JCR-ER JCR Eurasia Rating
"JCR-ER, Group of Japan Credit Rating Agency, Ltd." JCR

Corporate Credit Rating

☐New ☒Update

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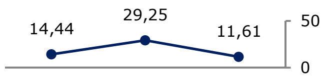
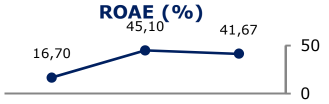
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)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

** Assigned by JCR on Aug 18, 2022.*

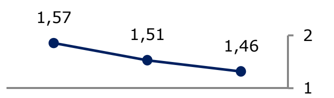
EBITDA Margin (%)



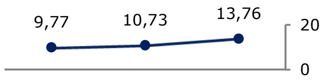
ROAE (%)



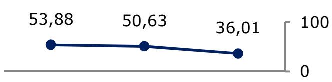
Current Ratio (x)



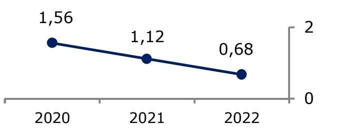
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



YDA İNŞAAT SAN. VE TİC. A.Ş.

JCR Eurasia Rating has evaluated the **"YDA İnşaat San. ve Tic A.Ş."** in the high investment-level category and affirmed the Long-Term National Issuer Credit Rating at **'AA (tr)'** and the Short-Term National Issuer Credit Rating at **'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.

YDA İnşaat Sanayi ve Ticaret A.Ş. (hereinafter "the Group" or "YDA İnşaat"), was founded in Ankara as "YDA İnşaat Sanayi ve Ticaret Ltd. Şti." on January 21, 1993. The Company has changed its type of corporation and acquired its current title in 2003. Core business operations of the Group include; construction and contracting, real estate development, aviation (airport management), medical & healthcare facilities construction and management (PPP), energy, smart outdoor digital advertising, agriculture, services (catering, facility management), mining, PVC manufacturing, and information technologies (IT). The Group continues its operations in Türkiye and abroad through branch-like enterprises, partnerships with joint administrations, subsidiaries, and participations. The Group undertakes construction works (airports, motorways, railways, residence & offices, EPC - Engineering Procurement Construction - and all kinds of infrastructure & superstructure projects), real estate development projects (selling and renting of branded residences/offices/commercial areas) and also operates in airport management sector both in Türkiye and abroad. The Group additionally provides integrated health facility management services in integrated health campuses which are put into practice through Public-Private Partnership (PPP) model. Extending its operations to international markets starting from 2000's, the Group carried out various projects in Kazakhstan, Ukraine, United Arab Emirates, Russia, Saudi Arabia, Afghanistan, and Moldova and continues to be an organization with significant experience in Build-Operate-Transfer (BOT), Public Private Partnership (PPP) and infrastructure projects in Tükiye and abroad in addition to its construction and real estate investment projects.

The Company's ultimate controlling shareholder is Arslan Family with 100% share and direct ownership, as of its foundation. The Group employed 4,382 full time employees as of FYE2022, reaching a total workforce of circa 17,000, including the employees of subcontractors.

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

Strengths	Constraints
• Solid backlog value and ongoing PPP hospital investments in Kazakhstan provide revenue visibility, • Diversified fields of activities and geographical divergence offer alternative revenue streams, • Treasury-backed PPP activities enhance revenue and profitability, • Fair value difference of PPP hospitals in other operating income, support equity level and leverage metrics, • Solid cash flow metrics supported by increasing FFO and CFO, • Continuation of a significant level of positive net working capital providing financial flexibility, • Tax advantages obtained with the investment incentive certificate, • Long-standing collective operational history, stretching back to the 1970s, enhances its market reputation.	• Deterioration of gross profit margin due to rising costs in construction operations in FY2022, • Possible political and operational risks that may be encountered in overseas operations, • Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed as **'AA (tr)'**. The Company's extensive operational experience, diversified revenue source, current sizeable backlog value, ongoing hospital projects as well as geopolitical risks-driven uncertainties 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 revenue generation performance, leverage profile, liquidity metrics, profitability margins 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 framework about the sector will be monitored as well.