

Corporate Credit Rating

New Update

Sector: Solar Panel Production

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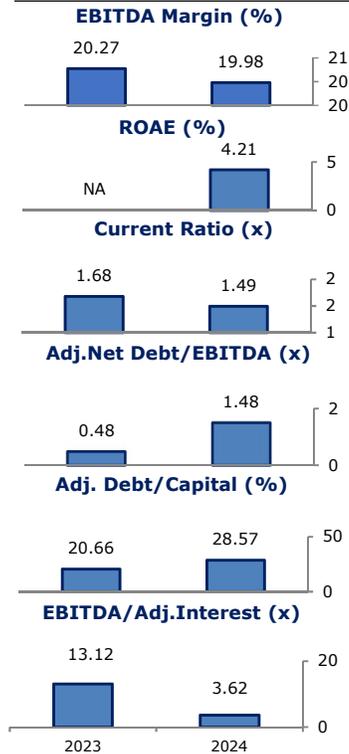
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating 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



NA: Not Available

CW ENERJİ MÜHENDİSLİK TİCARET VE SANAYİ A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "CW Enerji Mühendislik Ticaret ve Sanayi A.Ş." in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating to 'A (tr)' from 'AA- (tr)' and the Short-Term National Issuer Credit Rating to 'J1 (tr)' from 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as 'BB/Stable', parallel to sovereign ratings and outlooks of Republic of Türkiye.

CW Enerji Mühendislik Ticaret ve Sanayi A.Ş. ("CW Enerji" or "the Company") was established in 2010 in Antalya. CW Enerji is a production, service, and trade company operating in the photovoltaic energy generation sector. The Company's main solar panel production facility is located in the 1st Zone of Antalya OIZ with a closed area of 28,230 square meters. The headquarters of CW Enerji is also located in this facility. Besides, in 2021, CW Enerji acquired CW International Yenilenebilir Enerji Üretim A.Ş., which has the usufruct right until 2067 of a facility in Antalya Free Zone, which was built on an open area of 2,492 square meters with a closed area of 1,537 square meters. As of the report date, the Company's annual solar panel production capacity has reached 1.8 GW. CW Enerji also has a total of 12.35 MWp unlicensed solar power plants that became operative in 2018 and have the right to benefit from the Renewable Energy Resources Support Mechanism (YEKDEM) until 2028. CW Enerji employed a workforce of 1,187 as of December 30, 2024 (FYE2023: 1,446).

As of the date of the report, 68.74% of the Company's shares are held by Tarzan Tarık Sarvan, 5.21% by Deniz Portföy TTSVY Equity Free Private Fund, and 26.05% by Others. 29.15% of the Company's shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "CWENE" since 2023.

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

Strengths

- Sustainability in profitability metrics thanks to proven technology and strong operations,
- Moderate leverage profile despite partially deteriorating metrics as a result of reduced fund-generation capacity in FY2024,
- Natural hedging opportunity to a large extent, thanks to hard-currency income generation,
- Supportive market fundamentals in the renewable energy sector,
- CAPEX plan, expected to provide revenue visibility in upcoming periods,
- Low collection risk supporting asset quality,
- Compliance with Corporate Governance Practices as a publicly traded company.

Constraints

- Considerable contraction in revenue in FY2024 due to the unfavorable investment climate,
- Notable deterioration in cash flow metrics,
- Declining interest coverage ratio in FY2024,
- High financial expenses, eroding profit for the period,
- Continued high interest rates and restrictions on access to credit in the domestic market, as well as increased trade barriers,
- 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 Issuer Credit Rating has been revised to 'A (tr)' from 'AA- (tr)'. The Company's sustainable profitability metrics, the investment strategy that is expected to enable it to maintain its market position, and the technological and operational infrastructure that will enable it to cope with sectoral developments have been evaluated as important indicators for 'Stable' outlook of the Long and Short-Term National Issuer Credit Ratings. The Company's revenue and profitability performance, cash generation capacity, liquidity level, and financial leverage level will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and the legal framework of the sector, will be monitored.