

Corporate Credit Rating

New Update

Sector: Construction & Contracting

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| R A T I N G S | | 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

EBITDA Margin (%)



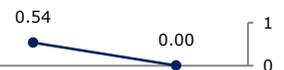
Net Working Capital/Assets (%)



Current Ratio (x)



Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



Gintek İnşaat Sanayi Turizm ve Ticaret Anonim Şirketi

JCR Eurasia Rating, has evaluated "Gintek İnşaat Sanayi Turizm ve Ticaret Anonim Şirketi" 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 '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 Türkiye.

Gintek İnşaat Sanayi Turizm ve Ticaret Anonim Şirketi (hereinafter referred to as 'Gintek İnşaat' or 'the Company'), established in 1987 in Ankara by Atila Ergin who has priorly experience in public and private sector as a civil engineer back in the time. Specializing in construction and contracting, it has developed a strong reputation for delivering projects of various types, some requiring sophisticated methods, from stadiums, public institution buildings, city parks as superstructure works to sewerage systems, agricultural irrigation and pond projects as infrastructure projects. The great majority of the Company's work portfolio has been contracted with the public authorities through tenders. Gintek İnşaat has a long-lasting track record in the construction industry. The successful project record of the Company is important for securing new tenders for new projects. Currently, the Company is perpetuating 6 projects, and all were contracted with the public authorities.

The Company's sole shareholder is Atila Ergin who is also the founder and the only board member as of the reporting date.

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

Strengths

- Revenue growth in FY2023 despite declining profitability along with backlog value underpinning the visibility of future revenue generation
- Low level of indebtedness marking the strong financial leverage indicators thanks to the business model
- High ability of collecting receivables thanks to the ongoing works undertaken through tenders from public authorities
- Experience in construction projects with wide array of types including buildings for public authorities as well as infrastructure projects

Constraints

- Inherent risks which are stemmed from cyclicity, economic outlook and operational activities in the construction industry
- Improvement needs in the corporate governance practices framework along with key-person risk stemming from the ownership and management of the Company by one individual
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as 'A (tr)' as the Company's experience in wide range of project types, predictable cash flow capacity supported by well-structured income streams thanks works contracted by governmental authorities, low level of indebtedness compared to the backlog value resulting with strong financial leverage indicators despite the structural risks of the construction sector embedded to the economic outlook and operational risks, improvement need is the corporate governance practices 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 and liquidity level 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.