

Corporate Credit Rating

New Update

Sector: Food Industry
Publishing Date: 29.09.2025

Team Leader
 Cemil ERKÜRK
 +90 212 352 56 73
cemil.erkurk@jcrer.com.tr

Senior Analyst
 Zafer Kamil AYDIN
 +90 212 352 56 73
zafer.aydin@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BB (tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	B+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	B+	-
	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)	-

* Assigned by JCR on September 01, 2025

A.V.O.D. Kurutulmuş Gıda ve Tarım Ürünleri San. Tic. A.Ş.

JCR Eurasia Rating has evaluated "A.V.O.D. Kurutulmuş Gıda ve Tarım Ürünleri San. Tic. A.Ş." in the speculative grade category and revised the Long-Term National Issuer Credit Rating from 'BBB- (tr)' to 'BB (tr)' and affirmed the Short-Term National Issuer Credit Rating at 'J3 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'B+/Stable' according to JCR-ER's national-global mapping methodology.

A.V.O.D. Kurutulmuş Gıda ve Tarım Ürünleri San. Tic. A.Ş. (hereinafter referred to as "AVOD" or "the Company") was established in 2003 and is a prominent in the production, processing, and global trade of dried tomatoes and various vegetable-based products. The Company traces its operational roots back to 1995 through its affiliation with Hasat BNO Grup Gıda Yemek Hayvancılık Tekstil İnşaat San. Tic. A.Ş. (Hasat BNO Group), which has a strong background in agriculture. AVOD operates a production facility comprising 15,000m² of open area and 5,000m² of enclosed space, with an annual manufacturing 3,000 tons of finished products. Oriented towards international markets, the Company has been compliant with BRC and IFS Global Food Standards since 2007, aligning its operations with internationally recognized food safety and quality protocols. The Company has been publicly listed on Borsa İstanbul since November 30, 2011. As of the reporting date, 93.9% of its shares traded on the exchange. The remaining 6.1% of the shares are held equally by the founders, Nazım TORBAOĞLU and Burak KIZAK.

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

Strengths

- High export share provides hedging opportunity against FX-denominated bank loans,
- Reasonable equity level supported by capital adjustment differences, despite being suppressed by bottom-line losses,

Constraints

- Deterioration in financial leverage and interest coverage metrics due to the decline in EBITDA generation capacity as of FYE2024,
- Sharp contraction in core profitability indicators in FY2024, despite modest recovery in 1H2025,
- Dependence on short-term bank loans due to inherently long cash conversion cycle of the sector, with related financing expenses exerting pressure on bottom-line profitability,
- Uncertainty regarding lawsuit against the Company executives, and operational risks resulting from unpaid social security debts and taxes as of the rating report date,
- Improvement needs in financial risk management due to the numerous recorded delays in financial obligations since the previous rating report, although no current delay was observed as of the rating report date, despite compliance with corporate governance practices as a publicly listed company.
- Potential strain on profitability from agricultural sector-related costs, climate conditions and exchange rate movements,
- 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 Rating has been revised from 'BBB- (tr)' to 'BB (tr)'. The Company's high export volume, equity level and compliance with corporate governance practices as a publicly listed company 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'. On the other hand, the Company's EBITDA generation capacity, profitability metrics and leverage profile, lawsuits against the Company executives will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national, as well as market conditions and legal framework about the sector will be monitored as well.

