

Corporate Credit Rating

New Update

Sector: Tourism

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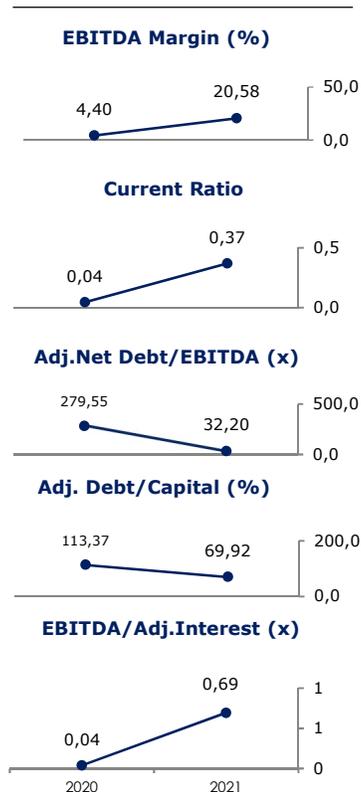
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
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 August 18, 2022



Mra Turizm ve Otel İşletmeciliği Anonim Şirketi

JCR Eurasia Rating, has evaluated the "Mra Turizm ve Otel İşletmeciliği Anonim Şirketi" in the investment level category and upgraded the Long-Term National Issuer Credit Rating to 'BBB+ (tr)' from 'BBB- (tr)' and the Short-Term National Issuer Credit Rating to 'J2 (tr)' from 'J3 (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.

Mra Turizm ve Otel İşletmeciliği Anonim Şirketi (hereinafter referred to as "MRA Turizm" or "the Company") was established in 2010, İstanbul to engage in the hotel/logging industry. After the acquisition by Ersoy Otelcilik Turizm Otelcilik İşletmeleri ve İnşaat Ticaret A.Ş. in 2020, MRA Turizm became a member of Voyage Group. The Company continued its activities with Voyage brand in Bodrum, in 2021. After the 2021 season, MRA Tourism started new investments to change the concepts of its hotels. The first of the investment was to change the concept and service style of the hotel, which served as Voyage Türkbükü until the end of the 2021 season, and started to serve with the brand 'Caja by Maxx Royal' in 2022. Secondly, the 'Maxx Royal Bodrum' investment which started at the end of the 2021 season in Voyage Göltürbükü, is projecting to accommodate guests in May 2024. The other investment project of the Company is the Türkbükü villa project. In the project, which consists of two stages, 35 villas in the first stage and 37 villas in the second stage will be built in Bodrum, Türkbükü Hebil Bay. The Company generated TRY 102.46mn of sales revenue in 2021, indicating 177.6% YoY growth.

The Company's controlling shareholder is Voyag Turizm ve Otelcilik İşletmeleri ve İnşaat A.Ş. with 100% share.

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

Strengths

- Improvement in 2021 EBITDA margin,
- Paid-in-Capital increase in 2021
- Expected contribution from the hotel investment in 2024
- High level of shareholder support
- Diversified customer portfolio and location of entities
- Competitive advantage of Turkish tourism industry in the region,
- Advantages of being a subsidiary of experienced parent Company

Constraints

- Persistent net loss stemming from financing expenses during review period
- High level of financial leverage ratios despite improvement as of FYE2021
- Cash outflow from operations leading further external source requirement
- Significant level of illiquid items in balance sheet
- High level of pledged and mortgaged tangible assets for borrowings that decrease the elasticity of assets
- Operating in a highly sensitive industry vulnerable to geopolitical, environmental and other challenges

Considering the aforementioned points together with group support the Company's the Long-Term National Issuer Credit Rating has been upgraded to 'BBB+ (tr)'. The Company's recovery in EBITDA, sales performance with recovery in tourism sector figures in 2021, and shareholder supports 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 ongoing investments and debt ratios in this process and possible effects of the Russia - Ukraine tension on the Company 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.