

Corporate Credit Rating

New Update

Sector: Metal Industry & Construction & Wholesale

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (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

EBITDA Margin (%)



Gross Profit Margin (%)



Current Ratio (x)



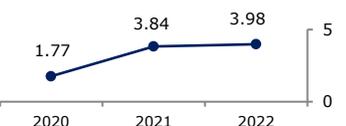
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



BİSER İNŞAAT SAN. VE TİC. A.Ş.

JCR Eurasia Rating, has evaluated the "Biser İnşaat San. ve Tic. A.Ş." in the investment grade category with high credit quality and assigned the Long-Term National Issuer Credit Rating as 'A- (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.

Biser İnşaat San. ve Tic. A.Ş. (hereinafter referred to as "Biser İnşaat" or "the Company") was established in Malatya in 2002. The Company's registered office was transferred to Ankara in 2021. The main activities of the Company are contracting activities carried out within the scope of Housing Development Administration of the Republic of Türkiye (TOKİ) tenders, construction material sales and aluminium billet manufacturing. In addition to these, the Company has an ongoing facility investment regarding aluminium profile manufacturing in Malatya. Biser İnşaat started its production activities in 2019 with the aluminum billet casting facility established in Malatya 1st Organised Industrial Zone. The Company's production capacity reached 32,500 tonnes/year as of 2023. The Company participates in TOKİ tenders within the scope of contracting activities. The Company has completed 7 works with a value of TRY 610mn and currently has 9 ongoing works with a value of TRY 5.45bn.

The shareholder structure of the Company consists of İskender Büber (50%), Erdoğan Büber (25%) and Kasım Büber (25%). The average number of personnel employed within the Company in FY2023 is 190. (FY2022: 124)

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

Strengths

- Revenue growth through the housing projects contracted in FY2023 as well as visibility of future revenue streams thanks to current backlog value formed within the scope of tenders received entirely from TOKİ,
- Cash surplus position as of FYE2023 according to corporate tax return owing to improvement in cash generation capacity,
- Diversification of activities, particularly in the metal industry and construction sector, contributes to income generation capacity,
- Long sector experience of shareholders' dating back to 1982.

Constraints

- Absence of independent audit report for FY2023 limiting comprehensive analysis,
- Structural vulnerability and exposure to cyclical inherent in the construction industry,
- Potential operational and business risks due to the nature of the construction business,
- Improvement needs regarding risk management framework and corporate governance compliance policies,
- 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 'A- (tr)'. Sustainable sales performance thanks to sectoral diversification, liquidity structure, asset quality, leverage profile, access to financial resources 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 growth strategy, profitability indicators, level of indebtedness, expected contribution of the aluminium profile plant investment to revenue in the upcoming period, and developments regarding the macro conditions 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.