

## Corporate Credit Rating

☑New ☐Update

**Sector:** Agrochemicals  
**Publishing Date:** 25.08.2022  
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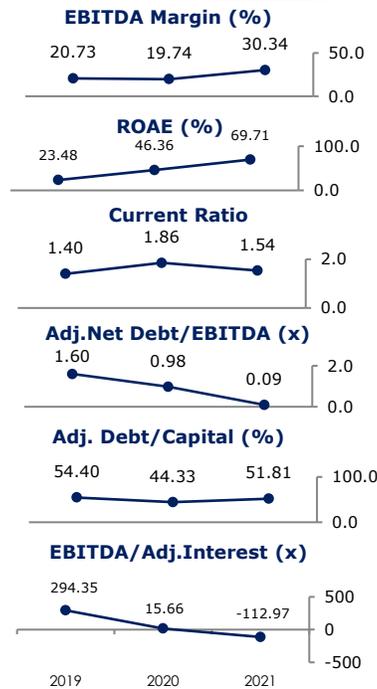
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### RATINGS

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

\* Assigned by JCR on August 18, 2022



## Doktor Tarsa Tarım Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated the “**Doktor Tarsa Tarım Sanayi ve Ticaret A.Ş.**” in the investment-level category and assigned the Long-Term National Issuer Credit Rating at ‘**AA- (tr)**’ and the Short-Term National Issuer Credit 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/Negative**’ as parallel to international ratings and outlooks of Republic of Türkiye.

Doktor Tarsa Tarım Sanayi ve Ticaret A.Ş. (“Doktor Tarsa” or “the Group” or “the Company”) was established in 1987. The main activity of the Group is fertilizer production. The Group also operates in soil conditioners, irrigation equipment, packaging trade and laboratory services.

The current shareholder of the Company is Tasaco Tarım San. Ve Tic. A.Ş. (%100). The average number of personnel employed within the Group in FY2021 is 249. (FYE2020: 316)

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

### Strengths

- Increasing cash generation capacity facilitating liquidity management particularly in FY2021,
- Significant improvement and sustainability in EBITDA generation capacity and profitability indicators in FY2021,
- Strong equity structure supported by retained earnings,
- Remarkable improvement in financial leverage levels thanks to growing cash generation from operations,
- Sustainable positive net working capital over the years and satisfactory level of current ratio,
- Long lasting presence in the sector and successful track record.

### Constraints

- Decrease in fertilizer sales volume and facility capacity utilization rate despite the increase in sales revenues in FY2021,
- High cash conversion cycle,
- Raw material prices and currency fluctuations may put pressure on profitability margins,
- Dependence of global product prices and weather conditions,
- Improvement needs in corporate governance practices,
- The geopolitical risks stemming from the Russia-Ukraine tension causing uncertainty.

Considering the aforementioned points together the Company’s the Long-Term National Issuer Credit Rating has been assigned as ‘**AA- (tr)**’. Strong profitability indicators, sustainable EBITDA generation capacity, high cash generation ability, considerable low level of financial leverage as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings Outlook are determined as ‘**Stable**’. The Company’s growth strategy, profitability indicators, financial leverage 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.