

Corporate Credit Rating

□ New ☑ Update

Sector: Textile Industry
Publishing Date: 20/10/2026

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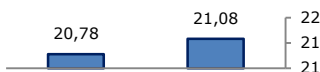
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	A+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

*Affirmed by JCR on Aug 21, 2026

EBITDA Margin (%)



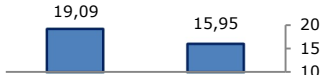
Gross Profit Margin (%)



Current Ratio (x)



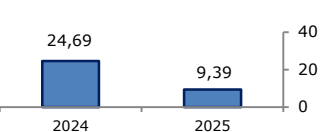
NWC/Total Assets (%)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



SUN TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated the consolidated structure of "Sun Tekstil Sanayi ve Ticaret Anonim Şirketi" in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating to 'A+ (tr)' from 'AA- (tr)', and affirmed 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 affirmed at 'BB/Stable', in line with the sovereign ratings and outlooks of the Republic of Türkiye.

Sun Tekstil Sanayi ve Ticaret Anonim Şirketi (hereinafter referred to as "Sun Tekstil" or "the Company" or "the Group") was established in 1987 in İzmir and has been exporting since 1989. The Company designs and sells mainly women's apparel made from knitted fabric for globally recognized retailers, including Inditex Group brands such as Zara and Bershka, H&M, Tesco, Next, Marks & Spencer, Primark and Kiabi. Apparel production is carried out in cooperation with approximately 30 partner manufacturers, while fabric production is undertaken by its subsidiary Ekoten Tekstil Sanayi ve Ticaret A.Ş. (Ekoten Tekstil). The Company has five design offices in Türkiye, Spain and the United Kingdom, and its main export markets are Spain, the United Kingdom, France and Sweden. Sun Tekstil ranked 319th in the "Türkiye's Top 500 Largest Industrial Enterprises 2025" list of Istanbul Chamber of Industry (2024: 249th).

As of the report date, the shareholders of the Company are Elvan Ünlütürk (29.90%), Şefika Günseli Ünlütürk (26.16%), Ayşe Ünlütürk (4.79%), Azize Ceylan Ünlütürk Yeşilova (4.27%), Mehmet Muammer Ünlütürk (4.27%) and QNB Portföy Solaris Serbest Özel Fon (6.74%), while the remaining 23.87% has been traded on Borsa İstanbul (BIST) since May 2022 under the ticker symbol "SUNTK". The Company is controlled by Ünlütürk Family.

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

Strengths

- Strong financial leverage profile, supported by a cash surplus position in FY2025 and strong cash balances in 1H2026,
- Adequate interest coverage maintained in FY2025, despite partial weakening in 1H2026,
- Strong export sales generating hard-currency revenues, providing a natural hedge against FX exposure to a certain extent,
- Adequate collection ability of receivables, supported by a well-known client base with partially insured structure, despite customer concentration, supporting asset quality to a certain extent,
- Sufficient equity position, supported by retained earnings, despite relatively low paid-in capital and regular dividend distributions in the analyzed periods,
- Operational efficiency supported by relatively short cash conversion cycle in FY2025 and 1H2026,
- Efforts in accordance with sustainability practices and compliance with corporate governance practices expected of a publicly traded company,
- Long-standing track record in the sector, backed by in-house design capabilities and established customer base of globally recognized retailers.

Constraints

- Persistent downward trend in sales volumes amid prevailing sector conditions over the analyzed periods,
- Declining EUR-denominated sales revenues and TRY-denominated cost inflation outpacing the depreciation of TRY drove a decline in gross profit margin and further compressed EBITDA margin in 1H2026,
- Predominantly FX-denominated borrowing structure resulted in FX-related losses, despite the relatively favorable cost of FX-denominated bank borrowings and gains from investment fund sales, weighed on bottom-line profitability in FY2025,
- Short-term weighted funding structure and weakening FFO Debt Service Coverage Ratio over the analyzed periods may exert pressure on liquidity management,
- 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 revised to 'A+ (tr)' from 'AA- (tr)'. The Company's strong financial leverage profile, adequate interest coverage, export-weighted revenue base, established customer portfolio of globally recognized retailers and sufficient equity position as well as the decline in sales volume, compression in profitability margins, FX-related losses weighing on bottom-line profitability and short-term weighted funding structure and weakening FFO Debt Service Coverage Ratio have been evaluated as important indicators for the stability of the ratings, and the outlooks for Long-Term and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's sales volume, profitability, indebtedness, debt service capacity, domestic and global market conditions and the possible impacts of the global macroeconomic policies on Türkiye's economy and its effects on the Company's activities will be closely monitored by JCR Eurasia Rating in upcoming periods.