Corporate Credit Rating

☐New ☒Update

Sector: Holding
Publishing Date: 04/12/2025

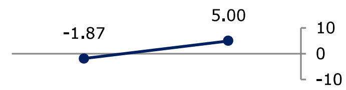
Senior Analyst
Aynur Burcu Eycan Öztürk
+90 212 352 56 73
aynurburcu.eycanozturk@jcrer.com.tr

Senior Analyst
Yunus Katrancı
+90 212 352 56 73
yunus.katranci@jcrer.com.tr

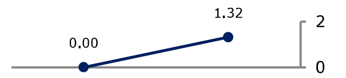
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AA- (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Profile)	National ISR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

** Affirmed by JCR on September 1, 2025*

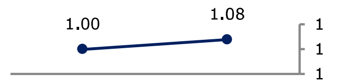
EBITDA Margin (%)



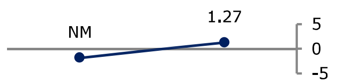
ROAE (%)



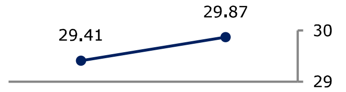
Current Ratio (x)



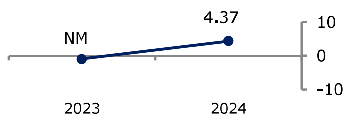
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



Tekfen Holding A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of **"Tekfen Holding A.Ş."** in 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 assigned as **'BB/Stable'** as parallel to international ratings and outlooks of Republic of Türkiye.

Tekfen Holding A.Ş. (hereinafter referred to 'Tekfen Holding' or 'the Company' or 'the Group') with an operating track record dating back to 1956, was established in İstanbul in 1971 and is one of the country's leading diversified conglomerates with operations in the fields of engineering & contracting, agricultural industry and investment through its subsidiaries and affiliates which steers operations in various countries. Tekfen İnşaat ve Tesisat A.Ş. (Tekfen Construction), an affiliate of the Holding, is one of the Türkiye's most established construction companies with 69 years of history and has extensive experience in petroleum, gas, and petrochemical facilities and serves customers in such areas as pipelines, land and sea terminals, tank farms, oil refineries, off-shore platforms, pumping and compressor stations, power plants, industrial facilities, highways, metro and railroad projects, sports complexes, infrastructure, and other civil engineering projects. In Engineering News-Record's 2025 list of the 'World's 250 Biggest International Contractors', Tekfen Construction ranked in 143rd position. Toros Tarım Sanayi ve Ticaret A.Ş., another affiliate of the Holding, is one of country's biggest fertilizer producers in terms of output and market share. Toros Tarım, leading company of chemical industry group, ranked in 56th place among the first 500 industrial enterprises listed by the Istanbul Chamber of Industry in 2024.

Tekfen Holding is registered within the Capital Market Board and its shares have been traded on the Borsa Istanbul with the ticker "TKFEN" since November 23, 2007.

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

Strengths	Constraints
• Solid equity structure strengthened by retained earnings both as of FYE2024 and 1H2025 period-end • Reasonable backlog value of ongoing projects, geographical and sectoral diversification of activities through subsidiaries provides resilience as well as mitigating concentration risk • FX denominated revenue stream along with derivative instruments utilization mitigating currency risk to a certain extent • Asset quality supported by low level of doubtful receivables which continued in 1H2025 interim results • Sufficient cash flow metrics facilitating liquidity management in FY2024 despite free operating cash outflow in 1H2025 • Compliance with corporate governance principles as a publicly listed company	• Lack of EBITDA generation, mainly driven by the contracting segment leading to inadequate financial leverage and coverage metrics in 1H2025 based on TAS results, despite the recovery achieved in EBITDA generation and margin in FY2024 • Qualified opinion in 1H2025 interim report regarding specific financial statement items • Fluctuating input prices in the engineering & contracting and fertilizer industry segments stand out as a risk factor for profitability margins • Potential operational risks due to the nature of constructing business coupled with risk elements arising from overseas operations • Regulatory environment affecting profit margins and competition in the fertilizer industry • 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 **'AA- (tr)'**. The Company's asset quality, sufficient equity level, income diversification in different segments, remaining backlog value of ongoing projects, experienced risk management practices, global soft-landing actions along with ongoing uncertainties with potential to adversely affect global trade 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 growth strategy, profitability indicators, financial leverage and asset quality 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.