

## Corporate Credit Rating

New  Update

**Sector:** Automotive

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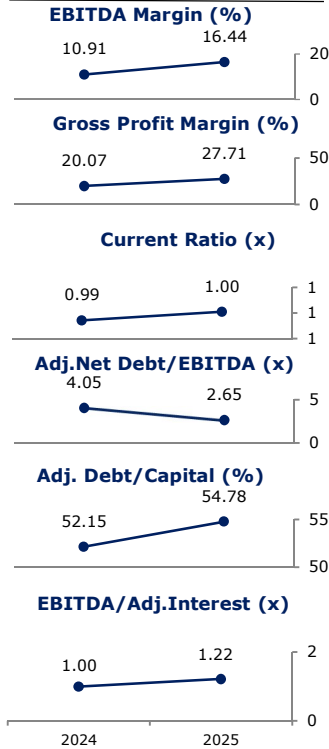
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Affirmed by JCR on September 01, 2025



## KARSAN OTOMOTİV SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating has evaluated "Karsan Otomotiv Sanayi ve Ticaret A.Ş." in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating from 'A (tr)' to 'A+ (tr)' and affirmed the Short-Term National Issuer Credit Rating as 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been affirmed as 'BB/Stable' as parallel to sovereign ratings and outlooks of Republic of Türkiye.

**Karsan Otomotiv Sanayi ve Ticaret A.Ş.** (referred to as 'the Company' or 'Karsan'), was established on August 27, 1966 by 269 investors. The majority of Karsan's shares were acquired by Koç Group in 1979, and it operated as a subsidiary of Koç Group until 1998. With the acquisition of the majority of shares of the Company by İnan Kıraca, the new group of the Company became Kıraca Holding. The Company's shares have been traded on the İstanbul stock exchange since 2000 under the ticker symbol "KARSN". According to the independent audit report, as of 31.12.2025, 58.51% of the Company's shares belong to Kıraca Holding A.Ş., and 2.05% belong to other investors. 39.44% is free float. In addition to its own branded vehicles, Karsan has developed its production culture by collaborating with many global brands such as Renault. The Company currently produces models named Jest, Ata and Atak under its own brand and also carries out contract-based production. Since the early 2010s, the Company has continued its activities as an important public transportation vehicle manufacturer both locally and globally, with an increasing number of new Karsan-branded vehicle models. The Company, headquartered in Bursa/Nilüfer, has two facilities in Hasanağa Organized Industrial Zone and Bursa Organized Industrial Zone. According to the independent audit report, as of 2025, Karsan employed an average of 2,308 personnel (2024: 2,364).

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

### Strengths

- Sustained revenue growth supported by electric vehicles, contract manufacturing and high capacity utilization,
- Improvement trend in leverage indicators, led by the notable increase in profitability indicators despite ongoing short-term pressure,
- Contribution of Sukuk and corporate bond issuances realized to the liquidity profile through improving funding access and maturity structure,
- Foreign currency-based revenue streams provide natural hedge mechanism to some extent,
- Extensive operational history in the automotive industry, underpinned by growing focus on ESG-related activities alongside electric vehicle exports and sustained R&D and innovation investments,
- Compliance with corporate governance practices owing to listed status.

### Constraints

- Constrained interest coverage metrics stemming from elevated interest expenses,
- High level of trade net working capital, mainly driven by receivables and extending inventory position,
- Price fluctuations triggered by energy and labour costs may suppress profitability by affecting the ability to compete with global players,
- 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 Company's Long-Term National Issuer Credit Rating has been revised from 'A (tr)' to 'A+ (tr)'. The Company's sustainable revenue performance, increasing electric vehicles actively in service globally, high capacity utilization, long years of sector experience, using 100% renewable electricity in production, along with ongoing uncertainties arisen from geopolitical tensions as well as global interest rate hiking cycle, 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 profitability performance, asset quality and equity structure 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.