Corporate Credit Rating

☐New ☒Update

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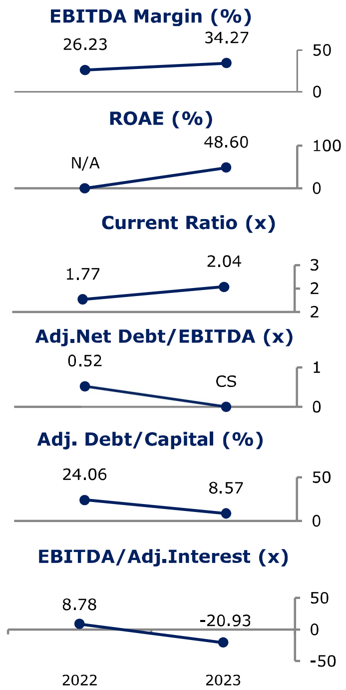
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	**National ICR**	**AA+ (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Profile)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

** Assigned by JCR on May 10, 2024*



N/A: Not Applicable
CS: Cash Surplus

ASTOR ENERJİ A.Ş.

JCR Eurasia Rating, has evaluated **"Astor Enerji A.Ş."** in the investment grade category with very high credit quality and revised the Long-Term National Issuer Credit Rating from **'AA (tr)'** to **'AA+ (tr)** and affirmed 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 assigned as **'BB/Stable'** as parallel to the international ratings and outlooks of the Republic of Türkiye.

Astor Enerji A.Ş. (hereinafter referred to as **"Astor Enerji"** or **"the Company"**) was established in Istanbul in 1983 under the title of Transtek Transformatör Sanayi ve Ticaret A.Ş. The Company was taken over by the Geçgel family in 2013 and its headquarters moved to Ankara in 2014. The current title, Astor Enerji A.Ş., was taken in 2021. The Company's main field of activity is manufacturing oil and dry type distribution transformers, power transformers, special type transformers, industrial transformers, medium and high voltage switching products, concrete, and sheet metal kiosks and substations. Astor Enerji carries out the production of all product groups in transformer production facilities under a single roof in 105,000 m^2 closed area built on a 140,000 m^2 land in Ankara/Türkiye. In addition, Astor Enerji completed the installation of 448 slot charging stations in 40 provinces in Türkiye as of 3Q2024 within the scope of electric vehicle charging network operator licence. The Company's shares have been traded on Borsa Istanbul (BIST) since January 18, 2023 with the "ASTOR" ticker. In 2023, the Company ranked 87th among Türkiye's top 500 industrial enterprises compiled by the Istanbul Chamber of Industry (2022: 128th). Also, the Company ranked 11st in the sectoral and 160th in the general ranking in the top 1,000 exporters list with USD 167.41mn export prepared by the Turkish Exporters Assembly in 2023 (2022: 311st rank with USD 95.39mn export). The number of personnel employed by the Company was 1,940 as of September 30, 2024 (FYE2023: 1,921).

27.74% of the Company's shares are publicly traded as of September 30, 2024. The remaining shares belong to Feridun Geçgel with 67.25% and Astor Holding A.Ş. with 5.01% shares.

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

Strengths	Constraints
• Robust revenue and EBITDA growth over the analyzed periods and backlog level indicating growth potential to a certain extent, • Sound leverage and coverage metrics thanks to cash surplus position in 2023 and 3Q2024, • Substantial improvement in profitability metrics in FY2023 and partially sustained in 3Q2024, • Solid cash generation performance and liquidity metrics, • Strong equity level supported by retained earnings and net profit, • Well-known customer portfolio supporting asset quality over the analyzed periods, • Significant level of export revenues offsetting the foreign currency risk to a certain extent, • Ensuring the continuity of capacity expansion and cost management through ongoing/completed investments and R&D activities may have a positive effect on profitability, • Compliance with Corporate Governance Practices and quality standards as a publicly listed company and long-lasting experience in the sector.	• Relatively long cash conversion cycle due to the nature of the business, • Increasing competition in parallel with growing interest in the sector, • In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been revised from **'AA (tr)'** to **'AA+ (tr)'**. Long lasting industry experience, revenue growth, EBITDA generation capacity, equity structure, profitability and liquidity metrics, cash surplus position, investments for capacity increase and cost management, increasing export revenues, risk factors in the markets, and business environment as well as competition in the sector, the global recessionary environment and geopolitical risks-driven uncertainties 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 affirmed at **'Stable'**. The Company's indebtedness level, financial structure, sales volume and profit margins, liquidity and cash flow metrics, equity structure, and the outlook of the electrical equipment 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.