

## Corporate Credit Rating

New Update

**Sector:** Construction  
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	BBB (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on August 18, 2022

## Saygınlr Peyzaj Hafriyat İnşaat Nakliyat Sanayi Ve Ticaret Limited Şirketi

JCR Eurasia Rating, has evaluated "Saygınlr Peyzaj Hafriyat İnşaat Nakliyat Sanayi Ve Ticaret Limited Şirketi" in the investment-level category on the national scales and affirmed the Long-Term National Issuer Credit Rating at 'BBB (tr)' and the Short-Term National Issuer Credit Rating at 'J2 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

**Saygınlr Peyzaj Hafriyat İnşaat Nakliyat Sanayi Ve Ticaret Limited Şirketi** (hereinafter referred to as "Saygınlr" or "the Company") was founded in 2004 in Ankara. The Company started its operations with the title of Erdağlar Turizm Pazarlama İnşaat Ticaret Ltd. Şti. and the Company made a trade name change to Saygınlr Peyzaj Hafriyat İnşaat Nakliyat Sanayi ve Ticaret Ltd. Şti. in 2009. The Company has been operating for 20 years in the fields of superstructure works, maintenance and repair works, roads, bridges, junctions, treatment plants, housing construction, all kinds of infrastructure works, excavation vehicle rental business and recreation works. The Company has completed a total of 99 projects between 2002 and 2022 amounting to TRY 825mn and USD 11mn. In addition, the Company has 36 ongoing projects amounting to TRY 8.18bn and EUR 7.25mn with its ordinary partnerships as of reporting date. The Company had a workforce of 409 as of FYE2022.

Saygınlr's shareholders are Şevval Ayhan with 81.2 % share and Adem Kürşat Ayhan with 18.8% share.

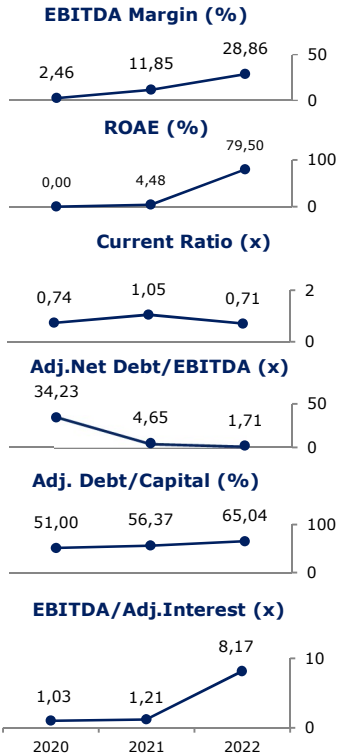
Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Consistent revenue growth during the review period and backlog business model providing foreseeable future income
- Improvement in net debt to EBITDA ratio despite increasing financial borrowings due to fixed asset investment in 2022, which is expected to remain at acceptable level in 2023
- Upward trend in EBITDA margin supported by price differences to some extent
- Undertaking projects of public institutions and reputable clients supporting collection ability and asset quality
- Additional revenue expectation through recently signed contracts with sizeable amounts

### Constraints

- Net working capital deficit and fixed asset weighted balance sheet structure in 2022 due to construction equipment investment
- Downward trend in equity/total asset ratio over the analyzed years
- Fluctuations in construction costs may put pressure on the liquidity management
- Potential operational and management risks due to the nature of construction business
- Improvement needs in corporate governance 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 points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'BBB (tr)'. The Company's sales revenue growth and backlog business model, recently signed contract amounts, profitability and leverage metrics along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions 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 Company's revenue and profitability performance, cash generation ability, indebtedness level 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 be monitored as well.