JCR-ER JCR Eurasia Rating
"JCR-ER, Group of Japan Credit Rating Agency, Ltd." JCR

Corporate Credit Rating

☐New ☒Update

Sector: Electrical Equipment Industry
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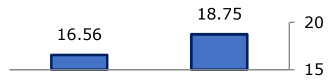
Team Leader
Fırat TUNÇ
+90 212 352 56 73
firat.tunc@jcrer.com.tr
Senior Analyst
Mehmet Erkan Kayhan
+90 212 352 56 73
mehmet.kayhan@jcrer.com.tr

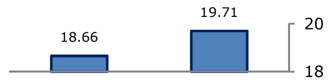
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Revised by JCR on May 10, 2024*

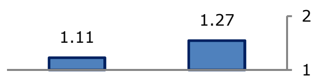
EBITDA Margin (%)



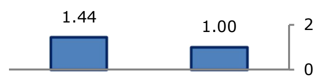
Gross Profit Margin (%)



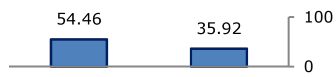
Current Ratio (x)



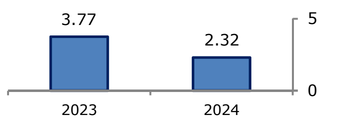
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



ALVES KABLO SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of **"Alves Kablo Sanayi ve Ticaret A.Ş."** in the investment level category with high credit quality and revised the Long-Term National Issuer Credit Rating to '**A- (tr)**' from '**BBB+ (tr)**' and affirmed the Short-Term National Issuer Credit Rating at **'J2 (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 in line with sovereign ratings and outlooks of Republic of Türkiye.

Alves Kablo Sanayi ve Ticaret A.Ş. (hereinafter "**the Group**" or "**the Company**" or "**Alves**"), was established in 2014 by Deniz Karamercan and his business partner Hikmet Alabıcak in Ostim, Ankara, Türkiye. The Company specializes in manufacturing and marketing power wires and cables. Production foundations were laid in 2016, followed by the Group's expansion of its sales and marketing network in 2017, with a focus on public projects and major industrial clients. In 2019, factory investments began, and the machinery park was established. The following year, mass production commenced, along with the acquisition of TSE and ISO certifications. In 2021, the Company initiated aluminum and copper wire drawing operations. By 2022, the Group invested in solar power-compatible cables. The Company manufactures a wide range of cables, including 300/500 V indoor copper installation cables, 750/1000 V outdoor energy copper and aluminum low voltage cables, 1000/3000 V energy transmission cables for transformer plants and main transmission lines, and 3000 V aluminum conductors for energy transmission lines. Additionally, the Company produces basic grounding cables, copper solid and braided conductors for lightning rods and vehicle charging stations, 1000 V DC solar energy cables for solar energy systems, and 1000/3000 V aluminum conductor and renewable energy cables designed to transmit energy from renewable energy lines to substations. Lastly, the copper smelting plant has become operational as of 2025. Overall, the Company offers 15,000 different types of cables. The Company's second factory became operational in the latter half of 2023. The Company conducts its production operations in Kahramankazan, Ankara, within a manufacturing facility that occupies a closed area of 7,751 m², situated on a total land area of 10,351 m².

The Company, having undergone an IPO, commenced its trading activities on the Borsa Istanbul (BIST) on February 29, 2024, under the ticker **"ALVES"**. Additionally, the Group has conducted asset-backed securities since February, 2025 until June, 2025 amounting TRY 1.1bn.

As of 1H2025, Mr. Deniz Karamercan and Mr. Hikmet Alabıcak equally possesses 37.5% shares whereas 25% of the share are listed on BIST.

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

Strengths	Constraints
• Increasing trend in sales revenue in-line with production volume, • Improved profitability metrics together with enhanced EBITDA generation capacity, • Having alternative funding opportunities, including debt issuance through tailored financial instruments, easing liquidity management, • Fair level of financial leverage metrics proven by net debt to EBITDA multiplier, • Strengthening equity structure thanks to internal equity generation capability and IPO, • Asset quality supported by low collection risk, • Experience dating back to 2014 and wide product range supporting brand.	• Negative CFO and FOCF creating external funding need for operational cycle, • Competition in the industry and fluctuations in raw material prices stands out as a potential risk, • Dependency of imported raw materials being a sector-wide issue, • 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 the Long-Term National Issuer Credit Rating has been revised to '**A- (tr)**' from '**BBB+ (tr)**'. The Company's increasing sales volume, improvement in EBITDA generation capacity, recovering net debt to EBITDA multiplier, equity structure, asset quality, low operating ratio, moderate cash cycle and successful track record as well as negative cash flow metrics, tough competition and sector wide dependency 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, tight economic conditions and Türkiye's economy and its effects on the Company's activities 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.