Corporate Credit Rating

☒New ☐Update

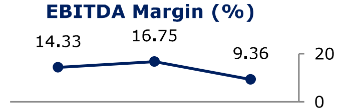
Sector: Construction
Publishing Date: 25/08/2023

Senior Analyst
Ezgi Çiçek YILMAZ
+90 212 352 56 73
ezgi.yilmaz@jcrer.com.tr
Analyst
Hayrettin ÇELİK
+90 212 352 56 73
hayrettin.celik@jcrer.com.tr

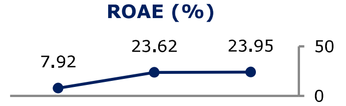
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

** Assigned by JCR on Aug 18, 2022*

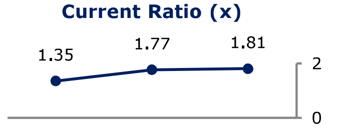
EBITDA Margin (%)



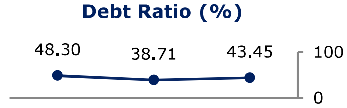
ROAE (%)



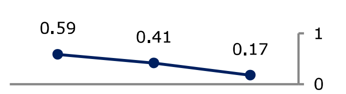
Current Ratio (x)



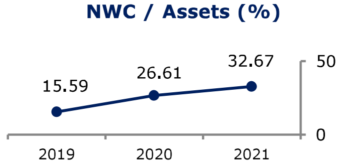
Debt Ratio (%)



Adj. Debt/Capital (%)



NWC / Assets (%)



GÜRBÜZ İNŞAAT TAAHHÜT SAN. VE TİC. A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of **"Gürbüz İnşaat Taahhüt San. ve Tic. A.Ş."** in the investment-level category, 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 determined as **'BB/Negative'** in line with the international ratings and outlooks of Republic of Türkiye.

"Gürbüz İnşaat Taahhüt San. ve Tic. A.Ş." (hereinafter referred to as **"Gürbüz İnşaat"**, **"the Company"** or **"the Group"**) was established on November 20, 1987 in İstanbul, Türkiye. The Company operates in the construction of hospitals and healthcare facilities, educational buildings, industrial sites, cultural centres, sports facilities and urban infrastructures in addition to mass housing construction.

The Company has a subsidiary named "Kur Gürbüz GRP" as of FYE2021. Gürbüz İnşaat has 99% share in the progress payments received by the subsidiary from the Algerian government. As of 30.06.2021, Kur Gürbüz GRP has ceased its operations.

The Company has a total of 22 employees as of FYE2021 (FYE2020: 23).

The Company's shareholders are Umut Gürbüz with 47.50% shares, Ece Gürbüz Taneri with 47% shares and Haydar Gürbüz with 5.50% shares.

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

Strengths	Constraints
• Expected revenue stream from completed projects, • Sustainable net cash position during the analyzed periods, • Positive cash flow metrics and improvement trend in NWC easing liquidity management, • Absence of cash bank loans and completion of projects with advances received, • Long-lasting presence in the sector dating back to 1987.	• Increasing construction costs suppressing profitability in the construction industry, • Lack of a clear business plan restricting predictability of revenues, • Low level of paid-in capital within equity structure, • Having political and operational risk due to risk elements arising from abroad operations, • Improvement needs in compliance level with corporate governance, • Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned as **'A+ (tr)'**. The Company's net cash position, positive cash flow metrics, improvement in net working capital, long-lasting presence in the sector as well as lack of a clear business plan, low level of paid-in capital and slowing global economic growth 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 financial structure, sales and profitability performance, continuity of EBITDA generation capacity and debt structure 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.