

Corporate Credit Rating

New Update

Sector: Food

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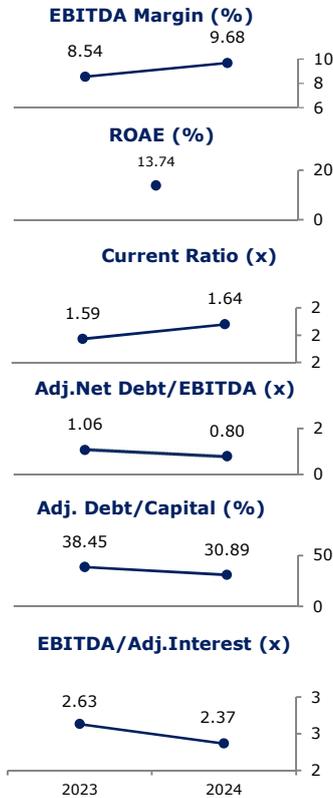
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| RATINGS | | Long Term | Short Term |
|----------------------------------|-------------------------------|-------------|------------|
| ICRs (Issuer Credit Profile) | National ICR | A (tr) | J1 (tr) |
| | National ICR Outlooks | Stable | Stable |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

* Assigned by JCR on May 10, 2024



Ofis Yem Gıda Sanayi Ticaret Anonim Şirketi

JCR Eurasia Rating, has evaluated "Ofis Yem Gıda Sanayi Ticaret Anonim Şirketi" in the investment grade category with high credit quality 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 'J2 (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' as parallel to international ratings and outlooks of Republic of Türkiye.

Ofis Yem Gıda Sanayi Ticaret Anonim Şirketi (hereinafter referred to as "Ofis Yem" or "the Company") was established in 1997, Ankara. Main field of the Company is the producing animal feed. Head office is located in Ankara and there are 2 processing facilities which are located in Salihli, Manisa and Çubuk, Ankara. Ofis Yem ranked 330th in the list of Türkiye's Top 500 Industrial Enterprises prepared by the İstanbul Chamber of Industry in 2023. Ofis Acay Gıda Tarım Hayvancılık Sanayi Ticaret A.Ş. and Ofis Yem Lidaş Tarım Ürünleri Lisanslı Depoculuk A.Ş. have been consolidated under the umbrella of Ofis Yem in the analyzed years. The Company had a workforce of 330 as of FYE2024 (FYE2023:276).

Ofis Yem's shares with a nominal value of TRY 22.75mn were offered to the public in August, 2023 and started to be traded on the Borsa İstanbul (BIST) with the ticker symbol "OFSYM" on August 16, 2023. As of FY2024, the Company's 15.56% of shares are publicly traded on the BIST.

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

Strengths

- Ongoing strong revenue performance supported by growing sales volume in FY2024
- Robust equity structure primarily driven by retained earnings, capital adjustments, and share premiums throughout the analyzed period
- Reasonable leverage metrics during the reviewed periods, despite planned additional bank loan utilization at manageable levels for investment purposes
- Steady cash generation capacity coupled with adequate liquidity ratios and relatively short cash conversion cycle during the analyzed years
- Revenue growth prospects upon the increase in production capacity through completed factory investment in FY2024
- Relatively inelastic demand ensures a natural shield for revenue generation
- Compliance with corporate governance principles as a publicly traded company

Constraints

- Operating with limited EBITDA and profitability margins though slight improvement recorded in FY2024
- High level of financing expenses and monetary losses arising from inflationary adjustments pressuring the bottom-line both in FY2023 and FY2024
- Volatility in exchange rates and import dependent commodity prices may put pressure on profitability margins
- 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 Issuer Credit Rating has been revised to 'A (tr)'. The Company's sales performance, equity structure, leverage metrics, liquidity indicators, profitability, global soft-landing actions along with ongoing uncertainties with potential to adversely affect global trade 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 revenue and profitability performance, cash generation ability and repayment capacity to the project finance loan, indebtedness level 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.