

Corporate Credit Rating

New Update

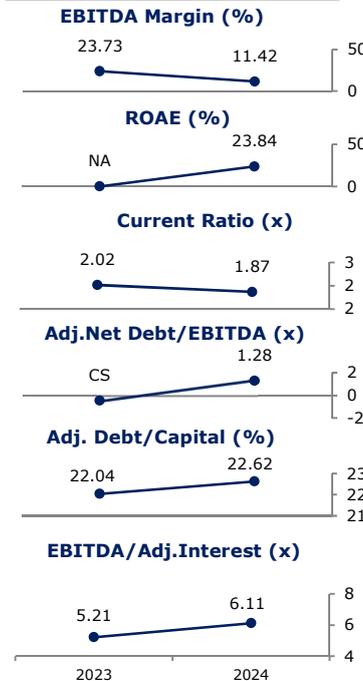
Sector: Plastics and Rubber Products Industry
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R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on September 01, 2025



NA: Not Applicable
CS: Cash Surplus

KUZEY BORU ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated "Kuzey Boru Anonim Şirketi" 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 the Short-Term National Issuer Credit Rating from 'J1 (tr)' to 'J2 (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' according to JCR-ER's national-global mapping methodology.

"Kuzey Boru Anonim Şirketi" (hereinafter referred to as "Kuzey Boru" or "the Company") was established in 2001. The Company manufactures pipes of various specifications, diameters, and pressure classes required for infrastructure and superstructure projects, and markets and sells them both domestically and internationally. The Company operates five facilities with a total area of approximately 200,000 m². Kuzey Boru classifies its manufactured products into two main groups: plastic pipes and composite pipes. The plastic pipe group includes HDPE pipes, corrugated pipes, and steel spiral corrugated pipes, while the composite pipe group includes GRP (Glass Reinforced Polyester) pipes as well as PPR pipes and fittings. As of September 30, 2025; the number of employees of the Company was 520 (2024: 336).

Kuzey Boru's shares have been listed on Istanbul Stock Exchange under the ticker "KBORU" since December 2023. The Company's stock is traded on the BIST Participation All Shares, BIST Industrials, BIST 500, BIST Main, BIST IPO, BIST All Shares-100, BIST All Shares, BIST Chem., Petrol, Plastic, BIST Participation 100. Mustafa Topgac, Bülent Karaman, and Demet Karaman own 30.40%, 30.40%, and 15.20%, respectively, of the Company's shares, with 24.00% publicly traded.

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

Strengths

- Revenue growth in FY2024 through widened product range following the gradual activation of the newly completed investment,
- Elevated profitability metrics in 3Q2025 despite contraction in FY2024 due to domestic input price and OPEX increases,
- Reasonable equity base by dint of share premiums and internal fund generation, despite downward trend in equity to total assets ratio,
- Low level of doubtful trade receivables supporting asset quality,
- Expected growth and efficiency following the completion of investments covering capacity expansion and SPP,
- Compliance with Corporate Governance Practices and quality standards as a publicly listed company.

Constraints

- Increased financial liabilities due to high investment expenditures in 3Q2025, despite reasonable leverage and coverage metrics in previous periods,
- Negative CFO and FOCF in 3Q2025 due to extended cash cycle and high CAPEX,
- Dependency on imported raw materials, posing vulnerability to commodity price,
- 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 Long-Term National Issuer Credit Rating has been revised from 'A (tr)' to 'A- (tr)'. The Company's revenue growth, enhanced profit metrics in 3Q2025, low level of doubtful trade receivables, satisfactory equity contribution, sector experience as well as negative CFO and FOCF in 3Q2025, increased credit utilization and deterioration in leverage and coverage metrics in 3Q2025, instability of commodity prices, and competition in the sector 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 affirmed as 'Stable'. The Company's revenue and sales volume performance, profitability metrics, indebtedness level, asset quality, equity structure, impact of investments targeting cost efficiency and capacity growth, other financial indicators, global uncertainties and sectoral regulation 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.