

## Corporate Credit Rating

New Update

**Sector:** Construction & Contracting

**Publishing Date:** 27/12/2023

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| 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) | 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

## MİMARAY İNŞAAT SAN. TUR. VE TİC. LTD. ŞTİ.

JCR Eurasia Rating has evaluated "Mimaray İnşaat San. Tur. ve Tic. Ltd. Şti." in the investment level category, assigned the Long-Term National Issuer Credit Rating as 'BBB- (tr)' and the Short-Term National Issuer Credit Rating as 'J3 (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'.

"Mimaray İnşaat San. Tur. ve Tic. Ltd. Şti." (hereinafter referred to as "Mimaray İnşaat" or "the Company") was established on July 19, 2000 in Ankara, Türkiye.

The Company operates in construction, property leasing and concrete production. In the construction sector, the Company is active in the construction of public service buildings, residential buildings and infrastructure.

As of the reporting date, the shareholder of the Company is Mehmet İhsan Aydeğer with 100% share.

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

### Strengths

- Expected revenue streams from ongoing projects and contribution of new investments providing predictability in a certain extent,
- Decreasing net debt to EBITDA multiplier supporting the Company's financial structure in the analyzed periods,
- Limited collection risk due to working with public institutions,
- Rapid cash cycle and low level of operating ratio supporting efficiency indicators,
- Long-lasting presence in the sector.

### Constraints

- Increasing construction costs suppressing profitability in the industry,
- Sizable related party transactions distorting balance sheet integrity during the analyzed periods,
- Potential operational and management risks due to the nature of construction business,
- Improvement needs in the level of compliance with corporate governance,
- 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 Long-Term National Issuer Credit Rating has been assigned as 'BBB- (tr)'. The Company's expected revenue streams, decreasing net debt to EBITDA multiplier, low collection risk and long-lasting presence in the sector as well as related party transactions and slowdown signal in the global economy 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.

