

## Corporate Credit Rating

New Update

**Sector:** Construction Materials Manufacturing

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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	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024

## Albayrak Hazır Beton Sanayi ve Ticaret Anonim Şirketi

JCR Eurasia Rating has evaluated "Albayrak Hazır Beton Sanayi ve Ticaret Anonim Şirketi" in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating to 'A (tr)' from 'A+ (tr)' and affirmed the Short-Term National Issuer Credit Rating at 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks are determined as 'BB/Stable' in line with the sovereign ratings and outlooks of Republic of Türkiye.

"Albayrak Hazır Beton Sanayi ve Ticaret Anonim Şirketi" (hereinafter referred to as "Albayrak" or "the Company") was established in Istanbul in 2003 under the name "Albayrak Hazır Beton Sanayi Ticaret Limited Şirketi". In 2023, the Company changed its title to "Albayrak Hazır Beton Sanayi ve Ticaret Anonim Şirketi". The Company is engaged in the purchase, sale, marketing, production and export of construction materials used in the production of all kinds of ready-mixed concrete. As of June 2025, Albayrak operates with a machinery park of 251 vehicles and five ready-mixed concrete batching plants, two fixed and three mobiles, with a total capacity of 400 m<sup>3</sup>/hour in four different locations. The Company provides a wide range of services from Istanbul subways to public buildings, infrastructure, educational institutions and qualified real estate projects, including its own construction projects.

Albayrak's shareholders are Erdal Albayrak (33.33%), Şeref Albayrak (33.33%) and Osman Albayrak (33.33%) and its paid-in capital is TRY 201.00mn. As of 1Q2025, the average number of personnel employed by the Company was 255 (FY2024: 274).

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

### Strengths

- Reasonable level of equity size in asset financing supported by the capital adjustment differences, retained earnings and non-cash contribution of revaluation gains over the years,
- Consistent positive cash flow metrics over the analysed years,
- Sustainable liquidity structure with positive net working capital and adequate current ratio, despite a predominantly short-term liability structure,
- Relatively rapid cash conversion cycle and adequate level of operating ratio pointing to operational efficiency over the periods reviewed,
- Limited collection risk, despite partial delays in 2025,
- Operational history since 1984 with experienced shareholders and prestigious certificates that raise quality standards.

### Constraints

- Declining sales revenue in FY2024 and 1Q2025, primarily due to lower average sales prices and weakening demand,
- Reduction in profitability metrics as of FY2024 and 1Q2025 due to increased competition and rising costs that could not be fully passed on to sales price,
- Increased financial borrowings in 2025 due to rising working capital requirements,
- Susceptibility of construction sector to macroeconomic conditions and input costs with competitive market structure of the ready-mixed concrete sector,
- Improvement needs in the level of compliance with Corporate Governance Practices,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been revised to 'A (tr)' from 'A+ (tr)'. The Company's reasonable shareholders' equity, positive cash flow metrics, adequate liquidity structure, fast collection structure and low collection risk, sector experience as well as the decline in sales revenues and profit metrics, increasing financial indebtedness, competition in the sector and volatility of raw material prices 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 sales volumes, market position, leverage and coverage metrics 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.

