JCR-ER JCR Eurasia Rating
"JCR-ER, Group of Japan Credit Rating Agency, Ltd." JCR

Corporate Credit Rating

☐New ☒Update

Sector: Construction
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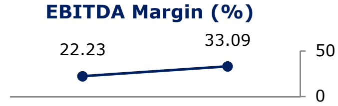
Team Leader
Demet Kızgınel
+90 212 352 56 73
demet.kizginel@jcrer.com.tr
Senior Analyst
Cihat Keskin
+90 212 352 56 73
cihat.keskin@jcrer.com.tr

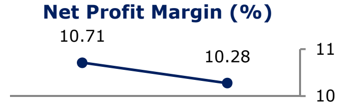
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA- (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)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

** Assigned by JCR on May 10, 2024*

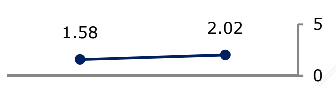
EBITDA Margin (%)



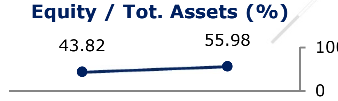
Net Profit Margin (%)



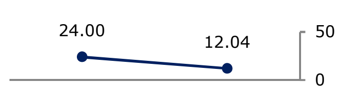
Current Ratio (x)



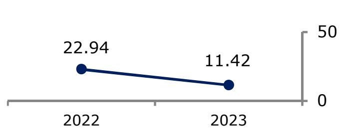
Equity / Tot. Assets (%)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



GİRİŞİM ELEKTRİK SANAYİ TAAHHÜT VE TİCARET A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of **"Girişim Elektrik Sanayi Taahhüt ve Ticaret A.Ş."** in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at **'AA- (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 have been determined as **'BB/Stable'** in line with the sovereign ratings and outlooks of Republic of Türkiye.

"**Girişim Elektrik Sanayi Taahhüt ve Ticaret A.Ş.**" (hereinafter referred to as "**Girişim Elektrik**" or "**the Group**") was established in 1999 in Ankara. The Group's main activity fields can be categorized as engineering and project services, turn-key contracting, sales and marketing, manufacturing, special distributorship and testing services.

The Group is one of the leading EPC contracting, engineering, sales and marketing companies in Turkish and regional electricity and energy industry, operating globally. Girişim Elektrik has a central campus in Ankara with a total production area of over 100,000 m^2 closed and 180,000 m^2 open as well as offices in North Macedonia, Netherlands, Algeria, Ukraine, Morocco, Serbia and Romania. It offers products and services in 80 countries in 5 continents with solutions it offers from generation to transmission, distribution to control of the energy needed for the sector.

Girişim Elektrik's shares have been quoted on Borsa Istanbul since August, 2021 with the ticker symbol of GESAN. Europower Enerji ve Otomasyon Teknolojileri, a subsidiary of Girişim Elektrik with a 52.70% share and consolidated in its financial statements, was offered to the public in April 2023. The Group had staff force of 1,715 as of December 31, 2023. (FYE2022: 1,189)

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

Strengths	Constraints
• Strong EBITDA generation capacity coupled with satisfactory profitability indicators in FY2023, • Robust financial position supported by cash surplus against financial debts as of FYE2023, • Operating with net working capital surplus and adequate current ratio, • Significant backlog value providing sustainable income visibility, • Positive contribution of completed and ongoing capacity investments to revenue generation, • Growing ESG awareness as well as need for renewable energy keeping the demand alive for the sector, • Having competitive advantages thanks to unique product creation capability through strong R&D activities, • Accumulated know-how and long track record in the EPC industry, • Compliance with corporate governance practices as a public company.	• Deterioration in CFO and FOCF in FY2023 leading external funding needs for operational cycle and ongoing investments, • Regulatory changes regarding solar panel production creating uncertainty in business strategies, • Rising construction costs and fluctuations on base metals price suppressing profitability in the sector, • Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been affirmed at **'AA- (tr)'**. Strong cash position, increasing brand awareness after IPO, high market share, demand for the sector, satisfactory backlog value and high receivables quality 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 indebtedness structure, cash flow metrics and profitability indicators 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 also be monitored.