

Corporate Credit Rating

New Update

Sector: Food

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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

Eksun Gıda Tarım Sanayi ve Ticaret Anonim Şirketi

JCR Eurasia Rating has evaluated "Eksun Gıda Tarım Sanayi ve Ticaret A.Ş." in the investment level category with high credit quality 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 have been assigned as 'BB/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

Eksun Gıda Tarım Sanayi ve Ticaret A.Ş. (hereinafter referred to as "Eksun Gıda" or "the Company") was established in 1996 in Muratlı/Tekirdağ. Eksun Gıda is active in the field of bulked and packaged wheat flour production. The Company's retail and industrial sales are carried out in domestic and foreign markets. The Company's domestic sales are made under the brands of "Eksun", "Sinangil" and "Alpa".

Eksun Gıda operates in three factories, two in Tekirdağ and one in Konya. The Company produces in a total of approximately 63k m² open and 33.4k m² closed areas. Eksun Gıda has an annual milling capacity of approximately 600,000 tons with 52,000 tons of wheat storage capacity. The headquarter of the Company is located in İstanbul. The Company employed a workforce of 458 as of June 30, 2023. Eksun Gıda ranks 255th in ISO (İstanbul Chamber of Commerce) Top 500 List of 2022 according to production based net sales.

Eksim Yatırım Holding A.Ş. is the main shareholder of Eksun Gıda with an ownership of 71,37%. 28,63% shares of the Company have been traded on Borsa İstanbul with the ticker code of EKSUN since public offering held between 15-17 March 2023.

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



Strengths

- Maintained growth performance on the back of high capacity utilization and diversified sales channels
- Improving leverage metrics in 2022 and furtherly supported by public offering realized in March 2023
- Diversified debt instruments through lease certificates issuances
- Substantial improvement in equity weight underpinned by 1H2023 results
- Significant enhancement in liquidity ratios at 1H2023, mainly due to sizeable liquid assets
- Compliance with the corporate governance practices
- Long-lasting experience in the sector, also backed by well-known main shareholder

Constraints

- Regressed gross profit margin in 1H2023 compared to same term of previous year due to fluctuation in wheat prices
- Short-term weighted maturity profile of financial borrowings
- Recording negative CFO for the analyzed periods, though improving FFO starting from 2022
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, coupled with domestic restrictive financial conditions limit access to finance

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 improved leverage figures, long experience in the sector and shareholder structure as well as risk factors in the market and global macroeconomic concerns 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 indebtedness volume, sales growth, profitability and liquidity indicators 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.