

Corporate Credit Rating

☐ New ☒ Update

Sector: Food Products Industry

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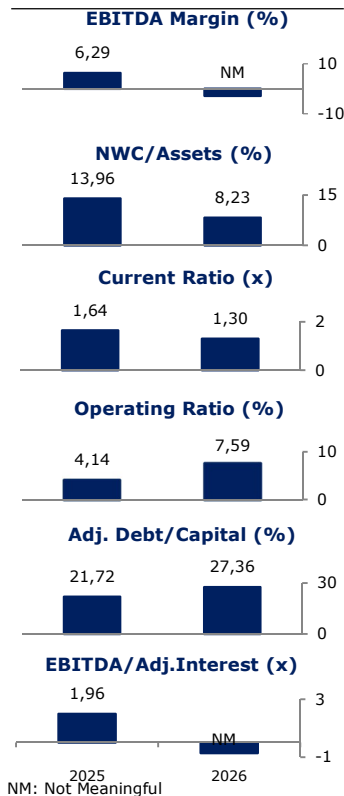
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB- (tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB-	-
ISRs (Issue Specific 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



KAYSERİ ŞEKER FABRİKASI ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated the consolidated structure of "Kayseri Şeker Fabrikası Anonim Şirketi" in the investment level category and revised the Long-Term National Issuer Credit Rating to 'BBB- (tr)' from 'BBB (tr)' and the Short-Term National Issuer Credit Rating to 'J3 (tr)' from 'J2 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been determined as 'BB-/Stable'.

Kayseri Şeker Fabrikası Anonim Şirketi (hereinafter referred to as "Kayseri Şeker" or "the Group") was established in 1954, started its operations with the establishment of Kayseri Sugar Factory in 1955. The shareholder structure of Kayseri Şeker as of July 31 2026: Kayseri Sugar Beet Planters Cooperative with 49.80% share, Turkey Wealth Fund with 9.41% share and other corporate shareholders with 13.85% share.

The main activity of Kayseri Şeker is the production of crystal sugar from sugar beet. Kayseri Şeker, owns 3 sugar factories, has 16.71% of total quota for MY 2026/2027 in Türkiye. The Group ranks 142th among the top 500 industrial companies (İSO 500) in Türkiye. Kayseri Şeker, through its subsidiaries, operates in fields such as livestock, green housing, warehousing, trade and transportation of fuel products and woven sack production.

Kayseri Şeker has been quoted on BIST since May 2023 through the ticker symbol "KAYSE" with the free float rate of 26.94%. The Group maintains its operations by staff force of 2,343 employees as of July 31, 2026 (April 30, 2026: 2,395).

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

Strengths

- Predetermined sugar quota established by presidential decree and solid market position enhancing the visibility of sales volume,
- Sizable equity level notwithstanding the relatively limited contribution of paid-in capital despite its recent increase as of FYE2026,
- Prospective cash flow generation backed by substantial investment property portfolio, providing asset monetization potential,
- Established agricultural cooperative structure, underpinned by an extensive network of thousands of affiliated farmers,
- Low collection risk and creditworthy customer base mitigating counterparty risk exposure,
- Long-lasting presence dating back to 1955 and successful track-record in the sector,
- Compliance with corporate governance practices as a publicly traded company.

Constraints

- Sharp decline in sales revenue primarily attributable to downward pricing adjustments in sugar sales coupled with a decline in sales volumes in FY2026,
- Gross loss in both FY2026 & 1Q2027 special period and high financing expenses pressuring bottom-line results in the reviewed years,
- Inadequate EBITDA generation capacity exacerbated by rising financial indebtedness constraining EBITDA leverage and interest coverage metrics in FY2026,
- Negative cash flow metrics in FY2026, reflecting weak internal cash generation capacity and heightened liquidity pressures,
- Inherent volatility in sugar beet supply arising from adverse weather conditions and fluctuations in farmers' crop cultivation preferences,
- Geopolitical tensions intensify inflationary pressures, constraining the easing of global financial conditions.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been revised to 'BBB- (tr)' from 'BBB (tr)'. Taking into account the Group's solid market position with sugar quota share, sizeable equity level, high amount of investment properties, long business track record, experienced and qualified management team as well as, deterioration in revenue and profitability margins, constrained EBITDA leverage and coverage, negative cash flow metrics, competition in the sector and global tight financial conditions 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 profitability indicators, debt structure, liquidity position and asset quality, as well as market conditions regarding the sector 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 also be monitored.