

Corporate Credit Rating

New Update

Sector: Paper & Forest Products
Publishing Date: 25/04/2024

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

* Assigned by JCR on August 18, 2022

Gıpta Ofis Kırtasiye ve Promosyon Ürünleri İmalat Sanayi A.Ş.

JCR Eurasia Rating, has evaluated **Gıpta Ofis Kırtasiye ve Promosyon Ürünleri İmalat Sanayi A.Ş.** in the investment-level category on the national scales and revised the Long-Term National Issuer Credit Rating to '**A+ (tr)**' from '**A- (tr)**' and the Short-Term National Issuer Credit Rating to '**J1+ (tr)**' from '**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.

Gıpta Ofis Kırtasiye ve Promosyon Ürünleri İmalat Sanayi A.Ş. (hereinafter referred to as 'Gıpta Ofis' or 'the Company') was established in 1990 and engages mainly in the field of manufacturing cardboards and paper-based products such as notebooks, promotional papers and stationery equipment's in addition to packing materials.

The Company carries out its production activities in its manufactory located in Ankara having a total area of 43,220m² where 23,227m² was closed. Gıpta Ofis produced more than 3,000 types of different products and exported its products to more than 20 countries. The Company had more than 9,000 customers which are mostly composed of widely-known chain markets such as A101, BİM and D&R and various wholesale companies. Gıpta Ofis recorded TRY 678.35mn of sales revenue, up by 343%, and posted TRY 96.05mn of net profit, up by 539.65% as of FYE2022. The Company's sales growth was also maintained in 9M2023 period reaching to TRY 899.19mn, indicating 78.8% YoY growth and posted TRY 83.66mn of net profit, up by 210.18%. The Company's main shareholders are Bilge Grup Kağıtçılık Çevre Enerji İnşaat Tarım Ürünleri Sanayi ve Ticaret A.Ş. by 31.81% and CPR Enerji Üretim Sanayi ve Ticaret A.Ş. by 28.86% share as of September 2023. Moreover, 30.30% of its shares are traded on the BIST (İstanbul Stock Exchange) since it was listed in September, 2023.

The Company's HQ is settled in Altındağ, Ankara and has a showroom in İstoç, Bağcılar, İstanbul. Gıpta Ofis employs a total workforce of 332 as of 9M2023 (FYE2022:313, FYE2021:315).

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

Strengths

- Steady revenue growth over the years which continued in 9M2023 period
- Upward trend in profitability metrics during the review period
- A liquid balance sheet with net cash position in both FYE2022 and 9M2023 period
- Operating with net working capital surplus and satisfactory level of current ratio over the years which notably improved in 9M2023 period
- Strengthened equity base thanks to public offering proceeds in September 2023
- Wide customer base and reputable customer portfolio supporting asset quality
- Long-lasting experience in the sector

Constraints

- Fluctuations on raw material prices may put pressure on profitability margins
- Pledged and mortgaged tangible assets for borrowings decreasing the elasticity of assets
- Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised to '**A+ (tr)**'. The Company's notable sales revenue growth coupled with quantities sold, profitability metrics, reputable customer base, strengthened equity base, experience in the sector, susceptibility to raw material prices along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions 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 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.

