

Corporate Credit Rating

New Update

Sector: Food Products Industry

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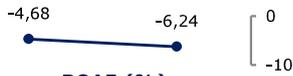
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RATINGS

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	BBB+ (tr)	J2 (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	-	-
	International FC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

EBITDA Margin (%)



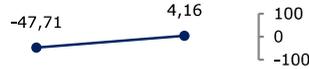
ROAE (%)



Current Ratio (x)



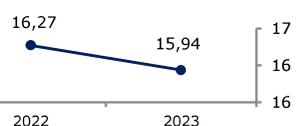
CFO Margin (%)



Adj. Debt/Capital (%)



Operating Ratio (%)



TAT GIDA SANAYİ A.Ş.

JCR Eurasia Rating has evaluated **"Tat Gıda Sanayi A.Ş."** in the investment level category and revised the Long-Term National Issuer Credit Rating from **"A- (tr)"** to **"BBB+ (tr)"** and affirmed the Short-Term National Issuer Credit Rating as **"J2 (tr)"** with **"Stable"** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Ratings and outlooks of the Company were assigned as **"BB /Stable"** parallel to international ratings and outlooks of the Republic of Türkiye.

"Tat Gıda Sanayi A.Ş." (hereinafter referred to as **"Tat Gıda"** or the **"Company"**) was established in 1967 under the corporate name of **"Tat Konserve Sanayi A.Ş."** before changing its commercial title to **"Tat Gıda Sanayi A.Ş."** in 2013. The Company's actual activity is to carry out the production, distribution, marketing, domestic and international trade and brokerage of all kinds of commercial goods, food, beverages, soft drinks, agricultural and animal food products and products, including frozen, dried, powdered types, their raw and primitive materials, auxiliaries and additives, semi-finished and complete products of sugary and unsweetened juices and canned foods. Tat Gıda has been quoted on the Borsa İstanbul Stock Exchange (BIST) since 1993 and 40% of shares are publicly traded on the BIST with the ticker symbol **"TATGD"**, while the controlling shareholder is **"Memişoğlu Tarım Ürünleri Tic. Ltd. Şti."** with an ownership rate of 50% as of September 30, 2024.

As of 30 September 2024, the paid in capital and equity of Tat Gıda Sanayi A.Ş. stood at TRY 136mn and TRY 2.72bn, respectively. Koç Holding A.Ş. sold its shares to Memişoğlu Tarım Ürünleri Tic. Ltd. Şti. on February 19, 2024. The main partner and the shareholder that holds the main control of Tat Gıda Sanayi A.Ş. is Memişoğlu Tarım Ürünleri Tic. Ltd. Şti. since then.

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

Strengths

- Maintained revenues thanks to unit price growth in FY2023 though decline in total sales in 3Q2024
- Enhancement in net working capital level at FYE2023 relieving the liquidity management to a certain extent
- Maintenance of asset quality underpinned by low collection risk of receivables despite the long cash conversion cycle as a nature of the business
- Geographical diversification of export revenues preventing concentration risk in international operations to a certain extent
- Possessing a widespread supply chain and solid distribution network
- Compliance with international quality standards and supporting sustainability projects
- Long lasting experience in the sector and brand awareness

Constraints

- Negative EBITDA level in the examined period
- High level of operating expenses to total revenues ratio
- Continued net loss in 3Q2024 due to further increase in financial expenses
- Negative level of FFO and FOCF following the investment period in FY2023 though the improvement seen in 3Q2024
- High dependence on weather conditions and seasonality in production activities
- 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 points, the Company's the Long-Term National Issuer Credit Rating has been revised from **"A- (tr)"** to **"BBB+ (tr)"**. The competitive advantage obtained through its long-lasting presence in the sector, liquidity position, production and export power, competition and market efficiency in the inter/national market as well as augmenting indebtedness level due to investments, leverage profile, decline in revenues in 3Q2024, political tensions and other global downsides have been evaluated as important indicators for the stability of the ratings and the outlooks for Long-Term and Short-Term National Issuer Credit Ratings are determined as **"Stable"**. The Company's equity level, fluctuations of the exchange rates, debt maturity and its level, cash flow and liquidity level, EBITDA margin and net profit indicators are the prior issues to be followed by JCR Eurasia Rating in the upcoming period. The macroeconomic indicators at national and international markets, as well as market conditions and legal frame about the sector will be continued to be monitored as well.