

Corporate Credit Rating

New Update

Sector: Engineering & Construction

Publishing Date: 26/06/2025

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	B- (tr)	J4 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	CCC	-
	International FC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	International LC ICR	CCC	-
	International LC ICR Outlooks	Stable	-
Sovereign*	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Anel Elektrik Proje Taahhüt ve Ticaret A.Ş." and affirmed the Long-Term National Issuer Credit Rating as 'B- (tr)' and the Short-Term National Issuer Credit Rating as 'J4 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'CCC/Stable'.

Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. (hereinafter "the Company" or "Anel Elektrik") was established in 1986 and is headquartered in Istanbul. As of FYE2024, the Company has seven subsidiaries included in fully consolidation (hereinafter "the Group"). The Group primarily operates in the fields of electrical and mechanical contracting, real estate rental, ship electrics and electronics projects, electromechanical operation and maintenance, recycling, low-voltage panel production, and telecommunications. Having successfully delivered numerous projects across Türkiye, the UK, Russia, the Netherlands, the UAE, Qatar, and Azerbaijan, the Group continues its operations in Türkiye, Qatar, the UK, and the UAE as of FYE2024. As of December 2024, the backlog in the project contracting segment amounted to approximately USD 270.4mn. The Group employed 211 personnel as of March 2025 (FYE2024: 225).

Anel Elektrik has been a publicly listed company in Borsa İstanbul under the ticker "ANELE" since 2010, and as of March 31, 2025, the Company's free float rate stood at 15.14% (December 31, 2024: 15.47%).

The Company's ultimate controlling shareholder is Rıdvan ÇELİKEL.

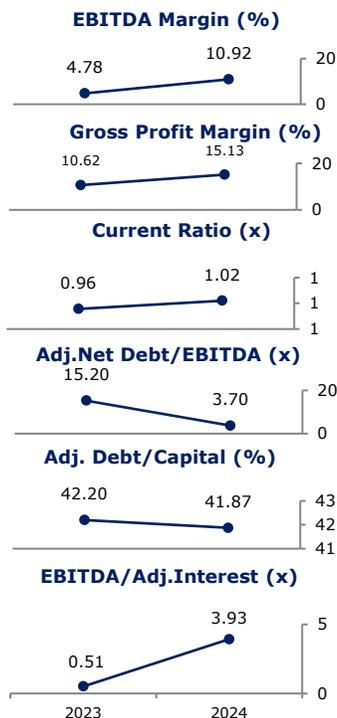
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Long-term repayment terms ease financial pressure to some degree under the financial restructuring agreement,
- Revenue growth in 2024 and backlog bolster income visibility,
- Improvement in gross profit and EBITDA margin in FY2024, despite notable downturn in Q1 2025 compared to the same period of the previous year.
- Hard currency revenue stream mitigates currency risk to a certain extent,
- Established industry presence since 1986 with a broadly diversified project portfolio across sectors and regions.

Constraints

- Despite recovery largely attributable to EBITDA growth, elevated leverage and relatively weak interest coverage as of FYE2024,
- Negative cash flow metrics coupled with inadequate liquidity metrics in both FY2023 and FY2024,
- Ongoing appeal process regarding high-value receivables following adverse arbitration decision in August 2024 and period loss in FY2024 due to high provision expense related to the process,
- Fluctuations in copper markets may pose a headwind for profitability,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.



The Company's consolidated audited financial statements include inflation adjustments. Adjustments have been made in accordance with the terms of IAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the changes in the general purchasing power of the Turkish Lira as of 31 December 2024.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'B- (tr)'. The Company's financial restructuring agreement with financial institutions, signing a large-scale project, sectoral experience, expectations for upcoming period as well as ongoing appeal process regarding high-value receivables and risk factors in the markets have been evaluated as important indicators for the outlook of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's capital adequacy, financial structure, asset quality, growth performance, profitability ratios and the trends of the existing risks in the markets and the business environment 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.