

Corporate Credit Rating

New Update

Sector: Engineering & Construction

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Senior Analyst

Ezgi Çiçek YILMAZ

+90 212 352 56 73

ezgi.yilmaz@jcrer.com.tr

Assistant Analyst

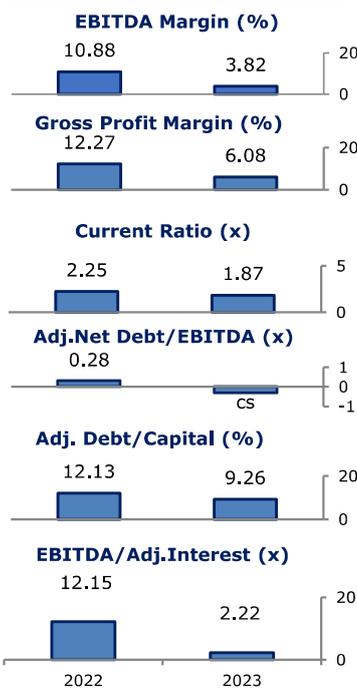
Eyüphan KARAYILAN

+90 212 352 56 73

eyuphan.karayilan@jcrer.com.tr

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 Local Currency	BB (Stable) BB (Stable)	-

* Assigned by JCR on May 10, 2024



GÜNGÖR ELEKTRİK SANAYİ VE TİCARET LTD. ŞTİ.

JCR Eurasia Rating has evaluated "Güngör Elektrik Sanayi ve Ticaret Ltd. Şti." in the investment grade category with high credit quality, affirmed the Long-Term National Issuer Credit Rating at 'A- (tr)' and revised 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' in line with the sovereign ratings and outlooks of Republic of Türkiye.

Güngör Elektrik Sanayi ve Ticaret Ltd. Şti. (hereinafter referred as "Güngör Elektrik" or "the Company") established on January 4, 1989. The headquarter of the Company is in Ankara, Türkiye.

The main field of activity of the Company is to provide construction contracting, engineering services and operation & maintenance services for electric power transmission, distribution and generation facilities. Currently, the Company is actively engaged in 11 construction projects.

The Company employed a staff force of 176 as of FYE2023 (FYE2022: 176).

The Company's main ultimate controlling shareholder is Mustafa Güngör with 94% share. The remaining 4% share belongs to Süleyman Hamdi Aydınılı and 2% share belongs to Ahmet Kutluk.

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

Strengths

- Ability to collaborate with public authorities, proven by a portfolio of completed and ongoing projects and sturdy backlog value indicating foreseeable revenue stream,
- Net cash position in FY2023 underpinning leverage indicators,
- Positive net working capital and rapid cash cycle easing liquidity management,
- Accumulated know-how and long experience in the sector.

Constraints

- Deterioration in EBITDA margin and other profitability indicators in FY2023,
- Notable decrease in EBITDA to interest expense ratio in FY2023,
- Improvement needs in compliance with corporate governance and risk management practices,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'A- (tr)'. Taking into account the Company's solid backlog value, net cash position in FY2023 and positive net working capital as well as notable decrease in EBITDA and uncertainties in the global economy 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 sales and profitability performance, liquidity and leverage indicators will be closely monitored by JCR Eurasia Rating in the 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.