

Corporate Credit Rating

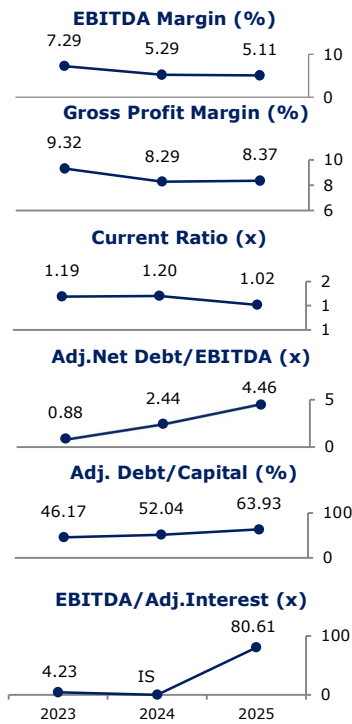
New Update

Sector: Metal Industry
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating 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	-
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 Sep 01, 2025



IS: Interest Surplus (Interest received is more than interest paid)

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", "the Company" or "the Group") was formally founded in 2004 in order to produce oxygen-free electrolytic copper wire production in Kayseri. The Group's production plant is located in Kayseri, with an indoor area of 45,000 square meters and a total area of 75,000 square meters. Following the commissioning of the additional production facility in late 2025 and combined with the 24,000-ton capacity of its wholly owned US subsidiary Mega Metal Inc., the Group's total installed capacity reached 96,000 tons annually. The Company has been publicly traded on Borsa İstanbul (BIST) under the ticker symbol "MEGMT" since 15 December 2023, with a current free-float ratio of 32.34%. The paid-in capital and equity of Mega Metal stood at TRY 265mn and TRY 4.61bn, respectively at 1Q2026. Mr. Cüneyt Ali Turgut has been the ultimate shareholder of the Company, holding a 32.67% share as of the report date.

Mega Metal, which meets a notable share of Türkiye's superfine copper wire production, exports to more than 30 countries worldwide, particularly to the European Union countries. The Group 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

- Revenue growth mainly driven price increase in FY2025 and positive momentum carried over into 1Q2026, despite slight contraction in unit-based sales
- Sufficient interest coverage profile maintained throughout the analyzed periods, despite the decline in 1Q2026
- Improvement in FFO level though an ongoing negative FOCF due to high level of CAPEX in FY2025
- Favourable cash conversion cycle in analyzed years supporting the efficiency profile
- Ongoing investments abroad and SPP projects expected to support the volume of activities and contribute to EBITDA generation expansion in the upcoming periods
- FX-based income stream providing a natural hedge in a large extent
- Elevated capacity utilization rates, extensive sales network and diversified product portfolio differentiated within the sector through silver-plated copper wire production

Constraints

- Relatively high leverage indicators over the reviewed periods and funding needs for working capital and ongoing CAPEX may put pressure on debt service ratios in upcoming periods
- Pressure on profitability over the analyzed periods stemming from the structurally low-margin nature of the copper wire sector
- Decline in the share of equity in asset financing as of FYE2025 along with a relatively high debt-to-capital ratio mainly stemming from the funding of investment expenditures
- 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 Long-Term National Issuer Credit Rating has been affirmed as "AA- (tr)". Taking into account the Company's sustained revenue growth, sufficient interest coverage profile, favourable cash conversion cycle, expected contribution of ongoing investments abroad and SPP projects, FX-based income streams, elevated capacity utilization rates and diversified product portfolio, as well as the relatively high leverage indicators, structurally low-margin nature of the copper wire sector pressuring profitability, and the considerable uncertainty stemming from geopolitical risks and global trade dynamics 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 profitability indicators, indebtedness level, fluctuations of the exchange rates, cash flow and liquidity adequacy, are the prior issues to be followed by JCR Eurasia Rating in the upcoming periods. 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.