

Corporate Credit Rating

New Update

Sector: Food Products Industry

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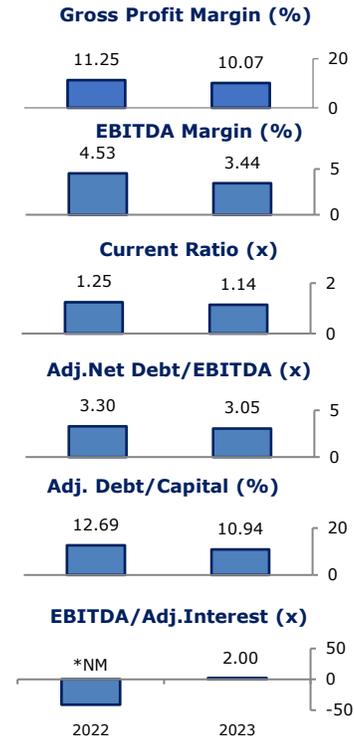
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA-(tr)	J1+(tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR 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



*NM: Not Meaningful

Pınar Entegre Et ve Un Sanayii A.Ş.

JCR Eurasia Rating, has evaluated "Pınar Entegre Et ve Un Sanayii A.Ş." in the investment grade category with very high credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AA-(tr)', the Short-Term National Issuer Credit Rating at 'J1+(tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/Stable', in line with the sovereign ratings and outlooks of Republic of Türkiye.

"Pınar Entegre Et ve Un Sanayii A.Ş." (hereinafter referred to as "Pınar Et" or "the Company") which was established in İzmir, has an operating history more than 40 years. The Company operates in the production of meat and by-products of cattle, ovine, poultry and fish, as well as the production of frozen dough products and ready-to-eat meals under the brand name of 'Pınar'.

Pınar Et has a slaughtering and processing capacity of 102 thousand cattles, 408 thousand ovines and 1.6 million turkeys in its facilities with 50 thousand m² closed and 255 thousand m² open area. The Company launched a total of 516 products in 8 categories in FY2023.

Pınar Et ranked 375th in the list of Türkiye's Top 500 Industrial Enterprises published by ISO (Istanbul Chamber of Industry) in 2023 (2022: 485th).

Pınar Et has 4 affiliates including the Company's financials by equity method as of September 30, 2024. The Company has a total of 868 employees as of September 30, 2024 (December 31, 2023: 873).

As of the reporting date, the main shareholder of the Company is "Yaşar Holding A.Ş." with 54.18% shares. The remaining 12.58% of the shares belongs to "Pınar Süt Mamülleri Sanayi A.Ş." and 33.19% of the shares are publicly traded on the BIST with the ticker symbol "PETUN".

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

Strengths

- Maintaining revenue and volume growth in FY2023 and expected to continue in 2024 financials,
- Notable improvement in profitability indicators in 3Q2024, despite limited margins in the last two years,
- Reasonable financial leverage indicators in the analysed period,
- Diversified product range thanks to developing R&D center and new product-brand creation power,
- Having competitive advantages thanks to operational integration in production process,
- Operating in the food industry where demand elasticity is relatively low,
- Compliance with corporate governance principles,
- Reputable brand name with a long operating history.

Constraints

- Low level of paid-in capital and regular dividend payments pressuring equity growth and UCF metric,
- Short-term weighted debt structure pressuring interest coverage ratio in FY2023,
- Intense competitive environment in the food industry,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned factors, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'AA-(tr)'. Sustainable sales revenue and volume growth, reputable brand name and significant improvement in profitability margins in 3Q2024 as well as ongoing uncertainties globally have been evaluated as important 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 debt and equity level, liquidity and profitability indicators will be closely monitored by JCR Eurasia Rating in the 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.