

## Corporate Credit Rating

New Update

**Sector:** Metal Industry  
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	J3
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	J3
	International LC ICR Outlooks	Stable	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 31, 2021

## Çimtaş Gemi İnşa Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated the "Çimtaş Gemi İnşa Sanayi ve Ticaret A.Ş." in the investment category and assigned the Long-Term National Issuer Credit Rating as 'A+ (tr)' and the Short-Term National Issuer Credit Rating as 'J1 (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/Stable' as parallel to international ratings and outlooks of Republic of Turkey.

Çimtaş Gemi İnşa Sanayi ve Ticaret A.Ş. ("Çimtaş Gemi" or "the Company") was established in 2005 and is located at Gölçük, Kocaeli in Turkey. Main field of the Company consists of structural steel manufacturing, production of wind towers, painting for piping systems and shipbuilding. Çimtaş Module & Shipyard is one of the leading modern shipyards located at Gölçük, Kocaeli in Turkey with 270,000 sqm total fenced area with 252-meter water front, 45,000 sqm closed shop area, 55,000 sqm total closed area, 180 x 56 meter and 106 x 20-meter slipways, various overhead and gantry cranes up to more than 400 ton lifting capacity.

Çimtaş Gemi's ultimate controlling shareholder is Çimtaş Çelik İmalat Montaj ve TesiSat A.Ş. with a share of 80%. The remaining 20% share belongs to Enka İnşaat ve Sanayi A.Ş. The ultimate shareholders of the Company are Çimtaş Çelik İmalat Montaj ve TesiSat A.Ş and Enka İnşaat ve Sanayi A.Ş which are under the management of Tara Holding that manages by Tara and Gülçelik Families. The Company maintains its operations by staff force of 281 employees as of FYE2020.

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

### Strengths

- Improvement in revenue and EBITDA figures in reviewed years particularly in 2021,
- Favourable indebtedness structure,
- Solid project backlog and export-based projects such as wind towers increasing visibility for future revenues,
- Natural hedging against currency risk by FX oriented revenue stream in a certain extent,
- Operational support and synergies with the Group companies
- Being subsidiary of a reputable shareholding structure,

### Constraints

- Sector-wide high import dependency of the raw material used in production,
- Need for further improvement in the level of compliance with corporate governance practices,
- Covid-19 outbreak creating vagueness on global and local economic activity,
- Geopolitical risks that may affect the economy in the nearby geography.

Considering the aforementioned points, points together with such additional support factors as group support, Enka İnşaat provides administrative competences credibility to the Company, the Company's the Long-Term National Issuer Credit Rating has been assigned as 'A+ (tr)'. Regarding the ultimate shareholders of the Company, has willingness to ensure long-term liquidity and equity should such a need arise and the experience to provide efficient operational support to Çimtaş Gemi. The Company's EBITDA and sales figures, Group Companies synergy, favourable indebtedness structure, solid project backlog and export-based projects, long experience in the sector, high operational performance particularly as of FYE2021 despite though economic conditions due to Covid-19 pandemic; 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 macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

