

Corporate Credit Rating

☐ New ☒ Update

Sector: Metal Industry

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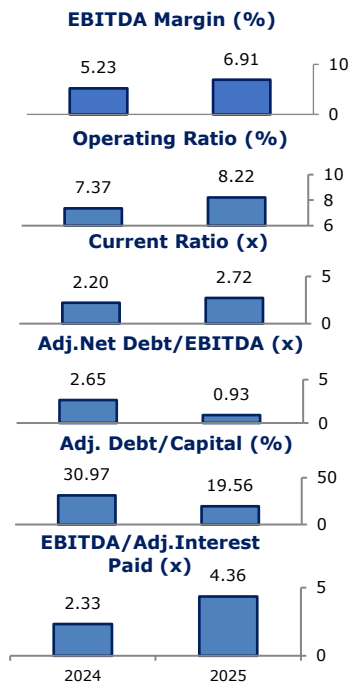
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating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

* Affirmed by JCR on August 21, 2026



Erbosan Erciyas Boru Sanayi ve Ticaret Anonim Şirketi

JCR Eurasia Rating has evaluated "Erbosan Erciyas Boru Sanayi ve Ticaret Anonim Şirketi" in the investment grade category with high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'A- (tr)' and the Short-Term National Issuer Credit Rating at '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' 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 and profiles. 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 in Kayseri.

Considering the 16th 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 shares are listed in Borsa İstanbul (BIST) since 1995 with the ticker "ERBOS".

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

Strengths

- Equity base reinforced by strong retained earnings supporting the financial structure despite low level of paid-in capital,
- High asset quality owing to low level of doubtful receivables achieved through direct debiting system,
- Deep rooted operating history and established market presence in steel pipe industry dating back to 1974,
- Compliance with the Corporate Governance Practices as a publicly listed company,

Constraints

- Decline in revenue generation due to pricing pressure in 1H2026,
- Limited profitability metrics despite slight improvement in 1H2026,
- Elevated leverage metrics in 1H2026 and increased indebtedness as of the reporting date despite maintaining a manageable leverage profile,
- Long cash conversion cycle due to inventory and payables turnover,
- Currency risk exposure stemming from short FX position over the reviewed periods,
- Structural dependence on imported inputs across the industry,
- Geopolitical tensions intensify inflationary pressures, constraining the easing of global financial conditions.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'A- (tr)'. The Company's strong equity base, high asset quality and deep-rooted operating history as well as constrained revenue generation, limited profitability, elevated leverage metrics, long cash conversion cycle, short FX position and the industry's sensitivity to macro dynamics have been evaluated as important indicators for 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, efficiency profile, liquidity position and financial leverage 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.