

Corporate Credit Rating

New Update

Sector: Metal Industry

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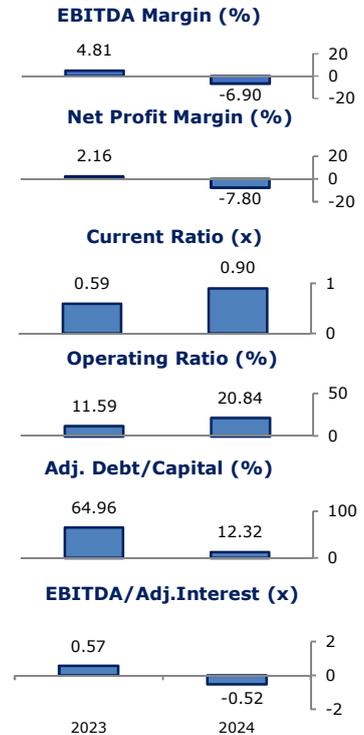
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB- (tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB-	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Affirmed by JCR on Sep 1, 2025



ÇELİK HALAT VE TEL SANAYİİ ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of "Çelik Halat ve Tel Sanayii Anonim Şirketi" in the investment grade category and revised the Long-Term National Issuer Credit Rating to 'BBB- (tr)' from 'BBB (tr)' and the Short-Term National Issuer Credit Rating to 'J3 (tr)' from 'J2 (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'.

Çelik Halat ve Tel Sanayii Anonim Şirketi (hereinafter referred to as "Çelik Halat" or "the Group") was established in Kartepe, Kocaeli in 1962. The primary objective of this establishment was to fulfill Türkiye's demand for high carbon steel ropes and wires. The Group's products have been utilized across a wide range of sectors, including cranes, construction, the oil and mining industries, ships, elevators, various transportation systems and agricultural machinery.

The Group's shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "CELHA" since 1986. As of the reporting date Çelik Halat's shareholders are Artaş İnşaat Sanayi ve Ticaret A.Ş. (Artaş İnşaat) (75.22%) and others (Publicly Traded) (24.78%). The Group employs 366 personnel as of June 2025 (FYE2024: 359 personnel).

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

Strengths

- Low collection risks thanks to high portion of insured trade receivables,
- Advantage of having support of main shareholder,
- Brand recognition and long-term sectoral experience,
- Compliance with corporate governance principles as a company listed in BIST.

Constraints

- Decline in sales revenue in FY2024 owing to decrease in sales volume as a result of increased competition in the sector,
- Suppressed profitability metrics and inadequate EBITDA generation in FY2024 and continued in 1H2025,
- Deteriorated leverage and coverage indicators due to lack of EBITDA generation in FY2024 despite the decline in bank loan utilization,
- High non-cash contribution of revaluation gains in equity despite the paid-in capital increases in FY2024,
- Operating with net working capital deficit over the analyzed years suppressing liquidity metrics,
- Relatively high level of operating ratio in FY2024,
- 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 Group's Long-Term National Issuer Credit Rating has been revised to 'BBB- (tr)' from 'BBB (tr)'. The Group's low collection risks, support of main shareholder, long-lasting experience in the industry as well as decline in sales revenue in FY2024, inadequate EBITDA generation capacity, deteriorated leverage and coverage indicators, low level of 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 Group's profitability metrics, sales growth, liquidity position, debt structure and asset quality 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.