

Corporate Credit Rating

New Update

Sector: Energy

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB+	J2
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BBB+	J2
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 31, 2021

ENERJİSA ENERJİ A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Enerjisa Enerji A.Ş." in the highest investment-level category and affirmed the Long-Term National Issuer Credit Rating at 'AAA (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, The Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed at 'BBB+/Stable'.

Enerjisa Enerji A.Ş. (hereinafter referred to as "Enerjisa Enerji" or "the Company") was established in 1996 by Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding), which is one of the largest conglomerates in Turkey, and its affiliates. In 2006, the Energy Group Presidency was established and operations in the fields of generation, trade, distribution and retail activities were gathered in the Group. In December 2007, a joint venture was established between Sabancı Holding and Verbund, which is Austria's largest electricity provider. In December 2011, Sabancı Holding and Verbund transferred their shares to Enerjisa Enerji A.Ş. In 2013, all Enerjisa Enerji shares owned by Verbund were transferred to E.ON, one of the largest private electricity and natural gas companies in the world based in Essen, Germany.

Until August 2017, Enerjisa Enerji A.Ş. served as a parent company for the Energy Group. 2-stage reorganization process was carried out in August 2017. As the first stage of the reorganization, Enerjisa Enerji A.Ş. merged with Enerjisa Elektrik Dağıtım A.Ş. by taking over its all assets and liabilities along with its subsidiaries (distribution and retail service companies). As the second stage of the reorganization, Enerjisa Enerji A.Ş. transferred 3 subsidiaries (electricity generation, wholesale trading and natural gas trading) by spin-off method with the carrying amounts to a newly established company called Enerjisa Üretim Santralleri A.Ş. Following the spin of the Energy Group's distribution and sales activities under the roof of "Enerjisa Enerji A.Ş." and the production and trade activities under "Enerjisa Üretim Santralleri A.Ş." in FY2017.

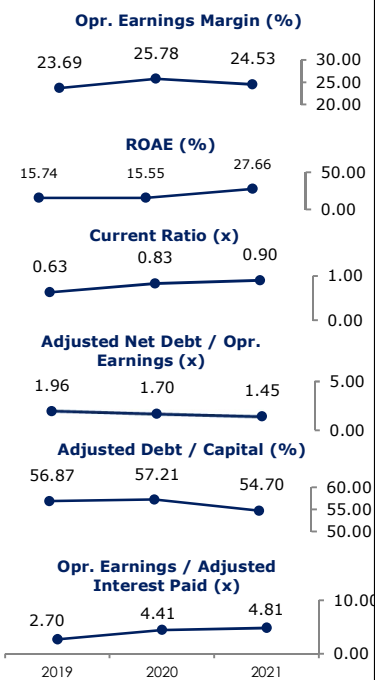
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Secured business profile supported with holding long-term electricity distribution and supply licenses,
- The ability of its subsidiaries to generate sustainable operational earnings,
- Strong credit metrics and solid balance sheet indicators,
- Diversification of revenues through alternative services especially in green energy solutions and e-mobility market,
- Ability to use foreign credits and issue bonds easing and diversifying the financial liabilities,
- The low level of FX based credit risks, mitigating the Company's vulnerability to currency shocks and potential negative effects,
- Operational strength and proven track record in various countries of main shareholders and the synergy created.

Constraints

- High dependency on regulations in terms of the Company's operations,
- Increase in financing expenses if the gap between the national tariff and electricity procurement costs continues.



Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. The Company's strong shareholder structure and group synergy, operations in a regulated market structure, sustainable operational earning generation capacity, predictable cash flow capacity as well as experienced and qualified organizational structure are important drivers for stable of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's financial developments, together with the trends in the industry 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.