

Corporate Credit Rating

New Update

Sector: Construction & Contracting

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB (tr)	J2 (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 August 18, 2022

Sayın İnşaat Ticaret ve Sanayi Limited Şirketi

JCR Eurasia Rating has evaluated "Sayın İnşaat Tic. ve San. Ltd. Şti." in the investment level category and assigned the Long-Term National Issuer Credit Rating as 'BBB (tr)' and the Short-Term National Issuer Credit Rating as 'J2 (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', as parallel to international ratings and outlooks of Republic of Türkiye.

Sayın İnşaat Tic. ve San. Ltd. Şti. A.Ş. (hereinafter referred to as "the Company" or "Sayın İnşaat") was established on 1994 by Murat Fahri Sayın as a construction and contracting company. With 30 years of experience, the Company realizes projects by working with local and global customers operating in many different sectors. In the light of the experience and knowledge gained by realizing many noteworthy projects as industrial, commercial and residential projects, Sayın İnşaat is able to offer solutions for the various needs of its customers in different sectors and realize projects with its construction sites in different scales and areas at the same time.

As of FYE2022, Murat Fahri Sayın, Gülnaz Sayın and Mehmet Can Sayın are the shareholders of the Company with the shares of 70%, 20% and 10%, respectively. Sayın İnşaat had a labour force of 1,225, as of FYE2022 (FYE2021: 800). The headquarter of the Company is located in Adapazarı, Sakarya.

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

Strengths

- Expected revenue streams from ongoing projects providing predictability,
- Low level of cash bank loans and completion of projects with advances received supporting the Company's financial structure,
- Natural hedging mechanism against currency risk through FX linked contracts to a certain extent,
- Low collection risk due to the majority of receivables are from well-established institutions,
- Long-lasting presence in the sector dating back to 1994.

Constraints

- Lack of availability of independent audit report before FY2021, limiting trend analysis,
- Increasing construction costs suppressing profitability in the industry,
- Improvement needs in the level of compliance with corporate governance and risk management practices,
- 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, low collection risk, long-lasting presence in the sector, as well as slowing global economic growth 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.

