JCR Eurasia Rating
"JCR-ER, Group of Japan Credit Rating Agency, Ltd."

Corporate Credit Rating

☐New ☒Update

Sector: Food Industry
Publishing Date: 26.06.2025

Team Leader
Halil İbrahim YAMAN
+90 212 352 56 73
halil.yaman@jcrer.com.tr

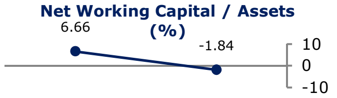
Analyst
Abdulkadir KÜÇÜK
+90 212 352 56 73
abdulkadir.kucuk@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BB (tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	B+	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	B+	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
*Sovereign	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

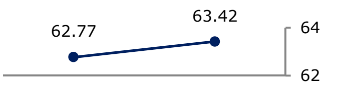
** Assigned by JCR on May 10, 2024*

EBITDA Margin (%)

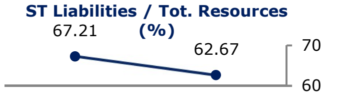
Net Working Capital / Assets (%)



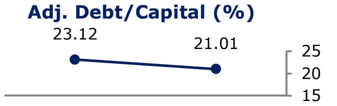
Equity / Tot. Assets (%)



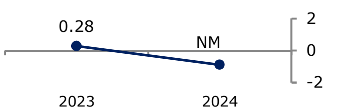
ST Liabilities / Tot. Resources (%)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



NM: Not Meaningful

Penguen Gıda Sanayi A.Ş.

JCR Eurasia Rating, has evaluated **"Penguen Gıda Sanayi A.Ş."** in the speculative grade category on the national scales and revised the Long-Term National Issuer Credit Rating to **'BB (tr)'** from **'BB+ (tr)'** and affirmed the Short-Term National Issuer Credit Rating at **'J3 (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as **'B+/Stable'**.

Penguen Gıda Sanayi A.Ş. (referred to as "Penguen Gıda" or "the Company") was established in Bursa in 1988. The main activity of the Company is the production of frozen food, canned food, pickles, tomato paste and jam products. The Company primarily focuses on producing private label items, but also sells products under its own brand. The Company have the facilities with a closed area of 75,000 m² in Bursa. The Company's export rate is around 70%, and these export sales consist entirely of private label products. Around half of domestic sales is private label products, sold to the supermarkets. In addition, the Company sells frozen food products under its own brand to the HoReCa (hotels, restaurants, catering) sector. The share of the sales under its own brand fluctuates between 15-20% of the revenues. The Company had 177 employees as of FYE2024 (FYE2023: 193).

Penguen Gıda went public in 1998, holding a free float of 76.88% as of the reporting date. The remaining shares outstanding belongs to Gençoğlu Holding A.Ş., Orhan Ümit Gençoğlu and Turhan Gençoğlu.

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

Strengths	Constraints
• Partial recovery in sales revenue mainly supported by the increased sales volume and unit prices in FY2024 • Export-oriented sales mitigating foreign currency risk to a certain extent • Low level of impaired receivables through a well-known customer base supporting asset quality • Operating in an industry with a relatively inelastic demand curve • Long-lasting presence in the sector dating back to 1988 and experienced shareholders	• Notable deterioration in profitability indicators and lack of EBITDA generation in FY2024, which continued in 1Q2025 period due to cost push inflation • Operating with weak coverage and leverage ratios due to worsening EBITDA generation capacity in FY2024, despite the moderate debt level • High non-cash contribution of the revaluation gains to the equity and asset size • Cash outflow from operations and long cash conversion cycle in FY2024 increasing the external funding needs • Intense competition in the FMCG industry along with high customer concentration increasing revenue volatility risks • 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 **'BB (tr)'**. The Company's revenue growth, high level of export income, reputable customer base despite the high concentration, low level of impaired receivables, relatively inelastic demand, experienced shareholders, 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, financial leverage indicators, liquidity position, debt structure 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.