

## Corporate Credit Rating

New  Update

**Sector:** Tourism

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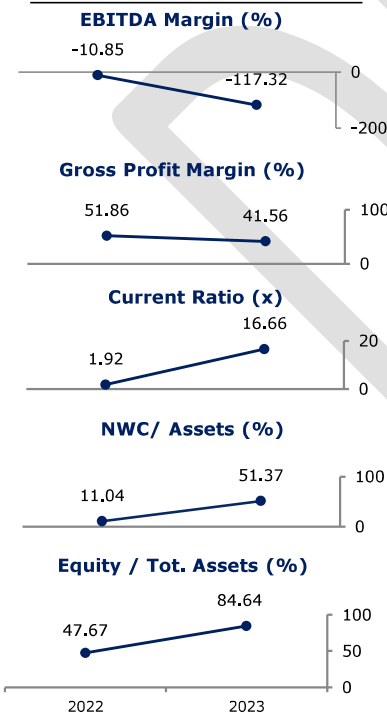
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Negative	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific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

\*Assigned by JCR on May 10, 2024



## Marmaris Altinyunus Turistik Tesisler A.Ş.

JCR Eurasia Rating, has evaluated "Marmaris Altinyunus Turistik Tesisler A.Ş." in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA+ (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' whereas the Long-Term National Issuer Credit Rating Outlook of the Company revised from 'Stable' to 'Negative'. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

**Marmaris Altinyunus Turistik Tesisler A.Ş.** (hereinafter referred to as "Marmaris Altinyunus" or "the Company") was established in 1986. The main field of activity of the Company is operating a touristic hotel and providing tourism services in Antalya. The Company also owns a tourist facility, Mares Hotel, in Marmaris, which was rented to MP Hotel Management Turizm İnşaat Yatırım A.Ş. on October 17, 2016, for a period of 10 years. The hotel's rental period was extended to May 1, 2035 and the decision was rendered on February 20, 2018. The total rental price was USD 20mn (excluding VAT), which was paid in 2018 by the tenant. The land of the hotel has been leased from the Ministry of Forestry for 49 years. The initial right of use period was until 2035, but it was extended to December 17, 2068, with a full payment of TRY 24.2mn in 2020. Talya Hotel, which is another hotel of the Company, is located in Antalya. It operated under the Divan brand until May 13, 2013. The hotel was demolished for re-building and construction began in 2021. The construction process was suspended as of July 26, 2024, due to ongoing legal proceedings related to the project. The project timeline will be determined based on developments in the legal process.

The main shareholder of the Company is Koç Holding A.Ş., Koç Family and the companies owned by the Koç Family. The Company is registered with the Capital Markets Board of Türkiye and 23,5% of its shares are traded on Borsa İstanbul A.Ş. As of September 30, 2024, the Company employed a staff force of 7 (FYE2023: 5).

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

### Strengths

- Robust equity level mainly supported by the cash injection provided by the parent company in 2023,
- Maintenance of considerable level of net cash assets eases liquidity management to a certain extent,
- Anticipated growth in the Company's operations subsequent to the completion of the hotel investment,
- Compliance with corporate governance practices,
- Long-standing history in the sector, reinforced by the operational strength and experience of the ultimate parent company.

### Constraints

- Cessation of the hotel construction in July 2024 due to ongoing legal proceedings,
- Restricted revenue during the analyzed years, resulting solely from rental income,
- Negative FOCF as of 3Q2024 with the accelerated capex,
- 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 the Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. The outlook for Long-Term National Issuer Credit Rating has been revised from 'Stable' to 'Negative' considering the Company's long-lasting presence in the sector and reputable shareholder structure, the expected increase in revenue with the completion of the ongoing hotel project and satisfactory equity level as well as halting of the hotel construction in July 2024 due to ongoing legal proceedings, the tenant's ongoing legal proceedings despite the advance collection of rent for the other hotel, sectoral developments and risk factors in the markets. The Company's revenue and profitability performance, cash flow generations, liquidity and financial leverage level 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.