Corporate Credit Rating

☐New ☒Update

Sector: Industrial Fabric & Composite Technologies
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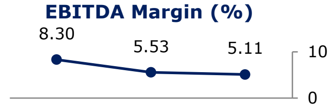
Team Leader
Abdurrahim Torun
+90 212 352 56 73
abdurrahim.torun@jcrer.com.tr
Assistant Analyst
Kerem Deniz
+90 212 352 56 73
kerem.deniz@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**AA+ (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB+	-
	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)	-

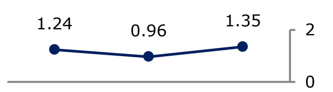
** Affirmed by JCR on September 1, 2025*

EBITDA Margin (%)

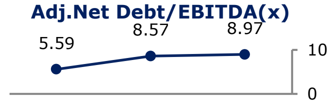


Gross Profit Margin (%)

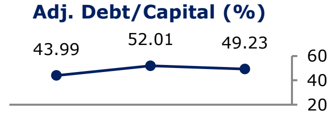
Current Ratio (x)



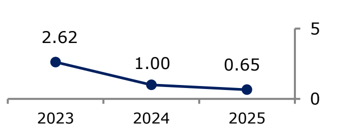
Adj.Net Debt/EBITDA(x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



Kordsa Teknik Tekstil Anonim Şirketi

JCR Eurasia Rating has evaluated the **"Kordsa Teknik Tekstil Anonim Şirketi"** in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at **'AA+ (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 at **'BBB+/Stable'**.

Kordsa Teknik Tekstil Anonim Şirketi (referred to as **"Kordsa"** or **"the Company"**) was established in 1973 as a subsidiary of Hacı Ömer Sabancı Holding A.Ş. ("Sabancı Holding") in İzmit/Türkiye. The Company mainly operates in tire reinforcement and composite technologies businesses, serving various industries including automotive, aviation, aerospace, maritime and industrial applications. Kordsa is a global player in tire reinforcement and composite technologies markets. Kordsa operates in 7 countries, namely, Türkiye, Brazil, Indonesia, Thailand, USA and Italy with 11 production facilities. Also, Kordsa has R&D centers and technical centers. Kordsa generated consolidated sales revenues of TRY 31.04bn in FY2025 (FY2024: TRY 30.43bn), by region 40% Europe, the Middle East and Africa (EMEA), 35% North America (NA), 14% Asia, and 11% South America (SA). The total number of employees within the Company is 4,011 in 1Q2026 (FYE2025: 3,903). The Company's main shareholder is Sabancı Holding, with a rate of 71.11% as of reporting date. Kordsa shares have been traded on Borsa İstanbul Index (BIST) since 1986 with a free-float rate of 28.89% under ticker-name of "KORDS".

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

Strengths	Constraints
• Revenue structure with balanced portfolio based on the regions along with efforts for segment and sector diversification reducing the concentration risk, • Natural hedge opportunity supported by hard currency-denominated revenue structure, • Solid equity base supporting the Company's capital structure, despite the relatively low level of paid-in capital, • Cost optimization measures and relatively stronger composite technologies performance reflected as recovery in profitability indicators in 1Q2026, • Diversified funding structure and access to syndicated long-term borrowing facilities supporting the liquidity profile, • Strong emphasis on sustainability, innovation, and value-added product development supported by R&D capabilities, • Reputable partnership structure backed by Sabancı Group, • High level of compliance with the corporate governance practices as a publicly traded company.	• High leverage metrics during the analyzed periods despite partial improvement in 1Q2026, supported by recovery in EBITDA generation capacity, • Continued decline in USD-based revenue performance in FY2025 and 1Q2026, reflecting persistent weakness in core Tire Reinforcement operations and challenging market conditions, • Relatively high cash conversion cycle during the analyzed periods, • 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 the Company's Long-Term National Issuer Credit Rating has been affirmed at **'AA+ (tr)'**. The Company's revenue structure with balanced portfolio based on the regions, foreign currency based revenue streams, solid equity base, recovery in profitability indicators in 1Q2026, risk management implementations, successful track record, and long experience in the sector as well as high leverage indicators despite partial improvement in 1Q2026, continued decline in USD based revenue performance in FY2025 and 1Q2026 and relatively high cash conversion cycle during the analysed periods 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.