

Corporate Credit Rating

New Update

Sector: Construction

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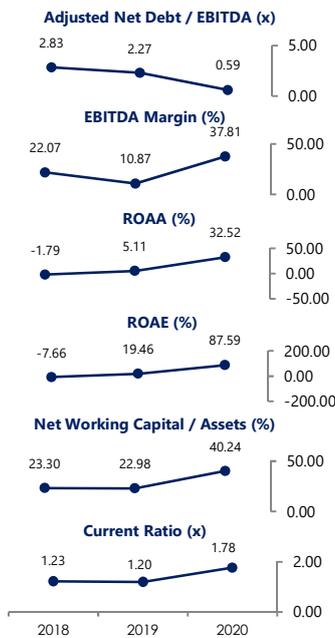
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RATINGS

		Long Term	Short Term
National	Local Rating	AA- (Trk)	A-1+ (Trk)
	Outlook	Stable	Stable
	Issue Rating	-	-
International	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	FC Stable	Stable
	Outlook	LC Stable	Stable
Sovereign	Sponsor Support	2	-
	Stand-Alone	A	-
	Foreign Currency	BB	-
	Local Currency	BB	-
	Outlook	FC Stable	-
	Outlook	LC Stable	-

*Assigned by JCR on May 31, 2021



Girişim Elektrik Sanayi Taahhüt ve Tic. A.Ş. and Its Subsidiary

JCR Eurasia Rating has evaluated the consolidated structure of “Girişim Elektrik Sanayi Taahhüt ve Tic. A.Ş. and Its Subsidiary” and assigned the ratings on the Long-Term National Scale as ‘AA- (Trk)’ and the Short-Term National Scale as ‘A-1+ (Trk)’ with ‘Stable’ outlooks. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as ‘BB’ with ‘Stable’ outlooks.

Girişim Elektrik Sanayi Taahhüt ve Tic. A.Ş. (hereinafter “the Company” or “Girişim Elektrik”), was founded on July 21, 1999 in Ankara as a prominent EPC turnkey contracting, engineering, sales and marketing company. For electricity generation, transmission and distribution; with its qualified team of more than 1000 personnel and more than 150 engineers, offers its customers a fast supply chain for all types of HV, MV, LV products and systems.

The Company is one of the leading EPC contracting, engineering, sales and marketing companies in Eastern Europe, Mediterranean and MENA electricity and energy industries, based in Turkey and operating globally. Girişim Elektrik has a central campus in Ankara with a total production area of over 80,000 m2 and offices in the Netherlands, Macedonia, Iraq, Morocco, Algeria and Ukraine. It offers its products and services in 60 countries in 5 continents, with solutions from generation to transmission, from distribution to control, of the energy needed for the energy sector. Company’s 23.48% shares have been publicly traded on the Borsa İstanbul (BIST) since August 2021. Muhittin Behiç Harmanlı is the principal shareholder with 42.56%, and others 33.96% shares in paid-in capital.

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

Strengths

- Significant increase in sales volume and EBITDA generation capacity particularly in FY2020,
- Geographical divergence that contributes risk mitigation,
- Predictable revenue to backlog ratio to maintain future income inflow,
- Reasonable net debt to EBITDA ratio,
- Noticeable improvement in net working capital.

Constraints

- Negative FOCF recorded that creating external funding need for operational cycle,
- Global economic slowdown exacerbated by the Covid19 pandemic, affecting demand and investment plans.

Considering the aforementioned points, the Company’s the Long-Term National Rating has been assigned as ‘AA- (Trk)’. Taking into account operational performance, EBITDA generation capacity, visibility of future revenues, and asset quality; the Company’s outlook for Long and Short-Term National ratings has been determined as “Stable”. The Company’s revenue and profitability performance, risk impacts of the TRY’s depreciation on activities and local and global macroeconomic indicators during Covid-19 pandemic 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.

The willingness and strength of the Company’s owners to provide operational and financial assistance have been assessed with respect to the financial capabilities of the shareholders. The shareholders are thought to be willing to supply long-term liquidity and equity as well as operational support to the Company should such a need arise. With these assessments, the Company’s Sponsor Support Grade has been assigned as (2). This grade signifies an adequate external support to the Company.

The Stand-Alone note is formed depending on the Company’s growth potential, operational efficiency and effective market position. It is assumed that Girişim Elektrik has sufficient experience and accumulation of infrastructure to manage risks incurred in the balance sheet without shareholder support, provided that Girişim Elektrik Üretim A.Ş. continues to have its existing customers’ positions and economic conjunctures are not further deteriorated. Within this context, the “Stand-Alone” grade of the Company has been assigned as (A) in the JCR Eurasia Rating notation system, indicating the highest level.