

## Corporate Credit Rating

New  Update

**Sector:** Construction

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### Team Leader

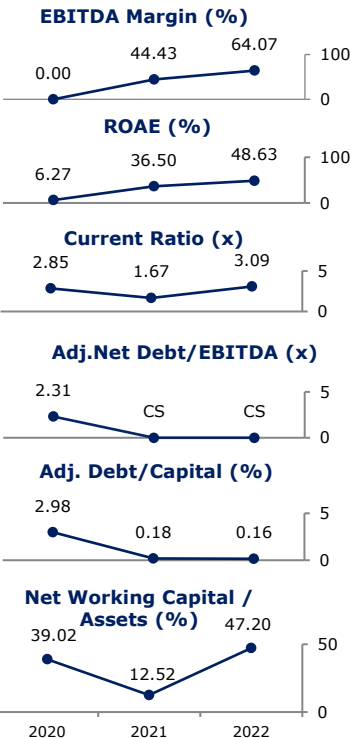
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific 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



## POLAT İNŞAAT SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated "Polat İnşaat Sanayi ve Ticaret A.Ş." in the investment-level category and assigned 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/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

Polat İnşaat Sanayi ve Ticaret A.Ş. (referred to as 'the Company' or 'Polat İnşaat'), 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 17 in FYE2022 (FYE2021: 11). 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. As of FYE2022, the Group had 7 companies, 6 of which was operating in Türkiye. The operating fields of the Group firms include construction, ceramic sanitary ware and tourism sectors.

The Company increased its capital by TRY 130mn in December 2023, reaching a total paid-in capital of TRY 316mn. Also, the Company moved its headquarters to Beyoğlu, İstanbul in January, 2024.

The Company has been rated mainly due to its cash & non-cash credit limit situation, and the key rating drivers as strengths and constraints, are provided below.

### Strengths

- Solid revenue generation capacity from real estate portfolio and ongoing revenue-sharing construction projects,
- Sound EBITDA generation capacity with the sales of completed projects and strong bottom-line results with the contribution of the Group company Piyalepaşa Gayrimenkul's to the profitability structure,
- Highly current assets as of FYE2022 despite the inventories including project lands, easing the cash management,
- Sustainable financial leverage metrics and robust equity level supported by the retained profit and high paid-in capital,
- Long sectoral experience and being backed by İbrahim Polat Holding, a reputable group tracing back to 1955.

### Constraints

- Slowdown in housing sales due to increased construction and financing costs as well as increase in the limit for granting citizenship to foreigners through acquisition of property,
- Improvement needs regarding corporate governance compliance policies,
- Leading economic indicators signal global economic slowdown whereas 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 assigned as 'A (tr)'. The Company's EBITDA level, potential revenue from existing real estate portfolio, strong equity level along with sectoral trends 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 profitability performance, borrowing structure, equity level, liquidity position, accessibility to housing loans for individuals, rising construction costs and impact of real estate sales 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.