

## Corporate Credit Rating

New  Update

**Sector:** Construction

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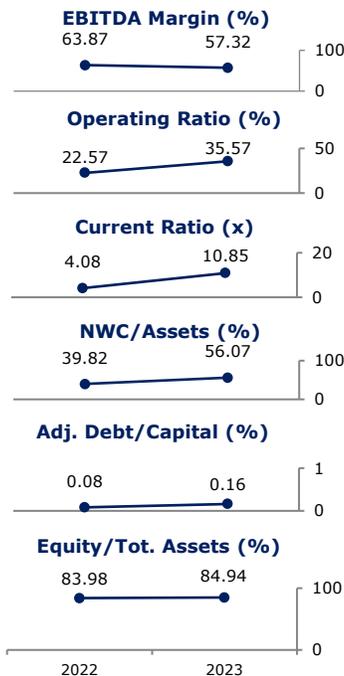
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R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024



## POLAT İNŞAAT SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated "Polat İnşaat Sanayi ve Ticaret A.Ş." in the investment grade category with high credit quality and affirmed the Long-Term National Issuer Credit Rating as 'A (tr)' and the Short-Term National Issuer Credit Rating as 'J1 (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.

**Polat İnşaat Sanayi ve Ticaret A.Ş.** (hereinafter referred to as "Polat İnşaat" or "the Company") with foundations dating back to 1955 in İstanbul, Türkiye by İbrahim Polat and became an incorporation in 1977. The main activity of the Company includes constructing of residents, working places, hotels, malls and industrial buildings. The number of personnel employed in the Company was 23 in FYE2023 (FYE2022: 17). The Company operates under İbrahim Polat Holding A.Ş. ('the Group' or 'İbrahim Polat Holding') which is a reputable group operating in a variety of sectors in Türkiye. The operating fields of the Group firms include construction, ceramic sanitary ware and tourism sectors.

The Company increased its capital by TRY 274mn in December 2024, reaching a total paid-in capital of TRY 590mn. Also, the Company moved its headquarters to Beyoğlu, İstanbul in January, 2024.

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

### Strengths

- Solid EBITDA generation capacity, despite the slight decrease in FY2023, along with strong bottom line results with the contribution of the Group company Piyalepaşa Gayrimenkul to the profitability structure,
- Continuation in net cash position with a miniscule indebtedness level, driven by internal resource generation capacity,
- Sustainable net working capital and foreseeable revenue generation capacity driven by high amount of completed projects,
- Strong equity level supported by continuous paid-in capital increases,
- Long sectoral experience and being backed by İbrahim Polat Holding, a reputable group tracing back to 1955.

### Constraints

- High operational expenses, along with suppressed cash flow metrics due to long cash conversion cycle as inherent to the nature of the sector,
- Increasing construction costs and market volatility may put potential pressure on profitability,
- Improvement needs in corporate governance compliance policies,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed as 'A (tr)'. The Company's revenue generation capacity, cash surplus position as of the reporting date, deep-rooted operating history of İbrahim Polat Holding, macroeconomic indicators at national and international markets along with ongoing uncertainties arisen from geopolitical tensions, and 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 assigned as 'Stable'. The Company's sales performance, borrowing structure, leverage profile, liquidity position 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.