

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)	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 Aug 21, 2026

İSKENDERUN DEMİR VE ÇELİK A.Ş.

JCR Eurasia Rating has evaluated "İskenderun Demir ve Çelik Anonim Şirketi" 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. In addition, 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 Anonim Şirketi" (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 11th in the list of Türkiye's Top 500 Industrial Enterprises published by Istanbul Chamber of Industry in 2025 (2024: 8th).

The Company has a total of 4,904 employees as of 9M2026 (FYE2025: 4,929).

As of 9M2026, 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 İstanbul (BIST) with the ticker symbol "ISDMR".

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

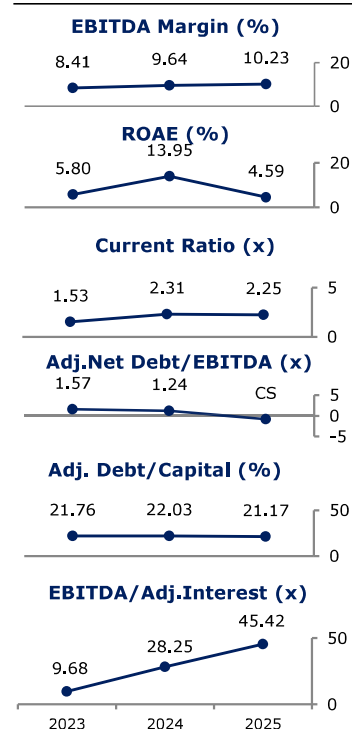
Strengths

- Sustainable sales revenue and EBITDA generation capacity over the years and expected to continue in 2026 financials,
- Solid leverage and coverage indicators thanks to net cash position in FY2025,
- Positive cash flow metrics in FY2025 easing liquidity management,
- Low collection risk underpinned by a well-diversified customer portfolio across multiple 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 domestic market position and extensive industry expertise,
- Well-established partnership structure backed by OYAK's extensive experience and compliance with corporate governance principles.

Constraints

- High dividend pay-out ratio in the analyzed period, despite satisfactory equity level over the years,
- High sensitivity of the sector to global economic conditions and commodity price fluctuations,
- Geopolitical tensions intensify inflationary pressures, constraining the easing of global financial conditions.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. The Company's sustainable sales revenue and EBITDA generation capacity, solid leverage and coverage indicators, positive cash flow metrics, low collection risk and FX linked revenue stream as well as high dividend pay-out ratio and geopolitical tensions constraining monetary expansion 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.



CS: Cash Surplus