

Corporate Credit Rating

New Update

Sector: Homebuilders
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Senior Analyst

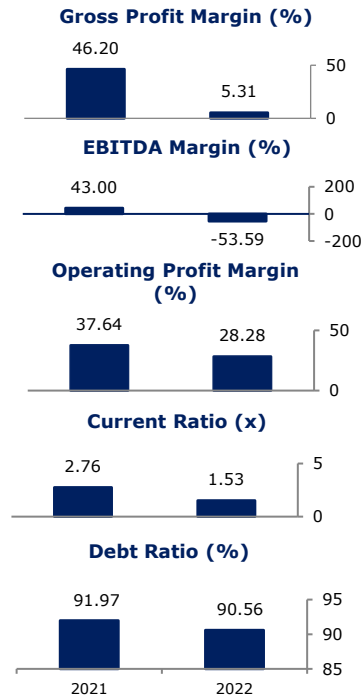
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| RATINGS | | Long Term | Short Term |
|--------------------------------------|-------------------------------|---------------|------------|
| ICRs (Issuer Credit Rating Profile) | National ICR | BBB-(tr) | J3 (tr) |
| | National ICR Outlooks | Stable | Stable |
| | International FC ICR | BB- | - |
| | International FC ICR Outlooks | Negative | - |
| | International LC ICR | BB- | - |
| ISRs (Issue Specific Rating Profile) | International LC ICR Outlooks | Negative | - |
| | National ISR | - | - |
| Sovereign* | International FC ISR | - | - |
| | International LC ISR | - | - |
| Sovereign* | Foreign Currency | BB (Negative) | - |
| | Local Currency | BB (Negative) | - |

* Assigned by JCR on Aug 18, 2022



Atış Yapı Sanayi ve Ticaret Limited Şirketi

JCR Eurasia Rating, has evaluated "Atış Yapı Sanayi ve Ticaret Limited Şirketi" in the investment level category and affirmed the Long-Term National Issuer Credit Rating at 'BBB- (tr)' and the Short-Term National Issuer Credit Rating at 'J3 (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB-/Negative'.

Atış Yapı Sanayi ve Ticaret Limited Şirketi (hereinafter referred to as "Atış Yapı" or "the Company"), was established in 2006, has built more than 2,000 living space and 130,000 m² shops and commercial units under its small, medium and large-scale residential projects, located in Bursa, Türkiye.

The Company's main field of activity is all kinds of construction and contracting projects mainly in Türkiye and abroad including real estates, commercial units, office building, gas stations, parking lots, roads, highways, rehabilitation and irrigation facilities.

As of FYE2022, the Company has been completed a mixed project of Downtown including shopping mall, hospital, hotel and congress center, in Osmangazi, Bursa. The Company is currently engaged in construction of its 2nd mixed project of Babylon in Nilüfer, Bursa.

As of December 31, 2022, the Company employed a staff force of 192 (FYE2021: 169). Atış Yapı is not a listed company, the sole and ultimate shareholder of the Company is Mr Hüsamettin ATIŞ.

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

Strengths

- Operating with positive net working capital and adequate current ratio slightly easing liquidity management,
- Revenue visibility thanks to significant pre-sales from Babylon project together with completion of Downtown project,
- Geographic diversification via new investments and experience in the Gulf region,
- High rate of increase in housing prices in the regions where the Company operates.

Constraints

- Limited data for trend analysis due to revaluation of investment properties only in last two years,
- Further deterioration in EBITDA generation capacity in FY2022 despite expected recovery in 2023 financials,
- Maintaining trajectory of debt burden and expected to put pressure on 2023 financials due to ongoing project,
- Notably low equity level in the analysed period despite contribution of cash injection to equity base,
- High level of related party receivables pressuring balance sheet integrity,
- Headwinds in construction costs decreasing the appetite for real estate investments and supply,
- Further improvement needed in corporate governance and risk management practices,
- Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned factors, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'BBB- (tr)'. Expected recovery in revenue generation in 2023 financials and geographical diversification via branches, as well as maintaining high level of debt ratio and ongoing uncertainties globally have been evaluated as important for the stability of the ratings and the outlooks for Long- and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's debt and equity level, liquidity and profitability indicators 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.