

Corporate Credit Rating

New Update

Sector: Engineering, Procurement, Construction

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Team Leader

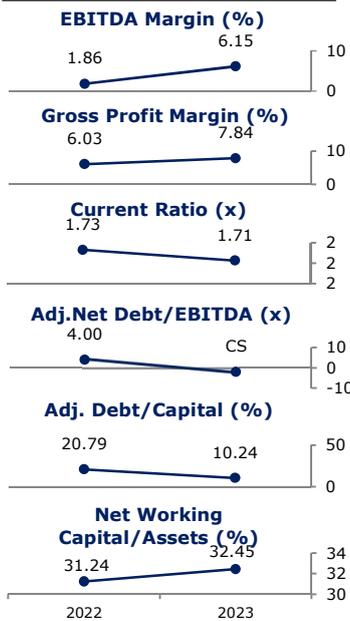
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating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

* Assigned by JCR on May 10, 2024



CS: Cash Surplus

EGESA ELEKTRİK İNŞAAT ENERJİ ÜRETİM A.Ş.

JCR Eurasia Rating, has evaluated "Egesa Elektrik İnşaat Enerji Üretim A.Ş." in the investment grade category with high credit quality and assigned the Long-Term National Issuer Credit Rating as 'A- (tr)' and the Short-Term National Issuer Credit Rating as '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 international ratings and outlooks of Republic of Türkiye.

Egesa Elektrik İnşaat Enerji Üretim A.Ş. (referred to as "Egesa" or "the Company") was established in Ankara in 2016. Egesa is an EPC (engineering, procurement & construction) company operating in the energy sector. In this context, the Company works on project research and development, pre-license and license processes, feasibility studies, engineering and consultancy services and project preparation; and also implements its own investments. Along with its own investments, Egesa provides services to its customers in the fields of solar energy systems, wind energy systems and vehicle charging stations. The average number of personnel employed within the Company is 35 as of FYE2023. Eyüp Taymur is currently the sole shareholder of the Company.

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

Strengths

- Revenue growth and partial recovery of profitability margins, thanks to completed projects in FY2023, along with revenue visibility provided by ongoing projects,
- Cash surplus position thanks to increasing cash and cash equivalents and low level of indebtedness as of FYE2023, which is maintained as of FYE2024,
- Enlarging total resources with supporting the project-based business model with advance payments, from energy contracting projects,
- Sensitivity to environmental factors through the installation of solar energy systems and wind energy systems.

Constraints

- Susceptibility to raw material prices and labor costs may put potential pressure on profitability,
- Improvement needs regarding corporate governance compliance policies along with sole shareholder risk,
- 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 Long-Term National Issuer Credit Rating has been assigned as 'A- (tr)'. The Company's sales revenues and profitability ratios, level of indebtedness and leverage ratios, equity structure, liquidity metrics, along with ongoing uncertainties arisen from geopolitical tensions as well as global interest rate hiking cycle 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 assigned as 'Stable'. The Company's profitability performance, borrowing structure, equity level, liquidity position 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 frame about the sector will be monitored as well.