Corporate Credit Rating

☒New ☐Update

Sector: Housing Construction
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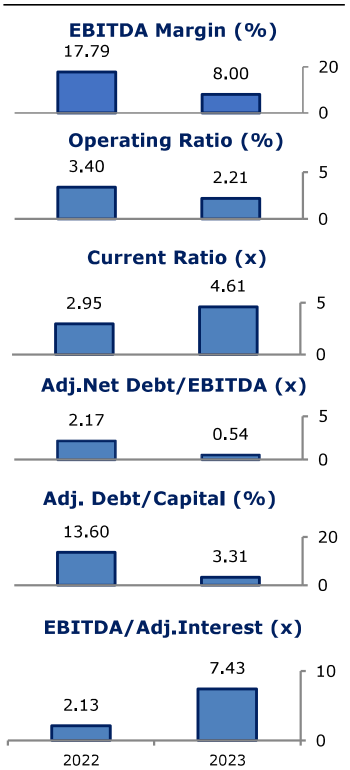
Senior Analyst
Ezgi Çiçek YILMAZ
+90 212 352 56 73
ezgi.yilmaz@jcrer.com.tr
Senior Analyst
Hayrettin ÇELİK
+90 212 352 56 73
hayrettin.celik@jcrer.com.tr

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	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*



SEBA İNŞAAT A.Ş.

JCR Eurasia Rating has evaluated **"Seba İnşaat A.Ş."** in the investment grade category with high credit quality, 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 determined as **'BB/Stable'** in line with the sovereign ratings and outlooks of Republic of Türkiye.

"Seba İnşaat A.Ş." (hereinafter referred to as **"Seba İnşaat"** or **"the Company"**) was established on May 11, 2009 in İstanbul, Türkiye.

Seba İnşaat operates in the construction of build-sell construction works (housing, villas, shops, etc.), business centres and hospitality-tourism projects. The Company has luxury residential projects in İstanbul (Sarıyer, Levent, İstinye, Kağıthane, Ulus, Tarabya, Göktürk, Zekeriyaköy) and Bodrum, Muğla (Yalıkavak, Gölköy, Gündoğan).

The Company has a total of 200 employees as of FYE2023 (FYE2022: 134).

As of FYE2023, the main ultimate controlling shareholders of the Company are "Ali Engin Keçeli" and "Korkut Nedim Keçeli" with 48.75% shares each. Remaining 2.39% share belongs to "Orhan Keçeli" and 0.11% to "Müzeyyen Keçeli".

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

Strengths	Constraints
• Satisfactory sales revenue in the analyzed periods and expected revenue stream from ongoing projects, • Solid leverage indicators in FY2023 supporting the Company's financial structure despite increasing debt level in 2024, • Improvement in EBITDA to interest expense ratio in FY2023, • Low level of operating ratio supporting efficiency indicators during the analyzed periods, • Regional reputation of the Company and sectoral experience of the shareholders.	• Increasing construction costs suppressing profitability margins in parallel with sector dynamics despite the bottom-line results supported by TAS 29 effect, • Potential operational and management risks due to the nature of the industry, • Improvement needs in compliance with corporate governance practices, • 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 assigned as **'A+ (tr)'**. The Company's satisfactory sales revenue and expected revenue stream, solid leverage indicators and low level of operating ratio as well as corporate governance level 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, liquidity and leverage indicators 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.