

## Corporate Credit Rating

New  Update

**Sector:** Energy

**Publishing Date:** 26/06/2023

**Team Leader**

Yeşim KARAÖĞLU  
 +90 212 352 56 73

[yesim.karaoglu@jcrer.com.tr](mailto:yesim.karaoglu@jcrer.com.tr)

**Senior Analyst**

Bahadır SİNANOĞLU  
 +90 212 352 56 73

[bahadir.sinanoglu@jcrer.com.tr](mailto:bahadir.sinanoglu@jcrer.com.tr)

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

\* Assigned by JCR on Aug 18, 2022

## ENERJİSA ENERJİ A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Enerjisa Enerji A.Ş." in the highest investment-level category and affirmed the Long-Term National Issuer Credit Rating at 'AAA (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, The Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed at 'BBB+/Stable'.

Enerjisa Enerji was established in 1996 by Hacı Ömer Sabancı Holding A.Ş. ("Sabancı Holding"). In 2006, the Energy Group Presidency was established and operations in the fields of generation, trade, distribution and retail activities were gathered in the Group. In December 2007, a joint venture was established between Sabancı Holding and Verbund, which is Austria's largest electricity provider.

Enerjisa Enerji A.Ş. (hereinafter referred to as "Enerjisa Enerji" or "the Company") was established in December 2011 and Sabancı Holding and Verbund transferred their shares to Enerjisa Enerji A.Ş. In 2013, all Enerjisa Enerji shares owned by Verbund were transferred to E.ON, one of the largest private electricity and natural gas companies in the world based in Essen, Germany. Until August 2017, Enerjisa Enerji A.Ş. served as a parent company for the Energy Group. 2-stage reorganization process was carried out in August 2017. As the first stage of the reorganization, Enerjisa Enerji A.Ş. merged with Enerjisa Elektrik Dağıtım A.Ş. by taking over its all assets and liabilities along with its subsidiaries (distribution and retail service companies). As the second stage of the reorganization, Enerjisa Enerji A.Ş. transferred 3 subsidiaries (electricity generation, wholesale trading and natural gas trading) by spin-off method with the carrying amounts to a newly established company called Enerjisa Üretim Santralleri A.Ş. following the spin of the Energy Group's distribution and sales activities under the roof of "Enerjisa Enerji A.Ş." and the production and trade activities under "Enerjisa Üretim Santralleri A.Ş." in FY2017.

40% share of the Company belong to Hacı Ömer Sabancı Holding A.Ş., 40% belongs to E.ON International Participations N.V. and the remaining 20% is traded in the stock market. The Group has 11,685 employees as of FYE2022 (FYE2021: 11,300 employees).

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

### Strengths

- Visible and stable business profile supported with holding a long-term electric supply and distribution license,
- Sustainable operational earnings generation capacity in analysed period despite slight decrease in margin in FY2022,
- Despite an increase in total financial liabilities, successfully maintains a healthy leverage structure,
- Strengthening in cash generation capacity with the contribution of regulator's compensatory mechanisms that support electricity suppliers,
- Reputable partnership structure backed by Sabancı Group and E.ON,
- High level of compliance with the corporate governance practices and international quality standards.

### Constraints

- Net working capital pressured by rising energy costs in 2022, despite improved free cash flow, especially in 4Q2022,
- High dependency on regulations in terms of the Company's operations,
- Monetary tightening financial conditions accompanied by global banking concerns, disrupt global growth projections, whereas domestic restrictive financial conditions limit access to finance,
- Potential adverse impacts of recent massive earthquakes.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. The Company's strong shareholder structure and group synergy, transparent and stable business profile, sustainable operational earning generation capacity, predictable cash flow capacity as well as experienced and qualified organizational structure are important drivers for stable of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's financial developments, together with the trends in the industry 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.

