

Corporate Credit Rating

New Update

Sector: NonAlcoholic Beverages Industry

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

* Assigned by JCR on May 10, 2024

Göknur Gıda Maddeleri Enerji İmalat İthalat İhracat Ticaret ve Sanayi A.Ş.

JCR Eurasia Rating, has evaluated 'Göknur Gıda Maddeleri Enerji İmalat İthalat İhracat Ticaret ve Sanayi A.Ş.' in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating from 'A- (tr)' to 'A (tr)' and the Short-Term National Issuer Credit Rating from 'J2 (tr)' to '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/Stable', in parallel with the international ratings and outlook of the Republic of Türkiye.

Göknur Gıda Maddeleri Enerji İmalat İthalat İhracat Ticaret ve Sanayi A.Ş. (referred to as 'Göknur Gıda' or 'the Company' or 'the Group') was established in 1993 in Kayseri to engage in the production activities of non-alcoholic beverages and various foodstuffs from fruits. The Company produces clear and cloudy fruit juice concentrates, fruit purees/puree concentrates, fruit juices and fresh/frozen fruits by processing a wide range of organic and conventional fruits. The Company operates in the sector with 'Drops', 'Get One', 'Absolutely' and 'Göknur Grain' brands. The Company produces in its facilities located in Niğde, Adana and Afyonkarahisar with daily fruit processing capacity of 7,200 tonnes. The Company has orchards with a total area of 10,000 decares in Afyonkarahisar, Niğde and Adana. In addition, fruit is grown for the Company in orchards with an area of 20,000 decares belonging to contracted producers. The Company's facility, located in Mersin Free Zone and with a closed area of 12,000 m², has a daily capacity of processing 240 tons of fruit concentrate. The products produced in the Niğde, Adana and Afyonkarahisar facilities and the products supplied from abroad are reprocessed in Mersin Facility (mixing, filling and packaging) and is sold to 85 countries. On the other hand, the Group has two biogas power plants with a total installed capacity of 2.4 MW, and the fruit pulp obtained from the production facilities in Niğde and Afyonkarahisar is used in electricity generation. The Company ranked 224th in the 'Türkiye's Top 500 Industrial Enterprises 2023' list of İstanbul Chamber of Industry (2022: 202th).

The shareholders of the Company are Turkey Juice Company S.A.R.L. (54.01%), Aslanali Tarım A.Ş. (13.43%), Tjara Gg Gıda Yatırım A.Ş. (6.10%), Al Yasra Investment Company Limited (3.82%) and rest of the shares (22.64%) have been traded on İstanbul Stock Exchange (BIST) since March, 2023. The controlling partner of Turkey Juice Company S.A.R.L., is Venture Capital Bank, a Luxembourg-based SPV.

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

Strengths

- Improvement in Adjusted Net Debt/EBITDA multiplier in 2023 and 1Q2024 thanks to the considerable decline in financial borrowing, particularly in 2023,
- Low collection risk supported by customer portfolio consisting of well-known brands, despite mostly uncollateralized structure,
- Robust equity level mainly driven by IPO and internal fund generation in 2023 and 1Q2024, despite the low level of paid-in capital,
- Sustained satisfactory figures in cash flow metrics in last two consecutive years,
- Upward trend in net working capital and solid current ratio, facilitating effective liquidity management in 2023 and 1Q2024,
- Hard currency income generation capacity through considerable level of export sales ensuring a natural hedge in a certain extent over the analysed periods,
- Maintaining activities with moderate coverage metrics during the review periods,
- Long history and track-record in the industry.

Constraints

- Declined sales volume and revenue in FY2023, despite the increase in ton-based sales in 1Q2024 compared to same period of the previous year,
- Short-term weighted funding profile due to long cash conversion cycle,
- Fierce competition environment of global and domestic FMCG industries as well as high concentration in export side,
- Susceptibility of fresh fruit and vegetable production, where seasonality is effective, to climate conditions and diseases,
- Leading economic indicators signal global economic slowdown while quantitative tightening actions aiming 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 'A- (tr)' to 'A (tr)'. Increased sales volume in 1Q2024 compared to same period of the previous year, rise in EBITDA generation in 1Q2024, low collection risk via reputable customer portfolio, robust equity level, sufficient net working capital, considerable level of export revenues, satisfactory production capacity and product range as well as decline in sales figures in terms of both value and volume in 2023 and high concentration in export side have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings have been affirmed at 'Stable'. The Company's indebtedness and debt service capacity, profitability figures, production and sales volume, domestic and global market conditions and the possible impacts of the global macroeconomic policies on Türkiye's economy and its effects on the Company's activities will be closely monitored by JCR Eurasia Rating in upcoming periods.

