

Corporate Credit Rating

New Update

Sector: Photovoltaic Panel Manufacturing

Publishing Date: 28/09/2023

Senior Analyst

Alperen ADANIR

+90 212 352 56 73

alperen.adanir@jcrer.com.tr

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	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

* Assigned by JCR on Aug 18, 2022

EBITDA Margin (%)



ROAE (%)



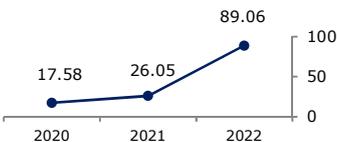
Current Ratio (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



Elin Elektrik İnşaat Müşavirlik Proje Taah. Tic. ve San. A.Ş.

JCR Eurasia Rating, has evaluated the "Elin Elektrik İnşaat Müşavirlik Proje Taah. Tic. ve San. A.Ş." in the investment-level category 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 were affirmed as 'BB/Negative' 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 second factory investment in Ankara, which started production in 2022, the total production area of Elin Elektrik has exceeded 100k m². With the completed investments of the factories, the Company started to operate as a manufacturer rather than a contracting company. With ISO 14001, ISO 9001, and OHSAS 18001 certificates, the Company has an annual production capacity of over 1mn photovoltaic solar panels.

Moreover, the Company was ranked 326th in Fortune500 Türkiye and 265th in Istanbul Chamber of Industry "Türkiye's Top 500 Industrial Enterprises" in 2022. The headquarters of the Company is located in Ankara. As of FYE2022 the staff force of the Company was 662 (FYE2021: 253). 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

- Solid revenue growth in FY2022 in terms of both value and volume with the contribution of completed investments,
- Mainly foreign currency denominated revenue stream providing a natural hedging mechanism for FX risk to a certain extent,
- Satisfactory level of EBITDA generation capacity and positive bottom-line results, supported by strong improvement in liquidity metrics,
- Cash surplus against financial borrowings as of FYE2022, providing strong leverage metrics,
- The potential global demand for Photovoltaic Modules with the increasing importance attached to renewable energy,
- Long-lasting presence in the sector and successful track-record.

Constraints

- Possible fluctuations in production costs may exert pressure on profitability margins,
- Further improvement needs in the level of compliance with corporate governance practices,
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance.

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 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 financial structure, indebtedness level, sales and profitability performance, EBITDA generation capacity, adequacy of liquidity, 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.