

Corporate Credit Rating

New Update

Sector: Photovoltaic Panel Manufacturing

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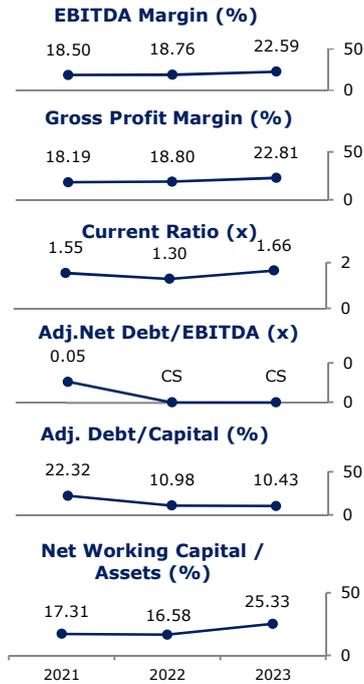
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific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



CS: Cash Surplus

ELİN ELEKTRİK İNŞAAT MÜŞAVİRLİK PROJE TAAH. TİC. VE SAN. A.Ş.

JCR Eurasia Rating has evaluated "Elin Elektrik İnşaat Müşavirlik Proje Taahhüt Ticaret ve Sanayi A.Ş." in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating as 'AA (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 have been assigned as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Elin Elektrik İnşaat Müşavirlik Proje Taah. Tic. Ve San. A.Ş. ("Elin Elektrik" or "the Company") was established in 1981 to engage in engineering, supplying, construction, commissioning (EPC), operating and periodical maintenance (O&M) services for renewable energy systems. In its factory of 40k m² area, starting its activities in Ankara in 2017, the Company began manufacturing Photovoltaic Panels generating Electricity from Solar Energy. With the completed investments of the factories, the Company started to operate as a manufacturer rather than a contracting company. With ISO 22000, ISO 14001, ISO 9001, and OHSAS 18001 certificates, the Company has an annual production capacity of over 1.5mn photovoltaic solar panels.

Moreover, the Company was ranked 283th in Fortune 500 Türkiye and 195th in Istanbul Chamber of Industry "Türkiye's Top 500 Industrial Enterprises" in 2023. The headquarters of the Company is located in Ankara. As of FYE2023 the staff force of the Company was 687 (FYE2022: 716). As a family company, Elin Elektrik's shareholders are Arda Yalı (51%), Ayça Yalı Karakeçili (44%) and Murat Karakeçili (5%).

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

Strengths

- Revenue expansion in FY2023 with the contribution of completed works, along with growth projections for FY2024 with through works in progress,
- Significant improvement in the equity to total assets ratio as of FYE2023, thanks to significant net income and retained earnings contribution,
- Notable amount of advances received for ongoing projects easing liquidity management,
- Robust financial leverage profile thanks to cash surplus capability,
- Long-standing presence in the sector dating back to the 1980s.

Constraints

- Rising construction costs and fluctuations on base metals price suppressing profitability in the sector,
- Improvement needs in compliance with corporate governance practices,
- 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 Company's Long-Term National Issuer Credit Rating has been affirmed as 'AA (tr)'. The Company's asset quality, equity structure, profitability indicators, robust revenue growth and low financial leverage compared to the income generation capacity as well as many years' experience in the sector, 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 determined as 'Stable'. The Company's profitability performance, asset quality and equity structure 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.