

Corporate Credit & Issue Rating

New Update

Sector: Energy
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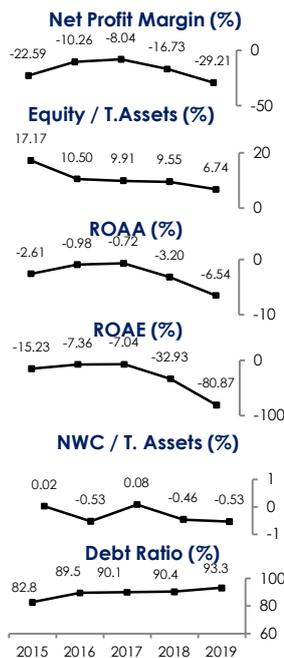
S. Chief Analyst
 Orkun İNAN
 +90 212 352 56 73
orkuni@jcrer.com.tr

Assistant Analyst
 Kadriye KAVAS
 +90 212 352 56 73
kadriye.kavas@jcrer.com.tr

RATINGS

		Long Term	Short Term	
International	Foreign Currency	B-	C	
	Local Currency	B-	C	
	Outlook	FC	Neg.	Neg.
		LC	Neg.	Neg.
Issue Rating	n.a	n.a		
National	Local Rating	BBB(Trk)	A-3(Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB(Trk)	A-3(Trk)	
Sponsor Support	2	-	-	
Stand-Alone	BC	-	-	
Sovereign*	Foreign Currency	BB+	-	
	Local Currency	BB+	-	
	Outlook	FC	Neg.	-
LC		Neg.	-	

*Assigned by JCR on April 10, 2020



Mogan Enerji Yatırım Holding A.Ş.

Company Overview

Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000 USD)	1,865,209	1,948,597	2,131,636	1,912,348	1,683,108
Total Assets (000 TRY)	11,079,714	10,251,372	8,040,317	6,729,934	4,893,805
Equity (000 TRY)	746,499	979,462	796,445	706,496	840,097
Net Profit (000 TRY)	-560,530	-226,815	-71,539	-78,413	-82,428
Sales (000 TRY)	1,919,220	1,355,983	889,309	763,908	364,939
Net Profit Margin (%)	-29.21	-16.73	-8.04	-10.26	-22.59
ROAA (%)	-6.54	-3.20	-0.72	-0.98	-2.61
ROAE (%)	-80.87	-32.93	-7.04	-7.36	-15.23
Net Debt/EBITDA (x)	6.35	6.34	7.10	6.36	7.98
Net Debt/ Equity (x)	10.92	6.55	6.11	4.56	2.93
Equity / Total Assets (%)	6.74	9.55	9.91	10.50	17.17
Net Working Capital / T. Assets (%)	-0.53	-0.46	0.08	-0.53	0.02
Debt Ratio (%)	93.26	90.45	90.09	89.50	82.83
Asset Growth Rate (%)	8.08	27.50	19.47	37.52	n.a

* Audited and Consolidated Year-end Financial Statement

Mogan Enerji Yatırım Holding A.Ş. (hereinafter referred to as “Mogan Enerji” or “the Group”) was founded in 1980 as a Giriş Group’s company. Mogan Enerji which is headquartered in Ankara, employs 366 people through 15 subsidiaries as of FY2019. The Group, with an installed capacity of 845.92 MW consisting of geothermal power plants, wind power plants and hydroelectric power plants is among the largest renewable energy companies in Turkey. The Group’s renewable energy installed capacity is planned to increase to 1,026.32 MW, with ongoing investments consisting of 120.4 MW of wind power plant (Ulu WPP) and the remaining 60 MW of geothermal power plants (Efe8 GPP).

Despite a steady and solid EBITDA generation capacity via Renewable Energy Resources Supporting Mechanism (YEKDEM), strong position in energy sector and high support level of sectoral authority encourage the use of renewable energy sources; foreign currency dominated high debt level, interest and FX risk exposure due to high volatility in national currency, increase in CapEx have pressured the margins of the Group. Also, the negative net working capital have continued to create fragility on the financial statements. On the other hand, predictable income streams with ongoing investment and experienced and qualified organizational structure are factors that played an effective role in the assignment of the Group’s Long-Term National Rating as ‘BBB(Trk)’ and its outlook as ‘Stable’ by JCR-ER.

Strengths

- High support level of sectoral authority encouraging the use of renewable energy sources together with the investment incentive market dynamics and advantages of renewable energy power plants
- Steady cash inflow and high EBITDA generation capacity
- Mostly natural hedging opportunity derived from USD denominated feed-in-tariff mechanism
- Among the largest renewable energy companies in Turkey with a total installed capacity of 845.92 MW
- Highly reputable shareholding structure and benefits of being a Holding subsidiary company

Constraints

- Significant enlargement in financing expenses due to FX losses over the last two years pressuring profitability
- Debt ratio standing at high side
- Sizeable portion of the equity consisted of revaluation surplus, creates a need for cash injection
- Further improvement needs in corporate governance practices
- Net working capital deficit increasing external funding needs
- The Covid-19 pandemic which harmful effects on the global economic growth, increasing vagueness and pressuring Turkey’s economic activity