

## Corporate Credit & Issue Rating

New  Update

**Sector:** Telecommunication  
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	<b>A (tr)</b>	<b>J1 (tr)</b>
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	<b>A (tr) (Stable)</b>	<b>J1 (tr) (Stable)</b>
	International FC ISR	-	-
Sovereign *	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Affirmed by JCR on September 01, 2025

## Turknet İletişim Hizmetleri A.Ş.

JCR Eurasia Rating, has evaluated the "Turknet İletişim Hizmetleri A.Ş." in the investment-level category with high credit quality and affirmed the Long-Term National Issuer Credit & Issue Rating at 'A (tr)' and the Short-Term National Issuer Credit & Issue 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 sovereign ratings and outlooks of the Republic of Türkiye.

**Turknet İletişim Hizmetleri A.Ş.** (hereinafter referred to as "Turknet" or "the Company") was established in 1996 and provides a variety of services including fixed broadband internet, voice, private virtual network, data center services, and hosting. Turknet utilizes both its proprietary network infrastructure and that of other providers Turknet distinguishes itself in the fixed broadband sector by offering internet services without bandwidth limitations or fair usage policies. The Company's own and leased fiber backbone spans more than 10,186 kilometres (7,172 kilometres leased) and covers 60 cities (32 cities with leased backbone). Additionally, Turknet operates a network operation center based in Gayrettepe/İstanbul. As of March 2026, Turknet serves around 1.43mn customers, primarily in the retail sector. With a focus on operational efficiency, the Company reduces costs-particularly those associated with physical branches or point of presence (PoPs)-to offer competitive pricing to its customers. By then end of 2025, Turknet's market share, based on customer count, reached 6.6%, reflecting a slight uptick from 5.82% in 2024. Supported by the increase in subscriber numbers and market share, the Company became the 4th largest ISP in the sector in 2025 (2024: 5th largest).

As of FYE2025, the Company's shares are controlled by Çelebi family (60%), RePie IoT Tech GSYO (35.08%) and the Pardus GSYO (4.92%).

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

### Strengths

- Consistent sales revenues and sustainable EBITDA generation capacity during the reviewed periods, alongside further upside potential driven by new home pass investments and low penetration levels, despite rising indebtedness due to CapEx,
- Progressive increase in ARPU, converging with CPI along with pricing strategy as a structural competitive differentiator,
- Inelastic aggregate demand with respect to price in the fixed broadband sector, supported by a sustained market growth trend,
- Low collection risk underpinned by a prepayment-oriented revenue model,
- R&D activities generating operational capabilities,
- Compliance with corporate governance principles, supported by the issuance of capital market instruments.

### Constraints

- Decrease in coverage metrics and bottom-line profitability due to elevated financing costs,
- Limited paid-in capital relative to revenue and asset size, despite growth in equity through internal resource generation,
- Structural wholesale dependency on a vertically integrated incumbent with regulatory-determined cost exposure,
- As actions for a global soft-landing gain prominence, geopolitical risks and decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's the Long-Term National Rating has been affirmed at 'A (tr)'. The Company's EBITDA generation capacity and consistent sales revenues, expected impact of ongoing investments on operational and financial efficiency, customer acquisitions, operating sector, and low collection risk have been evaluated as important indicators for the stability of the ratings and the outlooks for long- and short-term national ratings are determined as 'Stable'. The Company's profitability performance, borrowing structure, leverage profile 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.

