Corporate Credit Rating

☐New ☒Update

Sector: Metal Industry
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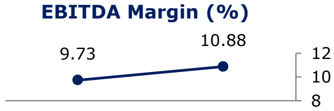
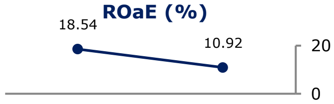
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB- (tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB-	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Affirmed by JCR on August 21, 2026*

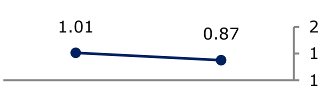
EBITDA Margin (%)



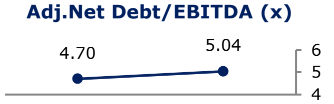
ROaE (%)



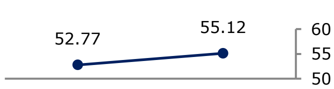
Current Ratio (x)



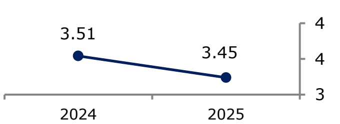
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



KARDEMİR ÇELİK SANAYİ ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of **"Kardemir Çelik Sanayi Anonim Şirketi**" in the 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 determined as **'BB-/Stable'**.

Kardemir Çelik Sanayi Anonim Şirketi (hereinafter referred as "**Kardemir Çelik"** or **"the Group"**) was established in 1969 under the name of "Karay Demir Sanayi Ve Ticaret Limited Şirketi'' in Denizli, Türkiye and started manufacturing activities with first production facility. On August 26, 1992, the Group changed its title to "Kardemir Haddecilik San. Tic. Ltd. Şti". The type of the Group was changed from "limited" Group to "joint-stock" Group on January 08, 2018. Finally, on June 08, 2021 the Group changed its name to "Kardemir Çelik Sanayi A.Ş.''. Kardemir Çelik is involved in manufacturing of equal edge angle iron, flat bar, square profile, NPU, NPI, T bar and round bar in various sizes (app. 2000 different sizes) for mainly construction sector. The Group employed a staff force of 1,319 as of 1H2026 (FYE2025: 1,357).

The Group's ultimate controlling shareholder is Önder KARALP, holding a 51.0% ownership stake, while Özlem BAKIREL and Özge YASTI each hold a 24.50% share in the Group.

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

Strengths	Constraints
• Sustained top-line momentum supported by strategic investments and expanded production capabilities, coupled with robust EBITDA generation, • Strong export capabilities with notable penetration across key international markets, reinforcing revenue diversification and competitive positioning, • Positive cash flow generation as of 1H2026, reflecting improved internal cash generation capacity, • Strategic proximity to key ports supporting logistical efficiency across raw material sourcing and export operations, • Extensive industry know-how built upon decades of operational experience, • Improved practice of corporate governance principles following the IPO process, supporting institutionalization and market visibility.	• Elevated leverage amid investment-led funding needs and working capital requirements, compounded by sizeable short-term indebtedness and heightened financing costs, • Exposure to volatile steel and key input prices alongside foreign exchange rate fluctuations, inherent to the industry's operating dynamics, • As actions for a global soft-landing gain prominence, geopolitical risks and decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Group's the Long-Term National Issuer Credit Rating has been affirmed at **'BBB- (tr)'**. Taking into account the Group's sustained top-line growth, natural hedging capacity supported by FX-linked revenues, extensive industry know-how, as well as elevated debt burden and escalating financing costs, the prevailing dynamics of the metals industry and global economic environment 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 sales and profitability performance, cash generation and liquidity structure, indebtedness level and attainability of the Group's budgeted projections 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.