

Corporate Credit Rating

New Update

Sector: Metal Industry

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (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 September 1, 2025

İSKENDERUN DEMİR VE ÇELİK A.Ş.

JCR Eurasia Rating has evaluated "İskenderun Demir ve Çelik A.Ş." in the investment grade category with the highest credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AAA (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' in line with the sovereign ratings and outlooks of Republic of Türkiye.

"İskenderun Demir ve Çelik A.Ş." (hereinafter referred to as "İsdemir" or "the Company") was established on November 12, 1968 in Hatay, Türkiye. The Company produces billets, wire rod, hot rolled coil, slab and pig iron as well as by-products such as coke, oxygen, nitrogen, argon, ammonium sulphate, granulated slag, tar and benzol.

İsdemir, the largest subsidiary of "Ereğli Demir ve Çelik Fabrikaları T.A.Ş." (hereinafter referred to as "Erdemir") and a member of the OYAK Group, continues its activities as Türkiye's third oldest integrated plant as of its establishment date and Türkiye's only and largest integrated plant capable of producing flat and long products simultaneously with a liquid steel capacity of 5.8mn tons/year. The Company also has an installed production capacity of 3.5mn tons/year for flat products, 0.6mn tons/year for coils and 2.5mn tons/year for billets as finished products.

İsdemir ranked 8th in the list of Türkiye's Top 500 Industrial Enterprises published by Istanbul Chamber of Industry in 2024 (2023: 12th).

The Company has a total of 4,765 employees as of 3Q2025 (FYE2024: 5,148).

As of 3Q2025, the main ultimate controlling shareholder of the Company is Ereğli Demir ve Çelik Fabrikaları T.A.Ş. with 94.87% shares. The remaining 5.13% of the shares are publicly traded on the Borsa Istanbul (BIST) with the ticker symbol "ISDMR".

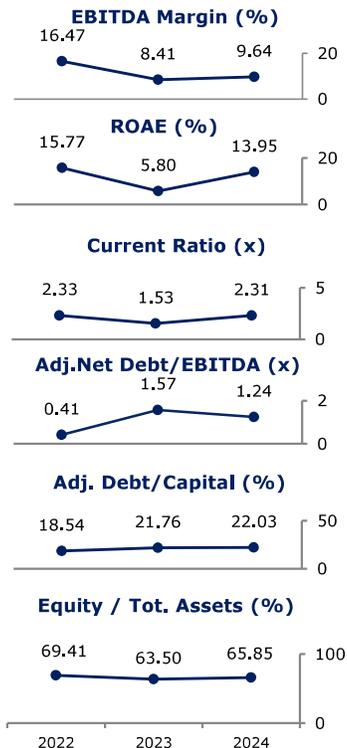
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Satisfactory net debt to EBITDA multiplier along with the net cash position in the short-term in FY2024,
- Moderate sales revenue and EBITDA generation capacity over the years and expected to continue in 2025 financials,
- Positive CFO & FFO and net working capital surplus in FY2024,
- Low collection risk thanks to a diversified customer portfolio in several sectors supporting asset quality,
- Providing a natural hedge against currency risk by FX linked revenue stream to a certain extent,
- Well-positioned Group companies providing synergy via diversified region and operations,
- Strong presence in the local market and experience in the sector,
- Strong partnership structure with a proven track record of OYAK and compliance with corporate governance principles.

Constraints

- Regular dividend payment over the years except FY2023, despite satisfactory equity level,
- Fluctuations in external factors affecting revenue and profitability figures,
- 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 points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. The Company's satisfactory net debt to EBITDA multiplier, moderate sales revenue and EBITDA generation capacity, low collection risk and FX linked revenue stream as well as uncertainties in the global economy 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 Company's financial structure, sales and profitability performance, liquidity and leverage indicators 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 legal framework about the sector will be monitored as well.