Corporate Credit Rating

☐New ☒Update

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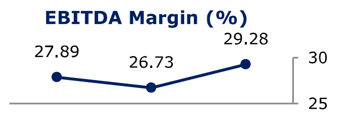
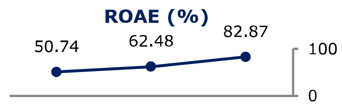
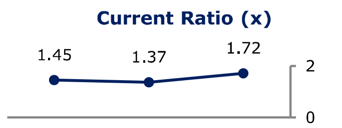
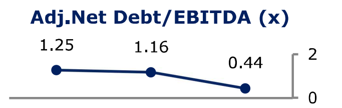
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Profile)	National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

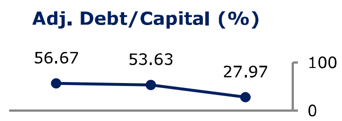
** Assigned by JCR on August 18, 2022*

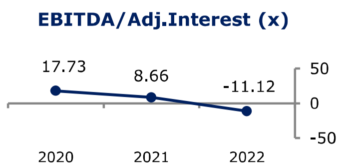












ASTOR ENERJİ A.Ş.

JCR Eurasia Rating, has evaluated **"Astor Enerji A.Ş."** in the investment level category 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 affirmed as **'BB/Negative'** as parallel to the international ratings and outlooks of the Republic of Türkiye.

Astor Enerji A.Ş. (**"Astor Enerji"** or **"the Company"**) was established in Istanbul in 1983 under the title of Transtek Transformatör Sanayi ve Ticaret A.Ş. The Company changed its title to Astor Transformatör ve Enerji Sanayi Ticaret A.Ş. and Astor Transformatör Enerji Turizm İnşaat ve Petrol Sanayi Ticaret A.Ş. in 2003 and 2008, respectively. 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. The Company's shares have been traded on Borsa Istanbul (BIST) since January 18, 2023 with the "ASTOR" ticker. In 2022, the Company ranked 128th among Türkiye's top 500 industrial enterprises compiled by the Istanbul Chamber of Industry (2021: 147th). The number of personnel employed by the Company was 1,822 as of September 30, 2023 (FYE2022: 1,531).

21% of the Company's shares are publicly traded. The remaining shares belong to Feridun Geçgel.

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

Strengths	Constraints
• Significant increase in key profitability indicators over the analysed periods and revenue visibility with new contracts, • Strong cash buffer supporting cash surplus position in 3Q2023 together with adequate level of EBITDA and FFO generation contributing to robust leverage and interest coverage metrics, • Robust equity level mainly supported by internal means and cash proceeds from the IPO, • Improvement in cash flow metrics in 2022 and 3Q2023, • Positive net working capital and sustainable current ratio during the reviewed periods, • Increasing share of exports in total sales providing a natural hedge, • Long lasting experience in the sector dating back to 1980s. • High level of compliance with Corporate Governance Practices and quality standards as a publicly listed company.	• Import dependence in raw material supply and fluctuations of the commodity prices, • Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

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, EBITDA generation capacity, equity structure, profitability and liquidity metrics, increasing export revenues, risk factors in the markets, and business environment as well as 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 as **'Stable'**. The Company's utilization of the cash inflow generated from the IPO, indebtedness level, financial structure, business volume and profit margins, liquidity and cash flow metrics, 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.