Corporate Credit Rating

☐New ☒Update

Sector: Industrial Equipment Industry
Publishing Date: 25.11.2026

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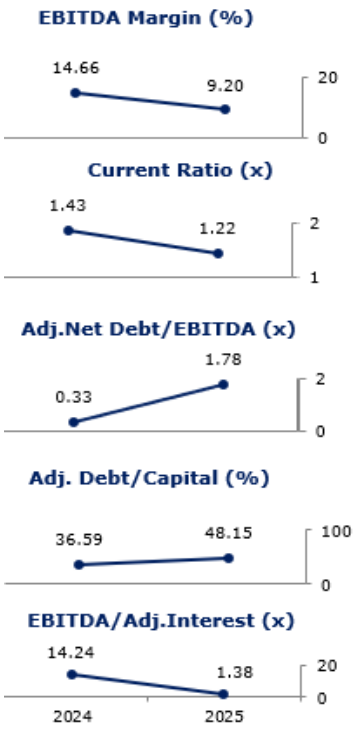
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)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

** Affirmed by JCR on August 21, 2026*



Türk Traktör ve Ziraat Makineleri Anonim Şirketi

JCR Eurasia Rating, has evaluated **"Türk Traktör ve Ziraat Makineleri Anonim Şirketi"** in the 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 Ratings and outlooks of the Company were affirmed at **'BB/Stable'**, according to JCR-ER's national-global mapping methodology.

"Türk Traktör ve Ziraat Makineleri Anonim Şirketi" (hereinafter referred to as **"Türk Traktör"** or **"the Company"**), was established on June 1954 in Ankara, as Minneapolis Moline Türk Traktör ve Ziraat Makineleri A.Ş. by MKE, TZDK, Ziraat Bankası, Tariş, Çukobirlik and MinneapolisMoline from the US and main operating field of the Company is manufacturing and trading of farm tractors, harvesters and other agricultural machinery and equipment. The title of the Company was changed as Türk Traktör Ziraat Makineleri A.Ş. in 1968 following the purchase of 25% of the shares held by Ege Makina ve Ticaret A.Ş., a group company of the Koç Holding A.Ş. ("Koç Holding").

Türk Traktör continues to support farmers across Türkiye through its extensive sales and after-sales service network. With seven decades of experience and operations spanning four continents, the Company has established a strong presence in the agricultural machinery industry and exports its products to more than 125 countries. As of September 2026, its domestic tractor dealer network comprised 83 New Holland and 38 CASE IH dealers, supported by 406 authorized service points and 138 spare parts dealers. In addition to its core tractor manufacturing operations, Türk Traktör has been active in the construction equipment market since 2013 through the distribution of CASE and New Holland branded machinery under its agreement with CNH International SA. The Company further strengthened its presence in this segment by commencing domestic backhoe loader production at its Ankara factory in 2020. It reached another operational milestone in 2025 with the production of its 2,000th domestically manufactured construction machine.

The major shareholders of the Company are Koç Holding and CNHI Osterreich GmbH with 37.50% shares, and remaining 25% of shares are publicly traded on the BIST with the ticker symbol "TTRAK" as of September 30, 2026.

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

Strengths

- Reasonable equity contribution despite a partial decline following dividend distributions in FY2025 and a relatively low paid-in capital base,
- Low levels of doubtful trade receivables, supported by an extensive domestic dealer and after-sales service network, a secured sales structure, and export activities conducted through its foreign partner,
- Adequate liquidity and cash flow management supporting the Company's overall liquidity position in reviewed periods,
- Production carried out at the Company's own facilities and investments in solar power generation, supporting cost optimization and reinforcing ESG compliance to some extent,
- Long-standing leadership position in the domestic tractor industry, supported by strong brand recognition, strategic partnerships and significant contributions to Türkiye's tractor production and export volumes,
- Strong shareholder structure along with adherence to corporate governance principles and regulatory requirements applicable to publicly traded companies.

Constraints

- The prolonged contraction in sector-wide demand has resulted in lower sales volumes, adversely affecting revenue generation and operating profitability in FY2025 and 9M2026,
- Weakened EBITDA generation coupled with high financing expenses adversely affected the interest coverage metrics and bottom line performance in FY2025 and 9M2026,
- Deterioration in leverage metrics due to the continued contraction in EBITDA, despite a partial decline in net financial debt in 9M2026,
- High sensitivity to domestic tractor demand, agricultural productivity and sector-specific regulatory developments,
- 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 **'AA (tr)'**. The Company's reasonable equity contribution, low level of doubtful trade receivables, moderate liquidity and cash flow metrics, SPP and in-house production investments, dominant domestic market position and strategic partnership framework, compliance with corporate governance principles as well as decline in sector-wide demand and accordingly revenue and profitability, weakened coverage and leverage metrics and exposure to agricultural productivity with sectoral regulations have been evaluated as important indicators for the stability of the ratings and the outlooks for the Long and Short-Term National Issuer Credit Ratings are affirmed at **'Stable'**. The Company's sales performance and profitability especially considering the declining demand during 2025 and 3Q2026, agricultural productivity, mainly related to climatic conditions, dividend policy, national and international policy implementation to the sector, the developments regarding the global and domestic macroeconomic indicators will be continued to be monitored.

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