## Corporate Credit Rating

□New ⊠Update

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)	National ISR	A+ (tr) Stable	J1 (tr) Stable
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign *	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-
* Assigned by JCR on Aug 18, 2022			

**EBITDA Margin (%)** 5.84 3.78 10 2.91 0 ROAE (%) 40.24 25.09 50 13.16 0 Current Ratio (x) 1.38 2 1.23 1.17 1 Adj.Net Debt/EBITDA (x) 3.89 3.13 5 1.44 0 Adj. Debt/Capital (%) 68.06 68.72 53.46 100 0 EBITDA/Adj.Interest (x) 5 2.88 2.33 2.58

2020

2021

0

2022

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the **"Ulusoy Un Sanayi ve Ticaret Anonim Şirketi"** in the investment-level category and revised the Long-Term National Issuer Credit Rating from **'A (tr)'** to **'A+ (tr)'** and the Short-Term National Issuer Credit Rating at **'J1 (tr)'** with **'Stable'** outlook. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as **'BB/Negative'** as parallel to international ratings and outlooks of Republic of Türkiye.

JCR Eurasia Rating

**Ulusoy Un Sanayi ve Ticaret Anonim Şirketi** (referred to as **'the Group'** or **'Ulusoy Un'**) was established in 1989 to manufacture, trade, import and export all kinds of foodstuffs such as flour, semolina, pasta and biscuits made of cereals and pulses. The main activity of Ulusoy Un is the production, trade of wheat flour, bran and other feed raw materials, domestic and foreign sales, as well as domestic and international trade of various cereals, especially wheat. The Group has three factories with a total wheat processing capacity of 3.925 tons/day, including 2.085 tons/day in Samsun, 400 tons /day in Çorlu and 1.440 tons /day in Aydın as well as silos, warehouses and free zone warehouses with a grain storage capacity of 300,000 tons. Ulusoy Un started exporting in 1995 and has exported flour and grain products to 92 countries to date. The Group has 4 subsidiaries and 1 affiliate. Licensed warehousing activities and sales channels are managed with these companies, of which Ulusoy Un is the sole shareholder. The Group ranked 273th in Türkiye's Top 500 Industrial Enterprises in 2022 (2021: 375th).

Ulusoy Un is managed by members of the Ulusoy Family. The main shareholder of Ulusoy Un is Eren Günhan Ulusoy with the share of 37.57% as of 3Q2022. Ulusoy Un's shares (34.02%) have been traded on Borsa İstanbul Index (BIST) since 2014 under the ticker-name of "ULUUN".

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

Strengths	Constraints
<ul> <li>Significant revenue growth in FY2022 and continuing sales performance in 3Q2023 period, supported by increased business volume,</li> <li>Improvement in the gross profit and EBITDA generation capacity along with recovery in profitability indicators in FY2022,</li> <li>Satisfactory level of equity supported by internal equity generation capacity,</li> <li>Low level of operating ratio and improved cash cycle supporting efficiency,</li> <li>Improvement in the NWC and cash flow metrics easing liquidity management in FY2022,</li> <li>Operating in the food industry where demand elasticity is relatively low,</li> <li>As a publicly traded company compliance</li> </ul>	<ul> <li>pressuring leverage metrics in 3Q2023,</li> <li>Pressure on bottom-line results due to increasing financing costs largely dominated by FX losses,</li> <li>Challenging macroeconomic backdrop given the monetary tightening implementations that limit access to finance.</li> </ul>

 As a publicly traded company, compliance with Corporate Governance Practices.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been revised from **'A (tr)'** to **'A+ (tr)'**. The Group's sales performance, EBITDA generation capacity, asset quality, liquidity structure, leverage level and wide product range 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 financial structure, market conditions, EBITDA generation capacity, debt ratios, liquidity ratios and developments in the global economy together with the trends in the industries 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.

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