

## Corporate Credit Rating

☐ New ☒ Update

**Sector:** Electrical Contracting

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

**Team Leader**

Yeşim KARAOĞLU

+90 212 352 56 73

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

**Senior Analyst**

Halil İbrahim YAMAN

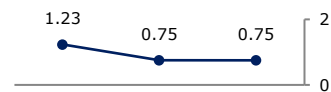
+90 212 352 56 73

[halil.yaman@jcrer.com.tr](mailto:halil.yaman@jcrer.com.tr)

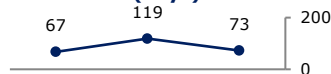
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	CCC (tr)	J5 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	CC	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	CC	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International ISR	-	-
Sovereign*	International ISR	-	-
	Foreign Currency	BB (Negative)	-
Sovereign*	Local Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on Aug 18, 2022.

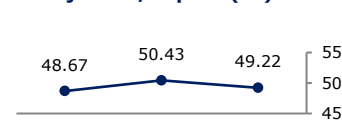
### Current Ratio (x)



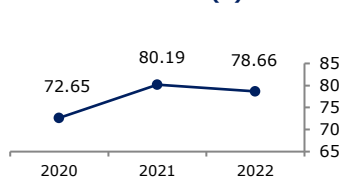
### Cash Conversion Cycle (days)



### Adj. Debt/Capital (%)



### Debt Ratio (x)



## ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş.

JCR Eurasia Rating has evaluated "Anel Elektrik Proje Taahhüt ve Ticaret A.Ş." in the speculative level category and affirmed the Long-Term National Issuer Credit Rating at 'CCC (tr)' and the Short-Term National Issuer Credit Rating at 'J5 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'CC/Negative'.

**Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.** (hereinafter "the Company" or "Anel Elektrik") was established in 1986 and is headquartered in Istanbul. The main field of activity of the Company is to supply service of electrical and mechanical contracting, operation and maintenance, real estate projects and telecommunications. The Company have completed 37 projects between 2007-2022, 27 of which located in Türkiye, 6 in Qatar and 4 in Azerbaijan. The Company has currently 14 ongoing projects, 7 of which is located in Qatar, 3 in UAE, and 4 in Türkiye. As of March, 2023, the Company has circa USD 99mn of backlog with a USD 1,2bn contract value. The labor force of the Company was 622 as of March, 2023 (FYE2022: 658).

Anel Elektrik has been a publicly listed company in Borsa İstanbul since 2010 with an actual outstanding shares ratio of 33.57% as of March, 2023 (31.12.2022:36.53%).

The Company's ultimate controlling shareholder is Rıdvan ÇELİKEL.

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

### Strengths

- The financial restructuring agreement, made with banks regarding overdue financial debts, alleviating the financial pressure for the upcoming period,
- Successfully completed wide range of projects,
- Natural hedging by FX oriented revenue stream in a certain extent,
- Solid experience in the sector dating back to 1986.

### Constraints

- Continuation of gross and operational losses in 2022 undermining the debt service capacity,
- Weakening in revenue visibility due to decline in overall contracting backlog,
- Further deterioration in cash generation capacity in 2022, creating external funding needs,
- Sizeable contribution of non-cash re-valuation gains to expansion of asset size, equity and period income in 2022,
- Ongoing arbitration process regarding the collection of a high amount receivable due from a construction contract,
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed as 'CCC (tr)'. The Company's market position, sectoral developments, expectations for upcoming period and risk factors in the markets have been evaluated as important indicators for the stability 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, sales performance, 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.