

Corporate Credit Rating

New Update

Sector: Metal Industry

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Team Leader

Hulusi Girgin

+90 212 352 56 73

hulusi.girgin@jcrer.com.tr

Analyst

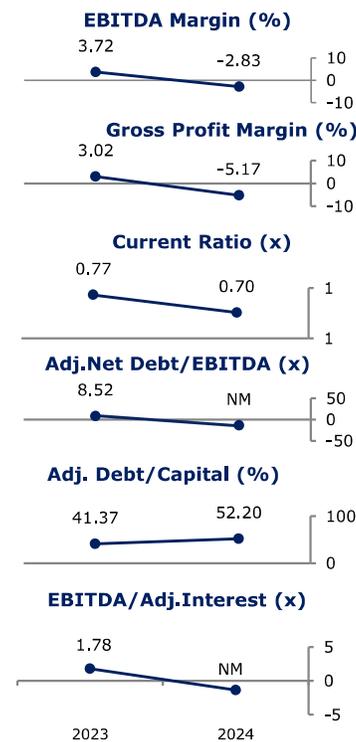
Mehmet Fatih Özbey

+90 212 352 56 73

mehmetfatih.ozbey@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB- (tr)	J3 (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)	-

* Affirmed by JCR on September 01, 2025



NM: Not Meaningful

İZMİR DEMİR ÇELİK SAN. A.Ş.

JCR Eurasia Rating, has evaluated "İzmir Demir Çelik Sanayi A.Ş." in investment grade category and affirmed the Long-Term National Issuer Credit Rating at 'BBB- (tr)' and the Short-Term National Issuer Credit Rating at 'J3 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed at 'BB-/Stable'.

İzmir Demir Çelik Sanayi A.Ş. (hereinafter referred to as "İDÇ", "the Company" or "the Group"), was established in İzmir with the aim of producing construction iron. The rolling mill facilities of the Company were put into operation in 1983, and the steel mill in 1987. İDÇ continues its production activities in an area of over 550,000 m² in Aliağa Heavy Industry Zone in İzmir. With the completion of the new steel mill production facility in June 2024, the Company's capacity has been increased to 3.1 million tons/year and the bar mill production capacity has been increased to 1.4 million tons/year over time. In 2013, İDÇ took over a profile rolling mill with an annual capacity of 400,000 tons to expand its product range. At present, the main activities of the Company and its subsidiaries are the production, sales and marketing of iron and steel products as well as port services, energy generation and trading. In the list of Türkiye's top 500 industrial enterprises published every year by the Istanbul Chamber of Industry, the Company ranked 41st (2023: 49th) in the general ranking in 2024. Moreover, İDÇ ranked 127th in the general ranking and 18th in the sector ranking in the Top 1000 list for 2024 announced by the Turkish Exporters Assembly. The shares of İDÇ have been traded on the Istanbul Stock Exchange (BIST) since 24.01.1986 with the ticker of IZMDC. The average number of personnel employed within the Group as of September 30, 2025 is 2,242 (FYE2023: 2,224).

The main ultimate controlling shareholder of İDÇ is Şahin-Koç Çelik Sanayi A.Ş., holding a 58.13% stake, while the remaining 41.87% of shares are publicly traded.

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

Strengths

- Strengthening production and sales volumes in line with the capacity increase following the completion of steel mill investment,
- Growing export share enhancing revenue diversification over the analyzed periods,
- Continued adequate equity level mainly fed by capital adjustment differences despite net loss in FYE2024 and 3Q2025,
- Sustained low level of doubtful trade receivables considering total trade receivables and total assets,
- Long lasting experience in the sector dating back to 1975 and compliance with the corporate governance practices as a publicly traded company.

Constraints

- Weak profitability margins over the analyzed periods despite slight recovery in 3Q2025,
- Ongoing elevated financing expenses pressuring the bottom line over the analyzed periods,
- Continued deterioration in leverage and coverage metrics in FY2024 and 3Q2025,
- Predominantly short-term debt structure posing pressure on liquidity,
- 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 'BBB- (tr)'. Production and sales volumes supported by capacity expansion investment, increasing level of export sales, equity structure, receivable quality maintained by low level of trade receivables, long-lasting experience in the sector, risk factors in the markets, and business environment as well as weak profitability margins, high level of financing expenses, deterioration in leverage and coverage metrics, short-term debt structure and geopolitical risks-driven uncertainties 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 affirmed at 'Stable'. The Company's indebtedness level, financial and operational impact of capacity expansion investment, sales volume and profit margins, liquidity and cash flow metrics, equity structure, and the outlook of the steel industry 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.