

## Corporate Credit Rating

New Update

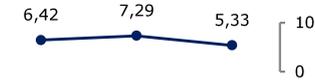
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## RATINGS

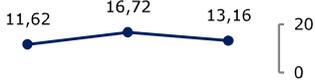
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AA-(tr)	J1+(tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024

### EBITDA Margin (%)



### ROAE (%)



### Current Ratio (x)



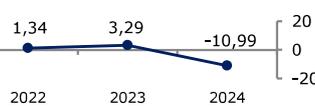
### Adj. Net Debt/EBITDA (x)



### Adj. Debt/Capital (%)



### CFO/Capex (x)



## MEGA METAL SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Mega Metal Sanayi ve Ticaret A.Ş." in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating as "AA-(tr)" and the Short-Term National Issuer Credit Rating as "J1+(tr)" with "Stable" outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Ratings and outlooks of the Company have been assigned as "BB / Stable" as parallel to international ratings and outlooks of the Republic of Türkiye.

"Mega Metal Sanayi ve Ticaret A.Ş." (hereinafter referred to as "Mega Metal" or the "Company") was formally founded in 2004 in order to produce oxygen-free electrolytic copper wire production in Kayseri. Also, the Company manufactures and exports these products in international and domestic trade. Mega Metal's production plant is located in Kayseri, which has an indoor area of 45,000 square meters and a total area of 75,000 square meters. The Company's current capacity is 48,000 tons in copper wire production annually, considering the main production line. The Company has been quoted on the Borsa Istanbul Stock Exchange (BIST) since 15 December 2023 and 23.68% of shares are publicly traded on the BIST with the ticker symbol "MEGMT" as of 1Q2025. The paid in capital and equity of Mega Metal stood at TRY 265mn and TRY 3.81bn, respectively at 1Q2025. Also, Mr. Cüneyt Ali Turgut has been the ultimate shareholder of "Mega Metal San. ve Tic. A.Ş." with a share of 36.44% as of the report date.

Mega Metal, which meets a notable portion of Türkiye's superfine copper wire production, exports to more than 30 countries all over the world particularly to the European Union countries. The Company serves in the energy production, power generation and distribution, electricity, electronics, communications, renewable energy, electrical appliances, white goods, special industrial applications (robotics), aviation and automotive sectors with its unique oxygen-free electrolytic copper wires.

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

### Strengths

- Sustained revenues thanks to unit price and sales volume growth in FY2024 and further improvement in 1Q2025
- Robust interest coverage status in FY2024 and 1Q2025
- Solid net working capital and FFO level ensuring satisfactory liquidity management over the analysed period
- Sufficient equity level underpinned by retained earnings despite the considerable level of foreign currency conversion adjustments
- Favourable cash conversion cycle in the examined period
- FX based income stream providing natural hedge in a certain extent
- Compliance with the corporate governance principles
- High-capacity utilization rates, widespread sales network and diversified product portfolio with differentiation in the sector owing to the production of silver-plated copper wire

### Constraints

- Increase in net debt/ EBITDA multiplier in FY2024 due to ongoing investments
- Limited profitability margins as a nature of the sector along with the decrease in operating profitability in FY2024 and 1Q2025
- Negative level of CFO and FOCF in FY2024
- 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 drivers, the Company's the Long-Term National Issuer Credit Rating has been affirmed as "AA-(tr)". The competitive advantage obtained through its steady growth in revenue streams, maintained reasonable EBITDA generation, liquidity profile, diversified production and processing capacity, protection of asset quality, market efficiency in the inter/national market as well as increase in net debt to EBITDA multiplier, limited profitability margins, political tensions and other global downsides have been evaluated as important indicators for the stability of the ratings and the outlooks for Long-Term and Short-Term National Issuer Credit Ratings are determined as "Stable". The Company's equity level, fluctuations of the exchange rates, debt maturity and its level, cash flow and liquidity level, EBITDA margin and net profit indicators are the prior issues to be followed by JCR Eurasia Rating in the upcoming period. The macroeconomic indicators at national and international markets, as well as market conditions and legal frame about the sector will be continued to be monitored as well.