Corporate Credit Rating

☒New ☐Update

Sector: Metal Industry
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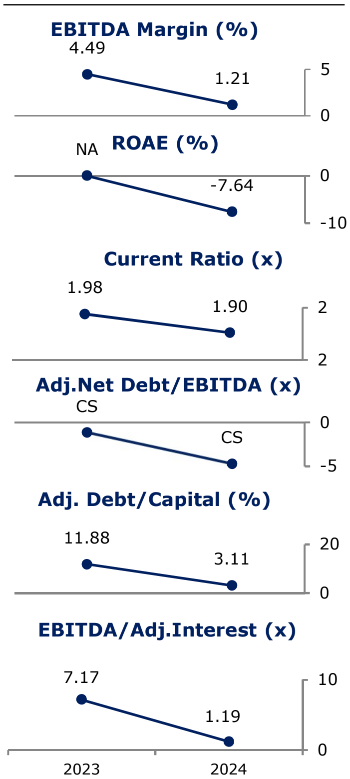
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Assigned by JCR on May 10, 2024*



NA: Not Applicable
CS: Cash Surplus

DOFER YAPI MALZEMELERİ SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated **"Dofer Yapı Malzemeleri Sanayi ve Ticaret A.Ş."** in the investment grade category with high credit quality and assigned the Long-Term National Issuer Credit Rating as **'A (tr)'** and the Short-Term National Issuer Credit Rating as **'J1 (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as **'BB/Stable'** as parallel to international ratings and outlooks of Republic of Türkiye.

Dofer Yapı Malzemeleri Sanayi ve Ticaret A.Ş. (hereinafter referred to as **'Dofer Yapı'** or **'the Company'**) was established in 1985 in Ankara to engage in the wholesale and retail trade of ribbed rebar. In 2005, the Company expanded its operations into manufacturing and began producing ready-made iron and related products at its facility in Başkent Organized Industrial Zone. The production area was first commenced in 2005, and further expanded in 2015, when the Company also began the production of steel mesh. Dofer Yapı invested in a second facility in 2017 to meet growing market demand and established a steel mesh production facility in Karabük Organized Industrial Zone. Currently, Dofer Yapı operates two major facilities in Ankara and Karabük Organized Industrial Zones, with a combined annual production capacity of 96,606 tons for rebar and steel mesh, and 37,200 tons for pre-cut rebar. The Company sustains its operations in a 17,380 m² closed and 44,400 m² open production areas.

The Company's shares have been traded on Borsa Istanbul (BIST) under the ticker symbol "DOFER" since October 16, 2023. 30.96% of the Company's shares were publicly traded and the remaining 64.09% belongs to the Doğan family as of end of 2024. The Company's main ultimate controlling shareholders are Mustafa Doğan with 36.84% share, Yağmur Doğan with 15.99% share, Mert Doğan with 15.52% and Yasemin Doğan with 0.69%.

The Company has totally 126 employees in FYE2024 (FYE2023: 154).

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

Strengths	Constraints
• Increasing revenue performance mainly supported by sales volume growth in 2024, • Sound leverage metrics underpinned by a cash surplus position in 2023 and 2024, despite a mild rise in indebtedness in 2025, • Expected contribution of the ongoing investment in terms of growth and profitability in upcoming periods, • Strong level of equity, with sizable contribution of capital adjustment differences and revaluation gains, albeit the low level of paid-in capital and dividend distribution, • Satisfactory cash conversion cycle metrics and positive net working capital during the review periods, • Compliance with Corporate Governance Practices and quality standards as a recently publicly listed company and long-lasting experience in the sector.	• Notably low and declined profitability indicators due to inability to reflect cost increases in sales in 2024, • Remarkably low level of interest coverage ratios in 2024, • Supplier concentration risk combined with globally fluctuating metal prices and intense competition continues to suppress the profit margins, • As action 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 Company's the Long-Term National Issuer Credit Rating has been assigned as **'A (tr)'**. The Company's extensive experience in the sector and know-how, revenue and sales volume, strong equity level, cash surplus position despite slight increase in indebtedness as well as slim and decline in profitability indicators, low level of interest coverage ratio, contraction in CFO and susceptibility to raw material prices and competition are 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 profitability performance, sales volume, indebtedness level, cash flow and liquidity metrics, coverage and leverage indicators, receivable quality and equity level 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.