

Corporate Credit Rating

New Update

Sector: Non-Food Retail
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit 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 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

DENİZ EKO ENERJİ ve GERİ DÖNÜŞÜM ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated "Deniz Eko Enerji ve Geri Dönüşüm Anonim Şirketi" in the investment level category and affirmed the Long-Term National Issuer Credit Rating at 'BBB (tr)' and the Short-Term National Issuer Credit Rating at 'J2 (tr)' with 'Stable' outlooks. The Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/Stable' in line with the sovereign ratings and outlooks of Republic of Türkiye.

"Deniz Eko Enerji ve Geri Dönüşüm Anonim Şirketi" (hereinafter referred to as 'Deniz Eko' or 'the Company') was established in 1994. The Company's former trade name was Deniz Otomotiv İnşaat Tekstil Sanayi ve Ticaret Limited Şirketi, and it was changed to Deniz Eko Enerji ve Geri Dönüşüm Anonim Şirketi following a change of company type on June 21, 2024. The Company's headquarter is located in İstanbul. The Company operates in the sectors of automotive, textile recycling industry and energy production.

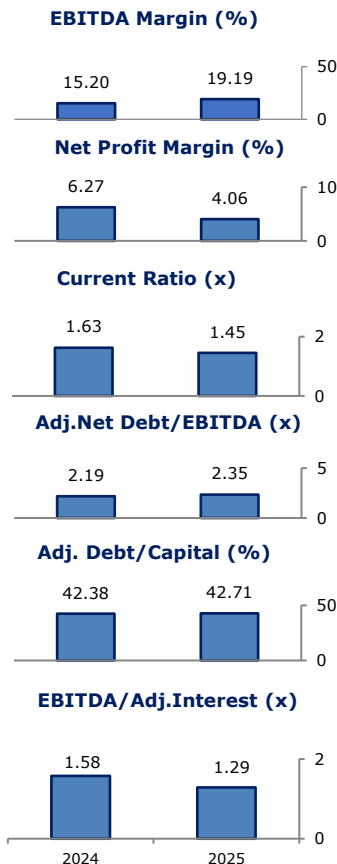
The Company entered the automotive sector in 2012 by becoming an authorized dealer of Peugeot, providing vehicle sales, service, maintenance and repair, spare parts, and used car sales. Since 2023, the Company has also been an authorized dealer of Opel and Citroën. The Company's showrooms are located in Ataşehir and Beylikdüzü.

The Company produces regenerated fibers from textile waste at its local factory in Uşak. The regenerated fiber products produced by the Company are mainly used in the production of new textile products, and as insulation materials in various sectors. Recently, the Company's factory has a production capacity of 60,000 ton per year.

The Company entered the energy sector in 2022, primarily to meet the energy needs of its factory located in Uşak, and in this context, invested in a rooftop solar power system. Lately, in 2024, the Company also completed the installation of a ground-mounted solar power system. The Company's total energy production capacity is 6,000 kWp per year. Additionally, in 2024, the Company began selling the energy it generates to the market for the first time.

As of FYE2025, the Company's sole shareholder is Memet Karaer. The Company has been utilizing capital market instruments covering both equity and debt financing. Since June 2024, the Company has been undergoing an initial public offering (IPO) process. According to the draft prospectus, the IPO will be conducted through capital raise involving the issuance of TRY 500.00mn in nominal value of new shares. In 2026, the Company accessed the capital markets through debt security issuances, successfully raising a total of TRY 500.00mn.

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



Strengths

- Satisfactory EBITDA generation performance in the analysed period,
- Decent equity level during the analysed period, although a non-negligible portion of equity consisted of non-cash contributions,
- High collection ability of receivables supporting asset quality,
- The positive impact of being an authorized dealer for well-known brands in automotive industry,
- Diversified funding profile including debt security issuances in 2026,
- Positive outlook for the textile recycling industry backed by sustainability concerns.

Constraints

- Negative CFO and FOCF together with long cash cycle in FY2025,
- Short-term weighted borrowing profile suppressing bottom-line profitability and interest coverage ratio,
- Relatively high net debt to EBITDA multiplier in FY2025,
- Fragile demand structure of automotive sector against macroeconomic policies,
- 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 Company's Long-Term National Issuer Credit Rating has been affirmed at 'BBB (tr)'. The Company's satisfactory EBITDA generation capacity, reasonable equity level, low collection risk and positive outlook regarding textile recycling industry as well as unsatisfactory cash flow metrics and long cash cycle, relatively high interest expenses driven by short-term oriented debt structure, and ongoing macroeconomic uncertainties 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 leverage, liquidity and profitability indicators will be closely monitored by JCR Eurasia Rating in the 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.