

Corporate Credit Rating

□ New □ Update

Sector: Metal Industry

Publishing Date: 26/10/2026

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	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 Aug 21, 2026

EREĞLİ DEMİR VE ÇELİK FABRİKALARI TÜRK A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketi" in the investment grade category with the highest credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AAA (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. In addition, 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.

"Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketi" (hereinafter referred to as "Erdemir" or "the Group" or "the Company") was established on May 10, 1960 in Ankara, Türkiye and joined OYAK Group after the privatization in 2006. The Group's headquarter is located in İstanbul, Türkiye.

The Group produces hot and cold rolled, tin, chromium and zinc coated flat steel at international quality standards and provides basic input to the automotive, white goods, energy, construction, pipe and tube, shipbuilding, household appliances, mechanical engineering, heat and pressure vessels, heavy industry, food and packaging sectors.

The Company ranked 16th in the list of Türkiye's Top 500 Industrial Enterprises published by İstanbul Chamber of Industry in 2025 (2024: 9th).

The Company has 9 subsidiaries and 1 joint venture as of 9M2026. The Group has a total of 12,781 employees as of 9M2026 (FY2025: 12,824).

The Group's main shareholder with 49.54% share is "ATAER Holding A.Ş.", founded as Special Purpose Vehicle for consolidation of OYAK Group Mining & Metallurgy companies. As of 9M2026, Erdemir holds 3.97% of its own shares and 46.49% of shares are publicly traded on the Borsa İstanbul (BIST) with the ticker symbol "EREGL".

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

Strengths

- Reasonable sales revenue and EBITDA generation capacity over the years and expected to continue in 2026 financials,
- Short-term cash surplus position and manageable net debt to EBITDA multiplier, despite decreasing interest coverage ratio in FY2025,
- Positive cash flow metrics in FY2025 easing liquidity management,
- Low collection risk underpinned by a well-diversified customer portfolio across multiple sectors, supporting asset quality,
- FX linked revenue stream providing natural hedging opportunity against currency risk to a certain extent,
- Well-positioned subsidiaries providing synergy via diversified region and operations,
- Strong domestic market position and extensive industry expertise,
- Well-established partnership structure backed by OYAK's extensive experience and compliance with corporate governance principles.

Constraints

- High dividend pay-out ratio in the analyzed period and anticipated additional CapEx requirements to ensure compliance with sustainability targets, despite satisfactory equity level over the years,
- High sensitivity of the sector to global economic conditions and commodity price fluctuations,
- Geopolitical tensions intensify inflationary pressures, constraining the easing of global financial conditions.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. The Group's reasonable sales revenue and EBITDA generation capacity, short-term cash surplus, manageable net debt to EBITDA multiplier, positive cash flow metrics, low collection risk and FX linked revenue stream as well as high dividend pay-out ratio and geopolitical tensions constraining monetary expansion 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 Group's financial structure, sales and profitability performance, liquidity and leverage 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.

