

## Corporate Credit Rating

New  Update

**Sector:** Engineering & Construction  
**Publishing Date:** 17/08/2023

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

\* Assigned by JCR on Aug 18, 2022

## Yeo Teknoloji Enerji ve Endüstri Anonim Şirketi

JCR Eurasia Rating, has evaluated “**Yeo Teknoloji Enerji ve Endüstri Anonim Şirketi**” in the investment level category and affirmed the Long-Term National Issuer Credit Rating as ‘**A (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 assigned as ‘**BB/Negative**’ according to JCR-ER’s national-global mapping methodology.

Yeo Teknoloji Enerji Ve Endüstri Anonim Şirketi (‘the Company’ or ‘Yeo Teknoloji’) was established in 2004 in İstanbul. The main field of activity of the Company is providing services in engineering, electrification, automation, digitalization, IoT and power systems solutions for the energy and process industries in Türkiye and abroad. The Company offers solutions in installation and operation processes for renewable energy plants, energy transmission and distribution network, water and wastewater facilities, mining and cement facilities, oil and natural gas facilities, and the process industry.

In 2021 Yeo Teknoloji’s shares were listed on İstanbul Stock Exchange under the ticker “YEOTEK”. The Company’s free float is 30.33% (30.06.2023). The main shareholders of the Company consist of 7 different individuals with high industry experience, primarily Yıldız family members.

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

### Strengths

- Current backlog indicates the continuation of solid turnover growth,
- Ongoing improvement in EBITDA generation capacity in FY2022,
- Reasonable leverage metrics thanks to prudent financial management, despite partial increase in financial debts in 1H2023,
- Moderate liquidity indicators backed by cash and cash equivalents,
- Receiving advances at the initial stage of the projects contributes resource management,
- Sectoral/geographic diversity and rising renewable energy demand supporting growth potential,
- Conformity with compliance regarding corporate governance implementations as a publicly traded company.

### Constraints

- The decline in FOCF and equity share against rapid growth and CAPEX, which is needed due to the competitive structure of the sector,
- Construction and overseas activities involving operational risks,
- Fluctuating pattern of profitability margins during the review period,
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, while domestic restrictive financial conditions limiting access to finance.

Considering the aforementioned points, the Company’s the Long-Term National Issuer Credit Rating has been affirmed as “**A (tr)**”. The Company’s backlog level, ongoing investments, moderate financial leverage level, competitive advantages through geographical divergence with wide range of services, capability to access funding resources along with ongoing global uncertainties have been evaluated as important indicators for the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as ‘**Stable**’. On the other hand, the Company’s revenue and profitability performance, liquidity position, asset quality, cash flow metrics, indebtedness level, the developments regarding macro conditions and geopolitical risks will be closely monitored by JCR Eurasia Rating. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

