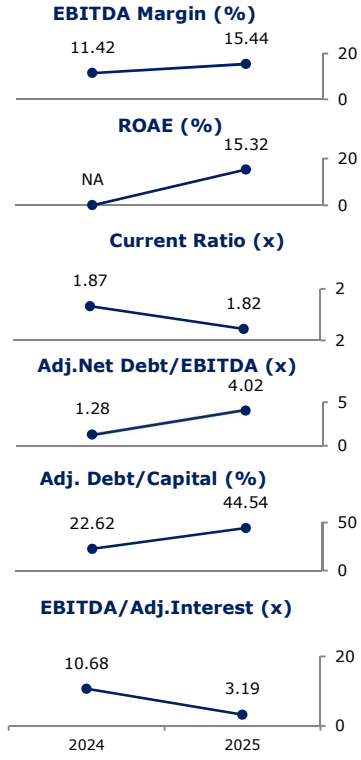
Corporate Credit Rating

☐New ☒Update

Sector: Plastics and Rubber Products Industry
Publishing Date: 16.11.2026
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB (tr)	J2 (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 August 21, 2026*



NA: Not Applicable

KUZEY BORU ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated **"Kuzey Boru Anonim Şirketi"** in the investment grade category and revised the Long-Term National Issuer Credit Rating from **'A- (tr)'** to **'BBB (tr)'**, and affirmed the Short-Term National Issuer Credit Rating at **'J2 (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed at **'BB/Stable'**.

"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 230,000 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, 2026; the number of employees of the Company was 666 (2025: 765).

Kuzey Boru's shares have been traded on Borsa İstanbul's Stars Market under the ticker symbol "KBORU" since December 2023, with a free float ratio of 21.50%. The Company is also included in several BIST indices, namely BIST Participation All Shares, BIST Industrials, BIST 500, BIST All Shares-100, BIST All Shares, BIST Chemicals, Petroleum, Plastics, BIST Participation 100, BIST Dividend, and BIST Participation 50.

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

Strengths

- Revenue growth, particularly in 3Q2026, supported by expanded production capacity following the completion of investments,
- Improved EBITDA generation in FY2025 and 3Q2026, driven by the contribution of newly added products to the sales mix,
- Receivable quality reinforced by partial collateral coverage and advance payment-based by dint of order-driven production model,
- Adequate equity base, primarily supported by share premiums and internally generated funds, despite its declining share relative to total assets due to investment-driven asset growth during the reviewed periods,
- Compliance with the corporate governance practices as a publicly traded company.

Constraints

- Significant increase in short term financial indebtedness, largely driven by investment expenditures, exerting pressure on leverage and liquidity metrics as of FY2025,
- Declining net profit margin during the reviewed periods, partly attributable to increased financing expenses,
- Persistent negative CFO and FOCF amid increased working capital requirements, largely stemming from changes procurement dynamics and substantial capital expenditures,
- Sensitivity to commodity price and exchange rate fluctuations arising from imported raw material dependence, in addition to increasing share of inventories in total assets,
- Geopolitical tensions intensify inflationary pressures, constraining the easing of global financial conditions.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised from **'A- (tr)'** to **'BBB (tr)'.** The Company's capacity expansion-driven revenue growth, improved operating profitability, collateral and advance-supported receivable quality, adequate equity base and governance framework as being publicly listed as well as elevated short-term indebtedness, declining net profitability, long cash cycle, persistent negative operating and free operating cash flows, FX and supply chain risks 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 at **'Stable'**. The Company's revenue performance, profitability metrics, indebtedness level, asset quality, equity structure, other financial indicators, and the trends in 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 be monitored as well.

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