

## Corporate Credit Rating

New  Update

**Sector:** Food Products Industry

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**Team Leader**

Hulusi Girgin

+90 212 352 56 73

[hulusi.girgin@jcrer.com.tr](mailto:hulusi.girgin@jcrer.com.tr)

**Assistant Analyst**

Özlem Topuk

+90 212 352 56 73

[ozlem.topuk@jcrer.com.tr](mailto:ozlem.topuk@jcrer.com.tr)

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating 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	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on Aug 18, 2022

## ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated "Atakey Patates Gıda Sanayi ve Ticaret A.Ş." in the investment-level category and revised the Long-Term National Issuer Credit Rating from 'BBB+ (tr)' to 'A- (tr)' and affirmed 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 affirmed as 'BB/Negative'.

**Atakey Patates Gıda Sanayi ve Ticaret A.Ş.** ('Atakey Patates', or 'the Company') was established on September 21, 2012. As of 28 June 2019, TFI Tab Gıda Yatırımları AŞ. (TFI or the Group), acquired the shares from Özgörkey Gıda Ürünleri Sanayi ve Ticaret AŞ for USD 12.5mn and became the main controlling party of the Company. The Company supplies potato to TFI's restaurants, its associated organizations operating in China and third parties.

Atakey Patates's shares started to be traded on the Istanbul Stock Exchange (BIST) with the ticker of 'ATAKP' on July 27, 2023. After the public offering of Atakey Patates, the capital share has changed and the share of TFI Tab Gıda has decreased from 100% to 79.66% and 20.34% has been opened to the public.

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

### Strengths

- Solid EBITDA and FFO generation underpinning satisfactory leverage and coverage multipliers and fulfilling the covenants given to bank under long-term credit agreement,
- Sound profit margins in 2022,
- Adequate cash flow metrics albeit a contraction in 3Q2023,
- Positive net working capital supporting the liquidity profile along with the fund generating from the initial public offering,
- Satisfactory operating ratio underpinning efficiency,
- Publicly listed company as of July 2023.

### Constraints

- Disadvantages due to dependence on a single agricultural product and sector with predominantly intra-group sales,
- Noteworthy contribution of non-cash revaluation gains and share premiums in equity structure in 3Q2023,
- Persistence of the foreign exchange position deficit that cannot be covered by direct and indirect exports,
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been revised from 'BBB+ (tr)' to 'A- (tr)'. The Company's established market position, shareholder structure, financing capabilities, improvement in leverage metrics, global macroeconomic conditions and recognition in the sector, and accumulation of experience to manage risks have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Rating is affirmed as 'Stable'. The Company's cash flow metrics, inventory level, equity structure, profitability metrics, utilization of the funds generated from IPO, fulfilments of covenants related to loans and indebtedness structure 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.

