

## Corporate Credit Rating

New  Update

**Sector:** Energy Generation  
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign *	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024

## Akfen Yenilenebilir Enerji A.Ş.

JCR Eurasia Rating has evaluated "Akfen Yenilenebilir Enerji A.Ş." in investment-grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA (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 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

**Akfen Yenilenebilir Enerji A.Ş.** (hereinafter referred to as "Akfen Yenilenebilir Enerji" or "the Company") was established in 2016 under the Akfen Group and focuses on investments in the energy sector, with a generation portfolio composed exclusively of renewable energy sources. As of the rating report date, the Company has a total installed capacity of 783.1MW across various locations in Türkiye, comprising 432.94MW (Including 84.04MW hybrid solar power plants (SPP)) wind power plants (WPP), 228.75MW from hydroelectric power plants (HEPP), and 121.41MW from SPP. In 1Q2025, a significant portion of the Company's facilities benefit from the Renewable Energy Support Mechanism (YEKDEM), with 85% of its revenues generated under YEKDEM. The Company is currently continuing its capacity expansion investments, with a target to increase total installed capacity to approximately 1,200MW by the end of 2027.

Akfen Yenilenebilir Enerji is part of Akfen Group, one of Türkiye's leading investment groups, and its shares have been traded on Borsa Istanbul with the ticker "AKFYE" since March 2023. As of 1Q2025, according to the independent audit report, the Company's free float is 28.43%. The remaining part of the shares belongs to Akfen Group (Akfen Holding 56.45%, Akfen International 15.12%).

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

### Strengths

- Modest recovery in financial leverage metrics, thanks to the notable decrease in indebtedness together with solid cash assets, despite contraction in EBITDA margin and cash flow metrics in FY2024,
- Significant improvement in the share of equity in the balance sheet supported by internal resource generation capacity as of FYE2024,
- Revenue predictability due to the important share of YEKDEM usage in total installed capacity and electricity generation,
- Natural hedge opportunity and implementation of hedge accounting (IFRS 9) thanks to USD-indexed sales under YEKDEM,
- Low collection risk thanks to the regulated structure of the energy sector,
- Compliance with corporate governance practices as a publicly listed company,
- Supported by Akfen Group, one of the most experienced brands in Türkiye.

### Constraints

- Decline in energy generation and sales revenues in FY2024,
- Besides the contraction in core profitability metrics, financial expenses, mainly due to exchange rate losses, continue to weigh down the bottom line in FY2024,
- Sensitivity to potential regulatory decisions that may adversely affect the profitability of facilities whose YEKDEM term has expired, despite their low share in total installed capacity and generation,
- Dependency of renewable energy sources on climatic conditions,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's Long-Term National Rating has been affirmed at 'AA (tr)'. The Company's leverage metrics, strengthened equity level, revenue predictability thanks to YEKDEM, new capacity investments, low collection risk due to sector dynamics and being establishment of Akfen Group have been evaluated as important indicators for the stability of the ratings and outlooks for Long and Short-Term National Issuer Credit Ratings 'Stable'. The Company's, revenue and profitability performance, adequacy of liquidity, indebtedness level, market position and regulations in the sector are the main factors that 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.

