Corporate Credit Rating
☒New ☐Update

Sector: Mining
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	BBB- (tr)	J3 (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 (%)
10.44   10.26   27.49

Operating Ratio (%)
16.29   14.39   6.37

Current Ratio (x)
0.55   0.44   0.67

Adj.Net Debt/EBITDA (x)
5.66   2.73   1.16

Adj. Debt/Capital (%)
58.18   57.02   60.10

EBITDA/Adj.Interest (x)
1.49   1.74   5.57

2020   2021   2022
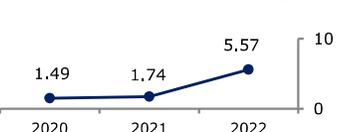
ENTO MADEN GLOBAL ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated **"Ento Maden Global A.Ş."** 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 **'J3 (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been determined as **'BB-/Stable'.**

Ento Maden Global Anonim Şirketi (hereinafter referred to as **"the Company"** or **"Ento Maden"**) was established in 2017 in İstanbul to operate in the field of mining. The Company's field of activity is to obtain mining licenses for the extraction, operation and purchase of underground and aboveground minerals and natural resources to search for mines and to demand the right to operate. The main activities of the Company are to carry out mining activities in coal, sand mines and stone quarries and to sell the minerals obtained from these mines, especially to concrete and power plants companies. The Company operates the 3 mines for which it holds the license in addition to the 4 mines as concession right.

The main shareholder of the Company is Enis Nazmi Önarslan who is a mining engineer, with a share of 100% as of September, 2024 with the trade register dated November 15, 2023.

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

Strengths	Constraints
• Sustainable growth in revenue in the analyzed years and expectation of further growth supported by the increase in sales volume in 2023 financials, • Growing EBITDA generation capacity coupled with satisfactory profitability margins in FY2022 and expected to maintain in 2023 financials, • Improvement in net debt to EBITDA multiplier despite the increase in bank loans and expected to continue in 2023 financials, • Reasonable equity share backed by internal resource generation capacity, • Sufficient efficiency supported by a relatively short cash conversion cycle and low operating ratio.	• Working capital deficit as a result of concentration in short-term debt, • Inadequate EBITDA to interest coverage metrics in the examined period, • Significant operation and maintenance risks and ESG impact due to the nature of mining business, • Improvement needs in the level of compliance with corporate governance practices, • 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 reporting date, the independent audit report for 2023 has not been finalized. Therefore, for the year 2023, the credit rating process is based predominantly on the Corporate Tax Return, other financial statements, Credit Centre data and trial balance.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as **'BBB- (tr)''.** Taking into account, the Company's revenue growth, sufficient profitability metrics with the expectation of maintaining in 2023 financials, operational performance and adequate net debt to EBITDA multiplier, as well as working capital deficit and low EBITDA to interest coverage metric, specific risks in the sector and global economic slowdown signal 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 profitability performance, leverage metrics, efficiency indicators, equity structure and economic conditions in local and global environments are the priority issues to be 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 also be monitored.