JCR-ER JCR Eurasia Rating

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

## Corporate Credit Rating

☐New ☒Update


**Sector:** Food industry

**Publishing Date:** 22.07.2022

**Senior Chief Analyst**

Orkun İnan

+90 212 352 56 73

orkun.inan@jcrer.com.tr

**Team Leader**

Merve Hayat

+90 212 352 56 73

merve.hayat@jcrer.com.tr

**Assistant Analyst**

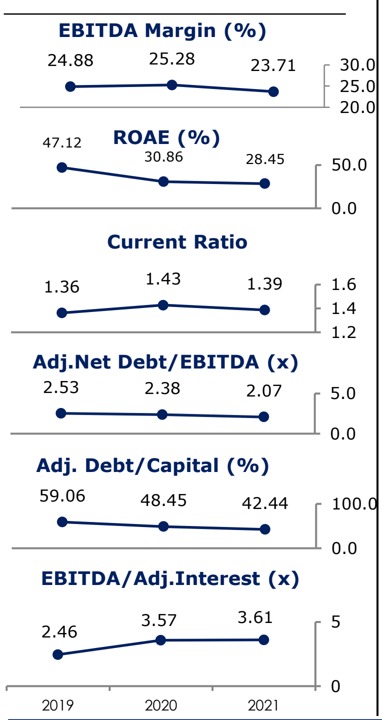
Büke Bora

+90 212 352 56 73

buke.bora@jcrer.com.tr


| 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 | J3 |
| | International FC ICR Outlooks | Stable | Stable |
| | International LC ICR | BB | J3 |
| | International LC ICR Outlooks | Stable | 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 31, 2021*




# Tukaş Gıda Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of **"Tukaş Gıda Sanayi ve Ticaret A.Ş."** and affirmed the Long-Term National Issuer Credit Rating as **'AA- (tr)'** and 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 were affirmed as **'BB/Stable',** same as country ceiling.

Tukaş Gıda Sanayi ve Ticaret A.Ş. (hereinafter referred as **'Tukaş'** or **'the Group'**) was established in 1962 under the name "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 then in 2014 purchased by Okullu Gıda. Tukaş has been quoted on the Borsa Istanbul Stock Exchange (BIST) since 1994. 34.28% of shares are publicly traded on the BIST with the ticker symbol **"TUKAS"**, while the controlling shareholder belongs 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 and Manyas with an average staff of 1,270 in FY2021, which 28.82% of was constant.

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

| Strengths | Constraints |
|---|---|
| • Sustainability in revenue through a diversified product portfolio,<br>• Moderate financial leverage metrics,<br>• Credible customer portfolio of leading national chain markets underpinning revenue and EBITDA generation,<br>• Operating volume growth through ongoing investments mainly providing capacity increases and cost advantage,<br>• The growth potential in Group's export level with its power to spread to different locations,<br>• Increasing trend in equity level despite contribution of non-cash revaluation gains until 1H2022,<br>• Established brand reputation through 60 years presence in the sector,<br>• Enhanced practices of corporate governance principles. | • Short-term dominated funding structure,<br>• Seasonality in production activities as main production is based on fresh fruits and vegetables leading risks such as climatic conditions, drought, flood and disease. |

Considering the aforementioned factors, the Group's the Long-Term National Rating has been affirmed as **'AA- (Trk)'**. The Group's long business track record, sustainable sales revenue, wide recognition in the sector, further export potential, low non-performing receivables level supported by receivable insurance, strengthened equity level through revaluation gains, natural hedge mechanism through FX income generation capacity via increasing export revenue, expectation of further improvement in profit generation capacity with completion investments and capability to access funding resources along with 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, additional cash flows that will be generated by completed and ongoing investments, profitability indicators and expansion in export markets 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.