

## Corporate Credit Rating

New  Update

**Sector:** Energy

**Publishing Date:** 26/06/2024

### Team Leader

Sami Aksu

+90 212 352 56 73

[sami.aksu@jcrer.com.tr](mailto:sami.aksu@jcrer.com.tr)

### Senior Analyst

Bahadır SİNANOĞLU

+90 212 352 56 73

[bahadir.sinanoglu@jcrer.com.tr](mailto:bahadir.sinanoglu@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	BBB+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB+	-
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

## ENERJİSA ENERJİ A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Enerjisa Enerji A.Ş." and revised the Long-Term National Issuer Credit Rating from 'AAA (tr)' to 'AA (tr)' and affirmed 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 was established in 1996 by Hacı Ömer Sabancı Holding A.Ş. ("Sabancı Holding"). 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.

Enerjisa Enerji A.Ş. (hereinafter referred to as "Enerjisa Enerji" or "the Company" or 'the Group' with its subsidiaries) was established in December 2011 and Sabancı Holding and Verbund transferred their shares to Enerjisa Enerji A.Ş. Enerjisa Enerji operates as Türkiye's one of the leading companies in electricity distribution, retail sales and customer solutions. As of the end of 2023, the Company reaches 10.7 million customers mostly within 14 provinces across 3 distribution regions and population of 22 million.

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. As of the end of 2023, 40% share of the Company belong to Hacı Ömer Sabancı Holding A.Ş., 40% belongs to E.ON International Participations N.V. and the remaining 20% is traded in the stock market.

The Group has 11,520 employees as of March 31, 2024 (December 31, 2023: 11,583)

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

### Strengths

- Sustained operational performance despite challenging financial environment,
- Favourable level of financial leverage structure though deterioration in FY2023 due to increase in indebtedness,
- Visible and stable business profile supported with holding a long-term electric supply and distribution license,
- Notable increasing contribution of the customer solutions business to revenue and profitability,
- Reputable partnership structure backed by Sabancı Group and E.ON,
- High level of compliance with the corporate governance practices and international quality standards.

### Constraints

- Insufficient tariff increases and capex-driven activities resulting negative free cash flow, which may pressure on the company's liquidity and indebtedness,
- Deterioration in interest coverage metrics in FY2023,
- Dependency on regulations in terms of the Company's operations,
- 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.

The Company's audited financial statements include inflation adjustments in accordance with the terms of IAS 29 "Financial Reporting in Hyperinflationary Economies". Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been revised as 'AA (tr)'. The Company's regulated income stream, transparent and stable business profile, revenue generation capacity, strong shareholder structure and group synergy are important 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 profitability performance, cash flow generations, liquidity and financial risk metrics 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.

