

Corporate Credit Rating

New Update

Sector: Contracting

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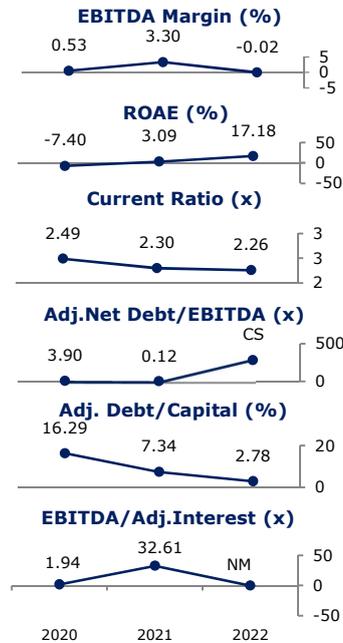
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB-	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024



-CS: Cash Surplus
 -NM: Not Meaningful

ZEYBEK PROJE YEN. ENERJİ İNŞ. SAN. VE TİC. A.Ş.

JCR Eurasia Rating, has evaluated 'Zeybek Proje Yenilenebilir Enerji İnşaat Sanayi ve Ticaret A.Ş.' in the investment grade category and assigned the Long-Term National Issuer Credit Rating as 'BBB- (tr)' and the Short-Term National Issuer Credit Rating as 'J2 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as 'BB-/Stable' according to JCR-ER's national-global mapping methodology.

Zeybek Proje Yenilenebilir Enerji İnşaat Sanayi ve Ticaret A.Ş. (hereinafter referred to as 'Zeybek Proje' or 'the Company') was established in 2000 in Bitlis in the title of 'Dikyer Petrol Ürünleri İnşaat Elektrik Nakliye Taahhüt İthalat İhracat Sanayi ve Ticaret Ltd. Şti.' and received its current title in 2017. The Company's main operating areas are electrical low-mid-high voltage facility works and electricity transmission line works as a subcontractor of electricity distribution companies, renting of vehicles to electricity distribution firms, and electricity production through solar power plant that located in Aydın with 4.3MW DC of installed capacity. The Company has completed 93 different projects with total contract value of TRY 1.92bn as of reporting date.

The Company's head office is located in Güroymak, Bitlis and two branches are located in Aydın. The number of personnel employed within the Company is 875 as of FYE2022 (FYE2021: 1,216). Abdullah Dikyer (85%), and Mazhar Dikyer (15%) are the shareholders of the Company.

The Company has been rated due to its cash and non-cash limit/risk situation, and key rating drivers, as strengths and constraints, are provided below:

Strengths

- Predictable revenue stream thanks to short-term projects and increasing trend in backlog value
- Improvement in core profitability margins in FY2023 compared to the previous year, according to corporate tax return figures
- Strong shareholder contribution mitigating dependency on financial loans and easing leverage profile
- Satisfactory net working capital and sustainable liquidity metrics during the review periods

Constraints

- Inherent risks that stem from cyclical, economic outlook, and operational activities in the construction industry
- Improvement needs in the level of compliance with corporate governance practices
- Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Ratings has been assigned as 'BBB- (tr)'. The Company's predictable revenue progression and increasing backlog amount, improved margins based on tax accounting figures, manageable leverage metrics thanks to shareholder contributions, and satisfactory liquidity metrics 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 revenue and EBITDA performance, profitability indicators, level of indebtedness, equity level and shareholder supports 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.