

Kruk S.A. 'BB-' Rating Affirmed; Stable Outlook; Rating Then Withdrawn At Issuer's Request

March 5, 2025

PARIS (S&P Global Ratings) March 5, 2025--S&P Global Ratings today affirmed its 'BB-' long-term issuer credit rating on Kruk S.A. We then withdrew the rating at the company's request. The outlook was stable at the time of the withdrawal.

The rating reflected our assessment of Kruk's sound competitive position, which balances some business concentration in distressed debt-purchasing and collections across four core countries, with a high operational efficiency, a solid track record in overall debt portfolio revaluation, and leading market shares in nonperforming loan markets.

Additionally, the rating reflected the rising S&P Global Ratings' debt to cash-adjusted EBITDA, which we estimate was at 3.8x at the end of 2024, with expectations of exceeding 4.0x in 2025. Any potential deleveraging By Kruk beyond 2025 will rely on the growth in cash recoveries generated by the company, which will benefit from the significant investments made over the past four years, as well as the anticipated increase in debt to finance new debt portfolio acquisitions.

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Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology, April 4, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016
- Criteria | Corporates | Recovery: Methodology: Jurisdiction Ranking Assessments, Jan. 20, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013

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- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Various Rating Actions Taken On Distressed Debt Purchasers On New Criteria And Sector Review; Ratings Removed From UCO, April 26, 2024
- Kruk S.A.'s Proposed Senior Unsecured Bond Rated 'BB-', April 17, 2023
- Kruk S.A. Assigned 'BB-' Rating; Outlook Stable, March 13, 2023

Ratings List

Not Rated Action; CreditWatch/Outlook Action

	Final	To	From
KRUK S.A.			
Issuer Credit Rating	NR/--	BB-/Stable/--	BB-/Stable/--

Not Rated Action; Recovery Ratings Withdrawn

	Final	To	From
KRUK S.A.			
Senior Unsecured			
Local Currency	NR	BB-	BB-
Recovery Rating	NR	3(65%)	3(65%)

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceld/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings. Alternatively, call S&P Global Ratings' Global Client Support line (44) 20-7176-7176.

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