

Corporate Credit Rating

New Update

Sector: Chemicals 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	-
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 September 01, 2025

Gübre Fabrikaları Türk A.Ş.

JCR Eurasia Rating, has evaluated consolidated structure of "Gübre Fabrikaları Türk A.Ş." in investment grade category with high credit quality on the national scales and affirmed its Long-term National Issuer Credit Rating at 'A+ (tr)' and the Short-Term National Issuer Credit Rating at '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.

Gübre Fabrikaları Türk A.Ş. (referred to as 'Gübre Fabrikaları' or 'the Company' or 'the Group') was established in 1952, in İstanbul. The Company's headquarter is located in Ümraniye, İstanbul. The Company operates in the production, trade, and marketing of chemical fertilizers. Throughout Türkiye, the Company has 8 regional offices, 5 production facilities, 5 laboratories, 4 laboratories, 1 R&D center, and 2 ports in Yarımcı and İskenderun, with over 2,500 sales points. The Company owns a total of 445,470 m² of real estate assets, including 164,772 m² of covered area, comprising facilities, warehouses, and administrative buildings. Furthermore, its Yarımcı facilities have a production capacity of 800,000 tons/year of chemical fertilizers, and its İzmir facilities have a capacity of 100k tons/year of liquid and powder fertilizers, for a total production capacity of 900k tons/year. The Company also operates in port management, and its ports in İskenderun and Yarımcı, where it conducts a significant portion of its logistics operations, have a total warehouse capacity of 450,000 tons. The Company operates through its subsidiary, Razi Petrokimya A.Ş. Through its operations, Razi produces and sells fertilizers and fertilizer raw materials in Iran. Razi and its subsidiary Arya's products include Ammonia, Urea, DAP, Sulfur, Sulfuric Acid, and Phosphoric Acid. In 2024, the Company achieved a sales volume of 2.63mn tons, including liquid and powder fertilizers, representing a 2.96% increase compared to the previous year. Production increased by 10.25% compared to the previous year, reaching 1.95mn tons. Furthermore, the Company owns a mining site in the northwest of Bilecik province, where the first phase of construction has been completed and which holds approximately 3.5mn ounces of gold reserves. In December 2024, a turnkey supply agreement worth EUR 70mn for the phase 2 facility, including plant machinery, equipment, and materials, was signed. As of 9M2025, total number of the employee working for the Group is 1,893.

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

Strengths

- Noteworthy EBITDA contribution from mining operations both in FY2024 and 9M2025 period supporting the diversified revenue structure and improvement in EBITDA margin in 9M2025 interim results
- Improvement in net debt/EBITDA ratio and coverage metrics over the analyzed years coupled with interest surplus position in FY2024
- Sufficient cash flow metrics thanks to the significant portion of domestic fertilizer sales made to the main shareholder with a low collection period
- Solid equity structure strengthened by retained earnings despite the contribution of non-cash components
- Tax advantages obtained with the investment incentive certificates
- Long lasting presence and considerable market share in fertilizer industry with strong domestic network and well-known brand
- Compliance with corporate governance principles as a publicly listed company

Constraints

- Ongoing sanctions on Iran and unsecured sales to Iran state authorities continue to be a risk factor for profitability margins
- Short-term maturity profile of financial debt structure putting pressure on liquidity metrics
- Import dependency and exposure to fluctuations in the global input prices and weather conditions
- Regulatory environment affecting profit margins and competition in the fertilizer industry
- 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 affirmed at 'A+ (tr)'. The Company's strong brand recognition and market share in fertilizer industry, solid EBITDA generation, strong equity structure and global soft-landing actions along with ongoing uncertainties with potential to adversely affect global trade 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 indebtedness level, sales growth, profitability, liquidity indicators, local and global macroeconomic indicators as well as market conditions and legal framework about the sector will be closely monitored by JCR Eurasia Rating.

