

Corporate Credit & Issue Rating

New Update

Sector: Engineering and Construction

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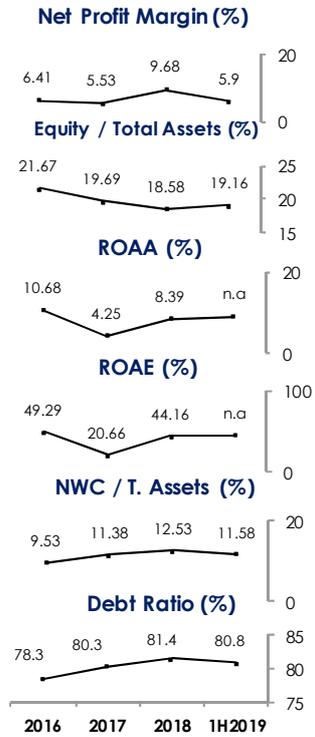
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RATINGS

		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
Issue Rating	n.a.	n.a.		
National	Local Rating	AA-(Trk)	A-1+(Trk)	
	Outlook	Stable	Stable	
	Issue Rating	AA-(Trk)	A-1+(Trk)	
Sponsor Support		2	-	
Stand-Alone		AB	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
		LC	Negative	-

*Assigned by JCR on December 6, 2019



Yapı Merkezi İnşaat ve Sanayi A.Ş. and Its Subsidiaries Company Overview

Financial Data	1H2019**	2018*	2017*	2016*
Total Assets (000 USD)	2,361,532	2,126,763	1,800,099	1,526,122
Total Assets (000 TRY)	13,327,780	11,188,685	6,789,792	5,370,729
Equity (000 TRY)	2,553,949	2,078,504	1,336,699	1,163,798
Net Profit (000 TRY)	291,734	564,351	223,726	235,001
Sales (000 TRY)	4,947,910	5,828,606	4,049,116	3,665,849
ROAA (%)	n.a.	8.39	4.25	10.68
ROAE (%)	n.a.	44.16	20.66	49.29
FFO to Adjusted Debt (%)	24.93	29.88	30.09	24.85
EBIT Interest Coverage (X)	2.72	2.78	2.98	2.44
Adjusted Debt to Capital (%)	66.77	65.78	66.54	66.27
Adjusted Debt to EBITDA (X)	5.08	3.59	3.96	4.04
Equity / Total Assets (%)	19.16	18.58	19.69	21.67
Net Working Capital / T. Assets (%)	11.58	12.53	11.38	9.53
Asset Growth Rate (%)	19.12	64.79	26.42	n.a.

*End of Year, ** First Half of Year

Yapı Merkezi İnşaat ve Sanayi A.Ş. and Its Subsidiaries (hereinafter “**Yapı Merkezi**” or the “**The Group**”) is a Turkey-based company, founded in 1965 by Mr. Ersin Arioglu and Mr. Koksal Anadol in Istanbul, continues its operations under the umbrella of Yapı Merkezi Holding A.Ş. and provides the profession of architecture and engineering in all areas of research project and application. The Group has achieved national and international projects within the fields of transportation systems, rail systems, tunnels, bridges, viaducts, industrial and general service buildings, mass housing and city planning, water collection and supply systems, restoration, strengthening, and repair works. Yapı Merkezi has also carries out contracts in countries of Yapı Merkezi has also carries out contracts in countries of Saudi Arabia, Ethiopia, Algeria, Morocco, Senegal, Tanzania, Qatar, The United Arab Emirates and Sweden.

The major shareholders of Yapı Merkezi İnşaat ve Sanayi A.Ş. is Yapı Merkezi Holding A.Ş. (99.99%) as of June 30, 2019.

Strengths

- Beneficial and collaborative local and international partnerships achieved through a 55-year-long market experience,
- Overseas weighted activity structure lowering the risk and adverse effects that might derived from intense competition leading to low bid amounts nationally,
- Effective and reputable reference portfolios, well-rounded market experience and being in the ENR's top 250 ranking, contributing to brand awareness and opportunities for future market expansion,
- Maintained asset and business volume growth expected to continue as indicated by currently large backlog value,
- Net profitability indicators settling at a solid path increasing the internal equity generation capacity,
- Resilient and predictable cash flows and revenue streams,
- Low adjusted debt levels particularly through low levels of financial borrowings and supported by liquidity buffer,

Constraints

- Revenues exposed to different country risk elements,
- Relatively high competition in the domestic and overseas,