Corporate Credit Rating

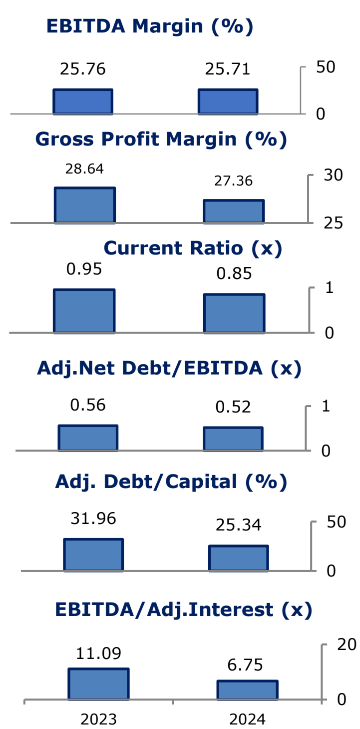
☐New ☒Update

Sector: Healthcare/Hospital Services
Publishing Date: Apr 25, 2025

Team Leader
Fırat TUNÇ
+90 212 352 56 73
firat.tunc@jcrer.com.tr
Assistant Analyst
Sümeyye Meryem ŞANLIBAYRAK
+90 212 352 56 73
meryem.sanlibayrak@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	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Assigned by JCR on May 10, 2024*



MLP SAĞLIK HİZMETLERİ ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of **"MLP Sağlık Hizmetleri Anonim Şirketi"** in the investment-grade 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 were determined as **'BB/Stable'** as parallel to sovereign ratings and outlooks of Republic of Türkiye.

MLP Sağlık Hizmetleri Anonim Şirketi (hereinafter referred as **"MLP Sağlık"** or **"the Group" or "the Company"**) the foundations of which were laid in 1993 with the establishment of the Sultangazi Hospital, sustained its expansion and is currently one of the leading private healthcare operators in Türkiye with 30 hospitals in 13 different cities, 1 in Kosovo, 1 in UAE, 1 in Azerbaijan and 1 in Hungary and bed capacity in excess of 6,300. The Group has a broad market appeal through the brands of Medical Park, Liv (Leading International Vision) Hospital addressing different price segments. In addition to its stronghold in the domestic private hospital industry and volume of patients from abroad, the Group is a fully-integrated operator in healthcare provision and offers medical and laboratory services through its 15 consolidated subsidiaries. MLP Sağlık and its consolidated subsidiaries are hereinafter referred to as **"the Group".** MLP Sağlık's Medical Park and Liv Hospital brands were included within the Turquality Support Program in 2019.

Following the listing of 26.71% of Group shares on the Borsa Istanbul (BIST) index in February, 2018, funds representing Turkven Private Equity along with Sancak, Usta and Elbası Families represent the principle shareholders as of FYE2024. Headquartered in Istanbul, Dr. Muharrem USTA is the Chairman/CEO of the Group which maintains strong affiliations with various academic institutions and employs more than 22,000 employees including in excess of 3,200 doctors. The ultimate parents are Elinor B.V. and Sullivan B.V., which are Netherland based, owned by Turkish Private Equity Fund III, and Muharrem Usta.

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

Strengths

- Enhancement in revenue growth fuelled by increasing patient numbers,
- Sustained operational profitability underpinned by passable EBITDA performance and disciplined cost management practices,
- Healthy financial profile pioneered sound leverage and coverage indicators,
- Strengthened funding diversification achieved via capital market instruments,
- Robust equity structure via internal funds,
- Diversification of income stream supporting predictable cash flow generation accompanied by robust FOCF in 2024,
- Cost-free fundraising capability backed by low cash conversion cycle pointing toward an enhanced operational efficiency,
- Robust position in the national private healthcare industry with a notable presence in Istanbul, supported by established brand-names and concepts,
- Compliance with practice of corporate governance principles.

Constraints

- Increasing costs in the healthcare sector suppressing the sector-wide profitability,
- Stiff competition in the sector.

Considering the aforementioned points, the Group's the Long-Term National Issuer Credit Rating has been affirmed at **'AA- (tr)'**. Taking into account the Group's continuous increase in revenue and satisfactory profitability outlook, decent financial profile, adequate equity level, diversified funding structure, established track record in the domestic bond market as well as increasing costs 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 Group's sales and profitability performance, indebtedness level, cash flow generation and attainability of the Group's budgeted projections 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.