

Corporate Credit Rating

New Update

Sector: Aerospace and Defense 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)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of "SDT Uzay ve Savunma Teknolojileri Anonim Şirketi" in the investment-grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA+ (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/Stable' as parallel to sovereign ratings and outlooks of Republic of Türkiye.

SDT Uzay ve Savunma Teknolojileri Anonim Şirketi (hereinafter "the Group" or "SDT"), was established on February 11, 2005 in Ankara, Türkiye. The fundamental purpose of founding the Group is to provide cutting-edge technological products and engineering services to strategically targeted domestic and international sectors. The Group seeks to develop products in specialized vertical domains by leveraging research and development (R&D) initiatives within the defense industry. The Group's core areas of operation include Radar, Electronic Warfare and Communication Systems, Mission Systems, Simulation Systems, Information Technologies, Production Programs, and the ACMI (Air Combat Maneuvering Instrumentation) Program. The Group provides products and services to key defense industry players ensuring recurring participation in national defense programs. Moreover, its products and software solutions are fully compliant with NATO standards, enhancing both interoperability and export potential.

The Group's revenue stream primarily derives from sales rooted in project-based engagements. The generation of revenue transpires via formal tender processes, as well as through solicited project-based orders and ad hoc sales. Additionally, SDT engages in collaborative endeavors through joint ventures and cooperative agreements to execute several projects collectively. Upon the culmination of projects executed within the context of joint ventures, the resultant revenue is apportioned commensurate with the respective ownership stake in the joint venture.

The Group, following its initial public offering (IPO) conducted on December 28-29, 2022, began trading on the Borsa Istanbul (BIST) on January 4, 2023, under the ticker symbol "SDTTR." As of the second quarter of 2025, Mr. Mehmet Dora holds a majority ownership with stake of 63.11% in the Group, while Mr. Mustafa Fatih Ünal owns 2.32%. Additionally, 27.57% of the Group's shares are publicly traded on the BIST, with 7% held by other shareholders. As of 2Q2025, the Group employs 270 personnel (FYE2024: 266).

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

Strengths

- Passable growth in top-line proven by a portfolio of ongoing projects and sturdy backlog value indicating foreseeable revenue stream,
- Year-round maintenance of net cash position pioneering sound leverage and coverage indicators,
- Sustained sound internal equity generation capability bolstered the capital structure,
- Robust customer base underpinning resilient asset quality,
- Transparency regarding adherence to corporate governance as an entity subject to Capital Market Law,
- Proven track record underpinned by accumulated niche market intelligence.

Constraints

- Operational profitability swings rooted in long-lead, project-based revenue recognition,
- Prolonged cash conversion cycle and relatively high level of operating ratio put strain on efficiency performance,
- Operational risk stemming from the nature of the business dynamics and volatile relations between countries.

Considering the aforementioned points, the Group's the Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. Taking into account the Group's robust backlog value, decent financial profile as well as oscillating profitability outlook due to the project-based business model and global economic conditions & operational 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 determined as 'Stable'. The Group's sales and profitability performance, indebtedness level, capital adequacy and uncertainties arising from geopolitical risks 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.

