

Corporate Credit Rating

New Update

Sector: Tourism

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Team Leader

Elif Kırilangıç Keçeli
 +90 212 352 56 73
elif.keceli@jcrer.com.tr

Assistant Analyst

Aslı Sayan
 +90 212 352 56 73
asli.sayan@jcrer.com.tr

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

*Assigned by JCR on Aug 18, 2022

Marmaris Altinyunus Turistik Tesisler A.Ş.

JCR Eurasia Rating, has evaluated "Marmaris Altinyunus Turistik Tesisler A.Ş." in the investment level category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA+ (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as 'BB/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

"Marmaris Altinyunus Turistik Tesisler A.Ş." (hereinafter referred to as "Marmaris Altinyunus" or "the Company") was established in 1986. The main field of activity of the Company is operating a touristic hotel and providing tourism services in Antalya, company also has a tourist facility as Mares Hotel in Marmaris which is rented to MP Hotel Management Turizm İnşaat Yatırım A.Ş. on October 17, 2016 for a period of 10 years. The hotel's rental period was extended to May 1, 2035 and the decision was rendered on February 20, 2018. The total rental price was USD 20mn (VAT not included) and was paid in 2018 by the tenant. The land of the hotel has been rented from the Ministry of Forestry for 49 years. The right of use period of the land was till 2035 and was extended to December 17, 2068 by paying TRY 24.2mn in advance in 2020. Talya Hotel which is the other hotel of the Company is located in Antalya. Talya Hotel was operating under Divan brand until May 13, 2013. Talya Hotel has been demolished for re-building and the construction of the hotel has been started in 2021. The hotel construction is planned to be completed in the last quarter of 2024.

The main shareholder of the Company is Koç Holding A.Ş., Koç Family and the companies owned by the Koç Family. The Company is registered with the Capital Markets Board of Türkiye and 23.5% of its shares are traded on Borsa İstanbul A.Ş. As of September 30, 2023, Company employed a staff force of 5 (FYE2022: 5).

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

Strengths

- Strong equity level supported by retained earnings during the analyzed years,
- Parent company's financial support with substantial cash injection in 2023 for ongoing hotel project,
- Expected growth in the Company's operations after the completion of the hotel investment in Antalya,
- High level of compliance with corporate governance implementations,
- The Company's long-term presence in the sector, backed by a well-established parent company.

Constraints

- Solely rental income generation for the analyzed years due to the ongoing construction of the hotel project in Antalya,
- The negative level of FOCF due to investment expenditures,
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. The Company's long-lasting presence in the sector and reputable shareholder structure, expected revenue increase by completion of the ongoing hotel project and satisfactory equity level as well as sectoral developments and risk factors in the markets 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 revenue and profitability performance, cash flow generations, liquidity and financial leverage 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.

