

Corporate Credit Rating

New Update

Sector: Textile Manufacturing

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

* Affirmed by JCR on September 01, 2025

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Menderes Tekstil Sanayi ve Ticaret A.Ş." in investment grade category with high credit quality and affirmed the Long-Term National Issuer Credit Rating as 'A (tr)' and revised the outlook from 'Negative' to 'Stable'. The Short-Term National Issuer Credit Rating has been affirmed at 'J1 (tr)' with 'Stable' outlook. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been determined as 'BB/Stable' in line with the sovereign ratings and outlooks of Republic of Türkiye.

Menderes Tekstil Sanayi ve Ticaret A.Ş. (referred to as 'Menderes Tekstil' or 'the Group' or 'the Company'), was established as Türkiye's first fully integrated facility with the title of Pamuklu Mensucat in 1958 within the borders of Sarayköy district of the province of Denizli and currently operates across three main sectors: textiles, energy, and agriculture. Menderes Tekstil has a world class home textile manufacturing plant with a total factory area of 500.000 m². Menderes Tekstil produces cotton press, electric energy, yarn, fabric, valances, dust ruffles, ruffled and tailored shams, comforter shells, printed towels and linens in integrated cotton and synthetic textile establishment. Furthermore, on 31.03.2021, the energy production and sales activities have been included in the operations of Menderes Tekstil. As of 3Q2025, the Group maintains its operations by an average staff force of 2,003 employees and its subsidiaries and affiliates are as follows; Smyrna Seraçılık Ticaret A.Ş., Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti. and Aktur İzmir Gayrimenkul A.Ş. (earns rental income from the properties it owns). Menderes Tekstil has a paid-in capital of TRY 277.29mn and Akça Holding is the controlling shareholder with the share of 48.13% as of FYE2023. 49.72% of shares are traded in Borsa İstanbul (BIST) with the stock ticker "MNDRS". Menderes Tekstil is registered with the Capital Markets Board and its publicly held shares have been traded on Borsa İstanbul since 2000.

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

Strengths

- Diversified business segments underpinning revenue stream
- Positive net working capital and moderate level of current ratio in analyzed periods
- Strong equity structure compared to asset size
- Asset quality supported by low level of doubtful receivables
- Natural hedging against currency risk by FX oriented revenue stream in a certain extent
- Long-lasting presence in the sector
- Compatibility with the corporate governance practices as a publicly traded company

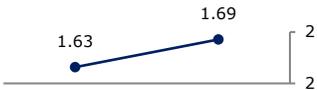
Constraints

- Contraction in profit margins in FY2024 along with recovery in 3Q2025
- Increase in financial leverage metrics in FY2024 despite improvement in 3Q2025 as well as decrease in financial debt
- Decline in sales revenue in analyzed periods
- Financing expenses pressuring on bottom-line profitability and EBITDA to interest coverage multiplier in FY2024 despite recovery in 3Q2025
- Long cash conversion cycle with negative cash flow metrics in FY2024
- As actions for a global soft landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty

EBITDA Margin (%)



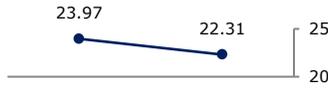
Current Ratio (x)



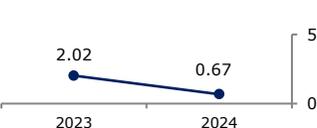
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed as 'A (tr)'. The outlook for Long-Term National Issuer Credit Rating has been revised from 'Negative' to 'Stable' considering the Company's diversified business segment, positive net working capital, strong equity structure, asset quality, long-lasting presence in the sector along with contraction in profit margins, increase in financial leverage metrics, financing expenses pressuring on bottom line profitability, long cash conversion cycle, cash flow metrics and deterioration in local and global macroeconomic conditions. The Company's revenue growth, profitability indicators, indebtedness structure, equity level and cash flow indicators along with macroeconomic indicators at national and international markets and market conditions 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 frame about the sector will be continued to be monitored as well.