

## Corporate Credit Rating

New Update

**Sector:** Construction

**Publishing Date:** 20/02/2023

**Manager**

Fatih LAP

+90 212 352 56 73

[fatih.lap@jcrer.com.tr](mailto:fatih.lap@jcrer.com.tr)

**Team Leader**

Çetincan TOPÇU

+90 212 352 56 73

[cetincan.topcu@jcrer.com.tr](mailto:cetincan.topcu@jcrer.com.tr)

**Senior Analyst**

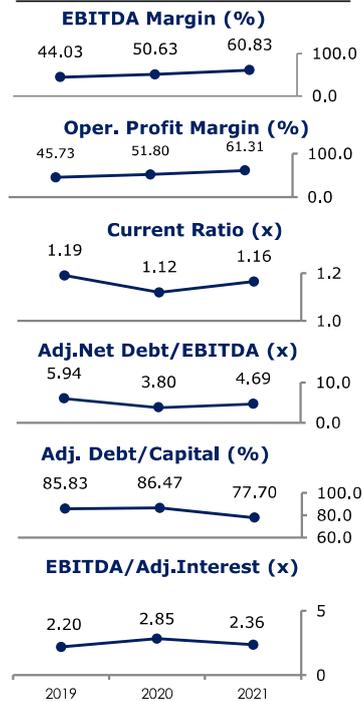
Cemil ERKÜRK

+90 212 352 56 73

[cemil.erkurk@jcrer.com.tr](mailto:cemil.erkurk@jcrer.com.tr)

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	Negative	-
	International LC ICR	BB-	-
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



## MBM Enerji İnşaat Turizm Emlak Petrol Nakliye Sanayi ve Ticaret Anonim Şirketi

JCR Eurasia Rating, has evaluated "MBM Enerji İnşaat Turizm Emlak Petrol Nakliye Sanayi ve Ticaret Anonim Şirketi" in the investment-level category and assigned the Long-Term National Issuer Credit Rating at 'BBB- (tr)' and the Short-Term National Issuer Credit Rating at 'J3 (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-/Negative' in line with the global and national scale rating matching published by JCR Eurasia Rating.

MBM Enerji İnşaat Turizm Emlak Petrol Nakliye Sanayi ve Ticaret Anonim Şirketi (referred to as 'MBM Enerji' or 'the Company') was established on October 10, 2010, as a Limited Company and took its current title on June 15, 2012. The Company's main operation is; building & infrastructure construction and contracting. The Company has completed three major projects in Ankara with the brands Ankalife Vadi Residences, Ankalife Prestige Residences, and Akadia Modern. The Company has an ongoing project in Ankara with the Akadia İncek brand. The Akadia İncek project, which started in October 2021, is expected to be completed in June 2024, and it is stated that there will be 910 residences and 56 home offices. According to the independent audit report prepared on behalf of MBM Enerji, 19 employees were employed in 2021 (2020:12). The administrative headquarters of the Company is in Ankara. The Company's current shares belong to Şenol Mutlu at 74.88%, Yasemin Mutlu at 24.69%, and Begüm Mutlu at 0.43%.

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

### Strengths

- Continuously increases in paid-in capital supporting equity,
- The expectation of an increase in demand with the "my new home" campaign, which launched the new housing finance model created by the government,
- High sales revenue potential with completed and ongoing projects in Ankara,
- The real estate market remains alive due to foreigners who have settled in Türkiye in order to have the right to citizenship in the Republic of Türkiye,

### Constraints

- Net loss as a result of financing expenses mainly arising from FX losses in FY2020 and FY2021,
- Financial liabilities considerably higher than sales revenues,
- Increasing construction costs suppress profitability in the industry,
- Potential negative impacts of the Kahramanmaraş earthquake on construction activities/sector,
- Improvement needs in corporate governance practices,
- Global recession and geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainty and monetary tightening across the globe deteriorating growth projections.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned as 'BBB- (tr)'. Strong revenue generation potential from projects owing to expectation of increasing demand due to both launched campaign and appealing of real estate market of foreigners, along with ongoing uncertainties arising from geopolitical tensions as well as the global interest rate hiking cycle, 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, cash level and cash generation capacity together with the trends in the industry 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 frame about the sector will be monitored as well.