Corporate Credit Rating

☐New ☒Update

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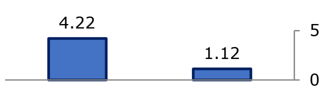
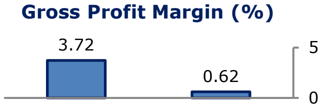
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)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

** Affirmed by JCR on September 1, 2025*

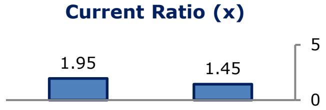
EBITDA Margin (%)



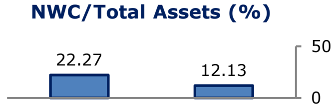
Gross Profit Margin (%)



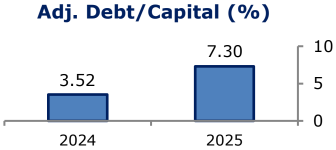
Current Ratio (x)



NWC/Total Assets (%)



Adj. Debt/Capital (%)



Koç Metalurji A.Ş.

JCR Eurasia Rating, has evaluated **"Koç Metalurji A.Ş."** in the investment grade category with high credit quality and affirmed the Long-Term National Issuer Credit Rating at **'A (tr)'** and the Short-Term National Issuer Credit Rating at **'J1 (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed as **'BB/Stable'**, in parallel with the international ratings and outlooks of the Republic of Türkiye.

Koç Metalurji A.Ş. (hereinafter referred to as **"Koç Metalurji"** or **"the Company"**) was established in 1993 in Hatay and engages in production of steel billet, ribbed rebars and rebars in its production facilities located in Osmaniye and Hatay Organized Industrial Zones (OIZ). The Company produces steel billet from metal scrap Osmaniye facility (meltshop) and rebars from steel billet in Hatay facility (rolling mill). Koç Metalurji ranked 154th in the 'Türkiye's Top 500 Industrial Enterprises 2024' list of İstanbul Chamber of Industry (2023: 178th).

As of FYE2025, the Company's shareholder Adil Koç holds a 74.18% stake, while the remaining 25.82% of the shares have been publicly traded on Istanbul Stock Exchange (BIST) since May, 2024 under the ticker-name of "KOCMT".

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

Strengths	Constraints
• Cash surplus position via sizeable liquidity buffer over the last-two consecutive years, despite expected upward trend in cash risk in 2026, • Sustained sales revenue generation along with steady sales volumes over the reviewed periods, • Sound interest coverage profile in the reviewed years, • Robust equity triggered by retained earnings and IPO proceeds, • Satisfactory trade net working capital together with favorable cash conversion cycle, facilitating liquidity management to certain extent, • Ongoing investments anticipated to enhance efficiency, • Extensive sector experience and track record, underpinned by robust corporate governance standards stemming from its publicly listed status.	• Notable deterioration in core profit margins as well as recording operating loss in FY2025, • Negative cash flow indicators during the analyzed years, • Customer concentration risk stemming from dependence on a limited number of key clients, • Sector-wide high import dependency of the raw material, combined with sharp price fluctuations and the impacts of anti-dumping measures on costs, • 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 the Long-Term National Issuer Credit Rating has been affirmed at **'A (tr)'**. Cash surplus position, sustained sales revenue generation, sound interest coverage profile and strong equity level as well as decline in core profit margins and operating loss recorded in FY2025 and negative cash flow indicators have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings has been affirmed at **'Stable'**. The Company's EBITDA generation capacity, profitability figures, production and sales volume, domestic and global market conditions and the possible impacts of the global macroeconomic policies on Türkiye's economy and its effects on the Company's activities will be closely monitored by JCR Eurasia Rating in upcoming periods.