

## Corporate Credit Rating

New  Update

**Sector:** Food Industry  
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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	Negative	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on Aug 18, 2022

## TuKaş Gıda Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of "TuKaş Gıda Sanayi ve Ticaret A.Ş." in the investment level category with very high credit quality, revised the Long-Term National Issuer Credit Rating from 'AA- (tr)' to 'AA (tr)' and assigned the Short-Term National Issuer Credit Rating as 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been determined as 'BB / Negative', as parallel to international ratings and outlooks of Republic of Türkiye.

**TuKaş Gıda Sanayi ve Ticaret A.Ş.** (hereinafter referred to as "TuKaş" or "the Group") was established in 1962 under the name of "Turgutlu Konservecilik A.Ş." before changing its name to "TuKaş Gıda ve San. A.Ş." in 2002. TuKaş was purchased by OYAK in 1967 and finally purchased by Okullu Family in 2014.

TuKaş has been quoted on the Borsa Istanbul Stock Exchange (BIST), since 1994. As of 1Q2023, 34.86% of shares are publicly traded on the BIST with the ticker symbol "TUKAS", while the controlling shares belong to Okullu family members.

With its over 50 years of track record, TuKaş operates in the field of production of all kinds of foodstuffs, primarily tomato paste, canned food and pickles, and the sells these products in domestic and international arena. The Group's facilities are located in Torbalı, Akhisar, Manyas and Niğde with an average staff of 1,146 in FY2022, which 38.83% of was constant.

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

### Strengths

- Improvement in leverage indicators in the analysed period,
- Diversified product portfolio providing sales growth over the reporting period,
- Credible customer portfolio of leading national chain markets underpinning EBITDA generation capacity and profitability,
- Elasticity in production and export level in order to mitigate revenue generation risk,
- Solid equity level mainly dominated by retained earnings particularly in FYE2022 and 1Q2023,
- Operating volume growth through ongoing investments mainly supporting capacity increases and cost advantage,
- Established brand reputation through 61 years presence in the sector,
- Enhanced practices of corporate governance principles.

### Constraints

- Short-term dominated funding structure over the last three-year period,
- Long cash conversion cycle due to seasonality effect and business model,
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance.

Considering the aforementioned factors, the Group's the Long-Term National Rating has been revised from 'AA- (tr)' to 'AA (tr)'. Sustainable revenue and EBITDA performance, widened product portfolio, internal equity generation capacity, effective risk management practices, strong brand identity and the competitive advantage obtained through long business track record as well as ongoing macroeconomic uncertainties 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 Group'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.

