

UNIT ELEKTRİK		Long Term	Short Term
International	Foreign currency	BBB-	A-3
	Local currency	BBB-	A-3
	Outlook	FC	Stable
		LC	Stable
Issue Rating	n.a.	n.a.	
National	Local Rating	BBB- (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
	Issue Rating	n.a.	A-3 (Trk)
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 November 10, 2017

Senior Chief Analyst: Gökhan İYIGUN/+90 212 352 56 74
gokhan.iyigun@jcrer.com.tr

UNIT ELEKTRİK ENERJİSİ TOPTAN SATIŞ İHR.VE İTH. A.Ş.						
Financial Data	Jun. 2017**	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	142,978	76,675	64,450	89,345	72,778	21,664
Total Assets (000 TRY)	502,824	269,835	187,395	207,182	155,329	38,510
Equity (000 TRY)	-2,345	44,390	20,398	-23,265	-1,205	4,606
Sales Revenue (000 TRY)	439,269	765,458	665,392	1,001,550	407,859	211,299
Net Profit (000 TRY)	-49,107	23,992	43,662	-28,585	-3,906	1,894
EBITDA (000 TRY)	n.a.	44,574	79,896	-20,674	370	4,880
EBITDA Margin (%)	n.a.	5.82	12.01	-2.06	0.09	2.31
ROAA (%)	-11.58	13.12	27.67	-19.71	-5.01	8.06
ROAE (%)	-206.56	92.62	NS	292.00	-285.32	47.72
Equity / Total Assets (%)	-0.47	16.45	10.88	-11.23	-0.78	11.96
Net Working Capital / T. Assets (%)	8.95	34.16	9.80	-16.22	-3.24	6.87
Debt Ratio (%)	100.47	83.55	89.12	111.23	100.78	88.04
Asset Growth Rate (%)	45.74	43.99	-9.55	33.38	303.35	88.25

* YoY audited figures ** YoY unaudited figures

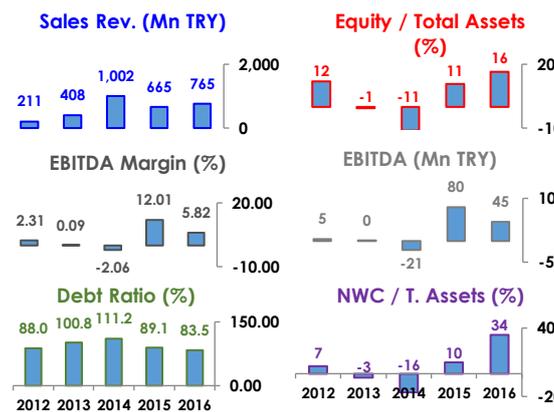
NS: Nonsense due to negative or null denominator, n.a.: Not applicable due to absence of detailed data

Overview

Unit Elektrik Enerjisi Toptan Satış İhr. Ve İth. A.Ş., (hereinafter referred to as "Unit Elektrik" or "the Company") was founded in 1998 to perform the domestic and overseas (Bulgaria, Romania and Greece) wholesale and retail electricity trading activities of the Unit in Turkey since 2010 through its wholesale license with 20-year validity period obtained from Republic of Turkey Energy Market Regulatory (EMRA) in 2005. The Company is a subsidiary of the Unit that has investments and operations in the energy, engineering, procurement and construction(EPC), and operations & management (O&M) businesses, wholesale and retail electricity sales & trading, tourism, and real estate.

As of November, 02 2017, publication date of the JCR Eurasia Rating's credit rating report on Unit's electricity generating firm, Unit Investment NV, the group had an installed power of 1,927MW in 6 power plants located in Turkey (4), Croatia, and Bulgaria; two combined cycle gas turbines (CCGT), two hydroelectric power plants (HEPP), one biomass, and one wind plants.

Unit International SA is the 99.6% stakeholder of the Company. The ultimate controlling real person shareholder of the Company is Ünal Aysal, the founder of the group. The Company employed an average workforce of 21 as of December 31, 2016.



Strengths

- Improved operating efficiency resulting in increased electricity sales volume and revenue despite the shrinking customer portfolio
- Current assets weighted balance sheet composition with comparatively short collection period and satisfactory liquidity level together with negligible level of credit risk exposures contributing positively to its risk perception and relieving liquidity management
- Advantages of being in a leading independent power producer (IPPs) group in Turkey with installed capacity approximating 2,000 MW and having required means, skills, and experience for cross-border trading, enabling flexibility in supply and pricing
- Group's diversified power plant portfolio in terms of energy sources and geographic location together with their strategic locations, mitigating supply and market risks and enabling comfort in pricing
- Complementary activity fields of Group companies adding to intra-group synergy and market power, and after to operational efficiency and performance
- Growing energy needs of Turkey and improving competitive market conditions providing potential for future growth to companies and groups having electricity generation capability from diversified resources

Constraints

- Sector's high level of dependence on natural gas imports in the supply of resources resulting in unpredictable high price level occasionally when natural gas supply declines, suppressing internal equity generation capacity of electricity supply companies wholesaling with annual bilateral agreements
- Relatively high foreign exchange position generating volatility potential on future profit figures together with its positive contribution in the periods when the national currency depreciates
- Comparatively high debt ratio stemming from its financing provider role in the group
- Improvement needs in corporate governance practices
- Restrained level of competition in the sector
- Ongoing volatility in the markets leading to upward pressure on interest and exchange rates