

Corporate Credit Rating

New Update

Sector: Specialty Vehicles & Equipment, Defense

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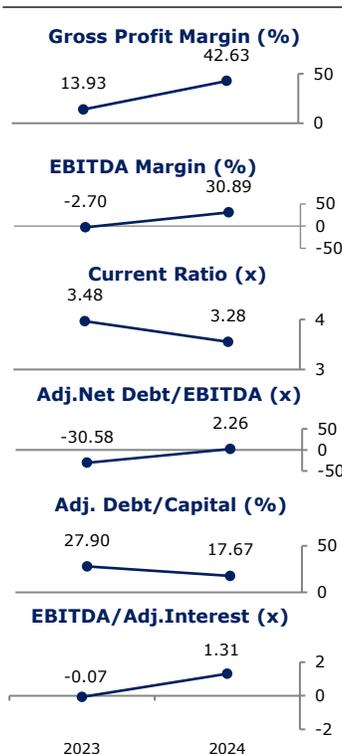
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BB+ (tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	B+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	B+	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on September 01, 2025



Katmerciler Araç Üstü Ekipman San. ve Tic. A.Ş.

JCR Eurasia Rating, has evaluated "Katmerciler Araç Üstü Ekipman San. ve Tic. A.Ş." in the speculative grade category and upgraded the Long-Term National Issuer Credit Rating from 'BB (tr)' to 'BB+ (tr)' and affirmed 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 assigned as 'B+/Stable' in line with the global and national scale rating matching published by JCR Eurasia Rating.

Katmerciler Araç Üstü Ekipman San. ve Tic. A.Ş. (hereinafter referred to as "Katmerciler" or "the Company"), established in 1985 in İzmir, has been operating in the fields of onboard equipment manufacturing, painting, and welding. The Company focuses on the production of specialized vehicles, machinery, and equipment, including defense industry vehicles, fire and environmental service vehicles, waste collection and jetting vehicles, rescue equipment, tipping trucks, armored vehicles, armored heavy machinery, and water cannon vehicles (TOMA). Katmerciler has an extensive export network covering more than 75 countries in Africa, the Middle East, Europe, and Asia. Headquartered in İzmir, the Company carries out its operations through production facilities located in İzmir and Ankara, and also maintains offices in Ankara, İstanbul, and Iraq.

As of 1H2025, the Company employs 271 personnel (FYE2024: 223). The Company's shares have been publicly traded since 2010, and as of 1H2025, approximately 79.85% of shares are listed on the Borsa İstanbul (BİST). As of the rating report date, the Company's shareholder structure is as follows: İsmail Katmerci (9.26%), Havva Katmerci (2.69%), Mehmet Katmerci (2.82%), Ayşenur Orancı (2.69%), Furkan Katmerci (2.69%), and publicly held shares (79.85%).

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

Strengths

- Satisfactory cash flow metrics, contribution of advances received, and predictable FX-based income generation potential from ongoing projects, despite decline in sales revenues in FY2024,
- Recovery in profitability indicators in FY2024, was sustained as of 1H2025,
- Satisfactory level of equity contribution in the financing total assets supported by paid in capital increases in 2025,
- Compliance with corporate governance principles as publicly listed in BIST.

Constraints

- Improvement needs in financial risk management due to the recorded numerous delays in financial obligations since the previous rating report, despite no current delay as of the rating report date,
- Long cash conversion cycle and ongoing financial debt stock due to project-based production model,
- Political, commercial, and operational risks specific to the defense industry related to trade restrictions imposed by countries,
- 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 the Long-Term National Rating has been upgraded from 'BB (tr)' to 'BB+ (tr)'. The Company's export volume, equity level, profitability level and backlog value have been evaluated as important indicators for the stability of the ratings and the outlooks for long-term and short-term national ratings are determined as 'Stable'. The Company's loan repayment performance, profitability metrics and asset quality together with the trends in financing opportunity and defense sectors are going to be monitored by JCR Eurasia Rating, as well as the macroeconomic indicators at national and international markets and legal frame about the sector.