Corporate Credit Rating

☐New ☒Update

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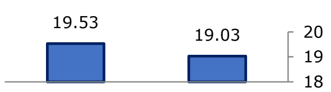
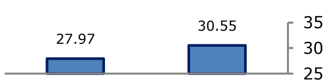
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)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

** Assigned by JCR on May 10, 2024*

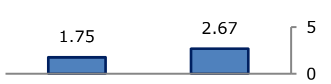
EBITDA Margin (%)



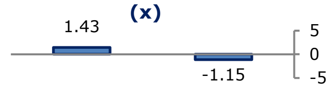
Gross Profit Margin (%)



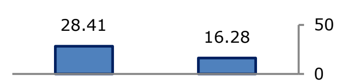
Current Ratio (x)



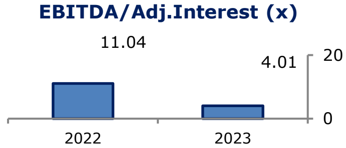
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



EKOS TEKNOLOJİ VE ELEKTRİK ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of **"Ekos Teknoloji ve Elektrik Anonim Şirketi"** in the investment-grade category with high credit quality and revised the Long-Term National Issuer Credit Rating to **'A- (tr)'** from **'BBB+ (tr)'** and the Short-Term National Issuer Credit Rating to **'J1 (tr)'** from **'J2 (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as **'BB/Stable'** as parallel to sovereign ratings and outlooks of Republic of Türkiye.

Ekos Teknoloji ve Elektrik Anonim Şirketi (hereinafter referred as **"Ekos"** or **"the Group"**) was established on 13 April 2000 in Gebze/Kocaeli in order to design, manufacture, automation and marketing of electrical energy protection-control systems. The Group provides services in the fields of protection-control equipment (relays), control and automation systems, SCADA products and energy measurement systems sales & marketing, project design and engineering in electrical enterprises and industry. The headquarter of the Group is in Gebze/Kocaeli. The Group employed a staff force of 383 as of FYE2023 (FYE2022: 320).

The Group's main ultimate controlling shareholders are Tarık Can AKBAŞ and Tunahan AKBAŞ with 39.29% shares.

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

Strengths	Constraints
• Incremental revenue growth and amplified sales volumes accompanied by improved EBITDA generation and expected increase in upcoming periods via new product, • Foreign exchange linked cash flows generation providing natural hedge to a certain extent, • Year-round maintenance of net cash position that facilitates liquidity management, as well as pioneering satisfactory leverage and coverage ratios, • Sturdy capitalization base offering assurance to management and shielding against potential losses, • Complex tailor-made production supported by specialized knowledge, • Enhanced practice of corporate governance principles thanks to the IPO process strengthening market position.	• Elevated operating ratio and prolonged cash conversion cycle due to the business model restrains the efficiency performance, • Negative operating cash flow metrics emerge from working capital requirements and ongoing investments, • Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Group's the Long-Term National Issuer Credit Rating has been revised to **'A- (tr)'** from **'BBB+ (tr)'**. Taking into account the Group's improvement in revenue and EBITDA generation capacity, satisfactory leverage indicators, qualitative equity base, tailor-made production as well as prolonged cash conversion cycle, and global market conditions of the sector 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 Group's sales and profitability performance, cash generation and liquidity structure, indebtedness level and attainability of the Group's budgeted projections 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.