

## Corporate Credit Rating

New  Update

**Sector:** Metal Industry

**Publishing Date:** Oct. 24, 2025

**Team Leader**

Demet Kızınel

+90 212 352 56 73

[demet.kizinel@jcrer.com.tr](mailto:demet.kizinel@jcrer.com.tr)

**Senior Analyst**

Elif San

+90 212 352 56 73

[elif.san@jcrer.com.tr](mailto:elif.san@jcrer.com.tr)

**Assistant Analyst**

Enes Talha Taçyıldız

+90 212 352 56 73

[enes.tacyildiz@jcrer.com.tr](mailto:enes.tacyildiz@jcrer.com.tr)

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

\* Affirmed by JCR on September 1, 2025

## ERBOSAN ERCİYAS BORU SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating has evaluated "Erbosan Erciyas Boru Sanayi ve Ticaret Anonim Şirketi" in the investment-grade category with the high credit quality and revised the Long-Term National Issuer Credit Rating to 'A- (tr)' from 'A (tr)' and revised the Short-Term National Issuer Credit Rating to 'J2 (tr)' from 'J1 (tr)' with 'Stable' outlooks. On the other hand, 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.

**Erbosan Erciyas Boru Sanayi ve Ticaret Anonim Şirketi** (hereinafter referred to as "Erbosan" or "the Company") was established in 1974 by 111 partners. The main activity of the Company is the production and sale of longitudinally welded, black, galvanized steel pipes, profiles and zinc calcine. The Company's products include plumbing pipes, natural gas pipes, pressure pipes, profile pipes, industrial pipes, fire installations pipes and rolled sheet metal. Erbosan has two pipe profile production facilities and one zinc calcine production facility in Kayseri.

Considering the 16<sup>th</sup> article of the Capital Markets Law, it was deemed to have been offered to the public in 1982, subject to the provisions of the Capital Market Law, since there were 111 partners in the first establishment of the Company on April 2, 1974. In addition, the Company's all of shares are listed in Borsa İstanbul (BIST) since 1995 with the ticker "ERBOS".

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

### Strengths

- Sustainable sales tonnage supported by export, despite decrease in sales revenue in FY2024,
- Strong equity base despite low level of paid in capital,
- Maintaining high asset quality and low collection risk,
- Deep industry knowledge and long-standing experience in steel pipe sector,
- Compliance with corporate governance practices.

### Constraints

- Decline in gross profit and EBITDA margin due to increased pricing pressure on products in FY2024,
- Deteriorating adjusted net debt to EBITDA multiplier due to decrease in EBITDA in 1H2025,
- Currency risk exposure stemming from short FX position over the reviewed periods,
- Foreign exchange losses contributing to higher financing expenses and putting pressure on bottom line,
- Long cash conversion cycle and high operational expenses,
- High dependence across the sector on imported inputs for manufacturing,
- 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 Company's Long-Term National Issuer Credit Rating has been revised to 'A-(tr)' from 'A (tr)'. The Company's resilience of foreign exchange-weighted income structure against market fluctuations, robust equity structure, high asset quality and experienced and qualified organizational structure, as well as, decline in profit margins, deteriorating net debt to EBITDA multiplier, short FX position, high financing expenses, long cash conversion cycle, volatility in raw materials and worsening in local and global economic conditions 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 revenue generation performance, leverage profile, liquidity metrics and profitability margins 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 also be monitored.

