JCR Eurasia Rating
"JCR-ER, Group of Japan Credit Rating Agency, Ltd."

Corporate Credit Rating

☒New ☐Update

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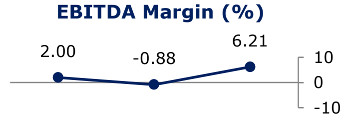
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**BBB (tr)**	**J2 (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating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

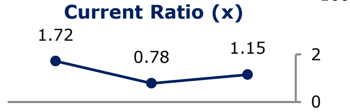
** Assigned by JCR on May 10, 2024*

EBITDA Margin (%)

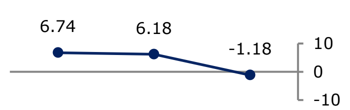


Net Working Capital/Assets (%)

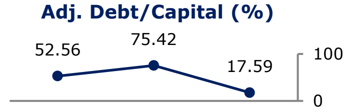
Current Ratio (x)



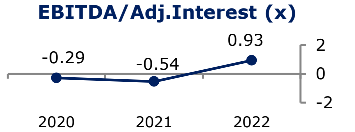
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



Baytimur İnşaat Anonim Şirketi

JCR Eurasia Rating, has evaluated **"Baytimur İnşaat Anonim Şirketi"** in the investment grade category and assigned the Long-Term National Issuer Credit Rating as **'BBB (tr)'** and the Short-Term National Issuer Credit Rating as **'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/Stable'** as parallel to international ratings and outlooks of Republic of Türkiye.

Baytimur İnşaat Anonim Şirketi (hereinafter referred to as 'Baytimur İnşaat' or 'the Company'), established in 2006, traces its origins back to 1984. Specializing in construction and contracting, it has developed a reputation for delivering projects, particularly in the areas of agricultural irrigation and land consolidation. The Company primarily secures its projects through competitive tenders from public authorities, with a significant portion contracted with the State Hydraulic Works (DSİ). This focus on public sector contracts highlights its expertise in specific infrastructure projects that support agricultural development and land management.

Additionally, the Company is involved in a housing project, which was assigned by Ministry of Environment, Urbanization and Climate Change of Türkiye, consisting of 305 units for earthquake victims in Kahramanmaraş, which was affected by the February 6 earthquakes. This project underscores the Company's commitment to contributing to disaster recovery and providing essential housing projects in times of need.

The Company's shareholding structure consists of two individuals, all of whom are Baytimur family members.

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

Strengths	Constraints
• Revenue growth in 2023 and backlog value underpinning the visibility of future revenue generation • High receivables collection ability mainly through tenders from public authorities, namely State Hydraulic Works (DSİ) • Experience in infrastructure projects of certain types as well as agricultural irrigation and land consolidation	• Low paid-in capital size compared to operations despite the increase in FY2023 • Increase in financial indebtedness in 2024 mainly due to the large-scale projects • High exposure of the contracting sector to macroeconomic conditions, budget of infrastructure investments and input costs • Improvement needs in corporate governance practices framework • 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

As of the reporting date, since the Company's independent audit report for 2023 has not been finalized, the credit rating process is based on the audit report for 2022 and corporate tax returns for 2022 and 2023.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as **'BBB (tr)'** as the Company's experience in particular project types, predictable cash flow capacity supported by well-structured income streams thanks works contracted by governmental authorities, the capability of undertaking new projects despite low paid-in capital compared to the size of undertaken projects, increasing financial indebtedness and susceptibility of the industry to macroeconomic conditions and other global downsides 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 backlog portfolio, cash flows and income from projects, indebtedness level, revenue and profitability performance, liquidity level and effects of the global recession 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.