

Corporate Credit Rating

New Update

Sector: Coal Mining

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
	National ISR	-	-
Sovereign*	International FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

EBITDA Margin (%)

20.82 14.26

Gross Profit Margin (%)

31.19 25.82

Current Ratio (x)

1.38 1.41

Adj.Net Debt/EBITDA (x)

0.74 0.99

Adj. Debt/Capital (%)

15.60 13.04

EBITDA/Adj.Interest (x)

10.43 4.27

2022 2023

Türkiye Kömür İşletmeleri Kurumu Genel Müdürlüğü

JCR Eurasia Rating, has evaluated the "Türkiye Kömür İşletmeleri Kurumu Genel Müdürlüğü" in the investment grade category with the highest credit quality and affirmed the Long-Term National Issuer Credit Rating as 'AAA (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' with 'Stable' outlooks as parallel to international ratings and outlooks of the Republic of Türkiye.

Türkiye Kömür İşletmeleri Kurumu Genel Müdürlüğü ("TKİ" or "the Company") was established in 1957 and continues its activities around Türkiye. The Company currently operates in coal mining. As of March 2025, the Company's paid in capital amounts to TRY 1.00bn. All of the shares of the Company are owned by the Republic of Türkiye Ministry of Treasury and Finance.

The Company operates by employing approximately 24,000 people, 18,000 of which are employed with the service procurement model from the private sector and 6,000 people are employed in TKİ as of FYE2023.

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

Strengths

- Strong equity level backed by internal resource generation and non-cash contribution of revaluation
- High potential revenue generation through a variety of mining fields in diversified regions of Türkiye
- State owned partnership structure
- Advantage of economies of scale and scope thanks to long experience in coal sector
- High barriers to enter for coal mining sector due to legal issues and capital requirements

Constraints

- Continuing decrease in sales volume over the analyzed years and in sales revenue in FY2023 despite income increase as per FY2024 unaudited financials
- Narrowing profit margins, except operating profit, in FY2023, which is expected to be parallel according to unaudited FY2024 financials
- Long cash conversion cycle along with deterioration of cash flow metrics leading to fully short term funding structure creating pressure on liquidity management
- Deterioration in operating ratio mainly due to rise in general administration expenses distorting operational efficiency as of FY2023
- Other doubtful receivable disrupting asset quality despite full provision is made
- Significant operational and maintenance risk along with pressure of ESG factors due to nature of mining sector
- As actions for a global soft landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty

Considering the aforementioned points, the Company's the Long-Term National Credit Rating has been affirmed as 'AAA (tr)'. The Company's strong equity level backed by internal resource generation and non-cash contribution of revaluation, high potential revenue generation through a variety of mining fields in diversified regions of Türkiye, state owned partnership structure, advantage of economies of scale and scope thanks to long experience in coal sector, the Company's indispensable socio-economic activities for the public and other global downsides have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Credit Ratings are determined as 'Stable'. The Company's continuity of cash generation capacity and profitability performance, adequacy of liquidity, indebtedness level, market position and regulations in the sector are the main factors that will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions about the sector will be monitored as well.