

## Corporate Credit Rating

New Update

**Sector:** Food

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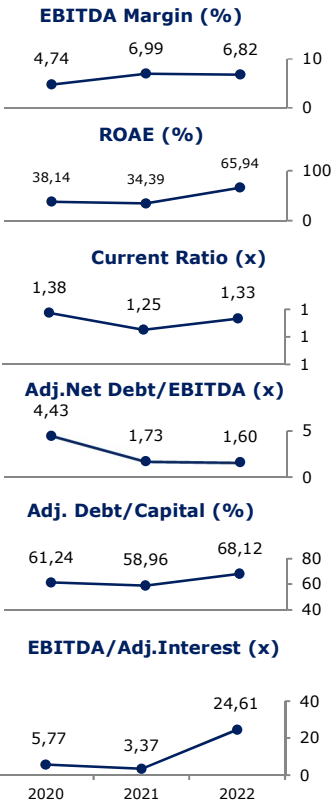
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks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

\* Assigned by JCR on August 18, 2022



## Ofis Yem Gıda Sanayi Ticaret Anonim Şirketi

JCR Eurasia Rating, has evaluated "Ofis Yem Gıda Sanayi Ticaret Anonim Şirketi" in the the investment-level category on the national scales and affirmed the Long-Term National Issuer Credit Rating at 'A- (tr)' and the Short-Term National Issuer Credit Rating at 'J2 (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/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

**Ofis Yem Gıda Sanayi Ticaret Anonim Şirketi** (hereinafter referred to as "Ofis Yem" or "the Company") was established in 1997, Ankara. Main field of the Company consists of producing animal feed. Head office is located in Ankara and there are 2 processing facilities, are located in Salihli, Manisa and Çubuk, Ankara. Ofis Yem ranked 309th in the list of Türkiye's Top 500 Industrial Enterprises prepared by the İstanbul Chamber of Industry in 2022. Ofis Acay Gıda Tarım Hayvancılık Sanayi Ticaret A.Ş., consolidated under the roof of Ofis Yem, is producing animal feed in Kars.

The Company had a 266 of workforce as of September,2023(FYE2022:258).

Ofis Yem's shares with a nominal value of TRY 22.75mn were offered to the public in August, 2023 at a price of TRY 22.70 and started to be traded on the Borsa İstanbul (BIST) with the ticker symbol "OFSYM" on August 16, 2023. As of 9M2023, the Company's 15.56% of shares are publicly traded on the BIST.

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

### Strengths

- Steady revenue growth underpinned by price and sales volume increases which continued in 9M2023 period with support of price increases
- Strengthened equity level thanks to retained earnings and public offering proceeds in August,2023
- Operating with net working capital surplus and satisfactory level of current ratio over the analyzed periods
- Improvement in cash conversion cycle
- Relatively inelastic demand ensures a natural shield
- Compliance with corporate governance principles as a publicly traded company

### Constraints

- Operating with limited EBITDA margin over the analyzed years coupled with slight decline in FY2022 and 9M2023 period
- Upward trend in bank loans due to investment and working capital needs in 2024 following reasonable financial leverage metrics in 2022 and 9M2023 period
- Negative CFO and FOCF creating external funding need for operational cycle
- Volatility in exchange rates and import dependent commodity prices may put pressure on profitability margins
- Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as 'A (tr)'. The Company's sales revenue growth, equity structure, liquidity and leverage metrics, experience in the sector, along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions 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 revenue and profitability performance, cash generation ability and repayment capacity to the project finance loan, indebtedness level 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.