkiye, Pakistan, Kazakhstan and Uzbekistan. In addition, the Bangladesh operations that the Group acquired in 1Q2024 are expected to receive a large share from the Group's EBITDA in the mid-term.

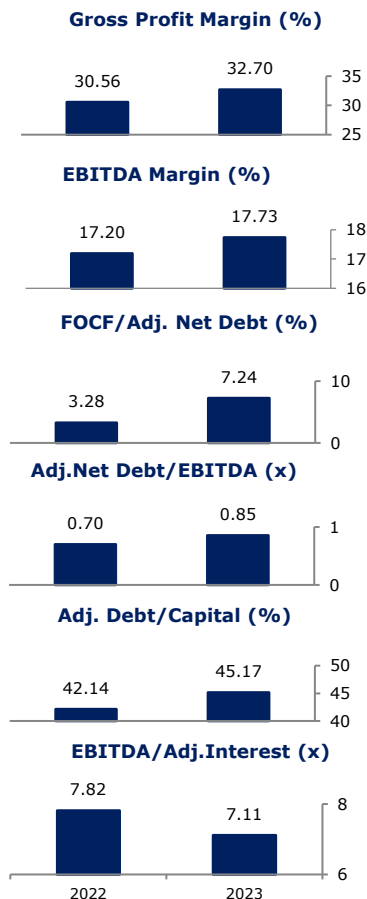
Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Maintaining strong EBITDA generation and sales revenue growth despite a slight decrease in sales volume,
- High equity level supported by internal equity generation capacity,
- Strong leverage profile and low level of net debt to EBITDA multiplier,
- Long-term financial debt structure and ability to access international resources,
- Strong cash flow generation easing liquidity management and cash buffer,
- Diversified income stream thanks to rich and diversified product portfolio and geographical prevalence,
- Clear corporate governance policies, prudent financial management and proactive risk policy through commodity hedges,
- Maintenance of leading positions in the market,
- Having the potential to increase sales volume thanks to the low penetration of the beverage industry in the regions of CCI,
- Long term agreement with TCCC and product portfolio consisting of highly recognized brands,

### Constraints

- High financing expenses mainly stemming from FX losses pressuring bottom line results and FX short position,
- Low level of paid in capital in comparison to the asset size of CCI,
- Increase in operational expenses squeezing operational efficiency,
- Revenue composition exposed to different country risk elements,
- Leading economic indicators signal global economic slowdown aim to restrict consumption growth.



Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. Taking into account, the Group's internal equity generation capacity, EBITDA generation capacity, being market leader, experienced and qualified organizational structure, sustainable of asset and sales growth, predictability operational performance, as well as high financing expenses and FX short position; has 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'. An achievement of budget targets of the Group, debt ratio, profit margins and liquidity indicators, as well as market conditions regarding the sector 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 also be monitored.