

## Corporate Credit Rating

New  Update

**Sector:** Food

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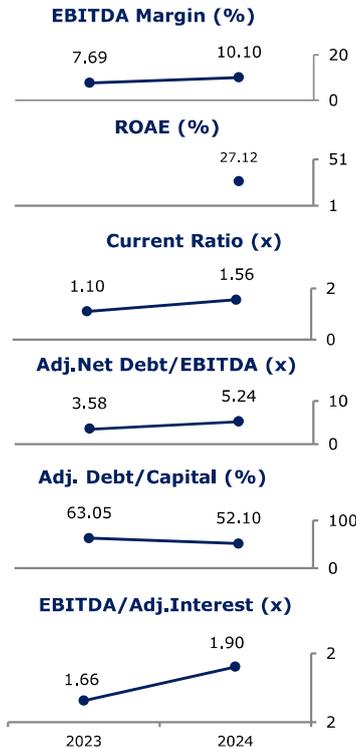
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating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

\* Assigned by JCR on May 10, 2024



## ARMADA GIDA TİCARET SANAYİ ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated "Armada Gıda Ticaret Sanayi Anonim Şirketi" in the investment grade category with high credit quality 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 'J1 (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 Republic of Türkiye.

Armada Gıda Ticaret Sanayi Anonim Şirketi (referred to as "Armada Gıda" or "the Company") was established in 1993. The Company's main activity is the processing and trading of cereal and pulses products. The Company, which carries out its production at its three factories in Mersin, has brands such as Doyum, Armada Foods, Armada Anadolu, Mediterranean Village, and Popipop. The Company is listed in the ISO500 (FY2024: 315<sup>th</sup>) and TIM1000 (FY2024: 455<sup>th</sup>) rankings and also has investments in the energy sector through SPP projects.

As of the reporting date, The Company's paid-in capital is TRY 263.98mn. The majority of the Company's shares are owned by members of the Sönmez Family. As of June 3, 2025, the Company is listed on the Borsa İstanbul (BIST). Armada Gıda's public float ratio is 16.89% as of the reporting date. The Company's head office is located in Mersin. Also, the Company has a management office in İstanbul. Armada Gıda employed 281 employees as of 1H2025 (FYE2024: 381).

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

### Strengths

- Upward trend of EBITDA margin in FY2024 and 1H2025 period despite the decline in sales revenue in FY2024 due to contracted sales volume and unit prices
- Export sales and FX indexed revenue stream provide a natural hedge against currency risk to a certain extent
- Significant cash flow stream via IPO process in January 2025
- Net working capital surplus and adequate level of current ratio as of FYE2024 and 1H2025 period
- Asset quality supported by low collection risk and wide customer base
- Additional revenue contribution expected from the super cereal factory and SPP investments in FY2026
- Long lasting experience in the grain industry along with wide product range

### Constraints

- High net debt/EBITDA ratio as of FYE2024 mainly due to increased financing requirements of investment CapEx as well as working capital needs
- High financings expenses arising from interest costs and FX losses due to FX denominated bank loans over the reviewed periods
- Long cash conversion cycle increasing working capital needs for operational cycle
- Deepening of foreign exchange short position due to FX-weighted bank loans as of FYE2024
- Competitive market structure in the grain sector along with seasonality and sensitivity to environmental conditions
- 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 'A (tr)'. The upward trend in the Company's EBITDA margin, ability to generate FX-indexed revenue, cash inflow provided through IPO process, net working capital surplus and liquidity ratios, asset quality coupled with low collection risk, expected revenue from ongoing factory and SPP investments, global soft-landing actions along with ongoing uncertainties with potential to adversely affect global trade have been evaluated as important indicators and the outlook for Long-Term National Issuer Credit Ratings is determined as 'Stable'. The Company's profitability performance, sales growth, liquidity position, debt structure 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.