

Corporate Credit Rating

New Update

Sector: Commercial Vehicles & Defense

Publishing Date: 22/05/2026

Team Leader

Elif Kırilangıç Keçeli

+90 212 352 56 73

elif.keceli@jcrer.com.tr

Senior Analyst

Adem Çengel

+90 212 352 56 73

adem.cengel@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating 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 Rating 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 1, 2025

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated "Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi" in the investment grade category with high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'A (tr)' and the Short-Term National Issuer Credit Rating at 'J1 (tr)' with 'Stable' outlooks. When the global and national scale rating matching published by JCR Eurasia Rating is considered, the Company's Long-Term International Issuer Credit Ratings were assigned as 'BB/Stable' in line with the sovereign ratings and outlooks of the Republic of Türkiye.

Otokar Otomotiv ve Savunma Sanayi A.Ş. ("Otokar", "the Company", or "the Group") was established in 1963 in Türkiye to produce the first intercity buses of the country. Currently, the Company manufactures commercial and defense vehicles at its Arifiye plant in Sakarya, which spans 552,000 m² of production space. The Group's product portfolio includes buses, light trucks, and pickups for public transportation and logistics, as well as tactical wheeled and tracked armored vehicles and turret systems for defense applications. Otokar has an annual production capacity of 6,000 buses/minibuses, 1,500 light trucks/pickups, 2,000 offroad vehicles, and 950 tactical armored vehicles. In FY2025, capacity utilization stood at 54% (FY2024: 51%). In addition, the Company offers solutions tailored to customer needs with its technologies, designs, and applications. Otokar products are currently sold and used in over 60 countries and 5 continents. The Company is headquartered in İstanbul. The Group had a workforce of 3,659 people as of FYE2025 (FYE2024: 3,772). The shares of Otokar have been traded on the Borsa İstanbul Stock Exchange (BIST) since 1995 with the 'OTKAR' ticker. As of 31.03.2026, the actual outstanding share ratio of the Company continued to be 27.81%. Koç Holding A.Ş. continued to be the parent company of Otokar. The other major shareholder is Ünver Holding A.Ş., which the Ünver Family controls.

Koç Holding is Türkiye's largest industrial and services group regarding revenues, exports, number of employees, market capitalization on BIST, and R&D investments. The subsidiary companies of Koç Holding operate in the energy, automotive, consumer durables, finance, food, tourism sectors etc. Koç Holding is the only Turkish company listed among the 'Fortune Global 500' by Fortune magazine and ranked 191st in 2025 (2024: 194th). It also took place in Forbes Magazine's 'Global 2000' and 'World's Best Employers' lists, ranking 837th in the former according to its sales revenues, and 113th in the latter in 2025. The shares of Koç Holding A.Ş. have been traded on the BIST with the ticker "KCHOL" since 1986. Koç Holding is controlled by the Koç Family and the companies owned by the Koç Family.

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

Strengths

- Increase in sales revenues along with a recovery in profitability in FY2025,
- Export-focused growth strategy supported by a significant order backlog,
- Turnaround in cash flow metrics in FY2025 coupled with ongoing adequate liquidity indicators,
- Diversified product range reinforced by R&D and sustainability studies,
- Deep-rooted operating history with top-tier positions in Turkish defense and commercial vehicle industries,
- Strong compliance with the corporate governance principles, as evidenced by its inclusion in the Borsa İstanbul Corporate Governance Index,
- Being a subsidiary of one of the Türkiye's leading investment holding companies; Koç Holding.

Constraints

- Increasing financial debt as of 1Q2026 with negative EBITDA,
- High level of OPEX and financing expenses leading to bottom-line losses,
- Low level of equity compared to the asset size,
- Lengthy cash conversion cycle despite slight improvement,
- Exposure to sector specific risks due to the nature of defense industry, including payment claims related to interim milestones under the Romanian armored vehicle project,
- 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 at 'A (tr)'. The Group's recovering sales and profitability in FY2025, export-oriented growth strategy, order backlog, cash flow and liquidity metrics, product portfolio, R&D and sustainability studies, sectoral positions, corporate governance compliance level, and shareholder structure along with increasing financial debt, OPEX and financing expenses level, equity level, cash conversion cycle, and deterioration in local and global macroeconomic conditions have been evaluated as important indicators for the 'Stable' outlooks for the Long and Short-Term National Issuer Credit Ratings. The Group's sales, profit margins, leverage and coverage profile, liquidity and cash flow metrics, and input costs will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and the legal framework of the sector will be monitored.

