

Corporate Credit Rating
Energy

ORTADOĞU ENERJİ		Long Term	Short Term	
International	Foreign currency	BBB-	A-3	
	Local currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating	A- (Trk)	A-1 (Trk)	
	Outlook	Positive	Stable	
Sponsor Support		2	-	
Stand Alone		B	-	
Sovereign*	Foreign currency	BBB-	-	
	Local currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

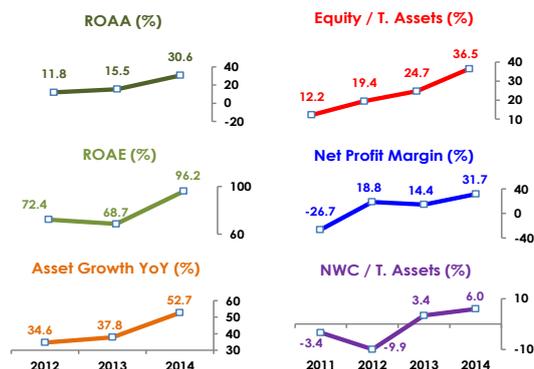
*Affirmed by Japan Credit Rating Agency, JCR on August 28, 2015

ORTADOĞU ENERJİ SAN. ve TİC. A.Ş. & ITS CONSOLIDATED SUBSIDIARIES				
Financial Data	2014*	2013*	2012*	2011*
Total Assets (000 USD)	78,463	55,816	48,498	33,998
Total Assets (000 TRY)	181,948	119,128	86,453	64,219
Equity (000 TRY)	66,396	29,446	16,807	7,841
Net Profit (000 TRY)	36,969	12,639	7,968	-5,263
Net Sales (000 TRY)	116,588	87,525	42,490	19,724
Net Profit Margin (%)	31.71	14.44	18.75	-26.68
ROAA (%)	30.61	15.45	11.84	n.a
ROAE (%)	96.17	68.68	72.37	n.a
Equity / Total Assets (%)	36.49	24.72	19.44	12.21
Net W. Cap. / T. Assets (%)	5.97	3.41	-9.92	-3.36
Debt to EBITDA (X)	1.32	1.73	2.93	n.a
Asset Growth Rate (%)	52.73	37.79	34.62	n.a

*End of year

Senior Analyst: Zeki M ÇOKTAN
zekic@jcrer.com.tr

+90 212 352 56 73


Strengths

- Profitability indicators having reached ample capacity for internal equity generation resulting mainly from relatively low production costs of electricity sales
- Sustained growth performance
- Significant improvement in capitalization level through strong internal equity generation process
- Terms of electricity sales facilitating liquidity management
- Regulated operations and attributes of client portfolio despite high concentration values supporting resiliency and predictability of revenues
- Being a pioneering firm in the landfill gas energy segment through its innovative implementations via outstanding R&D efforts involving academia with a view to enhancing sustainability
- Growing energy needs of Turkey ensuring strong demand for electricity production business, which promises further growth potential
- Shareholders of the Company and the Group affiliated with having operations in diverse fields and financial supporting capacity
- Accumulated carbon offset credits obtained through its operations in the renewable energy segment

Overview

Ortadogu Enerji Sanayi ve Ticaret A.Ş., (hereinafter referred to as "Ortadogu Energy" or "the Company"), established in Istanbul in 2007 within the Ortadogu Group, initiated its energy production through the Landfill Gas Electricity Energy Production plant in 2009. The major shareholders of the Company are Ortadogu Group and Yeşil Holding with their roots dating back to 1981 and 1948, respectively.

The Company operates mainly in the energy sector with a special focus on renewable energy segment particularly in the field of landfill gas power plants. Ortadogu Energy has also been involved in the electricity trade through its subsidiary titled Ortadogu Elektrik Enerjisi Toptan Satış A.Ş. and in the landfill gas electricity energy production in Kocaeli through its subsidiary titled Körfez Enerji San. ve Tic. A.Ş..

The Company employed a workforce of 106 as of December 31, 2014 (FYE2013: 94).

Constraints

- Partial exposure to foreign currency position exerting pressure on profitability ratios through time lags between repayment dates of loans and collection dates
- Declining but continuing exposure to volatility in interest rates through the utilization of floating rate loans
- Need for improvement regarding the corporate governance practices
- Increasing volatility in the markets, global economic slump leading to economic slowdown and upward pressure on interest and exchange rates
- Few granularities on client basis and undiversified business risk through concentration on a single sector
- Average maturity of loans following a shortening pattern

Publication Date: November 13, 2015
"Global Knowledge supported by Local Experience"

Copyright © 2007 by JCR Eurasia Rating, 19 Mayıs Mah., 19 Mayıs Cad., Nova Baran Plaza No:4 Kat: 12 Şişli-İSTANBUL Telephone: +90.212.352.56.73 Fax: +90 (212) 352.56.75
 Reproduction is prohibited except by permission. All rights reserved. All information has been obtained from sources JCR Eurasia Rating believes to be reliable. However, JCR Eurasia Rating does not guarantee the truth, accuracy and adequacy of this information. JCR Eurasia Rating ratings are objective and independent opinions as to the creditworthiness of a security and issuer and not to be considered a recommendation to buy, hold or sell any security or to issue a loan. This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Turkey), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations. <http://www.jcrer.com.tr>