

Corporate Credit Rating

New Update

Sector: Metal Industry

Publishing Date: 25.07.2025

Team Leader

Sami Aksu

+90 212 352 56 73

sami.aksu@jcrer.com.tr

Analyst

Ahmet Yasin Kansu

+90 212 352 56 73

ahmetyasin.kansu@jcrer.com.tr

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

* Assigned by JCR on May 10, 2024

TUĞÇELİK ALÜMİNYUM VE METAL MAMÜLLERİ SAN. VE TİC. A.Ş.

JCR Eurasia Rating has evaluated "Tuğçelik Alüminyum ve Metal Mamülleri Sanayi ve Ticaret A.Ş." in the investment-level category at national level and affirmed the Long-Term National Issuer Credit Rating as 'BBB (tr)' with 'Negative' outlook and the Short-Term National Issuer Credit Rating as 'J2 (tr)' with 'Stable' outlook. 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 the Republic of Türkiye.

Tuğçelik Alüminyum ve Metal Mamülleri San. ve Tic. A.Ş. ("Tuğçelik Alüminyum" or "the Company") was established in 1988 in İstanbul, Türkiye. The Company specializes in the production of aluminum parts through high-pressure die casting and CNC machining techniques, tailored to meet customer-specific requirements. These components serve a range of industries, including automotive, white goods, electrical and electronics, and defense. In the automotive sector, Tuğçelik Alüminyum manufactures parts such as battery covers and components for electric vehicles, suspension bellows, wiper arms, cooling system elements, and parts for convertible and sunroof systems. In the white goods segment, the Company produces key mechanical components such as drum pulleys, essential for washing machines, as well as star pieces, motor covers, and similar parts. The Company's automotive part production operations are carried out at its facility in Sancaktepe, İstanbul, while manufacturing for the white goods industry takes place at its factory in Gebze. As of FYE2024, revenue contribution from the white goods and automotive segments stood at 55% and 45%, respectively.

As of the end of 2024, the Company employed an average of 419 personnel. The shares of the Company were offered to public in June, 2014 with 'TUCLK' ticker. As of March, 2025, the actual outstanding share ratio of the Company was 58% and Tuğçelik Alüminyum's main ultimate controlling shareholder was Nersan Holding A.Ş. with 38% share.

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

Strengths

- Improving profit margins in Q1'2025 and stable EBITDA generation in reviewed years, through value-added production despite revenue decline and rising costs,
- Predictable revenue stream underpinned by long-term contractual arrangements,
- Benefiting from natural hedging through export sales in a certain extent,
- Satisfactory equity structure bolstered by retained earnings along with the positive impact of inflation adjustment in the years analyzed,
- As a publicly traded company, compliance with corporate governance practices,
- Sufficient sectoral experience.

Constraints

- Downward trend in revenue and sales volume persisted throughout FY2024 and Q1'2025,
- High bank loan due 2025 coupled with elevated leverage metrics in the analyzed years,
- Weak coverage metrics during the examined periods,
- Declining net working capital level alongside current ratios over the years,
- Reliance on a limited number of key clients, despite serving prominent corporates,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

The Company's audited financial statements include inflation adjustments. Adjustments have been made in accordance with the terms of IAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the changes in the general purchasing power of the Turkish Lira as of 31 December 2024.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed as 'BBB (tr)'. Downward trend in sales revenue and volume, short-term weighted financial debt structure, leverage & coverage metrics, as well as geopolitical risks-driven uncertainties have been evaluated as important indicators for the outlook and the outlook for the Long-Term National Issuer Credit Ratings is determined as 'Negative'. The Company's revenue generation performance, leverage profile, liquidity metrics, profitability margins 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.

