

Corporate Credit Rating

New Update

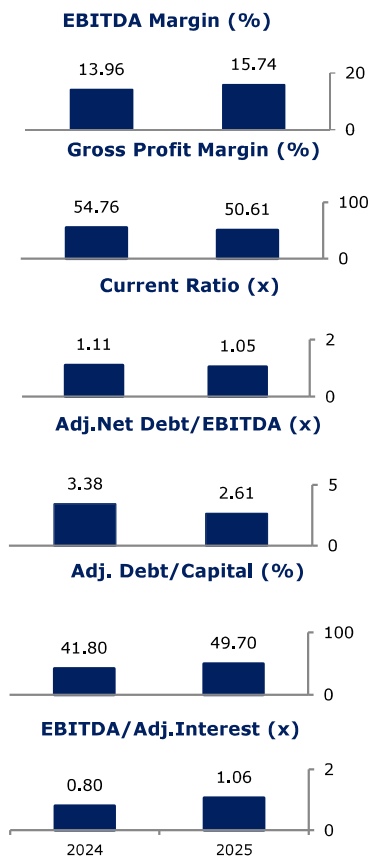
Sector: Retail Trading
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB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

* Affirmed by JCR on September 1, 2025



DAGI GİYİM SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated the consolidated structure of "Dagi Giyim Sanayi ve Ticaret 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 'J2 (tr)' from 'J3 (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 parallel to sovereign ratings and outlooks of Republic of Türkiye.

Dagi Giyim Sanayi ve Ticaret Anonim Şirketi (hereinafter referred to as "Dagi Giyim" or "the Group") was established in 1984. The Group's shares were acquired by the Koç Family in 2004. Its shareholder is Mahmut Nedim Koç with 56,17% as of FYE2025. In addition, Dagi Giyim's shares are listed in Borsa İstanbul (BIST) since 2011 with the ticker "DAGI". As of FYE2025, 43.83% of Dagi Giyim's shares are publicly traded. Mahmut Nedim Koç is the main shareholder of Dagi Giyim.

Dagi Giyim has been serving its customers since 1984 by selling underwear, pajamas, nightgowns, tracksuits, maternity and maternity clothes, swimwear, sea shorts, home wear products. The Group has sales in 122 stores both in Türkiye and abroad as of FYE2025. 87 of the stores are domestic retail stores, 11 are domestic franchising stores and 24 are foreign franchising stores. In addition to the physical stores, the Group also has an online store. The Group maintains its operations by staff force of 724 employees as of FYE2025 (FYE2024: 738).

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

Strengths

- Revenue growth supported by increases in customer traffic and sales volume,
- Improving EBITDA generation capacity along with sustainable key profitability metrics in FY2025,
- Strengthening of cash management and cash flow metrics driven by shortening cash conversion cycle despite still remaining at long periods,
- Asset quality strengthened by the low collection risks thanks to nature of business,
- Diversified income stream thanks to differentiated products and sales channels,
- Compliance with corporate governance practices.

Constraints

- Operating losses continues despite a decrease in operational expenses,
- Increasing financial indebtedness as of the reporting period,
- Inadequate coverage metrics constrained by elevated interest burden despite improvement in FY2025,
- Deepening of FX short position due to the increase in FX denominated financial debts in the reviewed periods,
- As actions for a global soft-landing gain prominence, geopolitical risks and 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)'. Taking into account the Group's long business track record, sustainable of asset and sales growth, experienced management team, predictability operational performance, improvement in cash flow metrics, well-known brand name, limited collection risk and compliance corporate governance practice, as well as high level of OpEx, long cash conversion cycle, short-term weighted debt structure, high financing expenses and FC financial debts; 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'. An achievement of budget targets of the Group, debt ratio, profit margins and liquidity indicators, as well as market conditions regarding the sector 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.