

Corporate Credit Rating

New Update

Sector: Construction

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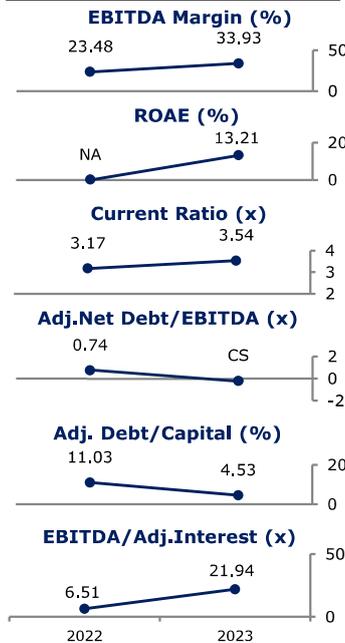
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific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

* Assigned by JCR on May 10, 2024



CS: Cash Surplus, NA: Not Applicable

KUYAŞ YATIRIM ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the "Kuyaş Yatırım 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.

Kuyaş Yatırım Anonim Şirketi (hereinafter referred to as 'Kuyaş Yatırım' or 'the Company' or 'the Group') was established in 1988 in İstanbul. The main activity of the Group is to realize construction projects on reserve lands, especially for the jewellery sector, such as workshop units, exhibition and conference areas, gold exchange buildings, car parking areas, and training areas. As of the reporting date, Kuyaş Yatırım has completed many projects such as Borsa Tower-1, Wedding World Shopping Mall, I.V.P. Central Plaza, and the sole ongoing project is 'Borsa Tower-2'. The paid-in capital of the Company amounted to TRY 100mn as of 1Q2024 (FYE2023: TRY 100mn). Kuyaş Yatırım's shares have been listed on the Borsa İstanbul (BIST) index with the ticker symbol 'KUYAS' since September 13, 2012, with a free-float rate of 99.6% (0.4% unregistered shares).

The head office of the Company is located in Bakırköy, İstanbul and the average number of personnel employed within the Company is 23 as of 1Q2024 (FYE2023: 23).

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

Strengths

- Increase in sales revenues both in 2023 and 1Q2024 YoY, along with additional revenue potential from the 'Borsa Tower' project
- Continued low level of financial liabilities during the periods analyzed and cash surplus position as of FYE2023, thanks to the business model financed by advance and progress payments
- Strong equity structure supported by internal resources throughout the periods analyzed, despite low paid-in capital compared to asset size
- Competitive advantage and sector experience from completed project
- Level of compliance with the corporate governance practices as a publicly traded company

Constraints

- Susceptibility of construction sector to input costs may put potential pressure on profitability, despite sustainable profitability margins during the analyzed periods
- Structural vulnerability and exposure to cyclicity, and potential operational and management risks inherent in the construction industry
- 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

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as 'BBB+ (tr)'. The Company's sales and profitability performance, expected revenue streams from the ongoing project, level of indebtedness, equity structure, completed projects, long-lasting operating history 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 return on investments and growth trend, revenue and profitability realizations, indebtedness level, market share, demand trends, cash flow and liquidity metrics, 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.